

**AGENDA**  
**LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION**  
**December 12, 2017**  
**6:30 p.m.**  
**LOUDON COUNTY COURTHOUSE ANNEX**  
**Loudon, Tennessee**

1. Opening of Meeting, Pledge of Allegiance, Invocation
2. Approval of Minutes – November 14, 2017
3. Items of Public Concern
4. Cash Activity Report
5. Operations Report
6. Auditor's Contract RFP
7. Contract Modification Update
8. Poplar Springs Update
9. Attorney's Report
10. Chairman's Report
11. Other Items of Commission's Consideration
12. Adjourn

**Loudon County Department of Accounts and Budgets**  
**Solid Waste Disposal Fund 207**  
**Monthly Cash Report**  
**November 2017**

October 2017 Combined Ending Cash Balance per Monthly Report	3,484,584.09	
Adjustments:	0.00	
	0.00	
Total Adjustments		0.00
<b>Adjusted October 2017 Combined Ending Balance per Loudon Co Trustee</b>		<b>3,484,584.09</b>

**Solid Waste Disposal Commission Operating Fund**

<b>Operating Fund Ending Balance October 2017</b>		<b>3,285,861.00</b>
Cash Receipts:		
Trustee's Collections - Prior Year	0	
Surcharge - Host Fees (October 2017)	14,762.21	
Surcharge - Security Fees (October 2017)	18,452.77	
Investment Income	877.74	
Total Monthly Revenue		34,092.72
Cash Disbursements:		
Board & Committee Members Fees	(350.00)	
Social Security	(3.10)	
Medicare	(0.72)	
Audit Services (Mitchell Emert & Hill)	0.00	
Contracts with Private Agencies (Santek)	0.00	
Engineering Services (Santek)	0.00	
Contributions (Loudon Utilities - Quarterly)	0.00	
Legal Services ( Sep & Oct 2017)	(5,000.00)	
Legal Notices	0.00	
Other Contracted Services (Mowing)	0.00	
Building & Content Insurance	0.00	
In-Service/Staff Development (Refund)	0.00	
Trustee's Commission	(147.62)	
Total Cash Disbursements		(5,501.44)
Expenditure Credit:		
Trustee Commission Adjustment		0.00
<b><u>Operating Fund Ending Balance November 2017</u></b>		<b>3,314,452.28</b>

**Poplar Springs Subfund**

<b>Poplar Springs Subfund Balance October 2017</b>		<b>198,723.09</b>
Cash Receipts:		
	0.00	
Total Monthly Revenue		0.00
Cash Disbursements:		
Legal Services	0.00	
Total Cash Disbursements		0.00
<b><u>Poplar Springs Subfund Balance November 2017</u></b>		<b>198,723.09</b>

<b><u>TOTAL COMBINED OPERATING AND POPLAR SPRINGS NOVEMBER 2017 BALANCE</u></b>		<b>3,513,175.37</b>
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**Combined Summary - November 2017**

Beginning Balance		3,484,584.09
Plus Operating Revenue		34,092.72
Less Operating and Poplar Springs Disbursements		(5,501.44)
<b>TOTAL COMBINED BALANCE - NOVEMBER 2017</b>		<b>3,513,175.37</b>

*Financial Statements*

LOUDON COUNTY SOLID WASTE  
DISPOSAL COMMISSION

Year Ended June 30, 2017

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## TABLE OF CONTENTS

	<u>Page Nos.</u>
INDEPENDENT ACCOUNTANTS' AUDIT REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-6
FINANCIAL STATEMENTS	
Statement of Net Position	7
Statement of Revenue, Expenses and Change in Net Position	8-9
Statement of Cash Flows	10
Notes to the Financial Statements	11-16
SUPPLEMENTARY INFORMATION	
Board of Commissioners	17
INTERNAL CONTROL AND COMPLIANCE	
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18-19
Prior Year Findings and Questioned Costs	20

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INDEPENDENT ACCOUNTANTS' AUDIT REPORT

Board of Commissioners  
Loudon County Solid Waste Disposal Commission  
Loudon, Tennessee

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**Report on the Financial Statements**

We have audited the accompanying financial statements of Loudon County Solid Waste Disposal Commission, which comprise the statement of net position as of June 30, 2017, and the related statement of revenue, expenses, and change in net position, and statement of cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of Loudon County Solid Waste Disposal Commission as of June 30, 2017, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 6 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Loudon County Solid Waste Disposal Commission's financial statements. The schedule of the board of commissioners is presented for the purpose of additional analysis and is not a required part of the financial statements.

The schedule of the board of commissioners has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2017, on our consideration of Loudon County Solid Waste Disposal Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Loudon County Solid Waste Disposal Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Loudon County Solid Waste Disposal Commission's internal control over financial reporting and compliance.

*Mitchell Emert + Hill*

December 2017

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# Loudon County Solid Waste Disposal Commission

## Management's Discussion and Analysis

June 30, 2017

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### Introduction

This discussion and analysis is intended to be an introduction to the financial statements and notes that follow this section and should be read in conjunction with them. The Loudon County Solid Waste Disposal Commission ("LCSWDC") is a governmental agency created by Loudon County, the City of Lenoir City and the City of Loudon to operate and manage the Matlock Bend Landfill in Loudon, Tennessee. The Commission also serves as the Municipal Solid Waste Region Board for the Loudon County Solid Waste Region under the Solid Waste Management Act of 1991.

### Financial Statement Review

The financial statements herein are comprised of the statement of net position, the statement of revenue, expenses and changes in net position, the statement of cash flows and the accompanying notes to the financial statements.

#### *Financial Highlights as of June 30:*

The statement of net position presents information on all LCSWDC's assets and liabilities. Current assets as well as other assets and liabilities are reported in order of their liquidity. The table below presents the significant components of net position:

#### Condensed statements of net position

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assets:				
Current and other	\$ 3,465,291	\$ 3,239,950	\$ 3,062,274	\$ 2,884,576
Capital assets	<u>1,435,666</u>	<u>1,438,032</u>	<u>1,440,399</u>	<u>1,447,070</u>
Total assets	<u>\$ 4,900,957</u>	<u>\$ 4,677,983</u>	<u>\$ 4,502,673</u>	<u>\$ 4,331,646</u>
Liabilities:				
Current	\$ 47,821	\$ 63,135	\$ 35,451	\$ 5,853
Long – term	<u>5,818,372</u>	<u>5,413,766</u>	<u>5,169,459</u>	<u>4,915,262</u>
Total liabilities	5,866,193	5,476,901	5,204,910	4,921,115
Net position:				
Investment in capital assets	1,435,666	1,438,032	1,440,399	1,447,070
Unrestricted (deficit)	<u>(2,400,902)</u>	<u>(2,236,952)</u>	<u>(2,142,636)</u>	<u>(2,036,539)</u>
Total net position	<u>(965,236)</u>	<u>(798,919)</u>	<u>(702,237)</u>	<u>(589,469)</u>
Total liabilities and net position	<u>\$ 4,900,957</u>	<u>\$ 4,677,983</u>	<u>\$ 4,502,673</u>	<u>\$ 4,331,646</u>

The statement of revenue, expenses and change in net position presents LCSWDC's results of operations. The table below is a condensed statement of revenue and expenses:

**Condensed statements of revenue, expenses and change in net position**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating revenue	\$ 337,392	\$ 300,566	\$ 286,067	\$ 384,602
Operating expenses	(521,687)	(409,137)	(398,008)	(448,870)
Depreciation and amortization	<u>(2,367)</u>	<u>(2,367)</u>	<u>(6,671)</u>	<u>(6,671)</u>
Net operating (loss)	(186,662)	(110,937)	(118,612)	(70,939)
Non-operating income	<u>20,345</u>	<u>14,255</u>	<u>5,844</u>	<u>13,390</u>
Change in net position	<u>\$ (166,317)</u>	<u>\$ (96,683)</u>	<u>\$ (112,768)</u>	<u>\$ (57,549)</u>

**Results of Operations**

LCSWDC shows operating revenue of \$337,392, which represents an increase of \$36,826 above the previous year's operating revenue. At the same time, LCSWDC shows an increase in operating expenses of \$112,550 over the previous year's operating expenses. LCSWDC shows a negative change in net position due to increased closure and postclosure care. The increased utilization of the landfill during the year resulted in a \$404,606 increase to the estimated future liability for closure and post closure costs. This increase to the estimated future liability for closure and post closure costs increased by \$160,299 from the previous year's increase in estimated costs. As of June 30, 2017, LCSWDC completed its tenth full year of operations under its 20-year operations contract that commenced on October 1, 2007 and provides for the turn-key operation of Matlock Bend Landfill by the operator instead of LCSWDC.

