

NEW RIVER SOLID WASTE ASSOCIATION  
REGULAR BOARD MEETING MINUTES  
March 14, 2019

The New River Solid Waste Association Board of Directors met for a Regular Board Meeting at 12:00 p.m. on March 14, 2019 with the following members present:

Commissioner Karen Cossey, Chairwoman  
Commissioner Cathy Rhoden, Secretary/Treasurer  
Commissioner James Croft  
Commissioner Channing Dobbs  
Commissioner Chris Dougherty

Others present were: Perry Kent, Executive Director  
Melissa Waters, Finance Officer  
Lydia Greene, Office Manager/Admin. Asst.  
Russ Wade, Board Attorney

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

Chairwoman Cossey called for a motion on agenda item #2, Approval of Expenditures for January and February 2019. Commissioner Dougherty made a motion to approve the expenditures for January and February 2019. Commissioner Croft seconded the motion. The motion carried unanimously.

Chairwoman Cossey called for a motion on agenda item #3, Approval of Regular Board Minutes for January 10, 2019. Commissioner Rhoden made a motion to approve the minutes for the Regular Board Minutes for January 10, 2019. Commissioner Dougherty 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/Other. Ms. Carol Sawyer, Jones Edmunds, said there is currently a bid out for EGC installation which is due March 28<sup>th</sup> and that

the Purchase Order for purchasing the EGC materials for closure has been issued. There is an update on the LGTE project which Mr. Kent will discuss with the board.

Chairwoman Cossey called for discussion of Agenda Item #6, Discuss Audit FY 2017-2018 – Lora Douglas DDF. Ms. Douglas said she had two audits to present to the board.

The first is the audit of the landfill management escrow account which is required by DEP to ensure the landfill is fully funded for closure. Page 3 shows the schedule of activity and the balance as of September 30, 2018 of approximately \$13.3 million dollars in the closure fund. Note 3 on page 5 shows that the \$10 million of the funds was in Florida Local Government Trust Fund and \$3 million was in Interest Bearing Checking Account with Community State Bank. Note 2 shows that \$13 million is restricted for closure and \$64 thousand is restricted for long-term care for Class III which has been closed. Note 2 on page 4 shows the requirement for closure is \$12.8 million and that \$13.2 million is the fair value in the investment portfolio, so the landfill is fully funded for closure as required by DEP.

The second audit is the audit of the financial statements for New River Solid Waste for fiscal year ending 2018. A clean opinion has been issued on the audit of the financial statements. Page 3 shows financial highlights from Mr. Kent, Executive Director, and includes the RFP issued for a landfill gas-to-energy project and new contracts with Alachua and Levy counties through December 31, 2018. Page 9 shows the net assets (assets less liabilities) with a total net asset of \$41.6 million which is up by \$8 million mainly due to estimated closure costs going down due to using EGC for closure. The net assets are broken down as Capital Assets of \$12.6 million, restricted assets for closure of \$8.5 million and unrestricted assets of \$20 million. Although revenue will be down with the new contracts, New River has done very well with setting money aside. New River is also fully funded for retirement and OPEB (other employee retiree benefits). Page 10 shows revenues and expenses. The \$5 million reduction is the reduction in the estimated cost for closure. Revenues increased by about \$500,000 and actual operating expenses increased by only about \$76,000. Page 18 shows a summary of long term liabilities and includes a reduction of \$5 million for closing and long term care costs, along with reductions in compensated absences and net retiree obligations and an increase in net pension obligations from requirements by FRS. Page 39 shows the management letter with required audit comments. The comments shown state there was

no deterioration in financial conditions; whether there were any findings in the audit, which there were none; if any corrections from prior findings were made from previous audits, which there were none; any recommendations for improvement of financial management, which there were none. Ms. Douglas commented that staff does an excellent job and that she is very pleased by the job here at New River. Also comments regarding any noncompliance issues found with contracts and agreements, which there were none. Ms. Douglas said the only comment she would like to make is to remind the board of the needed funding for long term care as this is something the counties will be liable for if not funded ahead of time. Page 41 shows that New River is in compliance with Florida Statutes for investments. Page 42 is the report on internal controls of which no findings of weaknesses or deficiencies were found in the audit conducted. Ms. Douglas said that this sums up the audit and asked if there were any questions. Chairwoman Cossey thanked staff for the great job.

Chairwoman Cossey asked for a motion to approve the both of the audits presented today, landfill management escrow and financial statements. Commissioner Dougherty made a motion to approve the audits as presented. Commissioner Dobbs seconded the motion. The motion carried unanimously.

