

NRSWA BOARD MEETING MINUTES September 12, 2013

NEW RIVER SOLID WASTE ASSOCIATION
REGULAR BOARD MEETING MINUTES
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The New River Solid Waste Association Board of Directors met in regular session on September 12, 2013 with the following members present:

Commissioner Mark Hartley, Chairman
Commissioner Eddie Lewis, Vice-Chairman
Commissioner Wayne Smith, Secretary/Treasurer
Commissioner Gordon Crews
Commissioner Doyle Thomas

Others present were: Darrell O'Neal, Executive Director
 Perry Kent, Assistant Director
 Melissa Waters, Chief Finance Officer
 Lydia Greene, Office Manager/Admin. Asst.
 Will Sexton, Attorney (Bradford County)

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

Chairman Hartley called for a motion on agenda item #2, approval of the August 2013 Expenditures. Commissioner Lewis made a motion to approve the August 2013 Expenditures. Commissioner Thomas seconded the motion. The motion carried unanimously.

Chairman Hartley called for a motion on agenda item #3, Approval of the Regular Board Meeting Minutes for August 8, 2013. Commissioner Smith made a motion to approve the minutes. Commissioner Thomas 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 #5, Engineering Updates. Mr. Woolsey stated that for Agenda Item #5A, Slope Modification/Closure Project update, we are currently in the middle of this project as we have discussed for the past few meetings. The permit was received in June from DEP to begin modifying the slopes and perform some

partial closure in those areas. Mr. Woolsey said that we have also been looking at alternative closure options with products such as closure turf or exposed geomembrane liner. Knowing that there may be issues with an alternate closure product, the permit was written to provide for traditional closure. That way if nothing could be worked out better financially or with DEP, we are set to move forward with the closure portion of the project. Mr. Woolsey added that in looking at alternate closure options, the cost differential that would make this cheaper to do is not necessarily the case in a New River scenario for several reasons. The alternate closure methods work best in areas that do not have a lot of soil available, which is not the case here. Also, New River staff is able to do a lot of the construction, which helps to significantly lower costs of projects as we have with cell construction. Mr. Woolsey said that if we did decide to do closure with one of the alternate methods, DEP probably would require that money be escrowed in the event something went wrong in the future. Mr. Woolsey said that we are still discussing alternate methods with the manufacturers but it may turn out that we go with traditional closure. Mr. O'Neal said that about 3 years ago a meeting was held with DEP in Tallahassee to discuss using the exposed geomembrane closure method. This material was used to cover the bioreactor portion of the landfill which has been through multiple hurricanes and is still there and holding up well. Mr. O'Neal said that a Class I closure hasn't yet been done this way and when we met with DEP they indicated they may require New River to escrow the money to replace the liner after 30 years. Mr. O'Neal said that the manufacturers are supposedly coming up with a material that will be warranted to last 30 years, the other choice is closure turf which has a synthetic grass looking material that protects the liner. Even with that, DEP wants some form of reassurance that it will last. Mr. O'Neal said he would like to ask for bids for traditional closure along with bids for alternative closure methods so that we can evaluate both methods and costs.

Commissioner Lewis asked what we have now. Mr. O'Neal said that the bioreactor has exposed geomembrane but is not ready for closure. Mr. Woolsey said that for traditional closure, that geomembrane would be covered with a two foot soil layer and that if he could get DEP to approve not having to cover it with soil, a lot of money could be saved. Mr. Kent added that would include savings by not having to mow or provide any maintenance. Mr. O'Neal said that if DEP is going to require New River to escrow additional money, an alternate closure project may cost a little more, but may still be less than conventional closure. Commissioner Thomas asked if we had the time to wait or if something needed to be done now. Mr.

O'Neal said that an advantage of closing sooner rather than later will benefit the landfill gas project and will allow us to capture more gas, as well as improve our Title V compliance. Mr. Kent added that if we were to do closure now, we could save the money that has to be spent on sod while the slopes are being modified. Mr. Woolsey said that they plan to meet with DEP and the manufacturers of the products to continue evaluating the options.