The statement of cash flows in the accompanying financial statements is presented using the direct method. This method outlines the sources and uses of cash as it relates to operating income. In addition, included in the statement of cash flows are classifications for non-capital related financing and investing activities.

LCSWDC shows operating expenses for legal services related to the investigation of the site conditions at the former Poplar Springs Landfill in the amount of \$52,185. The Poplar Springs Landfill was closed in 1987, prior to the formation of LCSWDC, and therefore, LCSWDC had no direct responsibility for the ongoing post closure care of the Poplar Springs Landfill. The legal fees related to the investigation of the former Poplar Springs Landfill site were incurred by LCSWDC's three governmental stakeholders which operated the former Poplar Springs Landfill. These legal fees were paid from LCSWDC's operating accounts solely because certain funds were deposited by the three governmental stakeholders into LCSWDC's operating accounts in 1993, in part to cover post closure care costs associated with the Poplar Springs Landfill.

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Capital Assets

Capital asset levels stayed the same from the prior year. LCSWDC did not purchase capital assets during the year ended June 30, 2017.

Future Events

LCSWDC is engaged in discussions with the Matlock Bend 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.

Request for Information

Questions concerning this report or other requests for additional information should be directed to Steve Field, Chairman at (865) 576-1057 or at his office located at 100 River Road, #106, Loudon, Tennessee 37774.

Respectfully submitted,

Steve Field,  
Chairman

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LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

**STATEMENT OF NET POSITION**

June 30, 2017

**ASSETS**

**CURRENT ASSETS**

Cash - operating		\$ 3,166,030
Cash - Poplar Springs Landfill		<u>236,619</u>
		3,402,649
Accounts receivable		57,409
Prepaid expenses		4,669
Interest receivable		<u>564</u>

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**TOTAL CURRENT ASSETS** 3,465,291

**CAPITAL ASSETS**

Land	\$1,410,852	
Landfill facilities	<u>125,016</u>	
	1,535,868	
Accumulated depreciation	<u>(100,202)</u>	<u>1,435,666</u>
		<u>\$ 4,900,957</u>

**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES**

Accounts payable		\$ 47,821
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**LONG-TERM LIABILITIES**

Estimated closure/postclosure care cost		5,818,372
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**NET POSITION**

Investment in capital assets	\$1,435,666	
Unrestricted	<u>(2,400,902)</u>	<u>(965,236)</u>

**TOTAL LIABILITIES AND NET POSITION** \$ 4,900,957

See the accompanying notes to the financial statements.

LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

**STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET POSITION**

Year Ended June 30, 2017

**OPERATING REVENUE**

Surcharge - host agency	\$ 148,645
Surcharge - closure/post closure security fees	<u>188,747</u>

**TOTAL OPERATING REVENUE** 337,392

**OPERATING EXPENSES**

Salaries and wages:		
Board of Commissioner compensation		3,891

Contracted services:		
Legal services	\$ 30,000	
Legal services - Poplar Springs Landfill	52,185	
Accounting and auditing	<u>7,425</u>	89,610

Landfill operations:		
Closure and postclosure care		404,606

Other expenses:		
Contributions to City of Loudoun for debt service	15,000	
Insurance	4,876	
Trustee's commissions	3,135	
Miscellaneous	<u>570</u>	23,581

Depreciation		<u>2,367</u>
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**TOTAL OPERATING EXPENSES** 524,054

**(LOSS) FROM OPERATIONS** (186,662)

**NONOPERATING REVENUE**

Interest income		<u>20,345</u>
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**CHANGE IN NET POSITION** (166,317)

See the accompanying notes to the financial statements.

LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

**STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET POSITION**

(continued)

Year Ended June 30, 2017

NET POSITION AT THE BEGINNING OF THE YEAR (798,919)

NET POSITION AT THE END OF THE YEAR \$ (965,236)

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LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

**STATEMENT OF CASH FLOWS**

Year Ended June 30, 2017

		<b>DRAFT COPY FOR DISCUSSION PURPOSES ONLY</b>	
<b>CASH PROVIDED(USED) BY OPERATING ACTIVITIES</b>			
Cash received from customers			\$ 304,710
Cash paid to employees			(3,891)
Cash paid to suppliers			<u>(133,174)</u>
		<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	167,645
<b>CASH PROVIDED(USED) BY INVESTING ACTIVITIES</b>			
Interest received			<u>20,345</u>
		<b>NET INCREASE IN CASH</b>	187,990
<b>CASH AT THE BEGINNING OF THE YEAR</b>			<u>3,214,658</u>
		<b>CASH AT THE END OF THE YEAR</b>	<u>\$ 3,402,649</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES</b>			
(Loss) from operations			\$ (186,662)
Adjustments to reconcile (loss) from operations to net cash provided by operating activities:			
Depreciation	\$ 2,367		
(Increase) in:			
Accounts receivable	(32,682)		
Prepaid expenses	(4,669)		
Increase(decrease) in:			
Accounts payable	(15,314)		
Estimated closure/postclosure care cost	<u>404,606</u>		<u>354,308</u>
		<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 167,645</u>

See the accompanying notes to the financial statements.

LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

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**NOTE A - DESCRIPTION OF ORGANIZATION**

Loudon County Solid Waste Disposal Commission (the Commission) has been delegated the authority and responsibility for operating the Matlock Bend landfill (the Landfill) under the Amended and Restated Loudon County Solid Waste Disposal Agreement dated March 1, 1993, as amended. This agreement was entered into pursuant to state laws requiring the creation of municipal solid waste regions. In addition to specific powers relative to the operation and management of the Landfill, the Commission is granted all the powers and duties of a municipal solid waste region board as set forth in T.C.A. §68-211-813, et seq.

The Commission's seven member board is appointed by the Loudon County mayor (5 members) and the mayors of City of Loudon, Tennessee (1 member) and Lenoir City, Tennessee (1 member).

The Commission has contracted with a company to operate the Landfill. The company is responsible for the operation of Phase II/IV of the Landfill and the closure and postclosure of Phases I and II/IV during the term of the contract, which expires on September 30, 2027. Phase I of the Landfill was closed during the year ended June 30, 1996 and closure was approved by the State of Tennessee Department of Environment and Conservation during fiscal year ended June 30, 1998. Phase III was never developed.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The Commission's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the statement of net position. The statement of revenue, expenses and change in net position presents increases (revenue) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenue is recognized in the period in which it is earned while expenses are recognized in the period in which the liability is incurred.

The Commission recognizes revenue when it is earned and measurable, and expenses are recognized when the liability is incurred. Surcharge revenue and revenue for closure and postclosure security fees are classified as operating revenue. All other revenue is reported as nonoperating revenue. Operating expenses are those expenses that are essential to the primary operations. All other expenses are reported as nonoperating expenses.

LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

(continued)

June 30, 2017

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The Commission prepares its financial statements in accordance with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting reporting purposes into the following three net position groups:

Investment in capital assets

This category includes capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The Commission had no debt as of June 30, 2017. Investment in capital assets at June 30, 2017 has been calculated as follows:

Capital assets	\$ 1,535,868
Accumulated depreciation	<u>(100,202)</u>
	<u>\$ 1,435,666</u>

Restricted: This category includes net position whose use is subject to externally imposed stipulations that can be fulfilled by actions of the Commission pursuant to those stipulations or that expire by the passage of time. When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as needed. The Commission had no restricted net position as of June 30, 2017.

Unrestricted This category includes net position that is not subject to externally imposed stipulations and that do not meet the definition of "restricted" or "investment in capital assets". Unrestricted net position may be designated for specific purposes by action of management or the Board of Commissioners or may otherwise be limited by contractual agreements with outside parties. The Commission had a deficit of unrestricted, undesignated net position of \$2,400,902 as of June 30, 2017.

Accounts Receivable

Accounts receivable which are deemed uncollectible based upon a periodic review of the accounts are charged to revenue. At June 30, 2017 no allowance for uncollectible accounts was considered necessary.

LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS**

(continued)

June 30, 2017

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Property and Equipment

Property and equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives, which range from ten to twenty years. The Commission has not adopted a formal capitalization policy.

**NOTE C - CASH**

Cash represents money on deposit in various banks. The District considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

State of Tennessee law authorizes the District to invest in obligations of the United States of America or its agencies, nonconvertible debt securities of certain federal agencies, other obligations guaranteed as to principal and interest by the United States of America or any of its agencies, secured certificates of deposit and other evidences of deposit in state and federal banks and savings and loan associations, and the Tennessee Department of Treasury Local Government Investment Pool (the LGIP). The LGIP contains investments in certificates of deposit, U.S. Treasury securities and repurchase agreements, backed by the U.S. Treasury securities. The Treasurer of the State of Tennessee administers the investment pool.

All deposits with financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution that participates in the State of Tennessee Bank Collateral Pool. For deposits with financial institutions that do not participate in the State of Tennessee Bank Collateral Pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.

The Commission's cash and investments at June 30, 2017 are held by the Loudon County Trustee in the Commission's name and are entirely insured through the Federal Deposit Insurance Corporation or the State of Tennessee Bank Collateral Pool.

Cash received by the Commission for closure and postclosure security fees was \$1,843,673 as of June 30, 2017. Management intends to use this cash to partially satisfy the closure/post-closure costs described in Note G.

LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS**

(continued)

June 30, 2017

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**NOTE D - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2017 was as follows:

	<u>Balance</u> <u>7/1/16</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/17</u>
<u>Capital assets not being depreciated</u>				
Land	\$ 1,410,852	\$ 0	\$ 0	\$ 1,410,852
<u>Capital assets being depreciated</u>				
Landfill facilities	125,016	0	0	125,016
<u>Accumulated depreciation</u>				
Landfill facilities	<u>(97,836)</u>	<u>(2,367)</u>	<u>0</u>	<u>(100,202)</u>
	<u>\$ 1,438,032</u>	<u>\$ (2,367)</u>	<u>\$ 0</u>	<u>\$ 1,435,666</u>

**NOTE E - RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Landfill operator, on behalf of the Commission carries commercial insurance for various risks of loss, including general liability coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

(continued)

June 30, 2017

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**NOTE F - COMMITMENTS**

The Commission has completed ten full years of operations under its operations contract with its operator dated as of July 1, 2007, which provides for the turnkey operations of the Landfill by the Commission's existing operator, Santek Environmental, Inc. (Santek), commencing on October 1, 2007. The prior operations agreement dated April 5, 1994 was amended on June 19, 2007 to provide for the termination of that contract effective September 30, 2007. The current operations agreement provides for a twenty-year term ending on September 30, 2027. Under the previous contract, the Commission received all tipping fee revenue and contracted with Santek to operate the Landfill. In accordance with the current agreement, Santek receives all revenue for tipping fees, pays operating costs of the Landfill, and pays a host fee and closure/postclosure fees to the Commission.

**NOTE G - CLOSURE AND POSTCLOSURE CARE COST**

State and federal laws and regulations require a final cover to be placed on the Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for a minimum of thirty years after closure. Phase I of the Landfill was closed during the year ended June 30, 1996. However, state certification of closure was not approved until the year ended June 30, 1998.

Although closure and postclosure care costs will be paid only near or after the date that the Landfill stops accepting waste, the Commission reports a portion of these closure and postclosure care costs as an operating expense in each period based on Landfill capacity used as of the date of the statement of net position. Landfill facilities operation expense reported in the accompanying financial statements consists of \$404,606 for the current year increase in the estimated liability for closure and postclosure costs.

At June 30, 2017, the estimated liabilities for closure and postclosure care costs were as follows:

Phase I	\$ 501,246
Phase II/IV	<u>5,317,126</u>
	<u>\$ 5,818,372</u>

LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS**

(continued)

June 30, 2017

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The liabilities were estimated based on information provided by the State of Tennessee Department of Environment and Conservation when the corresponding cells of the Landfill were initially permitted. Closure and postclosure costs related to Phase I were recognized by the Commission in prior periods based on Landfill capacity as of the date of each statement of net position. The liability for Phase II/IV represents the estimated cumulative amount of closure and postclosure care costs reported to date based on the use of 70% of the estimated capacity of the Landfill for that phase. The Commission will recognize the remaining estimated cost of \$2,278,769 as the remaining permitted capacity of the Landfill is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2017. The Commission expects to close Phase II/IV of the Landfill in August of 2030 (assuming 80,000 tons of waste per year). The Commission is seeking a permit modification which would extend the life of the landfill and result in a new phase. Actual costs of closure and postclosure may vary based on inflation, deflation, technology, or applicable laws and regulations.

Loudon County, Tennessee (the County) has entered into a Contracts in Lieu of Performance Bond with the State of Tennessee Department of Environment and Conservation for Phase I (dated February 24, 1994) and for Phase II/IV (dated September 1, 1997), which are amended from time to time. In the event the County fails to perform closure and postclosure care requirements pursuant to all applicable laws, statutes, rules and regulations as such laws, rules, statutes and regulations may be amended, the contracts pledge future revenues of the County, disbursed from the State of Tennessee to the County, up to the amount of \$7,595,895 (covering all phases of the Landfill) as of June 30, 2017, for closure and postclosure care.

**NOTE H - CONTRIBUTIONS TO CITY OF LOUDON, TENNESSEE**

The Commission makes contributions of \$3,750 per quarter to City of Loudon, Tennessee to defray the cost associated with the retirement of debt incurred by City of Loudon, Tennessee to extend utility service lines to the Landfill. The timing of these payments vary so some years the total will not equal \$15,000. The loan payments commenced in March 2002 and are expected to end in February 2022.

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SUPPLEMENTARY INFORMATION

LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

**BOARD OF COMMISSIONERS**

June 30, 2017

Steve Field, Chairman  
John Watkins, Vice-Chairman  
Kelly Littleton-Brewster, Secretary/Treasurer  
Larry Jameson, Member  
Bruce Hamilton, Member  
Art Stewart, Member  
Dennis Stewart, Member

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See the accompanying independent accountants' audit report.

