

Minutes
Loudon County Solid Waste Disposal Commission
July 14, 2015

The Loudon County Solid Waste Disposal Commission (Commission) met on July 14, 2015 at 6:30 p.m. at the Loudon County Courthouse Annex. The Commission was represented by Steve Field, Kelly Littleton-Brewster, John Watkins, Larry Jameson, Art Stewart, Robert Harrison and Bruce Hamilton. Other attendees included Attorney Kevin Stevens; Santek representatives Cheryl Dunson and Raymond Givens; Chris Parks, and resident Pat Hunter.

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

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

MOTION: Ms. Littleton-Brewster made a motion to approve the minutes of May 12, 2015 and June 9, 2015. Mr. Harrison seconded the motion and the minutes were approved unanimously.

During Items of Public Concern, Ms. Hunter asked about the disposal of waste from the Greenback School demolition project, and whether there would be updates on the Poplar Springs Landfill and the contract amendment with Santek. Mr. Field said he would provide updates and Ms. Dunson said she would address Greenback School in her operations report.

Ms. Dunson presented the June Cash Report.

Ms. Dunson presented Santek's Operations Report. She reported the landfill accepted approximately 250 tons of waste from the Greenback School demolition project. She said the majority of the waste was taken to Knoxville where it was put into a grinder and sold as an aggregate. She also reported Santek is still working with the Tennessee Department of Environment and Conservation (TDEC) to gain approval to use the Kimberly Clark paper waste as alternative daily cover.

Mr. Field presented a contract to the Commission from Richard Hill for auditing services for Fiscal Year 2015-16. The amount of the contract is \$7,200. Ms. Littleton-Brewster asked if the contract could be considered next month since she was uncomfortable voting on a document she had not read. Mr. Field said the contract should have already been submitted to the State of Tennessee Comptroller's Office. Mr. Jameson said the proposed contract amount was less than the amount charged for last year's audit.

MOTION: Mr. Harrison made a motion to execute the proposed contract with auditor Richard Hill. Mr. Stewart seconded the motion. The motion passed on a 6-1 vote with Ms. Littleton-Brewster voting no.

Mr. Field said he will try to send next year's contract to the Commissioners ahead of their meeting so they will have time to review it.

Mr. Field asked the Commission how it wanted to proceed regarding Santek's proposal to live fund the closure/post-closure account. Mr. Jameson asked if Santek had presented a formal proposal to the Commission in writing. Ms. Dunson said she has presented a conceptual proposal to the Commission. Mr. Field said he wanted to know the Commission's thoughts on extending Santek's contract for an undetermined period of 10, 20 or 30 years. Mr. Harrison said there was only one bidder when the Commission requested proposals for landfill operations seven years ago and he didn't believe there would be numerous options when the contract with Santek expires. He said he was comfortable extending the contract from a legal perspective.

Mr. Jameson said Santek provides the Commission with stability and does a good job managing the landfill. He said he would like to see if the company could come up with a formal proposal tied to a defined extension period.

Mr. Field suggested retaining a third-party consultant to evaluate Santek's proposal. Mr. Hamilton said a lot of people appear to be concerned about extending the contract term, but at 500 tons per day the contract would be extended 17 years. Mr. Field said Santek is in the business of burying waste and if TDEC pushed to remove recyclables from the landfill during the time when Santek's contract was extended, Santek would have no incentive to recycle due to its business model. Mr. Harrison countered Santek's waste collection company provides single-stream recycling for Tellico Village and offers the Commission's stakeholders low tipping fees. Mr. Stewart asked if it was reasonable to review tipping fees over time. Mr. Harrison said Santek sets the tipping fees.

Given the expertise on the Commission, Mr. Jameson questioned hiring a third party to authenticate Santek's proposal. Mr. Field said TDEC will take Santek's closure/post-closure estimates, and will either accept them or reject them. He added the numbers are adjusted every year for inflation and airspace consumption. Ms. Littleton-Brewster asked if it would be reasonable to ask TDEC for help. Mr. Field said he's not sure TDEC is going to know the cost per ton for the closure/post-closure accrual. He added a third-party consultant could help the Commission with that. Ms. Littleton-Brewster replied she was concerned about the Commission's expenses going forward and was not in favor of hiring a third party. Mr. Watkins and Mr. Harrison both agreed that it would be beneficial to retain a third party consultant to review Santek's proposal once the parties have more refined contract parameters.

Mr. Field asked Mr. Hamilton for his thoughts. Mr. Hamilton said it wasn't difficult to do the math. The challenge was estimating the variables. He added it wasn't a major undertaking to estimate what closure/post-closure costs will be and how long will it take to fund the amount.

Mr. Jameson said the legal concerns regarding extending the contract have been addressed and he suggested asking Santek for a formal proposal with details, preferably tied to a fixed extension term. He suggested Santek work with Mr. Stevens to work out the contract details. The Commission agreed with this process.

During the Attorney's Report, Mr. Stevens said he had some follow-up notes on the recent audit. He also said he was in the process of updating the Commission's manual as well as the Commission's policies and procedures. He also said the contract amendment with Santek that addresses the reimbursement for waste tires was executed. Mr. Field asked Mr. Stevens if he had everyone's updated contact information. Mr. Stevens said he had everyone's information except Mr. Stewart's.

During the Chairman's Report, Mr. Field asked Ms. Littleton-Brewster if she had made any progress on a proposed budget. Ms. Littleton-Brewster said she would share a proposed budget with the Commission at its next meeting.

Mr. Field asked Mr. Harrison if he'd had an opportunity to talk with the Loudon County Trustee about investing the Commission's funds. Mr. Harrison said he would follow up with Mr. Miller before the Commission's next meeting.

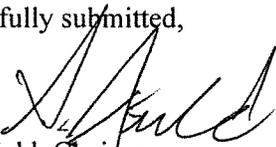
Mr. Harrison asked Mr. Field if JW Luna had submitted a proposed remediation plan for the Poplar Springs Landfill to TDEC. If so, Mr. Harrison asked how much money would be spent on the remediation. Ms. Littleton-Brewster said the Loudon County Mayor was putting the project out to bid and the mayor was waiting for TDEC to approve the plan. Mr. Harrison said he was concerned about putting a plan in front of TDEC with folks knowing there is a sub-fund balance of \$379,666 in the Commission's

account set aside for closure/post-closure of the landfill. If the remediation plan costs more than what has been set aside for closure/post-closure, Mr. Harrison said he was concerned about where the remaining remediation funds would come from. Mr. Field suggested to Mr. Harrison that he visit with his stakeholder to discuss the matter in more detail. Mr. Jameson said he has expressed his concerns to county. Mr. Field said he was optimistic there will be adequate funds to complete the remediation plan.

MOTION: Ms. Littleton-Brewster made a motion to adjourn the meeting at 8:05 p.m. Mr. Jameson seconded the motion and the meeting was unanimously adjourned.

The Commission's next regularly scheduled meeting is August 11, 2015 at 6:30 p.m. at the Courthouse Annex.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Field', written over the typed name below.

Steve Field, Chairman
Loudon County Solid Waste Disposal Commission