

**MINUTES OF REGULAR MEETING
HORRY COUNTY SOLID WASTE AUTHORITY, INC.
January 22, 2013**

The Horry County Solid Waste Authority, Inc. held a Regular Meeting on Tuesday, January, 22, 2013, at 5:30 P.M., at the Authority's Administrative Office, 1886 Highway 90, Conway, South Carolina. In accordance with the Freedom of Information Act, notices setting forth the date, time, and place of the meeting were mailed to the news media.

Present were the following Board Members: Danny J. Hardee, Chairman; M. Lance Thompson, Board Treasurer; Basem E. Hilal, Board Secretary; and Board Members J. Michael Campbell, John R. Long, II, and Dan P. Gray. Vice Chairman Rev. James H. Cokley was absent due to a prior commitment.

Ex Officio Members Steve Gosnell and Bill Graham were not in attendance. There were no members of the media in attendance.

The following individuals were also in attendance: Executive Director; Danny Knight, Esther Murphy, Director; Bill Hilling, Director; Donna Crump, Director; Emma Ruth Brittain, SWA Attorney and other staff to include Rodney Cannon, Jan Bitting, Wayne Martin, Mike Bessant, Larry Fine, Cecil Terry, and Chris Calhoun.

CALL TO ORDER

Chairman Hardee called the meeting to order and asked Mr. Thompson to render the invocation.

PLEDGE OF ALLEGIANCE

Mr. Hilal led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA

Chairman Hardee asked for any revisions to the Agenda as contained in the Agenda Packet; however, there were none.

Mr. Long moved to approve the Agenda as presented. There was a second by Mr. Thompson and the Motion was carried.

APPROVAL OF MINUTES

Chairman Hardee asked for any question on or amendments to the Minutes of the Workshop held on November 20, 2012 as contained in the Agenda Packet.

Mr. Hilal moved to approve of the Minutes of the November 20, 2012, Workshop. There was a second by Mr. Campbell.

Mr. Gray inquired if this was the workshop that he left early. Mr. Hardee indicated that it was. Mr. Gray stated he could not approve the minutes for the second half of the workshop because of his absence. He indicated the discussion centered on trying to silence him or remove him from the Board. Mr. Gray voiced his concern and said he was disappointed with the Board.

Mr. Gray indicated he would not be able to approve the minutes due to his absence. Mr. Hardee informed the group the reason for the workshop was for the newly elected Board Members to have an orientation on current matters of the SWA such as the flow control. Mr. Gray stated he was concerned about how the workshop was conducted. He objected to the material being distributed at the workshop with no time to study the material that was presented. Mr. Gray indicated he asked for a motion to table the discussion of the material presented at the workshop until the material could be studied; however, the motion did not get a second. Mr. Gray reminded the group he left the workshop to study the material and stated he would give his opinion at a later date. He stated after his absence there was discussion by the Board about using point of order and parliamentary procedure and seeking legal advice on how to remove him from the Board. Mr. Gray stated he could not agree with the minutes because of his absence; although, he indicated his surprise the Board would discuss the matter openly and it was reflected in the minutes. Mr. Gray stated he could not vote to approve the minutes. Mr. Campbell indicated he was also a newly elected member of the Board and stated he needed an update on current SWA matters. He stated any time a Board Member asked a question it should be answered and discussed so that all members could benefit from the information. Mr. Gray asked Mr. Campbell if he had any problems getting information that would be discussed in time for meetings. Mr. Gray indicated the Board Packet is usually delivered on Friday and the meeting is held on Tuesday. He indicated all he asked for was time to study the information presented to him. Mr. Gray informed the group since that did not happen, he excused himself from the workshop.

Mr. Hilal moved to approve the Minutes of the November 20, 2012, Workshop. There was a second by Mr. Campbell. The motion passed with Mr. Gray voting in opposition.

Chairman Hardee asked for any question on or amendments to the Minutes of the Regular Meeting held on November 27, 2012, as contained in the Agenda Packet.

Mr. Hilal moved to approve the Minutes of the November 27, 2012, Regular Meeting. There was a second by Mr. Campbell and was the Motion unanimously approved.

Chairman Hardee asked for any question on or amendments to the Minutes of the Regular Meeting held on December 10, 2012, as contained in the Agenda Packet.

Mr. Thompson moved to approve the Minutes of the December 10, 2012, Regular Meeting. There was a second by Mr. Campbell.

