

Minutes
Loudon County Solid Waste Disposal Commission
January 11, 2017

The Loudon County Solid Waste Disposal Commission (Commission) met on January 11, 2017 at 6:30 p.m. at the Loudon County Office Building. The Commission was represented by Steve Field, John Watkins, Larry Jameson, Kelly Littleton-Brewster, Dennis Stewart, Bruce Hamilton and Art Stewart. Other attendees included Attorney Kevin Stevens; City of Loudon Mayor Jim Greenway; Santek representatives Ron Vail, Raymond Givens and Cheryl Dunson; and residents Aileen Longmire and Pat Hunter.

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. Art Stewart made a motion to approve the amended minutes of December 13, 2016. Mr. Watkins seconded the motion. The minutes were approved unanimously.

During Items of Public Concern, Ms. Longmire asked about the use of daily cover at the Matlock Bend Landfill. Mr. Givens said he uses the Kimberly Clark paper waste as alternative daily cover. Ms. Longmire also asked about the Title V air permit and the landfill's methane gas emission. She asked how often the landfill uses the gas flares. Mr. Givens said the use of flares depends on how much gas the landfill emits.

Ms. Hunter asked if the Commission was going to address the use of soil from the adjacent property referenced in Santek's proposal to fund the closure/post-closure account.

Ms. Dunson presented the Cash Activity Reports for December 2016. Mr. Watkins asked about the source of the \$1,000 line item under Investment Income.

During Santek's Operations Report, Mr. Watkins asked Ms. Dunson to correct a typo on the tonnage sheet.

Ms. Dunson introduced Mr. Vail to the Commission. Mr. Vail is the Executive Vice President of Engineering for Santek. He said he was attending the meeting to help validate why Santek's proposed \$1.50 per ton for funding the closure/post-closure account in the proposed contract modification was sufficient for the Commission to meet its closure/post-closure obligations. He distributed the Sept. 13th 2016 Contract Modification Talk Sheet, a spreadsheet detailing the five-year contract extension model, and a schematic drawing of the landfill. Mr. Vail said he based his model on several assumptions including a reduced final elevation of the landfill at 1,093 feet; a current waste volume of 641 tons per day; 67.3 acres of total closure; approximately \$1.66 million currently in the Commission's closure/post-closure fund; and a contract end date of June 30, 2032.

Mr. Vail said the total cost of closure and post-closure is approximately \$10.26 million. Santek will fund and close 32 acres, estimated at a cost of \$3.84 million, leaving 21.6 acres to be closed by the Commission at a cost of \$4.78 million. Between 2017-2032, the landfill will have a permitted capacity of 2.64 million remaining tons of waste. With Santek funding the closure/post-closure account by \$1.50 per ton during this time period, the account will generate \$3.93 million. When added to the Commission's current balance, the total amount of funds available to the Commission after Santek closes its portion of the landfill is \$5.6 million for a surplus of \$831,000.

Mr. Jameson expressed concern that LCSWDC's recent Financial Statements reflect a shortfall in the accrual of closure/post-closure funds of approximately \$2.5 million during the first 10 years of the current operating agreement with Santek. He stated that he did not believe that Santek's proposed increase of \$.50 per ton would eliminate LCSWDC's anticipated shortfall in the accrual of closure/post-closure funds during the contract term.

Mr. Watkins asked Mr. Vail if he had taken into account any inflation assumptions. Mr. Vail said he used the Tennessee Department of Environment and Conservation's (TDEC) inflation factor of 1.5%. Mr. Watkins also asked if phasing of closure was based on cells reaching final elevation. Mr. Vail said yes. Mr. Watkins said he was concerned about the sensitivity of the results to tonnage estimates and how it would affect the accrual of closure/post-closure funds. Mr. Field said at some point in time the Commission would need a third party to run a sensitivity analysis and Mr. Watkins agreed it was important. Mr. Field said the Commission needs to decide if it's ready to seek a third-party analysis. Mr. Stevens said he would discuss a draft Request For Proposals (RFP) during the Attorney's Report.

Mr. Field gave an update on the Poplar Spring Landfill. He said five contractors made an initial site visit, but because the engineer who wrote the RFP was unable to attend the meeting, a second site visit was scheduled. The bid packages will be opened Jan. 20th.

During the Attorney's Report, Mr. Stevens distributed a draft RFP for third-party engineers to evaluate Santek's closure proposal. He asked the Commission to take a look at the document and send comments to him via email. Mr. Watkins asked Mr. Stevens if he would have a list of potential third party consultants at the Commission's next meeting. Mr. Stevens said he had at least three names, but was attempting to find more potential consultants. Mr. Jameson asked about the cost of the analysis. Mr. Field said he thought the most it would cost is \$10,000.

Mr. Stevens also said the audit process was ramping up in the next few weeks and election of the Commission's officers would occur at the Commission's March meeting.

During the Chairman's report, Mr. Field said the annual progress report is underway and he has asked Mr. Watkins to review a draft when it's ready.

Mr. Field also mentioned TDEC's annual solid waste conference is in Chattanooga May 17-19, 2017.

MOTION: Mr. Watkins made a motion for commissioners to attend the conference. Mr. Art Stewart seconded the motion and it passed unanimously.

Mr. Field asked Mr. Hamilton if he would talk to Loudon County Trustee Chip Miller to see if there had been any changes in the county's investment options.

Mr. Jameson said the Purdy gate is complete, but No Trespassing and No Hunting signs still need to be posted. Mr. Jameson also asked the Commission if there was an interest to lease out acreage for hay production to generate potential income. He said he would research the issue and bring back his findings to the Commission.

MOTION: Mr. Hamilton made a motion to adjourn the meeting at 8:03 p.m. Mr. Stewart seconded the motion and it passed unanimously.

The Commission's next regularly scheduled meeting is February 14, 2017 at 6:30 p.m. at the Loudon County Courthouse Annex.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Steve Field', written in a cursive style.

Steve Field, Chairman
Loudon County Solid Waste Disposal Commission