

MINUTES OF MEETING
DELAWARE SOLID WASTE AUTHORITY
BOARD OF DIRECTORS

DATE: April 28, 2011

LOCATION: 1101 Lambsons Lane
New Castle, DE

TIME: 5:00 p.m.

ATTENDEES:

DIRECTORS

Richard V. Pryor
Ronald G. McCabe
Theodore W. Ryan
Timothy P. Sheldon
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
Shelly A. Forcier

LEGAL COUNSEL

F. Michael Parkowski

GENERAL PUBLIC

See attached

REGULAR BOARD MEETING

The Chairman, Richard V. Pryor called the three hundredth and thirty-second regular meeting of the Delaware Solid Waste Authority Board of Directors to order on Thursday, April 28, 2011. 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 Ryan

“The Minutes of the March 24, 2011 Board of Directors’ meeting of the Delaware Solid Waste Authority be accepted with changes.”

Second – Mr. McCabe

Mr. Ryan noted the minutes need to be amended to include a comment he made about extending contracts.

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

Motion Adopted
(unanimous)

Mr. Pryor stated that he would like to read into the record a Resolution honoring Wendy Pizzadili.

“WHEREAS, the Delaware Solid Waste Authority (DSWA) is a public instrumentality of the State of Delaware which is accountable through its Board of Directors and its staff to the citizens of Delaware; and

WHEREAS, DSWA was established in 1975, by statute enacted by the Delaware General Assembly, with the intent to address and solve difficult and long-standing problems related to the management and recycling of solid waste; and

WHEREAS, Wendy L. Pizzadili was hired by the Delaware Solid Waste Authority on September 14, 1998 and has served with great dedication in public service for over 12 years; and

WHEREAS, her dedication to a comprehensive public awareness program regarding DSWA activities provided information and education to Delaware Citizens regarding DSWA programs.

NOW, THEREFORE, on this 28th day of April 2011, the Board of Directors of the Delaware Solid Waste Authority wishes to express its gratitude for Ms. Pizzadili's contributions and dedicated services”

Mr. Pryor added there is a “Certificate of Appreciation” that will be also be presented to Ms. Pizzadili in recognition of the 12 years of outstanding service to DSWA.

Motion – Mr. Ryan

‘The Board adopt the Resolution Honoring Wendy L. Pizzadili.’”

Second – Ms. Parks

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

Motion Adopted
(7 Yes 0 absent)

B. REGULATIONS OF THE DELAWARE SOLID WASTE AUTHORITY

Motion B – Mr. McCabe

“The Board authorizes releasing the draft revisions to DSWA’s Regulations for public comment.”

Second – Ms. Parks

The only significant change in the proposed regulations are it strips out the payment bond requirement for the haulers. Initially it was put into the regulations years ago for people who wanted a charge account. After consultation with legal counsel, it was determined that it is best to take that out of the regulation and rather have it as a separate credit policy which would be implemented through our finance group when people seek a charge account with DSWA. Under the regulation, if you didn’t have a charge account you didn’t

need a bond, so why keep it in the regulation. That is the main essence of the change, this works in concert with the next item which is the Customer Credit Policy which we will talk about in a minute.

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

Motion Adopted
(7 Yes 0 absent)

C. DSWA CUSTOMER CREDIT POLICY

Motion C – Mr. McCabe

“The Board adopts the proposed Customer Credit Policy as presented.”

Second – Mr. Moore

Mr. Canzano added that this works in tandem with the previous Board action and we did massage the Credit Policy just slightly from what it was in the Regulation and we worked together with legal counsel. It is fairly streamlined and is basically designed to require a bond that is at least 2 times the estimated monthly tonnage of a hauler. We structured this so that there is a very minimal impact to the existing haulers. Somebody new that is coming in who doesn't have a history of tonnage will have to have the bond in accordance with the provisions of the two month requirement. In addition to that, we increased our unpaid balance account interest rate from 1½ to 2%. The rest has to do procedurally with people who are in arrears. This will allow the credit policy to be implemented by the financial group versus the regulatory group.

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

Motion Adopted
(7 Yes 0 absent)

D. CONTRIBUTIONS

Motion D – Mr. Ryan

“The Board approves the request from the American Heart Association for a \$500 contribution to both the Kent County and Sussex County Heart Walk in accordance with DSWA’s Policy Guidance on Contributions.”

Second – Mr. McCabe

Mr. Canzano mentioned that this is a \$500 contribution to both Kent and Sussex County each. Both of these events have been very successful for us from a PR point of view. We’ve had about 1000 attendees at the Kent County walk-a-thon and about 500 for Sussex County. This is a very worthwhile event for us and we get a lot of public contact and exposure

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

Motion Adopted
(6 Yes 1 abstain 0 absent)

E. COLLECTION OF MATERIAL FROM DSWA DROP-OFF CENTERS AND DELIVERY TO DSWA TRANSFER STATIONS

Motion E1 – Moved Mr. Ryan

“The Board awards the contract for the collection of material from DSWA drop-off centers and delivery to DSWA transfer stations for New Castle County to Allied Waste Services.

