

**AGENDA**

**REGULAR MEETING**

**SANTA FE SOLID WASTE MANAGEMENT AGENCY  
JOINT POWERS BOARD**

**FEBRAURY 15, 2018  
5:00 P.M.**

**LEGAL CONFERENCE ROOM  
SANTA FE COUNTY ADMINISTRATION BUILDING  
102 GRANT AVENUE  
SANTA FE, NM**

- I. Call to Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Approval of Consent Calendar**
- V. Approval of Minutes:** Special Meeting – January 11, 2018
- VI. Matters from the Public**
- VII. Consent Calendar**
  - A. Request for Approval to Purchase a High-Tip Bucket Attachment for the Volvo L110G and L110H Wheel Loaders (Unit Nos. 1453 and 1467) from Golden Equipment Company of Albuquerque, NM, under the Houston-Galveston Area Council Contract No. EM06-17 for the Buckman Road Recycling and Transfer Station in the Amount of \$18,633.00.
    - (1) Approval of Budget Increase to 52504.570500 (Capital Outlay – Equipment and Machinery) from 5502.100700 (Equipment Replacement Reserve Fund) in the amount of \$18,633.00.
  - B. Request for Approval of Procurement under RFB No. '16/08/B to Wagner Equipment Company of Albuquerque, NM, to Recondition the Engine and Associated Components of Unit 1309 (Caterpillar D8R Waste Handler Track-Type Dozer) in the Estimated Amount of \$64,686.55.
    - (1) Approval of Budget Increase to 52501.520400 (Repair & Maintenance of Equipment and Machinery) from 5502.100700 (Equipment Replacement Reserve Fund) in the Amount of \$64,686.55.
  - C. Request for Approval to Purchase a Caterpillar D8T Waste Handler Track-Type Dozer, with Necessary Extras and Warranty, from Wagner Equipment Company of Albuquerque, NM, under National Joint Powers Alliance (NJPA) Contract No. 032515-CAT in the Amount of \$853,063.00.

- (1) Approval of Budget Increase to 52501.570500 (Capital Outlay – Equipment and Machinery) from 5502.100700 (Equipment Replacement Reserve Fund) in the Amount of \$853,063.00.

**VIII. Matters from the Executive Director**

- A. Discussion with Possible Action on the Services Agreement with Friedman Recycling Companies of Albuquerque, NM, for the Processing and Marketing of Recyclable Materials.

**IX. Matters from the Board**

**X. Matters from Staff - Agency, City, County**

**XI. Next Meeting Date: March 15, 2018**

**XII. Adjournment**

Anyone needing further information or requiring special needs for the disabled should contact Rosalie Cardenas at (505) 424-1850, extension 150.

**SUMMARY OF ACTION  
SANTA FE SOLID WASTE MANAGEMENT AGENCY  
JOINT POWERS BOARD  
SANTA FE COUNTY ADMINISTRATION BUILDING  
LEGAL CONFERENCE ROOM  
102 GRANT AVENUE  
THURSDAY, FEBRUARY 15, 2018, 5:00 PM**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER		1
ROLL CALL	QUORUM	1
APPROVAL OF AGENDA		
APPROVAL OF CONSENT AGENDA	AMENDED	2
APPROVAL OF MINUTES JANUARY 11, 2018	APPROVED	2
MATTERS FROM THE PUBLIC	NONE	2
<u>CONSENT CALENDAR</u>		
REQUEST FOR APPROVAL TO PURCHASE A HIGH-TIP BUCKET ATTACHMENT FOR THE VOLVO L110G AND L110H WHEEL LOADERS (UNIT NOS. 1453 AND 1467) FROM GOLDEN EQUIPMENT COMPANY OF ALBUQUERQUE, NM, UNDER THE HOUSTON-GALVESTON ARA COUNCIL CONTRACT NO. EM06-17 FOR THE BUCKMAN ROAD RECYCLING AND TRANSFER STATION IN THE AMOUNT OF \$18,633.00.	APPROVED ON CONSENT	2
REQUEST FOR APPROVAL OF PROCUREMENT UNDER RFB NO. '16/08/B TO WAGNER EQUIPMENT COMPANY OF ALBUQUERQUE, NM, TO RECONDITION	APPROVED	3

**THE ENGINE AND ASSOCIATED  
COMPONENTS OF UNIT 1309  
(CATERPILLAR D&R WASTE HANDLER  
TRACK-TYPE DOZER) IN THE ESTIMATED  
AMOUNT OF \$64,686.55.**

