



MARCH 31, 1998

OIG REPORT 98-16(H)

MEMORANDUM FOR The Federal Co-Chairman
 ARC Executive Director
 ARC General Counsel

SUBJECT: OIG Report--Grant MS-10055-88, DeKalb Solid
 Waste Landfill, Kemper County, Mississippi

Background and Project Status

This report highlights and updates the conditions noted in our interim report issued August 22, 1997. In response to allegations concerning the project, we visited the project area on August 5, 1997, and confirmed that the project was not operational and that additional actions, including installation of a liner and improvement of the access road, were necessary before the landfill could be used as intended. As of August 1997, the grantee hoped that the project could be operational by late 1997 and noted that an agreement was recently finalized between the Kemper County Board of Supervisors, Town of DeKalb, and Town of Scooba with Safe Disposal, Inc., wherein Safe Disposal, Inc. would operate the landfill.

Subsequent to our visit, we were provided a copy of the agreement between government entities and the landfill operator that indicated necessary actions would be completed at no further expense to grantor agencies. Our followup contacts in early 1998 generated a status report, copy attached, from the County Engineer on February 11, 1998, that reflects the project is not operational and cited other problems, including requirements for additional buffer property for the access road and the intended expansion of the project by the waste operator that would require additional land purchases. The County Engineer was hopeful that land acquisition and good weather conditions would allow the additional construction to proceed and landfill operation to begin by early summer of 1998.

Arc Funding

Project funding included a Community Development Block Grant (CDBG) of \$454,870 and \$75,000 from ARC; and the project was administered by the Mississippi Department of Economic and Community Development (MDECD) for the US Department of Housing and Urban Development (HUD).

ARC records indicated that \$54,984 of the ARC funding of \$75,000 was deobligated by HUD as of September 30, 1995. Discussions with officials at MDECD noted that the state had closed the grant primarily based on a County Engineer letter of January 16, 1997, copy attached, which stated in part, "By copy of this letter, we wish to advise that the construction has been completed. Further, the work was performed in accordance with plans as approved by the Mississippi Department of Environmental Quality for the landfill construction."

Subsequent to project closing, state officials determined that they had made an error in deobligating ARC funds. Specifically, the state had paid the grantee for some construction work out of state funds, rather than ARC funds, and were attempting to have the grant reopened or a supplemental grant approved in order to obtain the \$54,475 of deobligated ARC funds. State and grantee officials said that all the CDBG funds had been expended.

Interim Report Information

Our review essentially confirmed allegations about the condition of the landfill and its nonoperating status. A Kemper County official said that a contract had been signed with a management company to operate the landfill and that the management company had agreed to install a liner and a scale house and to improve the access road. The official acknowledged that all grant funds had been expended for the excavation and purchase of equipment. Also, the earliest opening of the landfill was estimated as late 1997.


An official with the Mississippi Department of Environmental Quality said that the subject project required a plastic liner in addition to compacted soil and that it did not appear the project had met either requirement since an on-site inspection by the Department of Environmental Quality identified cracks in the compacted soil. In some cases, a compacted clay liner is deemed to be acceptable; but for this project, a plastic liner had also been required in accordance with project specifications.

Officials at the MDECD said that they relied primarily on the County Engineer's letter to determine that the project was completed in accordance with requirements. Also, a MDECD monitoring visit had been made to review grantee records, e.g., expenditures, contracts, etc.; and, at the time of the visit, it was believed the project was going to be completed in accordance with specifications. An MDECD representative noted they were unaware that the project was not completed or operational until notified by our office. The County Engineer stated that his January 16, 1997 letter to MDECD was intended to cover construction aspects of the project--e.g., primarily the excavation that was funded by grantor agencies, and was not intended as a certification that the project was operational.

Recommendation

We recommend that ARC continue to withhold approval or release of any additional funds to the state agency for this project, pending:

- An engineering report certifying that the project is completed in accordance with all construction and environmental requirements and is ready for operation.
- A certification from the state agency and grantee with respect to project completion and start-up date.


Hubert M. Sparks
Inspector General

Attachments



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Office of the Inspector General


April 3, 1998

MEMORANDUM FOR The Federal Co-Chairman
 ARC Executive Director ✓
 ARC General Counsel

SUBJECT: OIG Report/Updates 98-15(H) and 98-16(H)--Grants MS-10055-88,
 DeKalb Solid Waste Landfill, Kemper County, Mississippi, and
 MS-11284-93, Kemper County Lake Access Road

Enclosed are our reports on the solid waste landfill project and the status of the lake access road project. As noted, both projects continue to be delayed with completion and operation of the landfill estimated for the summer of 1998 and completion of the lake access road estimated for early 1999.

There remains a potential unobligated ARC balance of \$54,984 for the landfill project; and ARC should not release additional funds, if available, until the project is operational. The only funds obligated to date for the lake access road are \$14,615 for the engineering phase.


