

MINUTES OF MEETING
DELAWARE SOLID WASTE AUTHORITY
BOARD OF DIRECTORS

DATE: June 28, 2012

LOCATION: 1128 S. Bradford St.
Dover, DE

TIME: 4:30 p.m.

ATTENDEES:

DIRECTORS

Richard V. Pryor
Ronald G. McCabe
Theodore W. Ryan
Tonda L. Parks
Gerard L. Esposito
Gregory V. Moore

STAFF

Pasquale S. Canzano
Richard P. Watson
Anne M. Germain
Logan V. Miller
John J. Lechner

LEGAL COUNSEL

F. Michael Parkowski

GENERAL PUBLIC

See attached

REGULAR BOARD MEETING

The Chairman, Richard V. Pryor called the three hundredth and forty-second regular meeting of the Delaware Solid Waste Authority Board of Directors to order on Thursday, June 28, 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 Ms. Parks

“The Minutes of the April 30, 2012 Board of Directors’ meeting of the Delaware Solid Waste Authority be accepted as written.”

Second – Mr. Moore

Vote – (Esposito, Moore, Parks,
Ryan, McCabe, Pryor)

Motion Adopted
(unanimous)

B. STATEWIDE TIRE RECYCLING PROGRAM
CONTRACT DSWA S-10-626-SW

Motion B – Moved by Ryan

“The Board approve exercising the third year option with Waste Management for the Statewide Tire Recycling Program.”

Second – Ms. Parks

Mr. Canzano explained that Waste Management has been doing an excellent job with us in recycling our tires. The original award was for 3 years – 2 years with an option for a third. The second year expires July 31, 2012 and staff is recommending that we go forward and exercise the third year option. Their price will be \$158.00/ton which is the current price.

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

Motion Adopted
(6 Yes 1 absent)

C. CHERRY ISLAND LANDFILL (CIL) & PIGEON POINT LANDFILL (PPLF) –
OPERATIONS AND INSTALLATION SERVICES AT THE CIL AND
MAINTENANCE AT THE PPLF O-12-693-NC

Motion C – Moved by Ms. Parks

“The Board award the contract to George & Lynch, Inc. as the lowest responsible bidder at a total bid price of \$15,569,775 for 3 years for Operations and Installation Services at the CIL and Maintenance at the

PPLF. The contract term will be for two (2) years with the option for a third year at DSWA's discretion."

Second – Mr. McCabe

Mr. Pryor stated that this is not a pleasant action we have to take. For many, many years, approaching 30 years, our present contractor at Cherry Island has done an outstanding job, for all but 3 years of the past 30 years. However, we are required by our policies to put this out to bid and award it to the lowest responsive bidder. It is sad for us to see the transfer; I know George & Lynch will do a good job. It's going to be hard to visit Cherry Island without seeing Greggo & Ferrara's equipment there.

Mr. Canzano acknowledged that Greggo & Ferrara has done an excellent job for many years. George & Lynch is a very good company and they have been operating Sandtown since 1980, it's not like we are losing any value in terms of quality of the contract. They are both excellent contractors and have worked well with us. The current contract will expire September 30 and we received two bids for the operation of Cherry Island as well as maintenance of the Pigeon Point Landfill which as you know is terminated. The lowest responsive bidder was George & Lynch at a price of \$15,569,775. This will be a three year contract, 2 years with an option for a third year if we so choose. Staff did an excellent job in terms of looking at ways to refine the bid to get better pricing. Overall, we expect to see a savings of about \$500,000/year. Staff recommends we award the contract to George & Lynch at the amount specified.

Mr. Ryan commented that when this was discussed at the AAC and TFMC, our engineers made a great presentation on explaining the reasons why we went that route, etc. He was very proud of staff, they did a very good job.

Mr. Esposito – Yes
Mr. Moore – Yes
Ms. Parks – Yes
Mr. Ryan – No
Mr. Sheldon – Absent
Mr. McCabe – Yes
Mr. Pryor – Yes

Motion Adopted
(5 Yes 1 No 1 absent)

D. CENTRAL SOLID WASTE MANAGEMENT CENTER (CSWMC) – SUPPLY OF COVER SOIL – CONTRACT F-11-701-CS

Motion D – Moved by Mr. Moore

“The Board award the contract for Supply of Cover Soil at the Central Solid Waste Management Center to Roland Clayton as the lowest responsible bidder at a total bid price of \$2,413,440 for 3 years. The contract term will be for two (2) years with the option for a third year at DSWA’s discretion.”

