

Newton County Solid Waste Management Authority
Newton County Historic Courthouse, Commissioners' Boardroom
1124 Clark Street, Covington, Georgia 30014
Wednesday, February 24, 2021 at 5:30 p.m.

MINUTES

The Newton County Solid Waste Management Authority (SWMA) held a Regular Meeting on Wednesday, February 24, 2021 at 5:30 p.m. in the Commissioners' Boardroom on the Third Floor of the Newton County Historic Courthouse.

The following SWMA members were present:

Kent Campbell, Jr., SWMA Chairman
Linda Hanna
Jack (Buddy) Morgan
Phillip Wise
Marcello Banes, Chairman, Newton County Board of Commissioners (BOC)
Ronnie Cowan, District 5 Commissioner, SWMA Vice Chairman

Also present were:

Laurie Riley, Secretary
Sam VanVolkenburgh, Attorney
Kevin Walter, Solid Waste Manager

Call to Order

Chairman Kent Campbell called the meeting to order at 5:33 p.m.

Moment of Silence/Pledge of Allegiance

Chairman Campbell led everyone in observing a moment of silence and then in the Pledge of Allegiance.

Agenda Adoption

Ms. Linda Hanna moved to approve the agenda. Mr. Phillip Wise seconded the motion. All voted in favor.

Citizen Comments on Agenda Items

None were offered.

Approval of Minutes from SWMA Regular Meeting on 1/21/21

Mr. Wise moved to approve the minutes. BOC Chairman Marcello Banes seconded the motion. All voted in favor, except Commissioner Ronnie Cowan who abstained because he was not present at the 1/21/21 meeting.

Approval of Contract Documents for RFB#21-11 Site 2-Phase 8A Landfill Cell Construction

Authority Attorney Sam VanVolkenburgh reminded Authority members about discussion of the cell construction project at the last regular meeting. He requested formal approval of the contract

with the maximum contract price of \$4,619,461.55. Mr. Walter added that Peed Bros. did not request any changes to the contract. Ms. Hanna moved to approve and Mr. Buddy Morgan seconded the motion. All voted to approve.

January Landfill Tonnage Report

Mr. Walter explained the report. (See attached.) He said that paid volume coming into the landfill has averaged 320.01 tons per day for the month of January. Unpaid tonnage from Convenience Centers averaged 42.78 tons per day. With the budget based on 230 tons per day, tonnage remains consistently 40% over projections.

BOC Chairman Banes asked landfill and Convenience Center hours. Mr. Walter said that the Convenience Centers are open from 12 to 7 p.m. Tuesdays through Fridays and from 9 a.m. to 7 p.m. Saturdays. The landfill is open from 8 a.m. to 4:30 p.m. Mondays through Saturdays.

BOC Chairman Banes asked how the 12-7 timeframe was chosen for Convenience Center hours. Mr. Walter explained that the schedule was set to be the most convenient for customers and is based on a 38-hour week for attendants, which allows them to qualify for more benefits. Mr. Wise added that the Authority extended the Convenience Center evening hours in response to complaints.

Financial Status Report for Solid Waste for Month 7 of FY2021

Mr. Walter referred members to the attached report. He said that revenues continue to be higher than projected because of high tonnage coming into the landfill. Net income is at \$1,833,080. Equity in pooled cash is \$4,211,010.38. Expenses are slightly below projections.

Approval of Bid for Purchase of Tracked Shredder using SPLOST Equipment Funds

Mr. Walter presented information from a meeting on January 6 with Mosley Tractor. (See attached notes.) He reviewed points from his email of January 20 to Authority members recommending purchase of a TANA 440DT Shredder, including cost savings, versatility, and synergy with maintenance contractor. (See attached email.)

Mr. Walter stressed that the shredder purchase would be a key component of the new landfill transfer station, which is planned as a part of the new entrance construction project. He talked about the wide variety of materials the shredder can handle and the ease of operation of the machine. He said that although the shredder is expensive, the landfill needs all the features it offers. He talked about markets for shredded materials including metal, fluff, wood, and tires.

Mr. Walter recommended purchase of the shredder from SPLOST (Special Purpose Local Option Sales Tax) funds. Chairman Campbell asked about SPLOST funds allocated. Mr. Walter said \$1.3 million dollars is allocated for landfill equipment. Currently, over \$900,000 has been collected. An additional \$400,000 is expected.

Mr. Morgan asked about other potential uses for the SPLOST funds. He asked whether it could be used for new scales.

Mr. Walter said that it could be used for scales and talked about the need for permanent scales instead of temporary scales, which he said could be rented for about \$20,000 per month or

purchased for \$50-100,000 each. He talked about research he had done and his findings that it is not feasible to put in 2-way dual temporary scales with the current scale house configuration, however one-way is possible.

Mr. Morgan asked how soon construction would begin on a new scale house. Mr. Walter said that it was the next project planned after the new cell construction. Construction for the new entrance (including a new scale house) is scheduled to begin in 2022 and end in 2023. Engineering for the project will begin this summer and projected costs are included in the proforma.

Mr. Morgan asked what would happen if the landfill scale went down. Mr. Walter said that the landfill would rent temporary scales, which could be operational within a week. He described the complexity of a repair to the current scale and explained that the scale is tested and certified every couple of months by Fairbanks scale company.

Mr. Morgan asked how the new entrance construction project would be funded. Mr. Walter said the Proforma projected to borrow money for the project through a 20-year GEFA (Georgia Environmental Finance Authority) loan.

Mr. Morgan said he was impressed with the technology of the shredder and sees the need to purchase it, but he is worried about spending such a large amount of money. He said he wants to prioritize spending. He moved to deny purchase of the shredder at this time, suggesting that the Authority could look again at purchasing a shredder as part of the construction of the new scale house and entrance project. Ms. Hanna seconded the motion.

