

MINUTES OF MEETING
DELAWARE SOLID WASTE AUTHORITY
BOARD OF DIRECTORS

DATE: October 22, 2020

LOCATION: This meeting was held via Zoom webinar due to the State's COVID-19 social distancing requirements.

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.
Tonda L. Parks
William J. Riddle

STAFF

Richard P. Watson, P.E., BCEE
Robin M. Roddy, P.E., BCEE
Michael D. Parkowski
Joseph J. Koskey
Jason M. Munyan, P.E., BCEE
Lynsey K. Baer, P.E., BCEE

LEGAL COUNSEL

F. Michael Parkowski (PG&S)

GUESTS

Colleen Varallo
Mike White

REGULAR BOARD MEETING

The Chairman, Gerard Esposito, called the four hundred and fifteenth regular meeting of the Delaware Solid Waste Authority Board of Directors to order on Thursday, October 22, 2020. He announced the meeting had been duly noticed and the Directors had received copies of the information to be considered. Mr. Esposito had the clerk call the roll for the Board.

A. MINUTES

Chairman Esposito called for additions or corrections to the draft of the Minutes of the September 24, 2020, meeting of the Board of Directors.

Motion A – moved by Mr. Carter

“The Minutes of the September 24, 2020, 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

Mr. Koskey introduced Collen Varallo and Mike White from Wipfli. Mr. White then made a presentation of the 2020 audit results to the Board of Directors.

B. FINANCIAL AUDIT

Motion B - moved by Ms. Parks

“The Board accepts the independent auditor’s report of the financial statements of net position of Delaware Solid Waste Authority as of June 30, 2020 and 2019, prepared by Wipfli, LLP.”

Second – Mr. Riddle

After the presentation Ms. Parks asked if there were any need to change procedures since DSWA was working remotely. Mr. White said that from a cost benefit standpoint it seemed to be working but he deferred to DSWA management. Ms. Roddy stated that the administrative staff made adjustments in late March 2020 in response to Covid-19 including, working remotely to the extent possible while maintaining a continued presence in DSWA’s office to maintain operations and services. She also stated that DSWA has been able to maintain uninterrupted operations at their solid waste facilities with the exception of a pause to in-person recycling events that were suspended from mid-March 2020 until May 1, 2020. Ms. Roddy also indicated that DSWA continues to provide PPE to staff and has increased the type and frequency of cleaning at its facilities. Ms. Roddy said that this situation has caused staff to plan for enhanced automation and contactless functions at their sites in the future. Ms. Parks wanted to know if Wipfli could help DSWA with those new systems. Ms. Varallo said that DSWA contracted with Wipfli last year to develop an IT plan to help with moving into the future and even though it was more centered around the internal controls, some of those processes will likely help with any future changes. Mr. White said that Wipfli would be happy to go over any questions that the Directors might have. There were not any changes made to the financials that staff has provided previously to the Board. Mr. Riddle asked about DSWA investments and asked if we should review the investment policy. He also inquired about the governing authority and suggested that staff consider reviewing its investments and associated risks. Mr. F. M. Parkowski said that the enabling legislation was pretty broad in allowing the Board to make many decisions, including investment decisions. Mr. Riddle would like to have someone look at the issue. Mr. F. M. Parkowski said that he wouldn’t think that DSWA is constrained by the policies that come out of the Treasury Office because DSWA has broad authority with going out to the bond market and making decisions what they need to borrow and the interest rates related thereto. The enabling legislation was drafted very broadly to give DSWA business flexibility. If the Chairman and the Board would like, then it will

be researched. The Chairman requested a review. Mr. Riddle asked about paying interest on DSWA's current bonds and if the payoff schedule should be accelerated. Mr. Koskey said that DSWA does have the capability to pay them off and that there is approximately two years left on the existing 2010 bonds and any time between now and then he believes DSWA could buy back any that are remaining. Mr. Riddle wondered if it should be looked into with the interest rates. Mr. Koskey said that DSWA did just that in 2016 because there was 10 years remaining on 2006 bonds and it saved approximately \$18,000,000 then. Mr. Riddle requested staff to evaluate calling the existing bonds. Ms. Parks said that given all the issues with this year, she was happy that staff has been able to keep the audit and annual report timeline close to normal. Mr. Esposito asked if there was a need to go into executive session. Mr. Riddle said that he didn't think so and the opening comment about the integrity of the monthly financials from management and the mapping of the accountant's numbers gives him a lot of comfort.

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. PURCHASE OF PROPERTY AT 29608 KOI POND DRIVE

Motion C – moved by Ms. Parks

“The Board approves the purchase of the property at 29608 Koi Pond Drive, Georgetown, Delaware for the amount of \$186,000.00.”

