

March 24, 2009

SOLID WASTE DISPOSAL DISTRICT

The Board of Commissioners of the Solid Waste Disposal District met at the County Commission Chambers, 1801 27th Street, Vero Beach, Florida, on Tuesday, March 24, 2009. Present were Chairman Wesley S. Davis, Vice Chairman Joseph E. Flescher, and Commissioners Peter D. O'Bryan, Bob Solari, and Gary C. Wheeler. Also present were County Administrator Joseph A. Baird, County Attorney William G. Collins II, and Deputy Clerk Maureen Gelfo.

The Chairman called the meeting to order at 12:18 p.m.

15.B.1. APPROVAL OF MINUTES REGULAR MEETING OF JANUARY 13, 2009

The Chairman asked if there were any corrections or additions to the Minutes of the Regular Meeting of January 13, 2009. There were none.

ON MOTION by Commissioner Wheeler, SECONDED by Vice Chairman Flescher, the Board unanimously approved the Minutes of the Regular Meeting of January 13, 2009, as written.

15.B.2. APPROVAL OF MINUTES REGULAR MEETING OF JANUARY 20, 2009

The Chairman asked if there were any corrections or additions to the Minutes of the Regular Meeting of January 20, 2009. There were none.

ON MOTION by Commissioner Wheeler, SECONDED by Vice Chairman Flescher, the Board unanimously approved the Minutes of the Regular Meeting of January 20, 2009, as written.

15.B.3. APPROVAL OF MINUTES REGULAR MEETING OF FEBRUARY 3, 2009

ON MOTION by Commissioner Wheeler, SECONDED by Vice Chairman Flescher, the Board unanimously approved the Minutes of the Regular Meeting of February 3, 2009, as written.

15.B.4. WORK ORDER NO. 12 TO CAMP DRESSER & MCKEE, INC. FOR ENGINEERING SERVICES WITH THE 2009 ANNUAL FINANCIAL REPORTS & GENERAL TECHNICAL ASSISTANCE

MOTION WAS MADE by Commissioner Wheeler, SECONDED by Chairman Davis, to approve staff's recommendation, Work Order No. 12 with Camp Dresser & McKee, Inc. (CDM).

Himanshu Mehta, Managing Director of the Solid Waste Disposal District, provided for Commissioner Solari an explanation of the Annual Reports, which are required by the Department of Environmental Protection (DEP). The Financial Assurance Report deals with evaluating how much landfill capacity has been depleted in a given year, and how much life remains in the landfill, and setting aside money each year for the long term care of the facility. The Full Cost Accounting Report informs the residents on the costs for collection, management and disposal of solid waste in the County. Director Mehta offered to provide Commissioner Solari with copies of last year's reports to provide him with more details on their content.

Commissioner Solari wanted to know if the reports varied much from year to year, and learned from County Administrator Baird that they do change, particularly after hurricanes, because a lot more of the landfill space is utilized.

Commissioner Solari inquired about the possibility of saving costs on the Annual Reports by having them audited on a three-year cycle.

The Chairman CALLED THE QUESTION and the Motion carried unanimously. The Board approved and authorized the Chairman to execute Work Order No. 12 with Camp Dresser & McKee, Inc. (CDM), in the amount of \$62,660.00, to provide engineering services related to the Annual Financial Reports and General Technical Assistance, as recommended in the memorandum of March 17, 2009.

WORK ORDER ON FILE IN THE OFFICE OF THE CLERK TO THE BOARD

15.B.5. STATUS REPORT ON NEW PLANET ENERGY (NPE)

Director of Utilities Erik Olson noted that this item was a follow-up to the January 13, 2009, Board of County Commission meeting, at which staff provided an update on New Planet Energy Florida (NPE), which had been potentially selected to create within the County, an ethanol production facility utilizing Landfill wastes. Director Olson recalled that New Planet Energy (NPE) had entered into a Joint Venture Agreement with INEOS, to form a new company, INEOS New Plant BioEnergy LLC (INPB). He reported that since INPB is a privately held firm, and does not divulge financial audited information, staff had been unable to access its financial records to determine the financial viability of INPB to undertake the Project. Director Olson stated that INPB has recently proposed to begin Phase I of operations by utilizing the brush, rather than the Class I raw landfill material, to create the ethanol, and explained why this would greatly reduce the County's liability. Director Olson then reiterated staff's dilemma regarding the lack of financial information on INPB.

Chairman Davis remarked that it seemed the only thing the County would be jeopardizing in this situation would be the brush going to the Landfill.

