

April 15, 2018

It has been far too long since I have communicated with you all thru this medium, and that is entirely on me. I had made the deal with myself to keep this going and somehow because of the daily grind of doing the County's business, it has failed to happen. I will try to do better, but making no promises as far as how often, but more often than in the past couple of years.

I have been encouraged to address a certain issue which I will do in the third paragraph of this newsletter, and it will consume this update from the Judge's office and will probably take up several updates from my office. But first, I want to assure everyone that since my serious health issues that came to light in September of 2016, I am doing very well and am probably in better health than I was before my blood flow issues became my main concern on September 2, 2016. I completed a stress test at the end of January this year and came away with a very good report. Even after turning 65 years of age in February, I am going as strong as I have since being in office beginning in 2013. So, I'm looking forward to 2018, and my, oh my, where has all the time gone?! I am looking forward to another good year of growth and improvement in Baxter County. The financial health and strength of Baxter County is good and of course we could always do more if we had more to work with, but we will continue to take care of your business with the resources we have been given. We are now in the final stages of planning for our jail addition which should go to bid by the first of June, and then you will see the results of your strong support of that effort, which will also help with other things in the County. More updates on this subject in the future.

But for now, I have been asked to give a little history and some comments about the Court Order that Baxter County and five other counties in the Ozark Mountain Solid Waste District are under to collect an \$18 service fee each year for the next several years. There will not be room here to do this subject the justice it deserves but is needed, because there is a lot of bad and outright false information out there making the rounds.

As far as a brief history goes, this began as far back as 2002 when the owners of the RLH Company determined they wanted to sell the solid waste hauling business and the landfill they had developed and retire. That started the ball rolling that have now landed squarely upon all of us residential and business property owners in the six-county district. In 2003 RLH had a private buyer for this business, but the powers at the Board of the Solid Waste District that were in place at that time would not approve that sale. You might remember at that time we were warned that it would not be a good move to sell to another private company, because they would possibly bring in solid waste from all around the region reaching multiple states. So a movement was started, chiefly from out of Baxter County since that is where the landfill was located, to purchase RLH and its operations with a government vehicle. A few of us, including myself, who at the time was campaigning for the Quorum Court, warned that this was not and never would be a good idea. This had been a very successful business and could remain so if it was left in private hands by those who knew the landfill business, how it should be operated and could meet all the requirements of state law to satisfy ADEQ and others, or they could be shut down and lose their investment. But our voices, and there were just a few at the time, were not strong enough or loud enough to stop the movement that has landed us in the situation we are in today. In 2004 the contract was consummated for the District to purchase this operation and used the Northwest Economic Development District to get it financed, as well as becoming the operations manager of the business. Temporary bonds in the neighborhood of \$11.8 million were issued and the sale happened. Then in 2005, a trustee was named and permanent bonds were sold for \$12.3 million to fully complete the transaction and those bonds are the ones the Circuit Court of Pulaski County has ordered be repaid thru the collection partly of this \$18 fee. The extra funds from the bond sale

were also to be used to fix the problems with the landfill that the District knowingly purchased in this transaction. Those issues, along with more, have just now been taken care of this past fall and winter as ADEQ finishes the permanent closure of the cells at the landfill. So in other words, # ___ never was done. In my opinion then and now, a quasi-government board that is susceptible to change every two years should not attempt to own and operate such a complex operation as this was and is. That should have been left up to the professionals that know that landfill business. It became and remains a political hot potato, which we all are now left to pay for and what a huge mistake!

As I stated when I began this note, there is just too much to cover in one newsletter. There are others besides me who know this history but if you would like to know more, feel free to call and make an appointment and I will discuss the NABORS issue with you. There is a lot of misinformation going around about the issue, so before you buy into some of this false information, learn the facts of the issue and let's work from there. Such things as the difference between the County Court and Quorum Court; Is it a tax or a fee? What does the state law say on aspects of this issue? Does the District offer services? and many more questions, and I will be glad to answer these as I can if asked.

I will just end this segment by reminding everyone of this fact: The court-ordered \$18 fee will be used to pay much more than the bonds! The majority of the basically bankrupt NABORS operation obligations are to do more with the closure than the bonds. The court order spells out how the Trustee in charge of the revenues that result from the \$18 will be split three ways. That is because the District owes ADEQ more than it owes the bondholders! The agreement that resulted in the Court Order stopped all interest on the bonds and named the obligation to the bondholders to be \$11,090,000, and they will not gain any future interest and all past interest accumulated goes away. The District owes ADEQ from \$15.8 to \$16 million for the closure and repairs. Then a small portion will return to the District to maintain the maintenance of the landfill-designated property for the next 30 years. That maintenance begins as soon as this summer in 2018. Once the bonds are paid and ADEQ is satisfied, which is an estimated 19-20 years, the District will still receive \$2 per year on the same properties for the remaining part of the 30-year liability to keep it maintained and the leachate taken care of. I also remind you that NABORS owned property in Baxter County, and it will be sold and the proceeds will be used to retire some of the bond debt that will hopefully bring it down because it was used as collateral for the bonds. This has the possibility of shortening the length of time the \$18 will be collected, but don't hope for more than a few months.

I hope this provides answers to some of your questions and please remember to ask questions before you have confirm or deny other outside information you may receive from others who don't know the history or inner workings of what actually happened and what continues to happen. I may be able in the near future to say more, especially if there are enough questions that need to be addressed.

Till next time and sincerely,

Mickey D. Pendergrass