

**MINUTES OF REGULAR MEETING  
HORRY COUNTY SOLID WASTE AUTHORITY, INC.  
December 13, 2018**

The Horry County Solid Waste Authority, Inc. held a Board Meeting on Thursday, December 13, 2018, at 1:00 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: Michael H. Hughes, Chairman; Bo Ives, Vice Chairman; J. Michael Campbell, Secretary; Pam J. Creech, Treasurer. Board Members W. Norfleet Jones and Carl H. Schwartzkopf. Board Member Samuel T. Johnson, Jr., was absent.

Jim Bang 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; Esther Murphy, Director; Jan Bitting, Director; Mike Bessant, Director; and other staff members to include Rodney Cannon, Nannette Powell, Richie Stetter, Cecil Terry, Stephanie Todd and Susie Wofford.

**CALL TO ORDER**

Chairman Hughes called the meeting to order and Mr. Ives rendered the invocation.

**PLEDGE OF ALLEGIANCE**

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

**APPROVAL OF AGENDA**

Chairman Hughes 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. Schwartzkopf and the Motion was carried.**

**APPROVAL OF MINUTES**

Chairman Hughes asked for any questions on or amendments to the Minutes of the November Meeting held on November 15, 2018, as contained in the Agenda Packet; however there were none.

**Mr. Campbell moved to approve the Minutes of the November Meeting held on November 15, 2018. There was a second by Mr. Schwartzkopf. There being no further discussion, the Motion was carried.**

**PUBLIC INPUT**

There was no was not public input to come before the Board.

**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 12-18 in the Board Packet.

**Grinding of the Greens Update** – Mrs. Murphy indicated SWA staff was preparing for the Annual Grinding of the Greens program. She stated the SWA was partnering with Horry Electric Cooperative for this annual event. Mrs. Murphy stated the collection of the trees was expected to run December 26, 2018, through January 29, 2019. She informed the group there would be PSA’s on four area networks as well as radio and newspaper coverage. Mrs. Murphy commented that Horry Electric Cooperative would have an article in the SC Living Magazine on this program.

**2018 United Way Campaign** – Mrs. Murphy informed the group that the United Way Campaign kick-off started in September. She indicated that the SWA had exceeded its goal from last year’s campaign collecting pledges in excess of \$3,900. Mrs. Murphy thanked staff members Cecil Terry, Victoria Johnson, Cindy Keith and Mr. Ives for participating in the Day of Caring event.

**United to Read Event** – Mrs. Murphy commented that the United Way held its annual United to Read event which the SWA sponsored. She stated Ms. Victoria Johnson and the SWA Mascot Bruce Refuse participated in this event. Mrs. Murphy commented that the book “Why Should I Recycle” was read to first graders at all HCS locations.

**Caught Green Handed Update** – Mrs. Murphy informed the group the November “Caught Green Handed” winner was Mr. Fred Allen. She indicated that Mr. Allen used the Aynor Recycling Center. Mrs. Murphy stated Mr. Allen received a SWA prize pack and media recognition.

Ms. Creech asked Mrs. Murphy had she received an email from the group that wanted to apply for the SWA Recycling Grant. Mrs. Murphy replied she had received the email, but the group had not completed the grant application and the information must be complete before a response would be given. Ms. Creech asked if there were certain criteria for some organizations. Mrs. Murphy commented that the grant did not reference certain agencies but the verbiage references non-profit groups but also says local organization within the grant itself.

Mrs. Murphy stated she and Mr. Knight discussed the organization was eligible to apply for the grant and certain criteria had to be met. She commented the organization had to complete the grant application and that a series of check-point criteria must be met. Ms. Creech said she would like to see local organizations apply for a grant. Mrs. Murphy indicated the grant application has a point system and certain criteria must be met before the grant could be awarded.

Chairman Hughes asked Mrs. Murphy about the advertisement for the recycling grant application. Mrs. Murphy informed the group that an advertisement on the Recycling Grant ran in area papers such as the Horry Independent, Carolina Forest Chronicle, North Myrtle Beach Times, The Times, Myrtle Beach Herald, The Shopper, the SWA Facebook Page and Horry County Information Channel.

## **Financial Reports**

Mrs. Bitting offered an update of the following which was included as page 19-37 in the Board Packet.

