

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE
MANAGEMENT AUTHORITY**

OPERATIONS COMMITTEE MEETING

DATE: May 5, 2005

LOCATION: MOSA Administrative Complex, Howes Cave

MEMBERS PRESENT:

Donald Lindberg
Edward Wesnofske
Charles Buck
Raymond Halgas

MEMBERS ABSENT:

OTHERS PRESENT:

Gilbert Chichester
Melissa Morlang
Olga Podmajersky
William Strevy

1. Opening

Chairman Lindberg opened the meeting at 4:15 p.m.

2. Minutes

Minutes of the April 19, 2005 were unanimously approved.

3. RFQ for Oneonta Transfer Station Retrofit

Gilbert Chichester reported that no decision was made by the Operations Committee at the April 19th meeting relative to selecting a consultant for the OTS project.

Mr. Halgas indicated that his position had not changed since the last meeting. He felt that by changing the piece of equipment being used from a loader to an excavator with a grapple there would be less damage to the floor. The tipping floor would need to be repaired. Oneida-Herkimer utilizes an excavator to load trailers.

Raymond Halgas stated that Golder Associates were more receptive to changing the equipment and utilizing the existing structure with modifications. Dvirka and Bartilucci were more interested in the direct dump method of operation.

Charles Buck stated that the Authority tried an excavator to see if it fit into the operations and the results were not positive.

Edward Wesnofske stated that all the engineering firms that the Authority has worked with to date have indicated that the current capacity is not sufficient to handle the waste flow. In addition there are safety issues for both the MOSA employees as well as the customers. Mr. Wesnofske felt that instead of simply putting money into the floor, the Authority should take a step back and see if there are other things that can be done to improve the overall operations.

Edward Wesnofske stated that he liked the approach Dvirka and Bartilucci were taking whereby they have a base plan with two alternates. Mr. Wesnofske felt that MOSA would be in a better position to choose the options. Golder Associates appeared to be more creative,

however Mr. Wesnofske felt that the Authority might not get to choose alternatives to the plan developed.

Mr. Wesnofske stated that when the retrofit study was started a number of years ago many of the Board members were new and unfamiliar with the operations. The current Board is in a better position to assess the retrofit options.

Edward Wesnofske stated that he had a slight preference towards Dvirka and Bartilucci because of their more structured response.

Charles Buck did not hear the Golder Associates presentation but had heard from other Board members that Golder Associates appeared to be more experienced in designing transfer stations.

In terms of changing the equipment, Mr. Buck has concern about utilizing a specialized piece of equipment in place of standard equipment that could be readily rented in a breakdown situation. Mr. Buck also felt that whichever engineer was ultimately selected they would need direction from the Board. Charles Buck stated that he had concern about the long-term operation of the facility. The changes to the operation need to improve efficiencies as well as deal with the safety issues.

Donald Lindberg brought the Oneonta Transfer Station retrofit to the attention of the Otsego County Board on 5/4/05. One concern raised at the County level was the reversionary clause in the agreement MOSA has with the City. The County was concerned about the current safety issues, however they did not want the investment returned to the City.

Edward Wesnofske stated that there is no long-term policy regarding the future method of waste handling. If the decision is made not to build a landfill then the transfer stations remain a critical part of the system.

Donald Lindberg stated that he was interested in getting through the first step and supported hiring Golder Associates. Raymond Halgas stated that after the interviews ended his preference was hiring Golder Associates. Gilbert Chichester stated that Golder has a lot of background and experience. MOSA's operation is on a much smaller scale and MOSA will need to help Golder Associates understand the operations.

Edward Wesnofske motioned, seconded by Charles Buck to recommend to the full Board the hiring of Golder Associates relative to the OTS retrofit. The motion was approved with three members voting Aye (Lindberg, Wesnofske & Buck) and one member voting Nay (Halgas).

Raymond Halgas noted that the Golder proposal expired in early May and asked Gilbert Chichester to make sure the proposal would remain valid until the next Board meeting.

