

**MINUTES OF REGULAR MEETING
HORRY COUNTY SOLID WASTE AUTHORITY, INC.
October 27, 2015**

The Horry County Solid Waste Authority, Inc. held a Board Meeting on Tuesday, October 27, 2015, 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: M. Lance Thompson, Chairman; Pam J. Creech, Vice Chairman; J. Michael Campbell, Secretary; W. Norfleet Jones, Treasurer; and Board Members Sanford C. Graves, Dan P. Gray and John R. Long II.

Steve Gosnell, Director of Horry County Infrastructure and Regulation, Michael Hughes, Highway 90 Liaison, Vance Moore of Garrett and Moore and David DeKleva of Smith, Sapp, Bookhout, Crumpler and Calliham, P.A. represented the public in attendance. There were no members of the media in attendance.

The following individuals were also in attendance: Danny Knight, Executive Director; Mike Bessant, Assistant Executive Director; Esther Murphy, Director; Bill Hilling, Director; Jan Bitting, Director; Emma Ruth Brittain, Staff Attorney, and other staff members to include Chris Calhoun, Rodney Cannon, John Doyle, Wayne Martin, Nannette Powell, Richie Stetter, Cecil Terry and Stephanie Todd.

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Ms. Creech led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA

Chairman Thompson asked for any revisions to the Agenda as contained in the Agenda Packet.

Ms. Creech moved to approve the Agenda as presented. There was a second by Mr. Campbell and the Motion was carried.

APPROVAL OF MINUTES

Chairman Thompson asked for any questions on or amendments to the Minutes of the Regular Meeting held on October 27, 2015, as contained in the Agenda Packet.

Mr. Jones moved to approve the Minutes of the Regular Meeting held on October 27, 2015. There was a second by Mr. Long and the Motion was carried.

PUBLIC INPUT

There were no requests 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 15-24 in the Board Packet.

UCS Quarterly Meeting – Mrs. Murphy informed the group the Unincorporated Collections Systems held their quarterly meetings in October. She indicated operational procedures and customer service information was discussed. Mrs. Murphy explained that Christ Community Church wanted to recognize unappreciated public servants and provided breakfast for the site attendants. She commented the site attendants expressed their appreciation for breakfast and the recognition of their service.

Site of the Quarter Update – Mrs. Murphy stated the Bucksport Recycling Center had been selected as the Recycling Center of the Quarter ending September 30, 2015. She indicated that Mr. Albert Thomas was the full-time site attendant and Mr. Ted Hagwood was the part-time attendant.

Caught Green Handed Update – Mrs. Murphy informed the group the September “Caught Green Handed” winner was Mr. Jared Stickley. She indicated that Mr. Stickley used the Socastee Recycling Center. Mrs. Murphy stated Mr. Stickley received a SWA prize pack and media recognition.

GO GO Fest Update – Mrs. Murphy stated SWA staff participated in the GO GO (Get Offline, Go Outside) Festival at the North Myrtle Beach Sports Complex held on October 17, 2015. She explained staff distributed recycling and disposal information, created more than 100 CD Spinners with youth and passed out compost and mulch samples. Mrs. Murphy indicated SWA staff participated in a flash mob dance to the Sid Shuffle.

Upcoming Events Update – Mrs. Murphy reminded the Board of the upcoming Annual Employee Dinner to be held on Friday, November 6, 2015, at 7:00pm at Cherry Hill Missionary Baptist Church in Conway, SC.

Operations and Planning Update

Mr. Hilling offered an update of the following which was included as pages 25-34 in the Board Packet.

Piggyback Expansion Update – Mr. Hilling informed the group that Mr. Vance Moore would give an update on the piggyback expansion.

Driver of the Month – Mr. Hilling indicated for the month of September, Levester McCray was named Driver of the Month. He stated Mr. McCray worked for Waste Management. Mr. Hilling informed the group Mr. McCray deserved of the award. He advised the group a letter was sent to Waste Management and that Mr. McCray’s picture would be displayed at the scaleshouse this month.

Recycler of the Quarter Program Update – Mr. Hilling explained in order to increase recycling awareness, the Operations Division developed a new program called Recycler of the Quarter. He stated this program would recognize each customer’s commitment and their recycling efforts. Mr. Hilling indicated each quarter staff would select recipients based on the amount of loads processed through the Construction and Demolition Processing Facility. He stated Trebor Industries driver Mr. Don Boyce had been chosen as the Horry County Solid Waste Authority Construction and Demolition Recycler of the Quarter for July-September 2015. Ms. Creech commented that she continued to receive solid waste disposal information from SWANA and was forwarding the information to Mrs. Murphy and Mr. Hilling.

Financial Reports

Mrs. Bitting offered an update of the following which was included as pages 35-57 in the Board Packet.

