

Minutes
Loudon County Solid Waste Disposal Commission
April 11, 2017

The Loudon County Solid Waste Disposal Commission (Commission) met on April 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; a member of the local media; Santek representatives Raymond Givens and Cheryl Dunson; and residents Aileen Longmire and Pat Hunter.

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

Ms. Littleton-Brewster led the Commission in the Pledge of Allegiance and the invocation.

MOTION: Mr. Watkins made a motion to approve the minutes of March 14, 2017. Mr. Art Stewart seconded the motion. The minutes were approved unanimously.

Ms. Littleton-Brewster asked Mr. Stevens to detail the steps taken to prepare the minutes for posting on Loudon County's government web site. Mr. Stevens said Ms. Dunson writes the minutes from the notes she takes during the meeting and then forwards them to him and Mr. Field. Mr. Stevens said he edits the minutes with input from Mr. Field and sends them to the Commission. Once the minutes are approved by the Commission, they are scanned and sent to Loudon County to be put on the web site. Ms. Littleton-Brewster asked if the minutes are sent to Anita Green in the county mayor's office and Mr. Field said they're sent to Chrissie Spoon in the Mayor's office because she usually receives invoices and other Commission business from Kellie Beason in the Finance Office. Ms. Littleton-Brewster asked Mr. Stevens if he has a full set of minutes. He said that has retained a complete set of minutes since he began serving as counsel for the Commission.

During Items of Public Concern, Ms. Longmire said she requested a copy of a letter from Bobby Phillips in 2007 stating his resignation from the Commission, but it didn't have a signature. Mr. Field encouraged Ms. Longmire to talk to officials with the City of Lenoir City regarding the matter.

Ms. Longmire also asked why it took time to post amendments to the Commission's meeting minutes on the County's web site. Mr. Stevens said there are times when the Commission doesn't have a meeting which results in a two-month lag time to catch up on postings. Ms. Longmire suggested the minutes be stamped "draft" and placed on the website.

Ms. Dunson presented the Cash Activity Report for March 2017. Although there is no mention of host and security fees in the report, she included a copy of the check and letter which was sent via Federal Express to the Loudon County Finance Department. They were received at 11:55 a.m. on March 30th.

During Santek's Operations Report, Ms. Dunson informed the Commission that Santek was in receipt of Mr. Stevens' letter about the company's financial reporting obligations. She also said Santek Chief Operations Officer Tim Watts has committed to providing un-redacted customer activity reports beginning next month. Mr. Jameson asked Ms. Dunson about Waste Services of Tennessee's accounts. She explained each account represents a different waste type and origin. Mr. Jameson asked Ms. Dunson if Waste Services of Tennessee was a legal entity. She replied that the company was registered with the State of Tennessee Secretary of State as a legal and active business.

Mr. Field asked if Liberty Tire brings any waste to the Matlock Bend Landfill. Ms. Dunson said no and clarified that the entry on the Customer Activity Report represented outgoing tires not incoming waste. Mr. Field asked Mr. Givens about the recent landfill inspection and the inspector's comments about re-directing storm water drainage. Mr. Givens said he will build a tack-on storm water berm, but remedying the situation with the inspector may take an on-site visit with Santek Vice President of Engineering Ron Vail. Mr. Watkins asked Mr. Givens about the inspector's comments regarding flagging. He responded that during the winter months some portions of the landfill became exposed and bits of plastic could be seen from the fill area. Mr. Givens said he was 99 percent complete with straw matting and erosion control.

Mr. Watkins questioned why the percentage of sludge had increased from three percent to eight percent. Ms. Dunson said Waste Connections is disposing of approximately 40 tons per day of Tate and Lyle sludge due to Waste Connections' inability to manage the entire waste stream at its landfill in McMinn County. Mr. Watkins asked what was the maximum percentage of allowable sludge. Mr. Field replied 17 percent.

Ms. Littleton-Brewster asked how long Griffin Waste has been a landfill customer. Ms. Dunson said she wasn't sure, but she would find out. Ms. Littleton-Brewster also asked how construction and demolition (C&D) waste was managed in the landfill. Ms. Dunson said it's managed in the same manner as municipal solid waste and disposed of in the same area or cell of the landfill. Ms. Littleton-Brewster asked if C&D waste was covered daily. Ms. Dunson said yes.

