

NEW RIVER SOLID WASTE ASSOCIATION
SPECIAL CALLED BOARD MEETING MINUTES
April 18, 2017

The New River Solid Waste Association Board of Directors met for a Special Called Meeting on April 18, 2017 with the following members present:

Commissioner Karen Cossey, Chairwoman
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 Tallman followed by the Pledge of Allegiance.

Chairwoman Cossey called for discussion of agenda item #2, Approval of Expenditures for February 2017 and March 2017. Commissioner Thompson made a motion to approve the expenditures. Commissioner Rhoden seconded the motion. The motion carried unanimously.

Chairwoman Cossey called for discussion of agenda item #3, Approval of Regular Board Meeting minutes for February 9, 2017 and Special Called Board Meeting minutes for February 23, 2017. Commissioner Rhoden made a motion to approve the board meeting minutes. Commissioner Tallman seconded the motion. The motion carried unanimously.

Chairwoman Cossey asked for any public questions and comments. There were none.

Chairwoman Cossey called for discussion of agenda item #5, Engineering Updates/Other Items. Mr. O'Neal said he would like to defer this agenda item until the next meeting. Mr. Woolsey, Jones Edmunds, is working on New River's response for the Alachua County Solid Waste RFP right now and was unable to attend the meeting today.

Chairwoman Cossey asked for discussion of agenda item #6, Discuss NRSWA's Response to Alachua County RFP for Solid Waste Disposal. Mr. O'Neal said there is a handout for the meeting today for this agenda item which includes some notes in connection with this subject. Mr. O'Neal said the RFP issued by Alachua County is difficult and our attorney David Dee has done an excellent job of pointing out the discrepancies and inconsistencies found in the document and that lengthy discussions have taken place regarding changes to the RFP or items that should be eliminated altogether. Mr. O'Neal said that everything Mr. Dee asked for in connection to the RFP changes were approved. One thing that was interesting in the RFP was that the first contract period was for 2 years with 3 year renewals for a contract period of up to 20 years. However, the initial period is just for 2 years. That rate will be the one stated in the RFP. The CPI increase will not start until after the first renewal. Mr. O'Neal said this is not a typical contract period which are usually at least 5 to 10 year periods are normal. Alachua County is asking for us to build cells, buy equipment and hire personnel for a very short contract time frame. Mr. O'Neal said that this did not make sense to him until he heard that Alachua County is having discussions with Marion County regarding looking into forming a solid waste authority with Marion and other counties to use HOF Landfill. Mr. O'Neal said that we had located Marion County's Workshop Minutes from February 13, 2017 during which the HOF Landfill was discussed. Marion reported that Alachua, Lake Sumter, Citrus and Hernando Counties have expressed interest in a Regional Solid Waste Management Authority. They have a 5 page draft Interlocal Agreement they are negotiating with Alachua County for a Phase I feasibility study. Mike Sims, Marion County Solid Waste Director, stated "Once the Interlocal Agreement is in place with Alachua County it will demonstrate to other counties that Marion County is serious about moving forward." Mr. O'Neal said he feels that is the reason for the short staggered contract years in the RFP so that Alachua County can keep their options open while looking into joining a regional interlocal solid waste authority. Other issues he wanted to point out include our offer to Alachua County for a \$28/ton rate in August 2016 for an immediate

change in the contract rate which would have saved them \$2.1 million for the remainder of the current contract. Mr. O'Neal said our offer was rejected by the County Manager. Mr. O'Neal said that Alachua County has stated at staff level that they will be doing a calculation for transporting waste based on their costs to transport to New River and have stated that the cost to transport waste to the next closest landfill will cost them \$10/ton more than to New River. Mr. O'Neal said we know that HOF Landfill contracted with Lake County a few years ago for a disposal rate of \$19/ton. Since they are only receiving around 1100 tons per day, this rate is at or below cost for disposal. With the additional hauling cost added in, he feels this is going to be New River's competition and he doesn't see them going below Lake County's rate or they will not generate enough revenue to stay solvent. Mr. O'Neal said in the RFP disposal cost is awarded 35 points, environmental attributes and carbon emissions is awarded 50 points. He feels we will receive all 50 points for this while we may not get all 35 points for disposal cost. There are a lot of other points available and that is why we have Mr. David Dee, Jones Edmunds and Frankel Media involved in helping with New River's RFP submission so that we can ensure our submittal is complete, accurate and to maximize the number of points awarded.

