

**MINUTES OF REGULAR MEETING
HORRY COUNTY SOLID WASTE AUTHORITY, INC.
April 22, 2014**

The Horry County Solid Waste Authority, Inc. held a Board Meeting on Tuesday, April 22, 2014, 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: Rev. James H. Cokley, Chairman; M. Lance Thompson, Vice Chairman; Dan P. Gray, Board Secretary; John R. Long, II, Board Treasurer; and Board Members J. Michael Campbell, Pam J. Creech and W. Norfleet Jones.

Ex Officio Member Kevin Blayton was in attendance. Ex Officio Steve Gosnell was absent. Vance Moore of Garrett and Moore Engineering, Paul King, Wren McMeekin and Andy Troublefield of King Construction represented the public in attendance. There were no members of the media present.

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

CALL TO ORDER

Chairman Cokley called the meeting to order and Mr. Thompson rendered the invocation.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF AGENDA

Chairman Cokley 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. Campbell and the Motion was carried.

APPROVAL OF MINUTES

Chairman Cokley asked for any questions on or amendments to the Minutes of the Regular Meeting held on March 25, 2014, as contained in the Agenda Packet.

Mr. Jones moved to approve the Minutes of the March 25, 2014, Regular Meeting, there was a second by Mr. Campbell and the Motion was unanimously approved.

Chairman Cokley asked for any questions on or amendments to the Minutes of the Budget Workshop held on April 8, 2014, as contained in the Agenda Packet.

Mr. Jones moved to approve the Minutes of the April 8, 2014, Budget Workshop, there was a second by Mr. Long and the Motion was unanimously approved.

PUBLIC INPUT

There were no requests to present Public Input.

MOTION FOR EXECUTIVE SESSION

Motion for an Executive Session for the purpose of discussing a contractual matter was made by Chairman Cokley. Mr. Jones gave a second and the Motion was carried unanimously.

The Board went into Executive Session at 5:32 P.M.

MOTION TO COME OUT OF EXECUTIVE SESSION AND BACK INTO OPEN SESSION

At 6:03 P.M., Motion was made, seconded and carried that the Board come out of Executive Session and back into open session.

STATEMENT FOR THE RECORD

Chairman Cokley stated no votes or action taken in the Executive Session.

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 17-29 in the Board Packet.

Carolina Recycling Association Conference Update – Mrs. Murphy and Mr. Bessant attended the Carolina Recycling Association Annual Conference held in Asheville, NC the week of March 31- April 3, 2014. She informed the group that she participated in a roundtable discussion on plastics. Mrs. Murphy stated as a part of the Annual Awards program a nomination application was submitted on Daisy Elementary School. Mrs. Murphy indicated this award honored Daisy Elementary as the Outstanding School Recycling Program for both North and South Carolina schools. She stated Daisy Elementary's recycling program exceeded expectations on every level and stated staff was proud of the commitment the school has in its recycling efforts. Mrs. Murphy indicated that Daisy Elementary had been presented with the award earlier today.

SC DHEC FY2015 Grant Update – Mrs. Murphy informed the group the SWA had applied for the following grants this year:

- **Waste Tire Grant - \$45,565** = \$41,565-Contractor Cost; \$3,000-Public Education; \$750-Professional Development
- **Used Oil Grant - \$35,178** = \$29,428-Equipment; \$5,000-Public Education; \$750-Professional Development
- **Solid Waste Grant - \$10,000**- \$10,000-Contractor Costs (Electronic Waste Recycling Program)

Mrs. Murphy stated this year SC DHEC had limited the amount of funding an agency could request for electronic waste recovery. Mrs. Murphy stated she would inform the Board when the grants were awarded.

UCS Recycling Center of the Quarter Update – Mrs. Murphy informed the Board that Dorman’s Crossroads Recycling Center was named Recycling Center of the Quarter. She stated Mr. Ken Boyd was the full time site attendant at Dorman’s Crossroads. Mrs. Murphy indicated the next announcement of recycling center of the quarter would be in July 2014.

