

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT AUTHORITY
PLANNING COMMITTEE MEETING**

DATE: February 8, 2010
LOCATION: MOSA Administrative Complex, Howes Cave

Members Present:

Philip Skowfoe
John Thayer, Chair
Edward Wesnofske

Others Present:

David Parker
Olga Podmajersky
Dennis Heaton
Barbara Corrigan

1. Opening

Chairman Thayer called the meeting to order at 2:29 p.m.

2. Minutes of Prior Meeting – December 10, 2009

Chairman Thayer asked for a motion to approve the minutes from the December 10, 2009 meeting. Mr. Skowfoe so moved and Mr. Wesnofske seconded; on voice call the minutes were unanimously approved.

3. Approve Agenda

Chairman Thayer asked for a motion to adopt the agenda. Mr. Skowfoe so moved and Mr. Wesnofske seconded; on voice call the agenda was unanimously adopted.

4. T&D Contract; RFP Planning

Chairman Thayer asked Mr. Heaton to talk about the T&D contract and the handouts relating to RFP planning for a new contract.

Mr. Heaton explained that the current T&D contract comes to an end this year; therefore, we need to move on obtaining a new one. He went on to say that the market is good now and advised that there are several large contracts coming up this year in Long Island, which may further affect the market. He noted that Sullivan County had gone out to bid on T&D late last year and he had used the results of its proposals as a basis for the T&D RFP discussion handout. Mr. Heaton advised that Sullivan County's bid had been not only for T&D but for operation of its transfer stations as well; however, he didn't think MOSA wanted to go that route. The bid rates ranged from \$61 to \$74 per ton, including operation of the transfer stations. He noted that MOSA would have additional expenses.

Chairman Thayer asked if they had only one transfer station; Mr. Heaton replied that he believed they operated five transfer stations.

Mr. Wesnofske advised that Sullivan County has four convenience stations, two transfer stations and they plan on building a humungous transfer station; the County is going to bear all those costs. He went on to say that he didn't think it was a good idea to compare a County to the Authority because there are different issues at hand and gave some examples. He noted that the County had a bond it is paying off, which is coming out of tax revenues, not its existing system; the County is putting up \$690,000 worth of salaries per year for workers to help run the facilities and it is producing 60,000 tons, about a \$10 or \$11 per ton difference when compared to what the Authority produces and would be charged.

Mr. Heaton explained his calculations for MOSA's current costs per ton for T&D and noted that overall MOSA's costs are roughly \$82 per ton compared to Sullivan County's bids of \$61 to \$74 per ton. He went on to say that it is not an apples to apples comparison; however, it gives an idea of what is available in the T&D market at this time. His goal is to keep the Board in the loop and to put out a bid package soon.

Chairman Thayer suggested putting out a disposal bid package first and then a transportation bid package.

Ms. Podmajersky asked if the Sullivan County low bid included all operating costs in the \$61 cost/ton.

Mr. Wesnofske noted that labor and equipment are not included in the bids Sullivan County received; the County is supplying both.

Mr. Heaton remarked that in separating transportation from disposal, his biggest concern is having a number of disposal contracts with several facilities. He noted that if a landfill won't take a load there would be an additional cost of transporting the load elsewhere.

Chairman Thayer advised that there can be a guarantee in the contract; there is in the current Riccelli contract; however, that will cost more.

Mr. Wesnofske noted that in the Riccelli contract, the guarantee is if a landfill will not take a load, Riccelli would have to find a way to get rid of it.

Mr. Heaton suggested increasing the minimum tonnage per load in the bid. Currently, the minimum load is 20 tons; he suggested increasing that to 26 tons, which could help save the Authority money by decreasing the number of loads transported. He made note that disposal bids could be for single or multiple facilities.

