

MINUTES OF MEETING
DELAWARE SOLID WASTE AUTHORITY
BOARD OF DIRECTORS

DATE: February 27, 2020

LOCATION: Delaware Solid Waste Authority
Administrative Office
1128 S. Bradford Street
Dover, DE 19904

TIME: 5:00 p.m.

ATTENDEES:

DIRECTORS

Gerard L. Esposito, Chairman
Timothy P. Sheldon, Vice Chairman
Temple Carter, II
Norman Griffiths
Michael R. Paraskewich, Ph.D, P.E.
William J. Riddle

STAFF

Richard P. Watson, P.E., BCEE
Robin M. Roddy, P.E., BCEE
Michael D. Parkowski
Joseph J. Koskey, CPA
Jason M. Munyan, P.E., BCEE
Alex C. Steuerwald

LEGAL COUNSEL

F. Michael Parkowski (PG&S)

GUESTS

None

REGULAR BOARD MEETING

The Chairman, Gerard Esposito, called the four hundred and ninth regular meeting of the Delaware Solid Waste Authority Board of Directors to order on Thursday, February 27, 2020. 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 January 30, 2020, meeting of the Board of Directors.

Motion A – moved by Mr. Carter

“The Minutes of the January 30, 2020, Board of Directors’ meeting of the Delaware Solid Waste Authority be accepted as written.”

Second - Mr. Griffiths

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

Motion Adopted
(6 Yes, 0 No, 1 Absent)

Report of the Administrative & Citizens' Affairs Committee

B. PURCHASE OF HUDSON PROPERTY

Motion B – moved by Mr. Carter

“The Board approves the purchase of the Phillip Hudson Property Parcel Three on Hitch Pond Road located in Laurel, Delaware for the price of \$1,400,000.00.”

Second – Mr. Sheldon

Mr. Watson informed the Board that DSWA had found a piece of property to buy in Sussex County to develop into wetlands in order to mitigate areas at the Southern Solid Waste Management Center that will be developed into future landfill cells. The Hudson property is about 148 acres. It is critical to the Authority's future to get this piece of land. DSWA's wetlands consultant reviewed the property and verified that it is very valuable for its purpose as future wetlands. The price is reasonable and is within the appraised amount. It is highly recommended that DSWA purchase this property. Ms. Roddy said that this opportunity to purchase the property came up after the Committee meeting so there was no chance to discuss it before now. Ms. Roddy reminded the Board that staff has been discussing our overall strategy for securing land in Sussex County for the purpose of wetlands mitigation. Mr. Griffiths asked about DSWA having to pay property taxes on the acreage. Mr. F. M. Parkowski said that Delaware has a Farmland Assessment Act and anybody who enrolls in that program gets an exemption from any property tax on the unimproved farmlands themselves. This particular property does not have any improvements on it so there wasn't any taxes to speak of. So there is nothing being taken off the tax rolls. DSWA doesn't pay property taxes so for all intents and purpose the tax status won't change. Mr. Griffiths asked if DSWA would have to pay a pilot payment in lieu of taxes like the City of Wilmington does for all the schools that are on city properties. Mr. F. M. Parkowski said that it wasn't the case with Sussex County. As far as an obligation to pay the tax, DSWA has exemption in our statute. Mr. Carter asked if this property was about the same price as the previous property DSWA looked at. Ms. Roddy said that this was not the first property that DSWA had considered, but this property did fit the requirements of being in the same drainage basin, contained the appropriate soil type and was comparable in price to other potential properties. This property is 148 acres and the purchase price the owners agreed to was slightly under the appraised value. Mr. Carter asked how much would have to be mitigated. Ms. Roddy explained that DSWA would likely need to mitigate 50 acres.. That would mitigate what is needed at the site for decades. Mr. Carter asked if when the mitigation was done DSWA could sell the rest of the property. Ms. Roddy said that that decision will be down the road. DSWA's consultant who analyzed the soil, the property and the existing drainage and what we can do to create wetlands says that this is an extremely favorable property. DSWA might want to look at options for the remainder of the property. Mr. Griffiths asked where the money was coming from to buy the property. Ms. Roddy said this was a budgeted item for this fiscal year. \$1,000,000 was budgeted so this is a little over but the additional \$400,000 will come from the operational surplus that DSWA has at the end of the fiscal year. This is a planned project and the Board will see