<b>REQUEST FOR APPROVAL TO PURCHASE A CATERPILLAR D&amp;T WASTE HANDLER TRACK-TYPE DOZER WITH NECESSARY EXTRAS AND WARRANTY, FROM WAGNER EQUIPMENT COMPANY OF ALBUQUERQUE, NM, UNDER NATIONAL JOINT POWERS ALLIANCE (NJPA) CONTRACT NO. 032515-CAT IN THE AMOUNT OF \$853,063.00.</b>	<b>APPROVED</b>	<b>3-5</b>
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**MATTERS FROM THE EXECUTIVE  
DIRECTOR**

<b>DISCUSSION WITH POSSIBLE ACTION ON THE SERVICES AGREEMENT WITH FRIEDMAN RECYCLING COMPANIES OF ALBUQUERQUE, NM, FOR THE PROCESSING AND MARKETING OF RECYCLABLE MATERIALS.</b>	<b>APPROVED</b>	<b>5-16</b>
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<b>MATTERS FROM THE BOARD</b>	<b>INFORMATION/DISCUSSION</b>	<b>16-17</b>
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<b>MATTERS FROM STAFF - AGENCY, CITY, COUNTY</b>	<b>NONE</b>	<b>17</b>
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<b>NEXT MEETING DATE</b>	<b>MARCH 15, 2018</b>	<b>17</b>
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<b>ADJOURNMENT</b>	<b>ADJOURNED</b>	<b>17</b>
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**SANTA FE SOLID WASTE MANAGEMENT AGENCY  
JOINT POWERS BOARD  
SANTA FE COUNTY ADMINISTRATION BUILDING  
LEGAL CONFERENCE ROOM  
102 GRANT AVENUE  
THURSDAY, FEBRUARY 15, 2018, 5:00 PM**

**1. CALL TO ORDER**

The meeting of the Santa Fe Solid Waste Management Agency Joint Powers Board was called to order by Commissioner Michael Harris, Chair, at 5:00 pm on Thursday, February 15, 2018, at the Santa Fe County Administration Building, Legal Conference Room, 102 Grant Avenue, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT**

Councilor Michael Harris, Chair  
Commissioner Anna Hamilton, Vice Chair  
Councilor Renee Villarreal  
Commissioner Ed Moreno  
Commissioner Anna Hansen

**MEMBERS ABSENT**

Councilor Joseph Maestas, Excused

**OTHERS PRESENT**

Randall Kippenbrock, Executive Director, SWMA  
Katie Carter, Environmental Services  
Manual Sanchez, Environmental Services  
Yvonne Herrera, SWMA  
Les Francisco, Santa Fe County  
Jane Bias, Educational/Outreach Coordinator, SWMA  
Shirlene Sitton, Environmental Services  
Nancy Long, Attorney, Long, Comer and Associates  
David Friedman, Friedman Recycling  
Neal Denton, Santa Fe County  
Jonas Nahoum, Long, Comer and Associates  
Rosalie Cardenas, SWMA  
Elizabeth Martin, Stenographer

**3. APPROVAL OF AGENDA**

**MOTION** A motion was made by Commissioner Hansen, seconded by Councilor Villarreal, to approve the agenda as presented.

**VOTE** The motion passed unanimously by voice vote.

**4. APPROVAL OF CONSENT CALENDAR**

Councilor Villarreal asked to pull item C for discussion.

Commissioner Hamilton asked to pull item B for discussion.

**MOTION** A motion was made by Commissioner Hamilton, seconded by Councilor Villarreal, to approve the Consent Calendar as amended.

**VOTE** The motion passed unanimously by voice vote.

**5. APPROVAL OF MINUTES  
JANUARY 11, 2018**

**MOTION** A motion was made by Commissioner Hamilton, seconded by Councilor Villarreal, to approve the minutes as presented.

**VOTE** The motion passed unanimously by voice vote.

**5. MATTERS FROM THE PUBLIC**

None.

**6. CONSENT CALENDAR**

**A. REQUEST FOR APPROVAL TO PURCHASE A HIGH-TIP BUCKET ATTACHMENT FOR THE VOLVO L110G AND L110H WHEEL LOADERS (UNIT NOS. 1453 AND 1467) FROM GOLDEN EQUIPMENT COMPANY OF ALBUQUERQUE, NM, UNDER THE HOUSTON-GALVESTON ARA COUNCIL CONTRACT NO. EM06-17 FOR THE BUCKMAN ROAD RECYCLING AND TRANSFER STATION IN THE AMOUNT OF \$18,633.00.**

**(1) APPROVAL OF BUDGET INCREASE TO 52504.570500**

**(CAPITAL OUTLAY - EQUIPMENT AND MACHINERY) FROM  
5502-100700 (EQUIPMENT REPLACEMENT RESERVE FUND) IN  
THE AMOUNT OF \$18,633.00.**

Approved on Consent.

