SUMMARY OF PROPOSED SETTLEMENT AGREEMENT: CITY OF MUFREESBORO, TENNESSEE VS. REPUBLIC SERVICES, INC., ET AL. Case No. 3:22-cv-00605, U.S. District Court for the Middle District of Tennessee

BACKGROUND

- The lawsuit was filed in August 2022 to address both water pollution and air pollution from Middle Point Landfill ("MPLF") under the Clean Water Act, Clean Air Act and state nuisance and negligence law. The Court denied motions to dismiss by Defendants in November 2023 and February 2024.
- The Parties engaged in extensive discovery with over 50,000 documents produced and 21 depositions taken.
- Mediation began in February 2024 and was completed in June 2025.
- If approved by the City Council, the Proposed Settlement Agreement ("Agreement") will have to be approved by the Court.

PFAS WATER POLLUTION

- PFAS (per- and polyfluoroalkyl substances) are a class of fluorinated organic chemicals used in a number of industrial and consumer products to provide stain resistance, water resistance, and non-stick coatings. The PFAS of most concern are perfluorooctanoic acid ("PFOA") and perfluorooctane sulfonate ("PFOS"), which are very persistent (called "forever chemicals") and toxic to humans at extremely low levels.
- The Agreement addresses PFAS in landfill leachate discharged to the City's sewer system, in surface water runoff to the East Fork Stones River, and in groundwater, including springs on and around MPLF.
- <u>Leachate discharged to the City's sewer system</u>: the Agreement provides for monthly sampling of MPLF's leachate for PFAS and for a study to be paid for by MPLF of other potential sources of PFAS discharging to the sewer system.
- MPLF will study pretreatment options for removal of PFAS from its leachate before the discharge to the City's sewer and provide a report to the City within 1 year.
- If a regulation is adopted by EPA or the Tennessee Department of Environment and Conservation ("TDEC") requiring the City to reduce PFAS in its effluent, MPLF will construct a pretreatment system to remove PFAS from the leachate sent to the City.
- PFAS discharged to East Fork Stones River from stormwater outfalls: MPLF will construct a passive granular activated carbon ("GAC") treatment system to reduce levels of PFAS in its main stormwater outfall and sample other outfalls to determine whether treatment is needed. If the GAC system does not reduce PFAS sufficiently, additional measures will be required, and a penalty can be assessed if MPLF fails to do so.
- <u>PFAS in groundwater and springs</u>: MPLF will test semiannually and provide the results to the City and TDEC and take remedial action if TDEC requires it.
- MPLF will provide \$40,000 to the City for sampling of surface water and the City's drinking water for 2 years.
- The City reserves the right to sue MPLF for the costs of a new drinking water treatment system in the future if the City's drinking water violates the Safe Drinking Water Act's limits for PFOA and PFOS.

AIR POLLUTION AND ODORS

- Landfill gas, which is mostly methane, is generated as garbage decomposes in the landfill. It contains odorous compounds, such as hydrogen sulfide and mercaptans, and hazardous compounds, such as benzene. Odors can also be caused by leachate seeps. Under the Clean Air Act MPLF is required to operate the landfill, including the gas collection and control system ("GCCS"), in a manner consistent with good air pollution control practice for minimizing emissions. The GCCS must be designed to handle the maximum expected gas flow rate from the entire area of the landfill and to minimize off-site migration of landfill gas.
- The Agreement contains a comprehensive GCCS Management Plan designed to exceed regulatory requirements to improve the operation of the GCCS and require responsive actions when problems occur that can result in off-site migration of gas and odors.
- Oversight by the City and its experts is built into the Plan with: (1) sharing of information about GCCS designs and operation and maintenance; (2) semiannual site visits to check compliance with the Plan; and (3) agreed penalties if MPLF fails to comply with essential elements of the Plan.
- MPLF must take immediate actions if surface methane levels exceed 50,000 ppm in a
 monitoring event or 3,000 ppm in 3 out of 4 events, which can include well head tuning
 to increase gas collection, repair of soil cover or the exposed geomembrane cover
 ("EGC"), monitoring and improvement of liquid removal from gas wells, and installation
 of new gas wells, if necessary.
- The City and MPLF will create a shared odor complaint portal for neighbors to report odor complaints with MPLF required to immediately investigate, document, and address the complaint if it is received at the time the odor is being experienced.
- MPLF will continuously monitor the air quality for concentrations of ammonia and hydrogen sulfide in perimeter monitors of its continuous gas monitoring system and, if there are elevated readings, immediately begin performing site inspections to determine the source and attempt to correct the source within two business days.
- MPLF is required to address gas wells that contain leachate diminishing the collection of landfill gas, including installing a pump in any vertical extraction well that is mostly blocked by liquids.
- MPLF is required to repair surface gas leaks, such as holes in the EGC, broken gas well hoses, and defective well boots prior to the next inspection or tuning event. Leachate seeps and pooling of liquids must be addressed and documented.

OTHER PROVISIONS OF THE PROPOSED SETTLEMENT AGREEMENT

- Republic will reimburse \$500,000 of the City's expenses for surface water and groundwater sampling and for development of the Gas and Odor Plan.
- Republic will reimburse the City up to \$50,000 per year for two years for expert fees for oversight of MPLF's compliance with the GCCS Plan.
- The Proposed Settlement Agreement does not affect the City's ability to oppose expansion of MPLF, including expansion on top of the Aluminum Waste Reaction Area or the proposed major expansion onto Rutherford County's closed landfill property.