Mr. Gray inquired about a statement Mr. Knight made during the Roundtable discussion. Mr. Gray indicated Mr. Knight said he spoke with a group from a larger municipality that considered developing contracts and franchises for waste hauling. He stated the SWA staff would discuss the hauling of waste and not just recyclable materials. Mr. Gray indicated he contacted Mr. Knight and Chairman Hardee regarding this comment, but neither remembered it at the time. Mr. Knight advised the Board that he and Mrs. Murphy reviewed and listened to the meeting recording and the municipality he was referring to was Raleigh, NC and stated Wake County owned the landfill in the Raleigh area. Mr. Knight stated this was where staff acquired the idea of the SWA considering contracts as a means to stabilize funding. Mr. Gray asked if information regarding contracts would be discussed during New Business. Mr. Knight indicated contracts would be one of the ideas discussed in order to maintain SWA programs.

There being no further discussion, the Motion was unanimously approved.

Mr. Gray indicated at the November 27, 2012, Board Meeting he submitted, in writing, a request for information, which was reflected in the meeting minutes. Mr. Gray indicated it had been two (2) months and he had not received any information as of yet. Mr. Gray stated he had spoken with Mr. Knight about this information and was told that Chairman Hardee indicated this matter would be discussed at the Board Meeting during Roundtable Discussion. Chairman Hardee responded it was his recommendation that Mr. Gray's request be discussed during Roundtable Discussion; however, the Board would decide at that time how to handle the request.

PUBLIC INPUT

There were no speakers to present Public Input.

EXECUTIVE DIRECTOR REPORT

Recycling and Corporate Affairs Update

Mrs. Murphy offered an update of various projects in the Recycling and Corporate Affairs Division that were included as Pages 1-8 in the Board Packet.

Glass Clean Up System Update – Mrs. Murphy indicated that in May 2012, the SWA applied for and received a \$50,000 Solid Waste Grant from South Carolina DHEC for the purchase and installation of a glass clean-up system to be retrofitted to the existing Andela Glass Crusher at the MRF. She indicated as a part of the grant process, staff prepared the budget for the glass clean-up system. Mrs. Murphy stated the clean-up system would pull paper and metal out of the glass aggregate making a cleaner product to market. She informed the Board on December 30, 2012; staff advertised an RFP and also mailed information to various vendors for the purchase/installation of the glass clean-up system. Mrs. Murphy stated the bid opening was January 14, 2013, and one (1) response was received and awarded to Andela Products in the amount of \$50,809. She indicated the bid was reviewed and met the requirements. She informed the group the figure was reasonable and acceptable with the SWA only adding \$809.00 to cover additional cost not covered by the grant. Mrs. Murphy indicated the project should be completed within 10-12 weeks of the start date. Mr. Campbell asked if this system would clean up the glass we produced. Mrs. Murphy the system remove paper and metal contaminates from the crushed glass. Mr. Campbell informed the Board that would be a cleaner product to sell.

Electronic Waste Shelter Update – Mrs. Murphy stated over the past year she and staff had been working to install a shelter as a part of the electronic waste processing area. She indicated this shelter would shield employees from the elements as they processed the electronic waste. Mrs. Murphy commented the site planning was done last year and the concrete base had been poured. She stated that the metal building had been purchased through state bid. Mrs. Murphy indicated the RFP for the installation of the metal shelter was advertised on December 30, 2012, and proposals were opened on January 15, 2013. She stated one (1) bid was received from Homewood Metal Works Inc. in the amount of \$22,000. Mrs. Murphy informed the group staff previously researched the purchase and installation of the building and found this price to be reasonable and acceptable. She informed the group that staff was very familiar with the quality of work performed by Homewood Metal Works based upon previous projects they have performed for the SWA.

Mrs. Murphy stated the work would be completed in about 45 days. Chairman Hardee inquired about the size of the building. Mrs. Murphy indicated it was a 40ft x 30ft open air shelter.

