

**DRAFT
MINUTES OF MEETING
DELAWARE SOLID WASTE AUTHORITY
BOARD OF DIRECTORS**

DATE: July 30, 2009
LOCATION: 1128 S. Bradford Street
Dover, DE 19901
TIME: 5:00 p.m.

ATTENDEES:

DIRECTORS

Richard V. Pryor
Ronald G. McCabe
Theodore W. Ryan
Timothy P. Sheldon
Tonda L. Parks

STAFF

Pasquale S. Canzano
Richard P. Watson
Anne M. Germain
Jack J. Lechner
Logan V. Miller

LEGAL COUNSEL

F. Michael Parkowski

GENERAL PUBLIC

(See List Attached)

REGULAR BOARD MEETING

The Chairman, Richard V. Pryor called the three hundredth and fifteenth regular meeting of the Delaware Solid Waste Authority Board of Directors to order on Thursday, July 30. 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. Mr. Ryan noted that the minutes should be changed to read under item A. Vice-Chairman McCabe and not Vice-Chairman Pryor.

Motion A – Moved by Mr. Ryan

“The Minutes of the June 25, 2009 Board of Directors’ meeting of the Delaware Solid Waste Authority be accepted as noted.”

Second – Mr. McCabe

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

Motion Adopted
(unanimous)

Report of Technical/Facilities Management Committee

**B. SOUTHERN SOLID WASTE MANAGEMENT CENTER (SSWMC)
CONSTRUCTION OF CELL 4 LANDFILL GAS SYSTEM
EXPANSION C-09-614-SS**

Motion B – Mr. Sheldon

“The Committee recommends the Board award the contract for the Construction of Cell 4 Landfill Gas System Expansion to Hopkins Construction, Inc. for a total price of \$188,986.00”

Second – Mr. Ryan

Mr. Watson stated that this project is necessary to expand the landfill gas collection system within Cell 4. Periodically we have to construct horizontal and vertical wells to add to our system as we expand. The bid package was advertised and we received five bids on July 9. We had a problem with the low bidder, they did not acknowledge addendum number 2 and we had to reject their bid. The second low bid was Hopkins Construction and after reviewing their bid and qualifications the staff and legal counsel feel it’s proper to award the bid to them. The engineering estimate for the project was about \$230,000 so this is a good price.

Mr. Pryor asked if Hopkins has done this type of work in the past for us. Mr. Watson stated that they have done work for us in the past.

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

Motion Adopted
(5 Yes 2 absent 0 No)

**C. SOUTHERN SOLID WASTE MANAGEMENT CENTER (SSWMC)
SALE/PURCHASE/LEASE OF A LANDFILL COMPACTOR – P-09-609-SS**

Motion C - Mr. Sheldon

“The Committee recommends the purchase of a new Caterpillar 826G compactor from Alban Tractor Co. at a total cost of \$569,565 and the sale of the used compactor to Marcel Equipment Limited for the sum of \$155,266.”

Second – Mr. McCabe

Mr. Watson stated the staff solicited proposals to replace our compactor and we were looking for a smaller machine. We received proposals from four companies on July 1 and the staff reviewed those proposals and made a recommendation to the Technical Committee to negotiate with Alban Tractor. After negotiation, we reduced the proposed price from \$597,000 to \$569,565. Based on the proposals received, staff recommends the sale of our used compactor for the price of \$155,266 to Marcel Equipment Limited.

Mr. Sheldon noted that as part of the negotiations, the sale price from Marcel is approximately \$100 more a day if we do this sooner than December 1, 2009.

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

**Motion Adopted
(5 Yes 2 absent 0 No)**

Report of Administrative Affairs Committee

D. FY 2010 BUDGET

Motion D – Mr. McCabe

“The Administrative Affairs Committee recommends the Board authorize staff to conduct a workshop and public hearing for the FY 2010 proposed budget.”

