

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT
AUTHORITY
ANNUAL BOARD MEETING #1**

DATE: January 25, 2005

LOCATION: Howes Cave Administrative Complex

Members Present

Donald Lindberg
Meredith McNeil
Olga Podmajersky
James Powers
William Strevy
Edward Wesnofske

Members Absent

Charles Buck
Raymond Halgas

Others Present

Gilbert Chichester
Melissa Morlang
Robin Loske
Marijeanne Broadwell
Terry Bliss – Otsego Co.
Rudy Laguna – Otsego Co.

1. Opening

Chairman Wesnofske opened the meeting at 9:43 a.m.

2. Adoption of Agenda

Meredith McNeil motioned, seconded by Olga Podmajersky, to adopt the Agenda. The motion was unanimously approved on voice call.

3. Privilege of Floor

Chairman Wesnofske offered privilege of the floor.

Terry Bliss, Solid Waste Coordinator for Otsego County, took the floor and introduced Rudy Laguna, a new Otsego County Board of Representative, from the City of Oneonta. Mr. Laguna serves on the Otsego County Solid Waste Committee. Mr. Laguna stated that Chairman Higgins, of the Otsego County Board of Representative, also appointed him as the Chairman of the Burn Barrel Committee.

4. Minutes of Prior Meeting

Donald Lindberg motioned to accept the minutes of the prior meeting of December 14, 2004 as written. Meredith McNeil seconded the motion. The minutes were unanimously approved on voice call.

5. **Organizational Business**

Nominating Committee Recommendations for 2005 Officers

Olga Podmajersky reported that the Nominating Committee recommended the following individuals for officers for the year 2005:

Chairman	Edward Wesnofske
Vice Chairman	Olga Podmajersky
Treasurer	Meredith McNeil
Secretary	Gilbert Chichester
Assistant Secretary	Melissa Morlang

Donald Lindberg motioned, seconded by James Powers, to accept the Nominating Committee's recommendation. On voice call the nominations were unanimously accepted.

Resolution Number 1 Confirming Naming of Officers of the Montgomery-Otsego-Schoharie Solid Waste Management Authority for the Year 2005} Sponsored by Olga Podmajersky – Seconded by Donald Lindberg

The names of the elected officers as nominated were inserted into the Resolution and the Resolution was unanimously adopted on voice call.

Resolution Number 2 Establishing Official Newspapers for the Authority} Sponsored by Meredith McNeil – Seconded by Donald Lindberg

The Resolution designated the Amsterdam Recorder, The Gazette, Daily Star and the Times Journal as the official newspapers of the Authority for publishing legal notices, etc. The Resolution was unanimously adopted on voice call.

Resolution Number 3 Establishing Official Depositories for the Authority} Sponsored by Meredith McNeil - Seconded by Olga Podmajersky

The Resolution established the Key Bank, First Niagara, Wilber National Bank, Charter One and National Bank and Trust Company as the official depositories for the Authority.

On voice call the Resolution was unanimously adopted.

Resolution Number 4 Establishing Regular Meetings for 2005} sponsored by Meredith McNeil – Seconded by James Powers

Mr. Chichester suggested that the meetings be established for the fourth Tuesday or Thursday of the month because of all the financial information that needs to be gathered for the GAT Reports and Board Report, etc. All this information is difficult to get

together by the third week of the month and present it to the Board members in enough time for them to review it prior to the Board meeting.

Ms. Podmajersky felt that the meetings should remain on the third Wednesday of the month, which has been the past practice.

Mr. Wesnofske asked Ms. Morlang when most of the data could be gathered to generate the necessary reports for the Board's review. Ms. Morlang responded that most of data for the Financial Report could be gathered by the 15th of month, but that would not give the Board enough time to review the information prior to the Board meeting if the meeting was held on the third Wednesday.

Several members indicated that Wednesday meetings presented a problem for them and after further discussion, most of the Board agreed to the third Thursday of the month. Ms. Morlang pointed out that the third Thursday in March and September would fall on the 17th and 15th respectfully, which meant that the Board would not receive the Financial Report until the day of the meeting. She indicated that she could email the report when it was ready as she has done in the past but not all the members have email.

Chairman Wesnofske reviewed the calendar and established meeting dates to be entered into the Resolution as March 24th, May 19th, July 21st, September 22nd and November 17th, 2005.

Olga Podmajersky motioned to amend the meeting dates to the third Wednesday of the month. The motion was seconded by William Strevy and on voice call was defeated with two members (Podmajersky, Strevy) voting "aye" and four members (Lindberg, McNeil, Powers, Wesnofske) voting "nay" and two members (Buck, Halgas) "absent".