Electronic Waste Update – Mrs. Murphy indicated that the 2010 South Carolina Manufacturer Responsibility and Consumer Convenience Information Technology Equipment Collection and Recovery Act (electronic waste “Act”), required that DHEC initiate the process of developing a new regulation to address and implement the applicable provisions of the Act. She advised the group that in January 2012, DHEC proposed draft regulations; however, DHEC permanently withdrew that document from consideration and the proposed regulation were not finalized. Mrs. Murphy stated on October 31, 2012, South Carolina DHEC published a notice of drafting to reinitiate the statutory process to develop a regulation to satisfy the requirements of the Act. She commented the proposed regulation would include, but not be limited to: reporting requirements; responsibilities of manufacturers of covered electronic devices as defined by the Act; and standards for the safe, environmentally responsible recovery of discarded devices. Mrs. Murphy stated the regulations may also establish administrative fines for violations of the Act. She indicated a stakeholder group was established to assist with development of the draft regulations and ensure the needs of local and county government agencies were met. Mrs. Murphy commented that the discussions to date have included representatives from the manufacturers, DHEC, government representatives, processors and many of the individuals from the original stakeholders group and stated once the group has completed the final draft, it would be presented to all interested parties for their review and input. She informed the Board that staff would keep them apprised of the progress regarding these regulations. Mr. Thompson inquired as to whether the SWA had an interest on the stakeholder group. Mrs. Murphy replied the SWA had not attended the meetings but was kept informed on the updates. Mr. Knight informed the Board that the SWA would attend the next meeting. He stated Rep. Nelson Hardwick from Horry County distributed information concerning the new e-waste legislation. Mr. Knight indicated this legislation includes and utilizes the permanent residential population of Horry County but does not include tourist. He stated the exact figures would be distorted because the population does not reflect the summer month’s population or dual residency.

Operations and Planning Update

Mr. Hilling reviewed his reports with the Board, which were included as Pages 9-17 in the Board Packet.

Landfill Inspection Update – Mr. Hilling advised the Board that DHEC had inspected the landfill for the month of December. He stated the landfill had received all 1’s the entire year. He expressed his pleasure with staff and their overall effort to keep the landfill looking its best. Mr. Campbell congratulated Mr. Hilling on having all 1’s for the year.

Landfill Safety Update – Mr. Hilling informed the Board there were no lost time injuries during the first six months of the year. He acknowledged staff received an email from Human Resources informing them that the experience modifier for worker’s compensation went down from .76 to .75, which does save the SWA on direct costs. Mr. Hilling commented this was the 6th consecutive year the modifier has been reduced. Mr. Hilling congratulated the entire staff and stressed the importance of safety.

Driver of the Month Update – Mr. Hilling stated Roosevelt Brown from the Allen’s Scrap Metal was named Driver of the Month for December, and stated he was a very courteous driver and well deserving of the honor. He informed the group the Board Packet included a collage of pictures of those drivers awarded this honor in 2012. Mr. Hilal congratulated Mr. Hilling on the Driver of the Month program.

C&D Recycling/Airspace Savings Update – Mr. Hilling indicated the C&D Recycling Facility had been open for about six (6) months and indicated it has been a time of continual change to improve the program. He stated the program and recycling efforts have expanded and now include wood scraps, cardboard, concrete, scrap metal, scrap aluminum, scrap plastic, PETE plastic, and dirt. Mr. Hilling indicated the intent of the program was to save and extend the life of the C&D landfill and advised the Board that the C&D Recycling Program as saved and extended the life of the C&D landfill by 11.18 days. Mr. Hilling expressed his delight that the program is doing what it was developed to do. In addition, the shingle recycling program has diverted more than 10,000 tons of shingles from the landfill since September 2011. Mr. Hilling indicated the C&D Recycling Program, shingle recycling program and carpet recycling program combined have extended the life of the landfill by approximately 46 days. Chairman Hardee asked Mr. Hilling how many tons had been pulled out of the line on the Factory. Mr. Hilling replied that 3,259 tons had been recycled through the C&D Factory, which equated to a 66% recycling rate for the first six (6) months. Mr. Campbell commented and expressed pleasure regarding the amount of airspace that had been saved. Mr. Hilling stated the shingle recycling was an important factor in the airspace savings and indicated was hoping to recycle more wood to sell for boiler chips. Mr. Hilling stated staff was working hard and making every effort to recycle as much material as possible.

Finance and Administration Update

Mrs. Crump presented the Finance & Administration reports to the Board, which was included as Pages 18-35 in the Board Packet.