Mr. Skowfoe suggested the bid could go out both ways. Mr. Wesnofske remarked that may not be well received by the market and suggested the most competitive environment would come from entities bidding on the disposal of a significant block of waste. Mr. Heaton agreed, noting that in the Sullivan County bids there is a significant price break at 60,000 tons; the bigger the block the better. He stated that he had considered breaking the bid up by transfer stations as well but was concerned that not all transfer stations may be bid on.

Mr. Heaton suggested the term of the contract should go out to the end of the Service Agreement with several one year extension options after that and should address fuel adjustments as well. He went on to say that he believes it is a good time of year to be going out to bid and the reality is, by the time a bid package is put out and proposals come back, the information will be needed for preparation of both our budget and the Counties' budgets.

Chairman Thayer noted that the bid could be for a contract within a contract, like the current contract, or separate out transportation from disposal in individual contracts.

Mr. Wesnofske remarked that in the past MOSA had separate contracts with Waste Management and a landfill and there had been problems. At times, the landfill and the transporter disagreed, putting MOSA in the middle. He went on to explain an issue in the past between Riccelli and Casella, when Riccelli trucks were being held up at the landfill prompting Riccelli and MOSA to enter into negotiations with Waste Management for an additional disposal site. This is what led to the guarantee in the contract with Riccelli, which gave him another option over Casella and brought Casella back in line.

Ms. Podmajersky suggested going for a longer term in order to save costs. Mr. Heaton agreed, noting that the current market rates are low and it may be a good time to make a longer term agreement.

Mr. Wesnofske remarked that the Sullivan County contract is for ten years with three five year extension options for a total twenty five years. Chairman Thayer noted that MOSA didn't have twenty five years left and suggested a term through the end of the Service Agreement with the possibility of extensions as suggested earlier by Mr. Heaton.

Mr. Skowfoe stated he could bring up the subject at the three County meeting, if the MOSA Board desired.

Chairman Thayer asked Mr. Heaton what he wanted from the Board. Mr. Heaton stated that he would like to combine transportation and disposal. Chairman Thayer remarked that both the landfills and the trucking industry are hungry right now, so it should be a good time to go out to bid. Mr. Heaton stated that he would put together specs for the bids as soon as possible; with transportation and disposal separately and combined.

Chairman Thayer voiced his concern that with limited staff, it may be difficult to put together such a complex bid package, along with day to day workloads and handling anything else that comes up. Mr. Heaton remarked that he believed everything could be handled.

Chairman Thayer made a motion authorizing Mr. Heaton to go out to bid both ways; Mr. Skowfoe seconded and on voice call, the motion carried.

5. Household Hazardous Waste

Chairman Thayer asked Mr. Heaton if there was anything additional on Household Hazardous Waste. Mr. Heaton responded that he believed this item had been covered fully in the Finance Committee meeting.

6. Greenhouse Gas/Landfill

Mr. Heaton advised that EPA regulations require reporting on Greenhouse Gases by large users. He noted that both the Eastern and Central landfills would need to be monitored for the volume of gas and concentration of methane to determine if they fit the parameters of required reporting. He advised that he had spoken to several engineering firms and would be receiving estimates. Jeff Bouchard, who runs the Fulton County landfill had met with him and has offered to help. Mr. Bouchard had advised him that they perform their own testing in-house.

Mr. Parker inquired whether the Barton and Loguidice contract covered this; Ms. Corrigan responded they do not perform monitoring, they perform measuring.

Mr. Wesnofske asked if the gas was monitored when replacing the flare. Mr. Heaton responded that he had contacted the company who had replaced the flare and they had advised no monitoring had been done at that time. Mr. Wesnofske thought that a volume measurement had been performed 6 or 7 years ago at the Eastern landfill and that it had been too low to consider tapping into but not too low to report. Chairman Thayer remarked that the volume has probably decreased over the years.

Chairman Thayer asked if all three landfills required testing. Mr. Heaton responded that only the Eastern and Central landfills will need monitoring, not the C&D landfill.

7. Otsego County Letter (a copy of which is attached to these minutes)

Mr. Heaton advised that Otsego County had sent a letter requesting information on what the Authority's vision and plans were for the future on a number of issues.