Chairman Hartley called for a motion to issue RFPs for both traditional and alternative closure methods. Commissioner Smith made a motion to issue RFPs for both closure methods as discussed. Commissioner Lewis seconded the motion. The motion carried unanimously.

Chairman Hartley called for discussion of Agenda Item #6, Discuss Status of LGTE Contract with LES. Mr. Woolsey said that recently there have been a number of discussions with LES and New River's attorney, Audrey Louison, which allowed for a number of details to be worked out and some progress has been made. Another draft contract has been resubmitted to LES. The final issue is pricing and making sure that New River gets the best pricing. Right now we are waiting to hear back from LES. Mr. Woolsey said that we have asked for copies of LES' financial model and copies of the PPAs (Power Purchase Agreements) they have in place so that they could be evaluated. Mr. O'Neal added that right now it is basically down to an agreement on price and payment.

Chairman Hartley asked if we knew when we might hear back from LES. Mr. O'Neal said that the ball is back in their court and that typically it has been 3-4 weeks before we have gotten responses back. Commissioner Smith said he wanted to ask about the guaranteed amount that New River was supposed to receive up front with the original proposal. Mr. O'Neal said that this was part of what LES wanted to change and now want New River to partner with them for a percentage of the net profits. Commissioner Smith asked how we would keep up with that. Mr. O'Neal stated that is part of the problem with the contract and differs from the RFP that was issued and their response offering to purchase our gas. Mr. Woolsey said this is a part of the sticking point in the negotiations, how do we monitor this? Commissioner Smith asked if we could include a buy out in the contract if we see it's not making money for New River. Mr. O'Neal said LES wants a 20 year contract but doesn't think LES would agree to a buy out clause. Mr. Kent added that they own the PPAs and that without those, we could not sell the gas on our own even if we did buy them out. So the only option that works for New River is to just shut the project down if it doesn't make us

money. Mr. Woolsey reminded the board that the original RFP that was issued and responded to was for the sale of the gas that we produce, not to share in the profits. Mr. O'Neal said that he has advised LES that any contract proposal would have to be presented to and approved by the board and that we are waiting on them.

Chairman Hartley asked for discussion of Agenda Item #7, Discuss Responses for RFQ 13-01 for General Council/Legal Services. Mr. O'Neal said that we received 5 RFQ responses. Those responding were Cooper & Associates, Lex Sanders, Paul Sanders, Taylor Law Firm and Russell Wade. Mr. O'Neal said that the RFQ requested that their normal rates be provided, which the board would be able to negotiate and that the selection process would be up to the board. Chairman Hartley asked what the monthly average attorney expenses are. Mr. O'Neal stated that \$11,000.00 was budgeted for last fiscal year. Commissioner Smith said that Union County has their attorney on retainer for the year and is paid monthly. Attorney services includes attending regular board meetings, special called meetings, drafting resolutions, etc and 5 additional hours free monthly, anything over 5 hours he gets paid by the hour. Mr. O'Neal said that New River's RFQ was similar but does not include any free services.

Commissioner Lewis asked about the attorneys on this list who had also applied for the Bradford County judgeship. Mr. Paul Sanders said that he had applied for the judgeship and was told the selection would be decided sometime in November and that the applicants would be notified about interviews in the next week or so.

Chairman Hartley called for a motion for the attorneys selected to return for presentations to the board for evaluation. Commissioner Smith said he would like for Russell Wade, Taylor Law Firm and Paul Sanders to make presentations to the board. Commissioner Lewis seconded the motion. The motion carried unanimously.

Mr. O'Neal asked the preference of the board for the attorneys to return for the presentations, meaning waiting until the next regular board meeting or in a special called meeting. Mr. O'Neal added that the only pressing matter right now that will require attorney services is drafting an investment policy and resolution for New River. Commissioner Smith said he would suggest a Special Called Meeting. Chairman Hartley agreed. Commissioner Lewis said any day but Mondays or Fridays would work for him. Mr. O'Neal said that he would contact the attorneys for a date when all

could be present and would get back with the board as to when the Special Called Meeting would be held.