**Monthly Finance Reports** – Mrs. Bitting stated for the period ending October 31, 2018 the SWA revenue should be at 33.32% of budget. She indicated MSW revenue was at 40.36% of budget. Mrs. Bitting stated Construction and Demolition revenue was at 34.11% of budget and Yard Waste revenue was at 41.44% of budget. She stated the sale of recyclables revenue was at 28.42% of budget. Mrs. Bitting stated the Construction and Demolition Processing Facility revenue for

October was \$144,488.94 and expenses were \$179,677.43 with airspace saved equating to 16.58 days. Mrs. Bitting commented the MRF revenue year-to-date was \$1,657,456.09 and the expenses year-to-date were \$1,616,030.99 with a savings of 23.28 days of airspace. She indicated net income for October was \$584,060.21 and year-to-date was \$1,852,855.25.

Mrs. Bitting explained the MRF processed 2,203.00 tons of material for October. She stated the current market value for processed material was \$144.85 for October. Mrs. Bitting informed the group that tonnage sold for October was 1,601.93 tons. Mrs. Bitting indicated the total MRF revenue for material sold in October was \$220,755.08 and expenses were \$312,021.77 resulting in expenses over revenue of \$91,266.69. She stated year-to-date total MRF revenue was \$1,035,058.76 and total MRF expenses were \$907,887.08 with revenue over expenses of \$100,801.02.

Chairman Hughes asked Mrs. Bitting what would she attribute the increase tipping fees over last year. Mrs. Bitting indicated the tipping fee increase was due to the storm and that yard waste had the largest increase.

### **Operations Update**

Mr. Bessant presented the following update which was included as pages 38-47 of the Board Packet.

**Landfill Update** – Mr. Bessant informed the group that the first scale would be delivered by the end of December at a cost of \$150,000. He indicated a second set of scales would be added for backup. Mr. Bessant commented the current scale system has some maintenance issues. He stated staff was reviewing the possibility of moving the scaleshouse to a new location. Mr. Bessant explained that the relocation of the scaleshouse would permit an upgrade to the current system and add an automated express lane which would reduce the haulers wait time. He commented that the excess property could be used for future expansion.

Mr. Jones asked Mr. Bessant how much over budget would the project be and what would be the difference if the SWA contracted the project to another vendor. Mr. Bessant stated that the Board had approved \$1,000,000 for the scalehouse upgrade. He remarked if staff did the road work then the project would only be \$400,000 short. Mr. Knight stated staff would not ask the Board for any additional funding. Mr. Bessant commented that staff would do the road work. Mr. Ives asked Mr. Bessant if the SWA had any soil logs or if the soil had been bored. Mr. Bessant stated the landfill did not have any soil samples. Mr. Ives asked Mr. Bessant if he knew what kind of soil this area contained. Mr. Bessant stated the soil was clay and limestone. He explained that landfill staff would excavate about 18 inches of the soil and then backfill with coquina.

Chairman Hughes asked Mr. Bessant if the SWA would have the materials on hand to build the road. Mr. Bessant commented that the material would come from the SWA's borrow pits. Mr. Knight indicated that staff would construct the road with the materials on hand. Mr. Campbell asked if Garrett & Moore would design this project. Mr. Bessant replied yes and said the SWA would also need the soil and compaction rate done. Chairman Hughes asked Mr. Bessant about the rain and the impact the weather would have on the roads. Mr. Bessant indicated in the future the SWA would pave the road leading to the scaleshouse.

Chairman Hughes asked Mr. Bessant what was the time difference between the two projects. Mr. Bessant commented that he did not have that information but would get the information. He stated

he wanted to inform the Board on the changes to the scaleshouse area before moving forward with the project. Ms. Creech asked Mr. Bessant if the SWA needed any permitting. Mr. Bessant indicated the property was the SWA's and the project did not need permitting.

Mr. Jones asked Mr. Bessant what would be the cost to continue this project. Mr. Bessant replied the engineering cost would be \$10,000 to \$20,000.

**Mr. Jones moved to accept staff recommendation to continue to explore options for the scalehouse upgrade, relocation and take soil samples for the area. There was a second by Mr. Ives, and the Motion carried.**

Mr. Bessant showed a video of the landfill taken with the drone. He commented the drone took footage of the Piggyback Phase I and Phase II, Construction and Demolition landfill and Tracks D & E. Mr. Bessant stated staff would like to show the Board footage of the landfill on a regular basis.