budgeted monies for the wetlands mitigation, all the steps in this process probably for the next five years. Mr. F. M. Parkowski said that Parkowski, Guerke & Swayze had gotten prices to survey the Hudson property and PELSA was the lowest quote. PELSA is owned by Michael Paraskewich so Mr. Parkowski asked him to recuse himself from the vote on this issue. Mr. Riddle wanted to know if this property was in the Farmland Preservation Program. Mr. F. M. Parkowski said that it was not. DSWA wouldn't be able to develop wetlands if it was. He noted that the property is very close to some state protected lands. Trap Pond State Park is adjacent to the wooded area of the property. Regulators will be happy to develop wetlands along their natural areas. It is such a positive thing to compared to be somewhat distant in another watershed where there are not these connections. In many ways this property is unique in what we want to do. Mr. Riddle wanted to know what the commission amount was. Mr. F. M. Parkowski said that it will be 5% to the realtor who went around to try to find property and who negotiated the purchase price. A condition of the sale is that the Hudson's will be removing the irrigation system and also to allow the current lease on the property to run out, which is this calendar year and next calendar year. To the extent that DSWA doesn't need possession of the property right away it doesn't matter that much. Mr. Riddle wanted to know who gets the lease revenue. Mr. F. M. Parkowski said that the Hudson's would keep that. Mr. Riddle wanted to know what the amount would have been. Mr. F. M. Parkowski said that there is only about 50 to 60 acres tillable and he didn't think it would be that much. Mr. Riddle asked if DSWA paid transfer tax. Mr. F. M. Parkowski said that most state bodies are exempt from transfer tax. Mr. Griffith asked if there was any industrial activity on this land. Mr. F. M. Parkowski said the property has been a farm forever, the property is in a remote area. Mr. Griffiths asked if there would be any environmental studies on the property. Mr. F. M. Parkowski said that there is a 30 day due diligence period built into the agreement. Someone will walk the property to make sure that there are no problems with the property. Mr. Riddle asked if there was anything that would cause DSWA to walk away from the contract. Mr. F. M. Parkowski said in terms of the location of the property, in terms of the nature of it, and in terms of what DSWA's need are, all those are very positive things. The hardest thing dealing with a piece of farm property like this is when you have a multitude of heirs, there was like seven children. You have to look at the history under which you operating, in this case an irrevocable trust. The irrevocable trust was somewhat complicated. Mr. F. M. Parkowski had to do with the Sussex successor trustee is get sign-offs on certain things. There was a peculiar clause that said that the one particular brother was given the responsibility and authority to sell the property without getting any of the others to sign-off on it. The one brother had to review the purchase price and be satisfied and agree with it. That document has been secured. The other thing that the seller wanted was an agreement that DSWA wouldn't put a landfill there under no circumstances. Ms. Roddy indicated that the property wasn't suitable for it and it wasn't DSWA's intention to put a landfill there. Mr. F. M. Parkowski said in terms of the proceeds, he had to get concurrence that DSWA could give the trustee the proceeds and the trustee would be responsible for distributing the proceeds to the various beneficiaries. Those were the complications and if there had been a roadblock along that line then he would have had trouble recommending going to settlement but so far he has gotten cooperation from the this trustee. Mr. Griffiths asked if the trustee was bonded. Mr. F. M. Parkowski said it was the classical trust agreement that you see in Sussex County to serve without posting bond. Mr. Griffiths asked if the property was suitable for a borrow pit. Ms. Roddy said that the land has much higher value as wetlands creation land at this point, possibly suitable for a borrow pit but DSWA isn't looking at that at this point. Mr. Riddle asked if there was any timber on it. Mr. F. M. Parkowski said there was some wooded areas but it is wooded wetlands. Mr. Griffiths asked if DSWA had to notify any State Senators or State Representatives that this was going on. Mr. F. M. Parkowski said not that he was aware of. Mr. Riddle asked if this was always put in the authority's name. Mr. F. M. Parkowski said it was always put in the authority's and insured. Mr. Riddle asked if the resolution should be amended to reflect

the extra costs associated with procuring the land. Mr. F. M. Parkowski said the motion can be crafted any way the Board wanted. He has a contingency in this contract that the Board has to approve it, so if the Board approves the contract they have to recognize that you are spending the additional money that are necessary to go to closing. Ms. Roddy made a suggestion to amend the resolution to reflect the land purchase price of \$1,400,000 plus associated fees not to exceed a total of \$1,500,000.

