

Holland & Knight

Nashville City Center | 511 Union Street, Suite 2700 | Nashville, TN 37219 | T 615.244.6380 | F 615.244.6804
Holland & Knight LLP | www.hklaw.com

Wells Trompeter
+1 615-850-8759
Wells.Trompeter@hklaw.com

January 31, 2025

Via E-mail (elizmurphy966@msn.com)
Via FedEx

Elizabeth Murphy
Counsel for Loudon County Solid Waste Disposal
Commission
100 River Road
Loudon, Tennessee 37774

Re: Response to Notice of Violations from the Loudon County Solid Waste Disposal
Commission and Notice of Breach and Demand

Dear Elizabeth:

As you are aware, this law firm represents Santek Environmental, LLC (hereinafter “Santek”). We were surprised to receive your January 16, 2025 letter alleging violations of the Sanitary Landfill Operation Agreement (the “Agreement”), particularly given the Commission’s delay in filing of the expansion application. Santek has worked tirelessly with the Commission to operate Matlock Bend as a first-rate landfill, and is disappointed that the Loudon County Solid Waste Disposal Commission (the “Commission”) has decided to try the approach reflected in your letter. As set forth in more detail below, Santek has not breached the Agreement. If there was any breach, it was committed by the Commission with its unwarranted delay in submitting the expansion applications. This delay has caused, and will continue to cause, significant additional costs in the expansion process, for which the Commission is responsible.¹ Santek’s inability to timely expand Matlock Bend due to this delay has also led to the necessary reconfiguration of the expansion in order to expand the landfill before it runs out of capacity. In order to stay open and continue to serve the needs of the community, Santek had no reasonable alternative but to backfill areas before they may have settled, and Santek is doing “sliver fills” to add waste to the settlement

¹ In conversations, Commission members have acknowledged the Commission’s responsibility for the delay, and the parties exchanged multiple correspondences on the issue in Santek’s efforts to get the Commission to submit the expansion applications timely. As such, this letter focuses exclusively on the issues raised in your letter and leaves the discussions on the Commission’s financial responsibilities for duplicate permitting costs and other damages as a result of its breach to a later date.

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area to bring it up to the approved level. Each sliver fill is a short-term project, making building a road and unloading pad for each sliver fill not viable from a time and financial perspective. This results in muddier conditions than under a normal fill plan.

The Commission purports to levy a penalty of \$4,500 on Santek. Interestingly, while the letter contends that the Commission voted on a monetary penalty of up to \$250 per violation capped at one per day at the December 19, 2024 meeting, Santek representatives at the meeting do not recall a vote on the matter.² Regardless of whether a vote took place, however, the Commission lacks the authority to fine Santek. Neither the Agreement, nor either of the amendments, allow the Commission to assess monetary penalties against Santek. Additionally, no statutory authority exists granting the Commission this power, and the January 16 letter does not cite to any such authority. If you maintain that the Commission does have the authority to levy monetary penalties against landfill operators, please direct us to this authority.

Even if the Commission had the power to levy fines, the Commission does not provide evidence showing Santek breached the Agreement on each of the listed days, and Santek believes no such breach has occurred. Notably, the Agreement provides that Santek “shall maintain and be responsible for the removal of litter, runoff, dirt, mud, debris, and other foreign material from all areas within the Landfill and, to the extent generated or resulting from access to or use of the Landfill, on all Access Roads thereto within one-quarter mile of the gate to the Landfill.” Agreement § 4(a). Thus, the Agreement does not require Santek to prevent litter, runoff, dirt, mud, or debris from ever entering Highway 72 but only requires that, once there, Santek remove it, which Santek does. The Agreement also requires Santek to maintain Highway 72 “in a clean and sanitary condition.” *Id.* Santek routinely maintains Highway 72 in a “clean and sanitary condition,” and it uses dust, mud, and dirt control measures that go well beyond what is “reasonably necessary” to keep the landfill and Highway 72 clean.

