

## Saline County Regional Solid Waste Management District

### Board Meeting Minutes

February 16, 2011

Board Members Present: Mayor Jeff Arey, Dr. Don Brashears, Mr. J.R. Walters, and Judge Lanny Fite

Others Present: Mr. Eddie Jones, Executive Director; Mr. Sam Ed Gibson, Attorney for SCRSWMD; Mr. Michael Grappe', Solid Waste Task Force; Mr. Jim Erwin, Bryant 20/20; Mr. Gary Beck, Task Force; Mrs. Cheryl Jones, citizen; Mrs. Tai Marshall, employee; Mr. David Marshall, BFI; Mrs. Jeannie Marshall, BFI; Mr. Mike Nalley, Benton; Mr. Jim Goble, Inter-District Tire; Mr. Roger Davis, Davis Rubber; Mr. Steve Fallon, Republic Services

Mayor Arey called the meeting to order. Mayor Arey asked everyone to sign in on the sign-in sheet. Mayor Arey recognized four Board members present and Mayor Dabbs was absent.

Mayor Arey stated that the first order of business was the reading of the minutes from the January meeting. Mr. J.R. Walters made a motion to approve the minutes. Judge Lanny Fite seconded the motion. All were in favor. There was no opposition.

**Financial Statement and Financial Position:** Mr. Eddie Jones stated that it was not a good month again. Mr. Jones stated that due to the snow, the landfill had to be closed a couple of days, and are about \$42,000 in the whole this month due to expenses, repairs, truck rentals, the yearly audit, yearly workers' comp dues (this should be reimbursed). Mr. Jones asked for any questions. Dr. Don Brashears asked about the recent robbery at the landfill and if a trailer had been purchased. Mrs. Jeannie Marshall stated that someone came in the back gate, walked to the recycling building, walked back, cut the lock on Alcoa's side of the gate, drove into the recycling center, stole a recycling trailer and the tractor, and took the door out when they left. Mrs. Marshall stated that Mr. Jones called CARMA and Dennis Wicker, the adjuster, called and the recycling trailer has been replaced, sent Mr. Wicker the bill, when the repair bill comes in for the door that will be sent to CARMA as well, the Police report was also sent to CARMA. Mrs. Marshall stated that CARMA will pay some of the tractor, but it has replacement insurance so if a comparable trailer is replaced with it, then they will pay the replacement less the \$1,000 deductible and send that bill to CARMA as well. Dr. Brashears asked if that was entered into this month's financials and Mrs. Marshall stated no, that it happened after that. Mayor Arey asked for any other questions.

**Recycling Update:** Mr. Eddie Jones stated that Mr. Roger Brown was not attending because he is a pastoring a church and has to be there on Wednesday nights. Mr. Jones said that we had sold a few loads of cardboard and two loads of paper and another load of cardboard today. Mr. Jones stated that there is about another load and a half of paper to go out. Mr. Jones stated that there was quite a bit of metal coming in and sold. Mr. Jones stated that there is a lot more plastic intake and in the process of trying to sort this out. Mr. Jones spoke with Mr. Rusty Miller at Waste

Management in Little Rock and he said WM would buy the plastic for \$275 per ton for Plastics #2 and \$250 per ton for Plastics #1.

**Inter-District Tire Update - Jim Goble:** Mr. Goble stated that last year was an excellent year and things went very smoothly and the numbers were slightly up for the District. Mr. Goble stated that there is usually a little more money left over at the end of the year. Mr. Goble stated that right now the District is in a great position and moving smoothly. Mr. Goble introduced Mr. Roger Davis for a presentation. Mr. Roger Davis stated that he is with Davis Rubber Co. in Little Rock, and they have been working on this project for several years. Mr. Davis stated that they now make the chrome rubber that goes into the modern football and soccer fields. Mr. Davis stated that he met with installer yesterday who is doing one in Little Rock and he stated that freight alone would have saved \$15,000 on one football field. Mr. Davis stated to keep his company in mind if any schools or parks around want to put in a field like this, his company could save them a lot of money, especially in freight, because it takes about six tractor trailer loads of rubber to make one field.

