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## WALLINGFORD REGIONAL SOLID WASTE PROJECT POLICY BOARD

### Minutes of a Meeting of the Policy Board held on January 16, 2013 at Wallingford Town Hall

A Meeting of the Policy Board of the Wallingford Regional Solid Waste Project was held at the Wallingford Town Hall on January 16, 2013. Present at the meeting were Larry Kendzior, City Manager of Meriden; William W. Dickinson, Jr., Mayor of Wallingford; Michael Freda, First Selectman of North Haven; Michael Milone, Town Manager of Cheshire; and Scott Jackson, Mayor of Hamden.

Others in attendance were: Matt Venturi and Mary Ruder of Covanta Energy; Pam Roach, Hamden Solid Waste and Recycling Coordinator; Doreen Zaback, Wallingford Regional Solid Waste Project Coordinator; Don Roe, Wallingford Program Planner; and Wallingford resident Bob Gross.

The meeting was called to order at 9:07 a.m. by Chairman Freda. Mr. Kendzior arrived at 9:10 a.m. and Mayor Jackson arrived at 9:20 a.m. Pam Roach represented Mayor Jackson until his arrival.

#### ***I. Approval of October 17, 2012 WRSWP Meeting Minutes***

**Michael Milone motioned to accept the minutes from the above-referenced meeting; Mayor Dickinson seconded the motion. The motion was unanimously approved.** Mr. Milone and Mr. Freda commended Ms. Zaback on the high quality of her work products.

#### **II. Project Update**

##### ***A. Report on Waste Volumes and Plant Operations***

Mr. Venturi distributed the Operational Report (see Attachment 1) and stated that overall the plant was operating well. There was a small increase in tonnage for the last quarter and production-wise, December was a very good month due to good maintenance outages and high availability. Mr. Venturi said the plant has also gone over a year without any OSHA recordable issues.

##### ***B. Enforcement Activities***

Mr. Venturi distributed the Notice of Violations for the last quarter (see Attachment 2). Mr. Venturi said in addition to these violations, there have been some recent instances of improper tarping of the Southern Pallet vehicle.

##### ***C. Environmental***

###### **1. December 2012 Unit 2 Stack Test Update**

Mr. Venturi reported that the results of the December stack testing of Unit 2 were very good. The results of the three samples taken were 1.6, 1.2, and 1.5 ng/dscm.

**2. Solid Waste Permit Update**

Mr. Venturi reported that Covanta is waiting to get the signed permit back from CT DEEP. Covanta has listed the phone number for odor complaints on the sign at the Wallingford plant.

**3. Status of Transfer Act Monitoring**

Mr. Venturi distributed the expense report for activity for the last quarter (see Attachment 3).

**4. Title V Permit Update**

Mr. Venturi said the Title V Permit renewal was been submitted to CT DEEP in December. Ms. Zaback asked when he thought Covanta would have some kind of response from DEEP. Mr. Venturi said he expects they might have some first draft responses in March.

**III. Legislative Overview**

**A. State**

**1. Move WTE facilities from Tier 2 to Tier 1 in CT Renewable Portfolio Standards/other options to support above market rates for WTEs**

Ms. Zaback reported that we could see such legislation due to the financial problems CRRA is having. Because of the glut of natural gas in the country and the subsequent low rate for electricity, electricity generated in resource recovery facilities is selling at a much lower rate than in previous years. Mayor Jackson added that DEEP Deputy Commissioner McCleary has indicated that he would not be in favor of such legislation.

**2. Incentivize/Mandate Unit-Based Pricing**

Ms. Zaback reported that implementation of unit-based pricing of solid waste was a recommendation from the Governor's Recycling Working Group. She said there has been some mention of proposing legislation to increase the number of Pay-As-You-Throw (PAYT) pilot projects and even mandating PAYT by 2017. Ms. Zaback suggested that the Policy Board might want to consider volunteering for a PAYT pilot since the five towns are so diverse in the manner in which they collect and pay for solid waste collection.