Second – Ms. Parks

Mr. Watson explained that we have an existing contract with Allied Waste for statewide service. We have 180 collection centers statewide, they bring the material to either the DRC or Milford Transfer Station. That contract ends April 30. We solicited proposals for this new contract and this time we asked for proposals by county. These two companies had the best proposals. The two

combined contracts for statewide service will save us about \$512,000 per year for the next two years over the current price we are paying for the statewide contract.

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

Motion Adopted
(7 Yes 0 absent)

Motion E2 – Moved by Mr. Ryan

“The Board awards the contract for the collection of material from DSWA drop-off centers and delivery to DSWA transfer stations for Kent and Sussex Counties to Mid-Shore Environmental Services.”

Second – Ms. Parks

Mr. Watson added that Mid-Shore Environmental Services is owned by former employees of BFI and Allied Waste. We are confident that this company can do a good job.

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

Motion Adopted
(7 Yes 0 absent)

F. **CHERRY ISLAND LANDFILL EXPANSION
CONTRACT C-06-562-NC**

Motion F – Mr. Sheldon

“The Board approves a change order in the amount of \$58,509 and a 4-day calendar extension to Severson Environmental Services, Inc. to install a 12” valve at the North Central Pump Station.”

Second – Mr. Ryan

Mr. Canzano stated that staff has requested the contractor to install a valve that is necessary to repair the pumps in the pump station and isolate it. The staff and engineer have reviewed and recommend the change order in the amount of \$58,509 with a 4-day extension.

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

Motion Adopted
(7 Yes 0 absent)

**G. LANDFILL OPERATIONS & INSTALLATION SERVICES
CENTRAL SOLID WASTE MANAGEMENT CENTER
CONTRACT O-10-646-CS**

Motion G – Mr. Sheldon

“The Board awards the contract for the Landfill Operations & Installation Services at the Central Solid Waste Management Center to George & Lynch, Inc. for a three-year period with an optional fourth and fifth year.”

Second – Mr. Moore

Mr. Canzano stated that the current contract with George & Lynch expires this June. We received a bid from George & Lynch and one from Barbella. George & Lynch had the lowest responsive bid at \$17,291,500 which actually was 4% less than the engineer’s estimate. Barbella was about \$9.7 million more. We looked at the difference and we think it was just the fact, that George & Lynch knew what had to be done and they knew their costs and they didn’t have to

incorporate the contingency that someone who perhaps wasn't as accustomed to what was going on out there. When you compare it on a per ton basis, we are going to see about 6.6% reduction in our operating costs for the first year. That's attributable to efficiencies. This time we allowed used equipment. We also were able to, and got approval from bond counsel, to go with a five-year contract. Obviously, if they could recover their capital costs over five years versus three, it helps the economics. We took a pro-active step in making the bid package a little bit more friendly to the bidders, hopefully resulting in a lower cost and it did.

Mr. Pryor asked if Barbella is active in this area. Ms. Germain replied that they did the construction on the Cell 1 and 2 cap, but other than that, they have bid on other projects but not been successful.

Mr. Moore asked how long George & Lynch have held the contract. Mr. Canzano responded that they have been the successful contractor since 1980.

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

Motion Adopted
(7 Yes 0 absent)

**H. PINE TREE CORNERS TRANSFER STATION OPERATIONS
CONTRACT NO. DSWA-198**

Motion H - Mr. Sheldon

“The Board authorizes extending the contract with Waste Management for the operations at Pine Tree Corners Transfer Station for an additional two-year period.”

Second - Mr. Ryan

Mr. Canzano stated that initially this was a 20-year contract, and we have a provision to renew every two years. The escalators were built into the contract. We recommend proceeding with Waste Management for another two years.

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

Motion Adopted
(7 Yes 0 absent)

I. SUPPLY OF COVER AT SOUTHERN SOLID WASTE MANAGEMENT CENTER – CONTRACT F-10-650-SS

Motion I – Mr. Sheldon

“The Board award the contract for the Supply of Cover Soil at the Southern Solid Waste Management Center to David G. Horsey & Sons for a two-year period with an optional third year.”

Second – Mr. Esposito

Mr. Canzano stated that we received two bids, one from David Horsey & Sons, who has been our supplier for years. He continues to be our low bidder, he has kept his prices constant, the optional third year has a nominal 1.2% increase in his bid. We recommend proceeding with the bid award to David Horsey & Sons for the two-year with one additional year contract.

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

Motion Adopted
(7 Yes 0 absent)

Moved – Mr. Ryan

“The Board of Directors go into Executive Session.”

Second – Mr. Sheldon

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

Motion Adopted
(unanimous)

Moved – Mr. Esposito

“The Board of Directors return to regular session.”

Second – Mr. Moore

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

Motion Adopted
(unanimous)

J. PERSONNEL

Moved – Mr. Esposito

“The Board accept the recommendation of the CEO for restructuring of staff and an increase in compensation levels, except that the Chairman is authorized to establish the salary for CEO and COO, and make it effective May 1, 2011.

Second – Mr. Moore

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

Motion Adopted
(7 Yes 0 absent)

Moved – Mr. Esposito

“The Board Meeting is adjourned.”

Second – Mr. Sheldon

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

Motion Adopted
(unanimous)

Respectfully submitted,

Libby J. Kelley

Meeting Adjourned: 6:15