

NEW RIVER SOLID WASTE ASSOCIATION
REGULAR BOARD MEETING MINUTES
February 26, 2015

The New River Solid Waste Association Board of Directors met in regular session on February 26, 2015 with the following members present:

Commissioner Mark Hartley, Chairman
Commissioner Karen Cossey, Vice-Chairman
Commissioner Gordon Crews
Commissioner Eddie Lewis
Commissioner Jimmy Tallman
Commissioner Kenny Thompson

Others present were: Darrell O'Neal, Executive Director
Melissa Waters, Chief Finance Officer
Lydia Greene, Office Manager/Admin. Asst.
Russell Wade, Attorney

Chairman Hartley called the meeting to order which was followed in prayer led by Commissioner Crews and the Pledge of Allegiance.

Chairman Hartley asked for nominations under Agenda Item #2 for the remaining board position for 2015 of Secretary/Treasurer. Commissioner Cossey made a motion to nominate Commissioner Lewis for Secretary/Treasurer. Commissioner Tallman seconded the motion. Chairman Hartley called for any further nominations. There were none. Commissioner Crews made a motion to close the nominations.

Chairman Hartley called for a vote on the motion to nominate Commissioner Lewis for Secretary/Treasurer. The motion carried unanimously.

Chairman Hartley called for a motion on agenda item #3, Approval of Expenditures for December 2014 and January 2015. Commissioner Lewis made a motion to approve the expenditures for December 2014 and January 2015. Commissioner Crews seconded the motion. The motion carried unanimously.

Chairman Hartley called for a motion on agenda item #4, Approval of Board Minutes for Special Called Meeting on December 2, 2014.

Commissioner Cossey made a motion to approve the minutes for the Special Called Meeting on December 2, 2014. Commissioner Crews seconded the motion. The motion carried unanimously.

Chairman Hartley asked if there were any questions or comments from the public. There were none.

Chairman Hartley called for discussion of agenda item #6, Engineering Updates. Mr. Woolsey, Jones Edmunds, said for Agenda Item A, good progress continues to be made on moving Class III to Class I to make room for the new cell and it is estimated that about 20% remains to be moved. Right now the project is at the thickest part of the waste which has slowed down the project some. Mr. O'Neal said it will probably be sometime the end of March before Class III waste is completely moved. Commissioner Lewis asked what happens after all the waste has been moved. Mr. Woolsey said that the application for the expansion for Cell 7 along with the landfill permit renewal will be submitted to DEP sometime mid to late summer. Commissioner Lewis asked what the life expectancy of the new Cell will be. Mr. Woolsey said life expectancy of Cell 7 is approximately 5 to 6 years. Mr. O'Neal said we also plan to go back on top of the existing cells. This will give us 14 to 15 years of additional capacity before moving to Phase 2, with Alachua County's waste included.

Mr. O'Neal said for Item B, Exposed Geomembrane (EGC) Permitting Update, as the board is aware, engineers and staff have had several discussions with DEP who have indicated throughout this process that they were willing to work with New River due to having worked with us on other successful special landfill projects in the past. Mr. O'Neal stated that DEP has said their problem is that this is doing something different and no other facility has done closure this way before. DEP is cautious about signing off on something that appears to be reckless on their part. Mr. O'Neal said DEP has indicated that in order to get the project moving forward, New River would need to set aside money in a perpetual liner replacement fund with no end. Mr. O'Neal said that he feels this is an unfair condition and that no landfill should have to meet that type of restriction and it is not required with conventional closure. Mr. O'Neal added that it doesn't look like EGC is going to work out for our closure which is unfortunate as it would have saved several million dollars for the Association.

