

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT
AUTHORITY
SPECIAL BOARD MEETING #5**

DATE: June 1, 2006

LOCATION: Howes Cave Administrative Complex

Members Present

Joan Bent
Martha Clarvoe
Raymond Halgas
Rudolph Laguna
Meredith McNeil
Olga Podmajersky
William Strevy
Edward Wesnofske

Members Absent

Others Present

Gilbert Chichester
Marijeanne Broadwell
Chris Chale
Richard Riccelli, Riccelli Ent.
Timothy Cretney, Casella

1. Opening

Chairman Laguna opened the meeting at 4:20 p.m.

2. Transportation and Disposal Contract

At 4:20 p.m., Martha Clarvoe motioned, seconded by Edward Wesnofske, to enter into executive session to discuss contract negotiations relative to the transportation and disposal contract. The motion was unanimously approved on voice call.

AT 6:14 p.m., Meredith McNeil motioned, seconded by Edward Wesnofske, to exit out of executive session. The motion was unanimously approved on voice call.

Martha Clarvoe motioned, seconded by Edward Wesnofske, to add Resolution 17 of 2006 to the agenda. On roll call the motion was approved with six members voting "aye" two members (Podmajersky and Strevy) voting "nay".

Edward Wesnofske questioned Timothy Cretney, of Casella Waste, why Casella had not responded to the MOSA 2005 RFP relative to Transportation and Disposal. Casella could have become the primary contractor.

Mr. Cretney explained that the relationship between MOSA and Casella goes back several years. Casella bought into the Otsego market approximately nine years ago, purchasing several local hauling companies, Vet's and Brookman Disposal, they also had a transfer station located in Sidney, and waste was being diverted from the MOSA system. Five years ago, his predecessor, Mike Holmes worked with Richard Riccelli and

Mr. Chichester to shut down the transfer station and bring the material to MOSA. They entered into the agreement to deliver the MOSA waste to a Casella landfill. Casella has been in a five-year partnership with Riccelli Enterprises and MOSA, they have developed a strong relationship, and he foresees the relationship only growing stronger in the future.

Mr. Cretney further explained that Casella did not respond to the RFP because they are not in the long-haul business, it is not what they do well. They do the curbside collection and landfill business well. The long-haul service does not fit with what Casella is doing in this region. Casella has Riccelli as a partner, who does do the long haul well. Casella believes that the three party relationship works well for them.

Mr. Wesnofske stated that there is a provision in the contract allowing Casella to bypass the MOSA system if market conditions change. He questioned whether this included the Sidney Transfer Station. Mr. Cretney explained that Casella has invested heavily in the Oneonta area. If another hauler comes in and establishes a third party transfer station that is less expensive, Casella can not be contractually bound to bring waste to a higher priced facility.

Mr. Cretney stated that he considers this to be a very remote possibility. The MOSA Board and the Otsego County Board has a greater ability to stop or delay a third party from building a new transfer station. Unless all the haulers in the area are required to sign an agreement to deliver waste to the Authority, he cannot put his company at risk.

Mr. Wesnofske asked if Mr. Cretney was aware of any facilities that might provide a cheaper alternative to the MOSA system. Mr. Cretney stated that he has not heard or identified any such facility.

Olga Podmajersky questioned why MOSA should expect that Riccelli Enterprises will not create their own problem similar to last year's occurrence. Richard Riccelli stated that they worked hard with Casella, Waste Management, and MOSA to protect each party's interest not just Riccelli Enterprise's.

Resolution Number 17 Authorizing Modification of the Requirements Set Forth for the Proposed Transportation and Disposal Agreement Between the Authority and Riccelli Enterprise, Inc. and Authorizing Subcontract} Sponsored by Edward Wesnofske - Seconded by Meredith McNeil.

On roll call vote the resolution was adopted with six members voting "aye" two members (Podmajersky and Strevy) voting "nay".

Mr. Wesnofske stated that Mr. Cretney has made a great point of willingness to be a partner with MOSA. During the Board's recent tour of a Casella facility, the concept of partnership was also being emphasized. The MOSA Board authorized a planning study to look at longer term disposal options, and certain information may be of use to the

Authority. Will Casella have a willingness to share information with MOSA relative to landfill economics and other technology that is not easily available?

Mr. Cretney stated Casella, as an organization, is always willing to help in sharing ideas. They feel that this is what really generates long term partnerships. He stated that if the information gets into too many specifics, he would caution the Board if they were going out with an RFP, that a competitor might look at the relationship between MOSA and Casella and try to exclude Casella from the RFP. They would be happy to share general information though.

Martha Clarvoe asked what the Ontario Landfill and Ontario community were like two and a half years ago, prior to Casella's involvement. Mr. Cretney stated that he could give an answer to this but it would be better to ask some local residents of the area. He could give some contacts in the Ontario area, and he would hope that their answer would be that that the community is better now. He stated that his opinion is that the facility and town have benefitted. He would guess that 99% of local community and government officials would say that the facility is much better now.

Mr. Cretney explained that the methane generation facility located at the Ontario Landfill was opened prior to Casella, but Casella built the single stream recycling facility there.

3. **Closing**

Edward Wesnofske motioned to adjourn the meeting. The motion was seconded by William Strevy and was unanimously approved on voice call.

The meeting adjourned at 6:35 p.m.

Respectfully Submitted,

Marijeanne Broadwell
Director of Finance and Administration