

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**January 13, 2009**

The Loudon County Solid Waste Disposal Commission (the "Commission") met on January 13, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Robert Harrison, Ted Sitzlar, Jim Akins, John Watkins, Bill Waldrop, and Aprell Patterson. Other attendees included Attorney Bud Gilbert and Santek representatives Paul Thomas and Lorie Maples.

Chairman Field called the meeting to order.

**MOTION:** Mr. Waldrop made a motion to approve the December minutes with the revision on Page Two changing the words "recycling costs" to "recycling revenue". Motion was unanimously approved by the members present.

The Commission reviewed its cash activity report for the month. Mr. Harrison asked Mr. Gilbert if the legal fees presented on the cash report were quarterly or monthly. Mr. Gilbert said he billed the Commission monthly. Mr. Sitzlar asked if the line item "Closure Reserves" would be adjusted as discussed in last month's meeting. Mr. Gilbert said he will make changes to the form and provide it to the Loudon County Finance Department.

Mr. Gilbert reported the bond amount for closure and post-closure are \$789,726 for Phase I and \$6,582,139 for Phase II/IV. Chairman Field explained these figures were what the County has pledged of their State share taxes for the bond. He also stated the bond would be adjusted with the new permit. Mr. Akins asked how many years of post-closure remained on Phase I. Mr. Field said it was around 20 more years, but the State could require additional monitoring after the minimum 30 year post closure period ends.

During Santek's Operations report to the Commission, Mr. Thomas reported the tire wall was temporarily down and had collapsed due to the wet weather. Ms. Maples distributed a flow chart explaining the permit modification process for the landfill she had downloaded from the State website. She also reported that Santek's subsidiary Waste Services was the low bidder in the Lenoir City government request for bids for the hauling and disposal of the city's solid waste at Matlock Bend.

Chairman Field discussed his and Mr. Gilbert's meeting with Monterey Mushroom's Greg Sweet. Chairman Field said that Monterey is interested in selling the property at the appraised value. He asked the Commission how they wanted to proceed. Did they want an option on the property until they received the stakeholders blessing, or proceed with the purchase agreement. Mr. Harrison said he was not sure an option would be in the best interest of the Commission.

A lengthy discussion was held regarding the acquisition of the property. Mr. Sitzlar said the selling point to stakeholders was the County would not have to find a location for a new landfill because the Commission was extending the current landfill's life. Mr. Watkins said he would like the stakeholders to be notified prior to purchasing the land. Mr. Waldrop said he thought the Commission should go ahead and purchase the property because the stakeholders have delegated to and authorized the Commission to oversee all landfill duties and obligations. Mr. Field said it was

within the Commission's charter to make this decision, but he personally would prefer the stakeholders concur before purchasing the property. Mr. Gilbert entertained the question of whether the Commission would proceed anyway if the stakeholders disapproved. Mr. Field said there was a 5<sup>th</sup> Monday meeting in March where they could discuss the property acquisitions with all three of its government stakeholders. Mr. Gilbert pointed out an option could give the element of doubt to the seller and he was concerned that the Commission might lose a favorable purchase opportunity for the subject property.

**MOTION:** Mr. Akins made a motion for Mr. Gilbert to get an option on the Monterey Mushroom property. Mr. Watkins seconded the motion.

Mr. Gilbert said he could call Monterey Mushroom and explain to the seller that the Commission did not want to offend its stakeholders by failing to notify and consult with them before the Commission entered into a binding purchase agreement for the property.

Mr. Harrison moved to amend the current motion to instead require a purchase agreement which would be signed within three weeks. Mr. Waldrop seconded the amended motion. Amended motion failed on a vote of 2 to 5.

Mr. Waldrop moved to amend the motion to instead require a purchase agreement with a required closing within six months. Mr. Harrison seconded the motion. Amended motion failed on a vote of 2 to 5.

Mr. Watkins called the question on the original motion. The call for the question also failed on a vote of 2 to 5.

Chairman Field recommended that the Commission ask for an option for six months. Mr. Gilbert asked what the Commission was willing to pay for the option. Mr. Sitzlar asked Mr. Gilbert what was reasonable under the circumstances. Mr. Gilbert said there really was not a standard price in the industry and he would try to obtain an option without any major consideration and would request that the option price be applied at closing to the purchase price. He also noted that the seller would be without the purchase price for as much as six months later and might require that it be compensated for its interest on not receiving the purchase price earlier.

**MOTION:** Mr. Waldrop made a motion to amend the original motion to instead require that the Commission first attempt to obtain an option on the subject property for up to six months and offer up to \$5,000.00 for the option or if that were not acceptable to the seller, to authorize Chairman Field to negotiate a purchase agreement at the agreed price. Chairman Field seconded the motion. Motion carried unanimously.

During the Attorney's Report, Mr. Gilbert distributed to members a draft of the "Questions and Answers on the Permit Modification." Chairman Field said he would be attending the Loudon County Commissioner's workshop on January 26<sup>th</sup> to discuss the pending permit modification for the landfill. Mr. Harrison will meet with Loudon City Council on February 3<sup>rd</sup> and Mr. Akins will meet with Lenoir City Council on February 10<sup>th</sup>.

Ms. Maples said she would be getting with Gordon Harless on the upcoming Household Hazardous Collection Day. She also said she would be working on the 2008 Annual Report to the State.

Mr. Waldrop said he would be attending the upcoming SWANA Landfill Gas Seminar in Atlanta. He also would like to take a visit to Kimberly Clark's landfill gas project in South Carolina.

Mr. Harrison reminded the Commission several engineering firms were still interested in working with the Commission on upcoming projects.

**MOTION:** Mr. Sitzlar made a motion to adjourn the meeting at 9:05 p.m., which was seconded by Mr. Watkins. Motion was unanimously approved by the members present.

The next regular meeting of the Commission will be held on February 10, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'S. Field', written over a horizontal line.

Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**February 10, 2009**

The Loudon County Solid Waste Disposal Commission (the "Commission") met on February 10, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Robert Harrison, Jim Akins, John Watkins, Bill Waldrop, and Aprell Patterson. Other attendees included Attorney Bud Gilbert, Loudon County Convenience Center Manager Gordon Harless and Santek representatives Paul Thomas and Lorie Maples.

Chairman Field called the meeting to order.

**MOTION:** Mr. Waldrop made a motion to approve the January minutes with two revisions on Page Two. Motion was unanimously approved by the members present.

The Commission reviewed its cash activity report for the month. Mr. Gilbert said he has a call in to the Loudon County Finance Department concerning a format change to the cash activity form, but has not received a call back.

Mr. Harless reported to the Commission that April 18<sup>th</sup> has been set for the Household Hazardous Waste Collection Day. Chairman Field said the State of Tennessee has experienced budget cuts that will affect this event in many Tennessee counties this year. Mr. Harless reported his recycling revenue is down 45% due to the fall in the prices paid for recycling commodities. He reported Waste Connections has asked if he would accept the recycling from Tellico Village. Chairman Field encouraged Mr. Harless to look at recycling grants from the State. Ms. Patterson said the public needed to be educated about Home Depot and Best Buy taking electronics. Ms. Patterson said she had a contact for glass recycling and would pass it on to Mr. Harless. A discussion was held on how the Commission could help the County Convenience Centers. Mr. Harless said at this point he was just informing them on the current status of the county's recycling program.

Ms. Maples went over Santek's Operations report to the Commission. The Commission was provided the Quarterly Surcharge and Origin reports for the landfill. Also, provided in their packet was Santek engineering's remaining capacity report.