Director Olson agreed with Chairman Davis, revealing that it would not be until Phase II when the material from the Class I Landfill would be utilized. He stated that the key was to protect the County on the basis of contractual limits set with whatever action it takes.

Commissioner Solari pointed out that once Phase I of the Project is initiated, and before any substantial risk to the County, INPB would be acquiring financial records which could be audited, as part of its Agreement with the County.

Director Olson acknowledged that INPB would be achieving a financial history, but observed that at this juncture, there was no basis to determine the company's financial capability to acquire the plant and proceed to Phase I.

Further discussion ensued as Board members weighed the County's risk for Phase I of the Project.

County Budget Director Jason Brown observed that INPB would want the County's commitment to both Phases of the Project, and he was concerned about moving forward without certain financial information.

Vice Chairman Flescher asked if Director Brown was comfortable proceeding with Phase I.

Director Brown reiterated that staff was unable to make a determination on INPB's financial capacity, because, as a privately held company, the Company had been unable to share its financial information. He advised that, if staff could review INPB's financial data, and if performance benchmarks were included in the Contract, it might be possible to move forward.

Commissioner Wheeler discussed the advantages of proceeding with Phase I. He suggested that the contract with INPB be divided into Phase I and Phase II, and observed that certain criteria could be established and would have to be met, before the County would be ready to proceed to Phase II.

Director Olson acknowledged that Phase II was the most dangerous step; however, he reiterated that staff could not advise the Board that INPB was financially in a position to make

the Project a success. He agreed with Commissioner Wheeler that if contractual protections were put into place, Phase I would pose minimal risk to the County.

Commissioners Wheeler and O'Bryan concurred that they were ready to move forward with Phase I of the Project.

David King, Managing Director of INPB, 4107 Deltawood Court, Houston, Texas, introduced his colleagues, Ray Crabbs and Tex Carter of New Plant Energy, and Dan Cummings of INEOS BIO, of which INPB is a subsidiary. Mr. King provided an update on some of INPB's funding sources, and outlined the objectives for Phase I and Phase II of the Project, with the anticipated completion of Phase II in 2013, at which time the plant would be capable of processing 50 million gallons of waste to produce roughly 9-10 megawatts of power. Mr. King discussed the benefits to the County of proceeding with Phase I, and acknowledged the importance of providing the Commission and staff with a comfort level regarding INPB's financial soundness, while at the same time, allowing INPB to protect its financial information and business plan. He felt that one way to achieve the latter objective would be to have INPB proceed as an Economic Development Project.

Director Brown acknowledged that INPB had indicated a willingness to share its financial information, if confidentiality could be maintained. He reiterated the importance for staff to review the financial statements, and felt that it would be advantageous to have INPB's Project fall under Economic Development, wherein its information could be held confidential.

Responding to Commissioner Wheeler's query, Director Olson acknowledged that if Phase I of the Project failed, the County would lose very little.

Commissioners Flescher and Wheeler did not see any negative impacts accruing to the County from initiating Phase I of the Project.

MOTION WAS MADE by Vice Chairman Flescher,
SECONDED by Commissioner Wheeler, to go forward
with Phase I of the Waste to Energy Project.

Commissioner O'Bryan wanted to expand Vice Chairman Flescher's Motion to direct Director Brown and INPB to arrive at some contract specifications which must be met before proceeding with Phase II of the Project.

Vice Chairman Flescher did not amend his Motion, as he observed that the contract specifications were assumed and well understood, in his Motion to go forward with Phase I of the Project.

Helene Caseltine, Economic Development Director of the Indian River County Chamber of Commerce, supported having the Waste to Energy Project as an Economic Development Project. She mentioned that the Project would create about 125 new jobs for County residents, and reported that the State allows confidentiality during contract negotiations for Economic Development Projects.

Commissioner Solari applauded Directors Olson and Brown for carrying out the Board's directives extremely well. He remarked that they had provided one of the best pieces of backup ever received by the Commission, and that they had done a very good job on all of their negotiations with INPB.

The Chairman CALLED THE QUESTION and the Motion carried unanimously. The Board approved moving forward with Phase I of the Waste to Energy Project with INEOS New Planet BioEnergy, LLC (INPB).

ALL BACKUP DOCUMENTATION, RESOLUTIONS, AND ORDINANCES ARE ON FILE IN THE OFFICE OF THE CLERK TO THE BOARD AND ARE HEREBY MADE A PART OF THESE MINUTES

ADJOURNMENT

There being no further business, the Chairman declared the meeting adjourned at 12:54 p.m.

ATTEST:

Jeffrey K. Barton, Clerk

Wesley S. Davis, Chairman

Minutes Approved: _____
MG/SWDD Minutes