

Approved at the October 28, 2009 meeting

Flathead County Solid Waste District
Board of Directors Meeting
September 23, 2008 – 5:00 p.m.
Landfill Office

1. Roll Call

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

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

Attendees: Peter Gross, Denis Schwenk, Matt O'Connell, Jim Marsh and Robin Boon.

2. Introductory Remarks from Chairman

Hank Olson thanked everyone for attending. He stated that a lot of time has been spent discussing the west corridor project and that he would continue to communicate with the public during the meetings if he feels it is necessary.

3. Comments from public

Peter Gross – McGregor Lake, Stated he is in favor in maintaining the status quo at the Marion site. He referred to a recent article in the Daily Interlake regarding trash being dumped in the Lolo National Forrest. He said that people will dump in the woods because it is easier and cheaper. He stated that the Board has a legal and moral responsibility to make it easy for the citizens of the county to dispose of their trash.

4. Approval of the Board Meeting Minutes for August 26, 2008 - **Action Required**

John Helton moved to adopt the minutes for August 26, 2008. Greg Acton seconded. Motion Passed.

5. Action Agenda

a. Bid Award for Solid Waste Compactor

The District solicited bids from qualified equipment firms to supply one solid waste compactor machine. Bids were received from three firms. The companies and their bids prices are as follows:

Western States Equipment (CAT) - \$489,880 excluding a trade allowance of \$40,000

Aljon - \$523,834 excluding a trade allowance of \$20,000

Western Plains Machinery (Bomag) - \$511,055 excluding a trade allowance of \$40,000

The District requested prices to trade in our CAT 826C compactor which has functioned in a backup role for the last seven years.

Staff is recommending that the bid be awarded to Western States Equipment for one CAT 826H compactor.

John Helton asked if Western States is a local company. Dave stated it was the local CAT dealer and it would be a brand new machine built in Peoria, IL.

Alan Ruby asked if there was a warranty. Dave stated there would be.

Bill Shaw moved to award the bid for one solid waste compactor to Western States Equipment and authorize the Public Works Director to proceed with procurement of the machine. John Helton seconded. Motion passed.

b. Landfill Gas to Energy Contract

The District and Flathead Electric Cooperative (FEC) have been negotiating the Landfill Gas Utilization Agreement. This contract is the main legal document that will describe the arrangement between the two parties for the 20 year life of the contract. It is extremely important that the document describe the use of the gas and the rights and responsibilities of each party. The District's primary concern is to remain in environmental compliance with the Montana Department of Environmental Quality (DEQ). FEC's primary concern is to receive and utilize enough landfill gas to efficiently and cost effectively operate the engine and generator to produce the maximum electricity available. Both parties have negotiated in good faith and have agreed that both parties' interests are absolutely critical to success of the project.

The District has been utilizing our landfill engineer, SWT Engineering, to provide oversight to the contract negotiations. We also have retained Mr. Erik Sapir with Hawkins, Delafield and Wood in Newark, NJ to provide a legal review of the contract once we have finalized the operational issues to assure the District's legal rights are preserved. Jonathan Smith with the County Attorney Office agreed that this legal opinion would be a prudent step for the District.

It is hoped that the agreement can be completed in time for the board to review and authorize the Director to sign by the meeting.

There was general discussion regarding who addresses noise levels. Dave stated that Flathead Electric Co-op would be responsible for the noise levels.

There was general discussion regarding insurance requirements. Dave stated that insurance needs to be purchased within 30 days of contract approval.

Greg Acton moved to authorize the Public Works Director to execute the Landfill Gas Utilization Agreement between the District and the Flathead Electric Cooperative to proceed forward with the installation of a landfill gas engine and generator to produce electricity at the Flathead County Landfill. Nancy Askew seconded. Alan Ruby recused himself from the vote. Motion passed.

c. Rescheduling of November 25th, 2008 Board Meeting

Dave will be out of town for the November 25th, 2008 regular meeting. As in the past the Board of Directors has moved this meeting ahead one week which would make the meeting occur on November 18th, 2008. Staff will inform the public of the meeting change through the Daily Interlake and the County web site.

Alan Ruby moved to change the November 25th, 2008 Board meeting to November 18th, 2008. Nancy Askew seconded. Motion passed.

6. Director's Report

a. West Corridor Container Site Consolidation Project

As directed by the Board last month, staff has continued to pursue the consolidation of the Marion and Kila container sites into a new site located on State of Montana owned land near the junction of Ashley Lake Road and Highway 2 West. One of the major issues that were discussed by the Board and the public last month was the concerns with the safety of the intersection of these two roadways. Staff met with Montana Department of Transportation (MDT) engineers and maintenance personnel at the proposed location. MDT provided crash history for the last five years and also measured the sight distance to the west of the intersection which is the area of concern. Their recommendations were that while the intersection is safe, they feel that the needed sight distance is slightly less than needed for the designated speed limit of 70 mph at that intersection. They have discussed a reduced speed limit of 60 mph in this section of Hwy 2W but didn't know if or when that was going to occur.

The crash history showed that four accidents have occurred at the intersection in the last five years. All four accidents involved citations being written for some form of driving infraction. Three of the four occurred in daylight and two of the four occurred in the winter. Three of the accidents occurred in 2008 and the other was in 2004.

Working with the MDT and a citizen from the Ashley Lake area a new entrance area was evaluated approximately 500 feet west of the current intersection on Hwy 2W. This new entrance would eliminate the "dip" that was discussed by the public at the meeting. MDT said they would approve an approach permit for this area and it would have excellent sight distance for vehicles entering and exiting the new site.

