

NEW RIVER SOLID WASTE ASSOCIATION  
REGULAR BOARD MEETING MINUTES  
FEBRUARY 5, 2013

The New River Solid Waste Association Board of Directors met for a Special Called Meeting on February 5, 2013 with the following members present:

Commissioner Mark Hartley, Chairman  
Commissioner Wayne Smith, Secretary/Treasurer  
Commissioner Gordon Crews  
Commissioner Morris Dobbs  
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. Assistant  
Will Sexton, Attorney

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

Commissioner Hartley called for discussion of agenda item #1, Discuss transferring funds from NRSWA to member counties. Mr. O'Neal stated that he had recently spoken with an NRSWA board member who discussed the depletion of their county's reserves and the inability to meet their budgets. Mr. O'Neal added that there had also been a recent article in the Baker County Press where three new commissioners had been interviewed which pointed out their main goal is to not have to rely on their reserves in order to meet the county's budget goals. Mr. O'Neal said that this was the reason for the agenda item, to discuss a request to withdraw funds from New River for disbursement to the member counties. What has been proposed for consideration is \$300,000 per county which would be a total of \$900,000 distributed from New River to the three member counties.

Mr. O'Neal added that a few weeks ago the audit was presented to the board which was an excellent audit and indicated how financially well New River was doing. Mr. O'Neal said that for the past 14 years New River has been able to purchase equipment, complete construction projects, and pay

for all improvements with cash. The audit report also stated that down the road we will have some major projects to complete including Cell 7, which will be the largest cell that we have built so far, along with going into Phase II. These projects will cost about \$19.5 million and will start in approximately 7 years. Mr. O'Neal said that considering future projects, if a distribution is going to be made, right now may be the best time to make this type of withdrawal for distribution of funds to the counties. Mr. O'Neal stated that there is 5 years left on the contract with Alachua County which is probably our most critical issue since we don't know what they are planning. If Alachua County continues the contract with New River, this withdrawal will have minimal impact, however if they decide to do something else, then our disposal rates will have to go up in 2019, which is 5 years from now. Mr. O'Neal said that based on the rate study we had done, in this scenario the tipping fees may be around \$85 per ton. This will be necessary to cover the cost for all the projects we will have to complete. Mr. O'Neal added this is 5 years down the road and that we should have some time to recover from this withdrawal and make plans to determine what needs to be done.

Commissioner Smith said that when the audit was presented he understood that there was \$1.7 million in overfunding of the closure escrow which are unrestricted funds. Commissioner Smith added that he also understood that if a distribution of \$300,000 was made to each member county there should be no impact on New River. Mr. O'Neal stated there would be no immediate impact on New River. Commissioner Smith asked if the attorney saw any problems with this distribution. Mr. O'Neal said that he had contacted our attorney who has reviewed our contracts and policies and they do not see any problems with this distribution of funds to the counties. Commissioner Smith said that we do need to get the contract with Alachua County extended but that we have begun collecting the \$2.35 surcharge again which comes to approximately \$400,000 per year in extra funds. Mr. O'Neal stated that the \$2.35 surcharge is being escrowed for Phase II. Commissioner Smith said that if Alachua County wants to drag around and not renew the contract then we should continue to collect the \$2.35 surcharge and that if the contract is renewed, this additional money will go away. Mr. O'Neal said that is correct and that we like to get a long term contract extension with Alachua County, or a short 4-5 year extension, that way we will know what our costs will be in order to be able to give Alachua County our best rate. Commissioner Smith said that his main issue is that if, or when, the contract is renewed the \$2.35 surcharge will go away and that when the audit was presented, he understood that financially this is the best time to request a withdrawal of funds and that when the \$2.35

surcharge goes away, New River will have to come up with a way to replace that extra revenue of \$400,000 per year.

Commissioner Smith stated that he would like to make a motion for New River to distribute \$300,000 in funds to each member county and if funds come available in the counties that the money get repaid to New River. Commissioner Thomas seconded the motion.

Commissioner Dobbs said that he also agreed. Commissioner Thomas added that the \$2.35 surcharge from Alachua County would replace this \$900,000 distribution in about 2 years. Commissioner Dobbs stated he would like to add that the only reason we are able to discuss this today is because of the good management at New River. Commissioner Dobbs said he has been on the board here a long time and has never served on a better board, especially since there are 3 counties involved.

Chairman Hartley added that he feels like the member counties are the ones who are taking all the risks and if anything goes wrong will have to be the ones to take the responsibility. He also feels that the member counties should be able to enjoy the rewards from the good management that has been put in place by the board. Chairman Hartley asked if there would be any stipulations on how the money is used. Mr. O'Neal confirmed that there would not be any stipulations on the use of these funds.

Chairman Hartley asked for a vote on the motion. The motion carried unanimously.

Commissioner Smith asked to declare an emergency item for this meeting for something that is not on the agenda. When the current year budget was approved back in May 2012, the Finance Committee agreed to give all New River's employees a 5% pay increase instead of the 3% included in the proposed budget. At that time both Mr. O'Neal and Mr. Kent declined the additional 2% pay increase. Mr. O'Neal said that he was still good with that. Commissioner Smith stated that at this time he would like to give both Mr. O'Neal and Mr. Kent the additional 2% raise due to the excellent job being done at New River.

Commissioner Smith made a motion to declare this item an emergency agenda item for this special called board meeting. Commissioner Thomas seconded the motion. Chairman Hartley called for a vote on the motion. The motion carried unanimously.

Commissioner Smith made a motion to give Mr. O'Neal and Mr. Kent the additional 2% pay increase retroactive to the effective date of the current budget year and amend the budget to reflect these salary increases. Commissioner Thomas seconded the motion.

Commissioner Crews asked for clarification that the 2% was approved by the board and was declined by both Mr. O'Neal and Mr. Kent. Mr. O'Neal said that a 5% salary increase was approved by the board for all employees which was an additional 2% above the salary increases included in the proposed budget. This was the 2% that he and Mr. Kent declined for the current budget year. Commissioner Crews asked if the 3% was taken. Mr. O'Neal confirmed that he and Mr. Kent got the 3% increase that was proposed in the budget.

Chairman Hartley clarified that this motion was only for the additional 2% that was declined and was to be retroactive to the current budget year.

Chairman Hartley called for a vote on the motion. The motion carried unanimously.

Chairman Hartley asked for discussion of agenda item #2, Discuss Title V / Gas Collection Services for FY 2013, Work Order #48. Mr. O'Neal said that this is a housekeeping item and is an annual requirement due to regulations for the landfill. The work order is for \$150,000 which is less than the budgeted amount when the budget was approved. Mr. O'Neal said that there will be some additional work included in this project including developing an operations plan for the new flare and expansion of the current gas collection system.

Chairman Hartley called for a motion to approve the work order for Title V / Gas Collection Services in the amount of \$150,000. Commissioner Smith made a motion to approve the work order as presented. Commissioner Thomas seconded the motion. The motion carried unanimously.

Mr. O'Neal said that he would like to discuss cancelling the regular board meeting for February 14, 2013 as there is nothing to meet about.

Chairman Hartley called for a motion to cancel the regular board meeting scheduled for February 14, 2013. Commissioner Smith made a motion to cancel the February 14, 2013 regular board meeting. Commissioner Thomas seconded the motion. The motion carried unanimously.

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