

MINUTES OF MEETING
DELAWARE SOLID WASTE AUTHORITY
BOARD OF DIRECTORS

DATE: May 24, 2018

LOCATION: Cherry Island Landfill
Administrative Office
1706 E. 12th Street
Wilmington, DE 19809

TIME: 5:00 p.m.

ATTENDEES:

DIRECTORS

Gerard L. Esposito
Timothy P. Sheldon
A Temple Carter, III
Norman Griffiths
Michael R. Paraskewich, Ph.D, P.E.
Tonda L. Parks
William J. Riddle

STAFF

Richard P. Watson, P.E., BCEE
Robin M. Roddy, P.E., BCEE
Michael D. Parkowski
Joe Koskey
Lynsey K. Baer, P.E., BCEE
Jason M. Munyan, P.E., BCEE
Corbin A. Cullen

LEGAL COUNSEL

F. Michael Parkowski, Esquire (PG&S)

GUESTS

None

REGULAR BOARD MEETING

The Chairman, Gerard Esposito, called the three hundred and ninety-third regular meeting of the Delaware Solid Waste Authority Board of Directors to order on Thursday, May 24, 2018. He announced the meeting had been duly noticed and the Directors had received copies of the information to be considered.

A. MINUTES

Chairman Esposito called for additions or corrections to the draft of the Minutes of the May 2, 2018, meeting of the Board of Directors.

Motion A – moved by Mr. Carter

“The Minutes of the May 2, 2018, Board of Directors’ meeting of the Delaware Solid Waste Authority be accepted as written.”

Second - Mr. Sheldon

Vote – (Carter, Griffiths, Paraskewich, Parks
Riddle, Sheldon, Esposito)

Motion Adopted
(7 Yes, 0 No, 0 Absent)

Report of the Administrative & Citizens’ Affairs Committee

B. FY 2018 BUDGET

Motion B – moved by Ms. Parks

“The Board approves the FY 2019 Proposed Budget as presented.”

Second – Mr. Sheldon

Mr. Watson said that on March 8, 2018, the proposed budget was presented to the Administrative and Citizens’ Affairs Committee (ACAC). The Committee gave staff permission to go to Public Hearing and that was held on April 25, 2018. There were no members of the public at the meeting. Staff presented the hearing officer’s report at the May 10, 2018, ACAC meeting. The Committee agreed to present the proposed budget to the Board. He said that this budget was based on 839,600 annual tons. That is up from 810,000 annual tons in the current budget. With the projected revenues of \$67.5 million, more than half of the expenses are for operations of \$45.7 million; \$4.7 million would go to bond debt, \$13 million to capital improvements and \$3.1 million to prefunding reserves. This would leave a surplus of just under \$1 million dollars. Mr. Esposito said that Mr. Koskey did a good job preparing the budget. Mr. Riddle asked if the Board controls the rates and expenses and if there was approval required from others. Mr. Esposito said the Board has the sole approval and authority in accordance with the legislation that governs DSWA. Mr. Griffiths noted that the budget was thoroughly discussed at the Committee. Mr. Koskey said that there were several staff meetings before the budget was presented to the Committee. The proposed budget was put together by the accounting department based on history and forecasts, then passed on to the managers for review and was vetted by the Chiefs before being presented to the Board. Mr. Esposito asked if there were any changes to the initial proposed budget. Mr. Koskey said that there were no changes to the budget since it was first presented in March. Mr. Esposito asked if there were any recommendations from the hearing officer’s report. Mr. Watson said there were no recommendations made.

Mr. Carter	Yes
Mr. Griffiths	Yes
Mr. Paraskewich	Yes
Ms. Parks	Yes

Mr. Riddle	Yes
Mr. Sheldon	Yes
Mr. Esposito	Yes

Motion Adopted

(7 Yes, 0 No, 0 Absent)

C. CAPITAL IMPROVEMENT PROGRAM

Motion C – moved by Ms. Parks

“The Board approves the 10 year Capital Improvement Program as presented.”