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INTERNAL CONTROL

AND

COMPLIANCE

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Loudon County Solid Waste Disposal Commission  
Loudon, Tennessee

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of Loudon County Solid Waste Disposal Commission, which comprise the statement of net position as of June 30, 2017, and the related statements of revenue, expenses and change in net position, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated December 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Loudon County Solid Waste Disposal Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Loudon County Solid Waste Disposal Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Loudon County Solid Waste Disposal Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Loudon County Solid Waste Disposal Commission's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Loudon County Solid Waste Disposal Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management of Loudon County Solid Waste Disposal Commission in a separate letter dated December 2017.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Loudon County Solid Waste Disposal Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Loudon County Solid Waste Disposal Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mitchell Emert + Hill*

December 2017

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LOUDON COUNTY SOLID WASTE DISPOSAL COMMISSION

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

Year Ended June 30, 2017

There were no prior year findings reported.

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STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1600  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

August 31, 2017

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, 2016. 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. The Contract to Audit Accounts required the audit to be filed by December 31, 2016; however, the audit was not submitted to this office for review and approval until August 4, 2017. The filing date of the report required by the contract should be adhered to in the future.
2. 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 Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position have reflected a deficit net position and negative change in net position for the past six years. Commission officials should take necessary action to ensure the anticipated shortfall is resolved and the deficit net position is eliminated.
3. The Notes to the Financial Statements disclosed that the commission is a joint venture between Loudon County, the City of Loudon and Lenoir City. Section 12-9-111, *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. If alternate or additional creation documents exist (e.g., resolution, bylaws), please submit these documents to our office.

Mr. Steve Field, Chairman  
Loudon County Solid Waste Disposal Commission  
August 31, 2017  
Page 2 of 2

Please note items two and three above were also addressed in our June 30, 2015 financial report review letter dated June 16, 2016.

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*

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

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

**Book Group Summary 7/01/16 - 6/30/17**

FYE: 6/30/2017

<u>Group</u>	<u>Cost Beginning</u>	<u>Cost Acquisitions</u>	<u>Cost Disposals</u>	<u>Cost Ending</u>	<u>Depreciation Prior</u>	<u>Depreciation Additions</u>	<u>Depreciation Reductions</u>	<u>Depreciation Ending</u>
Land	1,410,851.64	0.00	0.00	1,410,851.64	0.00	0.00	0.00	0.00
Landfill facilities	125,015.83	0.00	0.00	125,015.83	97,835.56	2,366.69	0.00	100,202.25
<b>Grand Total</b>	<u>1,535,867.47</u>	<u>0.00</u>	<u>0.00</u>	<u>1,535,867.47</u>	<u>97,835.56</u>	<u>2,366.69</u>	<u>0.00</u>	<u>100,202.25</u>

**Book Asset Detail 7/01/16 - 6/30/17**

FYE: 6/30/2017

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
<b>Group: Land</b>												
1		LAND	7/01/95	243,378.47	0.00	0.00	0.00	0.00	0.00	243,378.47	Land	0.00
7		LAND	6/30/09	2,500.00	0.00	0.00	0.00	0.00	0.00	2,500.00	Land	0.00
8		LAND	6/30/10	538,605.58	0.00	0.00	0.00	0.00	0.00	538,605.58	Land	0.00
10		LAND - PURDY PROPERTY	7/30/10	193,549.00	0.00	0.00	0.00	0.00	0.00	193,549.00	Land	0.00
12		LAND DEPOSIT - ATCHLEY PRC	9/22/11	13,993.00	0.00	0.00	0.00	0.00	0.00	13,993.00	Land	0.00
14		Archley - Rec'd in trade for Ryan Pr	1/15/13	413,825.59	0.00	0.00	0.00	0.00	0.00	413,825.59	Land	0.00
15		Archley - Rec'd in trade for Ryan Pr	1/13/13	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	Land	0.00
		<b>Land</b>		<u>1,410,851.64</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,410,851.64</u>		
<b>Group: Landfill facilities</b>												
2		LANDFILL FACILITIES	7/01/95	86,086.76	0.00	0.00	86,086.76	0.00	86,086.76	0.00	S/L	20.00
9		SCALE HOUSE	6/30/10	30,524.52	0.00	0.00	9,157.38	1,526.23	10,683.61	19,840.91	S/L	20.00
16		Fence around Archley property	5/24/13	8,404.55	0.00	0.00	2,591.42	840.46	3,431.88	4,972.67	S/L	10.00
		<b>Landfill facilities</b>		<u>125,015.83</u>	<u>0.00c</u>	<u>0.00</u>	<u>97,835.56</u>	<u>2,366.69</u>	<u>100,202.25</u>	<u>24,813.58</u>		
		<b>Grand Total</b>		<u>1,535,867.47</u>	<u>0.00c</u>	<u>0.00</u>	<u>97,835.56</u>	<u>2,366.69</u>	<u>100,202.25</u>	<u>1,435,663.22</u>		

**LOUDON COUNTY SOLID WASTE DISPOSAL COMIS**  
**Trial Balance Worksheet - Grouped by Type**

Account	Type	Description	06/30/16 Adjusted Balance	06/30/17 Unadjusted Balance	Adjusting JE Adjustments	06/30/17 Adjusted Balance
11140.000	A	CASH WITH TRUSTEE	2,903,115.27	3,166,029.70		3,166,029.70
11141.000	A	Cash-Poplar Spirings	311,543.09	236,619.12		236,619.12
11410.000	A	ACCOUNTS RECEIVABLE	24,727.54	58,537.97		57,409.23
		01 Adjust beginning assets and liabilities			(1,128.74)	
11600.000	A	PREPAID INSURANCE	0.00	4,669.00		4,669.00
11810.000	A	ACCRUED INTEREST RECEIVABLE	564.37	564.37		564.37
13500.000	A	LAND	1,410,851.73	1,410,851.73		1,410,851.73
13600.000	A	LANDFILL FACILITIES	125,015.83	125,015.83		125,015.83
13710.000	A	ACCUMULATED DEPRECIATION-OTHER MACHINE AND EQUIPME	(97,835.25)	(97,835.25)		(100,201.94)
		03 Record depreciation expense			(2,366.69)	
		<b>Total Assets</b>	<u>4,677,982.58</u>	<u>4,904,452.47</u>	<u>(3,495.43)</u>	<u>4,900,957.04</u>
21100.000	L	ACCOUNTS PAYABLE	(33,782.59)	(9,925.00)		(9,925.00)
21110.000	L	ACCOUNTS PAYABLE-POPLAR SPRINGS	(29,352.54)	(37,896.03)		(37,896.03)
22500.000	L	ACCRUED LIABILITIES FOR LANDFILL CLOSURE/CARE	(5,413,766.30)	(5,413,766.30)		(5,818,372.13)
		02 Adjust post closure liability at 6/30/17			(404,605.83)	
34240	L	PREPAID ITEMS	0.00	(4,669.00)		(4,669.00)
39000.000	L	UNDESIGNATED FUND BALANCE	702,236.63	771,176.52		803,587.85
		01 Adjust beginning assets and liabilities			1,128.74	
		04 Reverse prior year AP recorded as expense in current year			31,282.59	
		<b>Total Liabilities</b>	<u>(4,774,664.80)</u>	<u>(4,695,079.81)</u>	<u>(372,194.50)</u>	<u>(5,067,274.31)</u>
		<b>Total Equity</b>				
		<b>Total Liabilities &amp; Equity</b>	<u>(4,774,664.80)</u>	<u>(4,695,079.81)</u>	<u>(372,194.50)</u>	<u>(5,067,274.31)</u>
40125.000	R	TRUSTEE'S COLLECTIONS	(0.44)	(0.03)		(0.03)
43112.000	R	SURCHARGE - HOST AGENCY	(133,165.43)	(148,644.68)		(148,644.68)
43113.000	R	CLOSURE/POST CLOSURE SECURITY	(167,400.93)	(188,747.31)		(188,747.31)
44110.000	R	INVESTMENT INCOME	(14,254.58)	(20,344.90)		(20,344.90)
		<b>Total Revenue</b>	<u>(314,821.38)</u>	<u>(357,736.92)</u>	<u>0.00</u>	<u>(357,736.92)</u>
55754.191	E	BOARD AND COMMITTEE MEMBERS FEE	3,800.00	3,890.76		3,890.76
		LANDFILL OP AND MA				
55754.302	E	ADVERTISING	1,908.00	0.00		0.00
55754.305	E	AUDIT SERVICES	7,200.00	0.00		7,425.00
		05 Reclassify audit fee to correct account			7,425.00	
55754.331	E	LEGAL SERVICES	28,301.00	37,425.00		30,000.00
		05 Reclassify audit fee to correct account			(7,425.00)	
55754.332	E	LEGAL SERVICES-OLD LANDFILL	99,532.59	83,467.46		52,184.87
		04 Reverse prior year AP recorded as expense in current year			(31,282.59)	