Motion C – moved by Mr. Carter

“I amend the motion that the Board approve the purchase of the Phillip Hudson Property Parcel Three on Hitch Pond Road located in Laurel, Delaware for the land purchase price of \$1,400,000.00 plus the associated fees not to exceed a total of \$1,500,000.00”

Second - Mr. Griffiths

Mr. Carter	Yes
Mr. Griffiths	Yes
Mr. Paraskewich	abstain
Mr. Riddle	Yes
Mr. Sheldon	Yes
Mr. Esposito	Yes

Motion Adopted

(5 Yes, 0 No, 1 Absent, 1 abstention)

Report of the Technical Affairs & Facilities Management Committee

Motion D – moved by Mr. Sheldon

“The Board awards the contract to provide Geotechnical Monitoring Services for the Cherry Island Landfill to Geosyntec Consultants in the amount of \$644,886.00, for a three-year period.”

Second – Mr. Griffiths

Mr. Watson said that the existing geotechnical monitoring contract will end at the end of March. This new contract will be for three years beginning April 1. Three proposals were received and staff interviewed Geosyntec and Johnson, Mirmiran & Thompson Inc. Staff asked for permission to negotiate with Geosyntec at the January Committee meeting. Ms. Roddy said that this contract was discussed quite a bit at the Committee meeting.. Because the Cherry Island Landfill (CIL) is built on dredge spoils it has a very unique situation in terms of stability. Geosyntec has been involved with the site for over 20 years and they are very familiar with the site. Geosyntec designed the CIL expansion project in the early 2000’s which included a significant amount of geotechnical work. Staff has been happy with Geosyntec’s work. The pricing for this contract includes normal instrument monitoring and reporting as well as a stability analysis required by permit. The \$644,996.00 that staff is asking for is for three years. The cost will be spread out over three years. It is a budgeted item. The incumbent contractor is Geosyntec. Ms. Roddy said that

unit prices have gone up slightly because it is based on labor rates and Geosyntec had not raised their labor rates for six years. The labor rates are the same for all three years of the proposed contract. Mr. Griffiths asked is Geosyntec had to work closely with DNREC. Ms. Roddy said that Geosyntec has built a good working relationship with DNREC and that is one of the reasons that staff recommends awarding the contract to them.

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

Motion Adopted

(6 Yes, 0 No, 1 Absent)

Motion E – moved by Mr. Sheldon

“The Board awards the contract for the Pine Tree Corners Transfer Station Tipping Floor Rehabilitation to Stevenson Concrete Construction LLC in the amount of \$797,175.00.”

Second – Mr. Griffiths

Mr. Watson said that Building 2 was built in 2005 and it still has the original floor. Some minor repairs have been done on it over the years. This contract will replace the entire floor in the whole building. Similar work has been done at the Milford and Route 5 Transfer Stations in the past two years. Those buildings were built in 2006, so this building is a little older. This building gets about 70,000 tons per year. Staff was pleased with the work that Stevenson did on the other two floors using the same Emerytop material. Ms. Roddy said that this was a planned project and is budgeted for this year. The bid price is slightly under budget. The pricing was very aggressive from Stevenson. The size of Pine Tree’s floor is 13,300 square feet which is very similar to Route 5 Transfer Station at 12,800 square feet. DSWA will be paying \$60 per square foot at Pine Tree and we paid \$65 per square foot at Route 5. This work will be done as a planned shutdown for two weeks, March 29 to April 14. Other maintenance will also be done at the site such as repairs to the recycle area and to the canopy over the scalehouse. Mr. Griffiths asked about the impact to the customers. Ms. Roddy said that Mr. M. D. Parkowski has already started talking to the haulers and information will be passed out at the scalehouse. The customers will have to use the Cherry Island or Sandtown Landfills depending on where they are located. Mr. Griffiths asked if that was a great distance for the customers. Ms. Roddy said that it would be an inconvenience for about two weeks. Mr. Griffiths asked if weather would affect the construction. Ms. Roddy said that the material did need a certain temperature but the contractor is responsible for making sure the building is heated to the correct temperature if needed. Mr. Watson pointed out that there is a slight benefit for the haulers going to the landfill in that they get a larger rebate. That offsets the cost to go to one of the landfills. Mr. Watson introduced Alex Steuerwald as DSWA’s new engineer, who will be overseeing this project. Mr. Griffiths asked if Pine Tree just handled waste, not recycling. Ms. Roddy said that the only recycling at Pine Tree is a drop-off center. The drop-off center won’t be affected by this closure because it is at the front of the facility by the entrance and won’t be impacted by the construction. Mr. Carter asked if the original floor was made from the same material that will be used for the repair. Ms. Roddy said that the original material was

