

NEW RIVER SOLID WASTE ASSOCIATION
REGULAR BOARD MEETING MINUTES
February 9, 2017

The New River Solid Waste Association Board of Directors met in regular session on February 9, 2017 with the following members present:

Commissioner Karen Cossey, Chairwoman
Commissioner James Croft, Vice-Chairman
Commissioner Kenny Thompson, Secretary/Treasurer
Commissioner Chris Dougherty
Commissioner Cathy Rhoden
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.
Russell Wade, Attorney

Chairwoman Cossey called the meeting to order. Prayer was led by Commissioner Thompson followed by the Pledge of Allegiance.

Chairwoman Cossey called for a motion on agenda item #2, Approval of Expenditures for January 2017. Commissioner Thompson made a motion to approve the expenditures for January 2017. Commissioner Dougherty seconded the motion. The motion carried unanimously.

Chairwoman Cossey called for a motion on agenda item #3, Approval of Regular Board Minutes for January 12, 2017. Commissioner Thompson made a motion to approve the minutes for the Regular Board Meeting Minutes for January 12, 2017. Commissioner Kitler seconded the motion. The motion carried unanimously.

Chairwoman Cossey asked if there were any questions or comments from the public. There were none.

Chairwoman Cossey called for discussion of agenda item #5, Engineering Updates. Mr. Joel Woolsey, Jones Edmunds, said for Item

“A”, he would like to let the board know the EGC (Exposed Geomembrane Cover) has been approved by FDEP and that a draft permit was received which has been reviewed and returned to FDEP with only a few comments. This approval resulted in Work Order #74, EGC Construction Engineering Services. The work order will cover researching the purchase of the material and assisting staff when closing begins and the EGC is placed. The work order is for an amount of \$125,000 through this fiscal year. Chairwoman Cossey asked if that amount is on the budget. Mr. O’Neal advised it was in this year’s budget.

Chairwoman Cossey asked for a motion on Work Order #74, EGC Construction Engineering Services. Commissioner Thompson made a motion to approve Work Order #74 in the amount of \$125,000. Commissioner Dougherty seconded the motion. The motion carried unanimously.

Mr. Woolsey said item “B” is Work Order #75, GCCS Expansion Engineering Services. GCCS is the gas collection control system which is mandated by EPA and the State. Mr. Woolsey said that we are now required by permit to start collecting gas within 5 years of placing waste in a new cell. Cell 6 is now at this requirement. Work Order #75 in an amount not to exceed for \$50,000 and is for the expansion of gas collection infrastructure in Cell 6 which is required by regulation by October 2017.

Chairwoman Cossey asked for a motion on Work Order #75 for an amount not to exceed \$50,000. Commissioner Thompson made a motion to approve Work Order #75 as presented. Commissioner Rhoden seconded the motion. The motion carried unanimously.

Mr. Woolsey said item “C” is for Work Order #76, Asbestos Relocation in an amount not to exceed \$50,000. Mr. Woolsey said that when the waste in Class III landfill was mined and relocated to get ready for Cell 7, the asbestos material was not moved due to the bid received for removal being very high. Mr. Woolsey said that they now feel that it would be a good idea to bid the project again and that it is felt a lower cost to remove would be submitted as the other waste has been moved from Class III and just the asbestos area is left. The work order would cover bidding the asbestos removal and for doing the work in-house if the bid received was not acceptable. Mr. Kent said that in the event an acceptable bid was received, a portion of the work order would not be spent. Commissioner Croft asked how much the bid amount for removal was before. Mr. O’Neal said it was around \$150,000. Commissioner Thompson asked about the timeframe for having to remove the asbestos. Mr. O’Neal said our timeframe is before

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Cell 7 permitting is completed. Mr. Kent said staff will be trained to remove the asbestos unless an acceptable bid is received. Mr. Kent added that we know exactly where the asbestos material is placed currently as it was marked and segregated from the other Class III location. When it is placed in our Class I it will also be marked for future purposes so as not to drill through or otherwise disturb the asbestos waste.

Chairwoman Cossey called for a motion on Work Order #76. Commissioner Croft made a motion to approve Work Order #76 in an amount not to exceed \$50,000. Commissioner Thompson seconded the motion. The motion carried unanimously.