Mr. Woolsey said that DEP has proposed some alternatives which are being looked into and includes placing exposed liner which is similar to the

liner used for typical closure and then monitor it's progress. At some point well into the future in order to be considered fully closed and remove liability, the soil layer would be placed at that time and closure completed. Mr. Woolsey said there could be some advantages to this and would allow a great deal of time to see what is going to happen with future regulations and the money would be in escrow and there would be no loss of funds. If things change the money escrowed for placing the soil layer would then be available for other projects. With no soil layer now, there is also a savings for long term care to be realized by not having to put as much money aside for maintenance. Mr. O'Neal explained that what is being proposed is to put the liner down 2' below the height limitation and also put additional concrete structures in place for rainfall let downs so there will be some additional construction that would not be required with the EGC. Commissioner Lewis said he thought the liner only had a certain lifespan. Mr. Woolsey said that the life expectancy to reach half of the liner's strength properties is 90 years and that the exposed liner here at New River has been in place for 22 years and is in great condition. Laying liner only would postpone a decision well into the future whether to install the soil and sod or not. Mr. O'Neal advised the board that staff recommendation is do closure by placing exposed liner for now with plans to add soil and sod later which would allow for a better decision in the future by seeing whether the technology works or not. Mr. Woolsey said that another item negotiated with DEP is that when the liner is placed they will start the long term care clock.

Chairman Hartley called for a motion to apply for a closure permit to DEP on placing exposed liner for closure now, with plans to add soil and sod in the future. Commissioner Lewis made a motion to approve placing the exposed liner for closure now. Commissioner Cossey seconded the motion. The motion carried unanimously.

Mr. Woolsey stated for Item C, Phase II Bridge Crossing Update, that a lot of work has been done but there have been some delays due to wet weather. Mr. O'Neal said to stabilize the location 4 foot of rock had to be used. The bridge structure is ready and hopefully can be placed in the next few weeks. Mr. Woolsey added that a lot of work has been to the borrow pit area including a settlement pond which will be ready when the bridge is completed.

Mr. Woolsey said Item D is Work Order #61 for Phase II Creek Crossing and Borrow Pit Development. Mr. Woolsey said the work order is

for \$45,000 and will include finishing construction, working with the water management district on borrow pit development and preparing the completion reports. Commissioner Cossey and Commissioner Lewis asked if this was in the budget. Mr. O'Neal said it was in the budget and less than the amount budgeted for and is at a cost not to exceed.

Chairman Hartley called for a motion to approve Work Order #61 in the amount of \$45,000 as presented. Commissioner Lewis made a motion to approve Work Order #61. Commissioner Crews seconded the motion. The motion carried unanimously.

Chairman Hartley called for discussion of Agenda Item #8, Update FEP/LGTE Project – Design Phase Status. Mr. Beer, FEP, said that right now there are some legal discussions ongoing and it may be another couple of weeks before the design contract is ready, although he was hoping it would be ready by tonight. Mr. Beer said that he hopes by next board meeting to have it for board approval. Mr. O'Neal stated that there was one item added to the agreement which states if for some reason we do not move forward with the construction contract, New River would reimburse FEP for expenses to this point in the amount of \$60,000. Mr. Beer said the design and construction portions were separated to try to facilitate the process as the construction portion of the contract was much larger and much more detailed. Commissioner Lewis asked how long would construction take after the paperwork is done. Mr. Beer said about a year. Mr. O'Neal said we have to get the design portion approved first and that he feels it would be helpful if the board is comfortable with these terms that the Board could approve the design contract subject to final attorney review tonight and not have to wait until the next board meeting. Chairman Hartley asked about timeframe for design contract to be ready. Mr. Beer said that he had no good guess about how much longer for final review. Mr. O'Neal added that during the conference call several weeks ago, it sounded like there were no legal problems to be worked out on the design contract. Mr. Beer stated that from Notice to Proceed he estimated about 150 days to moving dirt on the construction project.

Chairman Hartley called for a motion to approve the design contract subject to final attorney review and approval. Commissioner Cossey made a motion to approve the design contract based on final attorney review. Commissioner Lewis seconded the motion. The motion carried unanimously.

Chairman Hartley called for discussion of agenda item #7, Audit Report 2013-14 by DDF. Lora Douglas, DDF, started with the closure escrow audit. Ms. Douglas stated that each year the escrow accounts are reviewed and report on balances and activity. Page 3 reflects the beginning balance of the Landfill Management Closure Escrow Account was \$9,365,630. After interest income of \$6,528, a transfer of \$2,000,000 and net change in value of \$43,090, the ending balance was \$11,415,248. Page 5 reflects an overfunded amount of \$56,957 based on minimum funding requirements. Ms. Douglas said that some changes would be seen to the calculations for closure requirements due to removing the Class III site and asked Mr. Woolsey, Jones Edmunds, to explain this to the board. Mr. Woolsey said that once Class III waste has been completely removed and has been certified as removed, it will no longer be a financial liability and any money accrued there for closure can be moved to the Class I closure escrow. Mr. Woolsey added that Class I for Cell 7 will need to be funded soon. Mr. O'Neal said this means we will be a little ahead after Class III has been completely removed but the funds will be needed for Cell 7 shortly thereafter. Ms. Douglas said that the audit reflects that the closure escrow accounts are funded fairly and appropriately.