During the Attorney's Report, Mr. Gilbert discussed the meeting he and Chairman Field had with Monterrey Mushroom representative Greg Sweet. Mr. Sweet was very generous and understanding of the Commission's decision to speak with their government stakeholders before proceeding with the purchase. He said he would pass on the decision of doing an option or purchase agreement to his corporate officials. Mr. Gilbert said he had not yet heard back from Monterrey Mushroom.

Mr. Gilbert then read an email from Realtor Doug Berry concerning the West side property acquisition project. Mr. Berry indicated in the email that the Matlock and Ryan property owners were not interested in selling their property at the current appraised price or configuration. He said they voiced concerns over groundwater issues from stormwater runoff.

**MOTION:** Mr. Waldrop made a motion for Mr. Berry to begin negotiating with property owners for 5 acres pending an engineer's study. Mr. Akins seconded the motion.

Mr. Gilbert stated that Mr. Field and he had a recent meeting with Mr. Hill regarding the commission's 2008 audit. Mr. Hill is going to be looking at removing some post-closure liability to the Commission due to the new contract with Santek. A draft audit should be available at the next meeting.

Chairman Field said the County Commission was very complementary of the LCSWDC when he attended their meeting to discuss the landfill expansion. He said they were very pleased with the lower tipping fees charged for the governmental stakeholders.

Chairman Field attended the Solid Waste Advisory Committee meeting in Nashville. He said the Waste Reduction Task Force is trying to include strong language on waste reduction in the new proposed changes to Tennessee's solid waste regulations.

He told the Commission anyone wanting to attend the annual TDEC conference in Gatlinburg needs to give him their applications as soon as possible.

**MOTION:** Mr. Waldrop made a motion to adjourn the meeting at 8:12 p.m., which was seconded by Mr. Watkins. Motion was unanimously approved by the members present.

The next regular meeting of the Commission will be held on March 10, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,



Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**March 10, 2009**

The Loudon County Solid Waste Disposal Commission (the "Commission") met on March 10, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Robert Harrison, Jim Akins, John Watkins, and Ted Sitzlar. Other attendees included Attorney Bud Gilbert, Loudon County Convenience Center Manager Gordon Harless and Santek representatives Paul Thomas and Lorie Maples.

Chairman Field called the meeting to order.

**MOTION:** Mr. Watkins made a motion to approve the February minutes. Motion was unanimously approved by the members present.

The Commission reviewed its cash activity report for the month. Mr. Sitzlar asked a question concerning the closure reserves line item. Mr. Gilbert said this line item represented the balance of the host and security fees received from Santek since the new contract went into place. He also said the receivable from Lenoir City should represent the city's last payment under the settlement agreement regarding its improper diversion of waste from Matlock Bend.

Mr. Harless said he would like to invite surrounding counties who will not be hosting a Household Hazardous Waste Day to participate in Loudon County's event on April 18<sup>th</sup>. Chairman Field asked if he needed any assistance from the Commission. Mr. Harless said Ms. Maples would be assisting him with the event. Chairman Field also asked how they were going to handle latex paint at the event since TDEC has said it is safe to landfill when dried out. The Commission and Mr. Harless discussed how to properly dispose of paint and the best way to educate the public.

During Santek's Operations report to the Commission, Ms. Maples informed the Commission that in the near future the tonnage would decrease due to Tate & Lyle shutting down for a few weeks. Chairman Field asked about Kimberly Clark and Mr. Thomas said those volumes were also dropping.

Ms. Maples showed pictures of the new shop at the landfill. She said Santek would like to build a new scalehouse and wanted to know if the Commission would be willing to share in the costs. Chairman Field asked her to bring back plans showing demolition of the current scalehouse and cost plans for a new building for them to review. Mr. Gilbert stated that Section 7.4 of the Santek operating contract also possibly required Santek to obtain a performance and payment bond for the project.

Next item on the agenda was the Attorney's report. Mr. Gilbert reported his discussions with Realtor Doug Berry. Mr. Ryan still prefers to sell only his entire tract. Mr. Matlock was still noncommittal and did not agree with the appraisal price. He believes his property should appraise at an industrial price and not residential. Mr. Berry did not totally disagree with this thought.

Mr. Sitzlar shared his concerns about paying a higher price for property, which could in turn cause property taxes to rise for landfill neighbors. Mr. Harrison also reminded the Commission they did not have to be in a hurry to purchase property at this time. Chairman Field said he could speak with

the County Mayor to see if the county would be interested in the additional Matlock property the Commission did not need. Mr. Gilbert suggested the Commission authorize Mr. Berry to sign options for the Ryan and Matlock properties.

**MOTION:** Mr. Akins made a motion to authorize Mr. Berry to acquire a six month option at the price of \$5,000.00 per option on the Ryan property and anywhere from 9 acres to the entire tract on the Matlock property not to exceed the appraised value, which was seconded by Mr. Harrison. Motion passed with a vote of 4 to 1.

Chairman Field asked Mr. Sitzlar why he opposed the motion. Mr. Sitzlar said he questioned why the Commission needed to buy more property than needed. He said he wished they had bought the Matlock property when it was for sale years ago. Mr. Harrison said he would still like to get a handle on the closure reserve amount before buying more property.

Chairman Field asked Mr. Gilbert where he was on the Monterrey Mushroom property acquisition. Mr. Gilbert said he was still revising the option agreement.

According to the bylaws, Mr. Gilbert informed the Commission they were to select officers tonight for a two year term. The Commission approved the following appointments by motion duly made and seconded, which was approved unanimously: Mr. Steve Field as Chairman; Mr. Bill Waldrop as Vice Chairman; Mr. John Watkins as Secretary.

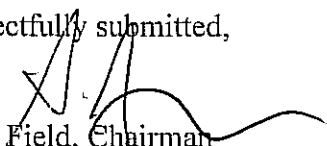
Mr. Sitzlar said he wanted to know if officers could be reimbursed for how much time they worked on landfill projects. Mr. Gilbert said Commission members could be reimbursed for their mileage expense and reasonable expenses incurred in connection with their service provide an appropriate policy was adopted by the Commission. Chairman Field requested Mr. Gilbert draft up a policy for reimbursement that matches the County's expense reimbursement policy.

Mr. Harrison and Mr. Akins reported the permit updates to their respective city councils had gone very well. Mr. Harrison also stated he had done a presentation to the Loudon Rotary Club. Chairman Field said he was contacted by the News-Herald about the landfill permit.

**MOTION:** Mr. Harrison made a motion to adjourn the meeting at 8:35 p.m., which was seconded by Mr. Watkins. Motion was unanimously approved by the members present.

The next regular meeting of the Commission will be held on April 14, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,

  
Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**April 10, 2009**

The Loudon County Solid Waste Disposal Commission (the "Commission") met on April 10, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Robert Harrison, Jim Akins, Aprell Patterson, Bill Waldrop, John Watkins, and Ted Sitzlar. Other attendees included Attorney Bud Gilbert, Loudon County Convenience Center Manager Gordon Harless and Santek representatives Paul Thomas, Rob Burnette, and Ron Vail and Kurt D. Sichelstiel, Managing Geologist, and Steve Bastiste, P.E., of Brown and Caldwell.

Chairman Field called the meeting to order.

**MOTION:** Mr. Watkins made a motion to approve the March minutes. Mr. Waldrop seconded the motion. Motion was unanimously approved by the members present.

Chairman Field reported that Lori Maples was unable to attend the meeting and he distributed the monthly Operations Report from Santek Environmental, Inc. The Commission took note of a field report for the landfill that was issued to Santek by the Tennessee Department of Environment and Conservation regarding some minor operating issues presented by a muddy site. The Commission's cash activity report for March was also distributed and reviewed by the Commission.