## **Old Business**

**Saline County Solid Waste Task Force - Michael Grappe':** Mr. Grappe' stated that the committee met last Monday and would like to bring before the Board, due to issues with the recycling trailer pick up, and recommend that the Board put out bids for pick up of the recycling trailers. Mr. Grappe' stated that there are currently two different methods, some trailers are just being picked up and others are being charged for pick up. Dr. Brashears made a motion to put out bids for recycling trailer pick ups. Mr. J.R. Walters seconded. Mayor Arey asked for any questions or comments. Mr. Jones stated that the only one that gets charged for pick up is the City of Benton, and that is only because they agreed to do that because they could not bring the trailers to the landfill, the District did not ask them to do this. Mr. Jones stated in regards to the issue with the trailers not being picked up- the employees try to have the trailers picked up every Monday, and when the trailers are being brought in to be dumped seems to be when people call to say the trailer is gone, or the trailer is full. Mr. Jones stated that Haskell and Bryant's trailers are brought in by their city employees. Mr. Jones stated that there are now telephone numbers on the trailers for the public to call if they need. Mr. Jones also stated that if they pick a trailer up on Monday and the trailer fills up by Friday, recycling goes back and picks the trailer up again. Mayor Arey asked Mr. Grappe' what the reasoning behind the Task Force's recommendation of getting bids was. Mr. Grappe' stated that the Task Force would like to see the trailers picked up in a timely manner and have it contracted out because he believed it was the Board's feeling that if the landfill was sold, there wouldn't be anyone there to pick up the trailers. Mr. Jim Erwin asked if the City of Bryant's employees currently haul in their trailers. Mayor Arey stated yes. Mr. Erwin asked if the Recycling Department had a truck. Mrs. Marshall stated yes. Mr. Erwin stated that the problem is that no one is aware of what we have and what we don't. Mr. Jones stated that the City of Bryant wanted to bring their trailers in. Recycling did not tell them or ask them to do that. Mr. Jones stated that we would pick those trailers up and that he personally has picked those trailers up when Bryant's employees could not. Mr. Jones stated that the Recycling Department is on a schedule and every Monday, the trailers are checked, if they are full the trailers are brought in and emptied; if the trailers are not full, they are checked later in the week. Mr. Erwin stated that he believed Mr. Jones had stated in a conversation before that if the Bryant Employees could not

