

Minutes

Loudon County Solid Waste Disposal Commission

June 12th, 2018

The Loudon County Solid Waste Disposal Commission met on June 12th, 2018 at 6:30 p.m. at the Loudon County Office Building. The Commission was represented by Steve Field, Art Stewart, Bruce Hamilton, Kelly Littleton-Brewster, Larry Jameson, and Dennis Stewart. Other attendees included Attorney Kevin Stevens and Chris Parks; Santek representatives Justin Givens, Ron Vail, and Kaitlyn Hampton; and residents Aileen Longmire and Pat Hunter.

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

Mr. Larry Jameson led the Commission in the Pledge of Allegiance and the invocation.

MOTION: Mr. Larry Jameson made a motion to approve the minutes of May 15th, 2018. Mr. Dennis Stewart seconded the motion. The minutes were approved unanimously.

During items of Public Concern, Ms. Pat Hunter voiced her concerns about the notice given for the May meeting, saying she believed it was improperly handled. Mr. Steve Field noted that, after some discussion with the Board members, it was decided that May 15th was a better date than that which is reflected in the April minutes. Mr. Kevin Stevens added that the Board has the authority to schedule meetings as they see fit, as long as they are duly publicized. The new meeting date was properly published in the News Herald. As far as the location change to the County Office Building, there was a Regional Planning Board meeting scheduled for the night in question that the Board was unaware of which conflicted with the noticed time of the Commission meeting; however, notices were placed on the doors to the Annex building to let those who were unaware know of the location change. Larry Jameson also volunteered to stay annex to direct any public to the other location.

Mrs. Pat Hunter also spoke about the soil usage at the landfill, particularly with respect to recovering the funds used to purchase the property from which the soil is used. Mr. Steve Field assured that the contract states that if there are expenditures on the Board's behalf to acquire extra land from which operations occur, that the Board has the opportunity to work with Santek to recover the money.

Ms. Aileen Longmire presented a letter from TDEC which stated that the remaining life of the Loudon Landfill is 6 years and 6 months, which is contrary to that information which is presented at the county meetings. Mr. Steve Field noted that the abovementioned letter is reflecting the remaining permitted life of the landfill instead of the constructed airspace, meaning that the information is in fact consistent with Santek's reports. Mr. Ron Vail spoke about the upcoming regulations that would require Santek to provide a detailed annual report to be sent to TDEC, reflecting the specific numbers associated with their review.

Ms. Kaitlyn Hampton presented the Cash Activity Report for May 2018. Mr. Kevin Stevens spoke about the format of the report, specifically the separation of the Total Combined Operating Fund from the Poplar Springs Balance. Mr. Steve Field stated that Ms. Tracy Blair indicated that she would change the format; however, she was trying to keep the information consistent with the Trustee's Report. The Board decided to keep the format for now.

In regards to the Cash Activity Report, Ms. Kelly Littleton-Brewster noted that the waterline bill for the City of Loudon was \$58,750, as reflected in April's report; however, in the current report, the total paid was \$58,570.

Ms. Kaitlyn Hampton presented Santek's Operations Report for May 2018.

Mr. Steve Field spoke about the Trustee Investment Process. He updated that there is not anything currently due for reinvestment; however, certain investment funds will be expiring in eight or nine months. The Board discussed the option of having Mr. Chip Miller control the process while interfacing with Mr. Bruce Hamilton.

MOTION: Mr. Larry Jameson made the motion to give the Trustee the authority to reinvest the designated funds in accordance with his standard operating procedures for Loudon County assets along with regular consultation with a designated board member. Mr. Dennis Stewart seconded the motion. It passed unanimously.

Mr. Kevin Stevens presented the Contract Modification Update. Mr. Larry Jameson, Ms. Cheryl Dunson, and Mr. Kevin Stevens met with Mr. Tim Watts on April 30th to discuss the contract, specifically the closure and phased closure process and the financial parameters under the contract. The goal is to limit the exposure and liability of the stakeholders by ensuring that closure is being handled by Santek during the course of the contract instead of back-loading it until the end of the contract term. Dr. Bachus suggested creating benchmarks for closing 10/11 acres approximately every 5 years in order to get parameters on the post closure. Santek's concern is that they will be required to arbitrarily close acreage that has not yet reached final elevation. After discussion, Santek agreed to close approximately 14 acres within 2 years of the approval of the expansion plan, by approximately 2020 or 2021. Santek also agreed to a detailed plan for phased closure which would be approved by TDEC. The objective that is being further discussed is the security fee of \$1.75 and an annual adjustment that would be set to guarantee \$1.6 million remaining in the Commission's security fee account after the conclusion of the contract term. Santek acknowledges the \$1.6 million request; their concern is that waste stream volumes could drop drastically before the year 2032, meaning the \$1.6 million in addition to the closure obligation may not be financially feasible. To help alleviate this potential problem, the idea of phased closure of specific cells was discussed. Santek proposed that if a specific cell did not reach final elevation, the contract could be extended until final elevation is obtained, ensuring enough revenue to accrual \$1.6 million. Santek also said that in order to meet their financial objective, they would need access to the adjacent soil. Moving forward, the Commission will be asked to consider how they would prefer to interface with the stakeholders once the concept terms are nailed down.