**B. REQUEST FOR APPROVAL OF PROCUREMENT UNDER RFB NO.  
'16/08/B TO WAGNER EQUIPMENT COMPANY OF ALBUQUERQUE,  
NM, TO RECONDITION THE ENGINE AND ASSOCIATED  
COMPONENTS OF UNIT 1309 (CATERPILLAR D&R WASTE HANDLER  
TRACK-TYPE DOZER) IN THE ESTIMATED AMOUNT OF \$64,686.55.**

**(1) APPROVAL OF BUDGET INCREASE TO 52501.520400 (REPAIR  
AND MAINTENANCE OF EQUIPMENT AND MACHINERY) FROM  
5502.100700 (EQUIPMENT REPLACEMENT RESERVE FUND) IN  
THE AMOUNT OF \$64,686.55.**

Mr. Kippenbrock said this request is to recondition the engine. We have had this dozer since 1996. It received second life repair in 2007. With 8,000 hours on it the engine is starting to show some wear. Antifreeze is coming into the cylinder wall. We felt it needed a rebuild. This repair comes with a 3 year warranty, or 6,000 hours which ever comes first. The track itself still has 50% life on it. We will get 4 years of use as a back up. He felt it was a good investment. We also looked at the trade in value. It was \$57,000. He felt that it was not worth it to trade it in. We can get more use of it rebuilt than the value of the trade in.

Chair Harris said that was a good, clear summary.

Commissioner Hamilton said Mr. Kippenbrock's summary answered her question.

**MOTION** A motion was made by Commissioner Hansen, seconded, by Commissioner Hamilton to approve the request.

**VOTE** The motion passed unanimously by voice vote.

**C. REQUEST FOR APPROVAL TO PURCHASE A CATERPILLAR D&T  
WASTE HANDLER TRACK-TYPE DOZER WITH NECESSARY EXTRAS  
AND WARRANTY, FROM WAGNER EQUIPMENT COMPANY OF  
ALBUQUERQUE, NM, UNDER NATIONAL JOINT POWERS ALLIANCE  
(NJPA) CONTRACT NO. 032515-CAT IN THE AMOUNT OF  
\$853,063.00.**

**(1) APPROVAL OF BUDGET INCREASE TO 52501.570500  
(CAPITAL OUTLAY - EQUIPMENT AND MACHINERY) FROM  
5502-100700 (EQUIPMENT REPLACEMENT RESERVE FUND) IN  
THE AMOUNT OF \$853,063.00.**

Councilor Villarreal said the summary in the packet is very thorough. For the units bought in 1997 and 2014 regarding the price difference. You outlined the prices. What did it cost in 2014 to buy new.

Mr. Kippenbrock said just under \$600,000. Caterpillar is always more expensive than Komatsu. This one also has a GPS system that is compatible with our systems.

Councilor Villarreal asked how did you finally decide between the 2 items. They were the same price

Mr. Kippenbrock said the dealership relationship was NJPA so we could execute the contract within NJPA.

Councilor Villarreal asked does that closer location of Tucson factor into the price at all.

Mr. Kippenbrock said no. In these cooperative agreements there is a percentage that goes back to the cooperative agreement. Both of them had that clause.

Chair Harris asked Mr. Kippenbrock to talk about his updated spreadsheet on Reserve Funds.

Mr Kippenbrock said the spreadsheet is in the meeting packet. He reviewed the spreadsheet.

Chair Harris said you can see that he has the \$853,063 shown as being drawn down. We will end up with a \$285,000 projected cash balance as opposed to over \$1 million. We have drawn this down due to the large repairs we have had this year.

Mr. Kippenbrock said we are putting \$135,000 into Reserves this year. It is recommended that we keep \$1.2 million in that fund. The balance goes up and down over time. Potentially we do not see any large acquisitions for 2019. It is possible we will need a second scraper in FY 20. We usually acquire one major piece of equipment a year.

Commissioner Hanson asked what is the life cycle of the dozer.

Mr. Kippenbrock said 10,000 hours, 8 to 10 years. Halfway in the life of the dozer we will spend \$100,000 on the undercarriage. The warranty is an incentive warranty.