Restricted Funds Transfer Update – Mrs. Crump offered a review of the unrestricted cash as of the quarter ending December 31, 2012, to determine if transfers to the restricted accounts were possible, in accordance with the Unrestricted Fund Transfer Account Policy Statement. Mrs. Crump indicated that the total unrestricted cash and cash equivalents as of December 31, 2012, were \$2,828,383. She reminded the Board that the quarterly unrestricted cash threshold for FY 2013 was \$3,001,494, which equates to 15% of the estimated annual revenues. Mrs. Crump indicated that for quarter ending December 31, 2012, the unrestricted cash amount was \$173,111 short of the 15% threshold. She indicated staff reviewed the designated accounts and determined that the MRF was operating at a loss as of December 31, 2012, therefore \$124,950 transferred to the MRF Contingency Account during the first quarter would be transferred back to the unrestricted cash account. In addition, Mrs. Crump stated, in order to make up the difference in the shortfall, staff recommended transferring \$48,161 of the funding originally transferred to the Piggyback Expansion Account back to unrestricted cash. Mrs. Crump advised the Board that staff had discussed these recommendations with Mr. Knight and he concurred.

Mr. Gray moved to accept staff's recommendation to transfer \$124,950 from the MRF Contingency Account and \$48,161 from the Piggyback Expansion Account to Unrestricted Cash and Cash Equivalents for the second quarter of FY 2013. There was a second by Mr. Campbell and the Motion was carried.

Financial Reports – Mrs. Crump offered a review of Financial Reports as contained in the packet and informed the Board that in December net income was approximately \$71,300. She stated year-to-date revenues were at 45% of budget and indicated year-to-date operating expenses were at 41.5% of budget. Regarding the tonnage reports, Mrs. Crump stated MSW tonnage was up 1.7% as compared to this time last year and C&D tonnage was down 1.9% compared to last year. She indicated the recycling rate for the C&D Factory was about 64-66% for December. Mrs. Crump offered a breakdown of the material being recycled at the C&D Factor as follows: clean wood 52%, cardboard 7%, concrete 9%, scrap metal 5% and dirt 21%.

Mrs. Crump reviewed with the Board the current trend in the fiber market. She indicated fiber market prices were down about \$285,000; however, tonnage was up over 3,000 tons. Chairman Hardee asks if fiber was averaging about \$90 per ton. Mrs. Crump replied fiber was \$120.00 per ton for December.

Mr. Gray asked how the SWA's C&D Factory compares to Lee Disposal and E-Z Dump facilities in that they are required to recycle 75%. Mrs. Crump stated the SWA does not have the same guidelines since the SWA was a permitted facility. She reminded the group the SWA set a 50% recycling rate as the internal goal.

Mr. Thompson inquired about the processing fees listed under Other Revenue and why there was no expense was budgeted for this account. Mrs. Crump indicated the processing fees were related to the cost charged to the County and municipalities to process e-waste. She explained that prior to July 1, 2012, the SWA charged customers a \$32.00 per ton processing fee for e-waste. Mrs. Crump indicated with the July 1, 2012, changes to the State contract for e-waste recycling, the County and municipalities were being charged \$800.00 per ton. She indicated this fee was subsequently reduced to \$400.00 per ton after the first quarter billing was received and reviewed. She stated the SWA will adjust the fees to actual at the end of each quarter and will reimburse the County and municipalities any fees if necessary.

Special Projects & Governmental Affairs Update

Mr. Bessant presented an update on various projects in which were included as Pages 36-39 of the Board Packet.

C&D Recycling Incentive Program Update – Mr. Bessant stated, for December, the total tons of material received from the designated C&D recycling centers was 731.94 tons, of which, 509.06 tons was recycled. Mr. Bessant indicated the total incentive tons for December were 449.33 tons. He stated the reduction in tipping fees to the designated C&D haulers was \$2,110.75 for December. Mr. Bessant indicated the year-to-date tonnage for the program was 6,902.73. He commented that the total tons of concrete recycled for December were 2,228.51 tons. Mr. Bessant stated the year-to-date recycling tonnage was about 4,261.58 tons or 62%. He indicated the year-to-date recycling tonnage without concrete was

2,033.07 or 45%. He stated that Lee Disposal was recycling at about 75.23% of the material and E-Z Dump was only recycling 49.94% of material. Mr. Bessant indicated the year-to-date recycling credits in tipping fees were \$8,597.45. Mr. Gray asked about the SWA's C&D recycling percentage. Mr. Bessant stated the SWA has a 66% recycling rate without concrete. Mr. Gray commented that comparing the SWA's facility to the designated C&D facilities, apples to apples, the SWA has a 66% recycling rate and the others have a 45% recycling rate. Chairman Hardee stated the guidelines of the 75% recycling rate were set by DHEC. Mr. Bessant concurred and stated the Factory was a Solid Waste Processing Facility and was permitted through DHEC regulations. Mr. Bessant indicated Lee Disposal and E-Z Dump are MRF's and must recycle at least 75% of material taken in. Mr. Bessant stated he would be sending E-Z Dump a letter about their ineligibility for the recycling incentive program.

