

**RUTHERFORD COUNTY, TENNESSEE
AMENDMENT OF CONTRACT IN LIEU OF PERFORMANCE BOND**

WHEREAS, Rutherford County and the State of Tennessee Department of Environment and Conservation entered into a Contract in Lieu of Performance Bond for proper operation and closure and/or post-closure of the Rutherford County Sanitary Landfill, Permit Number SNL 75-0103; and

WHEREAS, said contract included a provision allowing the Commissioner of Environment and Conservation to collect up to Three Million Ninety Six Thousand Nine Hundred Fifty One Dollars (\$3,096,951.00) from any funds being disbursed or to be disbursed from the State to the County of Rutherford as financial assurance for said proper operation, closure and post-closure; and

WHEREAS, the State and the County of Rutherford desire to change the amount of said financial assurance from Three Million Ninety Six Thousand Nine Hundred Fifty One Dollars (\$3,096,951.00) to Two Million Nine Hundred Forty Eight Thousand Three Hundred Ninety Four Dollars (\$2,948,394.00).

Paragraph Three (3) of the Agreement in Lieu of Performance Bond is amended as follows:

The figure “\$3,096,951.00” is deleted and the figure “\$2,948,394.00” is substituted in lieu thereof.

RESOLVED, this 11th day of December, 2014.

RUTHERFORD COUNTY, TN

BY: _____
ERNEST G. BURGESS, COUNTY MAYOR

ATTEST: _____
LISA CROWELL, County Clerk

Commissioner
Department of Environment and Conservation

Commissioner
Department of Finance & Administration



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

RECEIVED
NOV 25 2014

November 19, 2014

The Honorable Ernest Burgess
Rutherford County Mayor
County Courthouse, Room 101
Murfreesboro, Tennessee 37130

RE: Annual Inflation Adjustment of the financial assurance for *the Rutherford County Sanitary Landfill, Permit # SNL 75-0103* as required by the Regulations of the Division of Solid Waste Management.

Dear Mayor Burgess:

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.

Rule Chapters 0400-12-01-.06(8) and 0400-11-01-.03(3) state that the inflation adjustment may be made by recalculating the closure and/or post-closure cost estimate in current dollars or by using an inflation factor derived from the most recent Implicit Price Deflator for the Gross National Product published by the U.S. Department of Commerce in its Survey of Current Business.

The staff of the Division of Financial Responsibility, utilizing data published by the U. S. Department of Commerce, has projected the inflation factor to be used for 2015 inflation adjustments as **1.55%**. The amount of your financial assurance instrument(s) from the Year 2014 must be multiplied by **1.0155**. The permitted facility and/or the Department may reserve the right to adjust this figure later based upon revised data released by the U.S. Department of Commerce during the 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:

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:
SNL 75-0103	Contract	01-03-15	\$ 3,096,951.00	\$	\$ 148,556.00	\$ 2,948,394.00

Please see the attached spreadsheets, which list in detail the amount of financial assurance required due to the 2014 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 or you may email me at james.marks@tn.gov if you would like to receive an electronic blank contract via email, please let me know.

Respectfully,



James Marks, ASA IV
Municipal & County Contract Administrator
TDEC - Division of Financial Responsibility

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

Enclosure: Customer Information Spreadsheet

Amendment of Contract in Lieu of Performance Bond

Whereas, **Rutherford County** and the State of Tennessee Department of Environment and Conservation, entered into a Contract in Lieu of Performance Bond for proper operation and closure and/or post-closure of the **Rutherford County Sanitary Landfill**, Permit Number(s) **SNL 75-0103**; and

Whereas, said contract included a provision allowing the Commissioner of Environment and Conservation to collect up to **\$3,096,951.00** from any funds being disbursed or to be disbursed from the State to the **County of Rutherford** as financial assurance for said proper operation, closure and post-closure; and

Whereas, the State and the **County of Rutherford** desire to change the amount of said financial assurance from **\$3,096,951.00** to **\$ 2,948,394.00**.

Paragraph 3 of the Agreement in Lieu of Performance Bond is amended as follows:

The figure "**\$3,096,951.00**" is deleted and the figure "**\$2,948,394.00**" is substituted in lieu thereof.

