

**MINUTES OF REGULAR MEETING
HORRY COUNTY SOLID WASTE AUTHORITY, INC.
May 23, 2017**

The Horry County Solid Waste Authority, Inc. held a Board Meeting on Tuesday, May 23, 2017, 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: Pam J. Creech, Chairman; W. Norfleet Jones, Vice Chairman; J. Michael Campbell; Secretary and Board Members, Dan P. Gray, Michael Hughes, Bo Ives and M. Lance Thompson were present.

Steve Gosnell, Director of Horry County Infrastructure and Regulation was present. Carl Schwartzkopf, Aleigha Thompkins, Charlotte Thompkins, James Tres Thompkins and Jim Thompkins 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; Bill Hilling, Director; Jan Bitting, Director; Emma Ruth Brittain, Staff Attorney, and other staff members to include Chris Calhoun, Victoria Johnson, Wayne Martin, Jeff Mishoe, Nannette Powell, Cecil Terry, Stephanie Todd and Susie Wofford.

CALL TO ORDER

Chairman Creech called the meeting to order and asked Mr. Gray to render the invocation.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF AGENDA

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

Mr. Thompson moved to approve the Agenda. There was a second by Mr. Campbell and the Motion was carried.

APPROVAL OF MINUTES

Chairman Creech asked for any questions on or amendments to minutes of the Regular Meeting held on April 25, 2017 as contained in the Agenda Packet.

Mr. Campbell moved to approve the Minutes of the Regular Board Meeting held on April 25, 2017. There was a second by Mr. Jones. There being no further discussion, the Motion was carried.

Chairman Creech asked for any questions on or amendments to minutes of the Special Board Meeting held on May 4, 2017 as contained in the Agenda Packet.

Mr. Jones moved to approve the Minutes of the Special Board Meeting held on May 4, 2017. There was a second by Mr. Campbell. There being no further discussion, the Motion was carried.

Chairman Creech asked for any questions on or amendments to minutes of the Public Hearing held on May 4, 2017 as contained in the Agenda Packet.

Mr. Thompson moved to approve the Minutes of the Public Hearing held on May 4, 2017. There was a second by Mr. Jones. There being no further discussion, the Motion was carried.

PUBLIC INPUT

Carl Schwartzkopf indicated he called Chairman Creech and discussed his experience at the Household Hazardous Waste (HHW) collection held on May 20, 2017. Chairman Creech stated she invited former Horry County Councilmen Schwartzkopf to the May Board Meeting. Mr. Schwartzkopf thanked Chairman Creech for allowing him the opportunity to speak. He commented that staff was very helpful but he waited approximately 40 minutes to unload his material. Mr. Schwartzkopf indicated he had five (5) solutions for this problem. He stated the Household Hazardous Waste facility could be opened at least two (2) Saturday's a month. Mr. Schwartzkopf suggested having two (2) drop off lanes or having a sub-station or using the 24-convenience centers throughout Horry County. He also suggested taking material during the week or simply do nothing.

Chairman Creech expressed her appreciation to Mr. Schwartzkopf for taking advantage of the programs the SWA offered. She commented that having another day to drop off material would be discussed. Chairman Creech indicated she had spoken with Mrs. Murphy about dropping material off at the centers throughout Horry County but the downfall was that a certified representative would have to handle the chemicals. She commented the container to store the material could cost about \$25,000. Chairman Creech stated Mr. Knight would elaborate on some of the upcoming changes.

Mr. Knight indicated he spoke with Andy Pope who works at the facility. He commented that Mr. Pope informed him that Saturday was extremely busy. Mr. Knight stated he spoke to Mrs. Todd about expanding the program without having to amend the budget. He commented having a day during the week would alleviate the need to be open another Saturday. Mr. Knight indicated the HHW was growing since its inception but he and staff would review all options.

EXECUTIVE DIRECTOR REPORT

Recycling and Corporate Affairs Update

Ms. Esther Murphy offered an update of various projects in the Recycling and Corporate Affairs Division that were included as pages 21-28 in the Board Packet.

Recycling Student of the Year Update – Mrs. Murphy informed the Board that James “Tres” Thompkins was this year’s Recycling Student of the Year. She introduced Tres Thompkins to the group and stated he was a first grader at Conway Elementary School. Mrs. Murphy indicated Tres was an inspiration to his classmates and community. He was awarded a prize pack from Solid Waste Authority which included an electronic reading device, a

plaque, and recycled content school supplies.

FY 2016 Annual Progress Report Update – Mrs. Murphy stated the S.C. Solid Waste Policy and Management Act of 1991 (Act) requires each county to report the amount of municipal solid waste (MSW) recycled within its municipalities. She indicated staff annually completed several reports, including the Horry County Annual Progress Report, which determines the County’s recycling rate for the previous fiscal year.