Mr. Harless reported on his planning for the annual Household Hazardous Waste Day, where he will have three employees working. This year the event will be located at the Loudon County Justice Center. Chairman Field asked about rules relative to the disposal of paint. Mr. Harless complemented Lori Maples on all the work she had done in helping to coordinate the event. He does not anticipate traffic issues although they had considered looking for a better site to accommodate this in the future. Mr. Sitzler asked about other sites that had been considered and was informed that several alternate locations were considered. They looked at the old Cole's property, which is owned by the state but more time is needed to accommodate that property in the future. Mr. Harless will seek state approval through a local contact to try to facilitate the use of that property in the future. Mr. Harrison volunteered his contact with state right of way people if that would help facilitate the process for next year.

Mr. Waldrop reported that he attended an annual conference in Atlanta regarding methane gas recovery and other waste to energy topics. A report from Mr. Waldrop entitled "Update on Methane for Energy Investigation for LCSWDC" dated March 18, 2009 was distributed to the members of the Commission in advance of the meeting. Mr. Waldrop then introduced Mr. Sichelstiel and Mr. Bastiste from Brown and Caldwell, who made a presentation regarding possible options that the commission might consider at the landfill for methane gas collection -- flaring the landfill gas or piping the gas to an end user such as Kimberly Clark. Another alternative is to look at co-generation with an end user. Each of the options would require the installation of a gas collection system.

After a thorough discussion of these primary options and some of the issues presented by their implementation, the speakers recommended the commission consider five critical questions to determine whether it is eligible for a carbon offset program benefits. The first step, however, is for



the Commission to develop a plan on where they want to go over the next years. The speakers also discussed possible grant opportunities for the project.

Rob Burnette mentioned that Santek is working on seven of these projects and indicated that he thought Matlock Bend was in the middle of feasibility or benefit analysis. He believed the project deserves more research because of the economics of the price of carbon and the TVA Purpa requirements. He also said that it might make better sense to see what Washington D. C. does to the utilities in this arena first.

Bill Waldrop commented that the information on TVA is still uncertain because the utility has not decided on what rate it will pay for such a facility since they have not hooked up to one yet. The second consideration is that the Grainger study is not complete. He recommends that a careful business plan be developed that considers all of the open questions.

Chairman Field reminded the commission of the Santek contractual obligation regarding the methane rights and stressed the need to properly navigate those requirements. He suggested that the commission think that through to determine who should develop the plan.

**MOTION:** Mr. Waldrop moved that Brown and Caldwell be requested to make a proposal for a scope of work, likely costs, and implementation schedule related to this project, said proposal to be submitted gratis for the Commission's benefit. Mr. Harrison seconded the motion. Motion was unanimously approved by the members present.

Chairman Field asked Rob Burnette whether he has any concerns since Santek Environmental, Inc. has a first option relative to the development of the methane rights at the landfill. Mr. Burnette replied that at this time he did not have any concerns but assumes that Santek will evaluate the opportunity once a better plan is developed. Mr. Burnette also indicated that Santek desires to better understand what their right of first refusal is and is interested in opening up that dialogue.

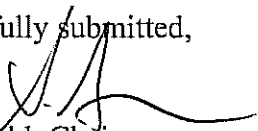
Mr. Burnette extended an invitation to any of the members to see Santek's current construction project at the landfill, which represents an over \$1,000,000 investment that inures to the commission.

Harrison asks whether the press should be invited. Mr. Burnette suggests waiting until it is certified and then do a ribbon cutting.

**MOTION:** Mr. Waldrop made a motion to adjourn the meeting, which was duly seconded and unanimously approved by the members present.

The next regular meeting of the Commission will be held on May 12, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,



Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**May 12, 2009**

The Loudon County Solid Waste Disposal Commission (the "Commission") met on May 12, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Robert Harrison, Jim Akins, John Watkins, and Bill Waldrop. Other attendees included Attorney Bud Gilbert, Loudon County Convenience Center Manager Gordon Harless, Santek representatives Paul Thomas, Cheryl Dunson, and Lorie Maples, and Brown & Caldwell representatives Kurt Sichelstiel and Stephen Batiste.

Chairman Field called the meeting to order.

Chairman Field questioned Mr. Harless about his thoughts on recycling paint. Mr. Harless viewed the task of paint recycling as problematic. He said he would probably need to have two part-time employees to handle it. Chairman Field asked if the schools were doing much recycling and Mr. Harless responded that there had not been much interest. He stated he did get Loudon High School to start recycling paper.

**MOTION:** Mr. Waldrop made a motion to approve the April minutes, which was seconded by Mr. Akins. Motion was unanimously approved by the members present.

The Commission reviewed its cash activity report for the month. Mr. Watkins suggested the line item for Lenoir City's settlement payments be removed. Chairman Field said he would speak to the Loudon County Finance Department about removing that reference.

During Santek's Operations report to the Commission, Ms. Maples discussed with the Commission Santek's desire to replace the scalehouse and remove the old shop. Santek estimated the project would be close to \$83,000 for relocation of a new scalehouse and parking area. The new scalehouse would be 12' x 46' and consist of an office for the landfill manager and a conference room for future meetings at the site. Ms. Maples asked the Commission if they would be willing to pay for half of the project. Mr. Gilbert reminded Santek they would need a payment bond for the project. He also asked Santek what the contractor would do if the Commission did not contribute to the project. Ms. Maples said Santek would still do something but probably on a smaller scale. Commissioners voiced a willingness to invest, but would like to see a photo of the scalehouse trailer that would be purchased before committing to the project.

Next on the agenda was a presentation from engineering consultants Brown & Caldwell. Brown & Caldwell presented the Commission with a landfill gas (LFG) consulting proposal. Mr. Sichelstiel and Mr. Batiste educated the Commission on their strategic business plan for the Matlock Bend Landfill. The scope of work for the project was broken down into three tasks: 1) grant and project funding assessment; 2) LFG reuse alternatives; and 3) assessment of LFG quality and quantity.

Mr. Waldrop asked the Commission members what their thoughts were about the proposed plan from Brown & Caldwell. Chairman Field said from his perspective he would like to speak with Santek first because they had a First Right of Refusal on the landfill gas. Attorney Bud Gilbert

stated he had spoken with Santek Attorney Scott Thomas about some of the legal requirements under the landfill operating contract. Both attorneys were in consensus that it was not a practical environment for an RFP due to the First Right of Refusal. Mr. Harrison said the only thing that seems shovel ready is to dig the wells and look for grant money. Ms. Dunson declared Santek was actively looking at LFG options at all of their facilities. She said they would like to provide the Commission with a term sheet next month. Mr. Gilbert suggested the Commission sit down with Santek before making any decisions. Mr. Harrison agreed. The Brown & Caldwell representatives reiterated that their company's proposal would include Santek in the process.

**MOTION:** Mr. Akins made a motion to meet with Santek and hammer out the details.

Chairman Field reminded the Commission there were bigger issues to resolve such as who would be funding the project. Mr. Waldrop suggested Chairman Field sit down with Santek first. Mr. Akins withdrew his motion.

Mr. Waldrop asked the Commission if it made sense to have Brown & Caldwell proceed with Task One. The Brown & Caldwell representatives responded that this would help the Commission "test drive the company" before committing to the larger scope of the proposed plan.

**MOTION:** Mr. Waldrop made a motion to sign a contract with Brown & Caldwell to complete Task One for up to \$28,000, which was not seconded.

Mr. Harrison asked Brown & Caldwell if Task One included preparing grant applications. They said it did. Chairman Field thanked Brown & Caldwell for their presentation.

