

Saline County Regional Solid Waste Management District

Regular Board Meeting Minutes

March 20th, 2013

Board Members Present: Mayor Jeff Arey, Mr. Jim Erwin, Mr. J.R. Walters, Dr. Don Brashears, and Mr. Bob McKeon

Judge Fite was not present.

Others Present: Mr. Sam Ed Gibson, Attorney for SCRSWMD; Mr. Mike Lauderdale, Terry's Waste; Mr. Roger Finley, Terry's Waste; Ms. Stacy Edwards, Inter District Tire Program; Mr. Michael Grappe', Executive Director SCRSWMD; Ms. Tiffany Dunn, Marketing Coordinator SCRSWMD

Mayor Arey called the meeting to order and asked everyone to sign in.

Reading of Minutes from February meeting: Mayor Arey stated the first order of business was reading of minutes from February meeting. Mr. J.R. Walters made motion to approve the February meeting minutes. Mr. Bob McKeon seconded the motion. All were in favor and motion passed with no opposition.

Reading of Financial Statement and Financial Position from February: Mr. Grappe' stated Ms. Marshall had been out of the office for the past week and half due to her father being in hospice and we've been short handed in the office. Mr. Grappe' stated the Operating Account contains \$1,088,662.01; the Revenue Account contains \$1,304,280.62; the Recycle Account contains \$205,843.58; the Investment Account contains \$2,077,582.36; giving us a grand total of \$4,676,368.57. Mr. Grappe' stated overall expenses were \$62,415.13. There were no questions or comments on the Financials or Operations Report. Mr. J.R. Walters made motion to approve the Financial Statement and Financial Position from February. Dr. Brashears seconded the motion. All were in favor and motion passed with no opposition. Mr. Grappe' stated we sold 8.89 tons of metal receiving \$1,465.70 revenue in sales. Mr. Grappe' stated recycle expenses were \$18,386.97 giving us a net loss of \$16,921.27. Mr. Grappe' stated the market is still depressed in recycling business with paper still selling at \$60/ton and plastics at \$0.30/ton. Mr. Grappe' informed the Board that ADEQ is writing an expose on our District in their upcoming quarterly newsletter. There was some general discussion regarding recycle expenses.

Inter-District Tire Update- Stacy Edwards: Ms. Edwards stated the contract with Davis Rubber is coming up for renewal. Ms. Edwards stated she placed a RFP in paper and only received one bid, from Davis Rubber and the bid was about 20% higher than the current price which we have been operating under for the past five years. Ms. Edwards stated Saline County recovered 4,541 tires in February up from 2,598 in January showing that the tire numbers go down in the winter and up in spring and summer. Ms. Edwards stated tire numbers Inter-District wide are relatively low so Saline County operates in very good boundaries within terms of contract. Ms. Edwards stated Inter-District wide there was a deficit

