

AGENDA
LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION
July 12, 2016
6:30 p.m.
LOUDON COUNTY COURTHOUSE ANNEX
Loudon, Tennessee

1. Opening of Meeting, Pledge of Allegiance, Invocation
2. Approval of Minutes – June 14, 2016
3. Items of Public Concern
4. Cash Activity Report
5. Operations Report
6. Poplar Springs Update
7. Investment Options Update
8. Tire Disposal Fee Rate Adjustment
9. Attorney's Report
10. Chairman's Report
11. Contract Modification Update
12. Other Items of Commission's Consideration
13. Adjourn

Loudon County Department of Accounts and Budgets
Solid Waste Disposal Fund 207
Monthly Financial Report
June 2016

May 2016 Combined Ending Cash Balance per Monthly Report		3,193,750.98
Adjustments:		
	0.00	
	0.00	
Total Adjustments		0.00
Adjusted May 2016 Combined Ending Balance per Loudon Co Trustee		3,193,750.98

Solid Waste Disposal Commission Operating Fund

Operating Fund Ending Balance May 2016		2,882,207.89
Cash Receipts:		
Trustee's Collections - Prior Year		
Trustee's Collections - Bankruptcy	0.18	
Surcharge - Host Fees (May 2016)	11,384.57	
Surcharge - Security Fees (May 2016)	14,994.10	
Investment Income	1,348.81	
Total Monthly Revenue		27,727.66
Cash Disbursements:		
Board & Committee Members Fees	(300.00)	
Audit Services (Mitchell Emert & Hill)	0.00	
Contracts with Private Agencies (Santek)		
Engineering Services (Santek)		
Contributions (Loudon Utilities - Quarterly)	(3,750.00)	
Legal Services (Kennerly May 2016)	(2,500.00)	
Legal Notices		
Travel (Hamilton)	0.00	
Other Contracted Services (Mowing)		
Materials (Reimb Mr. Watkins for certificates)	0.00	
Building & Content Insurance		
In-Service/Staff Development		
Trustee's Commission	(270.28)	
Total Cash Disbursements		(6,820.28)
Expenditure Credit:		
Trustee Commission Adjustment		0.00
<u>Operating Fund Ending Balance June 2016</u>		2,903,115.27

Poplar Springs Subfund

Poplar Springs Subfund Balance May 2015		311,543.09
Cash Receipts:		
	0.00	
Total Monthly Revenue		0.00
Cash Disbursements:		
Legal Services		
Total Cash Disbursements		0.00
<u>Poplar Springs Subfund Balance June 2016</u>		311,543.09

<u>TOTAL COMBINED OPERATING AND POPLAR SPRINGS JUNE 2016 BALANCE</u>		3,214,658.36
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Combined Summary - June 2016		
Beginning Balance		3,193,750.98
Plus Operating Revenue		27,727.66
Less Operating and Poplar Springs Disbursements		(6,820.28)
TOTAL COMBINED BALANCE - JUNE 2016		3,214,658.36

Steve Field

From: Richard Hill <Richardhill@mehcpa.com>
Sent: Friday, June 17, 2016 9:16 AM
To: Steve Field
Subject: FW: Local Government Audit: Loudon County Solid Waste Disposal Commission - 2015 Review Letter
Attachments: 9109-2015-Loudon Solid Waste Disposal Comm-EL-CPA-191.pdf

Steve,

Here are my comments on the issues raised in this letter:

1. It appears the state is getting anxious about the deficit growing and no resolution for getting the contract terms revised. I know you have had some discussions with Santek, but I think the MD&A for the current year needs to be updated for where you stand at the time of the audit. I think if you haven't made meaningful progress on eliminating the deficit, they will come down much harder on the board after reviewing the 2015-16 audit report.
2. Lisa is correct in that the unrestricted heading is out of place and the designation (for unspent Poplar Springs Landfill funds) should be in the notes and not on the face of the financial statement (I read the standards and confirmed she is correct). I think we did that to show the group that is most concerned about this that the funds were available and had not been spent for other purposes. So we can do this for 2015-16 – it just should be in the notes and not on the actual statements.
3. I would suggest filing the interlocal agreement with Lisa since she is the one who raised the issue. I thought the agreement was filed years ago, but apparently not. Or perhaps that is a new law – I have not checked on that.