Chair Harris asked if we approve this we will have 3 dozers.

Mr. Kippenbrock said correct.

Chair Harris asked the Komatsu is being used where in your operation. The new one he assumed would be used for the for future cell and the Komatsu and the back up one operating in the current cells.

Mr. Kippenbrock said the Komatsu is being used for waste handling purposes.

**MOTION** A motion was made by Councilor Villarreal, seconded by Commissioner Hanson, to approve the request.

**VOTE** Chair Harris requested a roll call vote. The vote was as follows:

Commissioner Hamilton - yes, Commissioner Moreno - yes, Commissioner Hanson - yes, Councilor Villarreal - yes and Chair Harris - yes.

The motion passed unanimously by roll call vote.

## **7. MATTERS FROM THE EXECUTIVE DIRECTOR**

### **A. DISCUSSION WITH POSSIBLE ACTION ON THE SERVICES AGREEMENT WITH FRIEDMAN RECYCLING COMPANIES OF ALBUQUERQUE, NM, FOR THE PROCESSING AND MARKETING OF RECYCLABLE MATERIALS.**

Mr. Kippenbrock said his memo and the information on this item is in the packet. He reviewed the information.

Mr. Kippenbrock said also in the packet is Mr. Friedman's latest proposal. We need to sit down with him to go over that. He would like to come back next month after that discussion. They would like to see it become effective March 1<sup>st</sup>.

Mr. Kippenbrock said he recommends we continue to hold steady on the recycling program and that we all continue to educate your constituents. There is not a home for 327. On mixed paper we are dealing with a low grade commodity. The market is saturated. He is not certain what will happen with that material.

Mr. Friedman said he appreciates the Board's consideration of the situation. He wants to emphasize that this situation is not market driven. It is solely driven by Chinese government action. We are confident that eventually the markets will get back to equal. As the mills move out of China we will be able to supply them outside of government action. We are working diligently with inspectors. The only way to meet their

requirements is to slow down and that is at a high cost. We are seeking assistance in getting some cost recovery. We have reached our capacity to cover these high expenses.

Chair Harris asked are you having similar discussions with Albuquerque, El Paso and Las Cruces.

Mr. Friedman said yes. We will address our smaller municipal partners as well after we address the top tier.

Chair Harris said he wants to clarify your recommendation. What do your numbers look like for the October, November and December period. Are we talking about a modified arrangement.

Mr. Kippenbrock said we ship material down to Friedman. There is no cost involved.

Chair Harris asked Mr. Kippenbrock to explain the changes we made to the contract in September.

Mr. Kippenbrock said prior to October we were receiving \$17.00 per ton per month in revenue sharing. Since October we suspended that revenue sharing plan. We continued to send material at cost. That went on for 5 months. Mr. Friedman is proposing that they increase their processing fee from \$90.00 some dollars to \$122.00 dollars. That is a higher operating costs with less market value. The net difference is \$54.00 per ton month by month. They did a performa and every month that net will be for us to pay. The market value does not go over the costs. We cannot predict what it will be like months from now. It could get worse.

Chair Harris asked did delta 45 figure in.

Mr. Kippenbrock said no.

Chair Harris said so it could be considerable higher.

Mr. Kippenbrock said \$421,000 at \$45.00 per ton that is what we need to pay Friedman and transportation costs of \$232,000. We are currently at 8% residuals and that will increase. It could jump up as high as 18% or as low 13%. He used 18% for his calculations. The total is \$726,000. The cost to recover that would be \$1.25 per household, per month in the City. On the County side it would be .88 cents a month per household. There may be some disagreement with this, but there is a higher process involved. The regular model does not work for the situation we are in now.

Commissioner Hanson asked are all the materials inspected in Long Beach.

Mr. Kippenbrock said this is fiber, newspaper and cardboard. It is rejected there if it does not meet the criteria.

Mr. Friedman said there are inspectors in Long Beach and government inspectors and custom officials at the destination who can reject the loads. This has happened quickly. They have not clearly articulated what they want. We are not entirely sure how the inspectors will respond. If the inspectors are over zealous they could reject the loads.

Commissioner Hansen asked so they are not rejected in Long Beach, but in Shanghai.

Mr. Friedman said the real authority is the custom official in China. They are less likely to be rejected in Long Beach.

Commissioner Hansen asked what about the markets on the East Coast. There are paper mills there. Are you saying it is cheaper to ship to China than to ship to the East Coast.