Commissioner Cowan asked whether the Authority could table the matter for 90 days. Chairman Campbell said that the owner does not want to keep the demonstration model sitting for an additional 90 days.

BOC Chairman Banes asked about using the anticipated \$400,000 SPLOST funds for purchase of a bulldozer. Mr. Walter said it could be used for any equipment purchase. He explained that the rebuild project is being paid from the regular budget at a cost of about \$360,000 at 0% financing. He plans to rebuild the loader next year at an additional cost of \$3-400,000 and finance that cost over 4 years at 0% interest. After that, he would like to stagger equipment purchases and repairs.

Chairman Campbell called for a vote, and the motion to deny carried 4 to 2, with Mr. Campbell and Mr. Wise voting in opposition.

Consideration of a Final 5-Year Cash Flow Projection and Associated Landfill Fees

Mr. Curtis Reynolds of Harbin Engineering gave a new 5-Year Cash Flow Projection presentation. (See attached.) Revisions included a 3% cost of living increase for landfill and Convenience Centers expenses and the increased GEFA loan principle amount. Mr. Reynolds presented Option G with the following assumptions: tipping fee of \$48 -per ton for FY 2022 increasing \$3 per year; minimum fee of \$30 in FY 2022; paid tonnage of 275 tons per day; hang tag fee of \$165 for FY 2022; \$300,000 for innovative technology improvements beginning in FY 2022; and new entrance construction complete in 2024. The Newton County Board of Commissioners will transfer yearly the principal and interest amount for bonds for the landfill acquisition. By 2026, revenues exceed expenditures (represented by black line). The cash

balance will be \$3 million at the end of FY 2021 and will increase to \$7 million by the end of FY 2026 (represented by green line). Half of the \$7 million will be for depreciation and closure costs.

Mr. Reynolds compared tipping fees at surrounding landfills. Mr. Walter said that customers are surprised that the landfill tipping fee is as low as it is. He said proposed fees are still competitive, but he hopes higher fees will encourage individuals to buy hang tags. He said that with a modest increase in hang tag fees, Convenience Center operations will be nearing the break-even point after 5 years.

After questions from Ms. Hanna regarding which SPLOST funds were used to pay which GEFA loans, Mr. VanVolkenburgh clarified that there were 2010 and 2017 GEFA loans. The 2010 loan was re-funded under 2017 bond issuances. The BOC committed to repay the portion of the bond attributable to refunding the 2010 GEFA loan as part of the Intergovernmental Agreement (IGA).

Chairman Campbell asked how many people coming to the landfill pay the minimum charge. Mr. Walter estimated that about 125 customers on an average Saturday come to the landfill and pay the minimum charge.

Mr. Wise asked about small scale commercial haulers paying minimum charges. Mr. Walter said that probably about half of the minimum charge payers are in business hauling for others.

Commissioner Cowan expressed concern that higher fees might lead to increased illegal dumping. Mr. Reynolds said that the \$300,000 proposed for innovative technology in the pro forma could potentially be used to address litter and illegal dumping.

Commissioner Cowan asked about the City of Covington, notifying the City about the rate increase, and making sure the Authority is in compliance with any agreements with the City.

Approval of Resolution R210224 Approving a Fee Schedule for FY 2022-FY 2026

Mr. VanVolkenburgh presented the resolution. (See attached.) Ms. Hanna moved to approve. Mr. Wise seconded the motion. All voted in favor except for Commissioner Cowan, who voted in opposition. The motion to approve carried 5 to 1.

Approval of Resolution R210224A Requesting an Increase in GEFA Loan Funding through Newton County

Mr. VanVolkenburgh said that \$3 million in funding had already been approved, but the bid for construction of the landfill cell was higher than expected, necessitating extra funding in the amount of \$1,620,000.

Mr. Reynolds said that GEFA will approve the increase at its board meeting in May. The interest rate on the loan is 1.44%.

Mr. Wise moved to approve the resolution, and Ms. Hanna seconded the motion. All voted in favor except BOC Chairman Banes, who voted in opposition. The motion carried 5 to 1.

Approval of Proration of FY 2021 Hang Tag Fees beginning March 1, 2021 through June 30, 2021

Mr. Walter recommended lowering the hang tag fee to \$75 and lowering the hardship hang tag fee to \$50 for March through June purchases.

Mr. Morgan moved to approve the hang tag fee changes. Mr. Wise seconded the motion. All voted in favor.

Citizen Comments

None were offered.

Executive Session (Personnel Matters)

Executive Session was not necessary.

Remarks from Authority Members

None were offered.

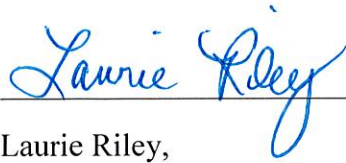
Adjourn

With a motion to adjourn from BOC Chairman Banes and a second from Commissioner Cowan, all voted to approve, and the meeting was adjourned at 7:20 p.m.

Attachments:

- Contract Documents for RFB#21-11 Site 2-Phase 8A Landfill Cell Construction
- January 2021 Daily Tonnage Report
- January 2021 Financial Reports
- Notes from Shredder Discussion Meeting on January 26, 2021
- Email from Kevin Walter to SWMA, 1-20-21 re: shredder
- Email from Kevin Walter to Randi Fincher, 12-16-20 re: shredder
- 5-Year Case Flow Projection for Solid Waste, 2-22-21
- R210224, Resolution Approving a Fee Schedule for FY 2022- FY 2026
- R210224A, Resolution Requesting an Increase in GEFA Loan Funding through Newton County

Attest:



Laurie Riley,
Secretary



Kent Campbell,
Chairman