

## Saline County Regional Solid Waste Management District

### Board Meeting Minutes

May 18, 2011

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

Others Present: Mr. Michael Grappe', Executive Director; Mr. Sam Ed Gibson, Attorney for SCRSWMD; Mr. Gary Beck, Saline County Task Force; Mr. Jim Erwin, Saline County Task Force; Mrs. Tai Marshall, employee; Mr. Mike Lauderdale, Terry's Waste; Mr. Roger Finley, Terry's Waste; Chris Calhoun, citizen; Ms. Lynda Hollenbeck, Benton Courier; Mr. Steve Fallon, Republic Services.

Mayor Arey called the meeting to order. Mayor Arey recognized five Board members present in person and one absent (Mayor Jill Dabbs). Mayor Arey asked everyone to sign in on the sign in sheet.

**Reading of Minutes:** Mayor Arey stated the first order of business was the reading of the minutes. Mr. J.R. Walters made a motion to approve the minutes from the April Board meeting and Mr. Bob McKeon seconded the motion. All were in favor and the motion passed with no opposition. Mr. J.R. Walters made a motion to approve the meeting minutes from the April Special Board Meeting. Dr. Don Brashears seconded the motion. All were in favor and the motion passed with no discussion.

**Financial Statement and Financial Position Statement:** Mr. Michael Grappe' went over the account balances. Mayor Arey asked if these balances showed the \$100,000 wire transfer from Republic that was made on Tuesday, May 17, 2011. Mr. Grappe' stated no that total will be included in next month's financial report. Judge Fite asked if there was any reason to keep the Closure/Post Closure account. Mr. Sam Ed Gibson stated that money is a trust fund held by Regions Bank, and the District has to follow the formality of asking ADEQ to release this money then dissolve the trust fund and place that balance into the District's Operating Account. Mr. Gibson stated that he was waiting on the wire transfer from Republic and he will now work on getting these fund released from ADEQ, then the District will be free to segregate those funds into their account. Mr. Grappe' asked Mr. Gibson to discuss the \$100k release from Republic. Mr. Gibson stated that Tuesday morning he was notified that Republic intended on transferring the money that was the remaining of the holdback Republic was holding after purchase. Mr. Gibson was informed by Mrs. Marshall Wednesday morning that the \$100k is in the bank, and that completes the initial purchase requirements that Republic has in terms of payment, and there is still the royalties off of the tonnage for life of the landfill. Mayor Arey stated that those royalty payments will be made quarterly. Mr. Grappe' stated that he confirmed that with Mr. Ralph Maletesta on Monday. Mr. Grappe' stated that in the back of the board packet there is a report from Republic showing the tonnage for the payment made. Mr. Grappe' stated that Republic actually only made half of what they owed us for the tonnage but made up the other half because of the contract. Mr. Grappe' stated that he had a spot audit performed last week, which showed a snap shot of where the District stands as of April 20,

2011. Mr. Grappe' the only 2 issues that were questioned were the grants. Mr. Grappe' stated that all of the grant money is going into the Recycling Account and general ledger and it isn't supposed to do that. Mr. Grappe' stated this makes it hard for the money to be tracked for spending. Mr. Grappe' stated that he has already met with ADEQ on this and they are sending him some information and this will be resolved within the next two weeks. Mr. Grappe' stated that we will create a grant account at First Security, and all of the grant money that should currently be there will be transferred. Mr. Grappe' stated that the District should already be paying interest on the grants, but hasn't and this will be taken care of as well. Mr. Grappe' stated that this will be talked about in the next meeting. Mr. Grappe' stated that under District operations, we spent a little over \$25,000 in April mostly on salaries. Judge Fite asked what the other issue outstanding on the audit was. Mr. Grappe' stated the other issue red flagged during the audit was Mr. Eddie Jones pay of over \$15,000 in one pay period. Mr. Grappe' stated that Mr. Jones received his sick/vacation pay which amounted to \$12,000. Judge Fite asked how much sick and vacation time did Mr. Jones have. Mr. Grappe' stated that he has received the paperwork from Mrs. Marshall and is still looking over it. Judge Fite stated okay. Mayor Arey stated that he and Mr. Grappe' have talked about this issue already and are looking over the payroll records and are checking to see if those amounts are correct. Judge Fite stated that Mr. Jones has only been here about a year and a half and that number seems excessive compared to what the others were paid. Mayor Arey stated that this is being looked at. Mr. Grappe' stated that the District's phone lines were cut when Republic was installing a fiber optic line and instead of having the District's lines replaced, Republic has given the District two phone lines and one fax line which will save the District roughly \$400 a month. Mr. Grappe' stated that the contact information is on the website and we are currently working on getting a recording to let citizens know who they are calling. Mr. Grappe' stated that pest control had to spray the building due to finding 7 dead rats. Mayor Arey asked for questions or comments. Mr. J.R. Walters made a motion to approve the Financial Statement and Position report. Mr. Bob McKeon seconded the motion. Motion passed with no opposition.