with grant funding verses what Davis Rubber was requesting, so met with ADEQ to determine ways to make this work. Mrs. Edwards stated the program is supported by tire fees and is only funded for program tires, which are the tires taken off as a result of a new tire sale are disposed of for free because they are paid for by the program. Ms. Edwards stated that no fee paid tires do not have a pre tire credit because there is no fee paid to cover that is sent to state for that. Ms. Edwards stated closing the gap between the non fee paid tires which the program has been absorbing for a long time from some Districts. Ms. Edwards stated that most non fee paid tires from Saline County that goes to Davis Rubber get charged a fee and that is ok. Ms. Edwards stated ADEQ requires in the grant agreement that a fee be collected for the non fee paid tires. Ms. Edwards stated this isn't currently being done in Saline County but she has met with Mr. Grappe' recently to work on ways to implement this into our program. Ms. Edwards provided a summary of changes, disposal fees, and new tire forms to the Board for viewing. Ms. Edwards stated the new hydraulic shredder that can process tractor tires will be up and running very soon at Davis Rubber's new site. There was general discussion. Notable change – will only accept four passenger tires per person per month now instead of per day. Ms. Edwards stated there are 26 collection centers throughout the Inter-District she is working with to implement the new changes and proper fee collection system. Mayor Arey asked if fees would be charged for community clean ups in which tires are collected. Ms. Edwards noted that the program will continue to absorb the costs for that out of the reserves. Mr. Erwin asked what the delays are with the monies collected at tire dealers getting to Inter-District program. Ms. Edwards responded when fees are collected at tire dealers (they keep \$0.25), the fees are filed monthly as a miscellaneous tax section return with the DFA who then sends it to ADEQ and then put into the Waste Tire Grant fund, and the fund is divided up into portions and the fund goes mostly to the tire districts in the form of waste tire grants but a portion (about \$600k) is set aside for support grant and abatement grants. Ms. Edwards stated of the portion that goes into the waste tire grant fund for the District that portion is divided up according to an AB formula; 50% is divided up according to portion A which is immediately divided by 8 because there are 8 Planning & Development Districts in the state, after that the 8 that goes to the Planning & Development District is divided up by population for that county, so each county gets a portion of that; the B part: the other 50% of grant money is calculated based on the number of tires reported that are processed. Ms. Edwards stated this is per quarter for each District. Ms. Edwards stated another way the tire program is trying to close the gap is by renting trailers out. Ms. Edwards stated that overall Inter-District wide the contract is about 20% increase, so instead of about \$1million/yr it will be about \$1.2million/yr. which is little over the grant funding but by collecting money on the non fee paid tires should make up about \$65k of that. Ms. Edwards stated District trying to stray from giving away as many freebies as last year which totaled approximately \$50k. Ms. Edwards stated Regulation 14 has been updated and now states 19 inch tires and up are now considered truck tires and will also create more revenue, not directly to us, but will add more to the pot, but 10% of tires that Davis receives are 19 inch. Ms. Edwards stated because Davis Rubber recycles the tires we qualify thru ADEQ to apply for a support grant to help with transporting the tires to Davis Rubber, which was one of the major costs for program, and have already applied for \$102,406 which will make up a huge portion of gap assuming it gets funded to us. Ms. Edwards stated #10 in contract says if maximum compensation due to the contractor exceeds the amount of grant funding plus the amount collected by non fee paid tires then the contract is automatically suspended. Mr. Erwin asked if the PPI Index in #3 of contract will be done in January, and

Ms. Edwards responded September. Ms. Edwards stated she submitted a Resolution for the Board's consideration for renewal of contract. Mr. Grappe' stated he met with Republic about them being responsible for collecting and tracking the tire fees while District audited the fees. Mr. Grappe' stated Republic is updating software and will incorporate that into their system and program will be instituted soon.

Environmental Officer Update- Officer Blevins: Mr. Grappe' stated Officer Blevins is in St. Louis being trained as a tech dog expert and his role has been expanded from the Environmental Officer program for us, enforcer for Quorum Court, and now the dog catcher of Saline County. Mr. Grappe' stated Officer Blevins currently has about 75 open cases between District and Quorum Court. Mr. Grappe' stated several went to court last week, and he is also preparing the overhead for the continuing education program next month for Environmental Officers across the state in conjunction with SAU. Mr. Grappe' stated our program is accredited and Officer Blevins is now one of the instructors for that. Mr. Grappe' stated if anyone would like to see exactly what cases are being worked, they can come by the office to view the database.

Executive Director Update

Recycling Program: Mr. Grappe' asked the Board if they liked our new name tags, and the Board responded they are very nice. Mr. Grappe' stated he was at Waste Management last week to view the MRF ran by 17 people that handles 20 tons/hr with a peak operating of 15-17 tons/hr and if they pass that the quality goes down. Mr. Grappe' stated they discussed the upcoming RFP and a few issues were pointed out. Mr. Grappe' stated our RFP will only cover collecting and hauling. Mr. Grappe' stated we are negotiating a fee with the landfill at Republic and Waste Management asked if they could negotiate a fee with us as well and Mr. Grappe' told them yes so WM working on a number if solid waste was hauled from this District over to their District it would ensure we would still continue to get royalties. Mr. Grappe' stated the problem with that is overall the cost would go up and secondly there is an Interlocal Agreement in place between our District and Pulaski District so there would be an additional \$2 charge added on. Mr. Grappe' stated they discussed taking recyclable materials to MRF and they will also provide a number for that as well. Mr. Lauderdale asked Mr. Grappe' if he is asking for numbers from Waste Management. Mr. Grappe' stated yes for the acceptance of this District's recyclable material because bidders will need to know where the material is going because the cost is more if it goes to Little Rock verses here. Mr. Grappe' stated he is trying to get all information gathered so that everyone can provide an accurate bid. Mr. McKeon asked how the RFP curbside pick up plan will work for the city of Alexander with approximately 100 residents and few businesses in Pulaski County. Mr. Grappe' stated it would not be affected, because what is in Pulaski County stays in Pulaski County, but the city of Alexander could pass a Resolution to include those few residents into the program. Mr. Erwin asked what the status of Republic turning our recycle center into a MRF. Mr. Grappe' stated it is still being discussed, but nothing is final. Mr. Erwin asked if curbside recycling is still on board and Mr. Grappe' replied yes. Mr. Grappe' stated he has hired some temporary assistance to help research issues for what types of software, hardware, collection process, billing process, postcard vs. envelope, etc. Mr. Grappe' and assistant met with Joy Ballard last week to review the possibility of her office doing billing, but they are only set up to do annually not quarterly. Mr. Grappe' stated there are lots of issues he is

