

NEW RIVER SOLID WASTE ASSOCIATION
REGULAR BOARD MEETING MINUTES
August 11, 2016

The New River Solid Waste Association Board of Directors met in regular session on August 11, 2016 with the following members present:

Commissioner Mark Hartley, Chairman
Commissioner Karen Cossey, Vice-Chairman
Commissioner Eddie Lewis, Secretary/Treasurer
Commissioner Gordon Crews
Commissioner Woody Kitler
Commissioner Kenny Thompson

Others present were: Darrell O'Neal, Executive Director
Perry Kent, Assistant 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 and the Pledge of Allegiance.

Chairman Hartley called for a motion on agenda item #2, Approval of Expenditures for June and July 2016. Commissioner Lewis made a motion to approve the expenditures for June and July 2016. Commissioner Cossey seconded the motion. The motion carried unanimously.

Chairman Hartley called for a motion on agenda item #3, Approval of Regular Board Minutes on June 9, 2016. Commissioner Lewis made a motion to approve the minutes for the Regular Board Meeting Minutes for June 9, 2016. Commissioner Cossey 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. Joel Woolsey, Jones Edmunds, said although

there is not much to update on the engineering items listed, there is a regulatory update for discussion. Mr. Woolsey said that the EPA has recently revised rules for landfill gas collection systems which were effective July 2016 but have not yet been officially registered. After the new rules are registered, the more stringent rules which will require more monitoring for emissions will be applied to all active Title V landfills like New River. Mr. O'Neal added that the new rules will mean that each of our wells will be individually monitored in the future which will increase the amount of monitoring work and reporting required. Mr. O'Neal said he feels it is good that we are already under Title V regulations and will not have to come up with the capital to make the required improvements to the gas collection systems like other landfills will have to do.

Mr. Woolsey said for item A, Status of EGC Project, the way to seam exposed geomembrane is a concern and Jones Edmunds has been working with industry experts on a special way to seam EGC to prevent weak points in the material. The goal is to submit the permit application to DEP in the next 30-45 days for approval for construction. Mr. O'Neal added we have recently received an email from the SWANA Applied Research Foundation asking to do a national case study on New River's EGC Closure Permit.

Chairman Hartley called for discussion of Agenda Item #6 and #7, Update on Meetings with Alachua County Commissioners and Presentation on New Rate Study. Mr. O'Neal said that our engineers have helped come up with a couple of rate study options. Scenario A and B has been provided for the board's review. Mr. O'Neal said after meeting with Alachua County staff and Commissioners, it is apparent that they are shopping cost and not just looking at a contract extension with New River. In fact, Alachua staff has made a few statements about visiting other solid waste facilities they were interested in. Mr. O'Neal said we know who our biggest competitor is and that we are going to have to have a very competitive disposal rate in order to retain Alachua County as a customer. That rate is \$28 per ton. As the current Alachua rate per ton is \$33.54 this is a sizable reduction. Mr. O'Neal said what we have in mind is to offer an early contract renewal so that they will see a significant savings and if this is done by October 1, 2016 Alachua County will save \$2.1 million, which is \$81,000 a month. Hopefully this will encourage Alachua County to start negotiations with New River and not issue an RFP for waste disposal. Mr. O'Neal said Scenario A is an "At Cost" analysis with a stepped rate increase. This rate study scenario provides for all of the money to stay in the system, which has