On voice call the Resolution was defeated with four members (Lindberg, McNeil, Powers, Wesnofske) voting "aye", two members (Podmajersky, Strevy) voting "nay" and two members (Buck, Halgas) "absent".

6. Reports

Chairman

Chairman Wesnofske stated that he had nothing to report at this time.

Ms. Podmajersky noted that there is a landfill gas seminar being held on March 8th and 9th, which is sponsored by the NYS Solid Waste Management Association, if anyone is interested in attending.

Executive Director Report

Mr. Chichester reported that he has spent time on the following issues:

- **New Year**

Reflecting on 2004 and looking forward into 2005.

- **Site Supervisors**

Met with site Supervisors and will continue to meet with them throughout the year. There is a lot to be done with regard to supervisory training, safety issues, accident reporting, equipment maintenance, as well as buildings and grounds issues.

- **Snow Removal**

Working with Terry Bliss relative to the Northern Transfer Station (NTS). It is likely that the Authority will be engaging a private entity for snow removal at NTS to make sure that the station will be operating properly on Wednesdays and Saturdays. Mr. Bliss has made contact with the Public Works Department in Otsego County who has put forth efforts in the past years. Their priority is snow removal on the County roads. Will continue to investigate who might be interested in doing the snow removal.

There is a similar situation at the Schoharie Transfer Station. Authority staff has the ability to plow but there has been difficulty in getting salt and sand. Last year the Authority purchased a small tailgate sander. The Authority has stopped buying and replacing pickup trucks at sites because they sit at sites and are used only during the winter. Attaching the sander to the loader did not work well. Staff is trying to use the sander with one of the older trucks. At this point it is not known how this will work out. This situation will be discussed at Operations Committee meetings.

- **Staffing**

There are staffing issues that Mr. Chichester will be presenting to the Personnel Committee.

- **Door Repairs**

There are issues at the Oneonta and Schoharie Transfer Stations relative to door repairs that need to be facilitated. Mr. Chichester has made contact with a contractor for the repairs at the Schoharie Transfer Station but did not move

forward with the repairs because the price is too high. At this time the staffing situation is not such that it could be taken on internally.

Mr. Wesnofske asked what the cost was. Mr. Chichester responded that there are two doors that were damaged by haulers at the Schoharie Transfer Station. The contractor put in a quote for \$15,000 per door. It will be the haulers responsibility to pay for the repairs, but Mr. Chichester stated that \$15,000 per door was not reasonable for repairing the doors.

- **Request for Qualifications**

As per the Operations Committee recommendation, Mr. Chichester put out a Request for Qualifications (RFQ) relative to consulting services for the Oneonta Transfer Station retrofit. He sent the RFQ to four entities and has received back two responses and anticipates that a third response will be received but he was not sure about the fourth one. The responses will be reviewed by the Operations Committee in the near future.

- **Inspection of the Oneonta Transfer Station**

The Authority's insurance company sent a representative to inspect the Oneonta Transfer Station last week. Mr. Chichester anticipates that he would receive the results of the inspection in about a month. Mr. Lindberg asked if this was something that the insurance company normally does. Mr. Chichester responded that the insurance company does do inspections periodically. Ms. Podmajersky asked if they mentioned anything specifically. Mr. Chichester stated that the insurance company clearly indicated that they anticipate that homeowner traffic would be separated from the commercial traffic.

Mr. Wesnofske asked how Riccelli has been relative to supplying trailers. Mr. Chichester responded that there hasn't been any significant problems.

Financial Report

Ms. Morlang reported on the Financial Report as follows:

1. Page 2 – Bond Account Analysis: The amount in the investment column reflects the increase in investments which relates to the Bond Redemption and Improvement money investments as directed by the Finance Committee.
2. Page 5 – Reserve Account Activity: The year-end amount transferred into the Rate Stabilization Fund was \$1,066,590. In January approximately \$400,000 will be transferred out of the Rate Stabilization Fund into the Revenue Fund. There is a resolution on the Agenda to pay back the Counties a portion of their subsidy funds for the GAT overage, which will come out of the Rate Stabilization Fund.

