



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
Division of Financial Responsibility  
William R. Snodgrass Tennessee Tower  
312 Rosa L. Parks Ave., 10<sup>th</sup> Floor  
Nashville, TN 37243  
(615) 532-0851

**SECOND NOTICE**

February 26, 2014

The Honorable Ken Moore  
City of Franklin Mayor  
109 Third Avenue South  
Franklin, Tennessee 37064

RE: Annual Inflation Adjustment of the financial assurance for *the City of Franklin, Permit # SWP 94-1469* as required by the Regulations of the Division of Solid Waste Management.

Dear Mayor Moore:

**All county and municipal "Contracts in Lieu of Performance Bonds" must be adjusted annually for inflation by no later than the anniversary date of the issuance of the contract.**

The staff of the Financial Responsibility Group utilizing data published by the U. S. Department of Commerce has projected the GNP (Gross National Product) inflation factor to be used for the inflation adjustments and renewals required before *March 31, 2014*. Our projection of the inflation factor to be used is **1.5%**. The amount of your financial assurance instrument(s) from the Year 2013 must be multiplied by **1.015**. The permitted facility and/or the Department may reserve the right to adjust this figure later based upon the actual inflation factor published by the U.S. Department of Commerce. The U. S. Department of Commerce does not make this information available until late March of each year.

**Effective immediately, any County or Municipal Contract in Lieu of Performance Bond incurring an annual inflation adjustment shall not be processed by amendment until the cumulative amount of the adjustment(s) equals or exceeds TEN THOUSAND DOLLARS (\$10,000.00). This is a change from the previous threshold of Five Thousand Dollars (\$5,000). For example, if the inflation adjustment is \$4,000 in year one, \$5,000 in year two, and \$6,000 in year three, the amendment will be processed in year three when the total of adjustments exceeds \$10,000. We will continue to send your inflation adjustment figures annually for your records whether or not a contract amendment is required.**

Please review the amount(s) listed for each permit listed below. If any changes or modifications to your permit(s) have occurred, please contact us as soon as you receive this letter. The due date(s) and projected amount(s) for the inflation adjustment(s) of your financial instrument(s) are as follows:

Inflation Adjustments **REQUIRED** for 2013

Facility Permit #:	Financial Instrument Type & No.:	Financial Instrument Anniversary Due Date:	Present Amount of Financial Assurance "On File"	Inflation Adjustment / Increase Required:	Inflation Adjustment and Allowable Post-Closure Reduction:	Total "Required" Amount of Financial Assurance:
SWP 94-1469	Contract	05-07-14	0	\$ 277,250.00	\$	\$ 277,250.00

Please see the attached spreadsheets, which list in detail the amount of financial assurance required due to the 2013 annual inflation adjustment and/or post closure reduction (if applicable) for your permit(s). The spreadsheets also list the current amount of financial assurance on file for each permit.

**PLEASE NOTE**

- (1) Any County and/or Municipal Contract In Lieu of Performance Bonds incurring an annual inflation adjustment shall not be processed by amendment until the amount of the adjustment equals or exceeds TEN THOUSAND DOLLARS (\$10,000.00).

If you have any questions, please call me at (615) 532-0848. Please submit the inflation adjusted financial instrument to the Financial Responsibility Group at the address listed on the letterhead as indicated above.

Respectfully,

  
 James Marks, ASA IV  
 Municipal & County Contract Administrator  
 TDEC – Financial Responsibility

CC: AL Majors, Manager of Solid Waste Management, Nashville Field Office, TDEC

Enclosure: Customer Information Spreadsheet

**CONTRACT IN LIEU OF PERFORMANCE BOND**

PURSUANT TO T.C.A. 68-211-116 and THE RULES AND REGULATIONS OF THE STATE OF TENNESSEE, the **City of Franklin, TN** (hereinafter referred to as "The City"), and the Tennessee Department of Environment and Conservation do hereby contract and agree as follows:

1. This agreement applies to the following solid waste processing and/or disposal facility(s):

City of Franklin, TN  
Permit # SWP 94-1469

2. The City shall properly operate the described solid waste processing and/or disposal facility(s) and perform closure of each facility listed above, in accordance with all requirements of the permit and any applicable closure/post-closure plan, as such plan and permit may be amended, and pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended.

3. The Total penal sum of this agreement is (per facility):

\$ 277,250.00

4. In the event that the City fails to perform as specified in paragraph 2, above, after giving the City notice and opportunity to cure the violation, the Commissioner of the Department of Environment and Conservation may collect any amount up to the total penal sum from any funds that otherwise would be disbursed from the State of Tennessee to the City and this agreement shall act as an assignment of any such forfeited funds from the City to the Tennessee Department of Environment and Conservation.

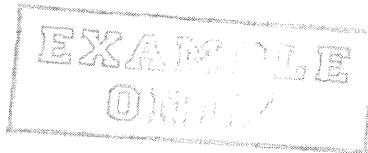
5. This contract shall be filed with the Commissioner of Finance and Administration who shall distribute any funds forfeited pursuant to this contract upon written notice from the Commissioner of Environment and Conservation.

This 26<sup>th</sup>, day of **February** 2014.

\_\_\_\_\_  
Title: \_\_\_\_\_  
For the City of: \_\_\_\_\_

\_\_\_\_\_  
Title: \_\_\_\_\_  
For the City of: \_\_\_\_\_

\_\_\_\_\_  
Title: \_\_\_\_\_  
For the County of: \_\_\_\_\_



\_\_\_\_\_  
Commissioner,  
Department of Environment and Conservation

\_\_\_\_\_  
Commissioner,  
Department of Finance and Administration

Please Type or Complete Form in Ink and Submit **Three (3)** Signed Originals of this document