

NEW RIVER SOLID WASTE ASSOCIATION
REGULAR BOARD MEETING MINUTES
October 9, 2014

The New River Solid Waste Association Board of Directors met in regular session on October 9, 2014 with the following members present:

Commissioner Karen Cossey, Vice-Chairman
Commissioner Doyle Thomas, Secretary/Treasurer
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. Asst.
Russ Wade, Board Attorney

Vice-Chairman Cossey called the meeting to order which was followed in prayer led by Commissioner Tallman and the Pledge of Allegiance.

Vice-Chairman Cossey called for a motion on agenda item #2, approval of the August and September 2014 Expenditures. Commissioner Lewis made a motion to approve the August and September 2014 Expenditures. Commissioner Thomas seconded the motion. The motion carried unanimously.

Vice-Chairman Cossey called for a motion on agenda item #3, Approval of the Regular Board Meeting Minutes of August 14, 2014. Commissioner Lewis made a motion to approve the Regular Board Meeting Minutes of August 14, 2014. Commissioner Thomas seconded the motion. The motion carried unanimously.

Vice-Chairman Cossey asked if there were any questions or comments from the public. There were none.

Vice-Chairman Cossey called for discussion of agenda item #5, Engineering Updates. Mr. Woolsey, Jones Edmunds, said that for Agenda

Item 5A, Class III Update, we have discussed this for several months and that we are in the process of removing the Class III landfill by digging up the waste and putting it into the Class I landfill in order to have that area for expansion of future Class I and estimate that at this time we are about 65% completed and are making good steady progress.

Mr. Woolsey said for agenda item 5B, Exposed Geomembrane (EGC) Closure Permitting Update, Mr. Woolsey said that a draft alternate procedures application has been submitted to FDEP in Tallahassee and have had a good discussion with them. The document was submitted to FDEP in advance so that they could have an opportunity to review and note any concerns. Mr. Woolsey said that a meeting with FDEP has been scheduled for October 25th in Tallahassee to review the document and address any of their concerns in order to hopefully get the permit approved without too much extra effort. Mr. Woolsey added that that same day arrangements have been made to have one of the premier specialists in the field, Dr. Robert Koerner, who has written many of the books that FDEP and many others in the industry use to write the rules for solid waste facilities, to present to FDEP latest research topics and in particular exposed geomembrane cover systems. We will be able to hear the latest research which has been incorporated into this permit application and hopefully get this approved and quickly as the first final cover using EGC in Florida. Mr. O'Neal added that this has never been approved in Florida and New River will be the first. Mr. O'Neal said that this method will save a lot of money both in construction and long term care. Mr. O'Neal said he feels this is a better way since covered closure does not show leaks or tears and that not having to place 2 foot of soil over 85 acres will end up saving a lot of money. Mr. O'Neal said that the industry is changing and products are being produced now that last longer and he feels that the product will meet and exceed the 30 year warranty. Mr. Woolsey said that Jones Edmunds has had a lot of experience in use of exposed geomembranes in Florida so in addition to research from the lab, real world data is available to show that performance of the EGC is exceeding the expectations.

Mr. Woolsey said for agenda item 5C, Discuss Asbestos Avoidance, a couple of months ago we had issued an RFP for bids for removal of the asbestos monofil that is part of the Class III area. One bid was received and was for an amount which was three times higher than the budgeted amount. Mr. Woolsey said that the board had been advised that the project would be re-thought and one of the solutions is to encapsulate the asbestos under the landfill, which is an appropriate way to deal with the material. Mr. O'Neal

said that the material isn't leachable and will not percolate into the ground water, it will mean re-grading and redesigning the cell in order to work around the asbestos area. Mr. O'Neal added that its location seems to be favorable to be able to work around it and won't cost any money to remove it. Vice-Chairman Cossey asked if this would require approval from DEP. Mr. Woolsey said it would not as it is part of the normal expansion approval portion of the project.