Mr. Friedman said it is the logistics of containers. There are containers coming from China to Long Beach with phones and other products. They go back to China regardless so the bank haul to China is less expensive than shipping a truck from Albuquerque to Long Beach.

Councilor Villarreal asked what if it does not end up being more cost efficient.

Mr. Friedman said we are attempting to look at all scenarios. All alternative markets have been flooded in the United States.

Commissioner Hansen asked how long does it take to set up a mill.

Mr. Kippenbrock said 5 to 7 years for a new plant in the United States.

Commissioner Hansen asked has Mexico been considered.

Mr. Friedman said we have an oversupply. Eventually manufactures will come to consume it, but it will take time. There is manufacturing in Vietnam. It takes time for them to gear up for a larger capacity.

Mr. Kippenbrock said we are dealing with cardboard and newspaper going to China.

Commissioner Hansen said so cardboard smaller than a postcard cannot go in.

Mr. Friedman said it is thrown out from the sort line if it is combination materials

like paper and plastic. Anything small is an issue because we are using mechanical screens. Anything long and stringy cannot go as well. An example would be hoses.

Councilor Villarreal asked the sorting, when it comes to us we don't do our own preliminary sorting before we ship to Friedman.

Mr. Kippenbrock said correct.

Councilor Villarreal asked did you look at that option.

Mr. Kippenbrock said yes, a couple of years ago we looked at those options.

Commissioner Hansen said things change. What is potential of getting BuRRT back up and running.

Mr. Kippenbrock said it would take \$1 million to several million just to retrofit our equipment to yesterday standards. It is mostly labor intensive as far as sorting out everything.

Commissioner Hansen asked is there any insight into why China is doing this. Is it because there is too much contamination in the recycling coming in.

Mr. Friedman said no one really knows. It is not a very transparent society. This is only speculation, but part of it is pollution control. It is highly contaminated there with the explosion of manufacturing. The government is encouraging local recycling. They are trying to jump start domestic collections. They want to choke off the older mills. Those paper mills are going to eventually relocate because of not being able to get raw materials. We want that.

Chair Harris said he heard on NPR that they also don't want to be the world's dumping ground. They want to clean up their act.

Chair Harris said now that we understand the situation he wants to make sure we understand the recommendation. Randall suggested that we continue the same arrangement with Friedman through March that we have had in October, November and December. Friedman has proposed his new arrangement effective March 1<sup>st</sup>. If we come to terms on that we don't receive a check, but we are not writing those checks. We have to also educate our citizens about what is not acceptable. It is clear that we are not going to turn back the clock on single stream.

Ms. Sitton said she has no appetite to do that.

Chair Harris said we are committed to single stream. We have to refine the message of what you put in. We need to up our message certainly. Although Randall did not make this as a recommendation he would like him to start looking at the numbers

and make a conservative assessment not assuming disaster. Part of the messaging is starting to explain why this is happening which, in part, helps to build an understanding why that \$1.25 increase might be necessary.

Commissioner Hamilton said that is a good point. What is the time frame for increasing the rate and seeing the revenue with that.

Chair Harris asked when do we look at the budget.

Mr. Kippenbrock said next month. For this fiscal year we were looking at absorbing the cost from now to July 1<sup>st</sup>. \$167,000 plus is what we are looking at. We can do it through cash.

Chair Harris asked in the projection have you built that in.

Mr. Kippenbrock said no.

Commissioner Hamilton asked will that be enough time to do this and educate people.

Mr. Kippenbrock said we need to come back next month and discuss that. All 3 entities are going to have to make some adjustment to fees. Let us come back with a proposed amendment to July 15<sup>th</sup>. That is the end of a 3<sup>rd</sup> year contract with Friedman. We need to decide if we want to enter into a 4<sup>th</sup> year or do an RFP process. We should decide that soon. It takes 90 days to go through that process.

Chair Harris asked would you be prepared to talk about that in March.

Mr. Kippenbrock said he can do that. We can go ahead and do the RFP process and then make the determination while we are still under contract with Friedman.

Chair Harris said we talked earlier. Mr. Friedman is having all sorts of serious discussions face to face. The alternatives to Friedman are somewhat minimal. Is it fair to say that no one operates at the size of Friedman regionally.

Mr. Kippenbrock said that is correct.

Chair Harris said we have to find someone who has the ability to stay in the game.

Chair Harris said he prefers to let Mr. Kippenbrock work over the next month and make sure everyone gets the information you want to review well in advance. That needs to be better as a matter of course as well. Ensure that the information is there. In everything up to now we have had a good relationship with Friedman.