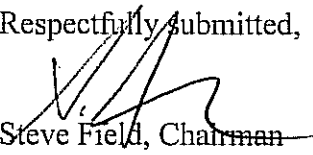
Mr. Gilbert reported that he was recently informed by the Commission's auditor, Richard Hill, that he had concluded his review of an accounting reporting issue presented by the landfill operating contract and had determined that the accrual of the closure and post closure costs during the contract's term could be assigned to the operator and removed from the Commission's financial statements. Attorney Gilbert also reported that Monterrey Mushroom's option check would be delivered to that company tomorrow and that Mr. and Mrs. Ryan had agreed to sell their property at the appraised price under the terms previously approved by the Commission. Blue Ridge Real Estate will now seek a similar option agreement for the Matlock property and use the Ryan option agreement to help support the Commission's original position on the value for this remaining target acquisition. Mr. Harrison reported Doug Berry had retired from real estate and was not longer with Blue Ridge. He said he was confident that the remaining four realtors at the firm could complete the Commission's land acquisition project that was originally assigned to Mr. Berry.

Mr. Watkins said there was a TVA presenter at the solid waste conference in Gatlinburg who stated that TVA was still looking at landfilling the coal ash. Ms. Dunson said TVA had chosen two landfills to dispose of the ash. One was Taylor County, Georgia and the other was Perry County Alabama. After some minor discussion of the matter, the following motion was made.

**MOTION:** Mr. Waldrop made a motion to adjourn the meeting at 9:45 p.m., which was seconded by Mr. Akins. Motion was unanimously approved by the members present.

The next regular meeting of the Commission will be held on June 9, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,



Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**June 9, 2009**

The Loudon County Solid Waste Disposal Commission (the "Commission") met on June 9, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Jim Akins, Robert Harrison, Aprell Patterson, Ted Sitzlar, Bill Waldrop, and John Watkins. Other attendees included Attorney Bud Gilbert, City of Loudon Councilman Mike Cartwright, Santek representatives Paul Thomas and Lorie Maples, and Brown & Caldwell representative Kurt Sichelstiel.

Chairman Field called the meeting to order. May minutes were not ready for approval. Mr. Gilbert will email the corrected April and the draft May minutes to each Commissioner for review prior to the July meeting.

Ms. Maples gave Santek's Operations report to the Commission. She showed Commissioners some examples of office trailers. She said Santek would like to purchase a 12' x 40' office trailer for the new scalehouse because it would be economical and easy to install. Chairman Field asked if the Commission could review the construction specifications for the trailer.

The Commission discussed the State of Tennessee Solid Waste Board's proposed changes to the solid waste rules. These rules will be going out for public comment in July. A copy was emailed to each Commissioner for review.

Ms. Maples informed the Commission that Santek intends to provide the Commission with a Letter of Intent on the landfill gas proposal next month. Chairman Field said he met Santek officers to discuss the proposal. He said Santek would be making a big investment in this project and would be assuming all the risk. Mr. Waldrop said he would like to move forward on the gas project as soon as possible so that a determination can be made of how much gas the landfill is likely to produce. Mr. Harrison said the project may depend on how quickly Washington moves on releasing funds for these type of projects. Brown & Caldwell representative Kurt Sichelstiel said he sees his firm serving as a third party with expertise on determining what the best use of landfill resources would be. Mr. Harrison said he wanted the Commission to be able to negotiate with Santek with some knowledge of the process. Chairman Field said he could see using a third party to help negotiate through this process. Mr. Harrison then suggested that the Commission consider holding a special called meeting with Santek to discuss the landfill gas proposal.

During the Attorney's report, Mr. Gilbert apologized for not having last month's minutes available for approval. He will email the corrected April meeting minutes and the draft May meeting minutes to all the Commissioners. He reported to the Commission that he had received signed six-month real estate options from Monterrey Mushroom and the Ryans. He said he was waiting on an update regarding the real estate option for the Matlock property from the Commission's realtor. He reminded the Commissioners that they would need to decide whether to try and acquire the Tennessee National property or engineer around it. Mr. Harrison asked Brown & Caldwell if the firm did that type of work. Mr. Sichelstiel said they did.

Chairman Field asked Santek to provide an update next month on the permit modification status.

**MOTION:** Mr. Watkins made a motion to adjourn the meeting at 7:40 p.m., which was seconded by Mr. Akins. Motion was unanimously approved.

The next regular meeting of the Commission will be held on July 14, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,

  
Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**Special Meeting**  
**June 29, 2009**

The Loudon County Solid Waste Disposal Commission (the "Commission") held a special meeting on June 29, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Jim Akins, Robert Harrison, Aprell Patterson, Ted Sitzlar, Bill Waldrop, and John Watkins. Other attendees included Attorney Bud Gilbert, Loudon County Convenience Center Manager Gordon Harless, Santek representatives Cheryl Dunson, Rob Burnette, Lorie Maples, and Attorney Scott Thomas.

Chairman Field called the meeting to order and announced that the purpose of the special meeting was to discuss Santek's proposal on harvesting landfill gas at Matlock Bend.

Mr. Burnette discussed the need for a separate document to cover the landfill gas responsibilities. He said Santek would like the rights to the gas and other environmental attributes, such as carbon credits and other renewable energy credits. Santek would be responsible for financing and permitting of a landfill gas system. A two and a half percent of gross revenue royalty payment would be paid the Commission.

Chairman Field asked Mr. Burnette if Santek was ready to begin the exploration process. Mr. Waldrop said he would like something in the contract to encourage Santek to move quickly. Mr. Burnette said Santek would be willing to include milestones in the contract.

Mr. Burnette said the first priority was to perform an analysis on the gas to find out what kind of gas treatment would have to be done. He said a power purchase agreement would also have to be signed with TVA or Loudon Utilities. Mr. Watkins asked if Santek was ready to proceed with the gas analysis. Mr. Burnette reported it would be three or four months. He also said he was not convinced any analysis would completely reveal what kind of flow they would be able to receive. He said that could only be answered when a system was put in place.

Mr. Waldrop asked if opportunities for government grants would factor into the royalty payments. Mr. Burnette said he envisioned Santek and the Commission would negotiate something in good faith. Mr. Burnette said Santek would be committing approximately \$6.9 million for this project without pretreatment costs. He also said he wanted to keep the idea of pipelining directly into a gas line open, as well as all other options.

Mr. Thomas distributed a copy of a draft Letter of Intent (LOI) to the Commission. Mr. Thomas explained the LOI was broken down into two parts and was intended to start negotiations with the Commission. Mr. Watkins asked why the term subsidiary was used in the LOI. Mr. Thomas said Santek may be creating a subsidiary to handle the company's gas projects. Mr. Watkins asked if section 1d could be changed to a shorter frequency than annually. Mr. Burnette said quarterly would be acceptable. Mr. Harrison asked if the term could be concurrent with the operation's contract. Mr. Thomas said there were a few complications with the earlier date because of capital outlay from Santek. Mr. Gilbert said the Commission might look at a clause for a buyout once Santek's operating contract for the landfill had ended to facilitate an orderly transition should Santek not continue as the operator of the landfill. Mr. Waldrop commented that section 1e locked the Commission into electric generation. Mr. Burnette said it was not Santek's intent to lock the Commission into any energy source. Mr. Gilbert noted Section II.3's confidentiality clause might need to be worked out since the Commission was a public entity. Mr. Thomas said he understood and was trying to protect Santek's business and asked the Commission to understand that Santek might not always be able to provide complete proprietary information in answering the Commission's questions as a result. Mr. Sitzlar

said we might want to make sure the deed allowed the Commission all legal rights to the gas. Mr. Gilbert said he would check the deed to confirm that mineral rights were properly conveyed to the Commission.