If you have any questions on this, please let me know.

Richard

From: Lisa Bellar [mailto:Lisa.Bellar@cot.tn.gov]
Sent: Thursday, June 16, 2016 2:59 PM
To: 'sm_field@bellsouth.net'
Cc: Richard Hill; David Sturtevant
Subject: Local Government Audit: Loudon County Solid Waste Disposal Commission - 2015 Review Letter

Please read the attachment.

The attached document(s) can be read using Adobe. A free version can be found at <http://www.adobe.com/products/acrobat/readstep.html>

Thank you,

Lisa Bellar

Lisa Bellar, CPA, Auditor
TN Comptroller of the Treasury | Division of Local Government Audit
Suite 1500, James K. Polk State Office Building
Nashville, TN 37243-1402

Office Phone: 615-401-7841
Direct Extension: 615-401-7854



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

June 16, 2016

Mr. Steve Field, Chairman
Loudon County Solid Waste Disposal Commission
101 Mulberry Street, Suite 102
Loudon, TN 37774

Dear Mr. Field:

This letter acknowledges receipt of the audited financial statements of the Loudon County Solid Waste Disposal Commission for the fiscal year ended June 30, 2015. These financial statements have been reviewed and accepted as part of the public records of the State of Tennessee.

The audited financial statements of the Loudon County Solid Waste Disposal Commission are the responsibility of the commission's management. During our review and approval of these financial statements, we observed the following points regarding the published report:

1. Management's Discussion and Analysis (MD&A) (page 6) stated that the commission was engaged in discussions with the landfill operator to modify the existing contract to address an anticipated shortfall of funds to cover the estimated future liability for closure and post closure costs. This comment has been included in MD&A since 2013; however, it appears this issue has not been resolved. The condensed Statement of Net Position and the condensed Statement of Revenues, Expenses, and Changes in Net Position (pages 4 and 5) reflected negative changes in net position with a related increase in deficit net position for the past four years. Commission officials should take necessary action to ensure the anticipated shortfall is resolved and the deficit net position is eliminated.
2. The following inconsistencies were noted on the Statement of Net Position regarding net position classifications:
 - a. The net position component "Investment in capital assets" was reflected as a sub-category of the unrestricted net position component.
 - b. Unrestricted net position was classified as designated and undesignated.

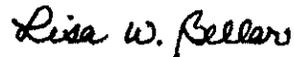
Net position should be displayed in three separate components, (1) investment in capital assets, (2) restricted (distinguishing between major categories of restrictions), and (3) unrestricted. Unrestricted net position includes amounts not determined in the calculation of investment in capital assets or restricted components of net position. Designations of net position represent management intentions for the use of resources and should not be reported in the net position section of the Statement of Net Position. These designations may be disclosed in the Notes to the Financial Statements. Please refer to the *Codification of Governmental Accounting and Financial Reporting Standards* (2014-2015 Edition), Sections 1800.155 and 1800.162, and the AICPA Audit and Accounting Guide: *State and Local Governments* (March 1, 2015 Edition), paragraphs 10.06 and 10.09 for reporting guidance.

Mr. Steve Field, Chairman
Loudon County Solid Waste Disposal Commission
June 16, 2016
Page 2 of 2

3. The Notes to the Financial Statements disclosed that the authority is a joint venture between Loudon County, the City of Loudon and Lenoir City. Section 12-9-111 of *Tennessee Code Annotated* requires the interlocal agreement entered into by the local government entities to be filed with the Comptroller of the Treasury of the State of Tennessee. Please submit a copy of this agreement to our office.

These points will be communicated to the auditor and should be addressed in any subsequent reports of the Loudon County Solid Waste Disposal Commission. Please notify me if you have any questions.