Second – Mr. Esposito

Mr. Canzano explained that this is a contract that the Board authorized the staff to rebid and is pleased to report that we did get lower costs as a result of rebidding this work. Roland Clayton is the current contractor and that contract will expire July 19. They have done a good job for us and staff recommends we award to the contract to Roland Clayton.

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

Motion Adopted
(6 Yes 1 absent)

E. CENTRAL SOLID WASTE MANAGEMENT CENTER (CSWMC) – BENEFICIAL USE OF LANDFILL GAS – CONTRACT O-02-472-SSCS

Motion E – Moved by Mr. Moore

“The Board approve the staff to execute Amendment No. 2 to the agreement with Ameresco in accordance with the material terms set forth in the contract term sheet presented herein, and subject to final legal review.”

Second – Mr. Ryan

Mr. Canzano reported that we have worked out a Term Sheet in accordance with legal counsel with Ameresco for the installation of two more engines at Sandtown for a total of 5 MW of green power that we will be generating at Sandtown when this Amendment is exercised. In terms of the specific

agreement, we were able to get a little bit more money per kW hour than the current contract. We were also able to negotiate a higher inflation factor. The current contract for the first 3 engines was 1% and this is 1½%. We also have the ability and rights to the waste heat from the engines that are burning the gas. We may have an application for that down the road. The term of this amendment will coincide with the agreement – for 20 years. Ameresco has also chosen to work with Delaware Electric Co-op instead of somebody outside the state in selling their power. We feel that this is a very good deal to go forward with and are pleased to be working with Ameresco and recommend approval to finalize the Amendment in accordance with the term sheet and final legal counsel review.

Mr. Pryor asked what a megawatt will provide? Staff replied that it will provide power to 1,000 homes for a year.

Mr. Esposito – Yes
Mr. Moore – Yes
Ms. Parks – Yes
Mr. Ryan – Yes
Mr. Sheldon – Absent
Mr. McCabe – Yes
Mr. Pryor – No

Motion Adopted
(5 Yes 1 absent 1 No)

F. SOUTHERN SOLID WASTE MANAGEMENT CENTER (SSWMC)
CELL 3 AND 4 PARTIAL CLOSURE – C-06-572-SS

Motion F – Moved by Mr. McCabe

“The Board approve Change Order No. 1 to George & Lynch, Inc. in the amount of \$190,950 for Cells 3 and 4 Partial Closure at SSWMC.”

Second – Mr. Esposito

Mr. Canzano stated that we need to add an additional 6 inches of soil to the cap that is being installed at the Southern Solid Waste Management Center for Cells 3 and 4. Staff recommends going forward with the Change Order to meet this requirement as imposed by DNREC.

Mr. Pryor asked if there was a misinterpretation of the permit.

Ms. Germain responded that during the design the cap cross section was modified in order to save money. Our Engineer had proposed revising the thickness of the protective cover soil from 18" to 12". During the design phase, we involved DNREC in the reviews to facilitate permit turnaround. Although most design features proposed by the Engineer were supported by the regulators, this was one that the regulators did not. Neither the Engineer nor staff picked up that the regulators did not support the modification. Ultimately, the design submitted showed the 12" protective cover soil layer. DNREC responded simply in the permit that we would have to comply with regulations. We did not realize that was considered a rejection. Therefore, the bids for the cap construction were issued in accordance with the design drawings.

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

Motion Adopted
(6 Yes 1 absent)

G. CAPITAL IMPROVEMENT PROGRAM (CIP)

Motion G – Moved by Mr. Ryan

“The Board approve the Capital Improvement Program as presented.”

Second – Ms. Parks

Mr. Canzano explained that staff reviewed the CIP in detail at the Retreat in April and if has not changed. As you recall it has a 10-year program as well as a 5-year recommended program. There are project descriptions for all the projects listed. We did have priority assignments to the various projects. They're identified by County and Facility; it's a very good piece of work. Mr. Pryor and Mr. Canzano expressed their appreciation for a great job by staff on the CIP plan. Mr. Canzano added that in the future we will update this and adopt it annually with the Budget.

