

Minutes
Loudon County Solid Waste Disposal Commission
June 10, 2014

The Loudon County Solid Waste Disposal Commission (Commission) met on June 10, 2014 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, John Watkins, Larry Jameson, Brian Jenkins, Jim Akins, Tom Paul and Robert Harrison. Other attendees included Attorney Kevin Stevens; Santek representatives Lisa Humphres, Levi Higdon, Kenny Fuquea and Will Martin; and several citizens.

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

MOTION: Mr. Jenkins made a motion to approve a corrected version of the May 13, 2014 minutes. Mr. Jameson seconded the motion and the minutes were approved unanimously.

During Items of Public Concern, Mr. Ray Chadwick asked the Commission about the status of the old landfill in the Poplar Springs community. He said he was aware that three attorneys were investigating a corrective action plan. Mr. Stevens said the attorneys are working on behalf of each individual stakeholder as well as with the owner of the property to develop the plan. Mr. Stevens said the Commission is not a direct participant in the matter as it never owned or operated the Poplar Springs Landfill. Mr. Chadwick said he has witnessed the area where the landfill is leaking. Mr. Harrison said very little information has been shared with the Commission by its stakeholders, which has prevented it from being more proactive.

Ms. Pat Hunter asked the Commission if the funds to address corrective action are in a separate account. Mr. Field said he is working with the Loudon County Finance Department and Trustee's Office to accomplish that.

Mr. Mark Fronczek with Tennessee National asked the Commission about the status of the major permit modification and about the final elevation of the Matlock Bend Landfill. Mr. Field said the public hearing for the modification is probably several months away and there are three elevations: The current elevation, the final permitted elevation under the current permit, and the final elevation according to major permit modification, as it's approved by the Tennessee Department of Environment and Conservation (TDEC). He said the Commission will work with Santek on achieving a final elevation that will be less than permitted. He said the design packet will be available to the public at the public hearing.

Ms Ailene Longmire questioned the accuracy of several remarks in the May 13th minutes and she asked Mr. Field to verify the final elevation of the Matlock Bend Landfill. She also questioned several Commission expenses related to the TDEC Solid Waste Conference in Gatlinburg which she considered to be unusually high.

Ms. Humphres presented the May 2014 Cash Activity Report and the Landfill Operations Report. Mr. Harrison asked about the decrease in Philip Metals waste volumes. Mr. Paul said he remembered being told the waste was being stockpiled because Philip Metals was installing a new processing system.

Mr. Martin gave the Commission the latest update on the Title V Air Permitting Process which began in October 2013. Santek recently submitted the Tier Two testing results on May 29th. The tests indicate the landfill is emitting 7.9 mega grams of non-methane organic compounds per year. The threshold is 50. Therefore, Mr. Martin said, the landfill is not required to install an active gas collection system at this time. He said Tier Two testing occurs every five years. Mr. Martin said the next step is to submit a Title V

Air Permit Application to the Tennessee Department of Environment and Conservation by November 2014.

Mr. Fuquea presented a report on the contract negotiations between Santek and the Commission related to the landfill's closure/post-closure accruals and the establishment of a Financial Assurance Account. He handed out several documents and reviewed the steps needed to accomplish the contract modifications. He said Section 8.2 of the landfill management agreement needs to be amended to reflect a close-as-you-go process and a new section would need to be created for a Financial Assurance Account. Mr. Fuquea distributed draft language which is currently being used in another Santek landfill management agreement. He also said the per-ton closure figure would need to be increased to \$1.04 and it would need to be adjusted annually. He also distributed a spreadsheet depicting the accrual of closure money throughout the life of the Santek agreement as well as the life of the landfill.

Mr. Field said the Santek contract expires in 2027, but the life of the landfill has an additional 11 years beyond the contract expiration. He said he's talking to Santek personnel about reducing the design elevation which will ultimately reduce the landfill's life. Mr. Watkins said he thought the 2.5% annual inflation factor was too low and would like to see a model based on a 5% adjustment. Mr. Jameson expressed concerns about a reduction in the in-county waste coupled with an increase of out-of-county waste which, he said, is a sore spot with residents. Mr. Field said the difference in the amount of imported waste versus exported waste is approximately 10%. Mr. Harrison and Mr. Akins reminded the Commission the subject of in-county waste versus out-of-county waste is a balance to accommodate the landfill's in-county industrial users while being a function of maintaining equitable disposal rates for the landfill's stakeholders. Mr. Fronczek suggested Santek attempt to reduce its operational expenses to accommodate any reduced inflow of waste.

Mr. Paul gave a report on a recent meeting he had with Loudon County Trustee Chip Miller to discuss investment options for the Commission's Host Fees and Security Fees. Mr. Paul said Mr. Miller didn't have a problem with the Commission investing its Security Fee separately. Mr. Miller suggested to Mr. Paul the Commission "ladder" its investments in four-year, two-year and short-term funds. Mr. Miller said he would want specific instructions from the Commission on how to invest the funds. A few difficulties exist. In particular, the State of Tennessee legal counsel has ruled a governmental entity can't use a broker. Plus, a limit of \$250,000 per banking institution means the Commission's funds would require 11 different banks. Moreover, CD rates vary which will require the Commission or its agent to shop around for the best investment. Mr. Watkins asked how the laddering of the investments would impact the fee charged by the trustee. Mr. Paul said he didn't discuss that issue with Mr. Miller. Mr. Watkins asked about the next step and Mr. Paul said the Commission could move forward with investing in CDs. Mr. Stevens said the Commission isn't obligated to use the county trustee to invest its money and, based on the reserves for the old landfill in Poplar Springs and having some operational reserve, the total amount that could be invested is approximately \$1 million. Mr. Jameson asked who would be responsible for administration of records for future investments. Mr. Field said the funds could remain with the County Trustee and the Trustee could continue to administer the records for the Commission's investments as the Trustee is audited on an annual basis.

During the Attorney's Report, Mr. Stevens addressed the issue of listing the names of all attendees at the Commission's meetings. After some debate among the commissioners and several audience members, the Commission decided to have a sign-up sheet at each meeting for those attendees that wished to be listed on the minutes.

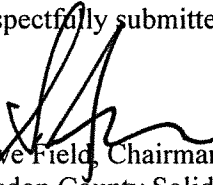
Mr. Jameson asked Mr. Fuquea about the status of the wheel wash at the landfill. Mr. Fuquea assured Mr. Jameson he would have an update by the end of the week.

Ms. Hunter asked about the disposal of tires at the landfill. She questioned whether citizens paid a disposal fee since they pay a pre-disposal fee at the time when they purchase new tires. Mr. Field said that there is a disposal charge for all tires. Ms. Humphres stated that there is a disposal charge of \$1.25 for each tire disposed of at the landfill to cover the costs of the recycling program not included in the state tire grant.

MOTION: Mr. Jameson made a motion to adjourn the meeting at 7:45p.m. Mr. Harrison seconded the motion and it passed unanimously.

The Commission's next regularly scheduled meeting is July 8, 2014 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,


Steve Field, Chairman
Loudon County Solid Waste Disposal Commission