

Minutes
Loudon County Solid Waste Disposal Commission
August 8, 2017

The Loudon County Solid Waste Disposal Commission (Commission) met on August 8, 2017 at 6:30 p.m. at the Loudon County Office Building. The Commission was represented by Steve Field, Larry Jameson, Art Stewart, Kelly Littleton-Brewster and Bruce Hamilton. Other attendees included Attorney Kevin Stevens; Dr. Bob Bachus with Geosyntec; Santek representatives Raymond Givens and Cheryl Dunson; and residents Aileen Longmire, Pat Hunter and Rich Anklin.

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

Mr. Jameson led the Commission in the Pledge of Allegiance and the invocation.

MOTION: Mr. Stewart made a motion to approve the minutes of July 11, 2017. Ms. Littleton-Brewster seconded the motion. The minutes were approved unanimously.

During Items of Public Concern, Mr. Anklin asked if this agenda item could be moved to later in the meeting in the event he had questions about other subsequent agenda items. Mr. Field told Mr. Anklin he would be free to ask questions throughout the meeting.

Ms. Hunter asked if the major modification for the Matlock Bend Landfill currently under review by the Tennessee Department of Environment and Conservation (TDEC) will include a closure plan or will it be a separate permit issue. Mr. Field said the permit modification will include a closure plan. Ms. Hunter then asked if the plan would be modified in the event the landfill doesn't reach final elevation. Mr. Field said the Commission will have to decide whether to put the requested lower elevation in the permit or make it a contractual requirement with Santek. Ms. Hunter asked if the Commission intends to discuss the Santek proposal with the stakeholders before it votes on it. Mr. Field said he intends for all of the stakeholders to understand the final proposal and concur with the contract modification. Ms. Hunter then thanked Ms. Littleton-Brewster for her presentation to the Loudon County Commission about expenses related to the Poplar Springs Landfill August 7th. Ms. Hunter added she's concerned about the county commission's request to the Commission to be reimbursed \$88,000 for expenses attributable to the county attorney's work on the landfill.

Ms. Dunson presented the Cash Activity Report for July 2017.

During Santek's operations report, Mr. Jameson asked why Santek uses a 30-day running average to compute daily tonnage. Ms. Dunson replied that it relates to the how the tonnage cap was negotiated in the 2007 landfill management agreement. Mr. Jameson asked if Santek could include a 22.5-day tonnage average on the tonnage matrices. Ms. Dunson said she would add the calculation to future reports.

Dr. Bachus presented a Review and Analysis of Santek's Proposal to Modify the Contract in an in-depth PowerPoint presentation. He summarized his presentation to the Commission on July 11, 2017 and discussed the results of his meeting with Santek representatives on July 28, 2017. He stated that he and Santek EVP of Engineering Ron Vail generally agreed on how the proposed closure/post-closure (C/PC) figure is calculated. Dr. Bachus also presented feedback from Commission following his July 11th presentation regarding assumptions used for assessing and managing C/PC liability. Those findings included an interest rate of 1% to 1.25% instead of 1.6%; increasing the security fee up to \$2.75 per ton with periodic reviews and re-evaluations; increasing the host fee; and requiring a more aggressive phased closure plan with a specific closure schedule.

Mr. Jameson asked Dr. Bachus if the landfill doesn't reach final permitted elevation, but is closed, does TDEC consider the landfill closed. Dr. Bachus said it does.

Dr. Bachus went into detail about the importance of the Airspace Utilization Factor and the impact of inflation on the security fee. He then made some preliminary recommendations which included:

- Performing a financial assessment using an interest rate of 1% and inflation rate of 2% to establish a security fee that will reduce calculated liability to \$0 at the end of the contract extension
- Developing an alternative grading plan and closure schedule resulting in the Commission having less than 10 acres to close in 2032.
- Performing annual reviews and adjustments of the security fee
- Imposing a penalty for non-compliance with a closure schedule
- Establishing 2027 as the target date for the Commission to make a decision on whether it remains in the landfill business.