By March 31st the final budget to actual expenditures report is required, which is typically reported in February. It will outline the exact figure as to what contributed to the \$1,066,590. The categories are the same every year but the amounts vary. Some of the categories are estimated as follows: excess outside waste in the amount of \$120,000, excess GAT deliveries in the amount of \$250,000, bag waste and minimum fee in the amount of \$200,000, recycling revenues in the amount of \$10,000 and the rest relates to being under budget expenditures or over budget in some revenues lines. Ms. Morlang did not have the specific information on these items at this time because not all the bills have been paid yet for 2004. This will be reported in February or March and the report will outline the final figures.

3. Page 8-13 – Tons by Site by Type for 2003 vs. 2004: The Authority received about 12,700 more tons of inside waste and 5,000 tons more of outside waste in 2004 vs. 2003, for a total of about 18,000 more tons of processed waste in 2004.
4. Page 16 – GAT: All three Counties were over their GAT in 2004. Montgomery County was over by 2,404 tons, Otsego County was over by 2,520 tons and Schoharie County was over by 1,681 tons. The total aggregate overage was 6,605 tons for 2004.
5. Page 18 - C&D Deliveries by County: Montgomery County delivered about 2,000 more tons, Otsego delivered about 2,000 tons less and Schoharie delivered approximately the same of C&D material in 2004 vs. 2003.
6. Page 19 – Recycling Summary: The year ended with a net revenue of about \$10,000 from recycling. The commingled rate for December was \$44/ton and there was no charge for paper. The Authority handled about 640 tons of commingled material and 1,100 tons of paper at the Schoharie Transfer Station in 2004.

Ms. Morlang pointed out that most of the material comes from Schoharie County and a small amount from Montgomery County.

Mr. Lindberg questioned why Otsego County cannot make that kind of revenue on its recycling.

Ms. Morlang stated that the Authority made about \$60,000 on the sale of paper and made about \$34,000 on the commingled from customer charges. The total cost to process the containers, which consists of administrative and transfer station overhead as well as disposal and trucking was about \$50,000. The administrative and trucking cost for paper was \$35,000.

Mr. McNeil pointed out that Schoharie County pays the Authority to bring it to the Schoharie Transfer Station and the Authority pays the hauler.

Ms. Morlang pointed out that she heard time and again that the MOSA product is very clean and works into the MRF systems very well. Mr. McNeil stated that the

quality of the material reflects back to the towns because they have people observing the boxes to be sure that contaminated material is not thrown in with the recyclables.

7. Page 20-36 - Budget vs. Actual Expenditures: There will be a final report presented that will show line by line where the budget was under or over.
8. Page 37-38 – Budget Transfers: This page shows a long list of transfers made throughout the year. Typically, December is a big month for transfers because as it gets down to the last month of year, budget lines are either a little under or a little over.

Ms. Morlang pointed out that the Auditors would be at the Main Office on February 28th or March 1st to start the Audit. The Transfer Station Annual Reports, which are required by DEC, have to be filed by the end of February. There are a lot of other reporting requirements that will be coming up in the 1st quarter of the year. The Annual Report will be drafted after the audit is complete and participation of the Chairmen of the Committees will be necessary to help report their accomplishments for 2004.

Flow Control

Chairman Wesnofske asked Mr. Chichester to address the article relative to flow control that was sent out in the Board packets.

Mr. Chichester stated there two were articles in the Waste Age magazine, which relate to flow control. One related to the litigation happening in Mississippi and the other was on a recent court decision in the state of Kentucky, which is in the 6th district of the Federal Court. After reading the articles, Mr. Chichester emailed Mr. Cahill and asked if he had read the articles and if he would respond. He reminded the Board that the original decision in the Pine Belt case was negative toward flow control and it went to the circuit court and the lower court decision was reversed. At the same time there was a case in Kentucky where a negative decision was handed down.

Mr. Chichester sent Mr. Cahill's response to the Board regarding what has been happening with flow control. He asked the Board to recall that the 2nd circuit, which is the circuit that governs the Authority, handed down the decision in the Oneida-Herkimer case. The circuit court sent it back for a pike test, which relates to the benefit provided by the private sector vs. any negative impact on commerce. That decision was expected months ago and still has not happened. The development in the 5th circuit certainly is positive in that it recognized what has been happening with Oneida-Herkimer in the 2nd circuit. It would appear that the decision would be turned over in the 6th circuit in the Kentucky case.

Mr. Chichester stated that Mr. Cahill has raised the question relative to support. Kentucky has indicated that it would be helpful if there were briefs filed from other interested parties. Mr. Cahill spelled out what he was trying to do for the support of flow control. Mr. Chichester questioned whether the Board would be interested and willing to work with Mr. Cahill, along with the other public entities that have been working toward clarifying the flow control situation, by making some type of contribution to cause.

