

**MINUTES OF REGULAR MEETING
HORRY COUNTY SOLID WASTE AUTHORITY, INC.
OCTOBER 28, 2014**

The Horry County Solid Waste Authority, Inc., held a **Regular Meeting** on **Tuesday, October 28, 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; W. Norfleet Jones, Treasurer; and Board Members Pam J. Creech, Dan P. Gray and John R. Long, II. J. Michael Campbell, Secretary was absent due to a previous engagement.

Mr. Michael Hughes, Highway 90 Liaison, David DeKleva from Smith, Sapp, Bookhout, Crumpler and Calliham, P.A. and Lee Bazzle from RST Waste Diversion 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 to include Chris Calhoun, Rodney Cannon, Wayne Martin, Jamie Suggs, Cecil Terry, Stephanie Todd and Susie Wofford.

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Chairman Cokley asked Mr. Jones lead 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. There was a second by Mr. Jones and the Motion was carried.

APPROVAL OF MINUTES

Chairman Cokley asked if there were any revisions or corrections to the Minutes of the Regular Meeting held on September 23, 2014, as contained in the Agenda Packet.

Mr. Thompson indicated the first paragraph line seven (7) on page 8 should say "Mrs. Brittain stated that was correct." Mrs. Brittain indicated that first paragraph, line three (3) on page 8 should say "Mrs. Brittain explained the additional provision in the By-laws which stated..".

Mr. Long moved to approve the Minutes of the September 23, 2014, Regular Meeting with the necessary corrections. There was a second by Mr. Jones and the Motion was carried.

Chairman Cokley asked if there were any revisions or corrections to the Minutes of the September 29, 2014, Public Hearing, September 30, 2014, Special Meeting and the October 23, 2014, Public Hearing.

Mr. Long moved to approve the Minutes of the September 29, 2014, Public Hearing, September 30, 2014, Special Meeting and the October 23, 2014, Public Hearing. There was a second by Mr. Jones 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 51-57 in the Board Packet.

Electronic Waste Services Update – Mrs. Murphy informed the group that an RFP was sent out regarding the transportation and recycling of electronic waste services on October 2, 2014. She stated 25 vendors were notified of the RFP, however; only one (1) bid was received. Mr. Thompson asked why only one (1) bid response was received. Mrs. Murphy explained that several inquiries were received but she believed the smaller companies were not able to handle the 900 tons in electronic waste received in FY2014. She stated the bid was awarded to ERI who is currently handling electronic waste from the MRF. Mrs. Murphy indicated the contract period will be for one year with four (4) one year renewals.

UCS Site of the Quarter Update – Mrs. Murphy informed the Board that the Loris Recycling Center was chosen as the Recycling Center of the Quarter. She stated Site Attendants Priscilla Ward, Ken Deuker and Bill McFarland do an excellent job. Mrs. Murphy indicated the next recycling site of the quarter will be announced in January 2015.

Grand Strand Technology Council Update – Mrs. Murphy informed the Board she attended the Grand Strand Technology Council meeting on September 30, 2014. She stated this is a technology based networking group. Mrs. Murphy indicated she would continue to stay abreast of this group.

Community Open House – Mrs. Murphy informed the group that the Community Open House was scheduled for October 30, 2014. She stated the hours of the event would be from 11:00am to 2:00pm

Annual Dinner Update – Mrs. Murphy reminded the Board that the Annual Dinner would be held at Cherry Hill Missionary Baptist Church in Conway on November 7, 2014, at 7:00 pm.

Horry County Community Cleanup Day – Mrs. Murphy informed the Board that the first annual Horry County Community Cleanup Day would be held on November 8, 2014. She asked Mr. Knight to elaborate on the SWA's plans to assist. He stated the SWA would have employees volunteering during this event. He informed the Board the community cleanup would be county-wide and the finale would end at the race track on Highway 501.

Operations and Planning Update

Mr. Hilling offered an update of various projects in the Operation and Planning Division that were included as Pages 58-75 in the Board Packet.

East Hill Closure Project Update – Mr. Hilling indicated the closure of the 30 acres on the back side of the east hill was going well. He stated that 90% of the protective cover on the first 12-acre section was almost complete. Mr. Hilling commented work has started on the liner for the next 9-acres. He indicated the geo-net and gas vent wells installation had started. Mr. Hilling stated weather permitting, the project would move forward. He indicated the completion date would be about March 10, 2015. Mr. Gray asked Mr. Hilling had the project had any overruns. Mr. Hilling replied no overruns thus far.

Grinding Area Relocation Update – Mr. Hilling stated relocation of the grinding area had been completed. He indicated on October 13, 2014, yard waste customers began dumping in the new area. Mr. Hilling stated customers were guided by yard waste operators to the new site. He indicated that new signage had been posted as to where specific materials were to be unloaded. Mr. Hilling explained the new area was further in distance but haulers had extra space to dump their material. He stated the new composting area would have windrows of compost about 800 feet in length. Ms. Creech commented that Mr. Hilling was doing a good job keeping the project on budget.