bring the trailers in, Recycling would have to start charging to pick them up and bring in. Mr. Jones stated that was what Mr. Roger Brown was talking about and he is the Recycling Manager. Mr. Erwin stated that the Recycling Manager had not been to a meeting in over a year. Mr. Erwin asked if the landfill had been officially sold. Mayor Arey stated yes. Mr. Erwin asked if the recycling employees were still part of the Solid Waste Management District or are they part of the landfill. Mayor Arey stated that Roger Brown is still employed by the District as well as one other part time recycling employee, also there is an Interim Executive Director and a part time office employee as of today and the sale happened yesterday. Mayor Arey asked if the Board was going to change the way the recycling trailers are picked up. Mayor Arey asked Mr. Jones if Benton was the only one being charged for pick up. Mr. Jones replied yes. Mr. Erwin stated that the Task Force recommended that because they were not well informed of what was going to happen with employees with the sale of the landfill. Mayor Arey stated that recycling does not need to be stopped and that there had been talk of doing recycling on a grander scale in the county, but during the transition period after the sale of the landfill, the recycling needs to keep going. Mr. Erwin stated that Mayor Arey was correct that the recycling does not need to stop. Mr. Grappe' stated that now being better informed of what was going on with the recycling department and its employees, he feels that it could continue functioning as it has been for now and would like to withdraw his recommendation. There was a motion and second for this. Dr. Brashears stated that the recycling issue is a District responsibility and the sooner that we move into a system that recognizes this as a single entity, then the more efficient and successful we will be and rapidly adapt to these changes that are coming quickly. Dr. Brashears stated that there is not very much known by the public of the upcoming requirements that the state is going to put on its citizens and the Task Force would like the District to be a leader in this in the State of Arkansas. Dr. Brashears stated that the Task Force wants to do this right and some are about to go to Conway to look at their facility. Dr. Brashears stated he wanted to go on record stating that his motion is a goal the District needs to make in a reasonably quick hurry. Dr. Brashears officially withdrew his motion for the time being. Mr. Erwin asked if Roger Brown is the Recycling Manager, and Mr. Erwin has attended these meetings for the past two years and Mr. Jones or Mrs. Marshall always give the report due to Mr. Brown's absence, so does Mr. Jones do the recycling? Mr. Jones stated that he and Mrs. Marshall help do the recycling. Mr. Erwin asked about the numbers, do those come from Mr. Brown or where do the numbers come from. Mrs. Marshall stated that the numbers come from checks and invoices that come in once recycling items are sold. Mr. Jones stated that Mrs. Marshall processes all of that information. Mr. Erwin stated his concern, as a concerned citizen and Task Force member, is that the whole period that we've been doing this to try to make the recycling grow, there have been complaints from the Bryant school district over the pick up and it was stopped last year because it was not picked up properly. Mr. Erwin stated the Task Force fought to get plastics and more trailers, and Mr. Jones and Mrs. Marshall have done a tremendous job, but his concern is that they are not the Recycling Manager, and the Recycling Manager is never there, and in a business environment that will not fly, and Mr. Erwin asked if Mr. Roger Brown, nothing against him personally, but is he doing the job that he was hired to do by the District. Mayor Arey stated that he can not answer that question directly like that. Mr. Erwin asked is there a reason why. Mayor Arey stated that the Recycling Program is going to be changed due to the sale of the landfill and that is why we are here tonight. Mr. Erwin stated that there is no accountability here on the Recycling Manager's behalf, and he never sees anyone at the meetings other than Eddie or Jeannie. Mr. Erwin stated that the Task Force has no idea what the recycling center even has to work with and they have questions they need answers to and have

been concerned for two years. Mr. Erwin asked that the Board allow Mr. Gary Beck go out to the Recycling Center and do an inventory of what we have so that it can be made public. Mrs. Marshall stated that there is a recycling inventory list and that information is probably available on ADEQ website because all of the equipment was purchased with recycling grants. Mr. Erwin asked about the shredder at the Alexander Human Development Center. Mrs. Marshall stated that the District put in a request and when they completely close down, they will call the District and surrender all the equipment and property that was purchased with the grants back to District and the District will have to arrange for transportation of the equipment to the recycling center. Mr. Erwin stated that he had gotten more response from Jeannie and Eddie than ever from Mr. Brown. Mr. Jones stated that the Recycling has a loader, a skid steer, a forklift, four landscaping trailers, one enclosed trailer for E-Waste, and one baler. Judge Lanny Fite asked that the inventory list be sent to Mr. Michael Grappe' and Mr. Erwin to review. Mr. Jones stated that he is doing the best he can do with what he has to work with. Mr. Jones stated that if anyone has a problem with the Recycling or what Mr. Jones is doing, the Board has the discretion to let him go at any time. Mr. Erwin stated that he isn't the Recycling Coordinator, and Mr. Jones responded no, but he is the Interim Executive Director which puts him directly over that position. Mr. Jones stated that the Board is the one that hires and fires, not himself. Mr. Jones stated that he is trying to step in and take care of the issues that arise. Mr. Erwin stated that he appreciates everything that Mr. Jones has done. Mr. Goble stated that we will need to have two collection centers in Saline County and presently it's the landfill and Tire Town and we will probably have to move the tires out of the landfill but we don't have to rush it. Mayor Arey stated that Republic Services stated that they do not have a problem with the tires being there. Judge Lanny Fite asked Mr. Jones about the recorded recycling pick up lists. Mr. Jones stated that he started the lists about a year ago and when the employees pick up, they put the date and their initials and then give to Mr. Jones to go in the file in his office. Mr. Jones stated that he had been picking up the recycling trailer for paper in Benton twice a week because of the increased intake of paper. Mr. Jones stated that he tries to make sure that a log is kept so that if there are ever any questions they can have documented proof to back it up. Judge Lanny Fite made a motion to have a special Board meeting next Tuesday night in Court Room 1 at the Court House in Benton at 5 p.m. and go into executive session to address employee issues and discuss the recycling program. Dr. Brashears seconded the motion, and agreed with Judge Fite and stated that the Board was very behind on addressing the employee issues. All were in favor and there was no opposition. Mr. Jones stated that the District was down two employees, because Mrs. Jeannie Marshall now works for Republic Services, and Mr. Garrett Neil took a better job offer today. Mr. Jones stated that there is one recycling employee other than Mr. Jones and Mr. Brown. Mr. Jones stated that the sooner the employees know what is going on, the more efficiently the program will run. Mr. Jones stated that he spoke with Mr. Steve Fallon and Mr. Johann Linker, and they were not comfortable with the Recycling Department using inmates from the jail for work on the landfill premises. Mr. Jones stated that we will not be getting the inmates anymore, therefore we will not have the labor that we previously did, to do everything we have been. Mr. Jones stated that we do get some community service workers in, but it's spread out. Mr. Jones stated that he is ready for he and his employees to know whether they were going to have jobs or do they all need to go somewhere else. Mr. Jim Goble stated that the Conway facility was mentioned earlier and he personally got to go tour it the other day and it is an awesome place and if the District needs any help the Pulaski County District would be glad to help in any way they can. Mr. Jones stated that he also had recently toured the Conway facility, and they have an impressive facility that costs about 3 million dollars which took several years to get going. Mr. Jones stated