Mr. Chichester stated that Oneida-Herkimer has clearly pushed forward and has invested a significant amount of money dealing with the situation. As we proceed down the road, from a national point of view, there continues to be the question as to the legality of flow control that needs to be clarified. Mr. Chichester felt it would be a good investment and would provide a tool that benefits all involved.

Mr. Lindberg and Mr. McNeil felt that the maximum amount that the Authority should contribute is \$1,000.

Mr. Wesnofske stated that when looking at the picture, the Federal and State government have mandated solid waste management to the municipalities and the legal framework is not there to implement it at this stage. There is now a legal tool that is being developed in the wake of Oneida-Herkimer case. He pointed out that Madison County passed a flow control law that went to state court and won. Onondaga County just passed flow control and will probably be tested by a certain waste company. He felt it was worth arguing for in terms of investing in the public sector cause.

Mr. Lindberg motioned, seconded by Mr. McNeil, to contribute up to \$1,000 towards support for the cause of flow control. On voice call the motion was unanimously approved.

7. Old Business

There was no old business discussed.

8. New Business

Resolution Number 5 Authorizing Refund of a Portion of 2004 Subsidy for Solid Waste Tonnage Delivered by Montgomery, Otsego and Schoharie Counties} Sponsored by Meredith McNeil – Seconded by William Strevy

The Resolution authorized the Executive Director to make payment to Montgomery County in the amount of \$57,696, Otsego County in the amount of \$40,320 and Schoharie County in the amount of \$30,258 for refunding a portion of the 2004 subsidy. Payment of the 2004 subsidy reimbursement would not be forwarded until all outstanding bills owed the Authority have been paid in full by Montgomery and Otsego Counties and

after receiving certification from the Schoharie County Auditor of the amount of subsidy payments made.

On voice call the Resolution was unanimously adopted.

RFP For Transportation and Disposal

Olga Podmajersky asked what the status was of the RFP for transportation and disposal. Mr. Chichester responded that at this time it is still on the table. It needs to be further reviewed by the Finance and Operations Committees.

DANC

Ms. Podmajersky asked if Mr. Chichester received any information from DANC after meeting with them. Mr. Chichester stated that he and Melissa Morlang met with representatives of DANC in December. They indicated that they would continue to study the situation thoroughly so that any proposal that was put forth would be a viable one. They asked a number of questions relative to flow, tonnage, transportation, etc. The information was supplied to them. The transportation component was a great concern to them. They were looking at options and were still working on it at the end of December. Mr. Chichester indicated that he did not have a date at this time, which he anticipated hearing back from DANC.

Mr. Wesnofske asked Mr. Chichester how he assessed their approach to the exploration of the possibility of working with the Authority. Mr. Chichester responded that they have a landfill and an economy of scale that allows them take in more waste at a minimal additional cost. They are clearly looking at it from a fiscal stability point of view and to that end the major component of any relationship would be flow control. They are not interested in developing a relationship where in fact their system is depending on the waste when there is no assurance that it will come. They would anticipate flow control on both their and the Authority's end. It was very clear that they are a development Authority and that they are involved in a number of businesses. What they normally take to their Board would move forward and they do not anticipate doing anything that would tarnish that record.

Ms. Morlang stated that the two people that they met with have a lot of experience and are very involved with operations and transportation. Mr. Chichester and Ms. Morlang asked if they intended to deal with the transportation and if so how they plan to maintain the fleet. They indicated that they have thought about it but do not have a setup for maintenance. The experience that Mr. Chichester and Ms. Morlang have relative to handling and maintaining a fleet of tractors/trailers and also their experience dealing with Riccelli issues was very well understood by the DANC representatives. She stated that they were very experienced people and it was a very good meeting. Ms. Morlang stated that all agreed that the bottom line was really flow control. They spent a significant amount of time discussing flow control and they realize that it is not something that is

done overnight. She and Mr. Chichester presented them with a lot of information and they understood what they would be up against and have not asked for any more information since then. Ms. Morlang felt that the Authority would not hear from them in near future.

Mr. Chichester stated that it was a very good meeting and pointed out that they a very creditable group and know what they are doing.

Next Meeting

The next Board meeting was scheduled for Thursday, February 24th at 9:30 a.m.

9. **Closing**

Charles Buck motioned to adjourn the meeting. The motion was seconded by James Powers and was unanimously approved on voice call.

The meeting adjourned at 10:50 a.m.

Respectfully Submitted,

Robin Loske
Confidential Secretary