

Minutes
Loudon County Solid Waste Disposal Commission
September 10, 2013

The Loudon County Solid Waste Disposal Commission (Commission) met on September 10, 2013 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Bill Waldrop, John Watkins, Larry Jameson and Jim Akins. Other attendees included Attorney Kevin Stevens; Santek representatives Cheryl Dunson and Levi Higdon; Loudon County Trustee Chip Miller; Pat Hunter; Ailene Longmire; several members of the media, and two unidentified citizens.

Mr. Field called the meeting to order at 6:30 p.m.

MOTION: Mr. Waldrop made a proposed revision to the minutes of August 13, 2013 to correct a statement made by Doug McGill from Waste Connections about the accrual of post-closure funds. Mr. Jameson made a motion to approve the minutes as corrected. Mr. Waldrop seconded the motion and the minutes were approved unanimously.

During Items of Public Concern, Mr. Miller addressed the Commission about his department's investment of the Commission's accrued funds. He distributed a packet of information to the Commission detailing the historical yield of the Local Government Investment Pool (LGIP); an investment proposal from Raymond James; several news articles and letters from when J.D. Click was the County Trustee; and a spreadsheet itemizing the monthly interest received on the Commission's funds since July 2007.

Mr. Miller said the LGIP is the safest fund used by the state and has averaged a 2.1% rate of return from 2001 until 2012. The proposal from Raymond James reflected a two year FDIC insured CD with a .75%-return on a \$1million investment. Mr. Waldrop said the state has provisions to allow counties to invest their funds up to five years given the establishment of a separate county finance committee. He also said interest rates have not kept pace with the rate of inflation which has hurt the Commission's investment. Mr. Miller disagreed and said the Commission has negotiated a bad contract with Santek. Mr. Field told Mr. Miller the contract is in place, and the Commission is working with Santek to accommodate some portion of the closure/post-closure responsibilities. He also said the Commission is exploring other investment options.

Mr. Watkins asked how the Commission could take advantage of the Raymond James proposal. Mr. Akins emphasized investing funds with Raymond James would yield a much greater return than what the Commission is currently getting through the County Trustee's investment efforts. Mr. Waldrop asked Mr. Stevens for his opinion about investing the Commission's funds for period longer than two years. Mr. Stevens responded that the Commission could pursue investments of between two and five years with the permission of the county investment committee. However, Mr. Stevens recommended that the Commission consult with other financial professionals to obtain their advice regarding the advisability of pursuing longer term investments.

Mr. Akins suggested that the Commission test the waters with the County Mayor and the County Commission to see if they're receptive to appointing a county finance committee which would allow Mr. Miller to invest funds for up to five years. Mr. Waldrop agreed to talk to the elected officials on behalf of the Commission.

Also during Items of Public Concern, Ms. Hunter said she had concerns about the Commission's spending habits after reviewing the audit and the Commission should consider cutting expenses wherever possible. She also asked if the draft copy of the minutes could be emailed to the public and posted on the county's website before the Commission's meetings. Mr. Field said only approved minutes are posted on

the county's web site, but draft minutes are emailed to Commissioners prior to the meeting. Ms. Hunter also asked if the Commission could print extra copies of the agenda for distribution at meetings.

Ms. Longmire suggested the Commission draft an annual budget. She also asked if the landfill had a storm water permit. Ms. Dunson said yes. Ms. Longmire asked about the landfill's final elevation once the major permit was secured. Mr. Field replied the landfill would be approximately 17 feet taller than the facility's currently permitted height.

Ms. Dunson presented the July Cash Activity Report and the Landfill Operations Report. Mr. Jameson asked Ms. Dunson about the landfill's gate rate and how Santek charges for tires. Mr. Higdon said the gate rate is currently \$28.70 per ton, and Ms. Dunson said tires are charged by the ton or individually, depending on the number of tires in the load.

During the Attorney's Report, Mr. Stevens recommended the Commission adopt a more formalized open records policy. He said a more structured system would give the Commission a detailed log of all requests for information, would reduce costs and duplicity, and would better document responses to requests. He recommended the Commission adopt Loudon County's Open Records Policy which directs all requests for information through the Loudon County Mayor's office.

MOTION: Mr. Waldrop made a motion to adopt the Loudon County Open Records Policy. Mr. Watkins seconded the motion and it was approved unanimously.

Mr. Stevens said he and Mr. Field continue to engage in discussions with Santek to address whether Santek will assume any additional responsibilities for closure/post-closure during the term of the existing contract. He said Santek has offered an informal proposal to the Commission, but he has some concerns about whether the proposal would comply with applicable state and local procurement laws. Mr. Stevens said he is in discussions with Santek's legal counsel and hopes to have more information by the Commission's next meeting.

Mr. Stevens said the investigation of pursuing alternative investments of the Commission's funds is an ongoing process. He reiterated that it's in the Commission's best interests to talk to outside financial professionals in order to make the most informed decision about future investments. He said Mr. Waldrop will follow up with County Commissioners and the Mayor on their willingness to consider investment strategies other than Mr. Miller's plan.

During the Chairman's Report, Mr. Field distributed a change order which was requested by GeoSyntec Consultants to cover additional expenses associated with a trip to Santek's corporate office in Cleveland. Mr. Field said the trip was not included in GeoSyntec's original proposal to perform the third-party audit of the landfill operation and finances. Mr. Field said the trip was necessary for GeoSyntec to gain a better understanding of the landfill management agreement. Mr. Field said the proposed adjustment of \$4,257.50 was fair and was much lower than what GeoSyntec had originally proposed.

MOTION: Mr. Waldrop made a motion to accept Mr. Field's proposal. Mr. Field seconded the motion. The motion passed with 4 affirmative votes and one negative vote. (Mr. Watkins)

Mr. Field reported that Loudon County Commissioner David Meers and several representatives from the Tennessee Department of Environment and Conservation's (TDEC) Knoxville Field Office paid an unexpected visit to the landfill September 6th. Speaking with Commissioner Meers after the tour, Mr. Field noted that the Commissioner said he learned a lot about the landfill and was surprised about the complexities of managing the facility. Mr. Field also spoke to Chris Thompson from the Governor's Office who took the tour and she said the facility looked good.

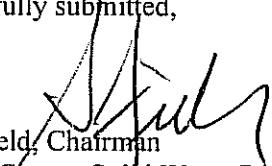
Mr. Field shared with the Commission a letter he received from TDEC about the county's annual Solid Waste Report. Based on one local industry changing their solid waste management program and opting to landfill 64,000 tons of its waste last year, the county's waste reduction percentage of dropped from 18% in 2011 to 8% in 2012.

Mr. Field asked if there was any other Commission business and Mr. Jameson requested a tour of the landfill. Ms. Dunson said she would facilitate the visit with Mr. Higdon.

MOTION: Mr. Watkins made a motion to adjourn the meeting at 8:05 p.m. Mr. Waldrop seconded the motion and it passed unanimously.

The Commission's next regularly scheduled meeting is October 8, 2013 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,


Steve Field, Chairman
Loudon County Solid Waste Disposal Commission