Chairman Hartley called for discussion under agenda item #8, Discuss Budget Amendments. Mr. O'Neal said that he wanted to discuss was moving the \$900,000.00 that went back to the counties taken from the Long Planning Escrow along with several other budget items that need to be amended. For example, our investments are way down, primarily those with TD Bank. Mr. O'Neal said we should know our situation better the next time we meet so he would like to defer that item until our next meeting. Commissioner Smith asked how our investments with TD works. Mr. O'Neal said that we have invested in investment bonds which have bottomed out, so right now they are actually costing us money. Mr. O'Neal said he would not ask for any board action at this time and will defer the budget amendments until a future time after the end of the fiscal year.

Commissioner Smith said he would like to present to the board that each member county get an additional \$100,000.00 to be included in these budget amendments. Commissioner Thomas asked if this would endanger New River's financial standing in any way. Mr. O'Neal said that the money would have to come from Long Term Care and right now this is only funded at about 64%. Taking additional money out will definitely make that account less funded. Essentially the Board would be borrowing from themselves out of this account. Mr. O'Neal said that a proforma was done with the Alachua and Levy County contracts and part of their tipping fees include funding for Long Term Care. At the end of those contracts, if that account is not 100% funded, it will be 100% responsibility of this board to come up with those funds. Commissioner Smith said he feels that in looking at the budget and escrows now is the time to take the money. Mr. O'Neal said that if the decision is made to take the money now, it would at least give New River some time to recover some of the withdrawal with future increased interest rates and savings from upcoming construction projects or from an unanticipated revenue project. Commissioner Lewis said that he would prefer to wait to take the money out of the escrow account after some of these things are in place as he would prefer not to spend our reserves. Commissioner Thomas asked about the \$2.35 surcharge from Alachua County and how much this generates. Mrs. Waters said the total is based on tonnage but for 12 months this generates approximately \$364,000.00 which is automatically escrowed for Phase II. Commissioner Lewis said he wants to be sure that the funds will be replaced before the money is taken out. Mr. O'Neal said that the most savings are seen by New River's doing self

construction on our own projects. Commissioner Smith said that the \$2.35 surcharge from Alachua County is going into escrow and if the surcharge wasn't in place, then New River would have to come up with that money. If the Alachua County contract is renewed, the \$2.35 surcharge would probably go away. Mr. O'Neal said that right now we have a 5 year extension on the Levy contact and 4 ½ years left on the Alachua contract. Commissioner Smith asked if the board agreed to disburse the additional \$100,000.00 for each county tonight, would the board be willing to give up one year of the revenue from the LGTE project when it is in place, to replace the money taken from Long Term Planning. Chairman Hartley said that if he knew we were actually going to have a LGTE contract in place soon, he would not have as much concern about taking the money now.

Commissioner Smith said he would rescind his request until the October Board meeting to see if the LES contract was approved. Commissioner Thomas said that a LGTE contract should be ready soon and that he feels like we will get some kind of LGTE project since it would be up to the board to decide. Mr. O'Neal said we could add the request for additional host fees to the Special Called Meeting in October if that is what the board decides. The Board was in agreement.

Chairman Hartley asked for discussion for agenda item #9, Discuss Old Flare and Other Equipment to Surplus. Mr. O'Neal said the old flare system for the bioreactor project was obtained from a grant through the Hinckley Center. The agreement was that at the end of the project, we would retain the equipment and it would belong to New River. We've used the old flare to be in compliance with Title V until we built the new flare system. Mr. O'Neal said he would like to sell the old flare before it has no value along with a list of property as prepared for the board's approval.

Chairman Hartley asked for a motion to approve the old flare and the listed property as surplus. Commissioner Lewis made a motion to approve the old flare and the property listed as surplus. Commissioner Thomas seconded the motion. The motion carried unanimously.