Mr. Woolsey said for agenda item 5D, Discuss Work Order #56 – Permit Compliance Services (Groundwater Monitoring), Mr. Woolsey said that this work order is for a standard yearly service and is in the amount of \$55,000 which is below the budgeted amount and is for an amount not to exceed.

Vice-Chairman Cossey called for a motion to approve Work Order #56 in the amount not to exceed of \$55,000.00. Commissioner Lewis made a motion to approve Work Order# 56 in the amount of \$55,000.00. Commissioner Tallman seconded the motion. The motion carried unanimously.

Mr. Woolsey said agenda item 5E was to Discuss Work Order #57, Miscellaneous Engineering Services including financial assurance calculations, capacity analysis and other projects as directed by the board for the current fiscal year in an amount not to exceed \$125,000.00 which has been included in the budget.

Vice-Chairman Cossey called for a motion on Work Order #57 in the amount not to exceed \$125,000.00. Commissioner Thomas made a motion to approve Work Order #57 in the amount of \$125,000.00. Commissioner Tallman seconded the motion. The motion carried unanimously.

Mr. Woolsey said agenda item 5F was to Discuss Work Order # 58, Title V Services for the current fiscal year in the amount not to exceed \$150,000.00. Mr. Woolsey stated this work order covers all required Title V Services including all reporting and this year includes contingency funds for permitting for the landfill gas to energy project also.

Vice-Chairman Cossey called for a motion on Work Order #58 in the amount of \$150,000.00. Commissioner Lewis made a motion to approve Work Order #58 in the amount of 150,000.00. Commissioner Tallman seconded the motion. The motion carried unanimously.

Vice-Chairman Cossey called for discussion of agenda item #6, Discuss Bids Received for IFB 14-04, Cast-In-Place Concrete Contract. Mr. O'Neal stated that we had received 2 bids for this project and the way

this is structured is that New River buys materials needed for each project so all we are bidding out for is labor. Mr. O'Neal said that when we have a project to be done we will issue a work order which will be negotiated at a cost not to exceed for the number of hours that the job should take to complete, not an unlimited number of hours for any project. Mr. O'Neal said staff recommendation is to award the bid based on price to Evan Douglas Construction who is also the only local vendor who submitted an RFP. Commissioner Lewis asked if there would be a conflict since Evan is the son of Eddie Douglas, New River's auditor. Mr. Wade said that would not be a conflict.

Vice-Chairman Cossey called for a motion to award the contract for IFB 14-04, Cast in Place Concrete Contract to Evan Douglas Construction. Commissioner Lewis made a motion to award the contract for IFB 14-04 to Evan Douglas Construction. Commissioner Thomas seconded the motion. The motion carried unanimously.

Vice-Chairman Cossey asked for discussion of agenda item #7, Discuss Bids Received for IFB 14-05, Concrete Box Culverts. Mr. O'Neal said that a bid tabulation has been provided for discussion of the bids received. The low bid for Item #1, furnished and delivered precast box culverts, is from Standard Precast for \$53,120,000. CDM Contracting Inc., who meets the criteria for NRSWA's local vendor preference, submitted a higher bid price for Bid Item #1. Mr. O'Neal added that CDM was provided notification of the bids received along with a copy of the local vendor preference wording, however, did not contact New River within the time limit specified in the policy regarding their intentions to meet the low bid submitted. Mr. O'Neal stated that staff recommendation is to award Bid Item #1 to Standard Precast.

Vice-Chairman Cossey asked for a motion on IFB #14-05 Item #1 to be awarded to Standard Precast. Commissioner Thomas asked about contacting CDM as local vendor. Mr. O'Neal explained that CDM had been contacted immediately after the bids were opened and that proper notification procedures had been followed by NRSWA. Commissioner Lewis made a motion to award the bid for Item #1 to Standard Precast. Commissioner Thomas seconded the motion. The motion carried unanimously.