SC DHEC Composting Conference Update – Mr. Hilling updated the Board on the SC DHEC Compost Certification Conference in Pawley's Island, SC, on October 21-24 2014. He stated SC DHEC requested the use of the SWA composting facility for a test training site. Mr. Hilling indicated Chris Calhoun and Stephanie Todd were enrolled in the composting certification course. He commented the trainer praised the SWA's composting facility and wished all sites he visited looked as well as the SWA's facility.

Driver of the Month – Mr. Hilling indicated for the month of September, David McDowell was named Driver of the Month. He stated Mr. McDowell worked for Unlimited Sanitation. Mr. Hilling informed the group Mr. McDowell deserved the award.

Finance and Administration Update

Mrs. Bitting presented the Finance & Administration reports to the Board, which were included as Pages 76-95 in the Board Packet.

Monthly Finance Reports – Mrs. Bitting stated through September we should be at 25% of budget. She indicated MSW was at 31.93% of budget. She stated C&D was at 26.47% of budget and yard waste was at 23.37% of budget. Mrs. Bitting stated the sale of recyclable material was at 25.65% of budget. She indicated mix construction had decreased 24% below last year. Mrs. Bitting indicated revenue for The Store for was at 31.29% of budget. She stated overall net income for September was \$208,415.27 and for the year \$735,813.35. Mr. Gray asked about the saving on the capital projects. Mrs. Bitting explained any funding in the designated accounts could not be transferred without Board approval. She indicated the additional funding from capital projects are kept in the designated accounts. Regarding the East Hill Closure project Ms. Creech asked of the \$6 Million the SWA would pay in project cost, who would pay the engineering expenses. Mrs. Bitting indicated the total budget for the

project was \$7 Million all stated these funds would cover the cost for both King Construction and Garrett and Moore. She explained the engineering cost would be separate and apart from the construction cost so the total saving would not be \$1 million dollars. Mr. Gray asked what was the budgeted amount for Garrett and Moore. Mr. Hilling replied \$450,000. Mrs. Bitting stated when preparing the budget all cost were factored in.

Quarterly Restricted Funds Recommendations Update – Mrs. Bitting indicated staff performed a review of the unrestricted cash for the fourth quarter ending June 30, 2014, 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, 2014, were \$3,535,246. She reminded the Board the quarterly unrestricted cash threshold for FY2014 was \$2,955,770, which equates to 15% of the estimated annual revenues. Mrs. Bitting indicated for the year end June 30, 2014, the amount available to transfer was \$579,475. She informed the Board this adjustment was to adjust the cash to the FY2014 audited financial statements.

Mrs. Bitting indicated the total unrestricted cash and cash equivalents as September 30, 2014, were \$4,109,113. 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 September 30, 2014, the amount available to transfer was \$1,187,825. She informed the Board this adjustment was to adjust the cash to the FY2015 audited financial statements.

Mrs. Bitting stated there was, \$1,187,825 available for transfer to the Designated Accounts. Mrs. Bitting stated staff was recommending transferring the \$175,000 into the OPEB Obligation (Other Post Employment Benefits) account. She stated staff was also recommending transferring the \$946,600 into the designated account for the piggyback construction. Mrs. Bitting stated staff recommended transferring the \$6,225 into the designated MRF contingency fund. She recommended maintaining \$60,000 in the Un-Designated Funds. Mrs. Bitting explained \$20,000 would be utilized to purchase a compactor for the MRF, \$20,000 would cover the cost to purchase radios and \$20,000 would be utilized to purchase a pressure washer for the landfill.

Mr. Long moved to accept staff's recommendation to transfer \$579,475 from the Unrestricted Cash and Cash Equivalents for the year ending of FY2014 to the Designated Account for Piggyback Construction to adjust to the audited financial statements. In addition he moved to transfer \$1,187.825 from the Unrestricted Cash and Cash Equivalents for the first quarter of FY2015 with \$175,000 Designated for the OPEB (Other Post Employment Benefits), \$946,600 Designated for the Piggyback Construction, \$6,225 transferred to the Designated MRF Contingency Fund and \$60,000 in Undesignated Funds used to purchase equipment. There was a second by Mr. Jones and the Motion was carried.

Special Projects & Governmental Affairs Update

Mr. Bessant presented an update on various projects which were included as Pages 96-98 of the Board Packet.

Recycling Incentive Programs Update – Concerning the recycling incentives, Mr. Bessant indicated the following incentives were given by the SWA FY2015: MSW Recycling \$77,082.20, C&D Designated Facilities \$15,667.30. He stated the total year-to-date saving for SWA customers was \$92,749.50. Mr. Bessant stated the SWA had \$242,250.50 of incentives rebates for the remainder of FY2015 budget.