**Inter-District Tire Update – Jim Goble:** Mr. Goble was not present

**Recycling Update:** Mr. Grappe' stated that the NET Revenue was \$10,350 and sold almost 54 tons of recyclables, mostly paper. Mr. Grappe' stated that NET expenditures were \$10,262. Mr. Grappe' said using the recycling grant, we made \$100, but technically we lost \$2,000. Mr. Grappe' stated the District should only have one more of these reports if everything goes according to plan. Mr. Gary Beck asked what the outside repairs were. Mr. Grappe' stated that repairs had to be made to the baler and the forklift. Mayor Arey asked for questions or comments. Mr. J.R. Walters made a motion to accept the Recycling Update. Mr. Bob McKeon seconded the motion. Motion passed with no opposition.

### **Old Business**

**Saline County Solid Waste Task Force – Jim Erwin:** Mr. Jim Erwin stated that since Mr. Grappe' became the Executive Director for the District he could no longer serve as the chairman of the Task Force and Mr. Erwin was asked to be the chairman by unanimous decision. Mr. Erwin stated the Force's meeting was held Tuesday night, and included presentation from Roger Lawrence and Mr. Greg White. Mr. Erwin stated that the Task Force will strive to be a "lightening rod" for the Board. Mr. Erwin stated that

the Task Force's objective is to put together a show for the Board and go around the county presenting the problems and getting something in place to find a permanent fix for the problems. Mr. Erwin also stated the goal is to make the public aware through town hall meetings, surveys, bill boards, or whatever will work. Mr. Erwin stated the Task Force had a really good meeting and there were only six people present. Mr. Erwin stated that he is honored to be the new chairman and that the Task Force and the District are on the right track and have come a long way since January.

**Recycling RFP:** Mr. Grappe' stated that the Recycling RFP was originally for the five trailers the District currently owns and having someone else come by and pick these trailers up. Mr. Grappe' asked to table the discussion for now, because he had some other issues to discuss first and then the Board could decide where they would like to go from here. The Board was okay with this request.

### **New Business**

**Solid Waste Plan:** Mr. Grappe' stated that the Solid Waste Plan is due June 1, 2011 and must be in place to receive funding for grants. Mr. Grappe' stated that he has already sent a copy to ADEQ for review. Mr. Grappe' stated that he would email this to the Board tomorrow. Mr. Grappe' stated that there are two primary areas that have changed, the first being the ownership of the landfill, and the second being a plan for Composting, E-Waste, and Household Hazardous Waste. Mr. Grappe' stated that this is indicated in the plan now, whereas it wasn't before. Mr. Grappe' stated this must be approved by the Board and he would like to call a Special Board Meeting on Wednesday, May 25, 2011 at 2p.m. to approve this so it can be turned in. Mayor Arey stated that this would be a good idea as long as the Board members would be available. The Board replied they could be there.