Mrs. Murphy stated Horry County’s MSW recycling rate had decreased from 32.7% in FY2015 to 30.28% in FY2016. She indicated that 10 or more businesses did not report any recycling tonnages this year. She reminded the Board that businesses were not required to report any recycling within the County but were encouraged to do so.

FY2018 SC DHEC Grant Requests Update – Mrs. Murphy informed the Board staff had received notification that the following grants had been awarded to the SWA for FY2018:

- **Waste Tire Grant - \$99,708** = \$67,758-Contractor Costs; \$21,200-Equipment; \$5,000-Public Education; \$750-Professional Development; \$5,000-Other Costs
- **Used Oil Grant - \$40,900** = \$35,650-Equipment; \$4,500-Public Education; \$750-Professional Development
- **Solid Waste Grant: Increased Collection - \$25,000** = \$24,200-Equipment; \$800-Public Education
- **Solid Waste Grant: General Recycling - \$10,000** = \$10,000-Equipment

Total FY2018 SC DHEC Grant Award To Date = \$175,608

Caught Green Handed Update – Mrs. Murphy informed the group the April 2017 “Caught Green Handed” winner was Michael Davidson. She indicated that Mr. Davidson used the Dog Bluff Recycling Center. Mrs. Murphy stated Mr. Davidson received a SWA prize pack and media recognition.

Environmental Banquet – Mrs. Murphy informed the Board that at each place setting was an invitation to the Environmental Banquet Luncheon which would be held on July 13, 2017 at 12:00pm.

Operations and Planning Update

Mr. Hilling offered an update of the following which were included as pages 28-36 in the Board Packet.

Driver of the Month Update – Mr. Hilling stated the April Driver of the Month was Ron Grainger from Horry County Solid Waste Authority. Mr. Hilling commented Mr. Grainger was an outstanding equipment operator. He informed the group a letter was sent to Deputy Director Wayne Martin, Operation and Planning for the SWA.

Customer Meeting Update –Mr. Hilling informed the Board that a haulers meeting was held on April 26, 2017. He indicated that letters were mailed to all haulers advising them of the new tarping requirements and the elimination of plastic bags in yard waste. Mr. Hilling commented approximately twenty people were in attendance both private and public entities. He indicated the group also discussed the fee increases. Mr. Hilling stated enforcement of the tarping regulation had begun by Horry County Law Enforcement. He commented there were signs posted on every working face of the landfill to advise the haulers of the upcoming changes.

Finance and Administration Update

Mrs. Bitting offered an update of the following which was included as page 37-60 in the Board Packet.

Monthly Finance Reports – Mrs. Bitting stated for the period ending April 2017 the SWA should be at 83.33% of budget. She indicated tipping fees overall had increased 14.02% over last fiscal year. Mrs. Bitting stated MSW year-to-date revenue was at 87.15% of budget. She indicated Construction and Demolition revenue was at 138.85% of budget and yard waste revenue was at 142.84% of budget year-to-date. Mrs. Bitting stated the Construction and Demolition Processing Facility saved 61.87 days of airspace. She commented recyclable sales were at 105.37% of budget. Mrs. Bitting indicated the Construction and Demolition Processing Facility revenue was \$319,719.55 and expenses were \$483,795.16, which equated to a deficit of \$164,075.61. She stated net income for April was \$196,055.21 and year-to-date was \$3,237,451.31.

Mrs. Bitting explained the MRF processed 3,976.28 tons for April. She stated the current market value for processed material was \$173.64 for April. Mrs. Bitting informed the group that tonnage sold for April was 2,192.48 tons. Mrs. Bitting indicated the total MRF revenue for material sold in April was \$376,321.48 and expenses were \$291,465.60 resulting in revenue over expense of \$84,855.88. She stated year-to-date total MRF revenue was \$4,324,459.40 and total MRF expenses were \$3,602,087.57 with revenue over expenses with a surplus of \$722,371.83. Mrs. Bitting commented the MRF saved 58.11 days of airspace. She indicated the total rejects hauled to Charleston was 4,069.16 and total outgoing tonnage from C&D recycling facility was 3,276.34.

Quarterly Restricted Funds Recommendations Update – Mrs. Bitting indicated staff performed a review of the unrestricted cash for the third quarter ending March 31, 2017, 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 March 31, 2017,

were \$5,5778,870. She reminded the Board the quarterly unrestricted cash threshold for FY2017 was \$3,589,450. which equates to 15% of the estimated annual revenues. Mrs. Bitting indicated for the quarter ending March 31, 2017, the amount available to transfer was \$2,189,420. She stated staff was recommending transferring the \$180,472 into the MRF Contingency account, \$1,200,000 to the Construction for Piggyback expansion, and \$808,948 to remain in unrestricted funds for the purchase of capital items.