that upgrading the recycling in Saline County will be worth it but is going to cost a lot of money. Mayor Arey asked if all were in favor of the special meeting. The motion passed with no opposition.

Mr. Michael Grappe' stated that the report that was due in March has now been extended to June.

Mayor Arey asked if Mr. Sam Ed Gibson had a report on the closing of the landfill. Mr. Gibson stated that there had been a number of developments with regard to the sale of the landfill. Mr. Gibson stated that the sale of the landfill facility by the Saline County Solid Waste Management District to Republic Services closed on February 15, 2011. Mr. Gibson presented the Board with the closing documents for inspection and the titles had been transferred and correspondents have been completed. Mr. Gibson stated that the District is right on track for tying up general loose ends in. Mr. Gibson stated that there are some accounts receivable questions on large amounts owed to the District that need to be collected. Mr. Gibson stated that right now there is some concern of recycling due to the sale of the landfill. Mr. Gibson stated that BFI request to transfer permits be delivered to the Environmental Consultant for Republic at Phoenix and this has been completed. Mr. Gibson stated that when the permit transfers are finalized ADEQ should release their record hold on the Closure Post Closure Trust that the District has maintained and the proper paperwork will need to be done to release those from Regions Trust and move to the Districts Operating Account. Mr. Gibson stated that Revenue Bonds that are outstanding will be redeemed, called and satisfied effective April 1, 2011. Mr. Gibson stated as part of the closing approximately just over \$6,150,000 was transferred to the Trustee held in Escrow satisfying the outstanding bonds. Mr. Gibson stated that once that is done an Arbitrage Report will be done which should result in the interest being paid to the District. Mr. Gibson asked the Board to instruct him to notify the Hot Springs Village Property Owner's Association to notify them of completion of the sale, because due to the sale of the landfill the District lost its legal right to enforce the Flow Control Resolution that was currently in place, which was the legal requirement and basis for pay. Mr. Gibson said that this was the proper thing to do. Mayor Arey asked for any questions. Judge Fite made a motion to have Saline County RSWMD's attorney to notify Hot Springs Village of the completion of the sale of the landfill. Mr. J.R. Walters seconded the motion. The motion passed with no opposition.

