

Minutes
Loudon County Solid Waste Disposal Commission
July 11, 2017

The Loudon County Solid Waste Disposal Commission (Commission) met on July 11, 2017 at 6:30 p.m. at the Loudon County Office Building. The Commission was represented by Steve Field, Larry Jameson, Dennis Stewart, Art Stewart, Kelly Littleton-Brewster and Bruce Hamilton. Other attendees included Attorney Kevin Stevens; Auditor Richard Hill; Dr. Bob Bachus with Geosyntec; Santek representatives Raymond Givens, Tiffany Gresham 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.

Ms. Littleton-Brewster made an announcement about several upcoming community events and invited the public to attend.

MOTION: Ms. Littleton-Brewster made a motion to approve the minutes of June 13, 2017. Mr. Art Stewart seconded the motion. The minutes were approved unanimously.

During Items of Public Concern, Ms. Hunter said she continues to request bid documents for the Poplar Springs Landfill repair from the Loudon County Mayor's office, but has yet to receive them. She said these documents are public records and should be made available. Ms. Littleton-Brewster said she has placed the Poplar Spring Landfill issue on the agenda for an upcoming meeting of the Loudon County Commission. She said she will personally address the county commission about the expenditure of funds and the apparent lack of transparency about how funds are being spent. Ms. Littleton-Brewster encouraged her fellow solid waste commissioners to attend the meeting.

Ms. Dunson presented the Cash Activity Report for June 2017. She included a copy of a check in the amount of \$29,520.86 for the May 2017 Host and Security Fees from Santek which wasn't received by the Loudon County Finance Department before the end of June. Mr. Art Stewart asked about the Buildings and Content Insurance line item in the amount of \$4,669. Mr. Field said the insurance is on the landfill and all property owned by the Commission. Mr. Jameson asked why there was insurance on a building and said the Commission should begin evaluating insurance costs since the renewal period just occurred. Mr. Field also said the May 2017 Financial Report contained a loss in investment income. He said he had a number of conversations with Loudon County Trustee Chip Miller who must report the investment's market-to-market value. Mr. Miller said the Commission didn't lose money, but it was recorded in that manner because of the contractual penalties in the event that any investments were liquidated prior to maturity.

During Santek's operations report, Mr. Art Stewart asked whether Santek responded to the comments in the June 13th inspection. Mr. Givens said he did.

Mr. Hill then addressed the draft of the recent audit. He said his accounting firm operates under general government standards in which his clients deliver all financial records to Mr. Hill's accounting firm, and a key employee is then assigned to review the drafts and discuss issues with the client. Since the Commission doesn't have an employee, Mr. Hill presents the Commission with a draft of the audit and gives the Commission time to review it before it's approved. At that time, Mr. Hill said his firm makes another review of the audit and he remained fairly confident any errors would have been caught in the final review.

Mr. Hill said most local governments have audit/finance committees that he meets with to discuss audit drafts. Mr. Stevens said he didn't think a committee would result in an extra set of eyes for the Commission since he and Mr. Field meet with Mr. Hill each year to discuss his findings. Ms. Littleton-Brewster said she recalled in 2014 when she reviewed the draft audit and caught an approximately \$100,000 error related to equipment and machinery depreciation. She added that this year's audit revealed an error of approximately \$60,000 related to Poplar Springs expenditures. Ms. Littleton-Brewster asked if there were changes in depreciation from last year's audit to this year's audit. Mr. Hill said there were changes in depreciation to the landfill and said he would send a depreciation schedule to Mr. Stevens.

MOTION: Mr. Dennis Stewart made a motion to accept the audit as it was presented to the Commission last month. Mr. Hamilton seconded the motion and it passed with a vote of 6-1. Ms. Littleton-Brewster voted against the motion.

Dr. Bachus presented his preliminary findings to the Commission related to the Santek proposal to perform closure at the Matlock Bend Landfill and add more funds to the Commission's closure/post-closure account. Following his presentation, Dr. Bachus said he plans to meet with Mr. Hill as well as Ron Vail and Ms. Dunson with Santek to get their comments on his interpretation of the assumptions underlying his initial analysis. Overall, Dr. Bachus said the Santek proposal is very close to his initial analysis regarding the appropriate closure/post-closure funding, and the Commission appears to be headed in the right direction. Dr. Bachus said he believes the Commission needs to accrue \$1.70 per ton to have no shortfall in the closure/post-closure accrual at the end of Santek's contract based upon his preliminary analysis. Santek originally proposed \$1.50 per ton. Mr. Stevens asked Dr. Bachus if he had seen a phased closure plan from Santek and he replied it was a task to perform going forward. Mr. Hamilton said Dr. Bachus' assumed interest rate of 1.6 % is not close to the Commission's current rate of 1.15%. Dr. Bachus said the assumptions are what he needs to firm up with Mr. Hill and Santek representatives before he can present a final analysis of Santek's proposal to the Commission. He said he will meet with them before the Commission's next meeting. Mr. Field asked members of the Commission to send their comments to Mr. Stevens via email so he could pass them along to Dr. Bachus.

Ms. Littleton-Brewster gave an update about the Poplar Springs Landfill. She said she's concerned about recent invoices in the amount of \$22,000 which have been approved by the stakeholders to pay. She said a lot of money is being spent on the landfill, but there's no remedial activity occurring. She said she intends to make a presentation to the Loudon County Commission as a county commissioner about her concerns and she will recommend the Commission not pay any more invoices until work has occurred at the facility. Ms. Littleton-Brewster said invoices have been paid through March, but there are outstanding invoices for April, May and June. Mr. Field asked Mr. Dennis Stewart if the Loudon City Council has had any discussion about Poplar Springs and he replied no.

Mr. Field said he asked Mr. Miller for a spreadsheet detailing general interest accrued on the Commission's investments as well as the market-to-market values.

Mr. Field said he's completed more research related to disseminating information about the Commission's upcoming meetings to commissioners prior to the meetings. He said sending the information earlier wouldn't show revenue all received during each particular month. Ms. Littleton-Brewster said it would be more confusing to generate reports ahead of meeting times if they're not completely accurate.

During the attorney's report, Mr. Stevens said he will send out a list of assumptions from Dr. Bachus to establish a base line of his analysis of the Santek proposal. Mr. Stevens asked the Commission to provide him with feedback. Mr. Jameson asked if everything would be ready at the Commission's next meeting

and Mr. Stevens suggested composing a timeline for open discussion on various assumptions for the Commission's next meeting.

Mr. Stevens said another hunting season is approaching, but No Trespassing signs have yet to be posted on the Commission's property. Mr. Jameson said he has the signs, and the Loudon County Road Commissioner has agreed to supply posts and will clear property on the rights of way. Mr. Jameson said the best and quickest use of time will be to contract with someone to clear areas along the property line that can only be accessed with a Bobcat-type piece of equipment with a bushwacker attachment. He estimated a cost of \$150 to \$175 per hour with a four-hour minimum.

MOTION: Mr. Field made a motion for Mr. Jameson to hire someone to perform the work at a cost not to exceed \$300. Mr. Art Stewart seconded the motion and it passed unanimously.

MOTION: Mr. Hamilton made a motion to adjourn the meeting at 9:05 p.m. and Mr. Jameson seconded the motion. It passed unanimously.

The Commission's next regularly scheduled meeting is August 8, 2017 at 6:30 p.m. at the Loudon County Courthouse Annex.

Respectfully submitted,



Steve Field, Chairman
Loudon County Solid Waste Disposal Commission