

MINUTES OF MEETING
DELAWARE SOLID WASTE AUTHORITY
BOARD OF DIRECTORS

DATE: May 27, 2021

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, CPA
Jason M. Munyan, P.E., BCEE
Lynsey Kocenko, P.E., BCEE
Shelly Forcier, PHR

LEGAL COUNSEL

F. Michael Parkowski (PG&S)

GUESTS

Colleen Varello, Wipfli CPAs
Michael White, Wipfli CPAs

REGULAR BOARD MEETING

The Chairman, Gerard Esposito, called the four hundred and twenty-first regular meeting of the Delaware Solid Waste Authority Board of Directors to order on Thursday, May 27, 2021. 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 April 22, 2021, meeting of the Board of Directors.

Motion A – moved by Mr. Carter

“The Minutes of the April 22, 2021, Board of Directors’ meeting of the Delaware Solid Waste Authority be accepted as written.”

Second - Mr. Griffiths

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 2022 BUDGET

Motion B - moved by Ms. Parks

“The Board approves the FY 2022 Proposed Budget as presented.”

Second – Mr. Carter

Mr. Watson said that the package contained the 2022 Budget that will begin July 1, 2021. Mr. Koskey said that staff began the budget preparation process in December 2020/January 2021. The process included multiple internal meetings in late January and February and culminated in the budget proposal that was brought to the Administrative & Citizens’ Affairs Committee at the March 11th meeting. That budget as presented included a tonnage of 958,310 tons and revenues of \$69.9 million, operating expenses of about \$50 million, debt service obligations of \$0, capital funding at about \$17.3 million and prefunding reserves at about \$2.6 million which is an internal set aside each year earmarked for closure/post closure costs, for a deficit of about \$248,000 on the proposed budget. Normally DSWA doesn’t show a deficit but this year based upon the recycling side and some assumptions that were made at that time, staff chose to stay conservative. Since that time the recycling section has taken a positive increase. This budget was then brought to a public hearing on April 14th. It was held via Zoom webinar in accordance with COVID-19 social distancing guidelines. No public was present. The exhibits were entered into the record. The proposed budget for FY2022 remains unchanged from the Staff recommends the approval of this budget as presented. Ms. Parks thanked Mr. Koskey for the report.

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 thoroughly discussed at the Committee meeting. This is a 10-year program that is adjusted every year in conjunction with the budget. Ms. Roddy said that as discussed in the Committee meeting in March and May, staff goes through this process annually on a parallel path with the fiscal year budget process. It is a 10-year look at maintenance and construction projects, there is a heavy focus on the upcoming two budget years. The CIP is a statewide look at all of DSWA facilities and includes projects in progress and planned construction and maintenance projects. Ms. Roddy noted that all of the funding for the FY22 projects is included in the budget just presented to the Board and will be paid for with operational revenue. Mr. Griffiths asked if the CIP was one of those things that could be adjusted so that there was not an overall deficit budget? Ms. Roddy responded that yes, if necessary, some of the low priority projects could be deferred to another year. There are some projects that are underway and under contract that would not be deferred. However, if there was a budget deficit, reserves could be used for essential projects. As the year progresses staff regularly reviews the current years’ budget status and makes adjustments as needed.

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)

Mr. Michael White from Wipfli CPAs reviewed the Audit Planning Meeting presentation that was included in the package.

D LETTER OF ENGAGEMENT FOR WIPFLI CPAs and CONSULTANTS

Motion D – moved by Ms. Parks

“The Board approves to have Gerard Esposito sign the letter of engagement with Wipfli to provide auditing services.”

Second – Mr. Carter

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)

E. STATEWIDE TIRE RECYCLING PROGRAM CONTRACT S-21-840-SW

Motion E – moved by Ms. Parks

“The Board rejects the proposal received for Statewide Tire Recycling Program.”

Second – Mr. Carter

Mr. M. D. Parkowski explained that staff issued a Request for Proposals (RFP) for tire recycling and only received one proposal. In reviewing that proposal staff noticed that several sections of the proposal were not filled in and information was missing. DSWA’s legal counsel was consulted and advised staff that the proposal should be rejected for lack of information. Staff would like the Board reject this proposal and staff will issue a new RFP to try to get more companies to respond. Mr. Parkowski noted that staff has been making enquiries to see if there were other options or outlets to take tires. Staff has received some interest from other companies that might be interested in proposing.