Legislative Update – Mr. Bessant offered a review of the Flow Control bills. He stated both bills had been passed through the House and the Senate's Agriculture, Natural Resources and Environmental Affairs Sub-Committee. He stated that Berkley County added an amendment to the bill since they have a user fee. Mr. Bessant informed the group that Berkley County had an economic disposal fee of \$75 for all residents. He informed the group the amendment stated if a county or municipality had a bond that currently relied on user fees, any changes in the law would not affect them. Mr. Gray asked how the user fee was applied; per household or parcel. Mr. Bessant indicated he was not sure how the fee worked but both commercial and residents of Berkley County were charged a flat fee of \$75 on their tax bills for disposal of waste. He commented this was referred to as economic flow control. Mr. Knight asked if Horry County tried to introduce a similar fee. Mr. Bessant stated they County tried in the past but was defeated by the private industry. Mr. Bessant indicated the bill states that the County cannot restrict or prohibit the flow of waste to a permitted waste facility. Mr. Bessant indicated that waste from North Carolina could not be prohibited from dumping in Horry County. He stated the bill does not indicate a landfill could refuse to take out-of-county-waste into its facility. Mr. Gray asked if Horry County could or could not accept waste from outside of the county. Mrs. Brittain stated the bill was not very well written in terms of clarity. She indicated there are several different interpretations of the bill which indicates, a County "shall not impede the flow of waste". Mr. Gray stated at one time the SWA wanted to be a regional landfill but Horry County Council voted no. Chairman Hardee commented that if it is determined that the SWA has to accept out-of-state waste, he would recommend an adjustable tipping fee for residents of Horry County and another for out-of-state waste. Chairman Hardee indicated residents could pay \$29 per ton and out-of-state users could pay \$129 per ton. He stated if flow control goes away the SWA may consider the option of contracting and hauling to protect the citizens of Horry County. Mr. Gray indicated he did not agree but would hold any further comments until New Business.

League of Cities Meeting Update – Mr. Bessant briefly reviewed his meeting with the League of Cities and stated he met with group to discuss the new e-waste proposals. Mr. Bessant stated electronic waste bills have been discussed all over the state. As mentioned earlier, Mr. Bessant indicated Rep. Hardwick had introduced new legislation to help cities and municipalities on how to cover the cost of disposing of the e-waste.

Executive Director Update

Mr. Knight briefly discussed the following items with the Board on page 40 in the Board Packet.

Safety Committee Accident Policy Update – Mr. Knight stated the Board allowed the Executive Director to establish and administer an Employee Safety Committee. He indicated he was recommending the establishment of a policy to encourage employees to take better care of SWA equipment. He stated, instead of discussing this tonight, he preferred to wait and give the Board time to study the material and then present it at the next Board meeting.

There were no other questions or comments on the remaining reports.

COMMITTEE REPORTS

There was no Committee Reports to come before the Board

OLD BUSINESS

- a. **Sandlands Flow Control Lawsuit Update** – Staff Attorney Emma Ruth Brittain gave a brief update on the Sandlands Flow Control Lawsuit. Mrs. Brittain stated on January 3, 2013, the judge issued a decision regarding the summary judgment requested by both parties. She offered a review of the steps taken during the summary judgment process. Mrs. Brittain advised the group that Judge Wooten issued an order containing a very detailed opinion in which he analyzed each claim in determining whether the flow control ordinance violated the commerce clause in the constitution. She explained Judge Wooten offered an analysis on the United Haulers and Pike voucher test and found the Horry County Flow Control Ordinance did not discriminate against or otherwise violate the commerce clause to the U.S. Constitution. Mrs. Brittain commented that the judge stated the management of solid waste, like in Horry County, involved public safety and indicated the way the flow control ordinance is administered is even handy. She indicated Judge Wooten also held that the ordinance does not violate equal protection of either the state or federal constitution, nor is it an unlawful delegation of the police power which was also being alleged by the plaintiff. Mrs. Brittain advised the group that the judge indicated the ordinance did not violate the contract clause of the US Constitution or State Constitution and did not constitute inverse condemnation, nor is it in violation of substantive due process. She indicated the plaintiffs were not denied any denial of vested rights since it was a lawful traditional governmental function it is something the government can take up and do at any time and therefore private business did not have the vested right to count on being able to engage in that activity forever. Mrs. Brittain stated the court adopted the South Carolina Supreme Court decision as to preemption and totally agreed that they were going to adopt that decision into the State Supreme Court opinion. Mrs. Brittain indicated she did not know if this has ever occurred before and stated it was a welcomed detail. She stated Judge Wooten's decision indicated the ordinance did not institute interference of contractual relations and/or interference with prospective contractual relations either current or prospective of the plaintiffs and that there was no violation of the South Carolina Unfair Trade Practices Act so he upheld the ordinance.