Chairwoman Cossey called for discussion of Agenda Item #6, Annual Update from Community State Bank – Jeff Oody. Mr. O’Neal introduced Mr. Oody, Community State Bank President, who was recently named National Banker of the Year. Mr. Oody said that he wanted to thank the board for allowing CSB to be their bank. CSB was one of the three banks in Florida to be rated a 5 star bank. Mr. Oody spoke about some of the things expected in connection with economics, mortgages, interest rates and other banking related news. Mr. Oody added that home construction along with the sale of used homes is up. Mr. Oody said CSB’s cyber coverage policy is a \$2 million dollar insurance policy and that the bank monitors for cyber-attacks every day.

Chairwoman Cossey called for discussion for Agenda Item #7, Audit FY 2015-2016, DDF. Ms. Lora Douglas, DDF, said that the first audit for discussion is the Escrow Audit which is required by the state for funding of closing costs. Page 3 shows account activity which includes interest income along with service charges before NRSWA changed to CSB and started receiving interest on the accounts. The Landfill Management Escrow Account for Closure ending balance is \$12,496,172. Not a lot of interest income is shown but the state determines the types of accounts that the association can use for these funds. Page 5, Note 2 shows the closing cost estimates which are based on life of the landfill. Class I and Class III landfills are shown and reflects a slight overfunding of \$181,948 in these accounts. Ms. Douglas said Long Term Care costs estimates are \$11,129,190 for Class I and \$1,898,400 for Class III and are currently funded at \$0 and \$63,280 respectively. Although not required until time of closure, it is advised to fund these accounts as early as possible with tipping fees, otherwise the counties will be paying for long term care in the future.

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Ms. Douglas added that she has spoken with Susan Eldredge at DEP who concurs with the Escrow Audit results.

Chairwoman Cossey called for a motion to approve the Escrow Audit as presented. Commissioner Thompson made a motion to approve the Escrow Audit for FY 2015-2016 as presented. Commissioner Rhoden seconded the motion. The motion carried unanimously.

Ms. Douglas said the second audit for discussion was the Financial Audit. Ms. Douglas said that the Management Discussion and Analysis is on page 3 which Mr. O'Neal provided. Mr. O'Neal said the Alachua County contract will expire on December 31, 2018 and if that contract is not renewed that solid waste assessments will need to be raised as a result of losing the waste from Alachua County. Mr. O'Neal added he felt it is important to provide this information to the counties as soon as possible along with the fact that Alachua County has decided to issue an RFP for solid waste disposal. Ms. Douglas referred to page 7 which shows Capital Assets and equipment purchases. The Statement of Net Assets is on Page 9 and shows Current Assets, Capital Assets, Restricted Assets, Current Liabilities, Long-Term Liabilities, and Total Net Assets. Ms. Douglas stated New River does have debt which is reflected as Total Long-Term Liabilities of \$22,003,010, and represents funds needed if the landfill were to close now. Long-Term Liabilities includes Net Pension Liability FRS/HIS which is New River's portion of the unfunded FRS retirement benefits in the amount of \$936,947, and Net OPEB Obligation which is for retiree benefits in the amount of \$948,660. This year funding began for both of these liability funds in the amount of \$100,000 each. The Restricted Funds are those that can't be spent. Unrestricted Funds shown of \$14,418,740 includes funds for future liabilities. Page 10 is Statement of Revenues, Expenses, and Changes in Fund Net Assets and shows Operating Revenues and Operating Expenses for a net Operating Income of \$1,213,876. Net Investment Income was \$284,643. Host Fees Paid to the Counties was \$790,000. Gain on Disposal of Fixed Assets was \$26,216, along with a Total of Non-operating Revenues (Expenses) for a Change in Net Assets of \$734,735. Ms. Douglas referred to Page 11, Statement of Cash Flows and Page 15, Investment Types and where New River's funds are invested. Ms. Douglas referred to Page 16, Note 3, Related Party Transactions which shows Tipping Fee Revenues from the member counties. Page 17 shows the summary of Capital Assets. Page 29, Note 11 references a potential major financial event that may significantly impact the landfill and is required to be in the audit. The Alachua County contract expires on December 31, 2018 and

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Alachua County has decided to issue an RFP for solid waste disposal services in February 2017. Since Alachua County's waste is approximately 70% of the solid waste disposed of at New River, disposal rates will greatly increase and the distribution of host fees will be impacted or non-existent if New River is unsuccessful in retaining Alachua County's waste, or if a new customer is not found to replace the lost waste.