Mr. O'Neal said also in this bid was Item 1A for the Wingwalls and Endwalls. Two different proposals were submitted by CDM: one was for precast walls and the other was cast-in-place walls. The precast wall price

was for \$65,270 and the cast-in-place wall was for \$120,000. Initially it appears the precast walls would be a big savings but before the precast walls are approved, we would need to see that their design plan matches the engineer's design specifications for the box culverts. Mr. O'Neal said staff recommendation is to ask the board to wait until staff has looked at CDM's drawings and evaluate if CDM is the best option. Commissioner Thomas asked if Douglas Construction could pour the cast-in-place structures based on the bid awarded for IFB 14-04. Mr. O'Neal said that we should have an opportunity to look at the two options and have a clearer picture as to which is the best price.

Vice-Chairman Cossey asked for a motion on IFB 14-05 Item 1A and 2A Alternate Bids. Commissioner Lewis made a motion to allow staff to evaluate the CDM proposal to determine the best option for the bids submitted for the alternate bids submitted as 1A and 2A. Commissioner Thomas seconded the motion. The motion carried unanimously.

Vice-Chairman Cossey called for discussion of agenda item #8, Discuss FEP/LGTE: Duke Energy vs Seminole Electric PPA. Mr. O'Neal said that Mr. Beer has provided a handout for discussion of the PPAs for our LGTE project. Mr. Beer said at the last board meeting the schedule for the project was presented to the board. Since that meeting another opportunity has presented itself and he said that he feels along with cutting a month off the schedule, it may also be a better opportunity for New River. Mr. Beer said that the opportunity that has been provided is for New River to work directly with Seminole Electric instead of Duke Energy for the PPA, as Seminole Electric is the power provider at New River through Clay Electric. Mr. Beer said that Florida Statutes states that every public utility must offer to purchase renewable energy that is produced. This means that New River will always be able to sell the power created here to a utility company. Mr. Beer said that a graph has been provided showing energy prices increasing at a much faster rate than coal. The next slide shows a comparison of the PPAs for Seminole and Duke. Mr. Beer said the Duke PPA is required to go before the Public Service Commission and that is where we would pick up the month on the schedule due to the time required to get added to their agenda. The Seminole PPA has already been approved by their board and does not require approval by the public service commission. Mr. O'Neal said that another benefit with Seminole is there are no termination fees. Mr. Beer said the only unknown with Seminole at this time is that they have not posted capacity payments, but that the line losses with Seminole are

negligible and there are no wheeling fees with Seminole. Right now there are two wheels from New River, Clay to FPL and then to Duke Power. Commissioner Lewis asked where the power would go when it leaves New River. Mr. Beer said that our power will go into the local Clay Electric lines to offset the power used at New River. Commissioner Lewis asked if the power generated at New River would be metered from here. Mr. Beer said that the meters would be located at New River. Mr. Beer added that avoiding the wheeling fees would add an additional \$7 per megawatt hour and results in an additional \$400,000 in revenue in the first 5 years of the project. Mr. Beer explained that the best option right now is with Seminole, however, there would be opportunities to switch to another utility during the life of the project. Mr. Woolsey added that the Seminole PPA would clearly be the simplest and quickest process with very little risk. Mr. Beer said based on the factors presented, he would recommend that New River go with the Seminole PPA and then evaluate what happens later as to what makes New River the most money. Mr. O'Neal agreed and said that would be staff's recommendation also.

Vice-Chairman Cossey asked for a motion regarding going with the Seminole PPA as recommended. Commissioner Thomas made a motion to go with Seminole's PPA. Commissioner Tallman seconded the motion. The motion carried unanimously.

Vice-Chairman Cossey asked for discussion of agenda item #9, Discuss Adopting Investment Policy. Mr. O'Neal said that he would like to defer this discussion as Mr. Bryant was not able to attend the meeting.