Mr. Kippenbrock said yes.

Chair Harris said in fact it has been beneficial with the earlier formula where we actually got a check back. There are other companies out there, but he doesn't see a reason to go through the effort of the RFP. Rather than that can you go through our operations and see how we can be more efficient and what the potential fee increase could be. At a city level with how people feel about recycling it is an easy conversation compared to some of the others we have to have.

Commissioner Hansen said we got push back in the County when we went to single stream and they had to pay more. She just wanted to throw that out. We have already heard push back about raising the fee. A dollar is not overbearing, but it will be met with push back.

Chair Harris said the push back we get is why do we have to take the glass to another location.

Commissioner Hansen said maybe we need to look harder at where we can get money for the glass. If there are people out there. Get those things going or find other sources of income.

Chair Harris said he agrees. He doesn't know the likelihood of that, but we should try.

Commissioner Moreno said he doesn't see anything happening here in a positive way at all. All the recycling is going to be dumped to Friedman and he has limited opportunities to push it downstream. A lot of recyclables will be stuck in the process. China has stopped the markets. Our approach is developing. He supports the research that Mr. Kippenbrock can bring to the table next month. We need to watch the news and what is happening. What concerns him is there are not too many options for us if we want to make this a viable enterprise. Raise the rates is the only one.

Chair Harris said it is more likely that we will have far more material that goes into our landfill. That has an expense. It would be a worthy exercise to quantify that.

Commissioner Hamilton asked nationwide are we developing this incredible pile of trash someplace since it is not moving.

Mr. Friedman said on the coasts. The western region material is definitely building up. Along the west coast as well. On the east coast it is moving, but the prices are on the floor.

Commissioner Hansen asked what other creative options are there. Are there any.

Mr. Friedman said not yet. That is the conversation. We internally are having this conversation as well. This is an opportunity and we are convinced that manufacturers will figure out a way to consume it. We are looking at molded pulp products. What other products can you create from molded pulp. It will take time.

Commissioner Hansen said Neal has been doing research on a thing called the "magic box". It can take large amount of the recycling and turn it into plastic or wood furniture. She doesn't know enough about it to make a real statement.

Mr. Denton said it makes giant Lego blocks and widgets.

Commissioner Hansen said it is very experimental.

Ms. Sitton said for the last 5 years to 7 years there has been a lot of research companies approaching the City to sell them these concepts. 3 came to the City. We did an RFP and evaluated those projects. They are completely unproved and too good to be true. Nothing has been done on a large scale. It is all very suspicious.

Commissioner Hansen said when there was a boom decades ago the concept of doing incinerators was discussed. They produce dioxins. Now the technology has changed in 40 years. Is anyone looking at that.

Mr. Friedman said the cement KELD in Juarez. We are supplying that. We are completing a 90 day trial now. The challenge is that it is a cost. Our residuals.

Commissioner Hansen asked do you have to pay them.

Mr. Friedman said yes. Because they know there are no alternatives and the only other thing is the landfill.

Mr. Francisco said Randall you said that 3s and 7s are low grade. Is that a problem. The County takes 1s and 2s and are now up to 7s.

Mr. Friedman said part of the problem, but a relatively small part of the problem. There is no market for it. Now what is driving this is the economic pressure.

Ms. Sitton said on behalf of all of us no one wants to see our recycling partner go out of business. We are open to do what we need to do to work together to keep our programs running. She does think other companies have done a better job of preparing for this. She wants to say that during the process of negotiation we want to know that you have long term plans to get through this.

Mr. Friedman said this situation is a massive disruption to the industry. It was unexpected. As far as other operators being better able to overcome this some are in Dallas where there are more mills close by. That is the luck of geography, not

management. Respectfully. We did not take initial action. We have been absorbing these loses for 4 to 5 months. Now it looks like this will be a prolonged situation. We exhausted our reserves. Now we are asking for assistance. We have cash reserves, but with the scope of the change this has made it is impossible for us to do it without assistance. We are being transparent. We are opening our books. The costs are the costs. When the revenue is above the costs we share. Our projections we provided Randall are our best effort to see what is coming.

Ms. Sitton asked do you intend to invest in more sophisticated sorting technologies.

Mr. Friedman said yes for sure. We have invited 3 vendors to do an assessment of our facility and they will be proposing technology as opposed to labor. It takes time. It is a process.

Ms. Sitton was we have talked about transferring to a Recycle Right campaign. If you could supply us with the information as to what is acceptable for recycling that would be great.