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)

F. RECOMMUNITY DELAWARE, LLC AMENDED AND RESTATED SERVICE AGREEMENT CONTRACT S-11-671-ND

Motion F – moved by Ms. Parks

“The Board approves the Amended and Restated Service Agreement with Recommunity Delaware LLC as presented.”

Second – Mr. Carter

Mr. Watson said that this Amended and Restated Service Agreement (ARSA) was in the package. He explained that this contract started in 2012 and was for 20-years. There is an amendment that changed the pricing and some conditions and has been in effect for the last five years. It expires on June 30, 2021. If no action was taken the Agreement would revert back to the original 2012 version which has a much lower processing cost. Staff negotiated with Recommunity LLC, which is now part of Republic Services, and came up with a mutually beneficial agreement which DSWA took advantage of through the Discount Disposal Fee Agreements (DDFA) to make a level playing field for haulers throughout the state. Mr. M. D. Parkowski reminded the Board that staff had been aware of the expiration date of the current ARSA and wanted to align it with the DDFA's. This new ARSA is for three-years and is the same time as the new DDFA. DSWA is trying to create a level playing field across the state in terms of the cost of disposal and recycling but we are also trying to benefit the citizens of Delaware in that we want to make it as easy as possible to recycle without feeling any financial burden. By entering into this agreement with Recommunity, we are able to offer zero tipping fee to the haulers for recyclables and in turn we're using money from the tipping fees from waste to subsidize the recycling. That is why in this ARSA there is an increase cost to DSWA for the subsidizes for the average commodities revenue versus the processing fee. This should benefit everyone. Mr. Griffiths asked if there was a way to check on the recycling market and verify the pricing in the market. Mr. M. D. Parkowski said DSWA has access to marketing indexes across the country. The recycling commodities can be checked. DSWA does check and verify by viewing Recommunity's books. DSWA also has involvement with other states and know what they are paying. He said that Mr. Watson is involved with the Northeast Recycling Council (NERC) and the New England states have similar situations in moving material into markets to use to compare with our situation. Mr. Watson added that DSWA participates in the Materials Recovery Facilities (MRF) survey of the northeast states that has about 16 MRFs. They anonymously add their information to the survey and DSWA can compare that to what we are getting from Recommunity. Mr. Griffiths asked if there was a ceiling to what DSWA would absorb. Mr. M. D. Parkowski said that there was no ceiling or floor but there is a threshold to the processing fee. When the actual commodity fee gets above the processing fee DSWA would get some revenues back. In referring to the changes that Mr. Koskey talked about in the budget deficit DSWA expected the average commodity revenue to be much lower than it is right now and when the numbers were put into the budget a lot of it was based on the numbers what we thought would be for recycling and Mr. Watson stated before they are much higher than we expected them to be at this point. Mr. Watson said that in the budget process they thought it would be about \$30/ton and last month DSWA got \$95/ton. Mr. Griffiths asked for an update on the

overall world market for recycling. Mr. M. D. Parkowski said that even though China wasn't taking material again other countries have taken their place in processing. There has been a big increase of demand in domestic markets, especially in paper.

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)

G. REGULAR PART-TIME WEIGHMASTER I AT CENTRAL SOLID WASTE MANAGEMENT CENTER (CSWMC) AND DSWA'S TRANSFER STATIONS

Motion G – moved by Ms. Parks

“The Board approves the addition of a part-time Weighmaster I position at the Central Solid Waste Management Center.”

Second – Mr. Carter

Mr. Watson explained that this is for an additional position that wasn't in the budget. Ms. Roddy said that staff is asking for a new position to be added to the organizational chart. It is an existing job classification. The weighmasters are DSWA's first line of customer service. The Facility Manager oversees the Sandtown Landfill and DSWA's three transfer stations. Weighmaster staff is assigned to a specific site, but provide coverage at other sites as needed. This request is for a part-time weighmaster and is related to an increase in tonnage and an increase in the number of transactions that occur at the sites. The part-time position will provide help with coverage during planned and unplanned leave, vacation time and will help to minimize over-time. This position will be assigned to the Sandtown Landfill and will provide coverage at the three transfer stations as needed. This request is being brought to the Board because it will increase the total headcount to 119 total employees. Ms. Parks said that DSWA had gone through a dramatic personnel reduction several years ago and though at the time the tonnage was lower the work still needed to be done and staff worked harder and smarter through the years. Ms. Roddy thanked Ms. Parks for her comments and noted that the weighmasters are our front-line workers and DSWA needs to have a robust staff weighing and greeting our customers in to keep our facilities operating.

