

**ROCK ISLAND COUNTY WASTE MANAGEMENT AGENCY
(RICWMA)**

Special Informational Meeting

Thursday, March 14, 2019, 10:00 a.m.
Bi-State Regional Commission Conference Room 320
1504 Third Avenue
Rock Island, Illinois

MEMBERS IN ATTENDANCE

Mr. Vern Winter, Chair, Rock Island
Ms. Louisa Ewert, Treasurer, Rock Island
Mr. Mike Waldron, Moline

OTHERS PRESENT

Ms. Gena McCullough, Bi-State	Mr. Josh Hale, Millennium Waste
Ms. Sarah Gardner, Bi-State	Mr. Eric Davis, Midland Davis
Mr. Dave Lambrecht, East Moline	Mr. Mitch Davis, Midland Davis
Mr. Mike Bartels, Rock Island	Mr. Ray Carter, Republic
Ms. Kathy Morris, Waste Commission of Scott Co.	Ms. Becky Raupp, Republic

1. Welcome and Introductions. Mr. Winter chaired the meeting and asked those in attendance to introduce themselves to the group
2. Discussion of recycling processing fees/proposed addendum to contract with Republic. Mr. Winter asked Ms. Morris to begin with a discussion of the processing fees currently charged by the Waste Commission of Scott County. Ms. Morris explained that the Waste Commission has an arrangement with their municipal partners to charge an \$80/ton processing fee for material brought to their facility that is offset in part by the market value of the material itself. As commodity prices have dropped and fees have had to increase, the Waste Commission has offered an arrangement to effectively “bank” the current high fees by covering the costs through the Waste Commission’s market volatility fund. The expectation is that as the market recovers and the commodity values increase, the market volatility fund will be reimbursed for these fees before any additional revenue is passed on to the municipal partners.

Mr. Carter stated that what Republic is offering is a simple pass-through fee. If the Waste Commission does not charge Republic this processing fee, Republic will not charge RICWMA for it. The concern for Republic about any proposed arrangement to “bank” these fees is how they are accounted. For them, it would be listed as a liability, as the fees would eventually need to be paid back if the markets do not sufficiently recover.

Mr. Winter asked how much RICWMA pays per pull under the current contract and if it included a disposal fee. Ms. Gardner answered that RICWMA paid \$125/pull, and Mr. Carter answered that it did not include a disposal fee. Mr. Winter asked if, effectively, the proposed

arrangement was for RICWMA to pay Republic to pay Scott County to process RICWMA material, and Mr. Carter said no, it is a strict pass-through fee. He stated currently the markets are “upside down,” and what Ms. Morris is offering is to buffer communities for a time in hopes of a recovery, but it is important to understanding those fees are being banked, not waived. It could be a “pay now or pay later” situation.

Ms. Morris added that although that is true, what the Waste Commission is proposing is not a big payment at the end of the agreement if the fees have not been fully recovered. The Waste Commission is also not proposing to charge interest on those fees while they are banked. Instead, the state of the markets will be evaluated every six months, and incremental increases of no more than \$5/ton would be introduced as needed to help recover the fees.

Ms. McCullough noted that the fees could build up over time faster than the incremental increases could pay them down, so RICWMA could end up paying the fees off over a greater length of time under this arrangement. She then asked if the markets recover, would Republic also pass through the revenue share profits to RICWMA. Mr. Carter said yes, they would.

Ms. Gardner noted that a contract amendment was in order regardless of the fee, as the contract states that Republic will be exclusively responsible for processing the material. The current practice of sending it to the Waste Commission of Scott County is not in conformity with that provision. She asked if a separate agreement would be needed between the Waste Commission and RICWMA to state that the material collected at RICWMA’s drop-off sites is to be sent to the Waste Commission in order to make the proposed arrangement work, and Ms. Raupp said the arrangement could be worked out between Republic and the Waste Commission under the current contract with RICWMA.

Mr. Winter said he was more inclined for RICWMA to pay as we go, accepting the pass-through fee. Mr. Waldron and Mr. Lambrecht concurred. Ms. Gardner said she could work on drawing up a contract amendment allowing Republic to use third-party service providers such as the Waste Commission to process material collected at the drop-off sites, and she asked if Republic could draw up an addendum that would outline the arrangement to pass through the processing fees and profit sharing revenue they receive from the Waste Commission of Scott County. Mr. Carter and Ms. Raupp agreed.

3. Comments from the Public. None.
4. Adjournment. With no further discussion, Mr. Lambrecht motioned to adjourn, and Mr. Waldron seconded. The motion carried unanimously, and the meeting adjourned at 10:45 a.m.