

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

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

Ex Officio Members Kevin Blayton and Steve Gosnell were in attendance. Highway 90 Liaison Michael Hughes, David DeKleva of Smith, Sapp, Bookhout, Crumpler and Calliham and State Representative Mike Ryhal represented the members of the public that attended the meeting. Jason Rodriguez from the Sun News represented the media in attendance.

The following individuals were also in attendance: Executive Director; Danny Knight, Bill Hilling, Director; Donna Crump, Director; Mrs. Emma Ruth Brittain, SWA Attorney and other staff to include Rodney Cannon, Wayne Martin, Cecil Terry, Chris Calhoun, Bob Jacquette and Stephanie Todd, Mike Bessant and Esther Murphy were attending the Solid Waste & Recycling Professional Conference in Columbia, SC.

**CALL TO ORDER**

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

**PLEDGE OF ALLEGIANCE**

Mr. Campbell 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. Thompson moved to approve the Agenda as presented. There was a second by Mr. Long 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 September 24, 2013, as contained in the Agenda Packet.

**Mr. Jones moved to approve the Minutes of the September 24, 2013, Regular Meeting. There was a second by Ms. Creech and the Motion was unanimously approved.**

**PUBLIC INPUT**

There were no requests to present Public Input.

## EXECUTIVE DIRECTOR REPORT

### Recycling and Corporate Affairs Update

Mr. Rodney Cannon offered an update of various projects in the Recycling and Corporate Affairs Division that were included as Pages 1-7 in the Board Packet.

**NMB Pilot Recycling Program Update** – Mr. Cannon stated the NMB Pilot Program was doing well. He commented that the program started with seven (7) businesses and now had only five (5). Mr. Cannon indicated the two businesses that left the program had issues with container placements and were removed. Mr. Cannon stated he and Kevin Blayton with the City of North Myrtle Beach discussed tonnage figures for the program and would have an update next month. Mr. Campbell asked which businesses no longer participated in the program. Mr. Cannon replied International Café and Pirates Cove. Mr. Cannon indicated the businesses had issues with the Fire Marshal and containers being too close to the building. Mrs. Creech asked if the businesses could be replaced with others. Mr. Cannon stated he was contacting other businesses and offering the pilot program to them as well.

**Open House Update** – Mr. Cannon stated the SWA had its Fall Open House on October 11, 2013. He indicated approximately 35 people attended the open house and refreshments were served. Mr. Cannon stated several attendees toured the administrative offices and the landfill. He informed the group the next open house would be held in the spring of 2014.

**Annual Dinner Update** – Mr. Cannon stated Mrs. Murphy wanted to remind the Board of the Annual Dinner to be held on November 1, 2013, at Cherry Hill Missionary Baptist Church. He indicated a sign-up sheet was at the table for the Board Members who wished to attend.

### Operations and Planning Update

Mr. Hilling reviewed his reports with the Board, which were included as Pages 8-16 in the Board Packet.

**Highway 90 Appearance Update** – Mr. Hilling offered an update on the Highway 90 appearance. He stated during the first quarter, 90 bags of litter had been picked up which equated to 1,350 pounds. He stated the roadsides had been mowed the last week of September.

**Landfill Inspection Update** – Mr. Hilling stated the landfill had received all 1's for the September inspection. He commented the landfill was back on track especially with the good weather. Mr. Hilling indicated that staff had done a good job getting ready for the inspection.

**Safety Update** – Mr. Hilling stated the landfill had one (1) workmen's compensation injury resulting in five restricted duty days, however, there was no lost work time. He indicated staff had received training for the new Material Safety Data Sheets (MSDS) which were needed for the handling of chemicals. Mr. Hilling informed the Board that the state risk management auditor from the Association of Counties visited the landfill and found minor infractions. He stated the auditor found the landfill in good condition. Mr. Thompson asked Mr. Hilling who did the MSDS training. Mr. Hilling responded he conducted the training session with staff.