**By-Laws:** Mr. Grappe' stated that the By Laws were written in 1993 and have never been updated or amended. Mr. Grappe' stated that he has written new By Laws and he is currently following the official process to amend these, which started with a public announcement that must be ran in the paper for seven consecutive days. Mr. Grappe' stated this began last Wednesday. Mr. Grappe' read the announcement to the Board. Mr. Grappe' stated that the District isn't in place as we should be because Saline County has grown since these were written and he is fixing that. Mr. Grappe' stated that a 30 day notice must be given in order to amend the By Laws and once that is done, give a 30 day period for public response to the amended By Laws, and then the Board will approve the By Laws at the next meeting, then this will be filed with the Secretary of State and then file with the AR State Library and the Bureau of Legislative Research. Mr. Grappe' stated there is no financial impact required for this and then ten days after filing this, the By Laws will be in affect. Mr. Grappe' stated that by July 1, 2011 the By Laws will be in place and the Board will be active and legal. Mayor Arey asked if any action needed to be taken at this time. Mr. Grappe' stated no he is already following the procedure and will have this emailed to the Board soon.

**Composting:** Mr. Grappe' stated that tomorrow, Thursday, May 19, 2011, Mayor Arey and he will be going to American Composting in Little Rock to review their operations to see how true composting is done, because we need to be educated on this. Mr. Grappe' stated that ADEQ is becoming very intense on true composting, and there is a science to composting and he is going to learn this science, because

this is just a step in helping the District determine how to handle composting in the long run. Mr. Grappe' welcomed other Board members to attend if they would like at 10:30a.m. Mayor Arey stated that the public has been very concerned about this.

**Recycle Materials:** Mr. Grappe' stated that the District currently has five recycling trailers located in different areas of Saline County. Mr. Grappe' stated that currently there are two employees that drive a truck around Saline County to pick these trailers up, take them to the recycling center at the landfill, service them, then take the trailers back for the public to use, then sale the recyclables for the District. Mr. Grappe' stated that he would like to move forward with a program having Republic to provide roll off containers with separated bins for recyclable items in the same locations the District's trailers are currently placed. Mr. Grappe' stated that there are devices on these roll offs to notify Republic when full for pick up, and that Republic would provide these containers for no cost to the District, and the District would pay for the hauling cost of the roll offs to the Murf in Little Rock. Mr. Grappe' stated that the District wants to get out of the employee and equipment business, and this is one of the first steps in doing this. Mayor Arey asked how much this would cost. Mr. Grappe' stated approximately \$70 or \$80, but he is working on this figure, so there may be no cost at the end of the day. Mayor Arey stated that these containers would be much larger than what the District currently has. Mr. Grappe' called this a "band-aide approach until we find a cure for the problem" and stated that this is a temporary fix, but we are looking for a long term program. Mr. Grappe' stated the District is looking into curb-side recycling and better location for residents to come drop off recycling. Mr. Erwin asked if the District is looking for new locations. Mr. Grappe' stated yes. Mr. Lauderdale asked if he understood correctly that BFI would provide, pick up, and drop off containers for nothing. Mr. Grappe' stated for approximately \$70-\$100 and would provide these containers at no cost. Mr. Lauderdale asked for how many locations. Mr. Grappe' replied for five locations. Mr. McKeon asked what the District would do with the old trailers. Mr. Grappe' replied that these would be parked for the moment and we'll see how this program works. Mr. Grappe' stated that if this works, we will move forward, and if it doesn't, the District will go back to the Recycling RFP. Mr. McKeon asked if we can still keep these at the landfill. Mr. Grappe' stated yes, that there is still three months left on the lease or we could find somewhere to house these. There was some discussion about the current trailer sites and servicing. Mr. Gary Beck asked if white goods would be accepted in these trailers. Mr. Grappe' stated that these trailers would be for the same things that are currently picked up in the trailers, such as paper, plastics, and aluminum. Mr. Erwin asked if cardboard would be accepted in these trailers. Mr. Grappe' stated that when the District moves away from the landfill, we no longer have a recycling collection center, and the District will be looking for a private industry to say they would like to collect certain items or would like to set up a collection center. Mr. Grappe' stated that it is the Executive Director's responsibility to partner with the private sector and be successful and create jobs.

