

Approved at the June 23, 2009 meeting

Flathead County Solid Waste District
Board of Directors Meeting
May 26, 2009 – **5:00 p.m.**
Landfill Office

1. Roll Call

Board Members present: Hank Olson, Chairman; Bill Shaw, Vice Chairman; Greg Acton, City of Whitefish and Alan Ruby, Member at Large. Absent: Nancy Askew, Board of Health; John Helton, Member at Large and Dale Lauman, County Commissioner.

District Staff present: Public Works Director Dave Prunty, Operations Manager Jim Chilton and Recording Secretary Deborah Morine.

Attendees: Mayre Flowers, Matt O'Connell and Bob Morrow.

2. Introductory Remarks from Chairman

Hank Olson thanked everyone for attending and noted the absent Board members.

3. Comments from public

Mayre Flowers stated the school tours have been going well and will continue through the second week in June. She reported that one of the bus drivers had told her she could not reuse the scavenger hunt handouts as they could potentially spread germs between those who handle the papers. She called the Health Department and was told the likelihood of germ sharing was minimal and could continue to reuse the handouts.

Mayre also reminded the Board that the Small Generator Hazardous Waste Collection Event will be held on Friday at the landfill and the E-Waste collection event will be held at Valley Recycling on Saturday.

4. Approval of the Board Meeting Minutes for April 28, 2009

Alan Ruby moved to adopt the minutes of April 28, 2009. Greg Acton seconded. Motion passed.

5. Action Agenda

a. Tire Removal and Recycling Bid – **Action Required**

The District received bids for our tire recycling on May 13, 2009. Two firms supplied bids for the project. The bids are as follows:

Enviro Tire	\$1.40 per tire – passenger tires
	\$2.00 per tire – passenger/light truck tires with rims

\$4.50 per tire – semi tires
\$6.60 per tire – semi tires with rims

Evergreen Disposal \$11 per tire – passenger tires
\$14 per tire – passenger/light truck tires with rims
\$12 per tire – semi tires
\$15 per tire – semi tires with rims

Annual expense for this program has been between \$8,000 and \$10,000. Considerable airspace is saved within the landfill from removing these tires and issues with tires “walking” up through the waste prism are minimized.

Greg Acton moved to award the Tire Removal and Recycling Bid to Enviro Tire at the prices provided in their May 13, 2009 bid above for a two year period and authorize the Public Works Director to execute the contract. Bill Shaw seconded. Motion passed.

6. Director’s Report

a. Ashley Lake Container Site

The Department of Natural Resources and Conservation (DNRC) has informed staff that the State Land Commission will review the proposed easement for the Ashley Lake container site on June 16th. The application for the easement has been submitted to DNRC staff and will be forwarded to Helena. Jim will be traveling to Helena for the meeting with the State Land Board to answer any questions if necessary. Our design engineer will also be attending this meeting. The cost of the easement will be \$32,862.80. The District will have the easement for 5.666 acres at a cost of \$5,800/acre for 30 years. Also of note, the County Commissioners passed a motion on May 11th to abandon the right-of-way that bisects the new site location.

We are targeting a site opening date of mid October if all proceeds forward without any delays in the process or construction.

b. Landfill Gas to Energy Project

The Landfill Gas to Energy Facility is very close to completion. An initial attempt to start the system on April 15th was unsuccessful. SCS Energy, who is Flathead Electric Cooperative (FEC) contractor, will continue to work on the system to troubleshoot the electrical issues that appeared to cause the issue at initial start up. It is not uncommon for these systems to take weeks to complete final acceptance testing and begin continued operations.

The Board members will tour the Landfill Gas to Energy Project on June 23, 2009 at 4 p.m.

c. Purchase of Somers Container Site

Gene Lard Real Estate Appraisals completed their appraisal of the Somers container site land which is owned by Montana Department of Transportation (MDT). Mr. Lard determined a value for the property by utilizing the Sales Comparison Approach. The appraisal is included in your packet. The value was determined to be \$130,000 for the 3.21 acres or ~\$40,500/acre.

In staff's discussions with MDT over this purchase, they initially valued the property at \$175,000 as determined by their in-house certified appraiser. However, they incorrectly utilized an asking price in their evaluation instead of the sale price. The comparison property sold for \$158,000. In discussions with MDT they have revised their price down to \$158,000 for the property or \$49,221/acre.