Mr. Friedman said absolutely.

Chair Harris said he would like you to provide that audit report for the audit performed for the City of Albuquerque to Randall.

Mr. Friedman said will do.

Chair Harris said Randall continues to have conference calls with Albuquerque, El Paso and Las Cruces to talk this through. We will have those opinions as well.

Commissioner Hansen asked it is cheaper to ship to Long Beach than Dallas.

Mr. Friedman said at this time they don't take it. We monitor that on a day to day basis. We ship to the highest priced market.

Commissioner Hamilton said domestically they are offering zero because of the flooded market. Do we anticipate that changing or will we continue to pile up material. If China started taking it again or another Country would we expect this to equalize out.

Mr. Friedman said it will equal out. This government intervention has created an artificial supply and demand. It will take time.

Mr. Kippenbrock asked are you currently meeting the .5% contamination.

Mr. Friedman said yes.



Mr. Kippenbrock said describe the new technology you are looking at.

Mr. Friedman said robotics to replace the manual picking out of contaminants. The next is optical sorting where a video eye takes a picture of material and IDs contaminants. As it flows over compressed air jets will shoot out items that do not belong. We are also going to evaluate other mechanized sorting.

Mr. Kippenbrock asked how much money will you have to invest based on these technological ideas to reduce the labor force enough.

Mr. Friedman said \$5 million.

Mr. Kippenbrock asked then will you be able to return to where you were.

Mr. Friedman said we don't know yet. That is our intention and goal. We are analyzing proposals. We are running 18 tons an hour now where it used to be 30 tons an hour. You can run robotics for longer periods of time with no labor costs. It can be 24 hours a day.

Mr. Kippenbrock asked will the robots recognize bad material.

Mr. Friedman said that is what they are promising.

Chair Harris said this has been a great discussion. We have a lot to think about. He would like to come to a consensus here to provide direction to Mr. Kippenbrock in the actions to take over the next month. His view is he would like to see who else is out there. We should provide direction to Mr. Kippenbrock now.

Commissioner Hamilton said an RFP is kind of a big deal. There is a process called a sources sought request. That is looking for responses of who is capable.

Ms. Long said that is certainly something we can check with the City on. She is not sure they have that category. There are RFQs. It could be a matter of research.

Chair Harris asked can we, along with other actions, simply get on the phone and talk to venders and find out who might be interested.

Mr. Kippenbrock said yes.

Chair Harris said he feels an obligation to Friedman Recycling. They have been good partner to us. It is clear that our arrangement with Friedman will change. Friedman has put a proposal in front of us. Some parts he is in favor of and some parts not.

Commissioner Moreno said the research project is the right way to go. We have

a number of experts here around the room who could put their heads together and have some workshops maybe. China may have a change of heart although he does not see that.

Chair Harris said China is making the argument that they are being socially and environmentally responsible with this new policy.

Commissioner Moreno said this is being done by the government because they can. We can't do a fiat.

Chair Harris said because it is being done by fiat he does not think it will change right away.

Commissioner Hamilton asked have we looked at this proposal enough.

Chair Harris said where we are in City Hall with the election cycle is causing things to be put on the back burner. The better approach is for this group to do its job over the next month and then move on to the Council and County Commission.

Councilor Villarreal said she is thinking of how to be better in being proactive in communications. We need someone to write a story about this and how it effects us locally. She does not think people realize how we have a connection globally here. We could even say we have decided to temporarily absorb the costs right now. Politically our Congressional delegation needs to know how it effects us locally. How they can effect things at their level.

Commissioner Hamilton said that is a really good thought.

Councilor Villarreal said she wants a formalized way for communication of this to the national level. They may already know, but we need to make sure they do.

Commissioner Hamilton said they may know, but are not thinking about specific.

Councilor Villarreal said she is willing to help in some way. We should let them know. We know because we are on this Committee.

Chair Harris said to Mr. Friedman, you are in contact with the *Albuquerque Journal* and others. In terms of the City and where we stand right now with rank choice voting and the University of Art and Design we would have to find a body of information.

Mr. Friedman said the City of Albuquerque requested the same thing. Their public information officer gave us a list of local media and a press release is going out. We would be happy to do something like that here.

Commissioner Hansen asked do we need to take any action.

Ms. Long said no, the first contract amendment took us through December. She and Mr. Kippenbrock talked about another contract amendment and also will work on negotiating additional terms through July 15<sup>th</sup>. We will take the proposal from Friedman and present what we think is acceptable. We can do that next month.