**Driver of the Month Update** – Mr. Hilling stated Kevin Jenkins from the City of Myrtle Beach was named Driver of the Month for September. He stated that the driver was courteous and well deserving of the honor. He indicated the driver's picture was displayed at the scales house for the month.

**Saddle Closure Update** – Mr. Hilling reviewed with the Board pictures of the saddle area closure project. He indicated that the first six (6) inches of clay had been transported into the area by King Construction. Mr. Hilling indicated no work had been done during the second week in October due to inclement weather. He stated the third layer of clay was being transported in and the final layer would be completed by the end of October as well as the compaction test for that area. Mr. Hilling indicated the project was going well and was on schedule. Mr. Gray asked about the cost of the work being completed on the saddle area. Mr. Hilling replied the cost of the project was \$650,000. Mr. Campbell asked for the completion date on the saddle area closure project. Mr. Hilling replied the project had 120 days left before completion if the weather permitted. Ms. Creech asked if there were any new techniques that would stop the adverse effects on the landfill during bad weather. Mr. Hilling stated during heavy torrential rain the landfill cover was washed off. Mr. Hilling indicated staff was always aware of oncoming weather conditions and reacted accordingly.

**Yard Waste/Composting Facility Update** – Mr. Hilling reminded the Board that the pre-bid conference on the Yard Waste Management and Composting Facility project October 24, 2013 at 11:00AM. Mr. Hilling stated the bid opening for the Yard Waste Management and Composting Facility project would be November 6, 2013 at 2:00PM.

#### **Finance and Administration Update**

Mrs. Crump presented the Finance & Administration reports to the Board, which was included as Pages 17-33 in the Board Packet.

**Quarterly Restricted Funds Recommendations Update** – Mrs. Crump indicated staff performed a review of the unrestricted cash for the fourth quarter ending June 30, 2013, to determine if transfers to the restricted accounts were possible, in accordance with the Unrestricted Fund Transfer Account Policy Statement.

Mrs. Crump indicated the total unrestricted cash and cash equivalents as June 30, 2013, were \$3,026,313. She reminded the Board the quarterly unrestricted cash threshold for FY2013 was \$3,001,494, which equates to 15% of the estimated annual revenues. Mrs. Crump indicated for the year end June 30, 2013, the amount available to transfer was \$24,819. She informed the Board this adjustment was to adjust the cash to the FY2013 audited financial statements.

Mrs. Crump indicated the total unrestricted cash and cash equivalents as of September 30, 2013, were \$3,285,983. She informed the Board the unrestricted cash threshold for FY2014 was \$2,955,770 which equates to 15% of the estimated annual revenues. Therefore, \$330,213 was available for transfer to the Designated Accounts. Mrs. Crump stated staff was recommending transferring the \$175,000 into the OPEB Obligation (Other Post Employment Benefits). She stated staff was also recommending transferring the \$155,213 into the designated account for the piggyback construction.

**Mr. Long moved to accept staff's recommendation to transfer \$24,819 from the Unrestricted Cash and Cash Equivalents for the year ending of FY2013 to the Designated Account for Piggyback Construction to adjust to the audited financial statements. In addition he moved to transfer \$330,213 from the Unrestricted Cash and Cash Equivalents for the first quarter of FY2014 with \$175,000 Designated for the OPEB (Other Post Employment Benefits) and \$155,213 Designated for the Piggyback Construction. There was a second by Mr. Jones and the Motion was carried.**

**Monthly Finance Reports** – Mrs. Crump stated tipping fee for revenue was up 1.7% for September. She indicated MSW was up year-to-date and was at 32% of budget. She stated C&D was at 25% of budget. Mrs. Crump stated Yard Waste was at 22% of budget. She indicated Landfill Gas was on budget this quarter. She said there was a slight decrease in the sale of recyclable material which was at \$575,000, year-to-date. Mrs. Crump stated net income was \$162,255.04 for the month of September and was \$657,036.99 year-to-date with total revenue at 28% of budget and expenses at 23% of budget. Mr. Gray asked Mrs. Crump if 16% of material was being diverted to the Factory. Mrs. Crump replied 15% of haulers were diverted to the Factory. Mrs. Crump stated 63% of material was recycled with the bulk of material being clean wood. Mr. Gray asked if any of the material was concrete. Mrs. Crump stated when concrete came into the landfill it was sent directly to the clean concrete pile. She explained a reduced rate was given for clean concrete at \$10 per ton.