**3. EPR – mattresses and carpet**

Ms. Zaback said legislation will certainly be proposed again this year for a mattress EPR bill. She said that this is one of the priorities of Hartford Mayor Segarra. Ms. Zaback added that we might see proposed legislation for a carpet EPR bill as well. She said to date, she has not seen a lot of solid waste related legislation proposed, with the exception of a recent proposal to require all container collection facilities, including grocery stores, to accept all containers, not just those brands sold in their stores.

**4. Any issue Policy Board would like to focus on?**

Mr. Freda said there is a push by the state to recover more materials from the solid waste stream. He said the state is trying to get people thinking about the value of materials that can be extracted from the waste stream and North Haven is certainly considering was to convert a cost into potential revenue. There was discussion of the possibility of five towns collectively changing the way recyclables are disposed of in the future. It was noted that it would be a challenge because each town has different contractual obligations and timelines.

**B. Federal**

Nothing to report.

**IV. Solid Waste Management Best Practices/Emerging Trends**

**A. *Recovery of Metals from Ash Monofill.***

Ms. Ruder reported that Covanta has partnered with TARTECH Eco Industries AG for the recovery and recycling of ferrous and non-ferrous metals from WTE ash monofills in North America (see Attachment 4). Covanta is currently looking at areas in Massachusetts to do landfill mining to recover metals. Testing is ongoing in Peabody, MA, but Covanta will be looking at other potential sites in the future. Mr. Milone asked if CT DEEP has provided any more information to Covanta as to whether they would permit towns to go back into a closed landfill for metals recovery. Ms. Ruder said she knows that is in the works, but Cheryl Thibeault would need to answer with more information.

**V. Project Coordinator Report**

**A. *Update on Solid Waste Contract Negotiations in Connecticut***

Ms. Zaback again mentioned that the CRRRA Mid-Conn project ended on November 15, and a number of those towns have gone out and signed contracts with alternative solid waste contractors or handlers. A number of towns have contracted with Covanta; since November 15, we have accepted waste from Newington, Southbury, and Madison/Guilford started in July. Ms. Zaback

mentioned that West Hartford left CRRRA and signed with Covanta. She added that the Bristol towns have just recently renegotiated their contracts with Covanta. All the BRRFOC towns have signed with Covanta as of January 1. These are 20-year contracts and their tip fees will reportedly start at \$60/ton, with certain other rebates. According to news reports about the various towns, for example Plainville, they will receive a \$1.00 rebate for every ton of waste they send to the Bristol facility. Plainville is also reporting some sharing of electric revenue as well, but details of that are unknown at this time.

Currently, the WRSWP member towns have the highest tip fee in the state at \$67.90. We may anticipate another 2% increase, although Ms. Zaback said she was unsure as to how the CPI was tracking, but could be looking at tip fees in the \$68-69 range July 1, 2013. Mr. Kendzior asked what we had in the solid waste agreement in terms of the most favored nation status. Ms. Zaback responded that refers to contracts of at least 5 years and the waste had to be coming to the Wallingford facility. She added that she has been looking at the new contracts and she doesn't believe we could implement the most favored nation clause. Ms. Zaback said the WRSWP does get to reset our tip after 5 years, so we will be looking at higher tip fees for a few years going forward, but then can reset and will be more in line with other project throughout the state. Towns that have renegotiated with CRRRA are now paying in the \$60-62.50 range depending on the types of contracts that they signed. Bridgeport towns that are organized by CRRRA are still paying about \$65/ton.

Mr. Kendzior asked if we had any evidence that our waste is going anywhere else. Ms. Zaback said she did talk to Cheryl Thibeault about the solid waste report and she said Covanta did see a drop off at the end of December. Ms. Zaback said it is uncertain if we will see this continue or if it will be like other months where we have seen tonnage decline and then pick up again the next month. It is something that we need to keep an eye on.