Chairwoman Cossey asked about cost involved in the RFP response. Mr. O'Neal said right now around \$8,000 to \$10,000 would be his estimate but that this will go higher if we are selected for contract negotiations. Mr. O'Neal said right now our current rate for Alachua County disposal is \$33.82. This is a contracted rate, not a negotiated rate, based on the contract we entered into with them 18 years ago. The disposal rate at the start of the contract was \$23/ton with a $\frac{3}{4}$ CPI increase. The current rate is the result of the CPI rate increases and a \$2.35 surcharge for Phase II development per the contract. The surcharge provides for a future disposal area after Alachua County filled up our Phase I disposal area. Now that we have removed the Class III disposal site and are going to build Cell 7, we will defer Phase II so the actual rate right now for Alachua County is \$31.47/ton. Mr. O'Neal said based on the rate study we had done, we know that our disposal cost right now is \$28/ton. Mr. O'Neal said if the board decides to aggressively go after the initial Alachua County 2 year contract and go below the \$28/ton rate, New River will be subsidizing their disposal rate for the initial period of time. Also, host fees will no longer be available at the \$28 per ton rate. For each \$1/ton increase over the \$28/ton additional revenue will be based on approximately 181,000 tons brought in by Alachua County each year.

Mr. O'Neal said that he has tried to provide the board with enough information to make a fair and appropriate decision on the disposal rate for the RFP but that it is ultimately the board's decision as to what that rate should be. Chairwoman Cossey said she didn't feel it should be under \$30/ton. Commissioner Dougherty asked if the rate could still be negotiated in a contract discussion with Alachua County. Mr. O'Neal said that it may be possible if we get a chance to negotiate. The RFP was written so that they will start negotiations with the first ranked response then if unsuccessful go to the second and so on. Our goal is to be ranked first. Chairwoman Cossey said she did not feel the rate should be \$28/ton. Commissioner Dougherty asked if the goal is to be awarded the majority of the points but we do not know how they plan to award points available, do we want to be lower than \$30/ton. Mr. Kent said the RFP is not clear on how points available will be awarded in each category and could be subjective. The staff that will be evaluating the submittals may not have solid waste experience. Mr. O'Neal said New River is the only public facility who attended the pre-bid meeting, all the others were private. Mr. O'Neal added that Mr. Dee's philosophy was to ask a lot of questions up front and clarify issues so that later in the process there would be less opportunity to challenge the RFP on legal grounds. Mr. O'Neal said Waste Management has a landfill in Georgia approximately 60 miles north of New River and they take around 5000 tons per day. There would be some economy of scale to go there but Alachua's waste would only be 10% of their waste stream. It would be around 40% at HOF and 70% at New River. Chairwoman Cossey asked who will be doing the hauling. Mr. O'Neal said Alachua County is going to use their hauling costs but that there is an alternate bid for hauling if a bidder wants to price that as well. Mr. Kent added there would be no points awarded for hauling in the RFP. Chairwoman Cossey asked if we said \$30/ton as the rate, could this be negotiated down. Mr. O'Neal said the board would make that decision. Mr. Kent said the first thing to accomplish is to be selected as top ranked submittal and then to begin those negotiations. Commissioner Tallman said he would not want to be at \$28/ton and feels we should be more aggressive at \$32/ton and go in with the mindset to be able to negotiate lower. Commissioner Tallman said he puts this in the form of a motion. Commissioner Thompson said he feels we should start at \$30/ton. He asked Mr. O'Neal what he thinks would work. Mr. O'Neal said he thinks that if we go above \$30/ton we could possibly not be selected based on a higher tipping fee. Commissioner Dougherty said he feels Alachua County may

want to negotiate down to the \$28/ton rate already offered. Commissioner Tallman stated he would not agree to a \$28/ton rate as he doesn't feel our citizens should pay more than a contract county pays. Mr. O'Neal stated that the original rate with Alachua County in 1998 was a dollar a ton below the member county rate.