Chairman Field asked if the Commission had any other concerns so the attorneys could get together and hammer out the details of the LOI. Mr. Waldrop said he would like to add a clause to the LOI stating that the failure of either party to act would result in the contract becoming void. Chairman Field asked the Commission if they thought two and a half percent was a reasonable royalty payment. He also suggested the Commission might ask Mr. Barry Baker to be an independent reviewer of the LOI. Mr. Waldrop said they needed a landfill gas expert to help the Commission with any special legal and financial concerns raised by the draft document. Mr. Gilbert said he could check with some gas attorneys he had worked with before to identify any lawyers with experience drafting or negotiating landfill gas agreements of this type.


**MOTION:** Mr. Waldrop made a motion to have Mr. Gilbert locate a lawyer with gas expertise to review the Santek proposal by the Commission's next meeting, which was seconded by Mr. Watkins. Motion was unanimously approved.

Mr. Harrison added the lawyer or consultant selected by the Commission should ideally also have experience dealing with Tennessee Valley Authority. The Commission was asked to provide Mr. Gilbert with any information or questions before the next meeting.

**MOTION:** Mr. Sitzlar made a motion to adjourn the meeting at 8:05 p.m., which was seconded by Mr. Harrison. Motion was unanimously approved.

The next regular meeting of the Commission will be held on July 14, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,

  
Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission



**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**July 14, 2009**

The Loudon County Solid Waste Disposal Commission (Commission) met on July 14, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Bill Waldrop, Robert Harrison Aprell Patterson, Ted Sitzlar, Jim Akins and John Watkins. Other attendees included Attorney Bud Gilbert; Santek representatives Cheryl Dunson, Levi Higdon and attorney Scott Thomas; and a number of concerned citizens and media representatives.

Mr. Field called the meeting to order, at which time Ms. Dunson read a prepared statement regarding recent reports that the Matlock Bend Landfill had been approved to accept coal ash from Tennessee Valley Authority's Kingston Fossil Plant. She said that since the Environmental Protection Administration had taken the lead on the coal ash clean up from the Tennessee Department of Environment and Conservation several additional requirements and restrictions had been imposed on acceptable disposal facilities, which now excluded Matlock Bend Landfill as a possible disposal site for the coal ash. Ms. Dunson apologized for the concern and confusion generated by earlier reports and expressed her regret that the community was unnecessarily alarmed by the misinformation.

Several citizens asked to address the Commission. When asked by Sarah Daily if the landfill currently received ash from other industries, the Commission responded that it did. Lawrence Johnson inquired as to how much out-of-county waste was received at the landfill. Ms. Dunson replied that the majority of waste was generated within Loudon County while a small amount was accepted from neighboring counties. Pat Hunter asked about expansion plans for the landfill. Mr. Field explained the landfill was currently undergoing a major modification to incorporate new areas of waste disposal into the existing footprint. Ms. Hunter criticized the contract with Santek as well as the Commission's oversight of Santek. Mr. Harrison addressed the lengthy RFP process that resulted in a 20-year agreement with Santek, and said he took offense at Ms. Hunter's criticism.

Aileen Longmire asked if fly ash currently being accepted at the landfill was dampened before delivery. Ms. Dunson said it was. Ms. Longmire also wanted to know if the landfill was open on Sundays. Ms. Dunson replied the landfill was open on special occasions for one particular existing Loudon County industry. Janet Phelps asked if the landfill had plans to accept coal ash if it was CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act) approved. Ms. Dunson replied, "No." Sarah Bivens asked if Commissioners had term limits and wanted to know the length of the Santek operating contract for the landfill. Mr. Field replied each commissioner had staggered six-year terms and Mr. Sitzlar said it was important to have someone on the Commission who was a neighbor to the landfill. Mr. Field said the Commission consisted of seven members: five representatives from Loudon County and one representative each from the cities of Loudon and Lenoir City. He also reported that the Santek operating contract was a 20-year agreement.

Mr. Field asked if there were any questions from the audience about the county's recycling efforts. One unidentified member of audience said he did not know there were any recycling opportunities in Loudon County. Gordon Harless with the Loudon County Convenience Centers said the county had three different locations at which citizens could recycle and described acceptable materials. Mr. Harrison apologized to the audience for his earlier comments directed toward Ms. Hunter. There being no further comments from the audience, Mr. Field called a 10-minute recess at 7:20 p.m.

The Commission reconvened at 7:30 p.m.

**MOTION:** Mr. Field asked for a motion to approve the June 9, 2009 minutes of the Commission's regular meeting for June. Mr. Watkins made the motion and Mr. Sitzlar seconded it. The motion was passed unanimously.

**MOTION:** Mr. Sitzlar made a motion to approve the minutes of the Commission's June 29, 2009 special-called meeting. Mr. Watkins seconded the motion and it was passed unanimously.

**MOTION:** Mr. Waldrop made a motion to approve the May 12, 2009 minutes of the Commission's regular meeting for May. Mr. Watkins seconded the motion and it was approved unanimously.

**MOTION:** Mr. Waldrop made a motion to approve the April 10, 2009 minutes of the Commission's regular meeting for April. Mr. Akins seconded the motion and it was approved unanimously.

Ms. Dunson presented the Commission's cash report followed by Santek's operations report. She introduced Mr. Higdon who has replaced Paul Thomas as landfill superintendent. Mr. Waldrop asked the status of the permit modification and Ms. Dunson said she would report back to the Commission on that issue.

During his report, Mr. Gilbert distributed copies of the Auditor's Report and noted that because the auditor concluded Santek was responsible for closure and post-closure obligations during the term of the operating contract, the Commission's balance sheet was improved by the removal of the related liability.

Mr. Gilbert also distributed a memo stating his opinion on whether the landfill operating contract with Santek allowed Santek to accept ash without first seeking the Commission's approval. He noted that Section 5.16 of the contract contained some prohibitive and restrictive language. While Mr. Thomas and Mr. Gilbert debated the merits of the contract language, Mr. Harrison emphasized the contract had a tonnage cap and urged the Commission to be careful about how it regulates waste flow. Mr. Waldrop said the acceptance of ash could have potentially impacted methane gas generation and viability, but Mr. Harrison disagreed that the Commission should restrict waste streams based on potential methane gas production. Mr. Gilbert observed that the Commission received a

“black eye” because of the ash issue and suggested that both parties (the Commission and Santek) evaluate how each could have improved their performance under the circumstances. He also recommended that the parties consider developing an informal protocol for handling public relations and other aspects of similar type situations that might arise in the future.

Ms. Patterson asked about the process the landfill must follow to become CERCLA-approved. Mr. Gilbert recommended that the Commission be briefed on the steps to receive CERCLA approval and asked Santek to email the Commission members this information. Mr. Field said he was concerned that CERCLA approval would put the Matlock Bend Landfill on EPA’s list of approved CERCLA landfills and could encourage the disposal of CERCLA waste there. Mr. Thomas explained that what constitutes CERCLA waste is not always clear and that CERCLA approval is similar to a governmental rating used to distinguish stellar landfill operations from standard operations.

Mr. Gilbert reported that one of the audience members mentioned to him during the recess the possibility of making an open records request. He said he would prepare a draft Open Records Policy for the Commission’s review at its next meeting.

**MOTION:** Mr. Harrison made a motion to adopt Loudon County’s existing Open Records Act Policy as an interim policy until Mr. Gilbert can prepare a policy for the Commission. Mr. Watkins seconded the motion. The motion was passed unanimously.