### **Special Projects & Governmental Affairs Update**

Mr. Knight presented an update on various projects in which were included as Pages 34-42 of the Board Packet.

**C&D Recycling Designated Facilities Update** – Mr. Knight offered separate reports for Lee Disposal and EZ-Dump concerning the C&D Recycling Incentive Program. He stated the reduction in tipping fees to Lee Disposal was \$826.05 for September. Mr. Knight stated Lee Disposal year-to-date recycling tonnage was 64.59%. He stated the year-to-date recycling credit in tipping fees to Lee Disposal was \$3,221.50.

Mr. Knight stated that EZ-Dump was not recycling enough material to receive the incentive. He indicated that EZ-Dump had no reduction in tipping fees since they were not recycling large volumes of material.

**Recycling Incentive Programs Update** – Concerning the recycling incentives, Mr. Knight indicated the following incentives were given by the SWA year to date: MSW Recycling \$69,750.09, C&D Recycling Facility \$16,669.65, C&D Designated Facilities \$3,221.40. He stated the total incentive saving year-to-date for SWA customers was \$89,641.14. Mr. Knight indicated the top five (5) companies who received credit from the MSW Incentive Program were Waste Industries, City of Myrtle Beach at \$9,781.00, City of North Myrtle Beach at \$6,722.65, City of Conway at \$5,691.67, Town of Surfside Beach at \$2,524.26 and GG&G at \$16.35.

Mr. Knight stated Lee Disposal, Trebor, EZ-Dump and Waste Management were also receiving the incentive and taking full advantage of the program. Mr. Gray asked if the list of the cities receiving the incentive was in the Board Packet. Mr. Knight replied it was not, but shared a copy of the information with Mr. Gray. Mr. Gray asked if the \$320,000 cost reduction given to the haulers was consistent with last year. Mr. Knight replied he did not know what the cost reduction was for last year. Chairman Cokley stated the cost reductions were probably close to \$360,000 for haulers. Mr. Gray indicated SWA customers were getting a better rate with the new incentives. Mr. Knight replied he hoped the savings would be passed on to the customers.

**Sierra Club Flow Control Update** – Mr. Knight informed the group the Sierra Club had a brochure on Flow Control called “Keeping Local Control Over South Carolina”. He stated this

was another organization informing counties of flow control and its effects on each county.

### **Executive Director Update**

Mr. Knight briefly discussed the following items with the Board on Page 43 in the Board Packet.

**Sandlands Lawsuit Update** – Mr. Knight offered an update on the Sandlands Lawsuit. He informed the group that Mike Bessant, Staff Attorney Emma Ruth Brittain and himself would be traveling to Richmond, Virginia to the Fourth Circuit Court of Federal Appeals to participate in the appeal hearing. Mr. Knight stated a ruling would be given within the next 45 to 60 days. He stated the County has decided to hold off on any changes to the flow control until the court had ruled on the lawsuit. Mr. Knight explained that during the appeals process the ordinance needed to be left in its entirety.

**Re-Power South Update** – Mr. Knight stated staff and some Board Members traveled to Walterboro, SC to visit Re-Power South. He stated this waste diversion process had strong possibilities and the EPA had determined the waste from this process was considered a bio-fuel and plants could use this material without changing their permits. Mr. Knight indicated South Carolina Electric and Gas was also at this presentation and gave a test burn with coal. Mr. Knight indicated that the process did not eliminate the need for the landfill. He informed the Board the process did not accept C&D or yard waste. Mr. Knight stated the company would give a presentation on this process to the Board on October 28, 2013 at 12:30 at the Administrative Offices.