Second – Mr. Carter

Mr. Watson said that the Capital Improvement Program (CIP) was also discussed in Committee. This is a 10 year plan of major capital expenses. It is updated every year. FY19 is what is focused on for the budget that was just approved. The \$12.9 million listed in the budget is the total for all of FY19 projects. This is a higher amount than recent years. Some of the projects from the previous year were delayed so they moved over to the next fiscal year. Ms. Roddy explained how the projects were ranked. Projects that are required by permit or regulations and those that are necessary for expansion or maintenance rank highest. Some of the bigger items for FY19 are the development of the Newark property for a recycling center and the transfer station trailer storage buildings. Another large dollar item is soil and its placement at Sandtown as part of future Area F. Part of the Area F design was the old borrow pond and it was always anticipated that it would be required to fill it as part of the design. Mr. Watson said that the Sandtown site improvements for \$500,000 in FY19 are the last of the money allotted from the 2010 Bond issue. Everything else is coming from operational revenues. Mr. Koskey explained that when we started the project we had about \$1.4 million bond money left and when that was used up during construction, \$500,000 came from operations. Mr. Riddle asked for clarification on if a project is approved in FY19 but not finished until FY20, is the money held from one year to the next and that the money might not correlate to the cash. Mr. Koskey said that was correct, some of the projects are multi-year. Mr. Riddle asked if that money was set aside internally for the rest of the project. Mr. Koskey confirmed that the budgeted money was held for the specific project. Ms. Roddy used the trailer storage buildings as an example. It is budgeted in FY19 and the design work will start in FY19 but the actual construction will continue into FY20. Ms. Parks said that staff updated the Board in Committee meetings about ongoing projects. Mr. Watson said that staff is optimistic about the completion of the CIP so that we know we can budget for it so we are on the safe side and we know we have the money for it. Ms. Roddy said that if the CIP is approved tonight the Board can be assured that if a project is over \$100,000 it will be presented to the Committee and the Board for discussion and approval. This is just to approve the program in concept, not any specific contract. Mr. Esposito also noted another project of interest coming up next year is the Dover administration building. Ms. Roddy said that funding is budgeted in FY20 and that we are currently soliciting engineering services for the design of the facility. Staff will be bringing that contract to Committee and Board for approval in a few months. Mr. Sheldon asked if the \$2 million in the budget for the Newark site was for the property and the building. Mr. Koskey said that \$1.2 million was for the property and \$800,000 was budgeted for the improvements. Mr. Riddle asked if all of this was anticipated to be funded by operations, that there is no debt plan out there. Mr. Koskey answered that this is funded all by operations. What remains of the bond

monies of a few years back has been all used up in this fiscal year by the scalehouse project at Sandtown. Everything going forward would be out of operations. Mr. Esposito asked Mr. Koskey to explain the reserve fund. Mr. Koskey said that there were primarily two or three major funds, the revenue fund, the operating/insurance/capital reserve (OIC) fund, and the authority fund. On a day-to-day basis surplus or deficit goes in and out of the revenue fund. If the surplus builds up it is swept over to the OIC fund because there are more long termed investments so we get a better return in this fund. There are other debt service funds or debt reserve funds. That is the 2010 bonds that remain to be paid. We will be paying down the 2010 bonds through worst case scenario 2022. We will have the ability to buy back those bonds in the end of 2020 much like we did the 2006 bonds a few years back. The reserves include funds for closure and post-closure debt costs that we will have to account for in the future.

Mr. Carter	Yes
Mr. Griffiths	Yes
Mr. Paraskewich	Yes
Ms. Parks	Yes
Mr. Riddle	Yes
Mr. Sheldon	Yes
Mr. Esposito	Yes

Motion Adopted

(7 Yes, 0 No, 0 Absent)

D. CHECK SIGNING RESOLUTION

Motion D – moved by Ms. Parks

“The Board approves the Check Signing Resolution as stated.”