2014 Environmental Scholarship Recipients Update – Mrs. Murphy informed the Board that thirteen (13) students would be awarded the SWA 2014 Environmental Scholarship this school year. She indicated each would receive \$1,000 scholarship and a medal upon completion of the volunteer requirements for this award. The recipients are as follows:

- O’Chun Jones – Academy for Arts, Science & Technology
- Katelynn Jones – Academy for Technology & Academic
- Adam Doyle – Aynor High School
- Emilie-Kate Tavernier – Coastal Leadership Academy
- Spenser Causey – Conway High School
- Mackenzie Morton – Early College High School
- Quentin Strickland – Green Sea Floyds High School
- Holly Hardee – Loris High School
- Jessie Baker – Myrtle Beach High School
- Taylor Gerland – North Myrtle Beach School
- Laura Ouverson – Saint James High School
- Jamie McKee – Socastee High School

Mrs. Murphy advised the Board the scholarship recipients must complete SWA community service. She stated the students were always excited about volunteering.

Open House Update – Mrs. Murphy informed the Board the SWA held a facility Open House today in celebration of Earth Day. She stated the SWA had 29 people come out and tour the administrative offices and the landfill facilities. Mrs. Murphy indicated the group was fun and energetic. She stated lots of questions were asked regarding the landfill.

Operations and Planning Update

Mr. Hilling offered an update of various projects in the Operation and Planning Division that were included as Pages 30-37 in the Board Packet.

Driver of the Month Update – Mr. Hilling stated Steve Harrington from the City of Conway was selected as the March driver of the month. Mr. Hilling indicated Mr. Harrington was professional and courteous when interacting with the scalehouse staff.

Household Hazardous Waste Update – Mr. Hilling offered an update on the Household Hazardous Waste program and stated MXI picked up material on March 17, 2014. He stated 28,791 lbs of material was collected from the facility. Mr. Hilling indicated year-to-date a total of 113,016 lbs of material has been disposed of and this included batteries.

East Hill Fill Closure Update – Mr. Hilling informed the Board that two (2) contractors bid on the East Hill Fill Closure project April 10, 2014. He stated the contractors were King Construction Services and Thalle Construction Company. Mr. Hilling indicated that Mr. Vance Moore of Garrett and Moore would discuss the closure project under the New Business portion of the meeting.

Carpet Padding Update – Mr. Hilling informed the Board that staff had set a goal to recycle one million pounds of carpet and padding. He stated for the year operations staff had recycled 786,780 pounds. Mr. Hilling anticipated having at least six (6) loads of material shipped out before the end of the year.

Finance and Administration Update

Mrs. Bitting presented the Finance & Administration reports to the Board, which were included as Pages 38-53 in the Board Packet.

Monthly Finance Reports – Mrs. Bitting offered a review of financial reports as contained in the packet and informed the Board on the summary page the SWA was at 66.64% of budget through nine months of the year. She stated on the income statement MSW was at 75.80% of budget; mixed construction was at 70.53% of budget; and yard waste was at 89.17% of budget. Mrs. Bitting commented that yard waste had an increase because of the storm debris. She stated recyclable sales were at 68.44% of budget a little less than anticipated. Mrs. Bitting indicated that landfill gas was at 74.64% of budget. She informed the Board in April net income was \$185,091.77. Mrs. Bitting stated recyclable sales for March were \$260,989.57. She indicated year-to-date revenue was at \$714,980.95. Mrs. Bitting stated overall construction and demolition had a decrease in incoming material of 7% in March. She indicated revenue for construction and demolition material for March decreased \$33,000. Mrs. Bitting estimated for February, March, and April a total decrease of revenue of \$104,000 due to the loss of construction and demolition material. She stated by the end of the fiscal year, staff was estimating a loss of \$220,000 in revenue. Mrs. Bitting indicated there has been a decrease of revenue of \$12,500 weekly since the loss of flow control. Mr. Gray asked if we budgeted for the possibility of \$450,000 was decrease. Mrs. Bitting stated that was correct and that figure included the four (4) positions that were not filled. Mr. Knight replied if the \$450,000 was for FY2014. Mrs. Bitting stated the \$450,000 was for half of FY2014 indicated \$650,000 was being projected for FY15.

Special Projects & Governmental Affairs Update

Mr. Bessant presented an update on various projects which were included as Pages 54-58 of the Board Packet.

