

**SOLID WASTE AUTHORITY OF CENTRAL OHIO
BOARD OF TRUSTEES MEETING**



September 1, 2009
2:30 p.m.

Grange Insurance Audubon Center
505 West Whittier Street
Columbus, Ohio 43215

MINUTES

1. Call to order of the regular September 1, 2009 meeting at 2:45 p.m.
2. Mr. Mills led the Pledge of Allegiance.
3. Roll Call – the Secretary called the roll and the following board members were present: Paula Brooks, Bob Clemons, Bill Lotz, Mark Kelsey, Vice Chairman Dave Bush and Chairman Brad Frick. Jackie LaMuth joined the meeting while in session.

Staff in attendance: Ron Mills, Jeff Cahill, Harold Anderson, Paul Koehler, Rick Dodge, Jack Stacy, Albert Iosue, Kristi Michels, Joe Roush, Paul Flory, Conner Kinsey, Danielle Kuskowski and Terri Merriman.

4. Approval of minutes for the August 4, 2009 Board of Trustees Meeting and the August 20, 2009 Board of Trustees Retreat – Mr. Clemons moved to approve the August 4, 2009 meeting minutes and the August 20, 2009 retreat minutes; seconded by Mr. Kelsey. Approved 6-0.
5. New Business

Mr. Mills thanked the Audubon staff for hosting the Board of Trustees meeting at their new facility today.

Audit & Finance Committee

Resolution 107-09 authorizing a renewal policy for credit insurance with Euler Hermes ACI for SWACO's accounts receivables (\$30,000).

Paul Koehler explained that a contract with Euler Hermes ACI is an insurance policy, used if SWACO customers default on their account. Last year the contract with Euler Hermes ACI was for \$25,000; the cost is scheduled to go up 10% the second year.

Planning & Programs Committee

Resolution 101-09 to ratify and confirm the Executive Director's actions in entering into a settlement agreement with the Ohio EPA pursuant to a Notice of Violation issued to SWACO (\$2,500).

Albert Iosue explained that in June of 2008 SWACO entered into a contract with Pettibone, who did not have all of their paperwork worked out with OEPA. In August we received OEPA's final findings and orders. Pettibone will reimburse SWACO for the OEPA violation charges.

Resolution 102-09 authorizing a modification to the contract with the Franklin County Sheriff's Office to pay one-half of the purchase price for a replacement vehicle for the Nail-A-Dumper Anti-Dumping Program.

Mr. Iosue continued to explain that this resolution extends the time of a resolution that was passed earlier this year. GM experienced production problems due to the economy and were unable to provide the vehicle ordered in the time required by the original resolution.

Engineering, Operation & Compliance Committee

Resolution 103-09 authorizing a contract with Belmont Labs for analytical laboratory testing and reporting services (\$100,000).

Paul Flory explained that staff solicited Requests for Proposals. Belmont Labs was the lowest and best bidder.

Legislative & Legal Committee

Resolution 104-09 authorizing the Executive Director to grant a Right-of-Way Easement to the City of Grove City for the Haughn Road and Gateway West Drive Dedication.

Conner Kinsey explained that the Resolution is the final Right-of-Way Easement needed to build the Haughn Road connection. The easement is for a 3.39 acre of land.

Resolution 105-09 authorizing a contract modification with SZD WhiteBoard (\$30,000).

Harold Anderson told the board it has been a busier year than originally anticipated. The proposed contract will begin fresh for this year and take us through 2010. The money for the contract is in the approved budget and there is no budgetary impact.

Resolution 106-09 authorizing a contract modification with the law firm of Eastman and Smith for various legal activities in the District (\$250,000).

Mr. Anderson continued by reminding the board that Eastman and Smith is the lawfirm that oversees the community consortiums, the Kurtz Bros. negotiations, and the Yard Waste

Composting contract. This is a time and materials contract. If the services are not needed the funds will not be used.

Consent Agenda

Mr. Koehler read the resolution numbers on today's consent agenda. Mr. Lotz moved to adopt the consent agenda; seconded by Ms. Brooks. The consent agenda was adopted by roll call vote, Trustees Brooks, Clemons, Kelsey, LaMuth, Lotz, Vice-Chairman Bush and Chairman Frick voting aye. Resolutions 101-09, 102-09, 103-09, 104-09, 105-09, 106-09 and 107-09 were adopted 7-0.

Resolutions Removed from Consent Agenda

There were no resolutions removed from the consent agenda.

Board of Trustees Resolutions

There were no additional resolutions added by the Board of Trustees.

6. Board Discussion

A. Entertain nominations for the two following Board of Trustees positions that expire November 1, 2009:

- i. Member representing industrial, commercial & institutional waste generators.**
- ii. Member representing the general interest of citizens.**

The General Public was encouraged to nominate anyone interested for these positions by notifying SWACO staff. These positions are two year terms.