Monthly Finance Reports – Mrs. Bitting stated for the first quarter of FY2016, the SWA revenue should be at 25.00% of budget. She indicated MSW revenue was at 32.13% of budget. Mrs. Bitting stated construction and demolition revenue was at 26.61% of budget and yard waste revenue was at 22.05% of budget. She stated the sale of recyclables revenue was at 41.01% of budget. Mrs. Bitting stated the Construction and Demolition Processing Facility revenue for September was \$91,550.06 and expenses was \$86,613.27 with airspace saved equating to 16.16 days. Mrs. Bitting commented the MRF revenue year-to-date was \$984,263.32 the expenses year-to-date was \$949,423.24 with a savings of 17.72 days of airspace. She indicated net income for September was \$388,570.60 and year-to-date was \$1,009,758.75. Mrs. Bitting stated the Construction and Demolition Processing Facility processed a total of 1,302 tons for September. She indicated 18% of the haulers used the Construction and Demolition Processing facility with 82% disposing their material in the landfill.

Mrs. Bitting explained the MRF total incoming tonnage was 9,436.41. She stated MRF revenue for September was \$868,001.82 and expenses for September was \$736,795.24. Mrs. Bitting indicated the MRF outgoing tonnage sold was 7,140. She stated the current market value was \$142.60 for September. Mrs. Bitting indicated the rejects were 19.96% which was over the base amount of 14.5%. She explained rejects over the 14.5% amount would be billed back to Charleston County and was specified in the agreement. Mrs. Bitting informed the group that this information had been presented to the I&R Committee.

Chairman Thompson asked Mrs. Bitting if there had been any challenges with this project. Mrs. Bitting stated the additional labor and the cost of hauling the reject materials were unforeseen expenditures that had not been anticipated. She commented staff discussed methods to streamline costs at the MRF. Chairman Thompson asked about the employee turnover at the facility. Mrs. Bitting stated staff had implemented an incentive for the temporary employees that missed no work for 90 days whereby they would receive a \$1.00 per hour raise. She informed the Board the October volume of material and revenue would decrease because of the flooding around the State.

Retirement Changes Update – Mrs. Bitting explained there were increases to the employee portion of the retirement from 8% to 8.16%. She reminded the Board the annual bonuses had been budgeted in this fiscal year in the amount of \$500.00, which is the same as the year before. Mrs. Bitting stated they would be distributed at the Annual Dinner.

Quarterly Restricted Funds Recommendations Update – Mrs. Bitting indicated staff performed a review of the unrestricted cash for the fourth quarter ending June 30, 2015, to determine if transfers to the restricted accounts were possible, in accordance with the Unrestricted Fund Transfer Account Policy Statement.

Mrs. Bitting indicated the total unrestricted cash and cash equivalents as June 30, 2015, were \$2,926,873. She reminded the Board the quarterly unrestricted cash threshold for FY2015 was \$2,921,287, which equates to 15% of the estimated annual revenues. Mrs. Bitting indicated for the year end June 30, 2015, the amount available to transfer was \$5,585. She informed the Board this adjustment was to adjust the cash to the FY2015 audited financial statements. Mrs.

Bitting stated staff was recommending transferring the \$5,585 into the designated account for the piggyback construction.

Mr. Long moved to accept staff's recommendation to transfer \$5,585 from the Unrestricted Cash and Cash Equivalents for the year ending of FY2015 to the Designated Account for Piggyback Construction to adjust to the audited financial statements. There was a second by Ms. Creech and the Motion was carried.

Special Projects & Governmental Affairs Update

Mr. Bessant presented the following update which was included as pages 58-59 of the Board Packet.

Recycling Incentive Programs Update – Concerning the recycling incentives, Mr. Bessant indicated the following incentives were given by the SWA for FY2016: MSW Recycling \$53,038.72, C&D Recycling Facility \$19,450.85, totaling \$75,489.57. He stated the total remaining incentive FY2016 for SWA customers was \$182,010.43. Mr. Bessant indicated the current month incentive was \$22,463.72.

Waste Composition Study Update – Mr. Bessant informed the Board that Kessler Consultants would begin the waste composition study on November 2, 2015. He explained the company would randomly select loads from the municipalities and the Unincorporated Collection Systems. He stated there would be 41 categories of the waste stream samples from single residences, hotels/motels and campgrounds. Mr. Bessant indicated this would be a small percentage of the household garbage disposed of in Horry County. Chairman Thompson asked about the timeframe for the waste composition study. Mr. Bessant explained that Kessler Consultants would start on November 2, 2015. He informed the group for one (1) week each municipality would participate in a random load sampling. Mr. Bessant stated a preliminary report would be due in December. He indicated the last sampling would take place in May 2016. Mr. Gray asked about the amount paid to Keesler Consultants. Mr. Bessant stated the cost would be \$53,000 for the waste composition study. Mr. Knight invited the Board to come out and observe the sampling of the waste composition study.