Date of Amendment to Contract November 19, 2014
(Must have date of Official's signature)

Commissioner
Department of Environment
and Conservation

Title: _____
For the County of: _____

Commissioner
Department of Finance
and Administration



Title: _____
For: _____

Title: _____
For: _____

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

Amendment of Contract in Lieu of Performance Bond

Whereas _____ and the State of Tennessee Department of Environment and Conservation, entered into Contract in Lieu of Performance Bond (Copy attached) for proper operation and closure and/or post-closure of the _____, Register Number _____; and

Whereas, said contract included a provision allowing the Commissioner of Environment and Conservation to collect up to \$ _____ from any funds being disbursed or to be disbursed from the State to the _____ as financial assurance for said proper operation, closure and post-closure; and

Whereas, the State and _____ desire to change the amount of said financial assurance from \$ _____ to \$ _____.

Paragraph 3 of the Agreement in Lieu of Performance Bond is amended as follows:

The figure “\$ _____” is deleted and the figure “\$ _____” is substituted in lieu thereof.

Date of Amendment to Contract _____, **2015**.

Commissioner
Department of Environment
and Conservation.

Title _____
For the County of _____

Commissioner
Department of Finance
and Administration

Title _____
For _____

Title _____
For _____

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

FINANCIAL RESPONSIBILITY

CUSTOMER DATABASE

DIVISION	Solid Waste Management		Evaluated by:	JEM
(UST ONLY)	<input type="checkbox"/> FUND PARTICIPANT	<input type="checkbox"/> FUND PARTICIPANT		
	<input type="checkbox"/> ELIGIBILITY ASSUMED	<input type="checkbox"/> NOT FUND ELIGIBLE	<input type="checkbox"/> NOT PARTICIPATING IN THE FUND	
OWNER/ OPERATOR NAME	Rutherford County, TN			
ADDRESS	County Courthouse, Room 101			
	Murfreesboro, TN 37130			
CONTACT PERSON	Mr. Ernest Burgess			
TITLE	Mayor (Rutherford County, TN)			
TELEPHONE #	(615) 898-7745			
FAX NUMBER				
CORPORATE PARENT/OWNER				
EMAIL ADDRESS	eburgess@rutherfordcountyttn.gov			
CONTACT PERSON				
TITLE				
TELEPHONE #				
FAX NUMBER				
HW INSTALLATION ID # (EPA)				
SOLID WASTE PERMIT #	SNL 75-0103			
UST OWNER ID #				
RADIOLOGICAL HEALTH PERMIT #				
SUPERFUND PERMIT #				
GEOLOGY (OIL & GAS) PERMIT #				
WATER POLLUTION CONTROL (SURFACE MINING) PERMIT #				

FACILITY ID#(s) OR PERMIT #(s) UNDER THIS OWNER

FACILITY OR PERMIT
ID #

LOCATION OR ADDRESS

SNL 75-0103

6000 Landfill Road, Murfreesboro, TN

Summary Sheet

Amount of Financial Assurance Required

PERMIT ID # OR FACILITY ID # (s)	AMOUNT OF CLOSURE OPERATING CONTINGENCY REQUIRED (A)	AMOUNT OF POST- CLOSURE REQUIRED (B)	AMOUNT OF 3RD PARTY LIABILITY REQUIRED (C)	AMOUNT OF CORRECTIVE ACTION REQUIRED (D)	INSTRUMENT TYPE AND ISSUE DATE (E)	ISSUING INSTITUTION (F)	TOTAL AMOUNT OF FINANCIAL ASSURANCE (G)
SNL 75-0103	CLOSED	\$2,948,393.44					\$2,948,393.44
Total Required	\$0.00	\$2,948,393.44	\$0.00	\$0.00			Total (A,B,C,D) \$2,948,393.44

Amount of Financial Assurance On File

PERMIT ID # OR FACILITY ID#(s)	AMOUNT OF CLOSURE OPERATING CONTINGENCY ON FILE (AA)	AMOUNT OF POST- CLOSURE ON FILE (BB)	AMOUNT OF 3RD PARTY LIABILITY ON FILE (CC)	AMOUNT OF CORRECTIVE ACTION ON FILE (DD)	INSTRUMENT TYPE AND ISSUE DATE (E)	ISSUING INSTITUTION (F)	TOTAL AMOUNT OF FINANCIAL ASSURANCE (G)
SNL 75-0103	CLOSED	\$3,096,950.27			C 1/3/2003	Rutherford Co	\$3,096,950.27
Total on File	\$0.00	\$3,096,950.27	\$0.00	\$0.00			Total (AA,BB,CC,DD) \$3,096,950.27
Net amount overfunded as of 11/19/2014	+\$0.00	+\$148,556.83					+\$148,556.83