7. Executive Staff's Report

A. GST Project Update

Rick Dodge presented the update on the Green Solutions Technology leachate facility. Staff learned that the ownership must be with SWACO; once ownership changes hands to GST the note is due. The project must start by January 2010 to be eligible for the funding. Mr. Dodge explained that staff continues to work with GST.

B. 2009 Budget Review & 2010 Projected Budget

Ron Mills explained that the board will need to make decisions about programs offered by SWACO before SWACO is able to complete the 2010 budget. Mr. Mills reminded board members that the Operating Funds and the Program Funds are separate amounts of money. Operating Funds are used for the daily operation of SWACO including the landfill, Program Funds have specific items they can be used for and the funds are never allowed to be used on landfill operations. He proceeded to review the 2009 Budget summary.

Operating Fund Budget Summary – 2009

	Original	Projected
Revenue		
Tip Fees*	\$15,088	\$14,342
Transfer Fees	4,400	4,200
Retired Facility & Waiver Fees	2,200	2,014
Interest Earnings	375	175
Other	200	200
Total Revenue	\$22,263	\$20,931

	Original	Projected
Expenditures		
Salaries, Wages & Benefits	\$ 8,276	\$ 8,214
Services and Supplies	6,516	6,980
Debt Service	7,394	7,143
EPA Trust Fund	400	385
Total Expenditures	\$22,586	\$22,722

*Net of Pass-Thru Solid Waste Fees (Example – OEPA \$4.75/ton.)

The 2010 budget is based on an anticipated volume of 800,000 tons. The expectation is that we will continue to receive less garbage at the landfill. By the end of 2010 SWACO will have a greater deficit than in 2009.

The Program Fund, a \$5.00 fee received for waste reduction programs, is projected to have lower receipts than originally planned. There is a projected \$1.8 million deficit in the Operation Fund and a shortfall of \$900,000 in the Program Fund, for a total of \$2.7 million deficit, which puts SWACO on the brink of insolvency. We would not make it through 2011. In 2009, the deficits are created by both the revenue and expenditure side of the balance sheet, even though we reduced overall expenditures by over \$1,000,000 in the 2009 budget.

He explained that staff is proposing additional cuts to help with the situation. In 2010, deficits are created primarily by the revenue side of the balance sheet. To balance the budget there are proposed expenditure reductions.

Proposed Reductions in the 2010 Budget

Programs	Budget Reductions
Audubon/COSI	\$ 50,000
Just-In-Time Recycling (JITRS)	130,000
Smart Community Grants	15,000
General Grants	50,000
Teacher Workshops/Assistance	8,000
School Outreach – Landfill Tours	2,000
Emerald Awards (Public Recognition)	44,000
Public Outreach	60,000
Buy Recycled Grants	35,000
Yard Waste Composting	500,000
Solid Waste Management Resource Library	6,000
Household Hazardous Waste Community Drives	250,000
County-Wide Illegal Dumping	130,000
Solid Waste Management Plan Preparation	20,000
Operations	450,000
Total Reductions	\$1,750,000

Revenue options

1. Attract out-of-county waste to SWACO
Did not work – it failed.
2. Increase Landfill Tip Fee
Constituents told us that was not an option
3. Direct all or a portion of Franklin County Waste to SWACO

Public Policy Position

1. Franklin County Landfill Constructed with Public Funds
2. Construction Based on Waste Volume Generated
3. Public Debt Retired with Waste Volume Generated
4. Not Contemplated that 30% of Waste Volume Lost
5. Therefore, Protect Public Investment with Waste Volume Generated within Franklin County

Recommended SWACO Actions and priorities

1. Diversify sources of operating revenue
2. Implement necessary fee increases on timely basis
3. Eliminate zero based budget approach
4. Re-build reserve fund (at least \$6 million). Used for emergency situations.
Establish a new Operations Contingency Fund.

Recommended Waiver Agreement Action

1. Immediately notify haulers of intent not to renew waiver agreements in their current form.
2. Enter into new agreements that require haulers to deliver at least 75% of Franklin County Generated Waste to SWACO.

C. Draft Waiver Agreements – Eastman & Smith

Dirk Plessner from Eastman & Smith explained how the new waiver agreements would be put into place, beginning with SWACO's District Rules. Since SWACO's current agreements do not specify how much of the garbage can go outside of the district, he proposed to end the current agreements and begin new agreements. Mr. Plessner explained there is a new waiver agreement which reverses the unlimited waiver and are one year waivers with two one year extensions. He also explained that SWACO needs to know where the waste is going which includes monitoring and auditing. Mr. Plessner said there is technology that can assist SWACO with monitoring. An RFID device is read when the truck reaches a facility and at the close of business every day the technology allows SWACO to download the daily activity. Mr. Lotz inquired about the cost of installing this type of system. Mr. Plessner said he believed between \$5,000 and \$15,000 depending on the amount of information SWACO wants to retrieve. There are additional costs for the individual RFID tags plus the cost of scanners for each facility.