**MRF Retrofit and Update** – Mr. Bessant stated, Rodney Cannon, Ritchie Stetter, Board Member Michael Campbell and himself toured MRF facilities in South Carolina, North Carolina and Georgia. He indicated the trip was for a new design concepts on the MRF upgrade and retrofit. Mr. Ives asked for an overview on the RFQ. Mr. Bessant stated the information added to the RFQ included replacing of the V-screen, options on an optical sorter a PET sorter and a new OCC sorter. He commented that he and staff reviewed several fiber optical sorter but the present labor force at the MRF facility produces a better grade product.

Mr. Bessant informed the Board that the Operations Committee will meet on January 8, 2019. He commented that three companies would present their information. Mr. Bessant indicated that each company would have approximately one hour to bring their information before the Committee. Mr. Campbell asked if 12:00pm - 4:00pm was agreeable with the Committee members. Mr. Bessant stated at the January 22, 2019 Board Meeting staff will have a recommendation for the Board.

**MRF Update** – Mr. Bessant indicated the MRF received less tonnage from Charleston County last month. He commented Charleston County must send a minimum of 2,500 tons per month to meet their contractual obligations. Mr. Bessant stated that aluminum prices declined the month and staff discussed stockpiling the material until prices increased. Mr. Jones asked Mr. Bessant about the storage building. Mr. Bessant commented that the building would arrive by the end of January.

**Driver of the Month Update** – Mr. Bessant stated the October Driver of the Month was Chris Gaskins from Big D's. Mr. Bessant commented Mr. Gaskins has worked for Big D's for one year. He informed the group that Mr. Gaskins worked well with staff.

**Household Hazardous Waste Update** – Mr. Bessant informed the group that MXI Environmental Services disposed of their third pick-up from the household hazardous waste facility. He commented that 59.51 tons of material had been collected and disposed of for FY19.

## **Executive Director Update**

Mr. Knight offered an update of the following which was included as pages 48-80 in the Board Packet.

**Horry County Council Budget Retreat/Solid Waste Management Plan Draft Update** – Mr. Knight indicated that the Horry County Council Budget Retreat/Solid Waste Management Plan Draft was one of the five worst meetings he had ever attended. He informed the Board that the SWA would be called at a later date to discuss the SWMP draft. Mr. Ives commented that he liked the letter that Chairman Hughes sent on behalf of the SWA. He asked if staff had a proposed date in which to make a presentation to the Horry County Council.

Mr. Knight indicated that the letter stated that any Horry County Council member could come to the SWA to review and discuss the SWMP draft as well as tour the facilities. Chairman Hughes stated he wanted to give all Council Members the opportunity to come and discuss any misconceptions or misinformation about the plan. He stated that the SWA was transparent with any and all information to the public and to Horry County Council. Chairman Hughes asked Mr. Knight if he had received any calls from any member of Horry County Council. Mr. Knight replied that he had not received any calls. Chairman Hughes commented he had not received any calls. He indicated that the Board and staff had been forthright with any information that they had been asked for.

Mr. Schwartzkopf asked if the invitation had been sent to individual members or the group as a whole. Mr. Knight commented that the invitation had been sent to each Council Member and to both outgoing and incoming members. Ms. Creech commented that if Horry County Council had any misconception, she wished that the SWA would get the opportunity to explain that this was the three-year plan for the Solid Waste Management Plan. Ms. Creech indicated that many of the concerns were for the public input and the permit which had not been applied for.

Chairman Hughes stated he wanted to know what were Horry County Council's concerns and there should not be any questions about Phase III at this point in time. Mr. Knight commented that the SWMP draft was presented to the City of Myrtle Beach and the City approved the resolution. He commented that an individual on Highway 90 was trying to stall the plan. Mr. Knight indicated that the Solid Waste Management Plan and the Piggyback III Expansion did not necessarily go hand in hand each were individual projects.

Chairman Hughes indicated that was why the letter was sent to give Horry County Council the opportunity to come and discuss any concerns about what the SWA was doing and that staff was here to answer any questions.

Mr. Knight informed the Board that Mrs. Murphy, Mr. Bessant and himself participated in an event at Socastee High School. He commented the event was for residents in the Socastee area who experienced flooding. Mr. Knight stated they received a lot of good comments about the Socastee Recycling Center. He commented the residents had praised the Recycling Center Attendants for being so helpful.