After MDT's review of the report from Mr. Lard they disagreed with Mr. Lard that a larger sized property for commercial use decreased the unit price per acre for the land. They also do not think that land prices are decreasing in the current economic situation but that they are just not moving at this time. They said they have not seen a decrease in right-of-way acquisitions costs in the Flathead.

The District is required to obtain an independent third party appraisal before we could make an offer on the parcel as per state law. MDT said they are reluctant, at best, to consider a different appraisal but this was the only way the District would be able to make an offer as directed by the County Attorney's Office. Staff has continued to work with the County Attorney's Office to continue the process of purchasing this property.

There were general discussion among the Board members. The Board directed Dave to obtain a second appraisal.

d. Container Site Consolidation Project

The first phase of the consolidation project included the Kila and Marion container sites. Staff has been reviewing our other container sites and also has been discussing further consolidation with our engineer that is preparing the District strategic plan. Other sites that have been discussed include the three sites on Highway 2 east of West Glacier. These sites are referred to as Nyack, Denny's and Essex. The volumes removed from these sites amounts to less than 1% of the waste hauled by our refuse trucks. The estimated cost per ton for the operation of these sites is \$103.36 per ton.

The other sites discussed for consolidation include the Bigfork and Lakeside sites. These sites account for 13% and 11% of the waste hauled by our trucks, respectively, and the estimated cost per ton to operate is \$42.15/ton and \$51.62/ton. They are leased from MDT and the leases expire in March, 2011 for both sites. These sites also have the 30 day out clause from MDT.

Bigfork does not have any opportunity to expand in size and is currently not fenced. It is immediately adjacent to Highway 83. Lakeside is located off the road to Blacktail Ski area about 1/2 mile from Highway 93. There is room to expand this site. The District asked MDT if they were interested in selling the Lakeside site a few years ago. They said they were not interested at that time.

Until we have a clear direction on the Somers site purchase staff is reluctant to proceed forward with consolidation on the north shore area.

e. Recycling at Container Sites

The recycling contract with Evergreen Disposal/Valley Recycling is in its second year of a five year contract. The District has been providing extra cardboard containers at Bigfork, Columbia Falls, Creston and Somers. These six yard bins are serviced one per week by Evergreen's front loading truck when it is on its cardboard run to these areas. The citizens have grown accustomed to this service and are using it well, even to the point that we are not providing the level of service needed to have sufficient space in the bins. Cardboard typically ends up piling up around the bins before they can be emptied. The revenue generated off these bins is much less than the expense to operate them. We have had multiple complaints from citizens about this issue.

Staff has been analyzing this system with our contractor. The easiest solution is to have Evergreen empty the bins twice per week instead of once per week. Economically, we do not believe this is the way to proceed. When prices recover in the recycling markets the difference will not be as pronounced as it currently is but will still be extremely expensive to operate these "extra" bins. Some of the problem is commercial use of the bins. These businesses should have their own bins at the business location and be paying for their recycling. Without staffing at the sites we are virtually unable to stop this from occurring.

There were general discussions concerning the cost of recycling the county is subsidizing every month.

f. Refuse Operations

Operations proceeded well for the month. Tonnage/Volumes are shown below:

	<u>April</u>
Total MSW to landfill	8,516.31
Total Appliances Collected	622
Junk Vehicles Collected	29
Truck Trips to Landfill	510
Refuse tons/trip	7.55

The District landfilled 9.2% less waste in April, 2009 as compared to April, 2008 and our refuse trucks hauled 6.8% **MORE** waste comparing the same time frame.

The volume increase at the container sites is most likely attributed to improved weather and spring cleaning.

Staff is also closely monitoring the revenue stream for the District. Our assessment system is relatively secure funding but the gate revenue is very dependent on the economy. So far we are under projections through ten months of fiscal year 2008/2009. We budgeted \$1.2 million in gate revenue and through April (83% of the fiscal year) we have received cash payment and invoiced \$794,365 or 66.2% of the projected revenue.

g. Budget and Financials

Dave reviewed the Budget and Financial statement with the Board.

7. Comments from Board Members

Hank Olson stated that he agrees we need a cost analysis for the next 6 months recycling to determine market volatility and sensitivity of commodity prices to our revenue and expenses for the program.

8. Adjournment

The meeting was adjourned at 6:15 p.m.