**LOUDON COUNTY SOLID WASTE DISPOSAL COMIS**  
**Trial Balance Worksheet - Grouped by Type**

Account	Type	Description	06/30/16 Adjusted Balance	06/30/17 Unadjusted Balance	Adjusting JE Adjustments	06/30/17 Adjusted Balance
55754.355	E	TRAVEL LANDFILL OP AND MAINT	333.02	0.00		0.00
55754.363	E	CONTRACTS FOR LANDFILL FACILITIES	244,307.06	0.00		404,605.83
		02 Adjust post closure liability at 6/30/17			404,605.83	
55754.454	E	WATER AND SEWER	15,000.00	15,000.00		15,000.00
55754.499	E	OTHER SUPPLIES AND MATERIALS	49.46	0.00		0.00
55754.502	E	Building Insurance	4,746.00	4,876.00		4,876.00
55754.514	E	DEPRECIATION	2,366.69	0.00		2,366.69
		03 Record depreciation expense			2,366.69	
55754.524	E	IN SERVICE/STAFF DEVELOPMENT	855.00	570.00		570.00
58900.510	E	MISCELLANEOUS TRUSTEE'S COMMISSION	3,104.78	3,135.04		3,135.04
		<b>Total Expense</b>	<u>411,503.60</u>	<u>148,364.26</u>	<u>375,689.93</u>	<u>524,054.19</u>
		<b>Totals</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
		<b>Net Profit/(Loss)</b>	<u>(96,682.22)</u>	<u>209,372.66</u>		<u>(166,317.27)</u>

**LOUDON COUNTY SOLID WASTE DISPOSAL COMIS**

**Adjusting Journal Entries**

July 1, 2016 - June 30, 2017

Date	Reference	Account	Description	WP Reference	Debit	Credit	Net Income Effect
<b>Adjusting Journal Entries</b>							
06/30/17	01		Adjust beginning assets and liabilities				0.00
		11410.000	ACCOUNTS RECEIVABLE			1,128.74	
		39000.000	UNDESIGNATED FUND BALANCE		1,128.74		
06/30/17	02		Adjust post closure liability at 6/30/17				(404,605.83)
		55754.363	CONTRACTS FOR LANDFILL FACILITIES		404,605.83		
		22500.000	ACCRUED LIABILITIES FOR LANDFILL CLOSURE/CARE			404,605.83	
06/30/17	03		Record depreciation expense				(2,366.69)
		13710.000	ACCUMULATED DEPRECIATION-OTHER MACHINE DEPRECIATION			2,366.69	
		55754.514	DEPRECIATION		2,366.69		
06/30/17	04		Reverse prior year AP recorded as expense in current year				31,282.59
		39000.000	UNDESIGNATED FUND BALANCE		31,282.59		
		55754.332	LEGAL SERVICES-OLD LANDFILL			31,282.59	
06/30/17	05		Reclassify audit fee to correct account				0.00
		55754.305	AUDIT SERVICES		7,425.00		
		55754.331	LEGAL SERVICES			7,425.00	
<b>Totals for Adjusting Journal Entries</b>					<u>446,808.85</u>	<u>446,808.85</u>	<u>(375,689.93)</u>
<b>Report Totals</b>					<u>446,808.85</u>	<u>446,808.85</u>	<u>(375,689.93)</u>

Journal Entry count = 5

Accounts Payable  
Loudon County Solid Waste Disposal Commission  
6/30/2017

Check #	Check Date	Vendor	Invoice Amount
7004844	8/23/2017	Luna Law Group Apr-Jun services	15,168.49
7004840	8/16/2017	Kennerly Montgomery	2,500.00
7004832	7/12/2017	Luna Law Group Jan-Mar services	22,727.54
7004841	8/16/2017	Mitchell Emert & Hill	7,425.00
			<hr/> 47,821.03

Phase	Balance 6/30/2016	Increase (Decrease)	Balance 6/30/2017
I	539,796.30 PY	(38,550.46)	501,245.84 (2)
II / IV	4,873,970.00 PY	443,156.29	5,317,126.29 (1)
TOTAL	5,413,766.30 PY	404,605.83	5,818,372.13

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(1) computed based on 70% capacity (per Santek)  
(70% x \$7,595,894.71 C )

(2) Per State of Tennessee Department of Environment and Conservation assessment document



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
Division of Financial Responsibility & Business Process Improvement  
William R. Snodgrass Tennessee Tower  
312 Rosa L. Parks Ave., 10<sup>th</sup> Floor  
Nashville, TN 37243  
(615) 532-0851

June 30, 2017

The Honorable Roleen D. Bradshaw, II  
Loudon County Mayor  
100 River Road, Suite 106  
Loudon, Tennessee 37774

Re: 2017 Signed Amendments of Contract In Lieu of Performance Bond for Loudon County Landfills, Permit Nos. SNL530000203 Phase 1 and SNL530000203 Phases 2 & 4

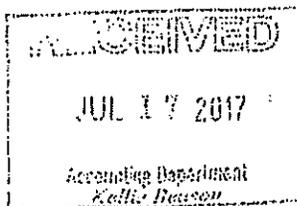
Dear Mayor Bradshaw:

Please find enclosed the signed original Amendments of Contract in Lieu of Performance Bond for the Loudon County Landfills, Permit Numbers SNL530000203 Phase 1 and SNL530000203 Phases 2 & 4. Thank you very much for your assistance in completing the negotiation of these financial assurance instruments.

If you have any questions, please call me at (615) 532-8571, or email me at [Debra.Long@tn.gov](mailto:Debra.Long@tn.gov).

Respectfully,

Debra F. Long, Financial Analyst



<http://tn.gov/environment/section/fin-financial-responsibility>

Amendment of Contract in Lieu of Performance Bond

Whereas, Loudon County and the State of Tennessee Department of Environment and Conservation, entered into a Contract in Lieu of Performance Bond for proper operation and closure and/or post-closure of the Loudon County Sanitary Landfill, Permit Number SNL53000203 Phases 2 and 4; and

Whereas, said contract included a provision allowing the Commissioner of Environment and Conservation to collect up to \$ 7,498,415.31 from any funds being disbursed or to be disbursed from the State to the Loudon County Sanitary Landfill as financial assurance for said proper operation, closure and post-closure; and

Whereas, the State and Loudon County desire to change the amount of said financial assurance from \$ 7,498,415.31 to \$ 7,595,894.71.

Paragraph 3 of the Agreement in Lieu of Performance Bond is amended as follows:

The figure "\$ 7,498,415.31" is deleted and the figure  
"\$ 7,595,894.71" is substituted in lieu thereof.

