

NEW RIVER SOLID WASTE ASSOCIATION  
SPECIAL CALLED BOARD MEETING MINUTES  
DECEMBER 2, 2014

The New River Solid Waste Association Board of Directors met for a Special Called Meeting on December 2, 2014 with the following members present:

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

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

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

Chairman Hartley called for discussion of agenda item #2, Discuss Reorganization of Officers for 2015. Commissioner Lewis made a motion to leave the officers as they currently are for the upcoming year. Commissioner Tallman seconded the motion. Chairman Hartley called for any other motions. There were none. Chairman Hartley called for a vote on the motion. The motion carried unanimously.

Chairman Hartley called for a motion for agenda item #3, Approval of Expenditures for October 2014 and November 2014. Commissioner Lewis made a motion to approve the expenditures for October and November 2014. Commissioner Tallman seconded the motion. The motion carried unanimously.

Chairman Hartley called for a motion on agenda item #4, Approval of Regular Board Minutes for October 9, 2014 and Special Called Board Minutes for November 5, 2014. Commissioner Tallman made a motion to

approve the minutes for October 9, 2014 and November 5, 2014. Commissioner Cossey seconded the motion. The motion carried unanimously.

Chairman Hartley asked for any public questions or comments. There were none.

Chairman Hartley asked for discussion of agenda item #6, Discuss FEP Design Phase Contract for LGTE Project. Mr. O'Neal said Mr. Beer and others with FEP were here today. Mr. Beer introduced Jay Allison, President, FEP, and Jim Crum, Contractor Manager, who is responsible for putting the project in the ground. Mr. Beer said he had a document for the board that shows Phase I of the LGTE project, which is the design development phase. This is broken into four tasks. Task #1 is program verification which is where the preliminary design is developed and includes site requirements, building details, deciding the equipment that will be used and is the first step of the project for staff and the board to sign off on the plant that will be built. Task #2 is detailed design phase and will start after board approval of Task #1. Mr. Beer said that some of these tasks can be done at the same time so that no time is lost on the project. Task #2 includes full engineering for construction documentation that can be used for permitting. Mr. O'Neal asked the time frame for program verification and whether this will be ready by the next board meeting. Mr. Beer said it should be ready within 3-4 weeks from Notice to Proceed from the board. Mr. Beer said Task #3 is construction development and is where the design and construction documents will be used to determine the maximum turnkey price for the project. Local subs will be contacted to get prices and equipment bids will be obtained. Task #4 is getting the interconnect agreement with Seminole Electric which will include some application fees and an allowance for Seminole's interconnect studies along with certification and approval of New River as a qualified facility under the Federal Energy Renewable Commission. Mr. Beer said that Jones Edmunds will be handling the environmental permitting and the Title V modification as well as the construction permit. Mr. Woolsey added that New River will have the complete design documents ready for construction, a PPA that gives us a place to sell the power, and an interconnect agreement when the contract is done. Mr. Woolsey said the good thing about doing it this way is that New River will have the design contract up front which will allow the total cost of the project to be fine-tuned so that the total cost of the project is known and limits the risk to New River. Mr. O'Neal stated the contract has

been reviewed and FEP has some minor language changes but no technical changes and that the first phase cost of the project will be \$425,000.00. Mr. Woolsey said Jones Edmunds has reviewed this cost and everything is in order based on what will be included in the first phase and that there is a list of specific deliverables and a payment schedule for payments after approval of progress made and deliverables. Mr. O'Neal added that 10% will be held as a retainer until the end of the project. Commissioner Lewis asked if we had the funds to cover the cost. Mr. O'Neal said it will come from New River's reserves in our escrow accounts which will require budget amendments but that the cash is available to pay for the project. Mr. O'Neal said that it is staff recommendation that we enter into this agreement with FEP and with approval of the board and with further attorney review, the contract will be executed and we will get the project started.

Chairman Hartley called for a motion on approval of the design contract with FEP pending further attorney review. Commissioner Crews made a motion to approve the design phase contract with FEP. Commissioner Lewis seconded the motion. The motion carried unanimously.

