

Minutes
Loudon County Solid Waste Disposal Commission
January 10, 2012

The Loudon County Solid Waste Disposal Commission (Commission) met on January 10, 2012 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; Auditor Richard Hill; Santek representatives Cheryl Dunson and Levi Higdon; and members of the public Aileen Longmire, Pat Hunter, Larry Jameson, and several other unidentified residents.

Mr. Field called the meeting to order at 6:34 p.m.

Mr. Field asked for a motion to approve the minutes of December 13, 2011.

MOTION: Mr. Waldrop made a motion to approve the minutes. Mr. Sitzlar seconded the motion. The Commission approved the motion unanimously.

During the Items of Public Concern, Ms. Longmire inquired about the landfill's final elevation. Mr. Higdon replied the landfill's highest points would be in Modules A, B and G. Ms. Longmire also asked Mr. Field if there was a letter on file with the Commission from Mr. Gilbert notifying the Commission of the temporary suspension of his law license for failing to comply with his continuing legal education requirements. Mr. Field indicated that Mr. Gilbert had notified the Commission of the matter by letter and said he would make a copy of the letter available to Ms. Longmire.

Ms. Dunson presented the Cash Activity Report and Santek's Operational Report. Mr. Harrison asked if all of Tate & Lyle's waste was being disposed of at the Matlock Bend Landfill. Ms. Dunson said she would check with Waste Services' personnel and report back to the Commission.

Mr. Hill addressed the Commission and said the recent audit received a clean opinion. He said there were no findings or recommendations, and a management analysis was needed to complete the audit. He indicated there was a shortfall in revenue of approximately \$228,000, which was largely related to closure and post-closure cost accruals. Mr. Field told the Commission that Santek used a large volume of soil (34,117 cubic yards) this past year to stabilize the slope, which failed in November 2010. He said the Commission received no revenue on the soil, but it did consume space, which could have caused a portion of the loss. He also said there was not enough financial and operational information available to accurately predict whether the Commission was experiencing a trend at this point, but that the Commission should monitor the situation closely in the future.

Mr. Watkins asked if the shortfall was attributable to the purchase of the Commission's adjoining land during the period. Mr. Hill said it was not since these transactions were merely changing the Commission's cash to land, both assets. Mr. Gilbert said the Commission may want to hire a third party expert to perform a thorough evaluation as airspace is consumed. Mr. Harrison said he was curious to learn how other landfills compared to the Commission's facility. Mr. Gilbert said he was unsure if there were other entities similar to the Commission, but he could pull the State Comptroller's reports of other county and municipal audits in an attempt to find out. Mr. Harrison asked if there was a legal basis to raise the landfill's tipping fees. Mr. Gilbert replied that while the operations contract primarily left rate setting to Santek, there was a general principle of law

reported in Tennessee case law that requires governmental entities to charge sufficient rates despite contractual provisions to the contrary. He suggested that any move to do so in this case would need to be carefully researched before the Commission should rely on that authority.

Mr. Field said the revenue loss may be variable and as the landfill grows, the efficiency should increase thereby positively affecting airspace utilization. Mr. Gilbert said since the Commission has acquired additional land, one additional idea is to examine ways of reconfiguring the landfill with an aim of reducing closure/post-closure expenses. He said he would be meeting with Mr. Field on January 13th to look at the issue more closely and develop possible options for further discussion.

During the Attorney's Report, Mr. Gilbert said he has been asked to send the realtor's commission for the Atchley property acquisition that was handled by Jay Cobble to Blue Ridge Development Company, from which Mr. Cobble has now severed his affiliation.

Mr. Field told the Commission he was working on preparing a quarterly update for the Loudon County Commission and asked Commissioners for their input on informational items. He said he was currently planning to include information about the slope failure and the consent order, the audit, and current waste streams and volumes. Mr. Harrison said the Commission should include information about the Loudon County convenience centers and how well they have been managed. Mr. Stizlar suggested asking the county commission for feedback to facilitate local recycling efforts. Mr. Field asked the Commissioners to send their comments to Mr. Gilbert and he would ensure they were received by Mr. Field.

Mr. Jameson said he approached the Commission in October about mud on the road near the entrance of the landfill. He said since that time, Santek personnel have done a good job of keeping the road clear, but mud is building up on the side of the road. He asked the Commission to consider installing a wheel wash.

MOTION: Mr. Waldrop made a motion to adjourn the meeting at 7:35 and Mr. Akins seconded the motion. The motion passed unanimously.

The Commission's next regularly scheduled meeting is February 14, 2012 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,

Steve Field, Chairman
Loudon County Solid Waste Disposal Commission