Mr. Skowfoe remarked that estimates of numbers can't be made for questions one and two at this time until we get our feet on the ground and have a new transportation and disposal contract in place.

Chairman Thayer remarked that the County Board is wrestling with the questions as to whether it should stay with MOSA or go out on its own. He went on to say the answers to the questions should be reflective of the County being better off staying with MOSA.

Mr. Wesnofske noted that the questions are very specific and some information could be given; he offered example answers to some of the questions as follows:

1. *Does MOSA anticipate a reduction in the \$21.80 per ton in overhead costs in 2010?* Perhaps, but minimal at best until we know how things go this year.
2. *What does MOSA estimate the per ton fee will be in the new T&D contract and what would MOSA overhead be?* The Sullivan County information could be provided as an estimate of a new per ton fee. At present, current overhead costs would continue until other possibilities are investigated. *What landfills are being targeted?* No particular landfills are being targeted; MOSA will look for ones that provide the most reliable service and economical disposal rates.
3. *Does MOSA see the need for continuation of the hauler subsidy after 2010? If so, at what level and for how long?* This is an Otsego County decision to make, not MOSA's. It is up to Otsego County's judgment whether it is adequate, inadequate or if no subsidy is needed as well as how long to continue subsidies.

Mr. Heaton remarked that a positive spin can be put on answers, but the reality is there are no definitive answers at this time.

In answer to question 8, regarding a MOSA plan for its own disposal facility, Chairman Thayer remarked that unless there was a Service Agreement in place beyond 2014, he thought not. Mr. Skowfoe agreed as did Mr. Wesnofske who stated there was no plan for a disposal facility.

In answer to question 9, *Will MOSA consider joining the Capital District solid waste planning initiative?* Mr. Wesnofske noted that it is a possibility if the planning initiative ever comes to maturity.

In answer to question 10, *Does MOSA see the need for the issuance of new bonds?* Consensus of the Board members present is, not at this time.

In answer to question 11, *Will MOSA depend on the Counties enacting flow control?* Ms. Podmajersky remarked, no way. Mr. Wesnofske disagreed, stating that he believed it might be a possibility if the Authority could not maintain the flow of enough garbage through its facilities to keep it viable. He continued, saying the Authority might request the Counties enact flow control if it becomes uneconomical to operate the facilities.

Mr. Heaton remarked that this discussion ties into questions 4 – 6 regarding future plans for improvements and changes at the NTS, OTS and other transfer stations. Mr. Heaton noted that from an economical standpoint, if a private industry was operating the Authority, it wouldn't continue to operate NTS, WTS or STS; however, we are charged with providing services to the three County area. We will continue to operate the facilities in the most cost effective way as possible.

Chairman Thayer remarked that it is possible to tie flow control to a new Service Agreement; it could be a provision for removal of the GAT from the Service Agreement, in that you require the three Counties to implement flow control within the service area.

Mr. Wesnofkse remarked that the Authority's attorney, Ms. Chale, had recommended the same during a conversation he had with her regarding the Service Agreement Hans Arnold had drafted. Ms. Chale had asked what the Counties plans were. Mr. Wesnofkse advised that he had suggested MOSA take a lead in articulating what the Service Agreement innovations should be rather than just allowing the Counties to do so without MOSA input.

Chairman Thayer noted that there is a three County meeting coming up on February 25th to which the MOSA Board has been invited, and suggested having this conversation at the meeting. The Counties have needs, MOSA has requests and we need to meet in the middle and work with each other; however, in order for MOSA to keep functioning, it needs sufficient volume to make keeping those transfer stations open worthwhile. Mr. Wesnofske remarked that this has been the message for some time and if it becomes the focus, maybe the Counties will listen.