Mr. Ron Vail provided a detailed map to pinpoint the exact locations used for soil excavation as abovementioned. Santek acknowledges the need for 1.1 million cubic yards of soil, averaging approximately 11.4 acres every 5 years. The map included the original 151 acres as well as the proposed expansion of 67 acres which encompasses the original 40 acres that are currently permitted. The property owned by LCSWDC was further reduced into the areas needed for operational and post closure needs, based on 5 year increments. Mr. Ron Vail further explained that after excavation is completed, the area would be reseeded in grass and left at a 1% gradient to reroute runoff to specific ponds which would also be constructed. As far as the debris from clearing these areas, Mr. Ron Vail explained that it is typically used as a berm against erosion. Mr. Steve Field voiced his concerns about the buffer areas and the potential need for further evaluation alongside TDEC.

Mr. Steve Field presented the Poplar Springs update. He presented the invoices from the Trustee's Office that have already been approved by all three stakeholders as follows: \$1,079, \$370, and \$3,894.81. Mr. Steve Field also presented the outstanding invoices which were left unpaid due to one stakeholder, Lenoir City, withholding approval. Lenoir City is looking to recoup money spent on legal fees: the invoice in question totaled \$855. Mayor Bradshaw apparently has received two invoices from Lenoir City: one for \$5,000.00 and second for \$10,000. Mr. Steve Field also spoke about Mr. John Gardner's agreement with the county to provide engineering services through the construction process: this agreement covers future work estimated at \$29,439.

Mr. Larry Jameson previously discussed the potential to relinquish the responsibility of the Poplar Springs funds from the Commission to that of either the County or the City of Loudon. The Board discussed several potential options.

MOTION: Mr. Larry Jameson made a motion to send Board representatives Ms. Kelly Littleton-Brewster and Mr. Steve Field to meet with the County Mayor to discuss the options regarding the responsibility of the Poplar Springs funds. Mr. Art Stewart seconded the motion. It passed unanimously.

Mr. Kevin Stevens presented the Attorney's Report. He informed the Commission that the Audit Engagement Letter relative to the 2018 audit had been received by Mr. Richard Hill's office. Mr. Kevin Stevens also updated on the environmental fee implemented by Santek, specifically the response letter from their legal Counsel. Santek's standpoint is that the LCSWDC did not lose any funds because they were paid a percentage of the host and security fees out of the revenue accrued from the addition of the environmental fee. Mr. Kevin Stevens argued that the implementation of this fee is not permissible under the contract. The Board discussed the necessity for a full audit to be conducted in order to see an accounting of this fee since its implementation.

MOTION: Mr. Bruce Hamilton made a motion to send a response letter to Santek addressed from Mr. Steve Field requesting an independent audit to be conducted at Santek's cost due to the breach of contract in implementing an environmental fee. Mr. Art Stewart seconded the motion. It passed unanimously.

Mr. Steve Field presented the Chairman's Report. His expenses for attending the Solid Waste Conference totaled \$192.72.

MOTION: Mr. Art Stewart made a motion to approve the payment of Mr. Steve Field's expenses associated with travel to the Solid Waste Conference. Mr. Bruce Hamilton seconded the motion. It passed unanimously.

Mr. Steve Field updated on the expenditure report: attorney's invoices from Kennerly Montgomery totaling \$2,500; insurance premium totaling \$4,669.

MOTION: Mr. Bruce Hamilton made a motion to approve the payment for the reported expenditures. Mrs. Kelly Littleton-Brewster seconded the motion. It passed unanimously.

Mr. Chris Parks spoke about the grant offered by TDEC to provide a steel building at a current facility, capable of collecting household hazardous waste regularly: material would be collected once a week instead of twice annually. Clean Harbors will be responsible for the end disposal of the hazardous waste at TDEC's cost. Mr. Chris Parks met with Mr. Steve Field and Mrs. Kelly Littleton-Brewster to discuss the

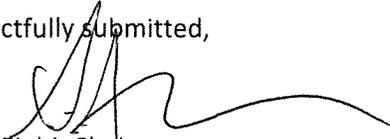
liability associated with this collection and storage process: the fire chief was also contacted for input as well as the City of Loudon. Mr. Chris Parks also assured that his current staff would be trained to only accept waste that is properly contained, as to alleviate any potential cross contamination.

Mrs. Kelly Littleton-Brewster voiced her concerns for the cost of waste disposal for Loudon County. The cost is detailed as follows: the school systems total \$5,496 monthly; the county buildings total \$503 monthly; libraries and all other buildings total \$56 monthly; collectively, this totals \$72,690 annually. The concern is that Santek's contract states that the stakeholders are required to send their waste into the Matlock Bend Landfill, eliminating the competition factor. Mrs. Kelly Littleton-Brewster agreed to collect more information regarding this matter as well as comparable data from the surrounding counties to present at the next meeting.

MOTION: Mr. Art Stewart made a motion to adjourn the meeting at 9:20 p.m. and Mr. Bruce Hamilton seconded the motion. It passed unanimously.

The Commission's next regularly scheduled meeting is July 10th, 2018 at 6:30 p.m. at the Loudon County Courthouse Annex.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Steve Field', with a long horizontal flourish extending to the right.

Steve Field, Chairman

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