**Office Location:** Mr. Grappe' stated that the primary location for the District is currently at the landfill, where Mrs. Marshall's office is located. Mr. Grappe' stated that his office is currently located at the Courthouse, but the District must find a new office space before the lease ends in August. Mr. Grappe' stated that he has found a place that is \$350/month plus utilities in Benton on West Sevier Street across from the Courthouse. Mr. Grappe' stated that reviewing this lease would be included in the Special

Meeting agenda for next week and hopefully be approved so that renovations could be started. Mr. McKeon asked what kind of renovations would be needed. Mr. Grappe' stated that the building has to meet ADA requirements since we are a State office, meaning it would need to be handicapped accessible. Mr. Grappe' stated that he already has a firm that will look at the site and tell him what needs to be done to meet requirements and then he will report this to the Board. Mayor Arey stated that he had already discussed this with Mr. Grappe' and this site will have the right amount of space for the District, because the District will not be needing warehouse space if the new system about to go into works. Mayor Arey stated the rent payment would be very reasonable as well. Mr. McKeon asked if the telephone and computer systems would be a problem since this was already a working office. Mr. Grappe' stated it should not be, and that he is hoping to find a fiber optic line somewhere at that location.

**Cardboard Roll-Offs:** Mr. Grappe' stated that we currently have trailers at companies collecting cardboard. Mr. Grappe' stated that since the District is going to get out of the collection business, he has contacted a couple of companies to discuss options. Mr. Grappe' stated that one company has roll-offs with a compactor built into it, and there is costs associated with this one. Mr. Grappe' stated Republic offers roll-offs and they are determining if there is a cost associated with that. Mr. Grappe' stated that he is looking for another company to contact. Mr. Mike Lauderdale asked Mr. Grappe' to contact him, that Terry's Waste would like to do the cardboard collection. Mayor Arey stated that the idea is to place cardboard roll-off containers in areas that would be accessible for several companies to use. Mr. Grappe' stated yes to place one at Saline Memorial Hospital and maybe behind Kroger's or Big Lots. Mr. Grappe' stated that the District is trying to locate these where as many businesses could use them so that there will be no expense involved. Mr. Grappe' stated that the hauler will pick it up and haul the recyclables off and the hauler will sale the goods to pay for the hauling cost/fee.

**Yard Debris:** Mr. Grappe' stated that he has received several phone calls on what to do with the yard debris. Mr. Grappe' stated that haulers used to collect this and it was accepted in the landfill, but ADEQ is not letting the landfills accept this anymore because it is banned from doing so by state law. Mr. Grappe' stated that he and Mayor Arey will be going to American Composting Thursday, May 19, 2011. Mr. Grappe' stated that the District is looking for two locations in Benton and two locations in Bryant to place 30 foot roll-off trailers once a month where citizens can take their yard debris that will be hauled off to American Composting in Little Rock. Mr. Grappe' stated that this is in addition to the current program the District has now with Republic Services, in which citizens can take their yard debris to the landfill and place in two dumpsters specific for yard waste. Mr. Grappe' stated that 80 yards of yard debris has been hauled to American Composting in the last three weeks. Mr. Mike Lauderdale stated that his company, Terry's Waste quit picking up the yard waste, because that's the law and companies don't have the time or money to run a separate truck just for yard waste, and he states that this has upset lots of citizens/customers. Mr. Lauderdale stated that there are still haulers breaking this law. Mr. Grappe' stated that if these haulers get caught they will get in trouble. Judge Fite noted that this is not just happening in Saline County landfill, but in landfills all over the state. Mr. Erwin stated that the Task Force and Mr. Grappe' discussed in their meeting the possibility of having sports teams and volunteer groups come and volunteer to monitor the trailers on Yard Waste days, possibly Saturdays or

Sundays, whenever this program gets put in place, and then awarding scholarships for the group. Mr. Grappe' stated that this would help keep the trailers from being filled with trash or being vandalized.

**White Paper (Schools):** Mr. Grappe' stated that the District is looking for someone who can provide servicing of white paper in the schools. Mr. Grappe' stated that currently we currently pick up for all schools in Saline County and provide bins for them to deposit white paper in. Mr. Grappe' stated that there are a couple of companies interested in servicing the paper pick up at schools and supplying a collection bin at each school to collect the paper. Mr. Grappe' stated the goal is to have a program in place by August before school starts. Mr. Erwin asked how the pick up would be done since schools will be in session until June 8. Mr. Grappe' stated that the District will be pulling the bins before the end of school to prevent the bins from being filled up with lots of trash. Mayor Arey asked how the individual bins for paper would be handled once a dumpster/trailer was put on site. Mr. Grappe' replied it would be the responsibility of the school/teachers to take the bin and empty it at the dumpster as needed. Mr. Erwin asked if the District would still provide the bins. Mr. Grappe' replied that the District would probably still provide the bins, but the program is in the works for finalization. Mr. Grappe' and Mr. McKeon agreed that the less labor intensive and cost efficient this program could be the better.