**New Business:** Mr. Jones asked who replaces the tractor that was stolen from the recycling center, the District or does Republic Services get it and the District reimburse them. Judge Fite and Mayor Arey stated that the District would buy the stuff and be reimbursed by CARMA, and then the tractor will go to Republic Services. Mr. Gibson stated that in the closing documents there is a memorandum with Republic assigning the insurance claims with a quote and it basically becomes Republic's decision to replace the tractor or simply to accept the small insurance loss. Mr. Jones asked even though this happened prior to Republic officially buying the landfill. Mr. Gibson stated yes, because the tractor was part of the inventory being conveyed. Mr. Gibson stated the risk of loss remains with the District but the Republic receives the equipment because of the Asset Purchase Agreement. Mayor Arey stated that Republic needs to make a decision in regards on what they would like to do with replacement. Mr. Jones stated that Mr. Wicker, the adjuster will be out tomorrow to go over what the District still needs to keep insured. Mr. Jones stated he just needs to know what to tell Mr. Wicker. Mr. Gibson stated the information that the insurance company will need will be found in the letter of agreement. Judge Fite stated that the

tractor is Republic's and the trailer is recycling. Mr. Jones asked if the District needed to get a new address or keep the current one. Mr. Steve Fallon stated that most of Republic's mail will be sent to their corporate office but he did not see any problem with the District keeping that address. Mayor Arey stated that most of the issues will be taken care of Tuesday. Mr. Jones said that he will take care of business. Mayor Arey asked Mr. Jones about work release. Mr. Jones stated that the recycling center has been using the inmates from the Saline County Jail to help with the work load in recycling. Mr. Jones stated that Mr. Linker and Mr. Fallon did not like this. Mr. Fallon stated that it was due to liability issues with their business insurance but that he would check to make sure that it would be okay and notify Mr. Jones. Mr. Jones stated that the inmates made up about 60% of the labor for recycling. Mayor Arey stated that based on his experience he had never really had problems with work release from inmates but rather community service workers. Mr. Jones asked Mr. Fallon if the community service workers would be a problem and he stated no. Mayor Arey stated that if we could still use the inmates that would be tremendous help. Mr. Jones stated that employees will keep working and taking care of things until told differently. Mayor Arey stated that recycling has to continue, it can not be stopped, but he does not know what is going to be the outcome of what the Board officially decides to do. Mr. Jones asked about how to continue the appliances for recycling, because the District was charging for appliances. Mr. Fallon stated that he was unaware of this but we would work it out. Mrs. Marshall stated that the recycling receives 80-100 appliances a month usually.

**Public Comments:** Mayor Arey asked for any public comments. Mr. Mike Nalley asked what the actual sale price of the landfill was. Mr. Gibson stated \$7,750,000. Mr. Gibson stated that there was \$100,000 containment by Republic. Mr. Gibson stated that out of that sale price \$6,150,011.98 was paid directly to the bank of the Ozarks for outstanding bonds. \$1,499,988.02 was deposited directly into the operating account for the District. Mr. Gibson stated that was new money that was paid and there is a substantial sum of money on deposit in the Closure Post Closure Care Trust of approximately \$1.18 million which will be released upon ADEQ accepting the undertaking of new owner's responsibility. Mayor Arey stated that the District has just short of \$4 million. Mr. Nalley asked if the District was still responsible for any landfill operations or recycling only. Mr. Gibson stated that by law the District is responsible for the maintenance, development, and implementation of the Solid Waste Management Plan for the District and a significant portion of that was the disposal of solid waste. Mr. Gibson stated the District oversight responsibility for the disposal and collection of solid waste in the District but this responsibility the District has discharged by hands on and regulation to Republic Services. Mr. Gibson stated that the District has no supervisory authority over the day to day operations of the landfill facility. Mr. Nalley asked that in the event the landfill fills up and needs to be closed, would the Board then have to come back and make provisions for a new means of disposal. Mr. Gibson stated that the District never loses the overall responsibility for planning and managing the future needs of the District for the disposal of solid waste and that would be something to address if that occurs. Mr. Erwin asked about what happens now to people that are not properly disposing of trash in the landfill. Mr. Gibson stated that the District lost its right to maintain Flow Control with the sale of the landfill. Mr. Gibson stated that the Flow Control was put into affect to help the pay for bonds because the District funded the construction of the landfill and the government allowed flow control to help pay for part of this being the District is a government entity, but because of the transfer of ownership to a private entity the regulation of flow control is lost. There was a motion and second to adjourn. All were in favor. Motion passed.