Mrs. Brittain stated the plaintiff's could file an appeal within thirty (30) days. She indicated the Fourth Circuit Court of Appeals was located in Richmond, Virginia and commented that the decision would be made by a panel of judges. She indicated this would involve briefings and/or oral arguments and it would take time. Mrs. Brittain stated nothing would be immediate but this

order would continue the flow control ordinance. She commented that the ordinance would go unaffected if it is not appealed within thirty (30) days or until there was a ruling otherwise. Mr. Thompson if the thirty day time period began on January 3rd and Mrs. Brittain stated that was correct.

Mr. Gray asked Mrs. Brittain if the plaintiffs would appeal. Mrs. Brittain informed the Board she attempted to contract the plaintiff's attorneys in an attempt to find out if they would appeal the decision; however, she had not yet spoken to them. Mr. Gray asked if the plaintiffs could introduce new information/evidence or retry a case during the appeal. Mrs. Brittain stated no new material could be introduced and indicated during an appeal the court determines if the plaintiff had a fair trial. Mrs. Brittain stated Judge Wooten incorporated the State Court opinion into the Federal Court opinion, which strengthened the SWA's position. Mr. Gray stated given the amount of money spent by the other side he did not think they would appeal or pursue it. Mr. Long asked Mr. Bessant if the legislature acknowledges decisions given by the judicial branch of government. Mr. Bessant stated it was never discussed or brought up. Mrs. Brittain indicated that she had brought it to the attention of the legislators at the sub-committee meeting that a decision on this issue had been rendered by the U.S Supreme Court, State Supreme Court and South Carolina Federal District Court as well as the political body in Horry County. She informed them that they were putting themselves in the position of overruling the elected body of Horry County, who is responsible for dealing with the disposal of waste in Horry County and indicated they should defer to the County on how to handle the trash. Mrs. Brittain indicated she provided a copy of the decision to the legislators and offered to answer any questions about the decision and guide them through what the court said. She stated no questions on the decision were asked; however, she was interrogated heavily regarding other topics.

NEW BUSINESS

- a. Long Term Planning** – Mr. Bessant informed the Board that staff was looking at Long Term Planning. He indicated the Recycling Education Program, Talkin' Trash School Program, Scholarship Program, Household Hazardous Waste Program, Disaster Debris Preparedness Program, Property Management Program and many other non-revenue generating programs were in jeopardy with the current legislation introduced at the state capital. Mr. Bessant stated these programs were funded through revenue generated by the landfill tipping fees. He indicated staff was seeking authorization to begin investigating ways these programs could continue and/or other ways to generate funding for these programs. Mr. Bessant suggested exploring long term planning options such as reduced rate programs, increasing property taxes, increasing tipping fees, franchising, contracts and/or waste hauling services. Mr. Thompson asked if this was an exploratory action. Mr. Bessant indicated it was and stated once staff had researched the options they would come back to the Board and ask how to proceed. He indicated staff would inform the Board of Directors within the next 180 days of ideas, suggestions and programs they had studied. Chairman Hardee replied this was to keep the group apprised of any questions they might be asked in the future. Mr. Knight stated he attended the Horry County Council Administration Committee meeting and was informed that the Council was upset about the Flow Control ordinance and felt the legislature overstepped the boundaries of home rule. Mr. Knight stated that County Council suggested hiring attorneys instead of lobbyist. He said Councilman Worley stated the SWA should go into the garbage hauling business. Mr. Knight stated that was discussed at the December 10, 2012, Board Meeting and reflected in the minutes. He indicated the Board should consider all options. Chairman Hardee stated