Commissioner Hamilton asked on both of those pieces.

Ms. Long said would have to have retroactivity in the contract. If there would be agreement among parties by our next meeting she can't say. We will make a presentation on the outcomes at the March meeting.

Chair Harris said thank you. We should have a motion for that for the record.

Ms. Long said it would be helpful to have a motion to direct the negotiation of a contract amendment with Friedman. Mr. Kippenbrock will engage in that and bring a presentation to the March meeting.

**MOTION** A motion was made by Commissioner Moreno, seconded by Commissioner Hansen, to direct the negotiation of a contract amendment with Friedman. Mr. Kippenbrock will engage in that negotiation and bring a presentation of the outcome to the March SWMA meeting.

**VOTE** Chair Harris asked for a roll call vote. The vote was as follows:

Commissioner Hamilton - yes, Commissioner Moreno - yes, Commissioner Hansen - yes, Councilor Villarreal - yes, Chair Harris - yes.

The motion passed unanimously by roll call vote.

Chair Harris said our direction to City and County staff is to work with Friedman to obtain the defining materials from Friedman for a public education program.

Chair Harris said Mr. Kippenbrock is going to refine the numbers on the cost of the operation and to consider what this does to our landfill capacity. If we go up to 18% residuals that is a lot of material.

Mr. Kippenbrock said we are at 8% now.

Chair Harris asked that he look into that as well.

Chair Harris said the direction to staff is to begin working with Mr. Friedman to refine the education program in the City and County and to transition from the Cart

Smart Program to the Recycle Right Campaign.

Councilor Villarreal said staff can look at this communication piece as well. A press release and a local story.

Chair Harris said his only hesitation was that is this something you would customarily do.

Ms. Sitton said we work with Matt Ross. She would need to write an update for PUC anyway and we will work with everyone and come up with something.

Commissioner Hamilton said you need to work with the County as well.

Ms. Sitton said we will work with the County PIO.

Councilor Villarreal asked what about the letters to our delegation.

Commissioner Hansen said she is going to Washington in 2 weeks. She will put it on her list on behalf of SWMA.

Chair Harris said this has been a very good discussion. Thank you Mr. Freidman for coming out. This has been an open and honest and direct conversation. Good luck.

## **8. MATTERS FROM THE BOARD**

Chair Harris said he was happy to read that all 3 Commissioners have been reappointed. That is great.

Councilor Villarreal said we are appointed by the Mayor so we don't know.

Commissioner Hansen said she has had a tremendous amount of complaints about trash blowing out of trucks in the County. We need to do something about this. It has been brought up before. It is all the trucks that use tarps.

Ms. Sitton said that is a law enforcement issue.

Commissioner Hansen said those coming in without a tarp should be fined.

Mr. Kippenbrock said we do have fines for that. There is truth in what you say about people who tie down insecurely just before they reach the facility. We do the best we can. He agrees with her assessment. He wishes the Sheriffs Department would patrol more regularly.

Commissioner Hansen said maybe write a memo to the Sheriff's Department.

Mr. Kippenbrock said sure. He will let them know of the concerns.

Commissioner Hansen said the City Police also.

Mr. Kippenbrock said sure.

Chair Harris said you are right. There are programs in place that are not as robust as he would like to see them be.

Chair Harris said we will talk about it with the City.

Commissioner Hansen said there needs to be some education among haulers. Those people who go on a regular basis. This is a recurring problem.

Chair Harris said Mr. Kippenbrock will communicate with the Sheriff and the City Police Department and the State Police.

Ms. Sitton said she will see if there is some messaging around that they can use.

Chair Harris said it will take more than a few citations to change the behavior.

**9. MATTERS FROM STAFF - AGENCY, CITY, COUNTY**

None.

COUNTY OF SANTA FE )  
STATE OF NEW MEXICO ) ss

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**10. NEXT MEETING DATE  
MARCH 15, 2018**

I Hereby Certify That This Instrument Was Filed for  
Record On The 4TH Day Of April, 2018 at 09:52:46 AM  
And Was Duly Recorded as Instrument # 1854083  
Of The Records Of Santa Fe County

**11. ADJOURNMENT**

*Estralla* Witness My Hand And Seal Of Office  
*Martinez* Deputy County Clerk, Santa Fe, NM  
Geraldine Salazar

There being no further business before the Board the meeting adjourned at  
7:06 pm.

Attested to by:

*Michael Harris*  
Councilor Michael Harris, Chair

*Elizabeth Martin*  
Elizabeth Martin, Stenographer

