

Minutes

Loudon County Solid Waste Disposal Commission

July 14th, 2020

The Loudon County Solid Waste Disposal Commission met on July 14th, 2020 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Art Stewart, John Watkins, Bruce Hamilton, Kelly Littleton-Brewster, Larry Jameson, and Tammi Bivens. Other attendees included Attorney Kevin Stevens; Santek representatives Ben Johnston, Kaitlyn Hampton, Adam Hall, and Chris Holstrom; JJ Cox.

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.

It was discussed that the meeting minutes from June 9th, 2020 required revision to include specific details about discussions relative to notification of the Republic agreement.

MOTION: Ms. Kelly Littleton-Brewster made a motion to approve the amended minutes of June 9th, 2020. Mr. Bruce Hamilton seconded the motion. The amended minutes were approved.

There were not any Items of Public Concern.

Mr. Larry Jameson updated that he has received complaints about the barrier that blocks the pressurized wheel wash from being used unless there is inclement weather or mud present on the exiting vehicles; however, Mr. Jameson states that this method seems to be effective, especially considering the dry weather lately. He stated that there has been some gravel dust on the highway, but this process has helped reduce the amount of water being used on the highway, which has been a concern with the public in the recent past.

Ms. Kaitlyn Hampton presented the Cash Activity Report and the Operations Report for June 2020.

Mr. Ben Johnston spoke about the V1 that was issued for leachate observed on the site in the TDEC landfill inspection on June 2nd, 2020. He stated that the violation was issued for two leachate spots that were observed on the back slope, without any prior issuance of an AOC. Mr. Adam Hall stated that these were wet spots that have since been corrected and approved by TDEC.

Mr. Larry Jameson inquired about the tire disposal fees at the landfill. Mr. Johnston stated that the landfill's current pricing is set at \$1.25 per tire, regardless of size. He stated that Santek has a pricing structure at other facilities that accounts for the handling and equipment usage associated with discarding larger sized tires and equipment tracks, which can be discussed at a later date. Mr. Johnston agreed to check on the reimbursement program associated with accepting tires at the landfill.

Mr. Chris Holstrom, Santek's executive VP and CFO, stated that Santek refinanced on May 1st, 2019 with no intentions of selling; however, Republic approached Mr. Kenny Higgins and made an offer. On February 18th, 2020, after a due diligence period, Santek signed a definitive agreement with Republic to sell the stock of the company and all the subsidiaries under Santek Waste Services. Mr. Holstrom also stated that, as part of this agreement, Republic will be retaining all of the field employees and most of the executives from Santek. He stated that the purchase agreement is under review with the DOJ and that Santek is currently on step four of the five that are required. He estimated that the transaction

could close as early as the end of the third quarter or as late as next year. Mr. Holstrom stated that Republic was made aware of the ongoing negotiations with the landfill contract modifications and has viewed the drafts of the contract.

Mr. Holstrom distributed a map that demonstrates the 150-mile radius from which the landfill is allowed to accept waste. He stated that although the landfill is permitted to accept waste from that distance, it becomes economically unfeasible to transport the waste that far. He stated that Santek has four landfills between Atlanta and Loudon County Landfill and Republic also has three large landfills in the Atlanta area.

Mr. Jameson expressed concerns about the 150-mile radius which extends as far as Huntsville, Alabama and Atlanta, Georgia. Mr. Bruce Hamilton suggested to revise the permitted area to a 75-mile radius as part of the contract modification.

MOTION: Mr. Hamilton made a motion to resume contract negotiations and propose the reduction of the service area to a 75-mile radius. Mr. John Watkins seconded the motion.

Mr. Kevin Stevens distributed a document that illustrates the financial ramifications if the Board elects not to continue with contract negotiations to extend the current contract. The estimated closure cost liability in 2027 is nine million dollars which could result in a three or four million dollar shortfall. This potential shortfall does not even include post closure costs which are estimated at an additional three million dollars.

Mr. Jameson suggested a proposal of reducing the service area to 75 miles as an addendum to the current contract, instead of including it as part of the contract modification.

MOTION: Mr. Hamilton withdrew his original motion and made a new motion to resume contract negotiations. Mr. Watkins seconded the motion. The motion was approved 6-1, with Ms. Littleton-Brewster voting no as she would prefer to talk to the County Commission before resuming negotiations.

MOTION: Mr. Jameson made a motion to propose an addendum on the present contract to reduce the mileage of acceptable waste from 150 to a 75-mile radius. Ms. Littleton-Brewster seconded the motion. The motion was approved 7-0.

Mr. Stevens updated that one of the last remaining significant issues from the latest draft of the contract modification is the closure of the 10.7 acres of the final area of phased closure in the expanded 53-acre footprint.

Mr. Stevens distributed a final copy of the audit.

Mr. Steve Field presented the Chairman's Report and the following invoices for payment: legal fees from Kennerly Montgomery totaling \$2,500; employee payroll taxes totaling \$53.83.

Mr. Field also stated that he received a copy of the semiannual groundwater report.

Mr. Field asked that Mr. Johnston bring a schedule of the tipping fee adjustment that will be implemented at the landfill.

MOTION: Mr. Hamilton made a motion to adjourn the meeting at 7:55 p.m. and Ms. Littleton-Brewster seconded the motion. It passed unanimously.

The Commission's next scheduled meeting is August 11th, 2020 at 6:30 p.m. at the Loudon County Courthouse Annex.

Respectfully submitted,

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

Steve Field, Chairman

Loudon County Solid Waste Disposal Commission.