Second – Mr. Carter

Mr. Watson said that this started with the Southern Landfill Manager, Jim Vescovi, when he was contacting the property owners that are contiguous to the southern boundary in conjunction with doing the ditch work on the Beaverdam ditch. This property owner was interested in selling to DSWA. Mr. M. D. Parkowski said that there are several properties that run adjacent Shiloh Ditch Road and DSWA. DSWA has purchased several in the past, this one is bigger than the others properties. This one had more structures on it and appraised at a higher value that passed the \$100,000 threshold where it has to come to the Board. There have been a couple of others in the past. Ms. Roddy noted that these properties are not for landfilling operations, they will act as a buffer to the Southern landfill operations. Mr. Riddle asked about the note in the appraisal for the property that says “...Hypothetic Condition that there is no locational obsolescence to Subject Property because of its locale bordering waste disposal site at rear.” He thought that was there for a legal reason not an accounting reason. Mr. F. M. Parkowski said that appraisers have a great deal of difficulty attempting to make an assessment on any impairment on the property due to potential environmental conditions. These notes are also typically found on properties that are in the Brownfields program where there has to be a voluntary clean-up program. The appraisers are

saying that they aren't experts in determining diminution of value with respect to that particular appraisal. You are getting fair market value unimpaired.

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 the Technical and Facilities Management Committee

D. PURCHASE AND SERVICE OF A NEW BACKHOE LOADER AND SALE OF DSWA'S USED EXCAVATOR FOR THE SOUTHERN SOLID WASTE MANAGEMENT CENTER – CONTRACT P-20-828-SS

Motion D – moved by Mr. Sheldon

“The Board awards the contract for the purchase of a new Backhoe Loader and the sale of DSWA’s used Excavator for the Southern Solid Waste Management Center to Carter Machinery for the total cost of \$124,000.00 which includes a four-year extended warranty.”

Second – Mr. Griffiths

Mr. Watson said that this is routine replacement of heavy equipment that we have at the southern landfill. Mr. Munyan said that is just standard equipment replacement. The one thing that stands out is that DSWA is selling an excavator and buying a backhoe. This is intentional. The backhoe will be significantly more practical for moving around the site. It will be a less expensive piece of equipment and will fit better with staff’s needs. Three prices were received and Carter Machinery negotiated a good price and service contract. The excavator being sold is about 7 years old.

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)

NEW BUSINESS

Mr. Sheldon said he had received a call that Republic is charging a \$5.95 administration fee and a \$33.47 fuel/environmental fee. Mr. Sheldon explained to the person that these were not fees assessed by DSWA. Mr. M. D. Parkowski said he had heard that a State Representative was complaining about various service fees being charged by different haulers. There have been discussions that the Representative may make it a legislative issue in the upcoming session. The Delaware Haulers Association is aware of these issues. The fuel charges and environmental fees are things the haulers have been putting on their bills for a long time, especially some of the larger companies. It is standard practice across the country. There was even some talk about making trash a public utility and putting it under the Public Service Commission. There is also some talk about making trash districts and put some regulatory restrictions on the way trash companies do their pricing. This is not an issue DSWA should get involved in. Mr. M. D. Parkowski said that he has tried to explain to legislators that if you create trash districts there is a strong possibility it will hurt small haulers and limit the free market competitive pricing that exists right now. He thanked Mr. Sheldon for bringing it up so that the rest of the Board was aware of it. There are no fees that DNREC has imposed, there are no fees that DSWA has imposed, there are no fees that even the federal government has imposed. Mr. Paraskewich asked if there was any data comparison between Kent and New Castle County pricing that could be shared. Mr. M. D. Parkowski said that Kent County pricing could be acquired but getting pricing from the private companies would be harder.

Mr. M. D. Parkowski updated the Board on the new Discount Disposal Fee (DDF) program that DSWA will be starting next fiscal year. One issue that has come up is the contamination of recycling and how it is being handled on a statewide basis. Since Republic is also a trash hauler, the other haulers don't like having a competitor deciding if their recyclable material is acceptable or not. DSWA is consulting with legal to draft new language to put in the DDF agreement for how to handle contamination. This should solve the problem the haulers are having. DSWA will have an impartial party judge if the material is contaminated and not rely solely on Republic. Mr. M. D. Parkowski said he has met with all the major haulers and the haulers association and they are in favor of the price structure that was proposed. Ms. Parks said that it was good to hear that the haulers were happy with the new agreement. She asked if DSWA was doing anything to communicate and educate the consumers on the correct way to recycle. Mr. M. D. Parkowski said that there are lots of educational materials on what should and shouldn't be put in the cart. DSWA is working with DNREC to help put out recycling information. There are printed and electronic resources for what to recycle.

PUBLIC COMMENT

No comment

Motion – moved by Mr. Carter

“The Board Meeting is adjourned.”

Second – Mr. Riddle

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

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

Respectfully submitted,

Pamela Williamson

Meeting Adjourned: 6:23 p.m.