Date of Amendment to Contract 6/8/17  
**(Must have date of Official's signature)**

Robert R. Montemayor Jr.  
Commissioner

Department of Environment  
& Conservation

Harry B. Monte  
Commissioner

Department of Finance  
& Administration

\_\_\_\_\_  
Title: \_\_\_\_\_

For the City of: \_\_\_\_\_

Steve Reed  
\_\_\_\_\_

Title: Mayor

For: Loudon County

\_\_\_\_\_  
Title \_\_\_\_\_

For \_\_\_\_\_

(Please Type or Complete Form in Ink and Submit Three (3) Signed Originals of this Document)



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

Email: [mail@santekenviro.com](mailto:mail@santekenviro.com)  
Internet: [www.santekenviro.com](http://www.santekenviro.com)

December 12, 2017

Mr. Kevin Stevens  
c/o Loudon County Solid Waste Disposal Commission  
100 River Road  
Loudon, Tennessee 37774

Dear Kevin,

In light of my absence at this evening's meeting of the Loudon County Solid Waste Disposal Commission, please assure the commissioners SanteK has reviewed the commission's counterproposal for the closure/post-closure accrual, and we are very close to reaching a consensus. Ron Vail is currently verifying some drawings from Dr. Bob Bachus with Geosyntec and our chief financial officer is reviewing a few calculations. I expect to have a response to the Commission in the coming weeks.

Thank you for your patience and understanding.

A handwritten signature in cursive script, appearing to read "Cheryl".

Cheryl L. Dunson  
EVP of Marketing & Government Affairs

**Monthly Operations Report  
Matlock Bend Landfill  
December 12, 2017**

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



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

Email: [mail@santekenviro.com](mailto:mail@santekenviro.com)  
Internet: [www.santekenviro.com](http://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. AIRSPACE UTILIZATION SCHEDULE**
  
- III. HOST & SECURITY FEES**

**LANDFILL TONNAGE VOLUME  
MONTH ENDING -  
November 2017**

**MATLOCK BEND LANDFILL**

MONTH	2016	2017	2016 TO 2016
JANUARY	13,035.08	15,336.42	2,301.34
FEBRUARY	13,619.92	14,991.58	1,371.66
MARCH	15,803.85	16,055.37	251.52
APRIL	14,569.65	14,472.05	(97.60)
MAY	14,994.10	16,123.28	1,129.18
JUNE	14,159.65	15,653.83	1,494.18
JULY	14,517.67	14,583.45	65.78
AUGUST	16,139.18	15,865.64	(273.54)
SEPTEMBER	15,761.01	16,560.64	799.63
OCTOBER	16,145.67	17,666.70	1,521.03
NOVEMBER	16,532.14	16,195.44	(336.70)
DECEMBER			0.00
TOTAL	165,277.92	173,504.40	8,226.48

**DAILY AVG FOR ANY  
RUNNING 30 DAY  
PERIOD**                      **539.85**

**LOUDON COUNTY**

MONTH	2016	2017	2016 TO 2016
JANUARY	412.09	477.16	65.07
FEBRUARY	444.62	424.98	(19.64)
MARCH	513.60	498.94	(14.66)
APRIL	465.42	507.83	42.41
MAY	466.86	549.58	82.72
JUNE	493.13	519.50	26.37
JULY	501.33	542.63	41.30
AUGUST	495.64	512.30	16.66
SEPTEMBER	440.52	482.19	41.67
OCTOBER	468.33	459.47	(8.86)
NOVEMBER	459.06	487.96	28.90
DECEMBER			0.00
TOTAL	5,160.60	5,462.54	301.94

**DAILY AVG FOR 22.5  
DAY PERIOD**                      **719.80**

**LENOIR CITY**

MONTH	2016	2017	2016 TO 2016
JANUARY	260.26	320.21	59.95
FEBRUARY	296.65	280.52	(16.13)
MARCH	385.43	375.49	(9.94)
APRIL	342.75	345.90	3.15
MAY	343.73	385.74	42.01
JUNE	353.55	361.60	8.05
JULY	355.51	368.18	12.67
AUGUST	374.84	405.09	30.25
SEPTEMBER	315.59	351.66	36.07
OCTOBER	285.54	349.35	63.81
NOVEMBER	295.73	335.19	39.46
DECEMBER			0.00
TOTAL	3,609.58	3,878.93	269.35

**CITY OF LOUDON**

MONTH	2016	2017	2016 TO 2016
JANUARY	312.87	374.21	61.34
FEBRUARY	346.21	316.79	(29.42)
MARCH	416.82	407.26	(9.56)
APRIL	366.91	368.89	1.98
MAY	383.35	446.12	62.77
JUNE	427.97	404.84	(23.13)
JULY	403.03	399.49	(3.54)
AUGUST	432.17	398.67	(33.50)
SEPTEMBER	373.37	378.74	5.37
OCTOBER	351.68	384.36	32.68
NOVEMBER	342.94	376.88	33.94
DECEMBER			0.00
TOTAL	4,157.32	4,256.25	98.93

**WASTE SERVICES OF TN**

MONTH	2016	2017	2016 TO 2016
JANUARY	1,835.75	2,573.63	737.88
FEBRUARY	2,031.60	2,358.39	326.79
MARCH	2,387.63	2,521.29	133.66
APRIL	2,329.74	2,350.38	20.64
MAY	2,347.21	2,737.26	390.05
JUNE	2,406.60	2,769.33	362.73
JULY	2,438.41	2,558.48	120.07
AUGUST	2,673.71	2,759.94	86.23
SEPTEMBER	2,410.12	2,617.34	207.22
OCTOBER	2,502.28	2,681.16	178.88
NOVEMBER	2,483.98	2,702.62	218.64
DECEMBER			0.00
TOTAL	25,847.03	28,629.82	2,782.79

**TENNESSEE TRASH**

MONTH	2016	2017	2016 TO 2016
JANUARY	2,152.03	3,735.96	1,583.93
FEBRUARY	2,264.75	3,572.92	1,308.17
MARCH	2,824.58	3,906.62	1,082.04
APRIL	2,841.02	3,800.78	959.76
MAY	2,927.00	4,370.78	1,443.78
JUNE	2,955.40	4,485.85	1,530.45
JULY	3,286.37	3,911.99	625.62
AUGUST	4,086.78	4,476.93	390.15
SEPTEMBER	4,104.61	4,048.58	(56.03)
OCTOBER	4,421.76	4,606.41	184.65
NOVEMBER	4,374.32	4,348.17	(26.15)
DECEMBER			0.00
TOTAL	36,238.62	45,264.99	9,026.37

LANDFILL TONNAGE VOLUME  
MONTH ENDING -  
November 2017

**KIMBERLY CLARK - PAPER WASTE**

MONTH	2016	2017	2016 TO 2016
JANUARY	4,649.89	4,389.45	(260.44)
FEBRUARY	4,671.47	4,197.85	(473.62)
MARCH	5,141.91	3,834.53	(1,307.38)
APRIL	4,797.68	3,145.34	(1,652.34)
MAY	4,941.64	3,846.17	(1,095.47)
JUNE	4,254.76	3,682.06	(572.70)
JULY	4,137.17	3,592.35	(544.82)
AUGUST	4,418.74	3,422.54	(996.20)
SEPTEMBER	5,124.10	4,366.81	(757.29)
OCTOBER	4,866.65	4,461.57	(405.08)
NOVEMBER	5,552.70	4,140.50	(1,412.20)
DECEMBER			0.00
TOTAL	52,556.71	43,079.17	(9,477.54)