Executive Director Update

Mr. Knight gave a verbal update on the I&R Committee Meeting. He stated Mrs. Bitting presented a detailed report to the Committee. Mr. Knight indicated the Committee asked about the amount of rejects discarded from the MRF and the amount being transported to another landfill. He stated this information would be included at the next I&R Committee meeting. Mr. Gray asked about the equivalent amount of rejects being taken to Sandlands Landfill and if the cost would be charged back to Charleston County. Mrs. Bitting explained the rejects coming from the MRF into the landfill are charged a rate of \$29.00 per a ton. She stated rejects from the Construction and Demolition Processing facility that are hauled to Sandlands Landfill are charged \$29.50. Mrs. Bitting indicated Construction and Demolition Processing facility is being charged \$21.50 and the other \$8.00 per ton is being charged to the MRF as Charleston expenses.

COMMITTEE REPORTS

Finance and Administration Committee – Committee Chairman Pam Creech stated the Finance and Administration Committee met on October 14, 2015 at 11:00am for the presentation of the

FY2015 Annual Financial Audit. Ms. Creech asked Mr. DeKleva to give a brief overview of his findings.

Presentation of FY2015 Audit – Mr. DeKleva generally reviewed with the Board the financial statements. He indicated there were no finding to warrant the issuance of a management letter. Mr. DeKleva stated overall the Authority remains in good financial condition. He indicated he would answer any questions the Board may have regarding the audit.

Chairman Thompson asked Mr. DeKleva if he had the cooperation of staff. Mr. DeKleva replied staff was very helpful.

Ms. Creech moved to adopt the Fiscal Year 2015 Audit as prepared by Smith, Sapp, Bookhout, Crumpler and Calliham, P.A. There was a second by Mr. Long and the Motion was carried.

I&R Report Update – Ms. Creech commented the Finance and Administration Committee had discussed including additional information when presenting to the monthly I&R committee. She commented that Mrs. Bitting and staff had made adjustments to the reports. She stated no action was taken.

OLD BUSINESS

Piggyback Expansion Update – Mr. Vance Moore of Garrett and Moore presented an overview of the Phase I Piggyback expansion project. He stated there was a 25-acre lined disposal area with 275,000 cubic yards of structural fill being required from an off-site borrow site. He stated that Southeast Environmental Contracting had been awarded the contract for the Phase I. Mr. Moore discussed the contract time of 395 calendar days for substantial completion and 425 days until final completion. He indicated from the project start though October 22, 2015 there had been 16 days of adverse weather. Mr. Moore reminded the group 10 adverse weather days had been built into the contract time. He stated the contractor had 6 working days of extension due to adverse weather. Mr. Moore indicated the delay from the weather would prolong the completion date.

Chairman Thompson asked about potential pitfalls and if the project was prolonged due to adverse weather conditions. Mr. Moore stated the rain would have to be an extraordinary amount. Mr. Moore explained it would not be unexpected to have least 30 adverse weather days before the completion of the project. He commented when the contractor could not work on the site for at least four (4) hours then it would be considered an adverse weather day. Mr. Moore stated the worst case scenario would be additional inspection time or lack of performance by the contractor. He indicated the project was still on schedule. Mr. Moore stated the work to date was complete in accordance to the contract. He explained the stripped material had been stockpiled and downdrains were removed. Mr. Moore commented on the unclassified excavation and said it was 100% complete. He stated structural fill was being hauled into the landfill and would continue until early spring. Mr. Moore informed the Board he would address the two (2) concerns which were the speeding trucks on Highway 90 hauling the structural fill and the soil on the roadway. Ms. Creech indicated her concerns were for the quality of work and the adverse weather not on the job completion. She explained she would rather have the job done correctly. Mr. Knight asked Mr. Moore's for his opinion on how the landfill performed during this adverse weather. Mr. Moore concluded the landfill exceeded his expectations.