Chairman Hartley called for discussion under agenda item #10, Discuss Bidding Out Project for Asbestos Removal. Mr. O'Neal said that our permit includes removal of waste from the Class III area to be able to use that space as future Class I area for Cell 7. In the Class III area there was segregated portion for asbestos disposal which is a regulated waste. In order to be able to extract the asbestos and put it in our Class I, we need to contract that removal out to a company with the license required to handle

the asbestos material. Mr. O’Neal said he would like for board approval to bid out the removal of the asbestos from Class III.

Chairman Hartley called for a motion to approve bidding out the removal of the asbestos from Class III. Commissioner Lewis made a motion to bid out the asbestos removal. Commissioner Thomas seconded the motion. The motion carried unanimously.

Chairman Hartley asked for discussion under agenda item #11, Discuss New Traffic and Safety Rules. Mr. O’Neal said that we have had a Landfill Traffic and Safety Policy in place at New River for a number of years. During the construction project of the new scale house and installation of the second set of scales, staff and the scale company technicians were able to closely observe the traffic patterns and trucks coming into the facility. Mr. O’Neal added that we have spent about \$7,900.00 in the past year on repairs and maintenance for the existing inbound scale, and now we have two scales to repair and maintain. Signs and other features have been added to try to help alleviate part of the issues, but some of the driving problems are still going on. The existing policy contained general driving rules while the new Landfill Traffic and Safety policy breaks down driving instructions for different areas of the landfill, with a section added for violations and penalties. The current policy provides for a warning to be issued and then the driver to be banned from the landfill for improper driving occurrences. Mr. O’Neal stated that sounds a little harsh to him and what he proposes in the new policy is to first issue a warning to the driver, then to issue a \$25 fine to the driver, not the company, which will go up for any additional violations issued within a one year period. The fines must be paid before the driver is allowed to come back to New River. Commissioner Lewis said that he liked the new policy because most places don’t bother with warnings or fines, they just ban you from the property. Commissioner Thomas said he also agreed the new policy is fair. Commissioner Smith said that he would recommend adopting the policy by a resolution of the board. Mr. O’Neal said that he also wanted to speak with Ms. Palmi to see if there were any conflicts with their labor contract, although our interlocal agreement with Alachua County allows us to adopt and enforce traffic rules for New River Regional Landfill. Ms. Palmi said that she would look into the union agreement. Mr. O’Neal said that if the new Landfill Traffic Policy wasn’t enforceable for Alachua drivers, then the old one could be which would result in the drivers being banned for driving violations. Commissioner Thomas suggested we put up portable speed radars to warn the drivers if they are speeding. Mr. Kent said that right now

that our biggest problem is the way the drivers go onto and leave the scales. Chairman Hartley asked how we are going to let the drivers know of the new policy. Mr. O'Neal said that we would make sure that each driver gets a copy of the new policy and sign for it. Commissioner Crews said that since the first violation is a warning followed by a fine we could tell them then, his only question has to do with how will it be tracked. Mr. Kent added that most violations we have observed are by the same drivers. Mr. O'Neal said that since only he and Mr. Kent will be authorized to issue the violations they could be easily tracked.

Chairman Hartley asked for a motion to approve adopting the new Landfill Traffic and Safety Rules by resolution of the board. Commissioner Thomas made a motion to adopt the new Landfill Traffic and Safety Rules by resolution of the board. Commissioner Lewis seconded the motion. The motion carried unanimously.

Ms. Palmi asked for a copy of the new policy. Mr. O'Neal said that he would make sure she had a copy before she leaves tonight.