**TENNESSEE DIVISION OF SOLID WASTE MANAGEMENT  
CLASS I LANDFILL INSPECTION CHECKLIST\***

**CLASS I  
LANDFILL**

SITE		Check Site for Enforcement	DATE	TIME	WEATHER	
Loudon County Landfill		SNL530000203 21712 Highway	20171114	14:00	55 deg F	
INSPECTOR				EFO		
P. Plont				KNOX		
*SEE DISCLAIMER ON LAST PAGE						
VIOLATION		REGULATION	OBSERVATION		COMMENTS	
			NVO	AOC	V1	V2
<b>BUFFER ZONE STANDARDS FOR SITING LANDFILLS</b>						
<b>8310</b>	BUFFER ZONE STANDARD VIOLATED	0400-11-01-.04(3)(a)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>COLLECTED LEACHATE</b>						
<b>8330</b>	LEACHATE IMPROPERLY MANAGED	0400-11-01-.04(4)(a)8(i-iii) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>8340</b>	INADEQUATE LEACHATE COLLECTION SYSTEM	0400-11-01-.04(4)(a)7 ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>COMMUNICATIONS</b>						
<b>8130</b>	NO COMMUNICATION DEVICES	0400-11-01-.04(2)(f) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>COVER MATERIAL</b>						
<b>8160</b>	UNAVAILABILITY OF COVER MATERIAL.	0400-11-01-.04(2)(h) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>DEAD ANIMALS</b>						
<b>8250</b>	DEAD ANIMALS IMPROPERLY HANDLED	0400-11-01-.04(2)(k)5.(ii) (i-iii) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>DUST CONTROL</b>						
<b>8190</b>	INADEQUATE DUST CONTROL	0400-11-01-.04(2)(j) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>DUTY TO PROVIDE INFORMATION</b>						
<b>8530</b>	UNSATISFACTORY RECORDS OR REPORTS	0400-11-01-.02(5)(a)7 ? TCA 68-211-862(a)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>8590</b>	PERMITS, PLANS, OPERATING MANUAL NOT AVAILABLE	0400-11-01-.02(5)(a)(7) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>FIRE SAFETY</b>						
<b>8080</b>	EVIDENCE OF OPEN BURNING	0400-11-01-.04(2)(c)1 ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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VIOLATION	REGULATION	OBSERVATION				COMMENTS		
		NVO	AOC	V1	V2			
<b>FIRE SAFETY</b>								
8090	INADEQUATE FIRE PROTECTION	0400-11-01-.04(2)(c)2	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>GAS MIGRATION CONTROL STANDARDS</b>								
8380	INADEQUATE GAS MIGRATION CONTROL SYSTEM	0400-11-01-.04(5)(a)	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8390	INADEQUATE MAINTENANCE OF GAS MIGRATION CONTROL SYSTEM	0400-11-01-.04(5)(a)	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>GENERAL FACILITY STANDARDS</b>								
8010	INADEQUATE VECTOR CONTROL	0400-11-01-.04(2)(a)1	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8020	ACCESS NOT LIMITED TO OPERATING HOURS	0400-11-01-.04(2)(a)4	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8030	INADEQUATE ARTIFICIAL OR NATURAL BARRIER	0400-11-01-.04(2)(b)1	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8040	INADEQUATE INFORMATION SIGNS	0400-11-01-.04(2)(b)2 TCA 68-211-703(h)	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8050	UNSATISFACTORY ACCESS ROAD(S)/PARKING AREA(S)	0400-11-01-.04(2)(b)3	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8060	CERTIFIED PERSONNEL NOT PRESENT DURING OPERATING HOURS	0400-11-01-.04(2)(b)5	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8070	UNAPPROVED SALVAGING OF WASTE	0400-11-01-.04(2)(b)6	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>LITTER CONTROL</b>								
8110	UNSATISFACTORY LITTER CONTROL	0400-11-01-.04(2)(d)	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	looks good not issues observed
<b>OPERATING EQUIPMENT</b>								
8140	INADEQUATE OPERATING EQUIPMENT	0400-11-01-.04(2)(g)	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8150	UNAVAILABILITY OF BACKUP EQUIPMENT	0400-11-01-.04(2)(g)	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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VIOLATION	REGULATION	OBSERVATION				COMMENTS	
		NVO	AOC	V1	V2		
<b>OVERALL PERFORMANCE STANDARD</b>							
8270	WASHOUT OF SOLID WASTE	0400-11-01-.04(2)(a)(3) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	looks good no issues observed
8320	INADEQUATE MAINTENANCE OF LEACHATE MANAGEMENT SYSTEM (INSPECTOR TO CHECK AND RECORD LEACHATE LEVELS AT EVERY LANDFILL SUMP)	0400-11-01-.04(2)(a)(3) 0400-11-01-.04(4)(a)7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	leachate 14 & 21 inches AOC identified in text block
8350	LEACHATE OBSERVED AT THE SITE	0400-11-01-.04(2)(a)(3) ? 0400-11-01-.04(4)(a)6,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	wet spot across from tank not leaking
8360	LEACHATE ENTERING RUN-OFF	0400-11-01-.04(2)(a)(3) ? 0400-11-01-.04(4)(a)6	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8370	LEACHATE ENTERING A WATER COURSE	0400-11-01-.04(2)(a)(3) ? 0400-11-01-.04(4)(a)6	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8420	POTENTIAL FOR EXPLOSIONS OR UNCONTROLLED FIRES	0400-11-01-.04(2)(a)2 ? 0400-11-01-.04(5)(a)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8490	EXCESSIVE POOLING OF WATER	0400-11-01-.04 (2)(a)3 ? 0400-11-01-.04(8)(c)4(III)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8520	DUMPING OF WASTE INTO WATER	0400-11-01-.04 (2)(a)3 ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>PERMANENT BENCHMARK</b>							
8280	NO PERMANENT BENCHMARK	0400-11-01-.04(2)(o) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>PERSONNEL SERVICES</b>							
8120	INADEQUATE EMPLOYEE FACILITIES	0400-11-01-.04(2)(e) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>PROPER OPERATION AND MAINTENANCE</b>							
8540	GROUNDWATER MONITORING SYSTEM IMPROPERLY MAINTAINED	0400-11-01-.02(5)(a)4 ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>RANDOM INSPECTION PROGRAM</b>							
8290	INADEQUATE RANDOM INSPECTION PROGRAM	0400-11-01-.04(2)(s) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>RECORDS OF ORIGIN AND AMOUNT OF SOLID WASTE</b>							

\*SEE DISCLAIMER ON LAST PAGE

VIOLATION	REGULATION	OBSERVATION				COMMENTS
		NVO	AOC	V1	V2	
<b>RECORDS OF ORIGIN AND AMOUNT OF SOLID WASTE</b>						
8610	NO OPERATING SCALES AND/OR FAILURE TO MAINTAIN WASTE RECORDS	TCA 68-211-862(a)(b)(1)(2) ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>RUN-ON, RUN-OFF, AND EROSION CONTROL</b>						
8170	INADEQUATE MAINTENANCE OF RUN-ON/RUN-OFF SYSTEM(S)	0400-11-01-.04(2)(i)1-5 ? 0400-11-01-.04(8)(c)4(i)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8180	INADEQUATE EROSION CONTROL	0400-11-01-.04(2)(i)6 ? 0400-11-01-.04(8)(c)4(ii)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>SPECIAL WASTE APPROVAL PROCESS</b>						
8300	MISHANDLING OF SPECIAL WASTE	0400-11-01-.01(4)(d)1 ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>UNLAWFUL METHODS OF DISPOSAL</b>						
8570	OPERATION DOES NOT CORRESPOND WITH ENGINEERING PLANS (EVALUATE AND RECORD THE APPROXIMATE INTERIOR AND EXTERIOR SLOPE OF THE LANDFILL)	TCA 68-211-104(3) ? TCA 68-211-105(b)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8580	OPERATION DOES NOT CORRESPOND WITH PERMIT CONDITIONS	TCA 68-211-104(3) 0400-11-01-.02(5)(a)(1)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>VACANT</b>						
8260	VACANT	vacant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8550	VACANT	vacant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8560	VACANT	vacant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>WASTE HANDLING AND COVER STANDARDS</b>						
8430	WASTE NOT CONFINED TO A MANAGEABLE AREA	0400-11-01-.04(6)(a)1 ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8440	IMPROPER SPREADING OF WASTE	0400-11-01-.04(6)(a)2 ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8450	IMPROPER COMPACTING OF WASTE	0400-11-01-.04(6)(a)2 ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*SEE DISCLAIMER ON LAST PAGE