high-strength concrete. Mr. Esposito asked what was discussed at the Committee pertaining to this project. Mr. Sheldon said the bidding process was discussed because the amount was so much under budget. Mr. Sheldon said that a company that does a lot of this type of work had called him and was surprised that Stevenson got it. Staff had informed Mr. Sheldon that Stevenson knew they wanted the job and wanted to keep DSWA's business and knew it would be a tight bid. Mr. Sheldon noted that even the second bid was under budget.

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

Motion Adopted

(6 Yes, 0 No, 1 Absent)

Motion F – moved by Mr. Sheldon

“The Board awards the contract for the Purchase and Service of a New Excavator and the Sale of DSWA's Used Excavator at the Southern Solid Waste Management Center to Alban Tractor Company, Inc. for the amount of \$233,140.00”

Second – Mr. Griffiths

Mr. Watson said that this was a routine event of trading-in and purchasing new equipment from time to time at Southern Solid Waste Management Center. This one is for a new excavator. It is a key piece of equipment at the landfill. Ms. Roddy said that after soliciting proposals staff reviewed them and decided that the proposal from Alban was the most responsive. The TFMC gave staff permission to negotiate with Alban. Jim Vescovi and Adolf Korosec negotiated with Alban and were able to get a reduction of \$5,000 off a very favorable price to make it \$263,900 for the purchase price of the excavator (with the trade-in value of \$35,000 for the old excavator and the addition of the 4-year warranty cost, the total price will be \$233,140). This is a planned and budgeted purchase. There was a lot of discussion at the Committee meeting about CAT. One of their strengths is the guaranteed buy-back. This machine that is being approved has a \$90,000 guaranteed buy-back in five years. Within the five year buy-back period DSWA will evaluate if they will hold the machine or trade it in. The \$35,000 trade-in now is for a 12 year old machine. This machine is used primarily to dig trenches, dig seeps, and clean stormwater ditches on the landfill. It is not necessarily working with landfilling the trash. It is a utility machine around the site.

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

Motion Adopted

(6 Yes, 0 No, 1 Absent)

NEW BUSINESS

Mr. M. D. Parkowski said that he had been invited to a meeting with other legislators and members of DNREC at the Governor’s office to talk about the Polly Drummond yard waste site that is in New Castle County. It is in Mr. Sheldon’s district. DNREC has been trying to close the site for a long time. It has been unsuccessful because the legislators in that area tell DNREC to keep it open. This meeting was to try to push it on DSWA. Mr. M. D. Parkowski told the participants that if DSWA did a yardwaste site DSWA would have to own the property. He told them that if DSWA did run a site it would be a true yardwaste site with windrows and compost. There would be stormwater management and permits and all kinds of heavy equipment there. He told them that if DSWA were able to do it, it would be a two-year process at a minimum to get it started. Mr. Watson asked if he told them that there would be a charge to dispose of yardwaste. Mr. M. D. Parkowski said he told them it would cost millions of dollars to build a top notch site and to be prepared because the tipping fee might have to be increased to cover the cost and that it would not be a free drop off site for the residents. They would pay the same thing that the rest of the state pays. The participants said they understood what he was saying. Other options were than discussed by the participants. Mr. Riddle asked if they could force us to do this. Mr. M. D. Parkowski said if the Governor called and told DSWA to do it we would. They would have to understand the cost involved with it and that the real cost would have to be charged because DSWA doesn’t work on a tax base but off of revenue generated by the services we offer. Mr. M. D. Parkowski explained to the participants that if DSWA provided free yardwaste to Pike Creek they would have to provide it free for the rest of the state.

PUBLIC COMMENT

No comment

Motion – moved by Mr. Griffiths

“The Board Meeting is adjourned.”

Second – Mr. Carter

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

Motion Adopted
(6 Yes, 0 No, 1 Absent)

Respectfully submitted,

Pamela Williamson

Meeting Adjourned: 5:47 p.m.