**Recycle License:** Mr. Grappe' stated he had a meeting with ADEQ yesterday and there is learned that there are two sides of ADEQ, landfill/solid waste district, in which we report our numbers to and secondly, business marketing that deals with collecting the business side of recycling. Mr. Grappe' asked at the meeting for the numbers for Saline County. Mr. Grappe' stated he could not receive the information, because ADEQ is unsure of the numbers because there is not an accurate tracking system. Mr. Grappe' stated that some business compress/bale their own cardboard such as Wal-Mart and Kroger's who report their numbers by state totals, and then there are other companies, like Home Depot, who broker their cardboard, by selling it to private companies, and those numbers are not collected. Mr. Grappe' stated that by the end of the year, he would like to have the Board approve a licensing program for all recyclables. Mr. Grappe' stated for example Radio Shack would have a license and report how many batteries were recycled, and this would help us to track the numbers for recycling that ADEQ needs. Judge Fite asked if this would be a low cost. Mr. Grappe' stated that this would be \$1 charge for a Saline County Recycling License, because the point is to track and record the numbers, not make money off of this. Mr. Grappe' stated that the \$1 fee would cover the cost of the paper, ink, and time to collect these numbers.

**Hauler Vehicle ID:** Mr. Grappe' stated that today we have haulers coming into the landfill that are not clearly marked with company name on trucks. Mr. Grappe' stated that when these haulers drop trash off down the road, there is no way of completely identifying which hauler this is. Mr. Grappe' stated that from now until the end of this year, he will be working with the waste haulers to clearly identify the company names on their vehicles. Mr. Roger Finley stated that he was told waste haulers needed to have completely enclosed trucks so that this problem does not occur. Mr. Grappe' stated that there are several requirements and currently have several haulers that do not meet these requirements. Mr. Grappe' assured the Board and meeting attendees that this problem would be addressed by the end of the year. There was some discussion. Mr. Grappe' stated that next year before licenses are permitted each waste hauler truck WILL be inspected by Mr. Grappe'. Mr. Grappe' also stated that he and Mrs.

Marshall have gone through the list of waste haulers that were permitted for 2011, and found that there were some that did not turn in all proper paperwork. Mr. Grappe' stated that Mrs. Marshall has contacted these haulers and if the proper paperwork is not turned in by the end of May, the licenses will be revoked.

**Republic Issues:** Mr. Grappe' stated that he has met with Republic several times in the past couple of weeks, and Republic has been very helpful in working through certain issues. Mr. Grappe' stated that the District still owed Republic a seeder; this was attached to the tractor that was stolen February 4, 2011 prior to the sale of the landfill. Mr. Grappe' stated that Mr. Eddie Jones will be picking up the seeder and delivering it to Republic by the end of this month. Judge Fite asked if this was a different theft. Mrs. Tai Marshall stated that the seeder was attached to the tractor when the burglary took place before the sale of the landfill. Mayor Arey and Judge Fite stated that they did not remember this being reported with the theft in February. Judge Fite asked if the District signed agreement with Republic stating that Republic would accept what Insurance would cover. Mr. Sam Gibson stated the District signed an agreement stating that they would replace the stolen items to the extent that insurance provided and because the District had replacement insurance coverage which would cost the District nothing, because if Republic accepted claim all the insurance would pay would be cash value then the District would have to pay the difference. Judge Fite asked if the seeder was covered in the claim, but Mr. Grappe' and Mrs. Marshall are unsure of this but will find out. Mr. Sam Gibson stated that this was an accessory to the tractor which is why he believes it was not listed separate in the paperwork. The Board agreed they do not remember hearing about a seeder, but simply the tractor, trailer, and door damage.