C&D Recycling Designated Facilities Update – Mr. Bessant offered a report for Lee Disposal concerning the C&D Recycling Incentive Program. Mr. Bessant stated for March, the total tons of material received from Lee Disposal were 688.81 tons, of which, 448.35 tons were recycled. Mr. Bessant indicated the total incentive tons for March were 460.76 tons. He stated the reduction in tipping fees to the designated C&D hauler were \$2,322.90 for March. Mr. Bessant indicated Lee Disposal's year-to-date tonnage for the program was 6,039.39. He commented the total tons of concrete recycled for March were 2,310.55 tons. Mr. Bessant stated the year-to-date recycling tonnages were 4,277.10 or 70.82%. Mr. Bessant indicated the year-to-date recycling tonnages without concrete were 1,966.55 or 52.74%. He stated the year-to-date recycling credit in tipping fees to Lee Disposal were \$10,251.35. Mr. Thompson asked if this was the last year for the Construction and Demolition Recycling Incentive Program. Mr. Bessant replied if the Board approved the budget for FY2015 the incentive would end. Mr. Thompson asked if Mr. Bessant had spoken with Mr. Lee from Lee Disposal and he was made aware of the upcoming termination of the program. Mr. Bessant acknowledged he had spoken with Mr. Lee and this matter had been discussed.

Recycling Incentive Programs Update – Concerning the recycling incentives, Mr. Bessant indicated the following incentives were given by the SWA in March: MSW Recycling \$170,788.76, C&D Recycling Facility \$47,242.70, C&D Designated Facilities \$10,251.35. He stated the total incentive saving year-to-date for SWA customers was \$228,282.81.

Legislative Update – Mr. Bessant stated the E-waste bill had been passed. He indicated SC DHEC was reviewing plans from the E-waste manufactures as to how to dispose of their waste by September 30, 2014. Mr. Bessant stated SC DHEC would have regulations in place by January 2015.

Executive Director Update

Mr. Knight briefly discussed the following items with the Board on Pages 59 in the Board Packet.

Horry County Budget Retreat Update – Mr. Knight briefly discussed Horry County's Budget Retreat. He stated staff and several board members attended the retreat. Mr. Knight informed Horry County Council that the Horry County Solid Waste Authority budget was balanced. He indicated that the Council was pleased and all questions were answered. Mr. Knight stated the FY2015 budget would be presented to the I&R Committee. Mr. Gray asked if the Board was finished with its review. Mr. Knight stated the budget would come back before the Board for final approval.

Review of Highlighted Pre-Budget Workshop Minutes – Mr. Knight generally discussed the highlighted pre-budget workshop minutes which he distributed at the March 25, 2014 Board Meeting. He asked the Board to please be careful when making statements that may be taken out of context. He commented that County Council received misinformation about SWA matters and he has to explain in detail what was said. Mr. Knight stated the loss of construction and demolition was inevitable and this had been anticipated for years. Mr. Thompson asked if he had made an incorrect statement or assumptions when asking about the overtime. Mr. Knight indicated he did not and commented that overtime would be reviewed very closely and cutback. Mr. Knight asked the Board to request the information from staff if clarification is needed.

COMMITTEE REPORTS

There were no Committee Reports to come before the Board.

OLD BUSINESS

- a. **The Store Analysis** – Mrs. Bitting reviewed with the Board some options discussed at the Budget Workshop regarding The Store and Horry County Council on Aging. She stated staff had prepared (four) 4 recommendations for the Board. Mrs. Bitting indicated under option #1, the SWA's expenses would be covered, the Horry County Council on Aging expenses would be covered, and both parties would split any profit. She stated under option #2, the SWA's expenses would be covered and the remaining funds would go to the Horry County Council on Aging. Mrs. Bitting indicated option #3 would entail the Horry County Council on Aging leased the property. She stated option #4 would be to close The Store. Mrs. Bitting distributed a handout of the cost analysis for all expenditures for The Store. She explained that the figures for FY13 were the actual figures for the year and the figures for FY14 was an estimate. Mrs. Bitting stated the Horry County Council on Aging was paying the salaries but the SWA would still have to pay for insurance and electricity on the