NEW BUSINESS

Roundtable Discussion – Chairman Thompson asked was there any roundtable discussion. Mr. Gray stated he asked Chairman Thompson before the meeting if he could speak. Mr. Gray indicated he did not attend the I&R meeting on October 24, 2015 because he attended a funeral. He commented he watched the proceedings. Mr. Gray said there were some personal things said about him that he would have like to address. He indicated the I&R Committee meeting was over and Mr. Vaught asked Chairman Prince if he needed a motion to move on to the next agenda item and the Chairman said no he wanted to discuss something. Mr. Gray says he and Mr. Long were the only SWA Board Members not in attendance but everyone knew he was talking about him. Mr. Gray commented that Mr. Thompson took a lecturing from the Chairman of Horry County Council at an earlier time and from the I&R Committee. Mr. Gray said Horry County Council depended on the SWA Board and its Chairman to run the show and Horry County Council expects for the SWA to report to County Council fully and on a timely basis. Mr. Gray commented the problem was how Charleston County was handled. Mr. Gray said looking back and knowing SWA staff knew the Charleston contract had expired and Charleston's lack of foresight became the SWA's emergency. He said the Board did not know until July 21, 2015. Mr. Gray commented the Board voted for the contract on July 28, 2015. He said he had concerns and urged the Board to take this matter to County Council. Mr. Gray indicated he had questions but the Board moved on. He said the Board met a week later and the consensus was move forward. Mr. Gray commented he did a "go along to get along" vote and the reason he did this was because the terms included the sixty-day opt-out clause. He said he still had concerns but he voted yes. He said this was a conditional yes not an absolute yes. Mr. Gray stated it was presented at the I&R meeting that he had voted yes and then spoke against it and this was not true. He stated there has been conversation for five-years that he has worked against the SWA. Mr. Gray said that is not true. He said he did not ask for this appointment. Mr. Gray stated former Horry County Chairman Tom Rice asked him if he wanted an appointment to the HCSWA. He said he told Chairman Rice he did not think the people at the SWA wanted him but he would pray about it. Mr. Gray said he suggested that Mr. Rice call Mr. Knight or Mr. Jones. He said he asked Chairman Rice to discuss the matter with people before he was nominated. Mr. Gray says he prayed on the appointment and talked with the south strand representatives and they said yes in that they had no one to represent them. Mr. Gray said he and Dr. Cokley were in the same term and Dr. Cokley was appointed and seated on the Board. Mr. Gray commented he was appointed but was not seated until November. He expressed his devotion to do his very best to discharge what he thought was his duty to County Council and the people of Horry County. Mr. Gray stated he thought of the SWA as a component unit of County government. He commented to be called an Authority was simply a way of speaking or maybe that way in the past or an independent company. Mr. Gray said he never really thought that way and there would be clashes at times. He thought the Board acted in the best interest for the SWA and not necessarily for the cities, residents or County Council, the people who were elected and appointed him. Mr. Gray said he learned a lesson and he would never again give a rubber stamp or a "go along to get along" vote, but he would express his views even if his views are nothing more than "I am not sure", "I just saw this today for the first time" or "I need time to study and talk to people". Mr. Gray said he had hoped the Board would accept his apology for giving that impression. He indicated he would do the best job he could do. Mr. Gray said each time he had the majority vote from the

League of Cities and County Council he said he felt like he was where he needed to be but it cost him a lot. He commented he would have been the Chairman of a major state commission but he was given the choice either stay on the SWA Board or the second appointment. Mr. Gray reiterated he would not send anymore text messages or emails or carry out any “go along to get along votes”. He commented he had some concerns tonight about the Charleston County contract. Mr. Gray said he was supportive of the Charleston contract and he thought it would be good for the SWA.

Chairman Thompson responded to Mr. Gray and said no names were mentioned during the I&R Committee Meeting. Chairman Thompson commented the responses were requested by Chairman Prince of the I&R Committee. He stated the concerns that were brought up at the I&R meeting were about the text message that Mr. Gray had sent. Chairman Thompson stated Mr. Gray had said the reports that Mrs. Bitting compiled for the I&R meeting were whitewashed. Chairman Thompson asked Mr. Gray if that was correct. Mr. Gray said yes he used that term. Chairman Thompson asked Mr. Gray if he made the comment in a text message that Charleston County was going to pull the contract within 60-days. Mr. Gray said he did not say that. Chairman Thompson commented that in the past the Board Members have heard Mr. Gray say that he would not send any emails or text messages anymore. Chairman Thompson said the Board has heard that before and then it happens again. He said if a Board Member has questions and concerns he would encourage members to ask the questions here at the meeting where staff or consultants can answer them. Chairman Thompson commented he would encourage Board Members to communicate with Horry County Council and he had no problems with that.

Ms. Creech commented she had feedback from the Go Go Fest and some of the organizations have asked for tours. She asked Mrs. Murphy about recycling literature to distribute.

MOTION TO ADJOURN

There being no further business to come before the Board, **Ms. Creech moved, seconded by Mr. Jones to adjourn the meeting. The Motion was carried** and the Regular Meeting was adjourned at 7:15P.M.

Minutes approved on November 24, 2015.

HORRY COUNTY SOLID WASTE AUTHORITY, INC.

BY: _____(L. S.)
M. Lance Thompson, Chairman

ATTEST:

_____(L. S.)
J. Michael Campbell, Secretary

_____(L. S.)
Pam J. Creech

_____(L. S.)
Sanford C. Graves

_____(L. S.)
Dan P. Gray

_____(L. S.)
W. Norfleet Jones

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