Mrs. Bitting explained “E” items were capital items staff desired to purchase if funding was available, such as wheel loader and security lighting for the landfill. Mrs. Bitting stated other items included the purchase of lapel microphones for the taping of meetings and a storage facility for the MRF to store their excess material. Mr. Gray asked about the storage facility at the MRF. Mrs. Bitting explained some of the funds would be used to build a storage facility at the MRF.

Mr. Campbell moved to accept staff’s recommendation to transfer \$180,472 to the MRF Contingency account, \$1,200,000 to the Construction for Piggyback expansion, and \$808,948 to remain in unrestricted for capital purchases in compliance with the SWA Unrestricted Fund Transfer policy. There was a second by Mr. Gray and the Motion was carried.

Recycling Services & Special Projects Update

Mr. Bessant was absent and Mrs. Bitting gave an overview of the MRF revenue and expense in the financial section.

Executive Director Update

Mr. Knight gave an overview for the following update which was included as page 68-87 of the Board Packet.

Charleston County Contract/Recommended Amendments – Mr. Knight stated the Charleston contract has been signed. Mr. Gray asked if the contract was the same as discussed at the previous Board Meeting. Mr. Knight concurred and informed the group that Charleston had signed the contract. He commented he, Mr. Gray and Mr. Hughes attended the ground-breaking ceremony. Mr. Knight indicated there were news articles of the ground-breaking and other news related to their MRF facility. He stated the new contract would start August 1, 2017 thru January 31, 2018 and Charleston County has two (2) other six-month extensions they could request. Mr. Thompson asked Mr. Knight if Charleston County executed a contract on the construction and the equipment for the facility. Mr. Knight commented as of last week Charleston had not.

Chairman Creech ask Mr. Knight why did he have the word “egregious” in the packet. Mr.

Knight said that is what Charleston County called the contract but they signed it so we will move on. Chairman Creech commented but they signed the contract.

SC SWANA Conference Update – Mr. Knight gave an overview of the SC SWANA conference in Pawleys Island held May 10-12, 2017. He commented about the recycling rate Mrs. Murphy referenced in her section. Mr. Knight explained this was not the SWA’s recycling rate but Horry County. He said that SC DHEC remarked until there was mandatory reporting then the rate would not be a true indicator. Mr. Knight stated he attended the session on financial assurance for public and private landfills. He indicated Garrett and Moore gave an excellent presentation on the Piggyback Expansion.

Chairman Creech commented she really enjoyed the conference and was excited that Mayor Blain-Bellamy was also in attendance. Mr. Gray commented he enjoyed the conference.

COMMITTEE REPORTS

Recycling & Corporate Affairs Committee Meeting – Committee Chairman Lance Thompson stated the Recycling and Corporate Affairs Committee Meeting was held on May 8, 2017 at 9:00 am. He indicated Committee Members Pam Creech, Michael Hughes were present. He stated the following items were discussed:

Horry County Library – “Build A Better World” Update

Mr. Thompson indicated Mrs. Murphy and staff had pledged their support for the “Build a Better World” summer library program throughout Horry County.

Blog Paws Conference 2017 Update

Mr. Thompson stated Mrs. Murphy informed the Committee about Blog Paws which was social media conference for pet owners. He commented their Annual Conference was held in Myrtle Beach May 17-20, 2017.

CCU Sale Update

Mr. Thompson stated Mrs. Murphy gave an update on Coastal Carolina salvage sale and how it works and the SWA was in full support of the program.

SC SWANA Update

Mr. Thompson commented Mrs. Murphy reminded the Committee of the SC SWANA Conference in Pawleys Island held May 10-12, 2017.

Mr. Thompson stated there were no action items or votes taken.

Finance & Administration Committee Update – Committee Chairman Lance Thompson stated the Finance and Administration Committee met on May 16, 2017 at 3:30 PM. He

indicated Committee Members Dan Gray, Bo Ives were present. He said discussion was held on the following items:

Charleston Update

Mr. Thompson stated Mrs. Bitting gave an update on the Charleston contract with good results as discussed in financial section of the Board Packet.

Investment Updates

Mr. Thompson indicated the Finance and Administration Committee met with Mr. Roddy Dickinson Horry County Treasurer. He said Mr. Dickinson explained SC laws pertaining to the investing of excess monies and current procedures. Mr. Thompson stated Mr. Dickinson used the Wells Fargo Securities Investment in Charlotte, NC. Mr. Thompson said the Committee discussed and expressed their concern about the lower amount of return. He commented Mr. Dickinson said the monies were protected to keep the risk low. Mr. Thompson said the Committee would ask the new Horry County Treasurer and Mr. Joe Williams of Wells Fargo attend a Board Meeting in the future.