Changing the site entrance has also required a change to the site location on the State Lands. The site will be located just south of the previously proposed area, closer to the intersection of Ashley Lake Road and Hwy 2W. A plan view is included in the packet. There is adequate land in this area for the site and any future expansions. Department of Natural Resources and

Conservation (DNRC) staff agrees that this location is an acceptable area for the site. There will be adequate trees for the perimeter of the site to minimize the visual impacts to the area.

There were general discussions on how heavily traveled is Ashley Lake Road, site distance from the proposed approach and elevation of the new site in comparison to the current highway elevation.

Bill Shaw inquired if the current Ashley Lake Road approach could be changed to the proposed site approach in order to help with the “dip” issue and then the District could use the abandoned road right of way for the new site. There were discussions on how there are no county (road) funds to create this scenario, would have to get approval from DNRC and that it might be more trouble than it’s worth.

Bill also stated that there is a new subdivision (which has streets but no houses yet) about 3 miles up the North Fork which is being used as a dumping ground by reckless individuals that are too lazy to drive to the greenboxes in Columbia Falls. He pointed out that people are going to dump where they please regardless how convenient a site may be.

John Helton related that he knows of instances where people have driven past the Coram greenbox site to dump on Forest Service ground on Desert Mountain.

There was more general discussion on costs per ton for the sites and how new subdivisions are supposed to use private garbage hauling services. Discussions also included privatization of the hauling from container sites. The consensus is that ultimately, the District is in the landfill business, not the hauling business.

Hank asked for direction from the Board. John Helton stated that we are bending over backward to make it work for this area. Dave said that we made a change in the proposed Ashley Lake site to address the “dip” in the road and will continue to proceed forward until the Board directs him to stop.

Hank stated that the next step would be to arrange a meeting with their focus group and have a dialogue with the Board. Once a date and time is decided, notices will be placed on the containers and in public locations in the area as well as a notice in the Daily Interlake.

b. Environmental Insurance Policy Coverage for the District

Robin Boone with Western States Insurance Agency and Dave have been discussing the potential of purchasing environmental liability coverage for the District’s operations. An environmental policy would have covered in the District if it were in place when the groundwater contamination was discovered in 1995. The District subsequently spent millions of dollars implementing corrective actions required by the Montana Department of Environmental Quality.

Robin will be at the meeting to inform the Board of the different kinds of insurance available and levels of coverage along with some quotes we have received from insurance providers. Most private entities and municipalities in other areas of the nation have this coverage in

place. The larger private solid waste disposal and landfill companies in Montana would have this coverage but most likely not many Montana municipalities have this coverage.

Nancy Askew excused herself from the meeting at 6:40 p.m.

Dave introduced Robin Boon from Western States Insurance to the Board. Robin distributed a document that explains different insurance options and proceeded to explain the costs/differences in each plan. Options included a retroactive policy where coverage could go back to 1998 and a policy that would start at the date of inception. There was general discussion concerning costs and coverage for the different policies.

Robin also pointed out that wording in the insurance portion of the Landfill Gas to Energy contract (Section 7, (A) 1. "\$5,000,000 in the aggregate") was most likely inadvertently incorrect. She suggested that the paragraph be changed/rewritten. General discussions included the intent of the limits of the policy, phrasing the paragraph, and Robin & Dave attending the Flathead Electric Co-op directors meeting tomorrow to explain the change.

Hank stated that the previous motion (to accept the contract) would need rescinded.

Bill Shaw moved to rescind the previous motion to accept the Landfill Gas to Energy Contract. Greg Action rescinded his motion. Nancy Askew already left the meeting so was contacted by phone and agreed to rescind her second. The previous motion was rescinded. Alan Ruby recused himself from the motion. Motion passed.

Hank Olson asked for a motion to accept the Landfill Gas to Energy Contract with the necessary insurance changes. Bill Shaw moved to authorize the Public Works Director to execute the Landfill Gas Utilization Agreement between the District and the Flathead Electric Cooperative to include the necessary insurance changes and to proceed forward with the installation of a landfill gas engine and generator to produce electricity at the Flathead County Landfill. John Helton seconded. Alan Ruby recused himself from the vote. Motion passed.

Dave Prunty and Robin Boon will attend the Flathead Electric Co-op meeting tomorrow to review the necessary changes with their board.

c. Refuse Operations

Dave asked Matt O'Connell to review the increased recycling program with the Board. Matt stated there have been 44 hauls on the new sites and anticipates about 65 total for the month. He stated that some fill up faster than others and some are not being used too much yet, but anticipates they will be used more as people become aware of their locations.

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

	<u>August</u>
Total MSW to landfill	10,571.84
Total Appliances Collected	848
Junk Vehicles Collected	8

Truck Trips to Landfill	553
Refuse tons/trip	6.99

The District landfilled 18.1% less waste in August, 2008 as compared to August, 2007 and our refuse trucks hauled 13% less waste comparing the same time frame.

The waste landfilled from January through August in 2008 is down 13.1% as compared to the same time frame in 2007.

Dave stated that there are still no financials.

7. Comments from Board Members

John Helton asked Matt O'Connell if his company could handle the hauling of a private site if the residents chose to go that direction. Matt stated yes, as his company specializes in waste management in secondary markets and it is his job to "grow the business".

Bill stated he got to thinking about comments from the previous meeting which were, if a site were "x" miles from the landfill and the population were dense enough to be serviced by a private hauler, the Columbia Falls site would be the first to close. He stated that it could come to a point where the fees would have to increase since there is a need to "staff" the sites and take care of the risks that could arise. Perhaps there would be a point where the public would say "we don't want to spend this kind of money" and at some point, the District gets out of the hauling business and turns it over to the public hauler.

Matt O'Connell said that garbage service is cheap in comparison to what people are willing to spend on phone service, cable/satellite as an essential "need".

8. Adjournment

The meeting was adjourned at 7:37 p.m.