Santek acknowledges that there was an incident in mid-November that caused excessively muddy conditions at the landfill and resulted in a Notice of Violation from TDEC’s Division of Water Resources. Santek quickly remedied the situation and has taken measures to ensure that such a situation will not happen again. Santek has also submitted and implemented its Corrective Action Plan to TDEC as required, which TDEC has acknowledged and accepted. Even before submitting the Corrective Action Plan, Santek had already implemented the majority of the corrective actions, and the Corrective Action Plan sets forth the timeframe for implementing the remaining items. Santek has and will continue to implement the corrective actions in alignment with that timeframe. The letter’s demand that the Corrective Action Plan be implemented is moot.

Besides the incident in mid-November, the Commission has failed to provide Santek with any documentary evidence of the other alleged violations. In fact, in one instance, TDEC inspected the facility the same day as a purported violation and did not note excessive mud. The Commission claims for instance that Santek violated the Agreement on December 17, 2024, but that same day,

² The meeting minutes from the December 19, 2024 meeting have not been posted, so Santek has not had the opportunity to review the minutes from the meeting to see whether they reflect that a vote did in fact take place.

TDEC investigated a complaint and noted: “All BMPs to prevent mud track-outs were inspected, and they seem to be working for the most part. Landfill using a pressure wash to clean mud off tires and body of trucks at the tire wash. However, some small amount of mud trapped in tire’s grooves possibly still leaving with trucks and making it on the road.” Some small amount of mud *possibly* leaving the facility is a far cry from a breach of the Agreement. Additionally, Santek inspects Highway 72 every two hours and takes photos as documentary evidence. These photos, which are readily available to the Commission, demonstrate that Santek is in compliance with the Agreement.

Santek is also in receipt of the complaint Brian Viars sent on Monday, January 27, 2025. There was rain on Sunday, January 26, 2025, which caused mud to accumulate on Highway 72. The site was closed during the rain on Sunday. Santek began cleaning the road Monday morning when the site opened and was able to complete the cleanup that day. As discussed above, the Agreement does not require Santek to prevent mud from ever entering Highway 72, but instead, makes it Santek’s responsibility to remove the mud that does enter, which Santek did expeditiously in this case. Santek cannot address road conditions while it is closed, but has and will continue to address them as soon as the landfill opens.

Finally, the Commission alleges that Santek failed to include verifications of compliance with Section 4(a), (b) each month of 2024. The Agreement requires that Santek verify compliance by submitting a “brief written report” at least monthly. In fact, Santek has greatly exceeded the inspection and verification requirements of the Agreement. Santek visibly inspects the Landfill and access roads each operating day. Santek specifically inspects and takes photos of Highway 72 once every two hours and uploads them to a OneDrive the Commission can access. The Commission has accepted these verifications for years and has never raised this issue with Santek before or even mentioned it at the monthly meetings where Santek presents its report to the Commission. This more than satisfies Santek’s reporting and verification requirements but, if the Commission prefers, Santek can replace its bi-hourly verifications with a single verification from one inspection each month.

Additionally, we wanted to make the Commission aware of increasingly inappropriate behavior one citizen, Brian Viars, is exhibiting towards Santek employees. Mr. Viars has yelled at Santek employees and cursed at them calling them “pieces of shit.” Mr. Viars has also begun to intentionally cut employees in Santek-branded vehicles off while driving on Highway 72. Santek is closely monitoring this situation, and for the safety of its employees, Santek has directed its employees not to engage with Mr. Viars. We understand that the Commission’s meetings are open and that Mr. Viars often attends these meetings, so we wanted to inform you that Santek will not directly engage with Mr. Viars during these meetings given his increasingly hostile behavior.

Despite the Commission’s decision to threaten legal action, Santek is still hopeful that the parties can amicably work towards a mutually-agreeable solution. To that end, Santek suggests a meeting among Lindsey Turtle, David Hollinshead, and Chairman Adam Waller to discuss a path forward. Please note that, as Santek has engaged counsel, neither you nor any other attorney

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representing the Commission should engage in conversations with Santek employees about Matlock Bend. As such, if you or another attorney desires to speak with a Santek employee, please contact me so that I can facilitate any discussions and be present.

Sincerely yours,

HOLLAND & KNIGHT LLP

A handwritten signature in blue ink, appearing to read "Wells Trompeter". The signature is fluid and cursive, with a long horizontal stroke at the end.

Wells Trompeter