Chairwoman Cossey asked for discussion for Agenda Item #7, Discuss new investment opportunities with Community State Bank. Mr. Jeff Oody, President, Community State Bank, introduced Mr. Taylor Binder, Regional Director, Promontory InterFinancial Network, and Mr. Eugene Richardson with Community State Bank. They are here to talk to the board about a new partnership with Promontory and their ICS (Insured Cash Sweep) Program. Mr. Oody said he had also been asked to look at our bonds currently held by TD Bank to determine whether they could be moved without loss. Mr. Oody said his recommendation at this time would be to leave the bonds with TD until the right time to move them and he would continue to review the TD bonds monthly for this purpose. Mr. Oody said that they had met with New River staff a few weeks ago to discuss a new investment opportunity with Mr. Binder's company that will allow invested funds to be moved daily into banking institutions that would provide FDIC insurance and would pay interest monthly. The interest earnings would be approximately \$125,000 annually at 75 basis points. Mr. Oody added that the program is approved by the State of Florida as an investment for public funds. Mr. Kent said that he is very interested in the program and the

interest earnings would help replace some of the lost revenue. Mr. Binder said that his company has been around since 2002 and their mission is to help community banks compete with the larger banks who get about 80% of the deposits. Their program has built a network of banks that can all use each other's FDIC insurance. The network started with 5 banks and now has more than 3000 banks. The network allows the customer to use their bank only and not deal with multiple banks for their investments. The customer's relationship is with their community bank and information is not shared with the other banks. Mr. Binder stated the program is legislatively approved in the State of Florida along with 49 other states. Mr. Oody said no changes will be seen at New River the only difference would be seen at the bank and that our funds would always be available and not locked into any time restrictions for withdrawals.

Mr. Kent said he feels this is a good opportunity for New River due to the large amounts of money we have invested and the lack of choices for investments due to restrictions on public funds. Ms. Douglas asked about the closure funds and whether this would be approved by DEP. Mr. Kent said that we would be looking into that with DEP. Mr. Kent said that board approval would be needed to move forward with moving non-closure money at this time while verifying with DEP about closure funds.

Chairwoman Cossey called for a motion to approve moving non-closure invested funds into the ICS Program at this time. Commissioner Dougherty made a motion to authorize staff to move non-closure invested funds, including bonds with TD Bank as they become available and when in the best interest of New River, into the ICS Program and confirm with DEP whether closure funds can be moved into the program. Commissioner Rhoden seconded the motion. The motion carried unanimously.

Chairwoman Cossey called for discussion under agenda item #8, Update on LGTE Project. Mr. Kent said a meeting with Fortistar and Peoples Gas was held here at New River Tuesday, March 12<sup>th</sup> at his request. They've had our draft contract for about 4 months with no real communication since then. He had requested the meeting for an update on the project and to get some firm answers. During the meeting he found out that the holdup was the tariff. The original tariff from Florida Transmission gas pipeline was too high to allow the project to work. Now they do have a tariff that will allow our project to work and have contracts for both Peoples Gas and New River that will be delivered within the next few weeks. Mr. Kent said he gave Fortistar a delivery date of 4 weeks to get the contracts

ready and to get back to New River with a contract ready for signature in April. Mr. Kent said that we had been in contact with the company ranked #2 in the proposal process which was a landfill gas to diesel project. If we decided to move on from Fortistar we would still be 12 to 14 months from getting the diesel project done and for less revenue. Fortistar has provided a timeline for the board that projects a completion date of October 2020. Mr. Kent said his recommendation is to wait 4 weeks for the signed contracts and if that happens, the construction money will be released and our project will begin. Mr. Kent said Fortistar has agreed to monthly meetings going forward for project updates and that the biggest issue to date was the tariff for the gas pipeline which was also the problem about 6 years ago. New River's project will be the first landfill gas pipeline project in the state. Mr. Kent added that Fortistar is still moving forward and working on our project so he would recommend giving them some time to make it work as it is the better project for New River. Commissioner Croft agreed and said as long as they are moving forward he was more comfortable with Fortistar's LGTE project. The board was in agreement.

Chairwoman Cossey asked for discussion of Agenda Item # 9, Alachua County Issues/Items. Mr. Irby said that he would like to thank New River staff for their cooperation on any issues that come up. He is also looking at an alternate leachate disposal option for Alachua County and would be getting in touch with staff to see if there are any opportunities at New River.

Chairwoman Cossey asked for discussion of agenda item #10, Attorney Issues/Items. Mr. Wade did not have anything for discussion.

Chairwoman Cossey asked for discussion under agenda item #11, Executive Director Issues/Items. Mr. Kent said he did not have anything else to discuss at this time.

Chairwoman Cossey called for any discussion under agenda item #12, Board/Chairman Issues/Items. The board had nothing further for discussion.

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