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

Motion Adopted
(6 Yes 1 absent)

H. 2013 BUDGET

Motion H – Moved by Mr. McCabe

“The Board adopt the proposed FY 2013 budget as presented.”

Second – Ms. Parks

Mr. Canzano stated that in accordance with the approval of the Board, staff scheduled the public workshop and hearing. We did not have anyone from the public to either the workshop or hearing. The projected budget for this fiscal year is about \$58 million and the budget proposed for FY 2013 is \$51 million. That’s about a 12% reduction. He gave staff credit for the reduction; we have really tightened up in all areas of operation and looking for ways to generate new revenue and keep our tipping fees at a competitive level. Staff recommends approval of the 2013 Budget as presented.

Mr. Pryor added that the Committee did a lot of work on this and we talked about this at the Retreat. He was very appreciative of all the work that went into it by staff. It seems like when the budget is tight, it has a way of focusing and not a lot of controversy over how to spend the money. He appreciates the efforts to continue to tighten our budget and not take anything for granted.

Mr. Canzano added that this wouldn’t be possible without the support of the Board. Staff has come to the Board with some fairly interesting options and ideas to economize and save money. He is very pleased that we are keeping all the same programs going albeit we have made some changes. Staff appreciates that support from the Board

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

Motion Adopted
(6 Yes 1 absent)

I. CONSTRUCTION & DEMOLITION WASTE ADJUSTABLE RATE
STRUCTURE

Motion I – Moved by Mr. McCabe

“The Board authorize the staff to proceed with the process for adopting a variable rate for Construction & Demolition waste for the coming fiscal year (FY 13).”

Second – Mr. Ryan

Mr. Canzano stated that it is apparent that our tonnage is still down about 10½%. Construction and Demolition is an important element of the program, particularly at the Jones Crossroads Landfill in Sussex County, As you know, we make Alternate Daily Cover from C&D waste as well as recovering some metals in that process. That saves us money in terms of buying virgin materials and of course we are conserving natural resources. It has become apparent to us that we are probably going to have to compete in the markets to keep these materials coming into us so that we can make Alternate Daily Cover. We did not focus on this because we wanted to wait and see what happened to the tonnage at the end of the fiscal year. We want to go forward with a process that will be a workshop and a hearing to review what we plan to do with respect to C&D at designated facilities of the Authority. This will allow for public input.

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

Motion Adopted
(6 Yes 1 absent)

J. ALLOCATION OF THE REMAINING 2010 BOND FUNDS FOR DSWA PROJECTS AS PER THE INDENTURE

Motion J – Moved by Mr. McCabe

“The Board approve the re-allocation of the remaining 2010 bond funds for the DSWA projects as presented per the indenture requirements.”

Second – Mr. Ryan

Mr. Canzano stated that 2010 Bonds were primarily issued for the expansion of both the Sandtown and Jones Crossroads landfills. In concert with that, we also identified as part of the Bond issue certain projects that we potentially thought we could fund assuming there were any additional funds left over after the development of those two projects. As it turns out, as a review of the CIP, we have reassessed the priority of various projects and where we thought they could be in the funding. We would like to reallocate the remaining 2010 Bonds to cover the projects as presented in your package in accordance with the Bond Indenture. The Indenture requires the Board to approve any changes in the list that was originally approved

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

Motion Adopted
(6 Yes 1 absent)

K. DISCOUNT DISPOSAL FEE AGREEMENT (DDF)

No Action

PUBLIC COMMENT

Mr. Chris Baker from George & Lynch introduced himself. They are looking forward to working with DSWA at the Cherry Island site and hope for a successful three years.

Motion – Ms. Parks

“The Board go into Executive Session.”

Second – Mr. McCabe

Vote – (Esposito, Moore, Parks,
Ryan, McCabe, Pryor)

Motion Adopted
(unanimous)

Motion – Mr. Esposito

“The Board return to regular Session.”

Second – Mr. Ryan

Vote – (Esposito, Moore, Parks,
Ryan, McCabe, Pryor)

Motion Adopted
(unanimous)

Moved – Mr. McCabe

“The Board Meeting is adjourned.”

Second – Mr. Ryan

Vote – (Esposito, Moore, Parks,
Ryan, McCabe, Pryor)

Motion Adopted
(unanimous)

Respectfully submitted,

Libby J. Kelley

Meeting Adjourned: 5:45