several councilmen have asked if the SWA would consider going into the hauling business. He indicated the flow control had helped the haulers who were interested in the incentive program. Chairman Hardee stated he had been in the original meeting when the ordinance was discussed. He stressed the incentive programs were in place for the haulers benefit. Mr. Campbell stated that the SWA should consider exploring other option if flow control was defeated. Mr. Gray indicated that the SWA has the only MSW landfill within 100 miles of Horry County and the SWA has a monopoly on garbage whether we have the flow control ordinance or not. He stated the SWA has a state-of-the-art MRF, a brand new material processing facility, all the equipment and buildings are paid for and the SWA pays no taxes. Mr. Gray indicated the SWA had an excellent operation. He commented whatever happens in Columbia would not monetarily affect the SWA's revenue stream in the long term. Mr. Gray commented that some of the C&D waste would leave the county, but only a little. He stated that the SWA did not have a revenue problem but a spending problem. Mr. Gray suggested that cutbacks in spending are considered as a long term planning goal. He indicated spending cuts would help save the programs for the school children. Mr. Gray stated whenever flow control is discussed the first thing mentioned is to cut recycling and the Talkin' Trash programs. He stated this was a scare tactic by the SWA. Mr. Gray stated the SWA started out rich and would be rich afterwards with or without the flow control. He indicated the proactive planning was a good thing for future contingency but the SWA was sending the wrong message with threats of going into the hauling business. Mr. Gray stated that flow control would most likely be stalled in the legislature and if it passed would still need the governor to sign the bill into law. Mr. Gray stated the monies used for promotion and public relations would be better spent on the programs for schools instead of threatening layoffs. He indicated the SWA should do a better job managing their monies. Mr. Gray indicated many have said this would be an infringement on home rule and would be tied in court for a while. He commented that the SWA should not go into the hauling business. Mr. Gray speculated that if the SWA has the only landfill and went into the hauling business people would assume the SWA would take the County's material at no cost while charging the other haulers. He stated that would be predatory pricing and the SWA would be sending out the wrong message. Chairman Hardee stated the reasoning behind the flow control was to keep the waste revenue in Horry County. He stated a company had talked to the city managers and tried to convince them of a need for another transfer station in Horry County or another option to dispose of their waste other than the landfill. Chairman Hardee indicated they also went and spoke with the city managers and it was confirmed the information was correct and that was why the flow control ordinance was enacted. He indicated that only one hauler in Horry County had a better price at another landfill. Mr. Gray stated he did not think government should be in the hauling business and this would create a true monopoly. He stated he was not against the principle of proactive planning. Mr. Gray indicated he would vote no because of the timing and he thought the SWA should wait before implementing this long range planning.

Mr. Hilal moved that the Board of Directors give the Executive Director authorization to proceed with the development of long term plan including the authorization to negotiate a plan with any private industry or governmental entity. Any long-term plan can only be executed after approval of the HCSWA Board of Directors. There was a second by Mr. Long the Motion was carried with Mr. Gray voting in opposition.

- b. **2013 Lobbying Discussion Update** – Mr. Bessant stated the legislative session began in January 2013. He discussed that the House of Representatives introduced Bill 3290 and the Senate introduced Bill 203 as well as new e-waste legislation. He indicated that if these bills were approved they would impact the waste stream of Horry County. Mr. Bessant commented that due to the projected impact of these bills on SWA's programs, staff was recommending using Beam & Associates for professional contractual obligations. He stated the existing contractual services were \$185 per hour, plus expenses. Mr. Knight indicated there were numerous issues in the legislature that were not known about in the private or public sector. He stated that he thought the Association of Counties would offer assistance with some legislation but that had not been the case. He stated that the lobbyist were the SWA's best option and recommended working with them one (1) more year. Mr. Knight commented that he thought the bill would pass in the House of Representatives, but stall the Senate.

Mr. Campbell moved to allocate \$100,000 to be utilized to employ lobbyist and should the lobbying expenditure exceed \$100,000 the matter would be returned to the Board for additional review. There was a second by Mr. Hilal.

