

MINUTES OF MEETING
DELAWARE SOLID WASTE AUTHORITY
BOARD OF DIRECTORS

DATE: December 6, 2012

LOCATION: 1128 S. Bradford St.
Dover, DE

TIME: 5:00 p.m.

ATTENDEES:

DIRECTORS

Richard V. Pryor
Ronald G. McCabe
Theodore W. Ryan
Timothy P. Sheldon
Tonda L. Parks

STAFF

Pasquale S. Canzano
Anne M. Germain
John J. Lechner
Logan V. Miller
Shelly A. Forcier
Michael D. Parkowski
Pamela Williamson
Carolyn Robinson

LEGAL COUNSEL

Michael Parkowski

GENERAL PUBLIC

See attached

REGULAR BOARD MEETING

The Chairman, Richard V. Pryor called the three hundredth and forty-fourth regular meeting of the Delaware Solid Waste Authority Board of Directors to order on Thursday, December 6, 2012. He announced the meeting had been duly noticed and the Directors had received copies of the information to be considered.

A. MINUTES

Chairman Pryor called for additions or corrections to the draft of the Minutes of the last meeting of the Board of Directors.

Motion A – Moved by Mr. Sheldon

“The Minutes of the October 24, 2012 Board of Directors’ meeting of the Delaware Solid Waste Authority be accepted as written.”

Second – Mr. Ryan

Vote – (Parks, Ryan
Sheldon, McCabe, Pryor)

Motion Adopted
(unanimous)

**B. CHERRY ISLAND LANDFILL-ADMINISTRATIVE BUILDING EXPANSION-
CONTRACT C-12-705-NC**

Motion B – Mr. Sheldon

“The Board award the contract for the Cherry Island Administrative Building Expansion to the lowest bidder, Ventresca Brothers, Inc. for \$768,482.”

Second – Mr. Ryan

Mr. Watson explained that this expansion at Cherry Island will house our landfill gas group which is currently in temporary office space that we are renting and will also give us a larger meeting room. This will double the size of our current office to 3,200 square feet. We hired Greenstone Engineering to design the expansion. We received 5 bids and Ventresca Brothers was the low bid for \$768,482 which is in line with the engineer’s estimate. We did budget for this project and would like to move forward with this project and it is our recommendation to award to Ventresca Brothers.

Mr. Pryor asked if it will be suitable for Board meetings in the future. Mr. Watson replied that it will definitely accommodate meetings.

Mr. Esposito – Absent
Mr. Moore – Absent
Ms. Parks – Yes
Mr. Ryan – Yes
Mr. Sheldon – Yes
Mr. McCabe – Yes
Mr. Pryor – Yes

Motion Adopted
(5 Yes 2 absent)

C. CHERRY ISLAND LANDFILL – CLEAN EARTH AGREEMENT
CONTRACT A-06-567A-CS

Motion C –Mr. Sheldon

“The Board approve the Agreement with Clean Earth, Inc. to accept alternate daily cover and aggregate for a 2-year period.”

Second – Ms. Parks

Mr. Watson stated that the current agreement with Clean Earth expires the end of this month. It was to supply soil to Cherry Island at a price of about \$1.14/ton. We use about 350,000 tons per year at Cherry Island at a current revenue of about \$400,000. The proposed new contract is for an additional 2 years and the price would go up to \$3.00/ton that they would pay us to take their soil and that represents \$1,050,000/year as compared to \$400,000. That’s an increase of \$650,000/year that we are going to receive and we had not budgeted for that. He commended Logan Miller and the operations side for getting a really good deal. In addition to that, we will be getting aggregate, replacement for stone or the slag that we currently buy for \$6.50/ton. They are going to have stone substitute for that, 25,000 tons/year saving us \$6.50/ton which is another \$170,000 a year of savings. We are over \$800,000 in the difference in the contract.

Mr. Pryor asked how that can be explained.

Mr. Watson commented that he believes Revolution Recovery is now a potential supplier of residue to us in alternate daily cover and under our contract with them; they are willing to pay us \$15.00/ton for any alternate daily cover that they produce. Although they don’t have the type of quantity that Clean Earth has, the dollar value is much higher.

Mr. Canzano added that we used to pay them for the material in the past. He commended Robin Roddy for being persistent and working with the contractors and showing them that we do have alternatives.