**IRS Update** – Mr. Knight asked Mrs. Brittain to give an update on the SWA's standing with the IRS. Mrs. Brittain explained on August 30, 2013, Mr. Frank Cureton of Hanysworth, Sinkler and Boyd sent a request to the IRS for reclassification, whereby the SWA could maintain an exemption from filing a form 990 which is an informational return. She explained the tax exempt status of a 501(c) (3) had not changed the law but did change the requirements for the exemptions on the form 990. Mrs. Brittain stated the SWA could file in two (2) categories but chose to maintain the form 990, which would cost \$400.00 to file. She indicated the SWA hoped to have an answer by the end of the year based on information received from Mr. Cureton. Mrs. Brittain explained Mr. Cureton hoped the By-Law changes relating to dissolution and reclassification would be completed by the January meeting. Mr. Knight stated after the federal appeals process, staff and the Board would start again with the By-Law revisions.

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

### **COMMITTEE REPORTS**

**Finance & Administration Committee Meeting** – Mr. Thompson stated the Finance Committee meeting was held on October 18, 2013. Mr. David DeKleva of Smith, Sapp, Bookhout, Crumpler, and Calliham, P.A. presented the Fiscal Year 2013 Audit to the committee. 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. Thompson moved to adopt the Fiscal Year 2013 Audit as prepared by Smith, Sapp, Bookhout, Crumpler and Calliham, P.A. There was a second by Mr. Gray and the Motion**

**was carried.**

Mr. Knight indicated during the Finance & Administration Committee meeting discussion was held regarding the effects the loss of C&D tonnage would have on the SWA. He stated staff is currently delaying the purchase of equipment and the filling of some positions.

Chairman Cokley acknowledged the attendance of State Representative Mike Ryhal who represents District 56.

Mr. Gray stated programs like the Re-Power were good things and he thanked Mr. Knight for allowing him to attend the trip to visit the Re-Power South in Walterboro, SC. He thanked Mr. Knight for having a vision and commented the SWA was heading in the right direction for an alternative to landfilling. Mr. Knight stated that the diversion fund had \$600,000 to look at other options to expand the life of the SWA landfill.

### **OLD BUSINESS**

There was no Old Business to come before the Board.

### **NEW BUSINESS**

- **Roundtable Discussion**

**Usage of SWA Email Address** – Chairman Cokley offered comments regarding Board Members utilizing their SWA email accounts as opposed to utilizing their personal emails, especially if legal ramifications arose. Mrs. Brittain stated document retrieval reproduction was a big part of lawsuits. She explained documents were being requested as they may relate to another lawsuit. Mrs. Brittain encouraged Board Members to keep SWA emails separate from personal emails to avoid a legal dilemma. This would keep their personal emails from being reviewed. She explained during litigation if there was a cause of action and a Board Member had information pertaining to a lawsuit then their personal emails could be subject to disclosure. Mrs. Brittain indicated the Board Member could be asked if personal emails were used to receive or send information relevant to the SWA. Mrs. Brittain stated any information would be subject to disclosure. She commented that a Board Member may be asked in a deposition if he or she used their personal computers or iPads to review or send SWA information. She stated any communication dealing with litigation should always be labeled confidential and would be protected by attorney client privilege. Mrs. Brittain explained when writing emails to make sure the content would be something that would not embarrass the organization. She informed the Board of how easy it was to leave a data trail when using emails. Mr. Thompson asked if it was Mrs. Brittain's recommendation to keep SWA emails totally separate from personal emails. Mrs. Brittain stated it would be best to keep them separate for litigation purposes. Chairman Cokley suggested having a session showing the Board Members how to make sure all emails were setup and forwarded to their SWA email account. Mr. Gray said he understood the need to keep the SWA emails separate but communication needed to be open and transparent when it came to matters of the SWA.

### **MOTION TO ADJOURN**

There being no further business to come before the Board, **Mr. Long moved, seconded by Mr. Thompson to adjourn the meeting. The Motion was carried** and the Regular Meeting was adjourned at 6:45 P.M.

Minutes approved on October 22, 2013.

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