

Minutes
Loudon County Solid Waste Disposal Commission
April 8, 2014

The Loudon County Solid Waste Disposal Commission (Commission) met on April 8, 2014 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Brian Jenkins, John Watkins, Tom Paul and Larry Jameson. Other attendees included Attorney Kevin Stevens; Santek representatives Lisa Humphres and Levi Higdon; Leo Bradshaw; Robert Dishner; Betty Jo McAllister; Dara Cummins; Barbara Pudinoff; Mark Fronczek; Kelly Littleton-Brewster; and several other citizens.

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

MOTION: Mr. Field asked for motion to approve the March 11, 2014 meeting minutes. Mr. Watkins made a motion to approve the minutes with Mr. Jameson seconding the motion. The Commission approved the motion unanimously.

Aileen Longmire asked Mr. Field if he has seen the invoices for legal services submitted in December of 2013 by law firms other than Mr. Stevens' firm. Mr. Field stated that he has spoken with the County Mayor to investigate that matter and has not yet seen these particular invoices.

Robert Dishner (resident) inquired about the status of the major permit modification and also asked how many acres the major permit modification will include. Mr. Field will contact the Tennessee Department of Environmental Conservation (TDEC) to inquire about these issues related to the major permit modification and will report back at next month's meeting.

Ms. Humphres presented the Cash Activity Report which included cash receipt totals for both February and March. Mr. Watkins asked about the account for Closure Reserves. Mr. Stevens stated that he understands that the County Trustee's Office maintains only one account for the Commission which includes two separate designations for operational funds and reserves for Closure/Post-Closure care. He said the LCSWDC needs to make sure the accounts are being designated properly even though they are reported as one account by the Trustee's Office. Mr. Stevens said that he would investigate the current status of the Commission's account held by the Trustee's Office. Mr. Field suggested investing a portion of the closure/post-closure reserves into an account providing a better return.

During the Operations report, Mr. Field asked Mr. Higdon to confirm that Santek will be purchasing a tire wash station instead of a vacuum truck to prevent debris from being tracked outside of the landfill. Mr. Higdon said he would check into it and confirm this decision at next month's meeting. Mr. Jameson said he felt adding a drip zone area to the landfill exit to prevent water on the roadway was a very good idea.

Mr. Field asked Ms. Humphres to present the draft copy of the Loudon County Annual Recycling Progress Report to the Commission for approval. The Commission reviewed the draft and agreed to approve the report with no changes.

MOTION: Mr. Field asked for motion to approve the draft copy of the Loudon County Annual Recycling Progress Report draft for final submittal to TDEC. Mr. Watkins made a motion to approve the draft report with Mr. Paul seconding the motion. The Commission approved the draft report as written.

During the Attorney's Report Mr. Stevens stated that Brown and Caldwell had submitted a request for additional fees associated with last month's Land Use Workshop. He said the invoiced amount is to cover costs incurred by Brown and Caldwell that over and above the time fixed fee amount originally proposed

in the agreement. Mr. Stevens stated that during his review of the Brown and Caldwell agreement, it clearly stated that the contract amount was a fixed fee and not an hourly rate arrangement. A provision was included in the agreement stating that Brown and Caldwell may not exceed the fixed fee without prior written authorization from the Commission. Mr. Stevens stated that no request was submitted by Brown and Caldwell for additional fees, and therefore, legally the Commission is not legally responsible for payment of this invoice.

After further discussion the Commission agreed to pay half of the additional fees as a matter of good faith and directed Mr. Stevens to draft a response offering to split the cost of the additional fees being invoiced.

MOTION: Mr. Paul made a motion to pay Brown and Caldwell half of their requested fees with Mr. Jameson seconding the motion. The Commission approved 3:2 with Mr. Watkins and Mr. Jenkins naves.

Mr. Field told the Commission that he has been discussing options for site utilization with Kim Turner of Tennessee Trash Service. He is currently researching material recovery facility information to determine the feasibility of this type of service facility at the landfill property. He will continue to look into this and share his findings with the Commission at the next regularly scheduled meeting.

Mr. Stevens announced to the Commission that the final version of the annual financial statements for the Commission has been completed and is now ready to send to the State Comptroller.

MOTION: Mr. Field asked for a motion to accept the annual financial statements as finalized. Mr. Paul made a motion to approve the final annual financial statements with Mr. Watkins seconding the motion. The Commission approved the motion unanimously.

Mr. Stevens reminded the Commission that Bill Waldrop, LCSWDC Vice Chair, has stepped down leaving the position vacant. He asked the Commission to appoint a new Vice Chair to fill a one-year appointment, noting that the next officer election will be held in March, 2015.

MOTION: Mr. Field nominated John Watkins as new Vice Chair. Mr. Jenkins seconded the motion. The Commission approved the motion unanimously.

Mr. Field told the Commission that he is still having ongoing productive negotiations with Santek regarding the potential modification of the operating agreement and said that the parties appear to be getting closer to an acceptable resolution. Santek is still in the process of completing a financial analysis and tipping fee comparison. Mr. Field said that he and Santek are working to identify the best method of preserving the current customer base while providing sufficient funding for Closure/Post-Closure.

Mr. Stevens then asked to make a brief public statement regarding a potential litigation matter involving the Commission's stakeholders. He read the following public statement:

“The Commission has received inquiries about \$18,000.00 for attorney fee invoices paid out of its account in December 2013. Those invoices relate to a potential legal claim against the City of Loudon, Lenoir City, and Loudon County. This potential claim is not related in any manner to the Commission's operation of the Matlock Bend Landfill. The Commission is not involved in the potential claim and has been asked not to comment on it as the matter involves potential litigation against the three governmental entities. The matter is still under review and subject to the attorney work-product and attorney client privileges. The only reason that the Commission has any involvement in this matter is the fact that the Commission is currently holding certain funds that were reserved to cover existing liabilities of its stakeholders. The Commission acknowledges that there may be additional expenditures related to this matter in the future. The Commission expects to receive written direction from each of its governmental

stakeholders before any payments are made from reserved funds. Further inquiries should be directed to the attorneys for the City of Loudon, Lenoir City, and the County.”

MOTION: Larry Jameson made a motion to authorize the release of the stakeholders’ reserved funds to pay expenditures related to the potential litigation matter only upon receipt of written approval and direction from each of the stakeholders. Mr. Jenkins seconded the motion. The Commission approved the motion unanimously.

MOTION: Mr. Jenkins made motion to adjourn the meeting at 8:10 p.m. Mr. Jameson seconded the motion. The motion passed unanimously.

The Commission’s next regularly scheduled meeting is May 13th at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Field', with a long horizontal flourish extending to the right.

Steve Field, Chairman
Loudon County Solid Waste Disposal Commission