4. Storm Damage at ELF - Update

Gilbert Chichester stated that he had been contacted by a representative from FEMA and has proceeded to file the appropriate application for reimbursement. A meeting will take place with FEMA detailing the work and associated cost.

5. Surplus Equipment

Gilbert Chichester stated that the John Deere Lawn Mower located at the Oneonta Transfer Station is not in working condition and needs to be declared surplus and moved to the auction.

Charles Buck motioned, seconded by Edward Wesnofske declaring the John Deere Lawn Mower surplus and directing it be included in the June 11, 2005 auction in Otego. The motion was unanimously approved.

6. T&D Contract

Gilbert Chichester distributed and reviewed a memo, as attached hereto, updating the committee relative to the options available on the T&D contract.

Raymond Halgas stated that currently Riccelli controls where the waste is delivered. Typically the contract is with a landfill and the landfill is responsible for the transportation.

Olga Podmajersky questioned whether Hyland could accept all of MOSA's waste. Gilbert Chichester stated that Casella has enough capacity with all its landfills. Casella would move some of its waste being delivered to Hyland to the Ontario Landfill thereby freeing up sufficient space at Hyland for MOSA's waste.

Based on Mr. Chichester's memo, Mr. Wesnofske stated that there will likely be a \$6 – \$10 increase in the T&D rates if the option is not exercised. This amounts to a \$600,000 – \$1 million increase in the Authority's budget.

Olga Podmajersky asked what rates Waste Management would give in response to an RFP. The contract prices quoted in Mr. Chichester's memo related to contracts awarded to Casella. Mr. Chichester responded that it is likely that Waste Management bid on the contracts and it was awarded to the lowest bidder. This indicates that the rates from Waste Management might be higher although it is difficult to know what the rates will be until the RFP is issued.

Donald Lindberg stated that if Flow Control were in place the Authority would be asking for a price for 100,000 tons of waste. The Authority would get a better rate on all of its waste than it will by splitting the waste to satisfy both of the large waste haulers.

Charles Buck pointed to the fact that some entities described in the memo are paying more in 2005 than MOSA would pay in the last option year.

Edward Wesnofske felt that the Authority needed to issue the RFP to show the public that the market was tested and comparative data was obtained. Negotiating privately for extensions of the current amendments will not gain public awareness.

Charles Buck stated that it benefits Riccelli to haul it closer under the current amendments. Waste Management may not honor the current agreements. Gilbert Chichester stated that Waste Management would likely discuss extending the current amendments with Riccelli but it would be at a higher price.

William Strevy felt that the waste should be brought to Fulton County if Waste Management was going to pull its waste out. Gilbert Chichester stated that Fulton County would not take all of MOSA's waste. William Strevy stated that they could take Montgomery County's waste. Mr. Chichester stated that they might take Montgomery County's waste but it will be in the \$50 - \$75 per ton range not the \$46 per ton range Fulton County charges for their inside waste.

Donald Lindberg stated that even at \$50 per ton it is more than MOSA pays under the current agreement to haul it to the long-distant landfills.

Gilbert Chichester stated that the RFP will be written requesting prices for (1) all of MOSA's waste and (2) for the Montgomery County transfer stations in one block and the Schoharie and Otsego County transfer stations in a second block with the understanding that the blocks can be taken to different landfills.

Raymond Halgas asked if the RFP would be sent to haulers or landfill owners. Edward Wesnofske stated that participation by haulers that do not own landfills could not be denied.

Olga Podmajersky asked if Waste Management and Casella could provide a subcontractor for the hauling. Mr. Chichester stated that both entities are currently providing the transporter in their existing contracts with other entities.

Raymond Halgas felt that the RFP should be issued. If the Authority was not satisfied with the results the current option could always be exercised. Edward Wesnofske agreed but felt that it was necessary to move forward quickly so that if the option were exercised Riccelli will have enough time to coordinate his operations to take everything back to Hyland.