ABBR. C - CONTRACT CB - CASHBOND, CHECK OR CASH CD - CERTIFICATE OF DEPOSIT CG-FT - CORPORATE GUARANTEE
 FINANCIAL TEST CI - CERTIFICATE OF INSURANCE FT - FINANCIAL TEST GG - GOVERNMENT GUARANTEE LC - LETTER OF
 CREDIT PB - PERFORMANCE BOND S - SECURITIES TF - TRUST FUND

Attachment 2 : Calculating Financial Assurance From the Beginning To the End of the Post Closure Care Period

Facility :	Rutherford County Landfill
Permit# :	SNL 75-0103

This site closed in **2000** and is required to have 30 years of post closure care.
 At closure in **2000** the cumulative inflation adjusted total of post closure was **\$4,397,600.00**.
 or

This site has not yet begun post closure. The scheme below is simply an example of how post closure financial assurance will be adjusted annually for inflation.

This example assumes that the facility closed in _____ and is required to have ____ years post closure. At closure, the cumulative inflation adjusted post-closure amount was \$_____. Each successive year after closure, the post-closure amount is reduced by approximately one year's post-closure expense and the outstanding dollar amount of post-closure is adjusted for inflation.

Calculation of Post Closure With Annual Inflation Adjustments After Closure of the Waste Management Unit							
EACH YEAR FOLLOWING CLOSURE (A)	ANNUAL INFLATION FACTOR (B)	SUM OF REMAINING YEARS COST OF POST CLOSURE (C)	NUMBER OF YEARS REMAINING IN POST CLOSURE (D)	APPROXIMATELY ONE YEAR REDUCTION IN POST CLOSURE COST (E)	ESTIMATED AMOUNT OF POST CLOSURE FOR REMAINING YEARS (F)	INFLATION ADJUSTMENT FOR THE REMAINING YEARS (G)	AMOUNT OF POST CLOSURE FINANCIAL ASSURANCE DUE THIS YEAR (H)
Year(row)	row27	Formula=H26	Year(s)	=C27/D27	=C27-E27	=F27*B27	=G27
2000	1.015						\$4,397,600.00
2001	1.021	\$4,397,600.00	30	\$146,586.67	\$4,251,013.33	\$4,340,284.61	\$4,340,284.61
2002	1.022	\$4,340,284.61	29	\$149,664.99	\$4,190,619.63	\$4,282,813.26	\$4,282,813.26
2003	1.011	\$4,282,813.26	28	\$152,957.62	\$4,129,855.64	\$4,175,284.05	\$4,175,284.05
2004	1.017	\$4,175,284.05	27	\$154,640.15	\$4,020,643.90	\$4,088,994.85	\$4,088,994.85
2005	1.022	\$4,088,994.85	26	\$157,269.03	\$3,931,725.82	\$4,018,223.79	\$4,018,223.79
2006	1.027	\$4,018,223.79	25	\$160,728.95	\$3,857,494.83	\$3,961,647.19	\$3,961,647.19
2007	1.030	\$3,961,647.19	24	\$165,068.63	\$3,796,578.56	\$3,910,475.92	\$3,910,475.92
2008	1.027	\$3,910,475.92	23	\$170,020.69	\$3,740,455.23	\$3,841,447.52	\$3,841,447.52
2009	1.024	\$3,841,447.52	22	\$174,611.25	\$3,666,836.27	\$3,754,840.34	\$3,754,840.34
2010	1.012	\$3,754,840.34	21	\$178,801.92	\$3,576,038.42	\$3,618,950.88	\$3,618,950.88
2011	1.010	\$3,618,950.88	20	\$180,947.54	\$3,438,003.33	\$3,472,383.37	\$3,472,383.37
2012	1.024	\$3,472,383.37	19	\$182,757.02	\$3,289,626.35	\$3,368,577.38	\$3,368,577.38
2013	1.019	\$3,368,577.38	18	\$187,143.19	\$3,181,434.19	\$3,241,881.44	\$3,241,881.44
2014	1.015	\$3,241,881.44	17	\$190,698.91	\$3,051,182.53	\$3,096,950.27	\$3,096,950.27
2015	1.016	\$3,096,950.27	16	\$193,559.39	\$2,903,390.88	\$2,948,393.44	\$2,948,393.44