Mr. Gross asked what the other towns such as Newington are paying in tipping fees; if they are paying the \$67 tip fee. Ms. Zaback said no, that those contracts with Covanta were set at anywhere from \$58 to \$60/ton.

**B. Discussion on Funding Mechanism for Cost of Future Stack Testing (House Bill No. 6001, 6/12/12 Sp. Sess., Public Act No. 12-1)**

Ms. Zaback said she wanted to open discussion of future stack testing with the Policy Board. As a result of the aforementioned legislation, the state will no longer reimburse waste-to-energy facilities the cost of annual stack testing. Previously, this was paid out of funds collected from the dioxin tax that was imposed on solid waste disposed of in the state of Connecticut. This is considered a change in law and the project will now be responsible for covering the cost of the annual stack testing. That cost is based on the number of units at a facility; in Wallingford there are 3 units and it is anticipated that the total cost will range from \$60,000-\$75,000. This will be an annual cost to the project moving forward.

Ms. Zaback said we have some options, we could propose legislation to repeal House Bill No. 6001, although the outcome of this route is uncertain. Ms. Zaback said we do have the reserve fund which now has just over \$2 million dollars. Mr. Kendzior asked the cost of the stack testing. Ms. Zaback said it could be anywhere from \$60,000-\$75,000 each year. Mr. Freda asked what the add-on fee would be if we chose to fund it that way. Ms. Zaback said we sent about 135,000 tons to the Wallingford facility last year so the add-on fee would be about \$0.50/ton. Mr. Kendzior said he assumes that state just scooped up the funds. Ms. Zaback said she said she is unsure what happened to the funds, but assumes that is what happened. Ms. Ruder said Covanta would pick up the first \$25,000 of the stack testing and Ms. Thibeault communicated to her that the remaining cost to the towns would be about \$35,000. Mr. Freda said that another option for us is to use the reserve funds we currently have available. Ms. Zaback said that is correct, the language of the reserve fund agreement says the funds may be used for such purposes as changes in law, recycling programs, studies, etc. but this is certainly open for discussion. Mr. Freda clarified that the reserve fund balance was currently at \$2 million and asked if there had been any debits from the fund. Ms. Zaback said the balance was correct, and there have been no debits.

Mr. Milone said he felt we should wait to see what we will be facing for a tip fee increase before we decide. Mr. Freda said he agreed. Ms. Zaback said the reason she wanted discussion today was that according to the language in the 1<sup>st</sup> Amendment to the Solid Waste Agreement, we need to provide Covanta in writing of any add-on fee by March 1. Mayor Jackson asked when the stack testing is conducted. Ms. Zaback answered that it is usually done in May; Mr. Venturi said it is actually scheduled for June of this year. Mr. Kendzior asked if any other projects or Covanta has the stack testing cost issue on their legislative agendas. Ms. Ruder said that Covanta is looking at this. There could be some other legislation that looks to broaden the dioxin tax to include waste that sent out of state and then use those additional monies to fund stack testing, but the outcome of such proposed legislation is unknown. Mr. Freda said that due to circumstances, the Policy Board does need to make some kind of decision today.

Mr. Freda asked if we are able to add to the reserve fund with a tip fee add-on. Mr. Kendzior and Ms. Zaback said yes. Mr. Freda said he thought it was best to take money out the reserve fund to pay for stack testing because we can always go back to implement an add-on fee in future years. Mr. Kendzior said it was his recollection of the reserve fund agreement that when we needed to use monies for a change in law that we had a period of time that we had to replenish the fund. Ms. Zaback and others said that is correct. Ms. Zaback added that CRRA is supposed to be making a \$663,000 disbursement to the member towns in the near future. Back in October CRRA had indicated that the money would be released in November or December, but to date, we haven't received the money. She said that there had been some email discussion among the Policy Board members that perhaps half of that money should go to the towns and the other half should go toward the current reserve fund. Mayor Dickinson said this might

