

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT AUTHORITY
SPECIAL BOARD MEETING #06**

DATE: July 15, 2010
LOCATION: MOSA Administrative Complex, Howes Cave

Members Present:

John Mattas
David Parker
Olga Podmajersky
Alexander Shields
Philip Skowfoe (2:35 p.m.)
John Thayer
Harold Vroman
Edward Wesnofske

Others Present:

Dennis Heaton
Barbara Corrigan
Karen Sullivan, O.C.
Barbara Shields

1. Opening – Roll Call

Chairman Thayer called the meeting to order at 2:02 p.m. He requested that discussion of an Otsego County request be added to the agenda before discussion of the Transportation and Disposal RFP. As there were no objections, he asked Mr. Heaton to expand on the Otsego County request.

2. Otsego County request

Mr. Heaton reported that Otsego County had requested MOSA allow its new recycling vendor afterhours access to the recycling building at the Oneonta Transfer Station beginning August 2010. He advised that under the current lease agreement, the Authority needs to authorize afterhours access and remarked that he is ok with authorizing the request.

Ms. Podmajersky asked when the vendor would be accessing the building. Mr. Heaton responded it would probably be early in the morning, before transfer station hours.

Mr. Shields remarked that allowing afterhours access would aid both the hauler and the County.

Mr. Heaton noted that it helps MOSA as well.

Mr. Parker remarked that the hauler is bonded and insured and he is ok with allowing afterhours access.

Mr. Wesnofske suggested the building be inspected, photos taken and documentation of the findings be provided to the Board.

Chairman Thayer asked for a motion authorizing the Executive Director to allow the new vendor, Tom Hawkins, early entry to the recycling building and directing the Executive Director to arrange for an inspection of the building prior to the transition of vendors. Mr. Parker so moved and Mr. Mattas seconded.

Chairman Thayer asked if there was further discussion.

Mr. Shields remarked that Otsego County has liability and exposure for the damage and asked whose responsibility it was to take care of the repairs.

Mr. Heaton advised the Board he had already begun working with Otsego County to review the damages to the building, repairs necessary and financial responsibility of the parties involved and would present a report to them for review.

As there was no further discussion, Chairman Thayer asked for a voice call vote. On voice call, the motion carried unanimously.

3. Transportation and Disposal RFP

Mr. Heaton reported the following:

- Meetings had been held with the five lowest proposers.
- Responses have been received to questions concerning the proposals such as having the appropriate permits and other due diligence items.
- As a result of discussion, price adjustments have been received from the proposers.
- Price adjustments have provided for changes in the ranking of proposers.
- Negotiations will continue, as there is still room for lower prices.
- Negotiations will be completed and additional due diligence items will be reviewed over the next several weeks.
- It is anticipated that a proposed contract will be ready for Board review at the August 18, 2010 full Board meeting.

Mr. Shields remarked that Ms. Podmajersky had been provided an explanation of management's assumptions and asked if copies could be provided to all Board members.

Mr. Heaton explained that the assumptions were based on providing 27 ton loads to proposers A-E. He noted that 28 ton loads are being provided at the current time and does not see a problem in providing 27 ton loads in the future.

Mr. Shields questioned the ranking of the various options. Ms. Podmajersky noted that the handout he was referring to had been given out at the last meeting and the rankings had now changed.

Mr. Shields remarked that he wanted further clarification of how the options were ranked and asked Mr. Heaton for clarification. Mr. Heaton responded that he was not clear on Mr. Shields' question. Mr. Shields stated his question was about lost waste. Mr. Heaton noted that the Authority's stakeholders include its customers as well as the individual member Counties. He remarked that the question should be how to best serve all the stake holders. Mr. Heaton stated that negotiations are not yet complete and he was working to mitigate the amount of lost waste through continued negotiations with the various proposers.

Chairman Thayer suggested further discussion of the T&D RFP continue in Executive Session so that Mr. Heaton could discuss proposer details, and be more specific in his answers to the Board's questions regarding proposals.

Mr. Parker made a motion to go into Executive Session, Ms. Podmajersky seconded and on voice call, Executive Session began at 2:18 p.m.

Mr. Wesnofske made a motion to come out of Executive Session, Mr. Mattas seconded and on voice call, Executive Session ended at 2:45 p.m.

Chairman Thayer called the meeting back to order at 2:47 p.m. and noted that a motion was needed to extend further authorization to the Executive Director to potentially negotiate subcontracts with landfills to prevent waste loss.

Mr. Heaton remarked that they may or may not be subcontracts; they may be direct contracts. Ms. Podmajersky inquired if he meant like we have now. Mr. Heaton responded that it could be either direct with a particular landfill or subcontracted through a hauler.

Chairman Thayer stated that he would make the motion and asked for a second. Mr. Parker seconded and Chairman Thayer advised that discussion could now begin.

Mr. Wesnofske noted there were potential issues in getting between the haulers and the landfills in separate contracts. He advised there had been problems with this type of situation in the past with haulers and landfills not getting along, which had caused much consternation and difficulty for the Authority in resolving the issues.

Ms. Podmajersky remarked that it may depend on whether or not a hauler would be willing to accept subcontracts.

Mr. Shields remarked that he didn't think the hauler should care as long as he is getting paid so much a ton to move a load from point A to point B. He noted that he had not read the entire RFP and questioned if the RFP was being changed to the point where someone could raise an objection to what is being done.