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)

H. RECYCLING TECHNICIANS – PAY GRADES

Motion H – moved by Ms. Parks

“The Board approves the addition of Recycling Technician V and VI pay grades.”

Second – Mr. Carter

Mr. Watson said that this request is to add two new pay grades to this position because of the driver shortage nationally and it is also affecting DSWA. DSWA needs to attract and keep drivers. Ms. Roddy indicated that there are currently four pay grades in this classification. Grades I and II do not require a CDL and grades III and IV do require a CDL. If an employee in this position does not want to obtain a CDL, they don't have the same succession ladder that most DSWA positions offer, they can only go to level II. DSWA is seeing a significant shortage of CDL drivers and wants to remain competitive. Staff would like to expand the Recycling Technician job classification to six levels and have Grades I through III without a CDL to perform non-CDL duties and Grades IV through VI would require a CDL for CDL duties. Increasing the number of paygrades will allow for advancement for both CDL and non-CDL employees. While Board approval is not needed for job description changes, Board approval is needed for additional pay grades. Staff is seeking approval to add Recycling Technician V and VI at Pay Grade 16 and 17 respectively. Mr. Watson noted that this request was not asking for any new positions.

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. Riddle asked that if the Governor ended the State of Emergency (SOE) how would the Board modify, or what are the limitations, if the emergency authority is ended. Does that complicate or take away the ability to do some of these meetings in Zoom? What do the Board members need to be prepared to do differently should it expire? Mr. F. M. Parkowski said that the statutes of the administrative procedures act and some of the other directives are such that you can hold any meeting by using teleconferencing. If

a Board member is not able to attend because they are out of state they can attend by teleconferencing. Zoom meetings are now the standard practice but if the Board wanted to continue to do them, they have authorization or authority to do so. Mr. Riddle asked if the Governor released the SOE, could the Committee meetings still be held by Zoom and the Board meeting in person? Mr. F. M. Parkowski said that they Board could certainly do that. Ms. Roddy said that the 29th modification encouraged electronic meetings but allowed for in person meetings. The social distancing requirement is now three feet and the DSWA conference room can accommodate the Board members and staff while still following the Governor’s Order. For those not comfortable attending in-person we would still have the teleconference line open. Mr. Griffiths asked about a requirement for vaccinations and if it was discussed. Ms. Roddy said the way it was handled with employees is that they are no longer required to wear a mask if they are vaccinated. If they choose not to wear a mask, they provide confidential information on their vaccination status to Human Resources. Visitors to our sites are still required to wear masks. We would handle it the same way, if you choose to not wear a mask you can provide, in confidence, vaccination information to Human Resources. Mr. Esposito asked the Board members their thoughts on it. Ms. Parks was okay with doing in person meetings. Mr. Carter indicated that he has attended other board meetings in person recently. Mr. Riddle would like to do the Committee meetings by Zoom and then have the Board meeting face to face. Ms. Roddy suggested that the June Committee meeting will be held by Zoom and the Board meeting can be held in person. The option to participate in the Board meeting by teleconference will be available. Mr. Esposito confirmed that the Board meeting would be teleconference not Zoom. Ms. Roddy said that per the Governor’s modification we would still provide the ability for the public to attend by teleconference if they wished to. Mr. Sheldon asked if the Board members could vote on the conference call. Mr. F. M. Parkowski said that it was possible. You can count someone on a conference call as part of the quorum and allow them to fully participate in the meeting.

PUBLIC COMMENT

No comment

Motion – moved by Mr. Carter

“The Board Meeting is adjourned.”

Second – Mr. Griffiths

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

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

Respectfully submitted,

Pamela Williamson

Meeting Adjourned: 6:24 p.m.