be a way to add to the reserve fund if we are going to take operational costs out of the reserve fund for a couple of years. Mr. Kendzior asked when we will be getting the funds from CRRA. Ms. Zaback said she has sent emails and made phone call to Jeff Duvall of CRRA, but he hasn't responded. It was suggested by Mr. Milone that the Policy Board authorize Ms. Zaback to write a letter to CRRA on behalf of the Policy Board inquiring about the funds, or to have the Policy Board members sign the letter. Mr. Kendzior suggested that the letter should go the chair of the CRRA Board of Directors and have each Policy Board member sign the letter.

After discussion of the costs and responsibility of the WRSWP towns to pay for future stack testing, the following motion was made.

**A motion was made by Mayor Dickinson and seconded by Mr. Kendzior to direct Ms. Zaback to draft a letter to the CRRA Board of Directors Chair inquiring as to the timing of the reserve disbursement that was expected in December 2012; the letter would be signed by each Policy Board member. In addition the Policy Board directed Ms. Zaback to draft a letter to legislators of the representative member municipalities asking to reinstate the funding of stack testing at waste-to-energy facilities through collection of the dioxin tax. The motion was unanimously approved.**

There was also some discussion of other monies CRRA is holding. For instance, the \$500,000 in escrow for the Transfer Act activities. Mr. Roe added that there are additional monies that are held by CRRA, such as those for landfill post-closure monitoring. Mr. Kendzior asked about the legal status of those funds if CRRA is in such financial difficulty that in some future time they may not be financially viable, perhaps it is in our interest to have someone look at this to see if we start to do something about ensuring the return of these funds. Policy Board members generally agreed; Mayor Dickinson pointed out that that in terms of the landfill, DEEP will be very concerned that these funds are used for the landfill. Mr. Milone suggested we ask about other funds in our letter to CRRA. Mr. Freda said it would be helpful to have a recap of funds CRRA is holding and disbursement. Mr. Freda asked Ms. Zaback to get that information. Ms. Zaback said she does have some financial data that was sent by CRRA in October and she will forward that to the Policy Board members.

Mr. Milone also asked Ms. Zaback to confirm what the costs for the stack testing will be and to calculate what the add-on fee would need to be to cover that cost should the Policy Board elect to use that mechanism to fund stack testing. Mayor Dickinson said we could use some portion of CRRA funds to supplement the current reserve fund. It was mentioned that each town needs to have the approval of their legislative bodies to direct funds in this way. There was also discussion as to when the project would be responsible for the payment of the stack testing cost; it could be that the obligation may be July 1, 2014. Ms. Zaback said she would review the contract to verify that information.

## VI. Reserves

**A. WRSWP Interlocal Reserve Update**

**1. Additional Pay-In to Reserve**

Ms. Zaback again stated that there had been some e-mail discussion about adding a portion of the next CRRA reserve distribution that the member towns received to the Wallingford Project Solid Waste Participating Towns' Reserve Fund Agreement. Ms. Zaback asked the Policy Board members for discussion of what percentages or proportionate share they wished to use when adding to the fund in the future. The discussion centered on using the proportionate share that CRRA has used to make recent distributions and the initial pay-in to the reserve or to recalculate the shares based on member town tonnages for the past two years.

**A motion was made by Mayor Dickinson and seconded by Mr. Kendzior to use the same proportionate shares used by CRRA to an make an additional pay-in to Wallingford Project Solid Waste Participating Towns' Reserve Fund Agreement. The motion was unanimously approved.**

**VII. First Amendment to Municipal Solid Waste Disposal Agreement**

**A. Discussion and Possible Action of Add-On Charge Determination for FY2013/14**

Discussion previously covered.

**VIII. ADJOURNMENT**

The meeting was adjourned at 10:00 a.m.

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Doreen Zaback  
January 17, 2103