Chairman Thayer remarked that Montgomery County had just taken action to reduce its subsidy from \$20.50 to \$10.00 partly to taint MOSA again. He continued, saying that if the perception is out there that the County will have to pay a shortfall again; it keeps the argument alive that in 2014 they need to be out. He believes that is the reason the subsidy was reduced last month at their board meeting.

Mr. Heaton noted that he did not have a problem answering Otsego County's questions; he just wanted Board input on them.

Mr. Skowfoe remarked that he liked Mr. Heaton's proposal on NTS changes after visiting the site last week.

Mr. Heaton remarked that he could talk about NTS today if the committee liked. Chairman Thayer noted that it concerns Otsego County and asked Mr. Heaton to review his proposal.

Mr. Heaton handed out a report that gave an evaluation of and proposal for increased services at the NTS, a copy of which is attached to these minutes. Mr. Heaton reported that:

- For a long time, Otsego County has wanted the NTS to reopen with additional services to allow commercial deliveries.
- An evaluation of the site was performed by maintenance staff and operations staff, with commercial haulers running some commercial trash through the site on a day the transfer station was closed to other customers.
- The report gives a history of the site, identifies costs and budget impacts and addresses equipment and facility issues/needs.

- Cost wise it does not make sense to reopen the site to commercial haulers; however, from a public relations and service standpoint it does make sense.

Chairman Thayer wondered if it would impact the amount of bag waste received at the OTS on a Saturday, but noted that it shouldn't because the NTS is already opened on Saturdays.

Mr. Heaton stated that the planned work schedule at the NTS was to be Tuesday through Saturday. He noted that currently, with the current employees; we are only short by about a day. It does shift some of the tonnage out of Oneonta. Mr. Skowfoe agreed and said when he visited the OTS, staff had made mention that reduced bag waste would make operation easier at the site on Saturdays by reducing some of the burden of high volume on that day.

Mr. Skowfoe asked about equipment repair costs. Mr. Heaton noted that a listing of repairs and other projected costs of extending and expanding the NTS usage was attached to the report; he estimates the total costs to be approximately \$10,000.

Mr. Heaton reviewed the list and related costs for each item. (a copy of which is attached to this report) He noted that the STS is currently overstaffed by one employee and two part time employees work at the NTS at the current time; he suggested that some adjustments could be made there to facilitate necessary coverage at the NTS.

Chairman Thayer inquired as to whether additional full time staff would be required. Mr. Heaton responded that he planned on utilizing part time staff over full time staff at the site until operations had been fully tested.

Chairman Thayer asked if there was a 29 hour per week limit for part time staff; Mr. Corrigan advised that if possible, part time staff hours are kept to less than 20 hours; however, this isn't always the case.

Mr. Heaton also noted that volume at the site is seasonal and the summer is the busiest time due to the increase in the number of summer residents.

Mr. Skowfoe remarked that he thought reopening the site might appease some of the Otsego County representatives. Mr. Heaton responded that it is not just about appeasing Otsego County, but the bigger question is shouldn't we be operating transfer stations in areas that want the service and are within the service area.

Mr. Wesnofske noted that the Authority has the obligation to have a presence in Northern Otsego County. Ms. Podmajersky noted that it did; as a convenience station. Mr. Wesnofske remarked that he wasn't necessarily interested in having the NTS return to accepting commercial deliveries, but was in favor of giving the County increased services. Ms. Podmajersky remarked that she would like to give them something else too but we don't have the money to do so.

Chairman Thayer remarked that for years the Authority had reduced services and that in order to take a step forward and keep MOSA alive, it should provide services that will make the County want to keep us in business. Ms. Podmajersky asked if it had to be the NTS. Mr. Wesnofske remarked that was the County's

current focus and was a priority to get some of the haulers in Northern Otsego County coming back to MOSA.

Mr. Skowfoe stated that Mr. Heaton had put on quite a presentation at the NTS and asked him to elaborate on what occurred at the site.

Mr. Heaton remarked that it was all MOSA staff and that they had done a good job going through the compactor and the entire facility.