Ms. Douglas added that she would like to point out that estimated long term care costs for Class I is \$8,886,632, which has not been fully funded. If there is no money in this account and no revenue stream after the landfill closes, this will become the counties liability. She recommended to the board to give this account more consideration.

Ms. Douglas said the Independent audit is the audit of the entire organization and that the auditor's responsibility is to obtain audit evidence that the numbers related to financial matters are fairly stated. Ms. Douglas said that it is the opinion of DDF based on audit evidence is that the financial statements are fairly stated and that she would like to thank New River's staff for their help with the audit. Ms. Douglas said page 3 shows the Management's Discussion and Analysis and is basically a summary of the financial statements. Ms. Douglas said she would like to point out some the highlights: the LGTE project is estimated at a cost of \$6.2 million; Phase II development is estimated at a cost of \$11 million, which is partially offset by the \$2.35 surcharge collected from Alachua County; Cell 7 construction is estimated at \$7.6 million; the borrow site is estimated at \$900,000; and Long Term Care Costs is currently under-funded at \$10.5 million. Ms. Douglas said that this represents a total of \$33.8 million for future funding requirements. Page 9 shows assets owned, what is owed and the net assets for 2013 and 2014. The unrestricted net assets of \$11.9 million is the

amount available to spend. This is the amount to compare to the future projects funding amount needed of \$33.8 million which reflects a \$22 million short fall for future projects, expansions and expenses. Ms. Douglas said page 10 shows operating revenues and operating expenses with an increase in revenues along with an increase in expenses this year and reflects that we almost broke even but still spent slightly more than we brought in. Page 11 shows cash flow amounts. Ms. Douglas said Page 25 is the Management Letter and indicates no problems or findings and that the annual financial report is in substantial agreement with Florida Statutes, also that the investment of public funds is in compliance with the statutes. Page 30 shows summary of auditors' results which is an unqualified opinion with no findings.

Chairman Hartley called for a motion to accept the audits for fiscal year 2013-14. Commissioner Tallman made a motion to accept the fiscal year 2013-14 audits. Commissioner Crews seconded the motion. The motion carried unanimously.

Mr. O'Neal stated in regard to the investment policy, he has discussed getting a review from an auditor's prospective of our draft investment policy with Ms. Douglas. She is willing to review our draft policy and provide feedback. This would require approval by the board.

Chairman Hartley asked for a motion for auditor review of the draft investment policy. Commissioner Crews made a motion for DDF to review our draft investment policy and provide feedback to New River. Commissioner Lewis seconded the motion. The motion carried unanimously.

Chairman Hartley called for discussion under agenda item #9, Approval of Sod/Limerock Quotes for 2015. Mr. O'Neal stated that typically each year when quotes for sod and limerock are received, the board approves all quotes and we contact the companies with the lowest price first. If they are unable to provide the materials, we contact the next lowest and so on. Mr. O'Neal said that the nature of the needs for these materials is that when it is needed, we need it right away. Commissioner Lewis asked if this was staff recommendation. Mr. O'Neal said it is staff's recommendation to approve all quotes received.

Chairman Hartley asked for a motion on approval of the quotes received for sod and limerock. Commissioner Lewis made a motion to approve the quotes received for sod and limerock. Commissioner Cossey seconded the motion. The motion carried unanimously.

Chairman Hartley asked for discussion for agenda item #10, Discuss Staff Recommendation of Uniform Policy for Citizen's Waste brought to NRRL. Mr. O'Neal said that each county has different rules for citizens who bring waste to the landfill which can be confusing to enforce. Mr. O'Neal said at this point he would like to defer a recommendation until next board meeting in order to get a better understanding based on further evaluation of citizens who use the landfill.

