

NEW RIVER SOLID WASTE ASSOCIATION  
REGULAR BOARD MEETING MINUTES  
June 9, 2016

The New River Solid Waste Association Board of Directors met in regular session on June 9, 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 led by Commissioner Crews and the Pledge of Allegiance.

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

Chairman Hartley called for a motion on agenda item #3, Approval of Workshop Minutes on May 12, 2016 and Regular Board Minutes on May 12, 2016. Commissioner Lewis made a motion to approve the minutes for the Workshop and Regular Board Meeting Minutes for May 12, 2016. Commissioner Thompson 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 for Item 5 A, Rate Study Updates, as directed by the board last month, the Rate Study is being updated with new data including tonnage records and capital expenditure projections. Currently the Rate Study is about 70% complete. When completed, an “at cost” rate will be established and a report will be prepared for the board that will include all of the data and information used to come up with that rate.

Mr. Woolsey said for Item 5 B, ESI Update, ESI, Energyneering Services, Inc., is the company that performed the primary engineering for the LGTE for FEP. Jones Edmunds has worked with ESI on several projects and is continuing to work with them to see what else is out there and to keep the landfill gas to energy project moving forward. Mr. Woolsey said that ESI has numerous contacts in the industry and is looking for other potential buyers for our power. Along with that, Jones Edmunds is working to upgrade the gas collection and control system at New River as there will be a LGTE project at some point and we are also required by regulation to collect the gas to send to the flare. As the landfill grows the collection system has to be expanded. Mr. Woolsey added that the regulations are only getting tighter and EPA is ready to release revised regulations soon. Mr. Woolsey said in working with ESI to upgrade our gas collection system, it was discovered that a new piece of equipment is available that better enables vertical gas collection which is the best way to collect gas. Currently that is the most expensive way for gas collection due to cost of the drill rigs. Mr. Woolsey said this new equipment would allow staff to install the verticals for future gas collection at a much lower cost. Mr. Woolsey asked Mr. Kent to discuss the specifics of the equipment with the board. Mr. Kent said that the equipment is approximately 3 foot by 4 inches with drill bits inside that provides for drilling holes inside the gas pipes that are already set in place. The current method requires holes to be drilled in the gas pipes before they are put in place and allows gas to escape during the entire process. Commissioner Lewis asked about sparks from the equipment. Mr. Kent said it is totally spark free. Mr. Kent said the price of the machine is \$65,000.00 and comes on a small trailer and is not available from any other source. Mr. Kent said that this will save a lot of money on the gas collection system and that the cost now is approximately \$152 per foot. This will allow us to reduce that cost to around \$30 per foot. Mr. Kent said that additionally the current method is not very safe. Mr. Woolsey said that about 8 years ago we drilled 15 vertical wells at a cost of \$166,000 to have a drill company come out to drill. Mr. Woolsey said that the horizontal wells installed now while

putting in waste are fine for allowing gas collection for the first years that the waste is going in, but vertical wells are the wells that will work best in the future. Commissioner Lewis asked where the money would come from. Mr. Kent said the gas expansion item in the budget now is for these types of things and this money is already in the budget. Mr. O'Neal added this is a sole source item.

Chairman Hartley called for a motion to approve the purchase of the vertical driller in the amount of \$65,000.00. Commissioner Cossey made a motion to approve the purchase. Commissioner Lewis seconded the motion. The motion carried unanimously.

Chairman Hartley called for discussion of Agenda Item #6, Discuss 2014-15 Audit – DDF. Ms. Douglas stated that the audit is an unqualified audit as stated on Page 2. Ms. Douglas said page 9 shows net assets and added New River Solid Waste Association is an enterprise fund and is treated just like a business. Deferred Outflow of Resources and Deferred Inflow of Resources are two new items on the Statement of Net Assets along with Net Pension Liability-FRS under Long-Term Liabilities. This represents New River's share of the unfunded liability of the Florida Retirement System. Mr. O'Neal asked if this was in addition to OPEB. Mrs. Douglas verified this is in addition to OPEB which is Other Post Employee Benefits and provides our expenses for retirees who may stay covered under our insurance after retirement. The Deferred Outflow and Inflow are because of the measurement date used in the calculation which is the June 30<sup>th</sup> date used by the state. Page 10 shows Operating Revenues which were up a little from prior year as was Expenses which resulted in an Operating Loss of \$453,059. After Host Fees were paid to Member Counties, the Change in Net Assets was a loss of almost \$700,000 (\$695,238). Mrs. Douglas said that the prior period adjustment is \$582,477. This represents a decline in equity. Chairman Hartley asked if the state fully funded the retirement fund, we would not have to show this expense, correct? Mrs. Douglas said that was correct and that their website even states they are not 100% funded. Page 11 shows Statement of Cash Flows and that a big portion of the depleted reserves is due to the \$2.9 million for Accrued Closure and Long –Term Care Costs. Mrs. Douglas stated that there were no findings in the audit and the extra pages in this year's audit are due to the pension plan changes. Mrs. Douglas added that New River is underfunded for Closure and Long Term Care which is not required by law but as previously stated it is a good idea to fund this now. Mr. O'Neal stated that Alachua and Levy Counties payments include money for Long Term

Care and so we should be funding that account with their revenue. Mrs. Douglas said Page 3 shows Financial Highlights which reflects an underfunded amount of \$4,072,396 for Long-Term Care and that the Cell 7 Construction balance is \$4,709,999 of an estimated cost of \$7,600,000. Also included under Financial Highlights is the postponement of the LGTE project until there is a PPA in place to sell power and the \$2.35 surcharge collected from Alachua County for Phase II. Mr. O'Neal said that the completed portions of the Phase II project will be backed out of this account next year. Mrs. Douglas said that the audit was an excellent audit and that Mrs. Waters always does a great job.

Chairman Hartley called for a motion to approve the audit as presented. Commissioner Cossey made a motion to approve the audit. Commissioner Lewis seconded the motion. The motion carried unanimously.

Chairman Hartley asked for discussion of agenda item #7, Update on meetings with Alachua County Commissioners. Mr. O'Neal said that he had met with 4 of the 5 Alachua County Commissioners and he would say that it went well and perhaps better than expected. The commissioners asked good questions and were very interested in New River. Mr. O'Neal said that two of the commissioners had requested to come tour the landfill and that Commissioner Byerly had already been here. Chairman Hutchinson will be visiting this next Wednesday and Commissioner Cornell on Friday afternoon. Mr. O'Neal said that our Commissioners were invited to come also. Mr. O'Neal said we are still working on the rate study and will also be setting up a meeting with City of Gainesville and what happens next the Commissioners aren't sure of themselves. They are to receive a report sometime this month or early July that shows all options that includes a matrix showing all the factors including adding in additional transportation costs. If they decide to issue an RFP it will be a longer process but he is happy to report we are at least moving the needle.

Chairman Hartley called for discussion for agenda item #8, Alachua County Issues/Items. Mr. O'Neal said Ms. Palmi had another meeting and was unable to attend tonight.

Chairman Hartley asked for discussion for agenda item #9, Attorney Issues/Items. Mr. Wade had nothing for discussion.

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Chairman Hartley asked for discussion under agenda item #10, Executive Director Issues/Items. Mr. O'Neal said he did not have anything further for discussion.

Chairman Hartley called for discussion under agenda item #11, Board/Chairman Issues/Items. The board members did not have anything for discussion.

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