Sincerely yours,



Lisa W. Bellar, CPA, Auditor
Division of Local Government Audit

cc: Mr. Richard Hill
Mitchell Emert and Hill
Certified Public Accountants

**Monthly Operations Report
Matlock Bend Landfill
July 12, 2016**

**Presented by:
Santek Environmental, Inc.**



650 25th Street, N.W., Suite 100
Cleveland, Tennessee 37311
(423) 303-7101

Email: mail@santekenviro.com
Internet: www.santekenviro.com

- I. OPERATIONS**
 - A. Tonnage Report
 - B. Customer Report
 - C. Inspection
 - D. Materials Classification Report
 - E. Waste Characterization Report
 - F. Tire Report

- II. ENGINEERING**
 - A. Remaining Airspace Utilization Schedule
 - B. questions from last meeting*

- III. HOST & SECURITY FEES**

LANDFILL TONNAGE VOLUME
MONTH ENDING -
JUNE 2016

MATLOCK BEND LANDFILL

MONTH	2015	2016	2015 TO 2016
JANUARY	12,350.37	13,035.08	684.71
FEBRUARY	9,780.01	13,619.92	3,839.91
MARCH	14,194.83	15,803.85	1,609.02
APRIL	14,753.38	14,569.65	(183.73)
MAY	13,573.83	14,994.10	1,420.27
JUNE	16,695.74	14,159.65	(2,536.09)
JULY			0.00
AUGUST			0.00
SEPTEMBER			0.00
OCTOBER			0.00
NOVEMBER			0.00
DECEMBER			0.00
TOTAL	81,348.16	86,182.25	4,834.09

**DAILY AVG FOR ANY
 RUNNING 30 DAY
 PERIOD 471.99**

LOUDON COUNTY

MONTH	2015	2016	2015 TO 2016
JANUARY	432.51	412.09	(20.42)
FEBRUARY	344.16	444.62	100.46
MARCH	466.57	513.60	47.03
APRIL	476.65	465.42	(11.23)
MAY	477.51	466.86	(10.65)
JUNE	473.83	493.13	19.30
JULY			0.00
AUGUST			0.00
SEPTEMBER			0.00
OCTOBER			0.00
NOVEMBER			0.00
DECEMBER			0.00
TOTAL	2,671.23	2,795.72	124.49

LENOIR CITY

MONTH	2015	2016	2015 TO 2016
JANUARY	277.10	260.26	(16.84)
FEBRUARY	221.09	296.65	75.56
MARCH	379.43	385.43	6.00
APRIL	389.66	342.75	(46.91)
MAY	308.39	343.73	35.34
JUNE	339.02	353.55	14.53
JULY			0.00
AUGUST			0.00
SEPTEMBER			0.00
OCTOBER			0.00
NOVEMBER			0.00
DECEMBER			0.00
TOTAL	1,914.69	1,982.37	67.68

CITY OF LOUDON

MONTH	2015	2016	2015 TO 2016
JANUARY	339.80	312.87	(26.93)
FEBRUARY	265.51	346.21	80.70
MARCH	385.99	416.82	30.83
APRIL	379.81	366.91	(12.90)
MAY	367.66	383.35	15.69
JUNE	411.35	427.97	16.62
JULY			0.00
AUGUST			0.00
SEPTEMBER			0.00
OCTOBER			0.00
NOVEMBER			0.00
DECEMBER			0.00
TOTAL	2,150.12	2,254.13	104.01

WASTE SERVICES OF TN

MONTH	2015	2016	2015 TO 2016
JANUARY	2,031.57	1,835.75	(195.82)
FEBRUARY	1,584.21	2,031.60	447.39
MARCH	2,201.02	2,387.63	186.61
APRIL	2,255.16	2,329.74	74.58
MAY	2,237.74	2,347.21	109.47
JUNE	2,153.85	2,406.60	252.75
JULY			0.00
AUGUST			0.00
SEPTEMBER			0.00
OCTOBER			0.00
NOVEMBER			0.00
DECEMBER			0.00
TOTAL	12,463.55	13,338.53	874.98