**Festive Fun Friday Giveaway** – Mr. Knight commented that Mrs. Powell would give an overview. Mrs. Powell stated in the spirit of giving Mr. Knight suggested that the SWA and the Horry County Council on Aging plan a Festive Fun Friday Giveaway on Friday, December 21, 2018. She commented that the first 100 children under the age of 12 would receive a free fruit

bag with a gift card for \$10.00 to use at The Store. Mr. Schwartzkopf asked if this event was being advertised. Mrs. Powell informed Mr. Schwartzkopf that Mrs. Murphy was advertising this event in the local area newspaper.

**Carolina Pines Lawsuit Update** – Mr. Knight informed the Board that the judge ruled that the SWA was libel for a portion of the e-waste that was sent out of Horry County. He stated that the SWA was responsible for \$168,064.70 and that Carolina Pines was asking for Attorney’s fees in the amount of \$3,429.81. Mr. Knight indicated that Carolina Pines had originally asked for \$214,390.

Ms. Creech commented she thought the lawsuit was frivolous and that federal law should have protected the SWA. She asked since the SWA used the State contracted vendor why were we still held liable. Ms. Creech asked if the municipalities were going to help pay for the e waste settlement. Mr. Knight remarked that the municipalities had already paid.

Mr. Schwartzkopf commented that the Board might want to invite the incoming new Horry County I&R Chairman to come and tour the SWA facilities. He said the SWA could offer to host a monthly I&R meeting as well as the new Chairman of Horry County Council.

Chairman Hughes stated that was a great idea to invite Horry County Council and the new incoming Chairman to tour the SWA facilities.

## **COMMITTEE REPORTS**

**There were no Committee Reports to come before the Board.**

## **OLD BUSINESS**

**Charleston County Contract Recommendation** – Mr. Bessant informed the group that staff and Board Members met with Charleston County last month. He commented that Charleston County sent a letter asking for an extension to their contract. Mr. Bessant indicated that a draft sample of the contract was in the Board Packet. He was asking the Board to review and approve the contract. Mr. Bessant stated there were only two changes in the current contract. He remarked the current contract dates started February 1, 2019 and ending on July 31, 2019; a six-month term with two options to renew and the tonnage was reduced to a minimum of 1,200 tons and a maximum 1,500 tons monthly. Mr. Bessant explained that if the base market value decreased below \$165 then Charleston County would now pay a dollar per ton each time \$165 reduce by a dollar. He commented the justification for this in the contract was the cost of the temporary labor force to get a cleaner product.

Mr. Knight commented this was sent to Charleston County and said staff had not received a reply. Mr. Ives asked if Horry County Council had been made aware of the changes to the Charleston County contract. Mr. Knight commented that the Council was informed.

Chairman Hughes asked Mr. Bessant what was needed from the Board. Mr. Bessant stated he wanted the Board to review the contract and decide if any changes were needed. Mr. Knight indicated that the Board needed to approve the contract.

Mr. Ives asked if Charleston County would be reopening their old MRF. Mr. Bessant commented he had asked if their plant would be operational before January 31, 2019. He indicated that he had not received any positive feedback from Charleston County. Mr. Bessant commented that the MRF

facility needed a certain amount of material because the facility could not operate on half the manpower on the second shift. He stated the MRF needed at least 1,200 to 1,500 tons of material to operate properly.

Chairman Hughes commented was this information in the new contract. Mr. Bessant replied this information was sent to Charleston County. Ms. Creech asked if the MRF was going to impose a penalty if the minimum tonnage was not met. Mr. Bessant commented the SWA did not have any penalties but would consider that as a breach of contract. Mr. Knight stated this was the same contract that the SWA had and the verbiage was the same and only three points in the contract were changed. Ms. Creech asked if the MRF had been accepting less material. Mr. Bessant commented this had only happened once this month. Mr. Knight stated if MRF has one week with no material from Charleston County then that would be considered a breach of contract and the contract would be terminated.

Mr. Jones said he would rather see a penalty and commented if the MRF's goal is to terminate then do not renew the contract. He commented if stopping was what the MRF wanted to do then do not start. Mr. Jones said he would rather see a penalty; one that would be a motivation to Charleston County and it would be an advantage to the MRF. Mr. Knight asked if the penalty was not paid then what would be the alternative. Mr. Jones said if Charleston County did not pay the penalty then Charleston County has been given every chance but if the MRF was looking for a reason to stop taking material then do not start. Mr. Knight commented the MRF was not looking for a reason to stop accepting material from Charleston County but if a penalty was needed how much. Mr. Jones replied he did not know.