Second – Mr. Carter

Mr. Watson said that this will allow the new members of the Board to sign checks. Mr. Koskey explained that it was to add Mr. Carter and Mr. Riddle and take off Mr. McCabe and Mr. Strickland for authority to be a co-signer of DSWA checks. Amounts over \$20,000 require a Board members signature along with an authorized DSWA Chief.

Mr. Carter	Yes
Mr. Griffiths	Yes
Mr. Paraskewich	Yes
Ms. Parks	Yes
Mr. Riddle	Yes
Mr. Sheldon	Yes
Mr. Esposito	Yes

Motion Adopted

(7 Yes, 0 No, 0 Absent)

Report of Technical Affairs and Facilities Management Committee

E. DELAWARE RECYCLING CENTER RELOCATION OF AERIAL HIGH VOLTAGE LINES – CONTRACT C-17-769-ND

Motion E – moved by Mr. Sheldon

“The Board awards the contract for the Delaware Recycling Center Relocation of Aerial High Voltage Lines to the lowest bidder, Carr & Duff Inc. in the amount of \$1,347,080.00.”

Second – Mr. Griffiths

Ms. Roddy said that this is a planned project for the entire Delaware Recycling Center. This encompasses the recycling activities and the Pigeon Point Landfill. The above ground aerial high voltage 3-phase power lines are very old, 20 to 30 years. They are on telephone poles that have hanging transformers. This project is driven by the DRC truck traffic that can pull down the wires and on the landfill wildlife and wind can knock out the power. These lines power the pump stations on the landfill that could be a permit issue if they cease running. This is an investment in the property. There were three bids received from electrical contractors. The bid prices were very close. It did come in near the engineer’s estimate. Staff recommends to award to Carr & Duff Inc. The price includes 8,000 linear feet of directional boring with conduit, 3-phase copper wire, and transfer switches for use of generators or back-up generators in the event of power loss. Mr. Riddle asked if there were back-up generators now. Ms. Roddy said that the site is two-fold. It has two recycling locations and a landfill. There is back-up power to one portion of the landfill only, in the main pump station. This project would not install generators but, would put in place the transfer switches that would allow for back-up generators to be connected in an emergency. Mr. Esposito asked if we had portable ones now. Ms. Roddy said that DSWA doesn’t have them now. In an emergency we rent them. Mr. Carter asked if back-up generators are in the 10 year plan. Ms. Roddy said that there were back-up generators budgeted for all the facilities. Mr. Esposito asked when did it become more secure to buy them instead of renting. Ms. Roddy said that we would like to transfer over during a period of time to have the switches to be able to connect to generators. Mr. Riddle asked who DSWA buys power from. Ms. Roddy responded that all electrical power comes from Delmarva Power. Mr. Griffiths asked for clarification that these lines did not belong to Delmarva Power. Ms. Roddy said that was correct. Mr. Griffiths asked if this project should be held off while DSWA is in discussion with the City of Wilmington. Mr. F. M. Parkowski said that DSWA should continue to maintain the site.

Mr. Carter	Yes
Mr. Griffiths	Yes
Mr. Paraskewich	Yes
Ms. Parks	Yes
Mr. Riddle	Yes
Mr. Sheldon	Yes
Mr. Esposito	Yes

Motion Adopted

(7 Yes, 0 No, 0 Absent)

PUBLIC COMMENT

No comment

NEW BUSINESS

No comment

Motion – moved by Mr. Griffiths

“The Board Meeting is adjourned.”

Second – Mr. Sheldon

Vote – (Carter, Griffiths, Paraskewich, Parks
Riddle, Sheldon, Esposito)

Motion Adopted
(7 Yes, 0 No, 0 Absent)

Respectfully submitted,

Pamela Williamson

Meeting Adjourned: 5:55 p.m.