TENNESSEE TRASH

MONTH	2015	2016	2015 TO 2016
JANUARY	2,321.78	2,152.03	(169.75)
FEBRUARY	1,561.72	2,264.75	703.03
MARCH	2,426.85	2,824.58	397.73
APRIL	2,481.53	2,841.02	359.49
MAY	2,187.70	2,927.00	739.30
JUNE	2,447.90	2,955.40	507.50
JULY			0.00
AUGUST			0.00
SEPTEMBER			0.00
OCTOBER			0.00
NOVEMBER			0.00
DECEMBER			0.00
TOTAL	13,427.48	15,964.78	2,537.30

**LANDFILL TONNAGE VOLUME
MONTH ENDING -
JUNE 2016**

KIMBERLY CLARK - PAPER WASTE

MONTH	2015	2016	2015 TO 2016
JANUARY	2,541.93	4,649.89	2,107.96
FEBRUARY	2,450.48	4,671.47	2,220.99
MARCH	2,901.51	5,141.91	2,240.40
APRIL	3,187.70	4,797.68	1,609.98
MAY	2,973.18	4,941.64	1,968.46
JUNE	2,447.90	4,254.76	1,806.86
JULY			0.00
AUGUST			0.00
SEPTEMBER			0.00
OCTOBER			0.00
NOVEMBER			0.00
DECEMBER			0.00
TOTAL	16,502.70	28,457.35	11,954.65

TATE & LYLE - SLUDGE

MONTH	2015	2016	2015 TO 2016
JANUARY	0.00	0.00	0.00
FEBRUARY	0.00	0.00	0.00
MARCH	0.00	0.00	0.00
APRIL	0.00	0.00	0.00
MAY	0.00	0.00	0.00
JUNE	0.00	0.00	0.00
JULY			0.00
AUGUST			0.00
SEPTEMBER			0.00
OCTOBER			0.00
NOVEMBER			0.00
DECEMBER			0.00
TOTAL	0.00	0.00	0.00

PSC METALS INC

MONTH	2015	2016	2015 TO 2016
JANUARY	1,795.83	0.00	(1,795.83)
FEBRUARY	1,475.73	0.00	(1,475.73)
MARCH	2,424.61	0.00	(2,424.61)
APRIL	2,291.98	0.00	(2,291.98)
MAY	2,293.32	0.00	(2,293.32)
JUNE	4,563.22	0.00	(4,563.22)
JULY			0.00
AUGUST			0.00
SEPTEMBER			0.00
OCTOBER			0.00
NOVEMBER			0.00
DECEMBER			0.00
TOTAL	14,844.69	0.00	(14,844.69)

TATE & LYLE - ASH

MONTH	2015	2016	2015 TO 2016
JANUARY	0.00	0.00	0.00
FEBRUARY	0.00	0.00	0.00
MARCH	0.00	0.00	0.00
APRIL	0.00	0.00	0.00
MAY	0.00	0.00	0.00
JUNE	0.00	0.00	0.00
JULY			0.00
AUGUST			0.00
SEPTEMBER			0.00
OCTOBER			0.00
NOVEMBER			0.00
DECEMBER			0.00
TOTAL	0.00	0.00	0.00

Materials Classification Report
Matlock Bend Landfill
Monthly Tonnage Summary June 2016

Material	Tonnage	2015 Sludge %		2016 Sludge %	
MSW		January	2%	January	4%
		February	3%	February	3%
MSW	<u>9,408</u>	March	3%	March	4%
		April	1%	April	3%
Special Waste		May	2%	May	4%
		June	1%	June	2%
Other	4,458	July	5%	July	0%
Ash	0	August	2%	August	0%
Sludge	<u>293</u>	September	2%	September	0%
		October	2%	October	0%
Total Special Waste	<u><u>4,751</u></u>	November	3%	November	0%
		December	5%	December	0%
Total MSW & SW	14,159				
Tires	33				
Total Material	<u><u>14,193</u></u>				
% MSW	<u><u>66%</u></u>				
% Special Waste	<u><u>34%</u></u>				
% Sludge	<u><u>2%</u></u>				