property. Chairman Cokley asked for clarification on facility M&R. Mrs. Bitting explained this was for maintenance and repairs for the building. Chairman Cokley asked about the amount of revenue received from The Store last year. Mrs. Bitting stated about \$73,000 in revenue was received and after the split of expenses the SWA received \$10,000 in profit. She explained this year the anticipated profit was \$20,000. Mrs. Bitting stated the SWA needed approval for Mr. Knight to enter into an agreement with Horry County Council on Aging with The Store. She indicated option #3 and option #4 would affect the FY2015 budget. Mrs. Bitting explained in option #1 and option #2 the SWA would still record the expenses and revenue for The Store. Mr. Gray recommended accepting the SWA adopt Ms. Creech's recommendation. Chairman Cokley replied that Ms. Creech's recommendation was not an option that the motion at the budget workshop was not carried that way. Mr. Gray said three (3) options from staff were to be presented and one (1) should have been Ms. Creech's recommendation. Ms. Creech said she had discussed several options and option #2 and option #3 were the closest to her recommendation. She commented that the SWA should not incur the expenses of salaries for the Horry County Council on Aging. Ms. Creech said if the Horry County Council on Aging leased the property then they would be responsible for all of the expenses. Mr. Campbell asked Ms. Creech about option #1. Ms. Creech said option #1 was the current agreement with the Horry County Council on Aging. She stated the SWA was covering the expenses, salaries along with Horry County which was donating and hauling material to the Horry County Council on Aging. Ms. Creech said the Horry County Council on Aging was benefiting from others. She informed the Board she had spoken with Mr. Gosnell about the hauling of material from the centers. Ms. Creech asked Mr. Knight if he had consulted with Mr. Steve Gosnell. Mr. Knight stated he had not spoken with Mr. Gosnell about The Store. He commented the SWA helped Horry County with the hauling of the material from the centers. Mr. Knight explained trailers were purchased the first year to transport material from the centers to The Store. Ms. Creech said every option was discussed at the workshop. She indicated the SWA would incur expenses unless the buildings were torn down. Ms. Creech asked what percentage of the \$73,000 was \$5,000. She suggested modifying option # 2 whereby the SWA would receive \$5,000 plus a percentage of the profits from the Horry County Council on Aging. Ms. Creech said the HC Council on Aging would pay the SWA total expenses plus a percentage of the profits. Chairman Cokley asked what was the total investment of the SWA in The Store thus far. Mrs. Bitting indicated about \$48,000. Mr. Gray said the loss was \$50,000 for the first 8 months. Mrs. Bitting stated the first year The Store had a loss due to startup cost and the purchase of equipment. She said in the second year after expenses, the SWA received \$5,000 in profit. Chairman Cokley asked for recommendation from the Board. Ms. Creech said option #2 plus the same percentage that is received at the present time. Mr. Long asked about the length of the agreement with the Horry County Council of Aging. Ms. Creech said the same as before, three (3) years. Chairman Cokley stated he needed clarification on the recommendation. He replied the SWA's expenses would be paid by the Horry County Council on Aging and the SWA would get a profit of 6.8%. Chairman Cokley commented this agreement would be virtually the same as it is now. Mrs. Bitting stated that was correct it was only factored differently. Mr. Thompson indicated the net result would be the same. Mrs. Bitting indicated that was correct.

Ms. Creech moved to accept staff recommendation of option #2 whereby Horry County Solid Waste Authority's expenses would be covered, remaining funds go to the Horry County Council on Aging of which the Horry County Solid Waste Authority would

receive a 6.8% of any profit made by the Horry County Council on Aging. There was a second by Mr. Gray and motion was carried.