Mr. Thompson stated there were no action items or votes taken.

Mr. Gray said the Committee also discussed performance issues but the new treasurer would be invited back to discuss this issue. He stated the Treasurer was bound by certain laws but did think there was room for improvement as far as the investment returns. Mr. Thompson said Mr. Gray was correct that South Carolina laws dictated how the funds could be invested but rather than be so conservative this limits the amount of investment. He commented this year interest income earned more than previous years.

Mr. Ives indicated that Mr. Dickinson said the local government investment pool had \$10 Million that could be used for short term needs and the SWA participated in this. He commented the SWA had \$19,250,000 Million in Wells Fargo securities that were low bearing bonds and the SWA could find a better rate of return.

Mr. Ives made a Motion that staff prepare a memorandum for the County Treasurer to secure a proposal for intermediate investment funds for projects like the piggyback expansion and long-term investments funds for closure/post closure projects to get the best investment rate for the SWA funds. There was a second by Mr. Gray and the Motion was carried.

Mr. Thompson asked if this would happen before meeting with Mr. Williams from Wells Fargo. Mr. Ives commented staff would prepare the memorandum for the new treasurer upon her arrival. Mr. Thompson commented that Mr. Williams could give a proposal also. Mr. Knight indicated that staff would prepare the memorandum but he did not think Mr. Williams would come prior to the new Treasurer taking office. He remarked that he would contact the new Treasurer and ask if the SWA could have a quarterly financial update.

OLD BUSINESS

There was no Old Business to come before the Board.

NEW BUSINESS

a. Nomination Committee Appointments Update – Chairman Creech appointed Mr.

Thompson, Mr. Hughes, and Mr. Gray to the Nomination Committee. She stated Mr. Thompson would serve as Chairman of the Committee. Mr. Thompson asked if the committee members could meet on June 7, 2017 which would be after Horry County Council meeting on June 6, 2017. The Committee Members concurred and would meet on June 7, 2017 at 1:30 pm.

- b. FY2018 Budget Consideration** – Mrs. Bitting offered a summary of the budget process. She stated a Budget Workshop was held on March 7, 2017, at which time the operational and capital improvement budgets were presented. She indicated this information was also presented at the Horry County Budget Retreat on March 23, 2017, at the SWA Public Hearing on May 4, 2017. She indicated that during the Workshop the budget had been thoroughly reviewed and discussed. Mrs. Bitting stated she was requesting Board approval for the FY2018 Operating Budget of \$24,488,858 and the FY2018 Capital Improvement Budget \$9,139,917.

Mr. Jones moved to accepted staff’s recommendation that the Board approve the FY2018 Operating totaling \$24,488,858 and the FY2018 Capital Improvement Budget totaling \$9,139,917. There was a second by Mr. Campbell and the motion carried.

Mrs. Bitting indicated the budget would be on Horry County Council’s consent agenda on June 6, 2017, and would have third reading on the approval of FY2018 Budget. Mr. Knight commented that staff would prepare a letter informing the municipalities of the fee increase starting on July 1, 2017.

Mr. Gray thanked Mrs. Bitting for her patience when explaining the financial information to him.

MOTION FOR EXECUTIVE SESSION

Mr. Thompson made a Motion for an Executive Session for the purpose of discussing legal advice regarding upcoming Board Member appointment. Mr. Campbell gave a second, and the Motion was carried unanimously.

The Board went into Executive Session at 6:30 P.M.

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

At 7:00 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 BRITAIN

Mrs. Brittain asked for the record to reflect that the Executive Session for the purpose of discussing legal advice regarding upcoming Board Member appointment. She stated no votes or action was taken in the Executive Session.

Mr. Thompson made a Motion for the Executive Director to forward the information to the County Attorney or the appropriate party about the position of the Board and the legal opinion that was obtained. Mr. Campbell gave a second, and the Motion was carried.

MOTION TO ADJOURN

There being no further business to come before the Board, **Ms. Thompson moved, seconded by Mr. Jones to adjourn the meeting. The Motion was carried** and the Regular Meeting was adjourned at 7:02 P.M.

Minutes approved on June 27, 2017.

HORRY COUNTY SOLID WASTE AUTHORITY, INC.

BY: _____(L. S.)
Pam J. Creech, Chairman

ATTEST:

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

_____(L. S.)
Dan P. Gray

_____(L. S.)
Michael H. Hughes

_____(L. S.)
Bo Ives

_____(L. S.)
W. Norfleet Jones

_____(L. S.)
M. Lance Thompson