trying to work through, like being responsible for paying hauler who collects it plus paying the disposal which would be an approximate monthly bill of \$400k-\$500k. Mr. Grappe' stated in order to do billing trying to determine when is the best time to send out like to get paid before service starts. Mr. Grappe' stated January 1st is not the optimum time to implement this program; it's better to start a month or so before Christmas or month or two after. Mr. Grappe' stated these issues do not affect the RFP but would like to have in place first because when we get the results of the RFP for the collection and hauling we need to be able to determine how much is it going to cost us to do accounting/billing/collection which will have to be added on to price we receive from contract. Mr. Walters stated it seems like it would be easier to start with just one city, like Bryant since they are all for it. Mr. Grappe' stated there are pros and cons to doing this program in stages. Mr. Erwin asked Mr. Mike Lauderdale what his position was in doing an overall proposal but implementing in stages. Mr. Lauderdale stated from a small hauler stand point it would be great to do in stages. Mr. Lauderdale stated that for example if Terry's Waste was fortunate enough to get bid and it was awarded all at one time, they would hire a contractor to deliver carts as would the larger companies; but if it was implemented they would deliver carts themselves. Mr. Walters asked how long it would take to get the carts. Mr. Lauderdale replied it took 13-14 weeks the last time they ordered. Mr. Roger Finley stated 6 weeks is normal turn around, however when it's a huge project like this going on in another location, it goes to the front of the line which delays others' orders. Mr. Lauderdale asked if the size and type of cart would be specified in RFP. Mr. Grappe' stated 96 gallon cart. Mr. Erwin asked if most carts have chips now. Mr. Lauderdale stated you can get carts either way, but they use the chipped carts in Morrilton, which records date/time hauler was there, time spent, etc. Mr. Erwin asked the additional cost for the chip. Mr. Lauderdale stated \$2-\$3. Mr. Erwin stated this would be very beneficial for our District. Mr. Erwin asked if the chips could track if the cart disappeared. Mr. Finley replied he did not think so. Mr. Grappe' stated he is not in favor of chips at this time because the technology is still lacking a great deal; chips and the integration of the program and its data is a stand alone process that enhances your ability to improve efficiency. Mr. Grappe' stated we are still moving forward with the curbside process and need to have some public meetings to talk about it. Mr. Erwin stated we had it tentatively scheduled so what is the update on that. Mr. Grappe' stated will have the schedule laid out for the Board at the next meeting.

Mr. Grappe' stated Hot Springs Village has asked to be included in the drop off location program and have sent proposal to them to determine if they want to discontinue their current recycle program and get involved in ours.

Mr. Grappe' stated our new single stream containers will be black with big decals of Smarty the Fox on them, and we are just waiting on the decals. Mr. Grappe' stated he is working with the Road Department to pour gravel around site at Benton to make it more accessible to public and has already had Officer Blevins clean up the area.