Dr. Bachus also presented an alternative design on the landfill's expansion and said he was waiting to get Mr. Vail's thoughts on Dr. Bachus' idea. Going forward, Dr. Bachus requested that the Commission send any further questions, concerns or suggestions to Mr. Stevens so the Commission can develop a counterproposal for Santek to review. Mr. Field asked Dr. Bachus to keep him and Mr. Stevens informed on his discussions with Santek so the Commission can begin deliberating on the counterproposal.

Ms. Longmire said she was opposed to extending Santek's contract an additional five years and suggested the LCSWDC should stay with the original contract.

Ms. Littleton-Brewster gave an update on the Poplar Springs Landfill. After much research, she said she was able to determine the landfill's subfund account's beginning balance was \$437,958. As of August 5, 2017, the balance was approximately \$190,000. She said the contractor's bid to complete repairs to the landfill is \$172,600 and no funds have been expended to date to make any repairs. Ms. Littleton-Brewster said the Loudon County Commission voted August 7, 2017 to seek reimbursement from the Commission in the amount of \$88,000 for legal fees from the county attorney related to the Poplar Springs Landfill which were already paid from the county's general fund.

Ms. Littleton-Brewster said as far as she was concerned the county has reached a stopping point with completing repairs to the landfill until it can get better answers on the legitimacy of expenditures. She also said it was well documented that the owner knew when he purchased the Poplar Springs property that it was a former landfill, and she said she doesn't agree with spending public funds on private land. Ms. Littleton-Brewster said the City of Loudon will be talking about the landfill in its city council meeting August 14th and the Lenoir City mayor has also expressed an interest in learning more about the situation. Ms. Littleton-Brewster said expenses are out of control on this project and she hasn't been granted permission to view detailed invoices from the consulting engineering firm, the Luna Law firm and the county attorney because, she's been told, they're a matter of attorney-client privilege.

During the Attorney's Report, Mr. Stevens said the final audit for fiscal year 2015-16 has been filed with the State of Tennessee and he distributed copies to the Commission. He also mentioned that Mr. Richard Hill with Mitchell, Emert & Hill has submitted a proposal to perform the FY 2017 audit.

MOTION: Ms. Littleton-Brewster made a motion to table Mr. Hill's proposal until the Commission's September meeting. Mr. Stewart seconded the motion and it passed unanimously.

Mr. Stevens said the Loudon County Commission continues to review its Open Records Policy which the Commission previously adopted. He also thanked Mr. Jameson for posting a No Trespassing/No Hunting sign on Commission property. Mr. Jameson said he has several more to post, but the ground clearing cost was minimal.

Mr. Field asked how the Commission will process the \$88,000 invoice from the county commission for the reimbursement of the county attorney's fees for his work on the Poplar Springs Landfill. Mr. Stevens said he will ask to view itemized invoices to see how they relate to the landfill and, then, will bring the invoice to the Commission for further discussion. Mr. Stevens suggested that the LCSWDC should also gain concurrence from our stakeholders in Lenoir City and City of Loudon prior to releasing any funds.

During the Chairman's Report, Mr., Field said he had a \$2,500 invoice for Mr. Stevens' legal services and a \$7,425 invoice from Mr. Hill for preparing the audit.

He also said the Loudon County Finance Director views Ms. Littleton-Brewster as a Loudon County employee since she is employed by the Loudon County school system as an educator. As such, more deductions will be made from the payment she receives from serving on the Commission.

Mr. Field said he also received a copy of the Matlock Bend Landfill's groundwater monitoring report from Santek and that an electronic copy has been placed on the county website for public review.

MOTION: Mr. Hamilton made a motion to adjourn the meeting at 9:15 p.m. and Mr. Jameson seconded the motion. It passed unanimously.

The Commission's next regularly scheduled meeting is September 12, 2017 at 6:30 p.m. at the Loudon County Courthouse Annex.

Respectfully submitted,



Steve Field, Chairman
Loudon County Solid Waste Disposal Commission