Mr. Heaton responded that the RFP clearly points out that the Authority has the right to negotiate with multiple parties.

Mr. Shields remarked that the motion was definitive, stating "landfills", which is specific. He asked why then was there a need for this motion if the Authority can negotiate with multiple parties.

Mr. Heaton read the motion authorizing him to negotiate from the last meeting's minutes as follows: "to allow the Executive Director to enter into negotiations with the five (5) lowest bidders as established by the chart of RFPs that were received and to report back to the Board". He noted that through his negotiations he discovered there may be other avenues available to us. He went on to say that before negotiating with others, he wanted to be sure the Board understands what he is doing.

Mr. Shields remarked he never understood the rationale for negotiating with only the five lowest bidders and he believed negotiations could be carried on with any or all of the bidders; the most important thing to consider was the lowest cost. He noted that he didn't believe additional approval from the Board was necessary.

Mr. Heaton remarked that as far as authorization from the Board, he wanted the Board to understand what he is doing and if there is a problem, to please let him know, whether or not a formal motion is necessary, is the Board's call.

Chairman Thayer noted that the motion from the last meeting only authorized Mr. Heaton to negotiate with the five (5) lowest bidders and obviously, if he is going to negotiate with landfills in order to save the waste stream, it goes beyond the scope of that motion.

Mr. Parker noted that we are working with an intangible that will impact the waste stream and suggested authorizing the Executive Director to go out and work within the range discussed and come up with the best compromise, be it a contract or agreement. He noted that he would not limit it to the word "contract", but to keep the scope as wide as possible, allowing Mr. Heaton to negotiate the best compromise within this range.

Mr. Mattas remarked that he would second that if it was a motion; Mr. Parker responded that it was a motion.

Chairman Thayer asked if there was further discussion.

Mr. Shields stated if the numbers that have been negotiated to this point where based on taking loads to point A or point B, and we change those locations, will the numbers remain the same. He asked when Mr. Heaton thought he would have a contract to present to the Board. Mr. Heaton responded that he expected to have a contract to the Board for the August meeting.

Chairman Thayer suggested to Mr. Heaton that it would be preferable to get a contract that he thought the Board would authorize and bring it to the Finance Committee for approval prior to it coming to the full Board.

Mr. Heaton remarked that he would not bring anything to the Board that he was not confident they would approve. Chairman Thayer remarked that he hoped a contract was forthcoming in August and noted due diligence is upon Mr. Heaton to make that happen.

Mr. Wesnofske remarked he recalled the Chairman had wanted to target a preferred vendor at this meeting and stated we need to figure out who that is.

Mr. Parker noted that he is very comfortable with the way the proposals have been narrowed down to this point and the emphasis should be on mitigation of loss, not just the lowest price.

Mr. Wesnofske asked if Mr. Heaton was opening up discussion with new vendors. Mr. Heaton noted that all the vendors are already included in the proposals received, haulers and landfills, in one form or another. Mr. Wesnofske noted his concern about the legal context. Chairman Thayer stated he believes it is preferable to go through the haulers to the landfills and if that doesn't work out, you have the ability to accept or reject all bids. He went on to say that the avenue by which to approach the landfills is through the hauler as much as possible unless you reach a complete roadblock. Mr. Heaton agreed.

Ms. Podmajersky noted the last contract went through a hauler and there had not been a problem. Ms. Chale had worked out the details of the subcontracts. Mr. Wesnofske remarked this was a different situation.

Mr. Heaton stated that he believes through the hauler is the best way to go but wanted the authorization to negotiate with the landfills as well if that did not work out.

Mr. Wesnofske questioned the legality of negotiating directly with the landfills that had not directly bid on the RFP and suggested consulting with counsel. Mr. Heaton remarked that he would do so.

Mr. Shields asked if Mr. Heaton planned on talking with landfills that did not bid on the RFP. Mr. Heaton noted the landfills he was talking about had all been part of a proposal on the RFP and that he would not talk to a landfill that had not bid on the RFP. He went on to say that there are three landfills involved and all of them bid either through their own companies or a hauler, and no landfill except those included in this bid process would be part of negotiations.

Mr. Skowfoe remarked a RFP is just a Request for Proposals and you have the right to go out beyond that RFP. He noted that Schoharie County's attorney had allowed its Board to bring in a proposal on a RFP after the due date and that it was legal.

Ms. Podmajersky remarked that Ms. Chale would be able to resolve the matter.

Mr. Heaton noted that the goal was to have good pricing and to keep waste in the system and we need to speak to the people involved in making that happen – that is what he is asking for authorization to do.

Mr. Wesnofske called the question.

Chairman Thayer asked for a roll call vote on the motion made by Mr. Parker and seconded by Mr. Mattas. On roll call vote, the motion carried with John Mattas, David Parker, Olga Podmajersky, Philip Skowfoe, John Thayer, Harold Vroman and Edward Wesnofske voting aye and Alexander Shields voting nay.

4. Closing

Chairman Thayer asked for a motion to adjourn. Mr. Wesnofske so moved and Mr. Shields seconded; on voice call the motion carried. The meeting adjourned at 3:07 p.m.

Respectfully Submitted,

Judith Beeler,
Confidential Secretary