Mr. Gilbert also said he would prepare a draft Travel and Expense Policy, which the Commission had requested earlier in the year.

Regarding the Letter of Intent with Santek for Landfill Gas Development Rights, Mr. Gilbert said he was unable to complete his work on the document last week. He reported that he was in contact with an attorney in Washington, D. C., and hoped to determine what the market rate of return was for similar gas to energy projects before the Commission’s next meeting.

**MOTION:** Mr. Field made a motion to adjourn the meeting at 8:45 p.m.. Mr. Waldrop seconded the motion and it was approved.

The next meeting of the Commission will be August 11, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,

  
Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**August 11, 2009**

The Loudon County Solid Waste Disposal Commission (Commission) met on August 11, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Bill Waldrop, Robert Harrison Aprell Patterson, Ted Sitzlar and Jim Akins. Other attendees included Attorney Bud Gilbert; Santek representatives Cheryl Dunson, Levi Higdon and Justin Givens; Gordon Harless; and two representatives from Brown and Caldwell.

Mr. Field called the meeting to order at which time Ms. Dunson presented the Cash Activity Report and Santek's operations report.

Mr. Harless said he recently spoke to several local school officials about recycling opportunities and believes there may be some renewed interest locally. However, he indicated there is an overall lack of knowledge about recycling efforts in Loudon County which needed to be addressed by a public awareness campaign.

**MOTION:** Mr. Field asked for a motion to approve the July 14, 2009 minutes of the Commission's regular meeting. Ms. Patterson and Mr. Waldrop indicated a few corrections needed to be made regarding references to abbreviations of state and federal agencies. Mr. Waldrop made a motion to approve the minutes as corrected and Mr. Harrison seconded the motion. The motion was approved unanimously.

During his report, Mr. Gilbert said the Commission adopted Loudon County's Open Records Act Policy until he could draft a policy for the Commission. Mr. Gilbert said he is working on rewriting policies for three current clients and said it would be in the Commission's best interests to borrow from the collective efforts of Mr. Gilbert's work for these clients. Although no one has requested records since the Commission's last meeting, Mr. Gilbert said it would be prudent for the Commission to use the State Comptroller's office schedule of fees in the event someone requests copies of records.

Mr. Gilbert also said he was modifying Loudon County's Travel and Expense Policy for the Commission to adopt as its own. There was some discussion among Commissioners regarding language related to parking and transportation, and the ability to park and eat in large cities for \$30.00 per day. Mr. Field suggested Mr. Gilbert pull out references to transportation costs and make the \$30.00-per-day allowance strictly for food.

Mr. Gilbert then distributed an option for the Matlock property, reflecting changes from the Ryan property option. He said Mr. Matlock was not interested in extending the option for an additional six months. Mr. Gilbert also said a survey must be done before the property could be purchased and after the Commission determines how much acreage it can use for Subtitle D waste disposal.

**MOTION:** Mr. Harrison made a motion to approve the revised option agreement as presented. Mr. Waldrop seconded the motion and the motion passed unanimously.

Following a lengthy discussion regarding the Commission's municipal stakeholders' knowledge of the property purchase; the amount of acreage intended for waste disposal use and/or appurtenances; the need for a third-party's evaluation of the land prior to the final purchase; and the construction of a sediment pond, the following issues were decided:

- Mr. Gilbert suggested the Commission inform municipal stakeholders about the Commission's intent to secure additional property via the appropriate Commission representative at their respective stakeholders' meetings. Mr. Akins will approach Lenoir City. Mr. Harrison will talk with the City of Loudon and Mr. Field will attend a Loudon County Commission meeting.
- Brown & Caldwell will present a proposal at the Commission's next meeting to perform a master plan of the new property.

Mr. Gilbert said while he was in discussions with a firm in Washington, D. C. to determine a fair royalty on the landfill gas revenues and learn what experience they had in this area, Brown & Caldwell sent him information about another firm that appeared to also be qualified on such matters. After some discussion, the Commission directed Mr. Gilbert to continue his review of both firms and to discuss the royalty issue with both firms.

**MOTION:** Mr. Akins made a motion directing Mr. Gilbert to talk with both firms about the royalty issue and possible engagement by the Commission and to also authorize Mr. Field to make the final decision on which firm to engage for the project. Mr. Sitzlar seconded the motion. It passed unanimously.

Ms. Dunson apprised the Commission about the Tennessee Department of Environment and Conservation's proposed amendments to the solid waste regulations and the potentially far-reaching ramifications to affected local governments. She said a public hearing will be held by TDEC on September 1, 2009 in Nashville and she agreed to email hearing information to the Commission the following day.

Mr. Waldrop made a motion to adjourn the meeting at 9:05 p.m. Mr. Harrison seconded the motion and the meeting was adjourned.

The next meeting of the Commission will be held on September 8, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,



Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**September 8, 2009**

The Loudon County Solid Waste Disposal Commission (Commission) met on September 8, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Bill Waldrop, Robert Harrison, Ted Sitzlar, John Watkins and Jim Akins. Other attendees included Attorney Bud Gilbert; Santek representatives Lorie Maples, Levi Higdon and Justin Givens; Gordon Harless; and Kurt Sichelstiel from Brown & Caldwell.

Mr. Field called the meeting to order.

**MOTION:** Mr. Waldrop made a motion to approve the August 11, 2009 minutes, which was seconded by Mr. Sitzlar. The motion was unanimously approved by the members present.

A cash activity report was not available for the meeting, but Ms. Maples said she would email it to everyone when she received it from the Loudon County Finance Department.

Ms. Maples presented Santek's operations report. Mr. Sitzlar asked about the meaning of unmanifested tires. Ms. Maples explained they were tires received that could not be manifested under the State tire grant. An example would be from a junkyard. These individuals would pay \$70.00 a ton for recycling.

Mr. Waldrop asked if Waste Connections was bringing Tellico Village's garbage to the landfill. Ms. Maples said it was likely, but she could not be sure.

During his report, Mr. Gilbert summarized the three property options. He said the Ryan property would most likely need to be extended an additional six months since it expires on November 21, 2009.

Mr. Gilbert also discussed the audit from Mr. Hill. He said there were some questions on the closure/post-closure liability that he needed to address with Mr. Hill. He also said an issue had been raised by one of the notes to the audit, which stated that the Commission maintained liability insurance and he was unaware of any such coverage. Chairman Field said he would check with the Loudon County Finance Department to see if they knew about the insurance coverage. He also reported that at one time he believed Loudon County allocated to the Commission the portion of the county's premiums for liability insurance coverage the county attributed to the landfill.

Mr. Gilbert informed the Commission he will be meeting with Chairman Field after this meeting to discuss which law firm the Commission might engage to help with the landfill gas contract.

Chairman Field announced an upcoming community meeting on September 25<sup>th</sup> at 2 p.m. to discuss the state's proposed changes to the solid waste regulations. Ms. Dunson with Santek will be updating the government bodies of Loudon County, City of Loudon, and Lenoir City.

Kurt Sichelstiel from Brown & Caldwell presented a proposal to study the three property parcels the Commission currently has under option for possible acquisition. This study would be used to determine the best property needed to expand the landfill in the future. Chairman Field said he did not believe the Commission needed any analysis on the Monterey Mushroom property. Mr. Harrison also stated the information regarding the Ryan and Matlock property was needed to properly assess whether any property owned by Tennessee National adjoining the landfill would be useful in expanding the landfill's life.

**MOTION:** Mr. Watkins made a motion to extend the Ryan property option agreement for a second six months in return for the payment of a \$2,500 extension fee and to authorize Chairman Field to take all necessary action to effect the same. Mr. Akins seconded the motion. The motion was unanimously approved by the members present.