Chairman Hartley asked for a motion to table the agenda item until next board meeting. Commissioner Crews made a motion to table the agenda item until next board meeting. Commissioner Lewis seconded the motion. The motion carried unanimously.

Chairman Hartley called for discussion under agenda item #11, Discuss Status of Reliable Recycling Change Over. Mr. O'Neal said that Ed Higgs, owner of Reliable Recycling, has done an excellent job with the transition from SP to Reliable. Reliable is a small operation located in Lake City and has done a great job of providing additional services to take care of New River's recycling. Mr. O'Neal added that we are getting a few calls about discontinuing plastic recycling at the collection sites but not that many and that some citizens are bringing their plastic recycling to the landfill. Chairman Hartley asked if it is felt we may be able to take plastic again at some time in the future. Mr. O'Neal said we could bring that back to the board if any opportunity is presented and that our contract with Reliable is for only one year and the contract may be re-bid at that time.

Chairman Hartley asked for discussion under agenda item #12, Alachua County Issues/Items. Ms. Palmi said that she brought Charlie Hobson, her newest employee and the manager of their materials recovery facility with her tonight. Mr. Hobson was working for SP at the time they terminated their contract. Ms. Palmi said that they may be able to help New River with plastic recycling opportunities in the future. Ms. Palmi thanked Mr. O'Neal for providing Alachua County with a letter of support recently to Senator Bradley in seeking funding from the legislature for a resource recovery park on property next to the transfer station. Ms. Palmi said they would like to put in basic infrastructure for roads and utilities and then invite businesses that will use recycled materials to make new products. Ms. Palmi stated they are asking for \$1 million. Mr. O'Neal asked if the businesses would be exclusive to only businesses that do recycling or resource recovery. Ms. Palmi said only waste based businesses would be invited and

that they would be providing space for individuals and a public area for reusable bulk items. Mr. O'Neal asked if there were any thoughts about recycling mattresses as quite a few come from UF and are at times too many to handle. Ms. Palmi said they are currently talking to a company who may be able to do something to help with the mattress issue.

Chairman Hartley called for discussion under agenda item #13, Attorney Issues/Items. Mr. Wade said that the termination of our agreement with SP Recycling included a payment of \$22,500 which was due by December 19, 2014. The payment hasn't been received after multiple follow-ups by Mr. O'Neal. Mr. Wade said he recommends sending an attorney demand letter to Sp Recycling. Mr. O'Neal said he would agree with the demand letter as he would prefer not to spend a lot of money to get the money owed. Ms. Palmi added that Alachua County had a similar agreement with SP Recycling and has just recently received their check from them. Mr. Hobson said he had learned that our contact person with SP Recycling had been seriously ill since Christmas Day.

Chairman Hartley called for a motion on sending SP a demand letter from the attorney with a number of days for payment due and if not received proceed with lawsuit. Commissioner Lewis made a motion for our attorney to send SP Recycling a demand letter and if payment due was not received, to proceed with lawsuit as the next step. Commissioner Crews seconded the motion. The motion carried unanimously.

Chairman Hartley asked for any discussion under agenda item #14, Executive Director Issues/Items. Mr. O'Neal said that our regular board meeting is scheduled for 2 weeks from today and he would like to know if we could postpone until April since we have no pending business to take care of in 2 weeks. Due to conflicts in scheduling for the regular board meeting date of April 9th, the board was in agreement to cancel the board meeting scheduled for March 12th and reschedule for April 2nd.

Chairman Hartley called for a motion to cancel the regular board meeting of March 12th and reschedule the next regular board meeting for April 2nd. Commissioner Lewis made a motion to cancel the regular board meeting of March 12th and reschedule for April 2nd. Commissioner Cossey seconded the motion. The motion carried unanimously.

Chairman Hartley called for any discussion under agenda item #15, Board/Chairman Issues/Items. Commissioner Cossey welcomed Justin Stankiewicz, Union County, to the board meeting tonight as the new Union

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County Manager. Mr. O'Neal welcomed the new board member Kenny Thompson.

Chairman Hartley called for a motion to adjourn. Commissioner Cossey made a motion to adjourn which was seconded by Commissioner Tallman. The meeting was adjourned.