

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
Friday, May 8, 2015**

A joint work session of the Cochise County Board of Supervisors and the Rate Review Advisory Board was held on Friday, May 8, 2015 10:00 a.m. in the Board of Supervisors' Executive Conference Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

Present: Patrick G. Call, Chairman; Ann English, Vice-Chairman

Absent: Richard R. Searle, Member

Staff Present: Michael J. Ortega
Jim Vlahovich, County Administrator
Lauri Owens, Civil Deputy County Attorney
Arlethe G. Rios, Clerk of the Board
David Horne, Solid Waste Management Director

Attendees: Charles Potucek
Jestin Johnson
Carlos De La Torre
Alex Gradillas
Ted Soltis
Brad Hamilton

Chairman Call and Chairman Potucek simultaneously called the meeting to order at 10:00 a.m.

ANY ITEM ON THIS AGENDA IS OPEN FOR DISCUSSION AND POSSIBLE ACTION

PLEDGE OF ALLEGIANCE

THE ORDER OR DELETION OF ANY ITEM ON THIS AGENDA IS SUBJECT TO MODIFICATION AT THE MEETING

INTRODUCTIONS

ITEMS FOR DISCUSSION

Solid Waste Management

1. Discussion and possible direction regarding the fee schedule for the Solid Waste system.

Chairman Call asked everyone to introduce themselves and noted that this was a joint work session with the Rate Review Advisory Board (RRAB).

Mr. Charles Potucek, City of Sierra Vista Manager, Chair for the RRAB, gave some background information on the solid waste system and the partnership between the cities and

County. He explained that the RRAB tried to find the best way to increase revenue without creating a major burden for citizens. He said that he would like to receive some direction from the Board of Supervisors regarding upcoming budgets and how to deal with the debt to the County's general fund.

Mr. James Vlahovich, County Administrator, said that the rate recommended by the RRAB was of concern to county administration as it would not help make the system solvent. He explained that with the proposed rate the system would not even break even and would add an additional \$300,000 to the \$2,000,000 debt to the County's general fund.

Mr. Ortega said that another big concern was that there was no funding put aside for equipment/repairs needed to run the system. He noted that the Sierra Vista and Douglas transfer stations would need an upgrade within two to three years and without a plan in place the County would have to decide whether or not to subsidize those costs.

Chairman Call said that there were some options to look at. He said the first option was to put the system out to bid and privatize it and the second option was to keep the system as a partnership between the cities and the County, but come up with a plan to make the system an enterprise and not have it depend on the County's general fund.

Vice-Chairman English said that the purpose of the meeting was to ensure the RRAB understands that the system needs to be solvent. She added that the County is willing to be a partner, but can no longer afford to subsidize the system.

Chairman Call said that the Board of Supervisors expects a plan from the RRAB in a year.

Mr. Potucek said that everyone is in a difficult situation due to the economy, loss in population, and rising operation costs. He said the RRAB understands the tipping fee rate needs to go up, but are concerned about the impact on citizens. He added that they have ideas, but will need to come up with the funds to address major concerns.

Mr. Jestin Johnson, City of Bisbee Manager, RRAB member, said that he was interested in researching the possibility of privatizing the system.

Mr. Ted Soltis, City of Willcox Manager, RRAB member, said that the RRAB has put a plan in place and wanted to move slowly as many of the cities also have financial issues they have to deal with.

Vice-Chairman English said that the changes have to be done at a quicker pace. She added that even with the proposed increases the system could not cover the costs to repair the transfer stations in Sierra Vista and Douglas.

Mr. De La Torre suggested that the RRAB look at an outside entity to come in and review the financial plan of the system. He also suggested that maybe a pilot program begin where each of the cities run their own transfer stations and look for ways to reduce waste stream and put more effort into recycling.

Mr. Horne asked if capital costs would be associated with the cities managing their own transfer stations.

Mr. De La Torre said that each city would then become responsible for funding their repair costs, as well as equipment replacement costs.

Chairman Call said that all the different options should be researched and a proposal brought back to the Board of Supervisors.

Mr. Ortega asked the Board if they could give more detail regarding their expectations of the RRAB. He added that all plans will be explored by the RRAB and staff, but noted that approving the recommendation for the upcoming fiscal year would mean an additional \$350,000 added to the current debt to the general fund.

The Board directed RRAB and staff to follow up on the suggestions and bring back a plan by the Summer of 2016.

Mr. Potucek said he would work with County staff to develop a bid request for the privatization of entire system, explore alternative operating plans, and discuss how to keep the system solvent by keeping a city/county partnership.

Chairman Call said that for now the Board would consider the proposed rate increase during their regular meeting on May 12, 2015.

Chairman Call adjourned the meeting at 11:01 a.m.

APPROVED:

Patrick G. Call, Chairman

ATTEST:

Arlenthe G. Rios, Clerk of the Board