Some discussion then ensued about exercising the Monterey option. Mr. Harrison said he would like to speak with the City of Loudon before voting on the motion to actually purchase any of the property under option.

**MOTION:** Mr. Harrison made a motion to allow Chairman Field to execute and deliver the Brown & Caldwell engineering proposal provided its scope of services is first amended to remove the Monterey property from the analysis and incorporate the three study scenarios discussed with the Commission. Mr. Sitzlar seconded the motion. The motion was unanimously approved by the members present.

Mr. Harrison volunteered to coordinate with Brown & Caldwell regarding any drawings and other information they needed to perform the proposed work.

Mr. Watkins made a motion to adjourn the meeting at 8:08 p.m. Mr. Akins seconded the motion, which was approved.

The next meeting of the Commission will be held on October 13, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,



Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**October 13, 2009**

The Loudon County Solid Waste Disposal Commission (Commission) met on October 13, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Robert Harrison, Ted Sitzlar, John Watkins and Jim Akins. Other attendees included Attorney Bud Gilbert; Santek representatives Lorie Maples; and Loudon County Recycling Manager Gordon Harless.

Mr. Field called the meeting to order.

**MOTION:** Mr. Watkins made a motion to approve the September 8, 2009 minutes, which was seconded by Mr. Akins. The motion was unanimously approved by the members present.

The Commission reviewed the cash activity report for September.

Ms. Maples presented Santek's operations report for the month. She asked if Santek could proceed with replacement of the scalehouse. There was no objection by the Commission.

During his report, Mr. Gilbert distributed copies of the revised Brown & Caldwell engineering proposal. Chairman Field said the engineering firm is waiting on some final information from Santek and would be at the next Commission meeting to discuss the project.

Mr. Gilbert also distributed a revised Question and Answer (Q&A) sheet on the Commission's desire to purchase up to three parcels of land adjoining the landfill property. Mr. Harrison suggested adding language from Brown & Caldwell's proposal regarding the "use of the land" to the Q&A document. Other additions and deletions were also discussed.

Mr. Gilbert asked the Commission how they wanted to proceed with the Monterey Mushroom property. He said the option agreement would be expiring soon. The Commission believed it was best to inform all the stakeholders on the acquisition before signing the agreement.

Mr. Harrison said he had spoken with the Loudon City Council and they were fine with the acquisitions. He also noted the News-Herald had done a story on the topic. Mr. Akins also said Lenoir City was informed of the Commission's desire to purchase additional property and they did not have any objections.

Mr. Field suggested sending the Q&A sheet to all of the stakeholders. Mr. Watkins agreed with Mr. Field's suggestion.



**MOTION:** Mr. Harrison made a motion to notify stakeholders regarding the property acquisitions as soon as possible, which was seconded by Mr. Watkins. The motion was unanimously approved by the members present.

**MOTION:** Mr. Watkins made a motion to authorize Chairman Field to exercise the Monterey Mushroom purchase option two weeks after communication with the government stakeholders if no negative input was received back from the stakeholders on the acquisition, or should such negative input be received, then to defer exercising the option until the commission's November meeting. Mr. Sitzlar seconded the motion. The motion was unanimously approved by the members present.

Mr. Sitzlar said he would like the Commission to use a local title company and surveyor. Mr. Harrison suggested Southeastern Title Company.

The Commission discussed whether a Phase One survey of the Monterey Mushroom property was needed. Attorney Gilbert stated that absent a directive from the commission to do otherwise, he would obtain both a Phase One survey and title insurance for the transaction.

Mr. Gilbert then reported on his conversations with Mr. Hill about the pending audit for the year ending June 30, 2008. Mr. Hill reversed his earlier decision on the post-closure liability and now concluded that it would have to be recognized in the statements. Mr. Hill will note, however, the expenses Santek had relieved the Commission of under the new operating contract.

Mr. Gilbert also informed the Commission he had spoken with Santek Attorney Scott Thomas regarding the letter of intent for the methane gas to energy project. Mr. Thomas said Santek would be willing to omit the royalty percentage language from the letter and negotiate this point in the final contract.

**MOTION:** Mr. Akins made a motion to allow Chairman Field to execute and deliver the Letter of Intent on behalf of the commission subject to final review and approval by Attorney Gilbert. Mr. Watkins seconded the motion. The motion was unanimously approved by the members present.

Chairman Field said Brown & Caldwell should be ready to do a presentation to the Commission at the next meeting once they receive everything they need from Santek.

Chairman Field also said Mayor Arp had appointed him to serve on the Waste Tire Task Force. He said TDEC realizes the tire grant program is faulty. Chairman Field said most retailers, governments, and solid waste professionals wanted to get out of the scrap tire program currently in place.

Mr. Sitzlar made a motion to adjourn the meeting at 8:05 p.m. Mr. Akins seconded the motion, which was approved.

The next meeting of the Commission will be held on November 10, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'S. Field', written over the printed name.

Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**November 10, 2009**

The Loudon County Solid Waste Disposal Commission (Commission) met on November 10, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Robert Harrison, Ted Sitzlar, John Watkins, Bill Waldrop and Aprell Patterson. Other attendees included Attorney Bud Gilbert; Santek representatives Lorie Maples and Levi Higdon; Brown & Caldwell representatives Kurt Sichelstiel and Stephen Batiste; and Loudon County Recycling Manager Gordon Harless.

Mr. Field called the meeting to order.

**MOTION:** Mr. Waldrop made a motion to approve the October 13, 2009 minutes, which was seconded by Mr. Watkins. The motion was unanimously approved by the members present.

The Commission reviewed the cash activity report for October.

Ms. Maples presented Santek's operations report for the month. Chairman Field asked Ms. Maples to email him the 2008 figures for waste generated in Loudon County. Mr. Harrison asked if Santek had any updates on the proposed permit expansion. Ms. Maples said the State had acknowledged receipt of the Part B application. The timeframe for approval of the permit was not yet known.

Next on the agenda was the draft report from Brown & Caldwell regarding the possible acquisition of adjoining property to the Matlock Bend landfill. Mr. Batiste shared with the Commission five possible scenarios to expand the landfill by purchasing land on the west and east side of the landfill. The report discussed the advantages and disadvantages of each scenario with regards to acreage and airspace volumes.

Mr. Harrison and Mr. Batiste also discussed the viewshed analysis. Mr. Harrison said he would like to know more about final elevations of the landfill expansion. Santek will provide those elevations to Chairman Field.

Brown & Caldwell said they would like the Commission members to provide any comments so they can finish their final report. The Commission will send any comments to Brown & Caldwell by the end of November.

The Commission began discussions regarding the usefulness and additional landfill capacity provided by the Monterey Mushroom property currently under option with the Commission. Mr. Gilbert asked the Commission if the members wanted to extend the option, let it expire, or purchase the property. It was agreed the Commission needed more information on the value of the Monterey Mushroom property.

**MOTION:** Mr. Waldrop made a motion to allow Brown & Caldwell to include the Monterey Mushroom property in the pending report at an additional charge not to exceed \$4,000.00. Mr. Watkins seconded the motion. The motion was unanimously approved by the members present.

Mr. Gilbert reminded the Commission that the Monterey Mushroom property option would expire November 23. He also asked the Commission members if they wanted to authorize an option on the Purdy property. Chairman Field said they should get Mr. Cobble to approach Mr. Purdy about a possible option to purchase.

**MOTION:** Mr. Harrison made a motion to engage Blue Ridge Realty, Inc. (where Mr. Cobble serves as a realtor) to approach Mr. Purdy on whether he might sell the property and at what price. Mr. Waldrop seconded the motion. The motion was unanimously approved by the members present.