Hubert N. Sparks
Inspector General

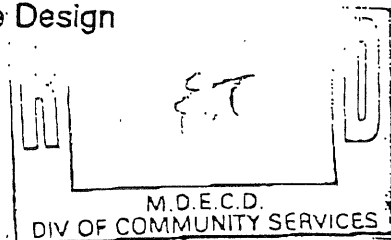
Enclosures

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Meridian, Mississippi 39301

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January 16, 1997

Ms. Elaine Thomas, Area Representative
Community Services Division
P.O. Box 24628
Jackson, MS 39225-4628

RE: KEMPER COUNTY LANDFILL
CDBG PROJECT NO. 8-1125-035-PF-01
KEMPER COUNTY 8-1126-035-AR-01

Dear Ms. Thomas:

As you know, Kemper County has requested that the referenced project be finalized. By copy of this letter, we wish to advise that the construction has been completed. Further, the work was performed in accordance with plans as approved by the Mississippi Department of Environmental Quality for the landfill construction.

Please advise if you have questions or comments regarding this.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Terrell W. Temple'.

Terrell W. Temple, P.E.
County Engineer

TWT:rs

cc: Kawana Eason
Kemper County Board of Supervisors
Gary Matthews

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February 11, 1998

Mr. Hubert N. Sparks
Inspector General
Appalachian Regional Commission
1666 Connecticut Avenue, NW
Washington, D. C. 20235

RE: **ARC GRANT MS-10055-88
SOLID WASTE LANDFILL
KEMPER COUNTY**

Dear Mr. Sparks:

I have been instructed to respond to your request for status of the referenced project. By copy of this letter, we wish to give you an update.

You and I discussed this project at length in August. At that time, we provided an overview of project history and steps being taken to finalize the landfill so solid waste could be received.

As we advised, the facility's original construction is being expanded to incorporate growth greater than we had originally anticipated. A proposal was submitted to the Department of Environmental Quality (DEQ) for the expanded effort. DEQ conducted a public hearing in Kemper County. All individuals present supported the project and I understand indicated approval of the expanded scope subject to certain conditions being met.

Problems which have been recognized locally are as follow:

1. An access road is in place from the landfill onto State Highway 16. The landfill operator desired to upgrade this intersection because of the increased traffic volumes anticipated. The Mississippi Department of Transportation (MDOT) requested that the access be relocated and that the new location tie onto Highway 16 crossing property owned by Weyerhaeuser Corporation.
2. DEQ regulations require a 250 foot buffer between landfill operations and adjoining properties if the buffer zone is wooded. If not, the buffer must be 500 feet.

Mr. Hubert N. Sparks

February 11, 1998

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Without getting into a lengthy dissertation, the School Board owned the 250 foot buffer which had been approved by DEQ for the project. Because of an opinion by the Secretary of State, the County had to purchase this 250 foot buffer. However, State rules and regulations required that the timber had to be cut with proceeds going to the school children of the County. To meet buffer requirements, an additional 250 foot is required for buffer on two sides of the 16th Section property - again on property owned by Weyerhaeuser.

3. Finally, the waste operator now proposes a significantly larger scale project than that originally proposed. To perform the construction as desired, the landfill scales, the operation and maintenance buildings, etc. need to be located on Weyerhaeuser to provide maximum utilization of the investment which has been made on 16th Section lands. In addition, the proposed expansion may involve some surface runoff onto Weyerhaeuser property and the landfill operator desired to control this runoff in a manner that would not harm the environment.

Contacts were made with Weyerhaeuser in an attempt to purchase the land outright. However, Weyerhaeuser is not in the business of selling land except at their initiative. Thus, at their first meeting in January, the Board voted to retain former Lt. Governor and Kemper County native Eddie Briggs to assist in the negotiations. After discussions with Weyerhaeuser officials, he drafted the attached letter for the Board's President signature and this letter was then forwarded to Weyerhaeuser's local land manager. I understood a copy of this letter had been forwarded to you.

As follow up, Weyerhaeuser representatives had a number of questions on the matter. On Thursday, January 29, various interested parties in the landfill met with Weyerhaeuser representatives in Eddie Briggs's office. Multiple matters were discussed in conjunction with the property acquisition. We believe all questions were addressed and the matter is currently being reviewed by Weyerhaeuser's legal and environmental groups.

The project has basically advanced as far as possible until this matter is resolved. We anticipate resolution within the next four weeks to two months. Hopefully weather conditions will then allow construction to proceed and we anticipate that garbage may be disposed of in the landfill early this summer.

Please review this and advise if you have questions or comments.

Very truly yours,



Terrell W. Temple, P.E.
County Engineer

TWT:rs

Enclosure

cc: Kemper County Board of Supervisors
Elaine Thomas
Kawana Easom