Chairwoman Cossey asked Commissioner Tallman about his motion to submit a \$32/ton disposal rate for the Alachua County RFP. Commissioner Tallman rescinded the motion to submit a rate of \$32/ton with the RFP. Chairwoman Cossey called for a motion on the disposal rate for the RFP. Commissioner Thompson said he would like to make a motion to submit \$30/ton as Alachua County disposal rate for the RFP. Commissioner Dougherty seconded the motion. The motion carried unanimously.

Chairwoman Cossey called for discussion of agenda item #7, Discuss Utilizing Mobile Termite Unit as a business venture. Mr. O'Neal said that he had distributed an article published in the SWANA Florida Chapter's publication that was written based on a presentation that was done by Mr. Woolsey and Mr. Kent at the recent SWANA Conference in Tampa. Their presentation received a lot of positive feedback on innovative technology. Mr. O'Neal said we have the only Termite in the Southeast and we have been contacted by other sites to perform the drilling the Termite is capable of doing. The question is do we want to look into using the Termite as a business venture and make a return on our investment. Mr. O'Neal added if the board was in agreement, he would like to request only going to public facilities and only with interlocal agreements, no private facilities. Mr. O'Neal said the pricing should be based on a certain dollar amount per day regardless of how many wells can be done. Mr. O'Neal said he felt we should come up with a business model and a certain cost per day, a cost for mobilizing to the site along with using at least two employees to travel with the machine.

Commissioner Thompson said he agrees it is worth looking into using the Termite as a business venture. The board was in agreement.

Chairwoman Cossey asked for discussion of agenda item #8, Discuss Purchasing Welcome Signs for Town of Raiford. Mr. O'Neal said as reported to the board a couple of months ago several designs had been taken to the Town of Raiford for their selection and that the permitting with DOT has been completed for signs on SR 121. The town of Raiford has selected

the sites for the two signs along with the design. The signs will be 4'x 8' with smaller 3' x 5' Home of NRRL signs below. There will be 2 signs put up later on CR 229 which have been approved by the Union County board. The signs will be ½" PVC with reflective tape and in 2 colors. Mr. O'Neal said 3 prices were received from A/C Printing in Williston, Showcase in Starke and Creative Workshop in Gainesville. The lowest quote of \$1454 for the 2 signs for SR 121 is from A/C Printing who has also done other welcome signs in other municipalities.

Chairwoman Cossey called for a motion to purchase the signs from A/C Printing for Welcome Signs for Raiford. Commissioner Tallman made a motion to approve the purchase from A/C Printing. Commissioner Thompson seconded the motion. The motion carried unanimously.

Chairwoman Cossey called for discussion of agenda item #9, Discuss HHW Toxic Roundup Summary for 2017 – Baker, Bradford and Union Counties. Mr. O'Neal said we had provided information from the household hazardous roundup days for 2017. Union County collected 3.51 tons, Baker County collected 9.16 tons and Bradford County collected 12.26 tons. Mr. O'Neal said most of these items collected were diverted from the landfill. This participation reflects our citizens mindset for taking care of the environment by properly disposing of these potentially hazardous items responsibly.

Chairwoman Cossey asked for any discussion under agenda item #10, Alachua County Issues/Items. There was no one from Alachua County present.

Chairwoman Cossey asked for any discussion under agenda item #11, Attorney Issues/Items. Mr. Wade did not have anything for discussion.

Chairwoman Cossey called for discussion under agenda item #12, Executive Director Issues/Items. Mr. O'Neal said he did not have anything further for discussion.

Chairwoman Cossey called for any discussion under agenda item #13, Board/ Chairman Issues/Items. Commissioner Tallman requested a new policy be implemented that staff would notify the alternate when a Commissioner can no longer attend the New River board meetings. Mr. O'Neal asked who the alternates are for each county. Commissioner

Rhoden said Baker County's is Bobby Steele. Alternates names will be requested for Bradford and Union County. Commissioner Tallman said he was referring to being notified by staff of permanent changes not necessarily meeting to meeting alternates.

Chairwoman Cossey asked for motion on a new policy for staff to notify each county when a permanent change of Commissioners attending New River Solid Waste meetings has been discussed. Commissioner Tallman made a motion to have a new policy where staff would notify the counties when Commissioner changes occur. Commissioner Thompson seconded the motion. The motion carried unanimously.

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