Mr. Skowfoe noted that Mr. Heaton had a recycling plan for the site as well; he asked him to review his plan with the committee.

Mr. Heaton stated that he believes there is an opportunity to save Otsego County significant money by taking over their recycling operations at the NTS site. He believes there should be two compactors at the site, one for paper and one for comingled. He also noted that some of the Otsego boxes, for instance Richfield Springs, which is currently delivered to the OTS could be more cheaply transported directly to Utica.

Mr. Wesnofske explained the reason for doing so was that a variety of vendors were used to move boxes from different locations to particular sites in order for the County to remain independent. He went on to say that he agreed that if the County wanted a permanent solution it would have to look at other options. Mr. Heaton remarked that MOSA was here to offer other options. Mr. Wesnofske noted the possibility had been discussed previously and Otsego County had said they did not want MOSA involved in its recyclables; they have already messed up the garbage.

Chairman Thayer noted that previously, recycling had been done at no charge, and there was no revenue generated whatsoever; there is a cost associated with recycling and someone will have to bear that cost.

Mr. Heaton asked if, with regard to the NTS, it was our desire to serve our participating Counties with what they request. He went on to say that in attending Otsego County Solid Waste committee meetings, understanding what they are asking for is clear.

Mr. Wesnofske remarked that if the Authority wants to get into the good will business, he will not stand in the way but there is also an economic factor to be concerned about down the road. He continued, saying you may even want to cut back or to use it as a bargaining chip for the Service Agreement.

Chairman Thayer noted that if the NTS is open during the week and the commercial haulers are not going to Oneonta, and they are going to Northern, is there a potential that you could utilize some of your personnel from Oneonta to fill Northern? He noted that it was the same waste, just going to a different spot.

Mr. Heaton explained his staffing plan as sending one full time supervisor to the site and spreading out the hours of the existing two part time employees, who currently work on Wednesdays and Saturdays, and adding additional part time hours one day to cover the rest of the week. He noted that after seeing how the staffing at both Oneonta and Northern work out, he may be able to adjust Oneonta's personnel budget for 2011 by adjusting part timers.

Chairman Thayer noted that in looking at the map of Otsego County and the location of the NTS, it appeared there was the possibility of an influx of additional commercial tonnage at the site.

Mr. Parker asked if everything would be directed onto the compactor floor. Mr. Heaton responded that his plan was to keep residential customers separate from commercial haulers by directing them to the tip wall; the only exception would be the occasional load of C&D that would have to go over the tip wall, which should not be run through the compactor. That is an operational issue the site supervisor can handle at the time it occurs.

Mr. Skowfoe remarked that some of the repairs that are necessary come from neglect and he was impressed with the difference at the site from the last time he was there.

Chairman Thayer asked if Mr. Heaton was looking for a recommendation from the Board to pursue this proposal. Mr. Heaton replied that he wanted to know if the Board was interested in pursuing this proposal; he made note that there is interest from Otsego County. Chairman Thayer remarked that he believed MOSA should pursue this plan. Mr. Wesnofkse stated that he would follow his lead on this.

Mr. Heaton stated that he believed it was a reasonable amount of money to spend to get the operation up and running again.

Chairman Thayer made a motion to recommend the proposal to the full Board for consideration, Mr. Wesnofske seconded and on voice call the motion carried.

Ms. Podmajersky remarked that the cost of opening the site would have to come from the \$500,000 in the Asset Management Fund. Ms. Corrigan noted that many of the costs associated with reopening the site are for repairs and maintenance that are too low to come out of that fund; she suggested they may be funded from the roll-off hauling revenues taken in earlier this year or come out of repairs and maintenance. She did note that most these items had not been part of budgeted expenses for 2010; however, the scale replacement was a budgeted item.

8. 5 year Plan

Chairman Thayer asked Mr. Heaton to give a brief synopsis of his 5 year plan.