NEW BUSINESS

- a. East Hill Fill Closure Project Recommendation Update** – Mr. Hilling introduced Mr. Vance Moore, P.E. of Garrett and Moore Engineering to explain the process on the East Hill Fill Closure Project. Mr. Moore explained the bid evaluation on the project. He stated there was a mandatory pre-bid conference on March 19, 2014, whereby contractors could, ask questions and receive a better understanding of the bid. Mr. Moore indicated there were 13 prime bidders, and 9 actively asked questions. He stated on April 10, 2014, was the bid opening date. Mr. Moore explained two contractors submitted bids for the project. He indicated on April 17, 2014, he along with staff interviewed the contractors for the East Hill Closure Project. Mr. Moore stated his purpose was to give an evaluation of the bids. He explained the criteria used in awarding of the contract. Mr. Moore stated if the contract is to be awarded, it will be awarded to the lowest, responsible, responsive bidder whose evaluation by owner indicates to owner that the award will be in the best interests of the project. He indicated the low bids were received from Thalle Construction Company, Inc. in the amount of \$6,769,180.00 and King Construction Services, Inc. with a bid of \$6,680,525.67, which is a difference of \$88,654.33. Mr. Moore stated King Construction's bid had a unit price error. He indicated this was a simple math error which was clarified but did not change the price of the bid. Mr. Moore concluded that King Construction Services submitted the lowest bid. Mr. Moore stated that King Construction had a value engineering proposal for the Board's consideration which equated to a reduction in the bid amount of \$333,160 this is negotiable for the stockpiling of material by the concrete pile. He indicated the second consideration was responsive was did both bidders submit all of the information on time. He stated both bids were considered responsive, all bonds and forms were submitted and were complete. Mr. Moore indicated the third consideration was responsible. He said the owner may conduct such investigations as they deem necessary to assist in the evaluation of any bid and to establish the responsibility, qualification and financial ability of bidders, proposed subcontractors, suppliers and other persons and organization to perform and furnish the work in accordance with the contract documents to owner's satisfaction within the prescribed time. He stated an investigation of the contractors was performed and during the interview each contractor was asked to provide a specific work plan which identified the staging of the project, scheduling of project, protection of the cap system to protect any previous work done to the cap system, the protection of the synthetic liner, deployment of the protective cover, and to grade and thickness verification of the protective cover. Mr. Moore indicated both contractors submitted adequate work plans. He stated King Construction Services provided an in-depth work plan tailored to the project while Thalle Construction gave a generic work plan with a basic outline. Chairman Cokley asked the Board if they wanted to ask for any questions on the project. Ms. Creech asked Mr. Moore if he had been working with King Construction on the current project and if the project was completed on time. Mr. Moore stated the project was completed within the contract time. Ms. Creech asked what King Construction had to complete. Mr. Moore indicated King Construction had to install a protective cover on the saddle area which was a cap system with clay plus the seeding and grading. Mr. Thompson asked under what circumstances the price of the project would exceed the bid price but not the budgeted price. Mr. Moore explained the bids have many line items each specifies how much material or the quantity needed per job. He stated the unit price of the material will affect the overall price of a

project. Mr. Thompson asked if Mr. Moore was confident with the bid price. Mr. Moore replied he confident the project would be less than the budgeted amount. Mr. Long asked if King Construction's bid is accepted would the contractor be able to store material on site. Mr. Moore stated if the SWA accepted the optional valued engineering proposal that would be correct. Chairman Cokley asked for clarification the bid from King Construction. Mr. Moore replied King Construction bid \$6,680,525.67 plus a value engineering proposal of (\$336,160) for the stockpiling of material on site if accepted by the Board. Mr. Gray asked if the budgeted amount was \$7,750,000.00. Mr. Moore stated that was correct and he hoped he could bring the project in under budget. Mr. Hilling asked the Board to accept staff recommendation.

Mr. Gray moved to approve staff's recommendation and authorize the Executive Director to negotiate the award of the contract to King Construction Services to complete the 30-acre East Hill Fill Closure Project. The total cost of the closure project will not exceed the FY2014 Approved Capital Budget of \$7,750,000.00 for construction and engineering. There was a second by Mr. Thompson and the motion carried.

Roundtable Discussion – There was no Roundtable Discussion to come before the Board.

MOTION TO ADJOURN

There being no further business to come before the Board, **Mr. Campbell moved, seconded by Mr. Long to adjourn the meeting. The Motion was carried** and the Regular Meeting was adjourned at 6:50 P.M.

Minutes approved on May 27, 2014.

HORRY COUNTY SOLID WASTE AUTHORITY, INC.

BY: _____ (L. S.)
James H. Cokley, D. Min, Chairman

ATTEST:

_____(L. S.)
Dan P. Gray, Secretary

_____(L. S.)
J. Michael Campbell

_____(L. S.)
Pam J. Creech

_____(L. S.)
W. Norfleet Jones

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

_____(L. S.)
M. Lance Thompson