**Pulaski Interlocal Agreement:** Mr. Grappe' stated that this was discussed at the last meeting and beginning in May 2011, Republic is collecting \$0.30 per ton on waste entering this district and sending this to Pulaski County. Mr. Grappe' stated the Board wanted him to check into adopting an Interlocal Agreement with Pulaski County. Mr. Grappe' stated that it is his position to not enter into an Interlocal Agreement at this time and put any additional cost on the landfill at this time. Mr. Grappe' stated that this would increase the gate rate and he recommends we do not do this at this time, and this is in regards to House Bill 1060. Mr. Sam Ed Gibson stated that there can be an interlocal agreement with not charge and that it would be a good idea for this District to memorialize with Pulaski County to recognize that we accept what is being done, but will not personally be charging and put this on record. Mr. Grappe' stated that he would work on this before the next meeting.

**Contact Info/Website:** Mr. Grappe' stated that the website information has been updated, in which waste haulers are now listed; the new trailer locations; the director and contacting information. Mr. Grappe' stated that there will be a calendar, solid waste plan, and meeting minutes will be added by the end of the week or we will have a new web-master. Mr. Grappe' stated that by the end of the month, the website should be where it needs to be. Mr. Grappe' stated that the District currently pays \$400 flat rate to maintain and manage the website to M-Com Technologies.

**Sales Tax/Business Closure:** Mr. Grappe' stated that because the District sold the landfill, we no longer collect waste and the taxes. Mr. Grappe' stated that we be filing the Sale and Business Closure Form

because we no longer deal with sales tax. Mr. Grappe' had our accountant help with these forms and they will be filed soon.

**Collections:** Mr. Grappe' stated that when he took over April 20, 2011 the District was owed approximately \$47,000 by previous account holders who charged when the District owned the landfill. Mr. Grappe' stated that he and Mrs. Marshall have sent out registered letters to all companies owing the District. Mr. Grappe' stated that one company has already paid since the receipt of the letter and other companies have been in contact. Mr. McKeon asked if the Board could get a list of this at the next meeting to show the updated progress. Mr. Grappe' stated yes. Judge Fite stated that he noticed last time the District owes money to. Mr. Grappe' stated that he would like to add this to the agenda for the special meeting next week. Mr. Grappe' stated that all information the Board needs for this would be provided then. Mr. Grappe' stated that some of the account holders sent money owed to the District to Republic by misunderstanding and this issue is being resolved as well.

**Office Issues:** Mr. Grappe' stated earlier that the District is now using Republic's phone system.

**Grants:** Mrs. Marshall handed out a Recycling Grants Compliance Date/Grant Program Packet for everyone to look over. Mr. Grappe' stated that he has to have by July 15 all grant pre-applications turned in. Mr. Grappe' stated that the disbursements will be given in March 2012. Judge Fite asked if the District had grant money this year. Mr. Grappe' stated yes, and how that was spent and what's left is currently being determined. Mr. Grappe' stated that Mrs. Marshall has given him a packet of all grant information the district has and he is currently reviewing that information. Mr. Grappe' stated that once it's determined of what grant money has been used and how, he will come to the Board and ask to have the remaining grant amount moved to a separate grant account.

**Royalty Payments:** Mr. Grappe' stated that we receive royalty payments quarterly.

Mayor Arey stated that had nothing to add to the new business. Mayor Arey clarified that the agenda for the special meeting Wednesday, May 25, 2011 at 2p.m. at the 911 center will cover: the approval of the Solid Waste Plan, Reviewing the lease, Updated Accounts Receivable List, Discuss Interlocal Agreement, Health Insurance Quotes for the Executive Director, and Recycling Issues.

Mr. McKeon asked if Mr. Grappe' and the county got his insurance coverage taken care of. Judge Fite stated that the county could not do this, but Mrs. Christy Peterson was working on insurance quotes from QualChoice, Delta Dental, and VSP for Mr. Grappe'. There was a little bit of discussion on this, but this will be discussed at the special meeting.

**Public Comments:** Mr. Bob McKeon thanked Mr. Michael Grappe' for the great job he is already doing in such a short period of time. Mr. McKeon stated that the Board had made an excellent decision in hiring Mr. Grappe' because he has already exceeded the Board's expectations.

Judge Lanny Fite made a motion to adjourn. Mr. Bob McKeon seconded the motion. All were in favor.