Ms. Douglas said there no findings to report in the audit and that New River is in compliance in regards to investments and all internal controls.

Chairwoman Cossey called for a motion to approve the Financial Audit as presented. Commissioner Croft made a motion to approve the Financial Audit. Commissioner Dougherty seconded the motion. The motion carried unanimously.

Chairwoman Cossey asked for discussion for Agenda Item #8, Discuss UF Engineering class performing a conceptual feasibility study at NRRL. Mr. O'Neal asked Mr. Woolsey to talk about this with the board. Mr. Woolsey said Steve Laux, who had worked for Jones Edmunds for more than 30 years, has recently accepted a position as a professor at UF in the engineering department. Mr. Laux still does consulting for Jones Edmunds and is still available as a resource to New River. Mr. Laux and Dr. Townsend's engineering classes has a capstone class for students who have been in school for some years and are now focusing on a future in solid waste. Mr. Laux's class came to New River recently to kick off a new project they will be doing. The project is a feasibility study for taking bioreactors to the next level. Mr. Woolsey said that, as discussed by Mr. O'Neal over the years, the idea is that by putting waste into the landfill and treating as-you-go, which is what New River is doing, will allow for coming back at some point in the future to mine the waste to reclaim the airspace, along with being able to recycle the materials that are recyclable. Mr. Woolsey said this concept has been around for a while but as of yet had not been studied for implementation. These students have been tasked to study this assisted by Jones Edmunds with New River being the test site. Mr. Woolsey said it is exciting to see the study begin since DEP's position has become that open landfills will require care and monitoring for longer than 30 years post-closure. Mr. O'Neal added that EPA has started writing new rules for custodial care which we have not funded for. Mr. Woolsey said that the UF study is to determine how much tonnage will work and other factors for applying to successful bioreacting. Mr. Woolsey said that he would be donating his time to the project and the data that is obtained will

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show what does make sense. Mr. O'Neal added that the results will be shared with the board when the project is completed.

Chairwoman Cossey asked for discussion under agenda item #9 and #10 – Update on Alachua County Contract – email from Ken Cornell and Letter Received from Dr. Niblock, County Manager, Alachua County, with RFP Timeline. Mr. O'Neal said that this is information for the board. On January 23, 2017 an email was sent to Alachua's County Manager, Dr. Niblock, asking about the status of our interlocal agreement and the \$81,000 per month savings offered by New River for the early renewal of the agreement. This was followed by an email from Alachua County's Commissioner Cornell asking Dr. Niblock to provide their board with a copy of his response to New River. We did receive a letter in response from Dr. Niblock dated February 1, 2017 that stated Alachua County would not be accepting New River's proposal which was sent to Alachua County last August. The letter also states they look forward to receiving responses from all interested parties including New River. Mr. O'Neal said this makes New River just another vendor to Alachua County. Mr. O'Neal said the possibility of New River not receiving Alachua County's waste in the future will be a huge financial impact to the counties and that he feels it is time for staff to start looking at other waste sources immediately, if that is the decision of the board.

Chairwoman Cossey asked for a motion to approve staff to look into other waste sources for New River. Commissioner Thompson made a motion to approve staff to look for other waste sources. Commissioner Rhoden seconded the motion. The motion carried unanimously.

Chairwoman Cossey asked for discussion of agenda item #11, Alachua County Issue/Items. There was no one from Alachua County at the meeting.

Chairwoman Cossey called for discussion of agenda item #12, Attorney Issue/Items. Mr. Wade said he did not have anything to discuss.

Chairwoman Cossey called for discussion of agenda item #13, Executive Director Issues/Items. Mr. O'Neal said he did not have anything further to discuss.

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Chairwoman Cossey asked for discussion of agenda item #14, Board/Chairman Issues/Items. There were no comments from the commissioners.

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