8. Public Comment Period

State Representative Marian Harris

Representative Harris explained that Canal Winchester is part of her district and she is very concerned about the potential loss of Waste Management in their community. She said we all need to think about fairness and sharing the pain. She requested SWACO work with Canal Winchester and Waste Management. She's hopeful the groups will sit at the table and work out a situation that will not negatively impact Canal Winchester.

Kathy Trent, Waste Management

Kathy Trent drafted a letter for the Board of Trustees. She acknowledged that Mr. Mills and Mr. Cahill have met with Waste Management over the past few weeks. Waste Management is also seeing less waste at their facilities. In 2009 they diverted part of the waste they collect from SWACO to Waste Management's Suburban Landfill. If they can no longer take out the larger amount of waste, Waste Management questions the continued operation of the transfer station. They will have to divert truck transfer routes which will increase costs to their customers. The reduced volume also impacts Canal Winchester, who receives a host fee, which will be a loss in revenue to them.

Just as Canal Winchester and Suburban Landfill are negatively impacted so is Hopewell Township who also receives a host fee because Suburban Landfill is located in their Township. She hoped that an inter-district agreement would help. She requested that SWACO preserve the fee waiver ability.

Ms. Trent said Waste Management knows SWACO needs more volume and they are willing to discuss this issue. She proposed a \$2 fee increase across the board to SWACO's constituents. It is projected at its current rates, Waste Management will deliver 14,000 tons of waste this year. This decision must be made by the October Board of Trustees meeting so that haulers can be notified, as outlined in the contract.

Chad Wilkins, Hopewell Township

Mr. Wilkins explained that Waste Management operates Suburban Landfill which is located in Hopewell Township. The loss of trash at Suburban Landfill will cause a loss of revenue to Hopewell Township and negatively impact his community.

Michael Ebert, Mayor of Canal Winchester

Mayor Ebert explained that Waste Management's operations in Canal Winchester are wonderful to have in their community. He feels for SWACO's budget situation and said that his community too is experiencing similar budget problems. He continued to explain how the loss of the host fee revenue is a lot of money for their community. Canal Winchester will be hit very hard.

Mr. Kelsey asked if SWACO agreed that 50% of the waste coming back to the district is sufficient, how many of the 276 jobs would be saved? Ms. Trent said that this facility includes drivers, operators at the transfer station, operators at their recycling facility as well as a call center in the building. Waste Management has had to reduce staff already. She said she would get that number. She explained there are 5 - 10 jobs impacted by the transfer station.

Gene Hollins

Mr. Hollins spoke on behalf of the Village of Canal Winchester. He is hopeful this is a short term problem and is concerned about evoking waivers which is a long-term solution. Canal Winchester and Waste Management all have the same budget concerns. He encouraged everyone over the next six months to work together. He continued to discuss his concern about getting away from aggressive recycling issues and throwing everything in the landfill. We should encourage the greener use. Mr. Frick said that he appreciated his concern and asked if he understood Mr. Plessner's proposal of a one year waiver with two optional one year contracts? He shared that he thought we should keep the current waivers.

Ms. LaMuth asked how many tons are recycled at that facility? He said everything at the Village goes through the facility and are recycled. Ms. Trent said that she believes there is 10 - 15% recycled. The recycling commodity market crashed at the end of 2008. When the commodity markets are up they mine the waste because it is a revenue. The tonnage is down in 2009 due to the market. Mr. Frick requested that Waste Management gather the numbers for the past three years and give them to the SWACO staff.

9. Staff Approved Contracts and Expenditures

Mr. Mills explained the Staff Approved Contracts and the 2009 Staff Approved Expenditures to the audience.

10. Upcoming Meetings

Joint Committee Meeting

Planning and Programs Committee

Engineering and Operations Committee

September 15, 2009 – 2:30 p.m.

SWACO Administrative Office Building

4239 London-Groveport Road

Grove City, Ohio

Administrative Services Committee

September 15, 2009 – 5:00 p.m.

Frick Law Building

1265 Neil Avenue

Columbus, Ohio

Audit and Finance Committee

To be determined

Legal and Legislative Committee

To be determined

Board of Trustees Meeting

October 6, 2009 – 2:30 p.m.

Solid Waste Authority of Central Ohio

4239 London-Groveport Road

Grove City, Ohio 43123

- 11. Adjourn** – Mr. Kelsey made a motion to adjourn the meeting; seconded by Mr. Clemons. Approved 7-0. The meeting adjourned at 4:27 p.m.