Mr. Grappe' stated he had a meeting with Alcoa a week and half ago concerning our yard debris program. Mr. Grappe' stated we have asked for 20 acres close to the landfill for two reasons: 1) when Alcoa puts in pipeline to run leachate treatment system to run from landfill to Bauxite we would like to tie onto that so we don't have to put in a sewer system, and 2)with our help and ADEQ, we will be able

to provide them daily cover which will reduce apparition costs of the landfill, so we will take our yard debris chips instead of using top soil for daily cover and will sell it at a market rate below the curve. Mr. Erwin asked what Alcoa's response was. Mr. Grappe' stated they are looking for the land now. Mr. Grappe' stated he has asked for a few specific pieces, and Alcoa is checking out the lease and ownership agreements. Mr. Grappe' stated he doubts they give it to us, but we should get to purchase at reasonable price. Mr. Erwin asked if Alcoa can give us that property. Mr. Gibson stated that Alcoa has the legal authority to give us the property but he does not believe they have the corporate will or intention to give it to us. Mr. Gibson stated that a "gift" by Alcoa to the District would be treated by Alcoa the same way a charitable deduction would be treated. Mr. Gibson stated that management with Alcoa has changed several times and there is a long history of memory of broken promises on both sides throughout our relationship with Alcoa which can color any negotiations that we get into very far. Mr. Grappe' stated that he is dealing with the lady from Pittsburgh in charge of real estate property for Alcoa who was very open to the discussions, and she is looking into the few pieces in prime locations we would be interested in purchasing because it doesn't make any sense to get a piece of property given to us on the backside of Bauxite. Mr. Gibson stated as our legal advisor but things the District purchases cleanly with no tail of and will do something else in the future will serve the District much better than having the difficulty of maintaining institutional memory on both sides. Mr. Gibson stated where we had difficulties with Alcoa before was them remembering 3-7 years later how much free dumping they were supposed to get in exchange for this favor or that which had been done at another time. Mr. Grappe' stated in his conversation he told her why he wanted the property, what it would be used for, the leachate and cover, etc. Mr. Erwin asked how we would manage the yard waste. Mr. Grappe' stated it would definitely be a drop off location but he is exploring different options in how to operate. Mr. Grappe' stated this would turn into an issue of shrubs vs. trees. Mr. Grappe' stated he doesn't want to get into the collection of yard waste materials as a collection for individuals at this time but more from private enterprises that would pay for the services. Mr. Grappe' stated we could eventually have a service for this pick up or a pay as you go service, but there are several options to explore later on.

Mr. Grappe' stated we have started advertising in publications with several local companies and signed contract this morning with Bryant Daily that will include educational write ups to inform citizens of the do's and don'ts and curbside collection and much more.

Upcoming Events: Mr. Grappe' stated next month is Earth month and April 27th Haskell will have a clean up. Mr. Grappe' stated April 20th we have joined with Benton Chamber of Commerce to have a South St. Clean up. Mr. Grappe' stated you can see on our website the great job the Eagle Scouts did on the Bethel Cemetery clean up. Mr. Grappe' stated April 16-18 will be attending the SWANA meeting at the Gold Strike Casino in Tunica, MS.

Old Business: There was no old business.

New Business

Mr. Grappe' stated we were tentatively scheduled to hold a public meeting before today's meeting but did not do so because have not been able to clearly define all zoning issues, but once that is finished

then we will hopefully be able to before next meeting. Mr. Grappe' stated we have guidelines to operate under and will pass those on to Counselor who will prepare a resolution.

Resolution for Renewal of Inter-District Tire Program Contract: Mr. Grappe' stated we have a Resolution for review. Mr. Gibson stated the copy of the contract was in the packet and after review he believes it is good and ready for action. Mayor Arey stated Resolution 2 of 2013 authorizing the Chairman to enter into a final contract with the Davis Rubber Co. incorporated for operation of Inter-District Waste Tire Management program and for other purposes. Mr. J.R. Walters made motion to accept Resolution 2 of 2013. Mr. Bob McKeon seconded the motion. Mayor Arey asked if there were any questions or comments. Mr. McKeon asked if the term had to be mentioned in this. Mr. Gibson stated no, the motion gives the Chairman the discretion to agree to the details of the agreement within the framework approved by the Inter-District Waste Tire Program. There was general discussion. All were in favor and motion passed with no opposition.

Public Comments: Ms. Stacy Edwards informed the Board that Mr. John Roberts fell at the office and broke his knee cap. There were no other public comments.

Mr. Bob McKeon made a motion to adjourn the meeting. Mr. J.R. Walters seconded the motion. All were in favor and meeting adjourned.