Mr. Gilbert said the Letter of Intent (LOI) with Santek regarding the gas project was complete and ready to be signed with one needed change suggested by Mr. Waldrop clarifying that it was Santek Environmental, Inc.'s obligation to finance the project.

**MOTION:** Mr. Watkins made a motion to authorize Chairman Field to execute the LOI with the one change as presented by Attorney Gilbert. Mr. Waldrop seconded the motion. The motion was unanimously approved by the members present.

Chairman Field said he would be attending the County Commission workshop on Monday and would be informing the County Commission of the Commission's identification and possible acquisition of certain adjoining property to the Matlock Bend landfill to enhance its capacity and operations.

**MOTION:** Mr. Sitzlar made a motion to recess the Commission's meeting until Monday, November 23<sup>rd</sup> at 6:30 p.m. in the Loudon County Annex. Mr. Watkins seconded the motion. The motion was unanimously approved by the members present.

**RECESSED SESSION  
November 23, 2009**

The Commission reconvened its meeting of November 10, 2009 on November 23, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Jim Akins, Robert Harrison, Ted Sitzlar, John Watkins and Bill Waldrop. Other attendees included Attorney Bud Gilbert; Brown & Caldwell representative Stephen Batiste; and Loudon County Recycling Manager Gordon Harless.

Mr. Field reconvened the meeting.

Stephen Batiste presented a revised chart showing the various adjoining property acquisition options currently under review by his firm for the Commission, including their

added analysis of the Monterey Mushroom parcel. Mr. Batiste reviewed the chart with the Commission and discussed the various advantages and disadvantages of each option under review. After a thorough discussion of the Monterey Mushrooms option, which expires on November 25, 2009, the following motion was made:

**MOTION:** Mr. Harrison made a motion to let the Monterey Mushrooms property option lapse. Mr. Waldrop seconded the motion. The motion was unanimously approved by the members present.

Attorney Gilbert will call Plant Manager Greg Sweet at Monterey Mushrooms to explain the situation and will follow-up with the company's president with a letter from the Commission. Additional discussion then ensued on whether the Monterey Mushrooms option property would ever be of value to the Matlock Bend landfill in view of the pending permit modification and issues related to the use of that property once the cells in that area were filled to capacity as contemplated during the current term of Santek Environmental, Inc's operating contract for the landfill.

**MOTION:** Mr. Harrison made a motion to inquire of Santek Environmental, Inc. whether the operator would modify its pending permit modification to take advantage of the Monterey Mushrooms option property or otherwise use the property during the term of Santek's current operations contract with the Commission if the Commission were to purchase such property, and if so under what conditions. Mr. Akins seconded the motion. The motion was unanimously approved by the members present.

Mr. Batiste will finalize Brown & Caldwell's report on the adjoining property acquisitions and distribute a final report to the Commission members in the near future. He also advised the Commission that in his opinion it was appropriate and helpful for the members to ask how long they desired to plan for future capacity at Matlock Bend in making any final decisions relative to the adjoining property acquisition options available to the Commission.

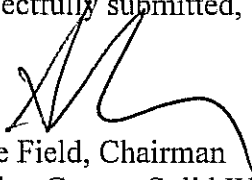
**MOTION:** Mr. Harrison made a motion to authorize Blue Ridge Realty, Inc. to approach representatives of Tennessee National to determine if the company was willing to sell any of its land adjoining the Matlock Bend landfill identified in the Brown & Caldwell report as useful for future expansion of the landfill and if so, at what price. Mr. Waldrop seconded the motion. The motion was unanimously approved by the members present.

Chairman Field then reported to the Commission on his attendance at a recent Loudon County Commission meeting to report on the Commission's adjoining property acquisition options. Mr. Field indicated that his report was well received, having received no negative comments from county commissioners or the county mayor. Mr. Field reported that several county commissioners expressed appreciation for the Commission's forward thinking and planning.

**MOTION:** Mr. Waldrop made a motion to adjourn the meeting at 8:20 p.m. Mr. Akins seconded the motion and it was approved.

The next meeting of the Commission will be on December 8, 2009 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'S. Field', written over the text 'Respectfully submitted,'.

Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission

**Minutes**  
**Loudon County Solid Waste Disposal Commission**  
**December 8, 2009**

The Loudon County Solid Waste Disposal Commission (Commission) met on December 8, 2009 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Jim Akins, Robert Harrison, Ted Sitzlar, John Watkins, and Bill Waldrop. Other attendees included Attorney Bud Gilbert and Santek representatives Lorie Maples, Levi Higdon and Justin Givens.

Mr. Field called the meeting to order.

**MOTION:** Mr. Waldrop made a motion to approve the November 10, 2009 minutes (including minutes of the recessed meeting on November 23, 2009), which motion was seconded by Mr. Akins. The motion was unanimously approved by the members present.

The Commission reviewed the cash activity report for November.

Ms. Maples presented Santek's operations report for the month. She announced that the new scale house was expected to be delivered to Matlock Bend Landfill on December 15, 2009 and Santek hoped to have it in operation in the month of January. Ms. Maples also updated the Commission on the permit modification process and indicated that TDEC is likely to announce a comment period in the near future, which would run for at least 45 days after the state's notice of the same. Ms. Maples reviewed the Landfill Tonnage Volume Report with the Commission and noted that the two field reports from TDEC were from last month and that the state had not yet visited the site in December.

During his attorney's report, Attorney Gilbert reported to the Commission that he had personally contacted Greg Sweet, the plant manager for Monterey Mushrooms, and explained why the Commission decided not to exercise that land purchase option at this time. Mr. Gilbert indicated that Mr. Sweet appreciated the call and seemed to accept the news well. Mr. Gilbert also followed up his call with a letter to Mr. Sweet explaining the situation and thanking Monterey Mushrooms for the company's cooperation and assistance during the process. Chairman Field indicated that he would follow-up with Santek to determine the operator's original thinking on the importance of the Monterey Mushroom's property acquisition and whether the acquisition of such property would be economically beneficial to the Commission if purchased during the remaining term of Santek's operating agreement for the landfill.

Mr. Gilbert reminded the Commission that it needed to make a decision regarding the Ryan and Matlock property acquisitions by the Commission's February meeting. The Commission then discussed in detail the various options available to it as detailed in the Brown & Caldwell Landfill Development and Expansion Report. Several Commission members expressed a need to know whether the acquisition option that involved the Purdy and Matlock tracks involved a buildout over the closed landfill and they raised questions about whether the purchase of the Purdy property was necessary. After a thorough

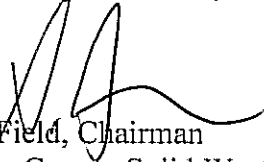
discussion of whether it would be advisable to authorize the Commission's realtor to make an offer on the Purdy property over the upcoming holidays, the Commission took no action authorizing that action.

Chairman Field then briefly reported on the status of the Brown & Caldwell Landfill Development and Expansion Report and solicited questions and concerns regarding the same. He also indicated that he was asking for a proposal from Brown & Caldwell for its preparation of a cost accrual analysis for closure/post-closure costs at Matlock Bend. Attorney Gilbert indicated that he would contact the Commission's auditor, Richard Hill, and inquire on the status of the pending audit and find out whether the auditor had any final numbers for the year closing June 30, 2009 in case they were needed for the closure/post closure cost analysis.

**MOTION:** Mr. Akins made a motion to adjourn the meeting at 7:50 p.m. Mr. Sitzlar seconded the motion and it was approved.

The next meeting of the Commission will be on January 12, 2010 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,

  
Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission