

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

DATE: March 27, 2008

LOCATION: 1128 S. Bradford St.
Dover, DE

TIME 5:00 p.m.

ATTENDEES:

DIRECTORS

Richard V. Pryor, Chairman
Theodore W. Ryan
William J. DiMondi
Tonda L. Parks
Stephanie L. Hansen

STAFF

Pasquale S. Canzano, CEO
Richard P. Watson, COO
Anne M. Germain

LEGAL COUNSEL

F. Michael Parkowski

GENERAL PUBLIC

(See List Attached)

REGULAR BOARD MEETING

The Chairman, Richard Pryor called the three hundredth regular meeting of the Delaware Solid Waste Authority Board of Directors to order on Thursday, March 27, 2008. 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 Mr. Ryan

“The Minutes of the February 28, 2008 Board of Directors’ meeting of the Delaware Solid Waste Authority be accepted as written.”

Second – Ms. Parks

Vote – Unanimous
(DiMondi, Hansen, Parks,
Ryan, Pryor)

Motion Adopted
(unanimous)

Report of Technical & Facilities Management Committee

B. Motion B – Moved by Mr. DiMondi

LEACHATE HAULING SERVICES FOR CENTRAL SOLID WASTE MANAGEMENT CENTER & SOUTHERN SOLID WASTE MANAGEMENT CENTER CONTRACT C-07-591-CSSS

“The Technical and Facilities Management Committee recommends the Board award Contract C-07-591-CSSS, Leachate Hauling Services for Central Solid Waste Management Center & Southern Solid Waste Management Center to Freehold Cartage, Inc.”

Second – Mr. Ryan

Mr. Canzano stated that at the last meeting the Board approved staff to negotiate with Freehold Cartage as the lowest responsive proposer in response to this particular RFP and in our efforts to negotiate we were hoping to reduce some of the pricing that they provided. Unfortunately, we were not successful, with the current price of fuel; we really weren't able to get any movement on the pricing. It is still the lowest cost proposal of all the six that were submitted. Freehold Cartage has been working with us for three years, they actually filled the gap when we were having trouble with another company. They have done a very fine job with the quality of service they have provided in the past. When you look at the price of the three year proposals for both facilities, the price tag is about \$2.7 million against \$2.2 million, which is our current three year price. We believe it's a very favorable proposal and they are an excellent contractor and would like to see the Board approve award of the contract to Freehold Cartage.

Vote: Mr. DiMondi - Yes
Ms. Hansen - Yes
Ms. Parks - Yes
Mr. Ryan - Yes
Mr. Pryor - Yes

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

C. Motion C – Moved by Mr. DiMondi

CONSTRUCTION TO REPAIR THE BERMS AND ASSOCIATED GEOMEMBRANE COVER SYSTEM ON CELLS 1 AND 2 AT SOUTHERN SOLID WASTE MANAGEMENT CENTER – CONTRACT C-08-592-SS

“The Technical & Facilities Management Committee recommends the Board award Contract C-08-592-SS, Construction to Repair the Berms and Associated Geomembrane Cover System on Cells 1 and 2 at Southern Solid Waste Management Center to the Harnden Group.”

Second – Ms. Hansen

Mr. Canzano stated that the work scope includes the repair of the berms and the geomembrane system at Cells 1 and 2. As you recall, we were in a ten year period and got an approval from DNREC to evaluate that. We requested an extension for further evaluation. Anne Germain added that we did request another 10 year extension to our permit. The recommendation noted that there were some damage to the cap and there were requirements that we repair. Once DNREC sees these repairs being made, we anticipate that they will give us our permit for another ten years. Mr. Canzano added that the cover system has worked very well for us. This is really driven to some extent by regulatory requirements to get it repaired before they will approve any extension of the use of it. This is a low bid, Harnden Group came in at \$175,700, this was reviewed through the Technical Committee, and there were two concerns. The Harnden Group is a fairly new Limited Liability Corporation formed in January 2008. On the positive side, the people who are the principles and primary employees of Harnden have extensive experience and worked for a company called Pavex, which did similar types of work. The Harnden Group is owned and formed Blooming Glen, and a larger company Haines & Kibble House of Collegeville, Pennsylvania. They are a multi-million dollar company. We looked at the Dun & Bradstreet for Harnden, of course being a new company, they didn't have a D&B of any consequence. We did check their references dutifully and their references came back excellent and the references were with respect to the principles in Harnden who did the work not as employees or members of Harnden but as Pavex. The concerns of the Technical Committee was that in fact these people with this expertise would be working on our project, and I checked with Anne earlier today and that is in fact the case. We continue to respectfully request approval of the Harnden Group for this work as the lowest responsive bidder.

Vote: Mr. DiMondi - Yes
Ms. Hansen - Yes
Ms. Parks - Yes
Mr. Ryan - Yes
Mr. Pryor - Yes

Motion Adopted
(5 Yes 2 Absent 0 No)

Report of Administrative Affairs Committee

D. Motion D – Moved by Ms. Parks

PROPOSED FY 2009 BUDGET

“The Administrative Affairs Committee recommends that the Board authorize staff to conduct a Workshop and Public Hearing for the FY 2009 Proposed Budget on April 8 and 30 respectively.”

Second – Mr. Hansen

Mr. Pryor stated that this is approving the process for conducting the required hearings and workshop. Mr. Canzano added that there is a table attached that was excerpted out of our presentation that we made to the Administrative Affairs Committee and the telling numbers are the bottom line on total operating expenses, when you look at the 2009 budget proposed which is \$60.2 million against the current budget for this fiscal year which is \$68.2 million. That represents about a 11.7% reduction in the budget. Given the economic times and the

fiscal challenges ahead, we looked at our revenue, we made our expenses meet the expected revenues given the economic climate that we are experiencing. The other thing you might notice is that the recycling program costs are 15% of budget, but as a practical matter for the last couple of years, the actual costs have run about 22% of our expenses and the revenue was only 4%. I'm happy to report that if you look at items 6, 7 and 8 under the operating revenues, and you add those percentages up, we're close to 7% of our revenue that will be coming from recycling activity. We are moving in the right direction, we're doing more with less on the expense side and we're increasing revenue. It's a very tight budget, and as you know the state is looking at very similar cuts in the proposed budget for the state, given the shortfall and the flat revenues that they're seeing. Mr. Canzano commended the staff on honing the budget to something that is going to be very tight, but we think we can live with. At the same time, he acknowledged Rich VonStetten for the effort he has put forth on recycling by converting to the carts, going to automatic collection, getting away from the bags and going with conventional packer trucks that will do 300-400 homes instead of the compartmentalized trucks that were doing about 200 homes. We're starting to see some of those efficiencies in terms of pretty much holding the cost, or reducing the cost in that program area, but doing more. We're actually increasing the amount of revenues if the markets for the recycle materials hold. If they drop, then obviously that revenue projection will drop.

Vote: Mr. DiMondi - Yes
Ms. Hansen - Yes
Ms. Parks - Yes
Mr. Ryan - Yes
Mr. Pryor - Yes

Motion Adopted
(5 Yes 2 Absent 0 No)

Moved by Ms. Parks

“The Board of Directors go into Executive Session.”

Second – Mr. DiMondi

Vote – Unanimous
(DiMondi, Hansen, Parks
Ryan, Pryor)

Motion Adopted
(unanimous)

Ms. Hansen recused herself from the Executive Session discussion.

Moved – Mr. DiMondi

“The Board of Directors return to regular session.”

Second – Mr. Ryan

Vote – Unanimous
(DiMondi, Parks, Ryan
Pryor)

Motion Adopted
(unanimous)

PUBLIC COMMENT

Mr. Canzano acknowledged the award that our Chairman, Mr. Pryor received the Mssgr. Thomas J. Reese award just last week. He received this award for his outstanding contribution to community service. He was hired in 1962 by Father Thomas Reese to do social work and he was with Catholic Charities from 1977-1994 and he was a City of Wilmington Councilman from 1974-1989. He most recently retired from the office of Economic Development for the City of Wilmington. He commented that Mr. Pryor makes all of us proud to be associated with him as Chair, he is an aggressive person and Type A+. Bill Montgomery, Chief of Staff to the Mayor, told Mr. Canzano so now that you will be dealing directly with Dick, be prepared, he would be asleep in bed and hear his mailbox clank at 2:00 a.m., and he knew it was Dick Pryor leaving him a note for something to do the next morning. Mr. Canzano extended his congratulations and “job well done”.

Mr. Pryor commented that the award ceremony was like going to his virtual funeral. Mr. Pryor thanked everyone for their kind words.

Mr. Kramer has a guy that said he does his own recycling, he goes to the Bridgeville Collection Station and of course he takes his bags of trash and then he recycles. He told Mr. Kramer that the cardboard bins were so full, he could only get a couple of pieces in the bin. So, he went to downtown Bridgeville and that one was also full. Mr. Canzano stated that one of the problems is that the small businesses will bring the cardboard to us in these bins, when they are really not supposed to use them. This has a tendency to fill the containers up quick, and then the residents are faced with this problem. We will follow-up on this.

Mr. Kramer stated he was looking at the figures of mixed versus single stream. How is that going to work out when you were getting \$1600 for aluminum, now it's mixed and you're only getting \$40-45/ton. Is that really going to be cost effective? Mr. Canzano answered that there are two components of this process. You have to collect and you have to market. The big cost is collecting, so we have made the changes to reduce the expense side in terms of collecting, we're starting to see that impact. That is the positive. On the negative side, we looked at the revenues and we looked at the \$1600 per ton for aluminum, the average cost for the total tons was about \$67/ton. We're now averaging \$40-50/ton for the mixed material. We took about a \$20/ton hit on the revenue side but we gained a couple of million dollars on the operating side, which more than offset that loss. It's still a net loss, but the greater gain was on the collection side in terms of the overall cost of the program. Mr. Watson added that even on the revenue side, we're doing better because we have that many more tons.

Mr. Kramer asked the difference between a budget workshop and hearing. Mr. Canzano replied that the workshop is informal and you can ask questions, the public hearing format is different, they will take comments but there is no dialogue with the public.

NEW BUSINESS

Motion J – Mr. Ryan

“The Board Meeting is adjourned.”

Second: Ms. Parks

Vote – Unanimous
(DiMondi, Parks,
Ryan, Pryor)

Motion Adopted
(unanimous)

Respectfully submitted,

Libby J. Kelley

Meeting Adjourned: 6:10 p.m