Chairman Hartley called for discussion of agenda item #7, Discuss SP Buy-Out for Collecting Recyclables. Mr. O'Neal said that he has had several conversations with Ed Higgs, owner of Reliable Recycling in Lake City. Mr. Higgs has agreed to take over the collection of our recycling at the beginning of the year for county collection sites and commercial cardboard customers and would like to continue to use our truck and containers. Mr. O'Neal stated the only material that will not be collected by Reliable is plastics but that a container would be available for citizens to recycle plastics at New River as we currently do for glass. Mr. O'Neal added there will not be any recycling expenses to New River and the current one year agreement allows for multiple year renewals after the first year. Mr. O'Neal also stated that SP has sent a new termination agreement which includes their continued collection through December 31, 2014 at which time the agreement will be terminated and they will pay New River the balance of the contract amount due of \$22,500.00. Mr. O'Neal stated that staff recommendation is to enter into an agreement with Reliable which will include their leasing our equipment and containers and providing collection of our recycled materials with the exception of plastics. Chairman Hartley asked if the buyout amount offered by SP represented the entire amount due. Mr. O'Neal confirmed this is the amount due by contract to New River from SP. Chairman Hartley asked if the new recycling agreement will keep us in

compliance with grant requirements. Mr. O'Neal stated that grant requirements are that 4 of 8 materials be recycled in the counties and that this will provide for recycling of 5 materials. Mr. O'Neal recommended that the board approve the agreement with Reliable Recycling effective January 1, 2015 and termination of our agreement with SP.

Chairman Hartley asked for a motion on approval of the agreement with Reliable Recycling effective January 1, 2015. Commissioner Cossey made a motion to enter into the agreement with Reliable Recycling for recycling collection effective January 1, 2015. Commissioner Crews seconded the motion. The motion carried unanimously.

Chairman Hartley called for a motion to terminate our recycling agreement with SP who will continue to provide collection through the end of 2014 and for a contract buy-out payment of \$22,500.00. Commissioner Tallman made a motion to terminate our agreement with SP as discussed. Commissioner Lewis seconded the motion. The motion carried unanimously.

Chairman Hartley asked for discussion of agenda item #8, Discuss Response to City of Starke's Letter to NRSWA Board. Mr. O'Neal said the board had been provided with a copy of the letter received at New River addressed to the NRSWA Board of Directors. Mr. O'Neal said that the letter states that they were not notified directly which is correct, however this is because the City of Starke is not a customer. They contract out for collection, transportation and disposal of their solid waste. The City of Starke claims to have no knowledge of the rate increase, but we have a copy of the Bradford County Telegraph dated May 22<sup>nd</sup> 2014 with a front page article containing the headline "Tipping Fees Going Up". The article states that the new budget for NRSWA contains a \$2 per ton tipping fee increase which is the first increase in 18 years. Mr. O'Neal stated that he was a little surprised that no one at the City of Starke read this article but he did have a conversation about the rate increase with Marc Oody who was the Operations Manager for City of Starke at that time. Mr. O'Neal said that City of Starke has since fired Mr. Oody. Mr. O'Neal asked if the board wanted to establish some sort of formal notification policy for this type of information and suggested an ad in the newspapers as he is not sure how we could be sure that we notify everyone. Commissioner Cossey agreed that it would be hard to notify everyone. Mr. O'Neal added that the three counties did publish articles in their three newspapers that contained the \$2 per ton rate increase approved by the NRSWA board in May 2014 and that none of the other cities complained to New River. Commissioner Crews said he felt

that the City of Starke was just blaming the wrong entity. Commissioner Tallman said he did not think a response was needed. The board was in agreement that no response was necessary. Commissioner Crews added he feels the City should get their rates from their haulers. Mr. O'Neal said that we did provide a 30 day advance notice of the rate increase to our customer list by mail and that our website was also updated to reflect the new rates. Mr. O'Neal added that we do have customers who contact New River every year when they prepare their budgets to find out what the rates for the upcoming year will be. Chairman Hartley said he felt that we should not start trying to contact everyone individually as we may leave somebody out.