Solid Waste Management Plan Update – Mr. Bessant informed the group the Technical Advisory Committee met in October and made final changes to the Solid Waste Management Plan. He stated that HDR would be revising the plan and then sending the update to the TAC Committee for review. Mr. Bessant indicated a public hearing would be necessary and board approval. He stated this would happen by the first of the year. Mr. Bessant stated the Technical Advisory Committee wanted the SWA to implement an aggressive recycling plan. He informed the Committee that the SWA has a 50% recycling rate which is one of the highest in the state. Mr. Bessant indicated the Technical Advisory Committee wanted the private industry to report their recycling tonnages also and to receive special recognition for recycling efforts to SC DHEC. Mr. Gray asked of the total amount of waste generated in Horry County how much was not recorded. Mr. Bessant stated he felt the percentages were accurate considering that reporting was not mandatory in Horry County. Ms. Creech asked if SC DHEC required the private industry to report their recycling efforts. Mr. Bessant stated SC DHEC only required municipalities and county government to submit their recycling information. Mr. Bessant indicated the SWA submits the recycling information of its customers that recycled through SWA facilities.

Executive Director Update

Mr. Knight briefly discussed the following items with the Board.

Carolina Plastics Council Conference Update – Mr. Knight stated he attended the Carolina Plastics Council Conference in Charlotte, NC on October 15, 2014. He indicated the conference had good information and networking opportunities.

Capital Projects Update – Mr. Knight stated questions had been asked about the capital budget projects. He indicated the past two projects were the closure of the saddle areas and piggyback access road. Mr. Knight stated there is a budget and then a contracted price and indicated the contract price could not exceed the budgeted figure. Mr. Knight indicated that Mr. Gray had questions on the capital projects and their funding. Mr. Knight stated capital projects have a set amount of funding unless the project has change orders.

COMMITTEE REPORTS

Finance and Administration Committee – Mr. Thompson indicated the Finance and Administration Committee met on Thursday, October 23, 2014. Mr. David DeKleva of Smith, Sapp, Bookhout, Crumpler and Calliham, PA. present an overview of the Fiscal Year 2014 Audit. Mr. Thompson asked Mr. DeKleva to give a brief overview of his findings. 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. Mr. Gray asked if the auditors do a complete audit of the SWA and in addition is the SWA a financial component of Horry County. Chairman Cokley informed Mr.

Gray the statement on page 130 reads “We have audited the basic financial statements of the Horry County Solid Waste Authority, Inc. a component unit of Horry County, South Carolina”. Mr. Thompson asked Mr. DeKleva if a complete audit was performed for the Horry County Solid Waste Authority. Mr. DeKleva stated a clean opinion was given for the SWA. Mr. Gray asked about the letter on page 128. Mr. DeKleva stated the letter pertaining to the Agreed-Upon Procedures that are required by SC DHEC annually for landfills solely to assist with financial assurance requirement. Mr. Knight praised Mrs. Bitting and the Finance Department for a job well done. Mr. Thompson concurred with Mr. Knight stated Mrs. Bitting had done a wonderful job.

Mr. Thompson moved to adopt the Fiscal Year 2014 Audit as prepared by Smith, Sapp, Bookhout, Crumpler and Calliham, P.A. There was a second by Ms. Creech and the Motion was carried.

Quarterly Financial Update – Mr. Thompson stated the new changes in the Finance department were going smoothly. He indicated that staff saved time printing the checks in-house. Mr. Thompson stated the p-card usage and e-billing was also doing well. He informed the group that Mrs. Bitting would keep the Finance Committee updated as needed.

Annual Bonuses – Mr. Thompson stated annual bonuses would be handled in the same manner as last year.

OLD BUSINESS

- a. **SWA Third Amended and Restated Rules** – Chairman Cokley asked if the Board had any changes or adjustments to the SWA Third Amended and Restated rules. Mr. Thompson asked could changes be made to the rules without Horry County Council’s approval. Mrs. Brittain stated that was correct.

Mr. Jones moved to accept the SWA Third Amended and Restated Rules. Mr. Long seconded the Motion was carried with Mr. Gray voting in opposition.

Mr. Gray said the Rules had not been changed for 10 years. He asked the Board to make the Rules be made part of the By-Laws which they did not. Mr. Gray said the Rules were changed to suppress or control debates on the Board. He said the Rules are an extension of the By-Laws. Mr. Gray said the County now has a clause if the SWA By-Laws are not harmonious then county law or ordinance overrules.

NEW BUSINESS

- a. **Roundtable Discussion**

Ms. Creech asked about the food waste composting. Mr. Hilling indicated the permit application would be submitted during the following week.

MOTION FOR EXECUTIVE SESSION

Motion for an Executive Session for the purpose of discussing a personnel matter was made by Mr. Jones. Mr. Long gave a second, and the Motion was carried unanimously.

The Board went into Executive Session at 6:45 P.M.

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

At 6:58 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
ATTORNEY EMMA RUTH BRITTAIN**

Mrs. Brittain asked for the record to reflect that the Executive Session was held for the purpose of discussing a personnel matter. She informed the group that no votes or action was taken in the Executive Session.

MOTION TO ADJOURN

There was no further business to come before the Board during the Regular Meeting. **Mr. Jones made a Motion, seconded by Mr. Long, to adjourn the meeting. The Motion was carried** and the Regular Meeting adjourned at 7:00 P. M.

Minutes approved on November 25, 2014.

HORRY COUNTY SOLID WASTE AUTHORITY, INC.

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

ATTEST:

J. Michael Campbell, Secretary

Pam J. Creech

Dan P. Gray

W. Norfleet Jones

John R. Long, II

M. Lance Thompson