Vice-Chairman Cossey asked for discussion of agenda item #10, Discuss End-of-Year Budget Amendments. Mr. O'Neal said there is currently one budget item that needs to be amended. The bridge project needs to be moved forward to FY 2014-2015 in the amounts of \$27,545 for the balance of the engineering and for the actual construction in the amount of \$250,000, for a total of \$277,545.

Vice-Chairman Cossey called for a motion on the Budget Amendment 2014-2015 #1 in the amount of \$277,545 for the bridge project. Commissioner Tallman made a motion to approve the Budget Amendment #1 as presented. Commissioner Lewis seconded the motion. The motion carried unanimously.

Vice-Chairman Cossey asked for discussion of agenda item #11, Update on Scale House Repairs. Mr. O'Neal stated that as mentioned at the last board meeting, we had a garbage truck hit the scale building and were waiting on the insurance claim to be finalized in order to begin repairs. Mr. O'Neal said that we have received payment from their insurance company in the amount of \$35,466.32. Mr. O'Neal added that the canopy roofing has already been removed and will be replaced. Commissioner Cossey asked is the amount received would cover the repair cost. Mr. O'Neal confirmed that the amount received from the insurance claim would cover all repair expenses.

Vice-Chairman Cossey asked for discussion of agenda item #12, Discuss Extending Current Service Contracts for FY 2014-15. Mr. O'Neal said a list of service contracts that are due for renewal in 2014 has been provided to the board. When the budget was prepared it was based on current contract costs and did not include any additional costs in the event of any increases in our service contracts. Mr. O'Neal said that experience has shown that when we re-bid service contracts, the costs go up. We have been in contact with these service providers who have agreed to renew at the same rates for an additional year. Mr. O'Neal said that next year if it decided to re-bid these contracts, we could get an earlier start for budget purposes.

Vice-Chairman Cossey asked for a motion to approve extending current service contracts for FY 2014-2015. Commissioner Thomas made a motion to extend the service contracts due for renewal through 2015. Commissioner Lewis seconded the motion. The motion carried unanimously.

Vice-Chairman Cossey called for any discussion under agenda item #13, Alachua County: Issues/Items. Ms. Palmi said that they have had to install a new fuel tank at the transfer station due to a rupture in the inner membrane of the tank. Now they have a new 12,000 fuel tank which allows for a discount in their purchase price and in also not having to refuel that tank quite as often. Mr. O'Neal asked Ms. Palmi to discuss what is currently going on with recycling as we have heard that SP Recycling is getting out of the business. Ms. Palmi said that SP Recycling has been their partner for 20 years and is a wonderful company and used to be in the business of making recycled newspaper out of 100% recycled newsprint and were the only company in the US to do so. Ms. Palmi said that the demand for newspapers has changed which has affected the need for newspaper. SP is changing

their business model to focus on recycled cardboard which requires retrofitting of their mills to handle a different product and have decided to shut down all of their container processing facilities. Ms. Palmi said that this facility is the last one to be shut down and SP has agreed to honor the 2 years remaining on the contract. However, Ms. Palmi said that SP has asked if they could get out of that contract and have offered the county to take over that operation in the interim. Ms. Palmi stated that the county is currently doing a proforma on this now to see if this is something that the county can do at least for the interim 2 year period as this would provide a continuity of service for their customers and to allow those employees to maintain their job status. Mr. O'Neal asked Ms. Palmi to keep us up to date on this and that we have also received notification from SP that they are getting out of the business and has asked New River if we would like to take over recycling again. Mr. O'Neal said that he advised SP there is no interest in taking the recycling back. Mr. O'Neal added that SP is leasing our truck and our recycling containers. Mr. O'Neal stated that SP had also asked New River to transfer the remaining year on our contract to another company and his response was that it depends on who the company is. Mr. O'Neal said that we have not received any real information yet other than they are phasing out part of their business. Ms. Palmi asked if SP currently does recycling collection in the 3 counties. Mr. O'Neal confirmed that SP collects recyclables from the collection sites in the member counties along with approximately 30 additional cardboard customers and asked if the county wanted to collect our recycled material. Ms. Palmi replied maybe and added this is something that needs to be talked about as the collection side of this has not yet been part of their discussions. Ms. Palmi said she believes there is only one collection truck remaining in operation so collection hasn't been discussed as of yet. Mr. O'Neal said that New River had gotten out of the recycling business after learning that after selling the products, we were spending \$300 a ton. Ms. Palmi asked where the materials are currently being taken. Mr. O'Neal stated that the products go directly to SP's facility and that it is not costing New River anything. Ms. Palmi said that it may be possible that Alachua County keep providing that service. Ms. Palmi added that there has been a huge turnover in their county management including 2 new assistant county managers, a newly appointed county manager this week, who is the former county manager at Marion County and whose contract is currently being negotiated, along with several other director positions.