Chairman Hartley asked for discussion of agenda item #9, Discuss PRIDE Lease/Agreement. Mr. O'Neal said that as discussed in past board meetings, we have been working on a new agreement with PRIDE who wants to pick up the lease agreement that the Department of Corrections had with New River. Mr. O'Neal said that the lease would be for approximately 176 acres, our future expansion area, which PRIDE would primarily use for cattle grazing. The agreement includes procedures for notification by New River of activities concerning use of the property. Mr. O'Neal said that PRIDE is willing to cut and remove the pine trees 5 acres at a time which will help us out as this is how we plan to expand the borrow operation. Commissioner Lewis asked if the timber belonged to PRIDE or New River. Mr. Kent said that the timber is New River's but is volunteer and has a lot of other types of trees besides pine trees. Commissioner Cossey asked if PRIDE would pay for the timber. Mr. O'Neal said that PRIDE is willing to pay \$30,000.00 for the timber and to also provide about 1100 feet of fencing material. Commissioner Lewis asked how many acres of timber would be cut. Mr. O'Neal said the timber would be cut on 27 acres, 5 acres at a time. Mr. Kent added that there is a pond on the property and several acres of cottonwoods so it is not a full 27 acres of pines. Mr. O'Neal said that agency to agency we can do this without having to bid out the cutting of the timber. Commissioner Lewis said he felt like this was a fair price. Mr. Kent said that the good part of this agreement is that the entire piece of property won't be clear cut at once which will help us out by not having to maintain the property after the trees are cut. Commissioner Hartley asked if PRIDE was also going to put the fence up. Mr. O'Neal said that PRIDE would provide the fencing materials but that we would put it up with inmate labor.

Chairman Hartley asked for a motion on New River entering into an agreement with PRIDE. Commissioner Lewis made a motion for New River

to enter into the PRIDE agreement as discussed. Commissioner Cossey seconded the motion. The motion carried unanimously.

Chairman Hartley called for discussion of agenda item #10, Discuss NRSWA Health Insurance Premium Increase of 22%. Mr. O'Neal stated we have been notified that our health insurance premium increase will be 22% effective December 1<sup>st</sup> 2014, which is the highest rate increase we have ever seen. Mr. O'Neal said that there are some factors that affect this year's rate of increase and is based on our covered group, in addition to our plan having to be Obamacare compliant. Mr. O'Neal said that we have looked at several other plans but in each case the premiums were higher or would require moving to another carrier which would affect covered providers for ongoing treatment in some individual's cases. Mr. O'Neal said he would like the board to consider an increase in the monthly premium allowance to help cover the premium increase. Mr. O'Neal said that three years ago each employee was receiving \$600 per month to use for premium expenses. We went to a higher deductible plan which reduced the premiums so the monthly allowance was lowered to \$500 per employee. Mr. O'Neal said that if we could raise this back up to \$625 per month per employee, it would greatly help the employees pay for the premium increase to be effective December 1<sup>st</sup> 2014. Commissioner Lewis asked what the total expense would be. Mr. O'Neal said we currently have 18 employees, but when fully staffed we have a total of 20, which would be an increase of \$30,000. Mr. O'Neal said that the budget includes \$50,000 for bioreactor expansion which will not be fully completed this year. This budget item could be reduced to \$20,000 to purchase materials only, which would provide for \$30,000 to be moved to insurance to cover the additional budget expense.

Chairman Hartley asked for a motion on the increase to \$625 per month for each employee to help pay for premiums. Commissioner Lewis made a motion to approve the increase to \$625 per month for each employee. Commissioner Crews seconded the motion with the provision that next year the health coverage be put out for bids. Mr. O'Neal said that next year we could budget for an increase and then look for other options. The motion carried unanimously.

Chairman Hartley called for discussion of agenda item #11, Discuss Adopting Uniform Policy for Paying Customers at NRRL. Mr. O'Neal said that there is currently not a uniform policy in place for who pays when citizens who bring trash to the landfill. Since the landfill opened, each county has had a different set of rules for the citizens who use the landfill.

Mr. O'Neal said this has resulted in complaints and exceptions made after the transaction has been completed and that in some cases money has had to be refunded. Mr. O'Neal said it would be helpful for New River and the counties to have a uniform policy that can be enforced across the board for citizens. Mr. O'Neal suggested a possible solution would be to charge all citizens who use the landfill at the scale, which would provide an enforceable uniform policy for all of the counties. Commissioner Lewis suggested that staff come up with some recommendations to present to the board which can then be presented to the county's boards. The board was in agreement. Commissioner Crews said he would like something that can be put in writing to provide to the collection site attendants. Mr. O'Neal said that staff would come up with some recommendations to present to the board.

Mr. O'Neal said that since there was no business that needed to be taken care of for next week, he would like to cancel the regular board meeting for December. The board was in agreement.

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