Mr. Campbell discussed capping Beam & Associates expenditures at \$100,000 and if more money was needed, staff would come back before the Board. Mr. Gray stated that was the most responsible statement of stewardship of the SWA's money he had heard since serving on the Board for almost 13 months. Mr. Gray thanked Mr. Campbell for the stipulations put on the lobbying contract. He stated that Beam & Associates had spent over \$850,000 in lobbying efforts. Mr. Gray indicated \$50,000 had already been spent this year. He indicated the SWA gives Beam & Associates money to work on miscellaneous matters and Beam then submits a bill. Mr. Long asked if that was an accurate statement. Mr. Gray stated that was his opinion and replied he had never seen a contract or any invoices. Mr. Long stated Mr. Gray was making assumptions. Mr. Gray indicated it would be good if at some point in time Wayne Beam would come and inform the Board of his lobbying efforts, his contract, and how he bills the SWA for his time. Mr. Gray indicated that \$850,000 was good deal of money to spend on something the SWA has a monopoly, which is MSW waste. Mr. Gray reiterated the motion and stated if Beam & Associates spends \$100,000 staff would come back to the Board, request additional funding and explain how the money would be spent. Mr. Campbell replied that was correct. There being no further discussion, **the Motion was unanimously carried.**

Mr. Gray stated he would also like The Sellers Group to come before the Board and answer questions about the half million dollars spent with them over the last two (2) years and the \$50,000 spent the last six months. Mr. Gray stated again the SWA has a spending problem. Mr. Gray stated The Store was a feel good project. He indicated Horry County had ten (10) Goodwill stores that perform the same function as The Store and indicated \$400,000 has been spent on The Store, which was not a good expenditure. Chairman Hardee stated a workshop could be held to ensure all Board Members were aware of the actions of the SWA. Mr. Gray agreed and stated he would like the information ahead of time so he can review, study and ask questions. Chairman Hardee stated if a Board Member needed small amounts of information located and/or copied, that would not be a problem; however, if a Board Member made several requests for information that involved numerous files, this would require more time in order that this information could be located and copied. Chairman

Hardee stated a Board Member could make an appointment with staff and then come in and review the files and staff could copy the material as requested. Chairman Hardee indicated information requests should be given to Mr. Knight. Mr. Gray inquired about the information he requested. Chairman Hardee stated he directed Mr. Knight to postpone completion of this request until he could meet with the full Board and discuss the matter. Regarding the information Mr. Gray requested, Chairman Hardee commented that some laws had been changed and staff was finalizing the information regarding the tax code and the SWA's ability to hire lobbyist. Mr. Knight invited Mr. Gray to visit the office and indicated staff would provide any information he needed. Mr. Gray indicated he would be put in a room with boxes to look up and find his own information. Chairman Hardee replied staff would pull the specific file he requested. Mr. Long called for point of order. Mrs. Brittain reminded the Board that confidentiality rules could apply for certain documents. Mr. Gray indicated he was requesting general information, such as a check register.

Chairman Hardee stated Mrs. Brittain would work with staff on developing a procedure on how to handle the request of information from Board Members. Mr. Gray commented after two (2) months no information had been provided to him per his request. Chairman Hardee indicated this would be addressed at the next Board meeting.

- c. **Sale of Surplus Equipment** – Mr. Hilling informed the Board that due to the purchase of the new Horizontal Grinder Beast Model 4680 in January 2013, unit #339, a 2006 CBI Grinder Model 8400 was no longer being used. He stated the CBI grinder has approximately 10,000 hours of use. Mr. Hilling indicated staff was requesting approval to surplus the CBI grinder on Govdeals.com. Mr. Thompson asked staff would follow the same procedures used in the past with regarding to selling equipment on Govdeals.com and Mr. Hilling indicated they would.

Mr. Long moved to accept staff recommendation that the Board of Directors approve the surplus sale of the 2006 CBI Grinder Model 8400, unit #339 on Govdeals.com. There was a second by Mr. Hilal the Motion was carried.

MOTION TO ADJOURN

There being no further business to come before the Board, **Mr. Thompson moved, seconded by Mr. Long to adjourn the meeting. The Motion was carried** and the Regular Meeting was adjourned at 7:25 P.M.

Minutes approved on February 26, 2013.

HORRY COUNTY SOLID WASTE AUTHORITY, INC.

BY: _____(L. S.)
Danny J. Hardee, Chairman

ATTEST:

_____(L. S.)
Basem E. Hilal, Secretary

_____(L. S.)
J. Michael Campbell

_____(L. S.)
James H. Cokley

_____(L. S.)
Dan P. Gray

_____(L. S.)
John R. Long, II

_____(L. S.)
M. Lance Thompson