Gilbert Chichester stated that a special board meeting would be held on May 19th to review the RFP. The RFP could then be approved and issued at the May 26th regular Board meeting. The return date for the RFP would be June 23rd. The Board could then meet the first week in July to review the responses.

Donald Lindberg asked if providing the fuel to the contractor would be made part of the RFP. Mr. Chichester stated that at this point in time it was not clear as to whether or not the Authority would be capable of providing the fuel or how it would be accomplished and therefore it would not be included.

Edward Wesnofske stated that it is likely that BFI – Canada, the current owners of Seneca Meadows, would respond. It is very possible that they would be the low proposer.

Donald Lindberg asked if the waste is split to allow for Montgomery County waste to go to a Waste Management Landfill thereby enticing Waste Management to deliver the waste they haul to MOSA and the resulting price is higher than exercising the current option, would it not be fair for Montgomery County to pay Otsego County the difference?

Edward Wesnofske stated that currently the other Montgomery County haulers are working within the system. If the price jumps \$10 per ton there may be haulers other than Waste Management that leave the system.

William Strevy stated that a \$59 per ton rate for T&D is too high when you have a \$48.50 option available. In the end Montgomery County might save money even if Waste Management left the system and a GAT shortfall occurred.

Olga Podmajersky stated that Riccelli is going to want to negotiate. Mr. Chichester stated that the landfills are not going to continue the current amendments for the same disposal rate. Riccelli is in the middle. Olga Podmajersky asked if Riccelli had grounds to negotiate a higher rate under the current agreement. Gilbert Chichester stated that he does have the right relative to increasing toll charges but not for increasing fuel charges.

Edward Wesnofske stated that there was a disadvantage with working directly with a landfill. In that case you need to work through a 3rd party in there are trailer issues.

Edward Wesnofske motioned, seconded by Raymond Halgas to direct the Executive Director to prepare a draft RFP for all MOSA's waste and for two blocks of MOSA's waste for discussion at a special board meeting to be held on May 19, 2005 at 9:30. The motion was unanimously approved.

7. Other Business

Raymond Halgas asked if Mr. Chichester had an opportunity to categorize the Buildings and Grounds open items list between in house and outside vendors. Mr. Chichester responded that he had not.

8. CAT Agreements - update

Mr. Chichester reported that the committee directed him to inquire as to Bud Ingraham's interest in working with Larry Nellis until his retirement next year. Mr. Ingraham has interest. There is further information from CAT that there will be another substantial increase in contract prices sometime in May. Mr. Chichester asked the committee if they wanted the contracts signed now to avoid another increase in price.

Raymond Halgas asked what the maintenance staff recommended. Mr. Chichester stated that staff feels that the prices are exorbitant. Donald Lindberg felt that the contracts should not be signed. Gilbert Chichester stated that if the Transfer Station Supervisor permanently moves to the equipment maintenance function in lieu of signing the CAT agreements the result would be a vacant Transfer Station Supervisor's position.

Raymond Halgas asked that a comparison be performed between the cost of having the CAT maintenance outsourced versus hiring a staff person to perform multiple maintenance functions.

William Strevy asked if another independent contractor other than Southworth Milton could be hired at a more reasonable rate. Raymond Halgas stated that a reliable, knowledgeable person needs to be involved.

Edward Wesnofske felt that CAT should be used until the personnel matter could be worked through.

William Strevy felt that another RFP should be issued to obtain costs of performing the services. Gilbert Chichester asked what the specifications would be in the RFP. William Strevy responded that the specifications should be whatever works to the Authority's advantage and is comparable to the service currently being provided by Southworth Milton.

Gilbert Chichester stated that he would provide cost comparison information at a future meeting.

9. Closing

The meeting was adjourned at approximately 5:50 p.m.

Respectfully submitted,

Melissa Morlang
Director of Finance and Administration