been a concern for Alachua County as they bring in 70% of the waste and pay 76% of the costs. In this rate scenario, the rate per ton stays at \$28 for 4 years and then goes to \$31 then \$34 per ton. Mr. O'Neal said this is a conservative rate study and New River would have some control over when the increases would take place. The only host fee paid would be to Union County after disbursement to the member counties of a one-time payment in 2017 from reserves. Alachua County would not have the control over the increases but this scenario does take into consideration their issues. Mr. O'Neal said that Scenario B is more of a conventional type of pricing model that starts at \$28 per ton with an annual CPI rate and provides host fees for the member counties. This scenario would allow Alachua County to know what their rates are going to be for budgeting purposes and works best for New River and the member counties for the same reasons. Mr. O'Neal said that Scenario A provides for a bigger step up for rate increases while B is a trickle up increase with CPI increases for the member counties starting in 2021. Commissioner Lewis said he preferred Scenario B and would like for staff to begin negotiations with Alachua County. Commissioner Thompson asked if both scenarios could be sent for them to consider. Mr. O'Neal said that would be staff recommendation. Mr. O'Neal said the third option is Scenario C which would be to not renew the Alachua County contract. This scenario would give New River a lot of landfill space but our cost will increase to \$46 per ton. The only way to decrease that cost would be to take money out of reserves, which would have to be re-paid. Commissioner Crews asked about the percentages paid by Alachua County in scenarios A and B. Mr. O'Neal said in A, they would bring 70% of the waste and pay 70% of the cost. In B, Alachua's rate is set with a CPI increase annually and that the rate increases may be delayed if a savings in operating costs is seen. Mr. O'Neal said it is a very competitive market and that Lake County has just issued an RFP for solid waste disposal, receiving 3 or 4 responses. The bid from Waste Management to Chesser Island with transportation was a cost of \$42 per ton, but the cost of transportation was not shown separately. The bid from Sumpter County, Heart of Florida Environmental Landfill, was at \$19 per ton for disposal. Mr. O'Neal said that their facility is about twice as far for Alachua County to drive to so their transportation costs would increase and be added to that tipping fee rate at about \$19 per ton while the cost to travel to New River is about \$10 per ton. Mr. O'Neal added that New River has benefits that other landfills do not have including being closer to Alachua County, 2 miles of paved roads, double scales, a \$10 million environmental impairment policy, along with the ability to build a

LGTE plant to help Alachua County reach their 75% recycling goal. Chairman Hartley added that we also have a good relationship with UF. Mr. O'Neal said our relationship with UF Office of Sustainability is a good one and the donated carbon credits helped them be the first to have a completely carbon neutral facility on campus and that we also have a good relationship with City of Gainesville. Commissioner Lewis asked what is the next step. Mr. O'Neal said staff recommends sending both rate scenarios to Alachua County and request they start conversations on contract negotiations.

Chairman Hartley called for a motion to send both rate study scenarios to Alachua County and request contract negotiations be started. Commissioner Thompson made a motion to send the rate study scenarios to Alachua County for consideration and to request contract negotiations begin. Commissioner Lewis seconded the motion. The motion carried unanimously.

Chairman Hartley asked when this would be sent. Mr. O'Neal said it would be sent as soon as possible, maybe as soon as next week, and that anything that is received back would be brought to the board for approval. Chairman Hartley asked who would negotiate the contract. Mr. O'Neal said it will start with staff and that it would be subject to approval by both boards. Ms. Palmi was in agreement that contract negotiations should begin with staff. Mr. O'Neal asked Ms. Palmi about the matrix she prepared to show all the disposal options and costs. Ms. Palmi said it has been completed and would be presented to their board and that she would share this with New River after their board has seen it. Ms. Palmi added it is good that they have always had a good working relationship with New River.

Chairman Hartley called for discussion for Agenda Item #8, New Limerock Quotes – Good through December 2016. Mr. O'Neal said that we are required to obtain limerock quotes every 6 months as the companies will only guarantee prices for 6 months out. The quotes received from Liberty and Pritchett Trucking are good through December 2016. What is requested is that the board approve all the quotes and when the material is needed, we call the lowest priced company first.

Chairman Hartley called for a motion on limerock quotes received. Commissioner Lewis made a motion to approve the limerock quotes from Liberty and Pritchett Trucking and to use the lowest priced company first. Commissioner Cossey seconded the motion. The motion carried unanimously.

Chairman Hartley asked for discussion for Agenda Item #9, Alachua County Issues/Items. Ms. Palmi said there is a lot of work being done at the transfer station and have installed a new grappler and are replacing the scales. Also, as they are no longer allowed to discharge leachate from the transfer station into the sewer, so an alternative method had to be devised. They are collecting it and spraying it onto the garbage. Mr. O'Neal said that New River had extended an offer to Alachua County to take the leachate at NRRL if they need us to. Mr. O'Neal asked Ms. Palmi when she felt their meeting with City of Gainesville would take place. Ms. Palmi said that the joint meeting would be early October and the plan is to make the presentation to the county board and then to the City board. Ms. Palmi added that their interlocal agreement with the City of Gainesville is coming up for renewal soon as well.

Chairman Hartley asked for discussion under agenda item #10, Attorney Issues/Items. Mr. Wade said he did not have anything for discussion.

Chairman Hartley asked for discussion under Agenda Item #11, Executive Director Issues/Items. Mr. O'Neal said he did not have anything further for discussion.

Chairman Hartley called for discussion under agenda item #12, Board/Chairman Issues/Items. The board members did not have anything for discussion.

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