Second – Ms. Parks

Mr. Canzano stated that the staff has reviewed the budget with the Committees and workshops with the Board. We have been delaying going out with the rates because we would also expose what our projected budget and fees would be for the ensuing year. That was predicated on the negotiations and the Differential Disposal Fee agreement which we have also keep you abreast of. The FY 10 budget has no rate changes because the existing differential disposal fee agreement is still in effect and does not expire until June 30, 2010. All of the fees that you see are exactly what they are currently and will be for the remainder of this fiscal year. We have the revenue and expense summary which shows the FY 10 budget is about \$55 million against what we ultimately came in at \$53.8 for fiscal year 09. We made a number of mid-year adjustments doing this past fiscal year and we reduced our budget from about \$60 million in FY 09 to \$54 million. The operating costs are \$45 million which was what we ended up in FY 09. Our operating costs did not change. It was the debt service component which went up by about \$1.2 million and the revenues which came down by \$1.2 million that have necessitated dipping into our reserves for about \$2.4 million. The next chart shows the major revenue categories and again the things that jump out at you are the marketing income for recyclables went negative towards the end of last calendar year. We were initially paying on the order of about \$40,000 a week to recycle the materials from

our curbside and drop off program. We are now down to about \$15,000 a week. Our projections for FY 10 are that we may actually have negative revenues of about \$1.6 million. That is why we will have to use reserves in the budget for FY 10.

One of the things that the Board sanctioned is pushing out capital projects including the bond issue for Cell 5 and Area F for Southern and Sandown. We are now projecting those bond issues sometime in spring of 2010. We are also looking at some alternative financing mechanisms for coming up with about \$39 million. We are planning on having a single workshop this year on August 19 and the public hearing on August 26. We plan to come back to the September 17 Board meeting for final approval.

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

**Motion Adopted
(5 Yes 2 absent 0 No)**

Report of Citizens Affairs Committee

E. DONATIONS AND CONTRIBUTIONS

Motion E – Mr. Ryan

“The Citizens’ Affairs Committee recommends the Board act on the request for contributions as recommend by staff in accordance with DSWA’s Policy Guidance on Contributions.”

Second – Mr. McCabe

The contributions are for the Kent County American Heart Walk for \$500 and the Sussex County Heart Walk for \$500. This request was reviewed by the Citizen Affairs Committee. This would provide space for DSWA to have a display and hand out information. It gives us a good presence and have found it to be very worthwhile in the past. Ms. Parks added it presents DSWA with an opportunity for public outreach and also for the employees who participate in the walk.

Ms. Parks - abstain
Mr. Ryan - Yes
Mr. Sheldon - Yes
Mr. McCabe - Yes
Mr. Pryor - Yes

**Motion Adopted
(5 Yes 2 absent 0 No)**

**F. AREA A/B WETLANDS AND LANDFILL PHYTOCAP
CENTRAL SOLID WASTE MANAGEMENT CENTER**

No discussion

G. REGULATORY FLOW CONTROL PROGRAM

Motion G – Mr. McCabe

1. The Board authorizes the staff in conjunction with legal counsel to commence and continue the process of adopting and implementing a regulatory flow control program for DSWA.

Second – Mr. Sheldon

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

**Motion Adopted
(5 Yes 2 absent 0 No)**

Motion H – Mr. McCabe

2. The Board authorizes the staff in conjunction with legal counsel to commence and continue the process for developing an amendment to DSWA’s Statewide Solid Waste Management Plan, which allows for the implementation of a regulatory flow control program.

Second – Mr. Sheldon

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

**Motion Adopted
(5 Yes 2 absent 0 No)**

PUBLIC COMMENT

Mr. Kramer asked why doesn’t someone else pay for \$1.6 million to get rid of the recyclables or put them in the dump. Mr. Canzano stated that it is our program and our responsibility. Recycling is saving us landfill space and is a good thing for the environment. In the good times, we were getting as much as \$60-70 per ton, our revenues were approaching \$3-4 million. The issue is that recyclables are commodities and subject to the market and influenced by the economy. We can still move materials into the market but

they are not demanding the same price levels that they were a year ago. The people that we deliver our materials to are still running their plants and have had a back up of materials. They are at a point, that they can't make enough money from the materials they're selling to pay for the operation of the plant – so they have to charge us to take the materials. Mr. Kramer asked if we could stockpile the materials. Mr. Canzano stated that we don't have the room to stockpile material for any length of time.

Motion – Mr. Ryan

“The Board of Directors go into Executive Session.”

Second – Mr. Sheldon

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

Motion Adopted
(unanimous)

Moved – Mr. McCabe

“The Board of Directors return to regular session.”

Second – Mr. Sheldon

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

Motion Adopted
(unanimous)

Motion – Mr. Sheldon

“The Board Meeting is adjourned.”

Second: Ms. Parks

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

Motion Adopted
(unanimous)

Respectfully submitted,

Libby J. Kelley

Meeting Adjourned: 6:30