Chairman Hartley called for discussion for agenda item #12, Discuss Cost for Yard Waste Processing and Other Options. Mr. O'Neal stated that our grinder is out for major repair right now and has been down for about a month. As a result, we are getting close to being outside of our permit which requires that the yard waste be processed as it comes in. Mr. O'Neal said that he has gotten a couple of prices to remove the stockpiled material to help get us back into compliance. Mr. O'Neal added that he was surprised to see the cost of processing the clean yard waste we get in. Mr. O'Neal said he has prepared a handout showing costs for processing yard waste since the purchase of the grinder in 2006 to current. The total operating cost is estimated at more than \$500,000 and we are spending over \$5,600.00 per month for a cost per ton of \$29.16. The grinder is expensive to maintain and the yard waste material is very destructive to process since we can't count on clean loads. Mr. O'Neal said that he wanted to look at ways to reduce that cost. He has gotten a quote from Wood Resource Recovery to remove and process the material for \$13.75 per ton which would be a savings.

Mr. O'Neal said he would like to ask for board approval to bid out yard waste processing to see if we could reduce these expenses. Commissioner Thomas asked if they would pick it up from here.

Ms. Palmi said that they have a contract with Gaston with a cheaper rate which does include some revenue sharing. Alachua County is currently negotiating rates right now and New River could be under the same contract.

Mr. O'Neal said that he had spoken with them and they are not interested in coming to New River to grind our material. Ms. Palmi said they are delivering the materials to them. Mr. Fay said that the biomass plant is requiring all debris brought to them to be ground before it is delivered. Mr. O'Neal said that if we could piggyback their contract for processing, all we would have to bid out would be the trucking. This could result in a significant savings. Commissioner Lewis said we should talk to Alachua County about back hauling the yard waste materials. Ms. Palmi agreed. Mr. O'Neal said that he has already spoken to Pritchett Trucking about the possibility of a back haul. Ms. Palmi asked how many tons per month were we receiving. Mr. O'Neal said we get about 200 tons per month with 68% coming from Bradford, 20% from Union and 12% from Baker. Mr. O'Neal said he would prefer the counties to direct haul the yard waste to the processing site. Commissioner Smith asked why would they do that when they can bring it to New River for free. Mr. O'Neal stated that we are spending about \$64,000 per year and this could be a way to eliminate or reduce that expense. Commissioner Smith asked where it would have to be hauled to. Mr. O'Neal said that it would be hauled to Wood Resource Recovery in Alachua County. Mr. O'Neal said right now he would like to ask the board to approve bidding out the hauling portion and see what the cost would be.

Chairman Hartley asked for a motion to bid out hauling the yard waste to a processing site. Commissioner Lewis made a motion to bid out hauling yard waste material from New River to a processing site. Commissioner Smith seconded the motion. The motion carried unanimously.

Chairman Hartley asked if there was anything for discussion under agenda item #13, Alachua County Updates/Issues. Ms. Palmi said she would like to introduce Michael Fay, Interim Public Works Director. Ms. Palmi said that everything is going smoothly right now. Ms. Palmi said that the curbside collection contract for City of Gainesville is on the agenda for this month's meeting. The County is working on the deed restriction for the WCA property and a disposal agreement along a contract extension. Ms. Palmi added that WCA has had their groundbreaking for the CNG station.

Chairman Hartley asked for any discussion under agenda item #14, Attorney Issues/Items. There was nothing for discussion.

Chairman Hartley called for discussion under agenda item #15, Executive Director Issues. Mr. O'Neal said that we are planning a driver

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appreciation day and will provide lunch on that day for all the drivers and would like the board's approval to host the event.

Chairman Hartley called for a motion to approve driver appreciation day. Commissioner Thomas made a motion to host a driver appreciation day at New River. Commissioner Lewis seconded the motion. The motion carried unanimously.

Mr. O'Neal said it would be soon and the date would be shared when it is scheduled.

Chairman Hartley asked for any discussion under agenda item #16, Chairman/Board Issues.

Commissioner Thomas asked to clarify the yard waste amount discussed and whether any revenue was generated from the yard waste. Mr. O'Neal said that the \$64,000 yearly amount is an expense to New River and no revenue is being generated. Commissioner Thomas asked if the material was being used for cover. Mr. O'Neal said that we are no longer allowed to use mulched material for erosion control under the current permit.

Commissioner Lewis asked if we should ask Mr. Sexton to attend the next meeting as our attorney. The board was in agreement.

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