Mr. Esposito – Absent
Mr. Moore – Absent
Ms. Parks – Yes
Mr. Ryan – Yes
Mr. Sheldon – Yes
Mr. McCabe – Yes
Mr. Pryor – Yes

Motion Adopted
(5 Yes 2 absent)

D. ALTERNATIVE WORK WEEK

Motion D – Mr. McCabe

“The Board approve the proposed Alternative Work Schedule Policy as presented by staff.”

Second – Mr. Ryan

Mr. Canzano explained that DSWA has offered to its employees an Alternative Work Schedule since 2001 between May and September. Approximately 56 employees take advantage of that program. The Executive Management Team approached me and recommended that we do this on a year round basis. Shelly Forcier worked with legal counsel to develop the policy and it became obvious that this would be good for morale. It’s not setting any precedent; the State of Delaware already offers this to their employees. This also supports the Clean Air Act by reducing the number of hours and miles that employees spend on the road in terms of emission. The Policy will apply to both exempt and non-exempt employees who work either the standard 8:00-4:30 or the 40 hour week. It’s been a successful program and we recommend approving this policy effective January 1, 2013.

- Mr. Esposito – Absent
- Mr. Moore – Absent
- Ms. Parks – Yes
- Mr. Ryan – Yes
- Mr. Sheldon – Yes
- Mr. McCabe – Yes
- Mr. Pryor – Yes

Motion Adopted
(5 Yes 2 absent)

E. REGULATORY FLOW CONTROL PROGRAM

Mr. Canzano stated that at the last meeting we reported that we felt all 3 of the major haulers that we had targeted to work with on the new DDF, would in fact sign it. They did sign it as we reported, however, one of the haulers had a conditional letter that had a requirement that was not discussed with us at any length and required additional discussions between all three of the haulers. He stated that we are able to go forward with contractual flow control and asked Mr. Parkowski to explain it further.

Mr. Parkowski explained that for the last 13 years we have operated under contractual flow control instead of regulatory flow control and the system has worked well for us. We thought that as in the past, if we got the three major haulers to sign on that we then would have sufficient amount of material to be able to conduct DSWA's operations and then once those three majors were on board the others would fall in line as they always have in the past. We have one company, Waste Industries which got involved in these discussions for the first time. All three companies submitted signed agreements to us except that they sent letters with qualifications. Allied and Waste Management's letters were no problem. Waste Industries submitted their letter with conditions, requiring as a pre-condition that a certain number of people that they thought were competitors of theirs sign the agreement first.

We went about the normal process of signing people up, we got all but one. When we told them that there was one and it was a small company that hadn't signed. So we sent them a letter and gave them three options. You can waive the requirement that the small companies need a signatory and go forward with the program. The alternative, we'll go back to the other 2 majors and see if they will go along with us without you; if they say they will, we'll go forward with the contractual flow control program. The third option was if we can't get that concurrence, then we will go forward with regulatory flow control. Waste Industries still held tight and didn't waiver. So we went back to Waste Management and Allied/Republic and after some discussion with them as to what the alternatives were, they agreed to sign up. We also have five of the mid-sized companies already signed up. However, Waste Industries could sign in the future.

Mr. Canzano stated that he agreed with Mr. Parkowski's comments that the technology is changing. The big companies are looking at alternate technologies and new technologies which would create a "dirty MRF". We did that with the DRP many, many years ago and it was successful. One thing we are doing, is we are going to look at a strategic plan for the next three year interval as to what things might look like. We are looking at other ways to bring in revenue with the resources we have.

Mr. Parkowski added that we can always go forward with regulatory flow control if we need to.

Mr. Pryor commended the Executive Management team as well as all of the other employees who worked on this.

Mr. Ryan also commended the staff and legal counsel.

Mr. McCabe commented that he visited Rt. 5 and was very impressed with the operations and staff.

NEW BUSINESS

Mr. Pryor read into the record the resolution recognizing Libby Kelley for her 21 years of service with DSWA.

Moved by Mr. McCabe

Second – Mr. Ryan

Vote – (Parks, Ryan
Sheldon, McCabe, Pryor)

Motion Adopted
(unanimous)

PUBLIC COMMENT

No comment

Moved – Mr. Ryan

“The Board Meeting is adjourned.”

Second – Ms. Parks

Vote – (Parks, Ryan
Sheldon, McCabe, Pryor)

Motion Adopted
(unanimous)

Respectfully submitted,

Libby J. Kelley

Meeting Adjourned: 6:00