Mr. Heaton asked the Board to review the 5 year plan handouts at their convenience and give him feedback and recommendations or suggestions. He noted that he was currently following the larger document entitled, "Scheduled Direction", and asked if anyone disagreed with his direction or had other ideas, to please let him know.

Ms. Podmajersky asked what the difference was between the two sheets; Mr. Heaton advised that the shorter of the two documents was a summary and timeline of the more detailed document.

Chairman Thayer remarked that sometime soon discussions should begin regarding MOSA post 2014 and the following should be considered:

- Cooperation of the three Counties will be necessary.
- DEC will play a large role in determining MOSA's future post 2014.

- MOSA may become part of the Capital District Solid Waste Authority or another entity, which is unknown to us or non-existent at this time.
- Discussion of a landfill or other local method of disposing solid waste will need to occur. Mr. Wesnofske remarked that would be a very short discussion, unless DEC forces the issue; he suggested it would probably be a burn plant rather than a landfill.

Mr. Parker remarked that a small private company that is self-funded may want to come in to talk to the Board about the possibility of operating a mini waste to energy plant in the area. He would research the name and a contact person representing the company.

Mr. Skowfoe asked about the gasification project at the college and noted that there was no reason it had to be built at the college but could be built here instead.

Mr. Heaton made note that more than likely, nothing would happen until the Albany landfill closes and creates the impetus to do something else. He believes what happens with the Saratoga County landfill will also have an impact, as it is not currently taking in waste; a larger percentage of Saratoga County waste ends up at the Albany landfill.

Mr. Parker noted there was another consideration and that was a commercial entity that has the money up front to build a facility, take in garbage from all around, make money from it and provide a reasonable source for Authorities like us or Albany.

Chairman Thayer remarked that it depended on how long this local plan keeps going; he noted that DEC is striving for everything to be local because they want to do away with the greenhouse gas effect. As the political winds change, you may see that change as well.

Mr. Wesnofske noted that one of the things Sullivan County faced with the DEC after they submitted their environmental impact statement was that DEC made them go back and look at the gases being output from trucks transporting waste to landfills. He remarked that no one will be able to escape this type of thing in the future.

Ms. Podmajersky noted in the 5 year plan that Mr. Heaton had the Solid Waste Management Plan (SWMP) spread out over a three year period, beginning with the first quarter of this year and completed in the fourth quarter of 2012. Mr. Heaton remarked that the approval process through DEC was complicated and time consuming.

Ms. Podmajersky asked what information was being used to establish the SWMP. Mr. Heaton responded that step one is revisiting the previous SWMP and step two is to identify where we want to go in the future. He noted that the previous SWMP had the Authority building a landfill and a number of other options. Chairman Thayer remarked that he recalled it included siting a landfill and opening it by 1998. Mr. Heaton continued, saying he did not have the answers to a new SWMP today and believes we need to work through it. Ms. Podmajersky remarked that according to his plan, he had the first quarter to do it.

Ms. Podmajersky also noted that the Service Agreement did not show up in the plan until 2013. She inquired as to what Hans Arnold was doing on the Service Agreement. Mr. Wesnofske replied that he is employed by the three Counties to work on it.

Chairman Thayer remarked that with the budgetary concerns the Counties are seeing, they might not be too quick to change the Service Agreement once they figure out how much more it is going to cost them versus the Post Closure Agreement. He believes Mr. Arnold will be charging them quite a bit more than he did for the Post Closure Agreement. Mr. Wesnofske agreed noting that the amount work and time involved may have gotten the best of him.

9. Other Business

Chairman Thayer noted that the three County meeting was being held at MOSA's main office on Thursday, February 25th at 5:00 p.m. and that members of the MOSA Board were invited to attend. Chairman Thayer asked if there was any other business; none was brought forth.

10. Closing

Chairman Thayer made a motion to adjourn, Mr. Skowfoe seconded and on voice call, the meeting adjourned at 3:25 p.m.

Respectfully Submitted,

Judith Beeler,
Confidential Secretary