Vice-Chairman Cossey called for any discussion under agenda item #14, Attorney Issues/Items. Mr. Wade said that the Department of Corrections has asked to terminate their lease with New River and PRIDE has asked for a renewal of that agreement. What he has is a signed and executed termination of the lease by DOC if the board wants to accept it.

Vice-Chairman Cossey asked for a motion on accepting the termination of the lease with DOC. Commissioner Thomas made a motion to accept the lease termination with DOC. Commissioner Tallman seconded the motion. The motion carried unanimously.

Mr. O'Neal said that we also need a motion to negotiate a lease agreement with PRIDE if the board is in agreement.

Vice-Chairman Cossey called for a motion to negotiate a lease agreement with PRIDE. Commissioner Lewis made a motion to negotiate a lease agreement with PRIDE. Commissioner Thomas seconded the motion. The motion carried unanimously.

Vice-Chairman Cossey called for any discussion under agenda item #15, Executive Director: Issues/Items. Mr. O'Neal said that he would like to discuss trade-in of some old equipment after purchase of the new D8. Mr. Kent said that the old D8 is a 2004 with about 8000 hours on it. CAT has offered a trade-in amount of \$80,000 which is a fair price due to repairs needed. Mr. Kent said we also want to trade-in our old D6 which is currently in need of repair. The D6 is 7 years old with about 6800 hours and was replaced last year. CAT has offered a trade-in amount of \$42,000 for the D6. Mr. Kent said that we would like to trade-in both the D8 and the D6 on the new D8 which was purchased on state contract for \$629,187, less the trade-in amounts, to make the total due of \$507,187 for the new D8.

Vice-Chairman Cossey asked for a motion to approve the trade-ins of the old D8 and the old D6 to reduce the amount due for the new D8. Commissioner Lewis made a motion to trade-in the old D8 for \$80,000 and the old D6 for \$42,000 toward the purchase of the new D8. Commissioner Thomas seconded the motion. The motion carried unanimously.

Vice-Chairman Cossey called for any discussion under agenda item #16, Board/Chairman: Issues/Items. The board did not have anything further for discussion.

Vice-Chairman Cossey called for any discussion under agenda item #17, Recognition of Commissioner Morris Dobbs, Retiring. Ms. Cossey

said it was with great pleasure that we honor Mr. Dobbs tonight. Mr. O'Neal said that Mr. Dobbs has the distinction of serving the longest consecutive years of any board member at New River, for a total of 15 years. Mr. Dobbs said that there was always something interesting going on at New River and he has enjoyed working with the other board members and the staff. Mr. O'Neal added that we have had many visitors from many nations whose comments are always about how good this landfill looks and that he attributes our appearance to Mr. Dobbs who made it important that we always look our best. Mr. O'Neal presented Mr. Dobbs with a plaque in recognition of his many years of distinguished service. The board added that they also appreciated working with Mr. Dobbs over the years.

Vice-Chairman Cossey asked for any further discussion. There were no further items for discussion. Vice-Chairman Cossey called for a motion to adjourn. Commissioner Thomas made a motion to adjourn which was seconded by Commissioner Tallman. The meeting was adjourned.