**2015-2016 Matlock Bend
Landfill Tire Report**

Month	Tonnage
Jul-15	63.11
Aug-15	36.94
Sep-15	37.87
Oct-15	53.36
Nov-15	52.83
Dec-15	58.06
Jan-16	26.61
Feb-16	18.28
Mar-16	45.36
Apr-16	32.02
May-16	33.31
Jun-16	47.29
Total (tons)	505.04

Matlock Bend Landfill - Module H 2016 Airspace Projection / Construction Schedule

DATE	REMAINING AIRSPACE ¹ (CY)	MONTHLY TONNAGE	ACTUAL / PROJECTED ²	UTILIZATION FACTOR	MONTHLY VOLUME CONSUMED (CY)	ENDING MONTHLY REMAINING AIRSPACE (CY)
		14,574		1.14		
Aug. 25, 2015	270,151	-	-	-	-	-
Aug. 26-31, 2015	-	2,301	A	1.14	2,623	267,528
September	-	11,342	A	1.14	12,929	254,599
October	-	12,899	A	1.14	14,705	239,894
November	-	12,663	A	1.14	14,436	225,457
December	-	15,730	A	1.14	17,932	207,525
January '16	-	13,035	A	1.14	14,860	192,665
February	-	13,620	A	1.14	15,527	177,138
March	-	15,804	A	1.14	18,016	159,122
April	-	14,570	A	1.14	16,609	142,512
May	-	14,994	A	1.14	17,093	125,419
June	-	14,160	A	1.14	16,142	109,277
July	-	14,574	P	1.14	16,615	92,662
August	-	14,574	P	1.14	16,615	76,047
September	-	14,574	P	1.14	16,615	59,432
October	-	14,574	P	1.14	16,615	42,818
November	-	14,574	P	1.14	16,615	26,203
December	-	14,574	P	1.14	16,615	9,588

¹ = Remaining airspace based on Aug. 25, 2015 aerial survey.

Full Date

January-2017

² = Projected tonnages are based on a 3 month average per Matt Dillard on 6-2-09.

³ = Utilization rate based on the annual utilization rate per October 27, 2008 construction meeting (Avg. Utilization = 1.26 cy/ton)

Tonnage for Past 3 Months

April	14,570
May	14,994
June	14,160
Average	14,574

cc: Tim
Matt
Cheryl
Ron
Chris
Raymond
Jason
Andy

SANTEK



Waste Services

650 25th Street NW, Ste 100
Cleveland, TN 37311

Phone: (423) 303-7101
Toll Free: (800) 467-9160
www.santekenviro.com

July 11, 2016

Loudon County Solid Waste Disposal Commission
100 River Road
P.O. Box 351
Loudon, TN 37774

Dear Steve:

Pursuant to Section 10.6 and 10.7 of the Sanitary Landfill Operation Agreement between Loudon and Santek as of July 1, 2007, Santek agreed to pay the Commission a host fee and security fee as defined in the Agreement. The following recap reflects the calculation for the period June 1, 2016 to June 30, 2016:

Host Fees (Greater of below) –	
Total Tip Fees Billed	\$271,099.08
Host Fee Percentage	4.00%
	<u>\$ 10,843.96</u>
Minimum Fee	<u>\$ 10,652.00</u>
Security Fees (Greater of below) –	
Total Tonnage Received	14,159.65
Rate per ton	\$ 1.00
Total	<u>\$ 14,159.65</u>
Total Tip Fees Billed	\$271,099.08
Security Fee Percentage	5.00%
	<u>\$ 13,554.95</u>

Our checks in payment of the above fees have been remitted to the above address for the Commission. Should you have any questions or need additional information, please let me know.

Sincerely,

Andrew Kandy
Vice President of Finance & Corporate Controller