Mr. Field asked Ms. Dunson if she had received a call from a new tire recycler. She said Patriot Recycling in Bristol, Tennessee called her and asked if they could make a proposal to manage tires at the Landfill. She said she was expecting them to make a proposal to manage tires at all three Santek-managed landfills in Tennessee. Mr. Field asked Ms. Dunson if she had looked into Patriot's end-use practices. She replied she hadn't, but would do so once she received a proposal.

Mr. Stevens gave a status report regarding the completion of the annual audit. He said Richard Hill was waiting on some documents and invoices from Loudon County attorney Bob Bowman related to the Poplar Springs Landfill. Mr. Stevens said Mr. Hill will make revisions to the audit once he confirms the Poplar Springs information, but Mr. Stevens said he doesn't anticipate any major changes. Mr. Field said he was inclined to wait and see what changes are made to the audit before voting to approve it. Mr. Stevens said he will circulate the changes to the Commission so it can vote on the audit next month.

Mr. Stevens presented a summary of the three responses to the recent Request For Proposals (RFP) to evaluate Santek's contract modification proposal to the Commission. He said all three respondents gave a general description of their scope of services as well as cost estimates. The three respondents are GeoSyntec, MBI and Quantum Environmental and Engineering Services. Mr. Watkins said GeoSyntec appeared to have submitted a high quality proposal. He said one proposal didn't give a lot of information about its qualifications (MBI) and the other gave a lot of information about its qualifications with a high cost (Quantum). Mr. Art Stewart said he thought GeoSyntec was the top proposer.

Ms. Littleton-Brewster said she didn't see the virtue in spending \$7,000 or \$40,000 if Santek's proposal won't fully fund the Commission's closure/post-closure fund. Mr. Stevens said Santek's proposal is based on a different model than previous proposals, and takes into account phased closure, a smaller footprint, lower elevation and shorter timeline. Mr. Jameson said the Commission will be spending bad money after bad money since the closure/post-closure fund will not be funded in its entirety. Mr. Dennis Stewart said he agreed with Mr. Jameson who asked Mr. Field how he knows Santek's proposal will be enough when a previous study by GeoSyntec indicated the amount was insufficient. Mr. Field responded Santek's

proposal takes into account a different set of parameters which changes the financial elements of closure/post-closure care.

Ms. Littleton-Brewster asked if Dr. Bob Bacchus with GeoSyntec had worked for Santek in the past which would constitute a conflict of interest. Mr. Field said Dr. Bacchus worked with Santek to get Kimberly Clark's paper waste approved as alternative daily cover which helped the county's overall waste reduction goal. He said he believed GeoSyntec had done a small amount of work for Santek in Bradley County. Ms. Longmire said GeoSyntec had done work for Santek when the slope failure occurred at the Matlock Bend Landfill. Mr. Field replied that officials with the Tennessee Department of Environment and Conservation (TDEC) demanded the Commission hire a qualified engineer to perform a study of the slope failure and were thrilled when the Commission hired Dr. Bacchus because of his reputation and qualifications. He said Santek paid Dr. Bacchus, but the work was performed for the Commission. Ms. Littleton-Brewster asked Ms. Dunson about the work GeoSyntec had performed for Santek in Bradley County. She replied she didn't know, but could find out.

Mr. Art Stewart asked if a conflict of interest statement was included in the proposals. Mr. Stevens said no, but he could ask follow-up questions of the respondents. He said professional engineers have their own set of ethical standards to which they must adhere. Ms. Littleton-Brewster said she believes strongly GeoSyntec has a conflict of interest. Mr. Art Stewart asked if she was comfortable going with the next highest respondent. Ms. Littleton-Brewster said she doesn't believe MBI knows a lot about landfills, but said she would be more comfortable with another respondent rather than GeoSyntec. Misters Watkins, Hamilton and A. Stewart said they disagree with Ms. Littleton-Brewster. Mr. Watkins said Dr. Bacchus was tops in his field of work.