Ms. Creech commented that the MRF has a great deal of labor expense and if the minimum tonnage was not sent then the MRF would have to pay for extra labor cost. Chairman Hughes asked if a penalty was built into the cost of the labor. He stated there was nothing the MRF can do to force Charleston County to pay the penalty and if not then it would be considered a breach of contract. Chairman Hughes commented that if Charleston County does not send the required tonnage then that would be a breach of contract. He stated that the MRF cannot make Charleston County pay a penalty. Mr. Jones commented if the MRF did not give them the option of sending in the penalty he said he did not understand the downside of putting a penalty in the contract. Mr. Knight commented that there may be a time when the MRF might not be able to process that much material.

Mr. Bessant indicated that there was a clause in the contract which read that any expenses where the MRF had lost money then Charleston County would pay the MRF and that the final calculation would be made at the time of termination of the agreement and that Charleston County shall make payment for all remaining expenses within 30-days of the date the notice was received. Mr. Ives commented he was not interested in any penalties. Mr. Knight commented if the MRF does not get the material then there would be no work for the second shift. Mr. Bessant stated his concern was that Charleston County let the MRF know in a reasonable amount of time if they would sign the contract or if they wish to terminate.

**Mr. Ives moved to approve the Intergovernmental Charleston County contract with the three changes made by the SWA. There was a second by Mr. Campbell the Motion was carried.**

## NEW BUSINESS.

- a. **Proposed Transfer of Designated Funds Recommendations** – Mrs. Bitting indicated staff performed a review of the unrestricted cash for the quarter ending June 30, 2018, to determine if transfers to the restricted accounts were possible, in accordance with the Unrestricted Fund Transfer Account Policy Statement.

Mrs. Bitting indicated that the total unrestricted cash and cash equivalents as June 30, 2018, were \$4,854,026. She reminded the Board that the quarterly unrestricted cash threshold for FY2018 was \$3,673,329 which equates to 15% of the estimated annual revenues. Mrs. Bitting indicated that staff recommended the transfer of funds to the designated Construction/Development Designated account in the amount of \$590,348 and \$590,349 in the Equipment Replacement Designated account in compliance with our Unrestricted Fund Transfer Policy.

**Mr. Campbell moved to accept staff's recommendation to transfer to the designated Construction/Development Designated account \$590,348 and \$590,349 to the Equipment Replacement Designated account in compliance with our Unrestricted Fund Transfer Policy. There was a second by Mr. Schwartzkopf and the Motion was carried.**

- b. **Financial Assurance** – Mrs. Bitting informed the Board that State law required all permitted landfills provide financial assurance information to the state annually within 120 days of the close of their fiscal year. She reviewed with the Board a letter and independent auditor's report in regards to the requirement of the Local Government Financial Test for financial assurance. Mrs. Bitting stated the acceptance of this letter and report, along with the audited financial statements for the fiscal year ending June 30, 2018, into the operating record of the SWA was necessary in order to be in compliance with both federal and state laws. She indicated this information was included in the packet for the Board's review. Mrs. Bitting stated the Combined Annual Financial Report (CAFR) for Horry County had been completed.

**Mr. Ives moved to accept into the record the letter, independent auditor's report and other documentation prepared by staff as required under the Local Government Financial Test for Financial Assurance and authorize staff to submit the required documentation to SC DHEC. There was a second by Ms. Creech and the Motion was carried.**

- c. **Roundtable Discussion** – Ms. Creech thanked Mr. Bessant and staff for all of the hard work this past year. Chairman Hughes commented he had information from the Riverkeeper and would give the information to Mrs. Murphy. He indicated the Riverkeeper forum would be held on February 9, 2019, at the Horry County Museum. Chairman Hughes thanked all of the SWA's staff for a job well done. He distributed a meeting schedule for 2019.

## MOTION TO ADJOURN

There being no further business to come before the Board, **Mr. Ives moved, seconded by Mr. Campbell to adjourn the meeting. The Motion was carried** and the Regular Meeting was adjourned at 2:34 P.M.

Minutes approved on January 22, 2019.

HORRY COUNTY SOLID WASTE AUTHORITY, INC.

BY: \_\_\_\_\_ (L. S.)  
Michael H. Hughes, Chairman

ATTEST:  
\_\_\_\_\_  
J. Michael Campbell, Secretary

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Pam J. Creech (L. S.)

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Bo Ives (L. S.)

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Samuel T. Johnson, Jr. (L. S.)

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W. Norfleet Jones (L. S.)

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Carl H. Schwartzkopf (L. S.)