VIOLATION	REGULATION	OBSERVATION				COMMENTS		
		NVO	AOC	V1	V2			
<b>WASTE HANDLING AND COVER STANDARDS</b>								
<b>8460</b>	UNSATISFACTORY INITIAL COVER	0400-11-01-.04(6)(a)3 0400-11-01-.04(6)(a)5	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>8470</b>	UNSATISFACTORY INTERMEDIATE COVER	0400-11-01-.04(6)(a)4 0400-11-01-.04(6)(a)5	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>8480</b>	UNSATISFACTORY FINAL COVER	0400-11-01-.04(6)(a)6 0400-11-01-.04(8)(c)4	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>8510</b>	UNSATISFACTORY STABILIZATION OF COVER	0400-11-01-.04(6)(a)5,6	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>WASTE RESTRICTIONS</b>								
<b>8210</b>	UNAUTHORIZED WASTE ACCEPTED	0400-11-01-.04(2)(k)1 0400-11-01-.04(2)(k)6	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>8220</b>	UNAPPROVED SPECIAL WASTE ACCEPTED	0400-11-01-.01(4)(b) 0400-11-01-.01(4)(c)5	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>8230</b>	TIRES IMPROPERLY HANDLED	0400-11-01-.04(2)(k)3.(i)	?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>8240</b>	MEDICAL WASTE IMPROPERLY HANDLED	0400-11-01-.04(2)(k)4.(i-iv)?		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

*\*Disclaimer: The information contained in these documents (checklists/notes, etc.) is not intended to be all inclusive and is subject to change. These documents are intended solely for use by DSWM staff. These documents are not a substitute for evaluation of compliance in accordance with applicable laws and regulations. These documents are not intended for, nor can they be relied upon, to create any rights, substantive or procedural, enforceable or useable by any party in litigation with the State of Tennessee or its employees.*

Sump and Tank Level Readings

AOC - cell A is gravity flow leachate system. The site needs to determine a way to confirm the depth of leachate in that cell.

Additional Comments

recent grass has been sown looks good. the last wet spots have been fixed.

**Materials Classification Report**  
**Matlock Bend Landfill**  
**Monthly Tonnage Summary November 2017**

Material	Tonnage	2015 Sludge %		2016 Sludge %	
<b>MSW</b>		January	2%	January	4%
		February	3%	February	3%
MSW	<u>10,865</u>	March	3%	March	4%
<b>Special Waste</b>		April	1%	April	3%
		May	2%	May	4%
Other	4,358	June	1%	June	2%
Ash	0	July	5%	July	2%
Sludge	<u>972</u>	August	2%	August	3%
<b>Total Special Waste</b>	<u><u>5,331</u></u>	September	2%	September	2%
<b>Total MSW &amp; SW</b>	<b>16,195</b>	October	2%	October	3%
Tires	32	November	3%	November	3%
<b>Total Material</b>	<u><u>16,227</u></u>	December	5%	December	3%
<b>% MSW</b>	<u><u>67%</u></u>	<b>2017 Sludge %</b>			
<b>% Special Waste</b>	<u><u>33%</u></u>	January	5%	February	8%
<b>% Sludge</b>	<u><u>6%</u></u>	March	8%	April	7%
		May	4%	June	2%
		July	3%	August	4%
		September	7%	October	8%
		November	6%	December	0%

### 2017 Loudon MSW and Special Waste Analysis

Material	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
MSW	9,960	9,455	10,622	10,093	11,432	11,165	10,369	11,487	10,753	11,498	10,865		117,699
Special Waste	5,376	5,537	5,433	4,379	4,692	4,488	4,214	4,378	5,808	6,169	5,331		55,806
Tires	28	25	33	33	24	45	38	59	31	50	32		398
<b>Total</b>	<b>15,365</b>	<b>15,017</b>	<b>16,088</b>	<b>14,505</b>	<b>16,148</b>	<b>15,699</b>	<b>14,621</b>	<b>15,925</b>	<b>16,592</b>	<b>17,717</b>	<b>16,228</b>	<b>0</b>	<b>173,904</b>
%													
MSW	65%	63%	66%	70%	71%	71%	71%	72%	65%	65%	67%	0%	68%
Special Waste	35%	37%	34%	30%	29%	29%	29%	27%	35%	35%	33%	0%	32%
<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>										

**2017-2018 Matlock Bend  
Landfill Tire Report**

<b>Month</b>	<b>Tonnage</b>
Jul-17	47.28
Aug-17	54.96
Sep-17	39.52
Oct-17	33.36
Nov-17	37.12
Dec-17	
Jan-18	
Feb-18	
Mar-18	
Apr-18	
May-18	
Jun-18	
<b>Total (tons)</b>	<b>212.24</b>

## Matlock Bend Landfill - Module I-A 2018 Airspace Projection / Construction Schedule

DATE	REMAINING AIRSPACE <sup>1</sup> (CY)	MONTHLY TONNAGE	ACTUAL / PROJECTED <sup>2</sup>	UTILIZATION FACTOR	MONTHLY VOLUME CONSUMED (CY)	ENDING MONTHLY REMAINING AIRSPACE (CY)
		16,809		1.44		
Sept. 7, 2017	260,032	-	-	-	-	-
Sept. 8 - 30, 2017	-	13,104	A	1.44	18,870	241,162
October	-	17,669	A	1.44	25,443	215,719
November	-	16,195	A	1.44	23,321	192,398
December	-	16,809	P	1.44	24,204	168,194
January '18	-	16,809	P	1.44	24,204	143,989
February	-	16,809	P	1.44	24,204	119,785
March	-	16,809	P	1.44	24,204	95,580
April	-	16,809	P	1.44	24,204	71,376
May	-	16,809	P	1.44	24,204	47,172
June	-	16,809	P	1.44	24,204	22,967
July	-	16,809	P	1.44	24,204	0
August	-	16,809	P	1.44	24,204	0
September	-	16,809	P	1.44	24,204	0
October	-	16,809	P	1.44	24,204	0
November	-	16,809	P	1.44	24,204	0
December	-	16,809	P	1.44	24,204	0

<sup>1</sup> = Remaining airspace based on September 7, 2017 aerial survey.

Full Date

July-2018

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

<sup>3</sup> = Utilization rate based on the annual utilization rate per October 27, 2008 construction meeting (Avg. Utilization = 1.24 cy/ton)

### Tonnage for Past 3 Months

September	16,562
October	17,669
November	16,195
<b>Average</b>	<b>16,809</b>

cc: Tim  
Matt  
Cheryl  
Ron  
Chris  
Raymond  
Jason  
Mark



650 25<sup>th</sup> Street NW, Ste 100  
Cleveland, TN 37311

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

December 8, 2017

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 November 1, 2017 to November 30, 2017:

Host Fees (Greater of below) --	
Total Tip Fees Billed	\$329,956.51
Host Fee Percentage	4.00%
	<u>\$ 13,198.26</u>
Minimum Fee	<u>\$ 10,652.00</u>
Security Fees (Greater of below) --	
Total Tonnage Received	16,195.44
Rate per ton	\$ 1.00
Total	<u>\$ 16,195.44</u>
Total Tip Fees Billed	\$329,956.51
Security Fee Percentage	5.00%
	<u>\$ 16,497.83</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,

A handwritten signature in black ink, appearing to read "Mark Mathys", is written over a light blue horizontal line.

Mark Mathys  
Corporate Controller