Mr. Dennis Stewart said he thought it was worth paying GeoSyntec \$7,000 to perform the evaluation. Mr. Hamilton said the Commission has been grappling with this issue for a long period of time and, based on Santek's proposal to increase the closure/post-closure accrual by 50 cents per ton, \$7,000 went out the window a long time ago. He added if the evaluation proves Santek's proposal doesn't fully fund the closure/post-closure accrual, the Commission will have a tool with which to negotiate with Santek. Otherwise, the Commission has nothing.

Ms. Hunter said she was aware of GeoSyntec advising the Commission in 2007 that the \$1 per ton accrual wasn't enough. A lengthy discussion ensued about what work GeoSyntec performed for the Commission in 2007. Mr. Stevens produced documentation indicating Dr. Bacchus completed a financial analysis of the Commission's then-existing agreement with Santek and the proposed new agreement. Mr. Stevens said Dr. Bacchus never did an analysis of the future financial condition of the Commission related to closure/post-closure obligations. Mr. Field asked the Commission if they wanted to engage a third-party to perform an evaluation of the Santek proposal or delay making a decision until its next meeting.

MOTION: Mr. Hamilton made a motion to accept the GeoSyntec proposal subject to receiving a conflict of interest statement prior to the Commission entering into an agreement. Mr. Art Stewart seconded the motion. The motion passed 6-1 with Ms. Littleton-Brewster voting no.

Ms. Littleton-Brewster gave an update about the remediation work at the Poplar Springs Landfill. She said all documentation was signed and TDEC had given its approval to the contract. She said the contractor was visiting the site April 4th and will begin work shortly thereafter. Ms. Littleton-Brewster said the project will cost approximately \$186,000 with the Commission paying \$160,000 and the state grant funding the remaining amount. Mr. Stevens distributed invoices to the Commission related to Poplar Springs' attorney fees (\$4,680) and expert fees (\$5,305.83)

Mr. Hamilton presented an update about the Commission's investment options. He said last month the Commission voted to invest \$500,000 in a one-year bond; \$500,000 in a two-year bond; and \$1 million in a three-year bond. Due to state law preventing the Commission from investing in a three-year bond, Mr. Hamilton recommended the Commission invest \$1 million in a one-year bond, currently at one percent, and \$1 million in a two-year bond, currently at 1.25 percent, which give the Commission a quarter-percent better investment than the original proposal.

MOTION: Mr. Hamilton made a motion to invest \$1 million in a one-year bond and \$1 million in a two-year bond at current prevailing rates. Mr. Watkins seconded the motion and it passed unanimously.

Mr. Stevens distributed copies of the Annual Progress Report (APR) to the Commission. Mr. Field said a number of revisions had been made by Holly McNeely at Santek; Mitch Loomis with the development district; Chris Parks with Loudon County; himself; and Mr. Watkins.

MOTION: Ms. Littleton-Brewster made a motion to approve the APR and Mr. Jameson seconded the motion. The motion passed unanimously.

During the Attorney's Report, Mr. Stevens said the Commission should elect the offices of Chair, Vice Chair and Secretary.

MOTION: Mr. Jameson made a motion to retain the same officers. Mr. Hamilton seconded the motion and it passed unanimously.

During the Chairman's Report, Mr. Field said he's in receipt of two invoices: a \$3,750 invoice from Loudon Utilities for the sewer line and a \$2,500 invoice from Kennerly Montgomery for legal services.

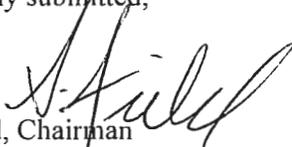
Mr. Field also said the APR indicates Loudon County is achieving a 33% waste reduction effort. He also encouraged members of the Commission, especially elected officials, to monitor the state's Solid Waste Control Board which has a big influence on new regulations. He said he anticipates proposed legislation putting pressure on cities and counties to establish compost facilities which will be unfunded mandates.

Mr. Dennis Stewart said he wanted to go on record asking Santek to make the City of Loudon's disposal rate at the landfill lower than Waste Services of Tennessee.

MOTION: Ms. Littleton-Brewster made a motion to adjourn the meeting at 8:15 p.m. Mr. Art Stewart seconded the motion and it passed unanimously.

The Commission's next regularly scheduled meeting is May 9, 2017 at 6:30 p.m. at the Loudon County Courthouse Annex.

Respectfully submitted,


Steve Field, Chairman
Loudon County Solid Waste Disposal Commission