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APPROVED

WALLINGFORD REGIONAL SOLID WASTE PROJECT POLICY BOARD

Minutes of a Meeting of the Policy Board held on April 17, 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 April 17, 2013. Present at the meeting were Larry Kendzior, City Manager of Meriden; William W. Dickinson, Jr., Mayor of Wallingford; Michael Milone, Town Manager of Cheshire; and Pam Roach representing Scott Jackson, Mayor of Hamden.

Others in attendance were: Cheryl Thibeault and Ken Huebner of Covanta Energy; Doreen Zaback, Wallingford Regional Solid Waste Project Coordinator; Susan Hemenway of the BRRFOC; Don Roe, Wallingford Program Planner; and Wallingford resident Bob Gross.

The meeting was called to order at 9:08 a.m. by Acting Chairman Dickinson.

I. Approval of January 16, 2013 WRSWP Meeting Minutes

Larry Kendzior motioned to accept the minutes from the above-referenced meeting; Michael Milone seconded the motion. The motion was unanimously approved.

II. Project Update

A. Report on Waste Volumes and Plant Operations

Ms. Thibeault reported on tonnage for the period January to March 2013 (see Attachment 1). Overall for this contract year, member waste is down; with the addition of Newington, Southbury and Madison/Guilford the tonnage has stayed on par with forecast. There are several things driving the decrease such as increased recycling, the economy and an aggressive spot waste market, especially from the Mid-Connecticut project. CRRRA has been luring waste out of other projects with spot fees in the low \$30 range. This has the potential to lure commercial haulers away during those times.

Covanta is now seeing the waste robustly appear again. Tonnage seems to have returned to the facility on April 1, so Covanta is looking into which haulers decreased their tonnages to Wallingford. Covanta has heard that there might be delays at the Mid-Conn facility, so perhaps their spot market is off for now.

Ms. Thibeault pointed out the electrical rates as shown on the bottom of the tonnage report. She said Covanta is on the market rate basis and due to the influx of natural gas, pricing of electricity mirrors where natural gas goes; therefore what Covanta has realized in utility payments per megawatt-hours greatly fell. There was a bit of rebound in March, but can't really align it with temperatures. Covanta anticipates

pricing to be in the \$0.04-\$0.05 range for the rest of the year. This is a bit better than last year, which was in the \$0.035-\$0.037 range.

It was reported that Unit 3 just came on line yesterday after completing its spring outage. The next scheduled outage will be May 5.

Mayor Dickinson asked about the electric pricing, and whether the spike in March correlated with the period where natural gas went very high. Ms. Thibeault said electricity pricing follows natural gas, but she didn't check natural gas pricing in the last month. She said at some point she would like to get a Covanta presentation on the whole process of natural gas extraction and pricing and how it affects Covanta.

Larry Kendzior asked about the fall-off of waste on the residential side and whether Covanta could say that some haulers were at their typical levels. Ms. Thibeault said in March she identified one hauler, actually it's three haulers in a family run business that owns multiple companies, as controlling the lion's share of the waste volume that was missing, another was a smaller company that does commercial. Ms. Thibeault said residents were more impacted by the snow events. Mr. Kendzior asked if we had any idea of where the waste went shortly after the storms. Ms. Thibeault and Mr. Huebner said they thought they would see the waste return the week after the big snowstorm, but it never came back. Ms. Thibeault said businesses were not operating during the storms and that might have something to do with the reduced volumes. Mr. Kendzior asked if there was some action we should be taking in regard to those particular haulers; he said he believed we all have ordinances requiring them to bring waste to a certain facility. Ms. Thibeault said the trouble is that Covanta tries to follow these haulers into another facility, then alert that facility that they should not be accepting this waste and also remind the haulers that they need to come to Wallingford. She added that they have had several meetings with this hauler reminding them that they need to come here. These haulers seem to have returned.

Mr. Kendzior asked about electricity and out of curiosity, how Covanta goes about selling electricity. He said Meriden purchases electricity and they are paying more than \$0.04; is there an opportunity for the towns to direct purchase from Covanta. Ms. Thibeault said no, Covanta has looked into this, they have to go out to the grid. Due to the step up equipment needed, their options are very limited. She added that what consumers are paying is nowhere near what generators are seeing, so it is all being swept up in stranded costs, distribution costs and construction costs. Ms. Thibeault said this is not unique to the Wallingford project, it is seen at all projects. CRRRA is looking for financial relief from the state due to the results of their recent bid. They have come out with a letter to the Governor's Office dated two weeks ago that if they don't get some kind of relief, they will have to close their operation in

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2014. Mayor Dickinson said that's what is part of this legislation that's calling for electricity from mass burn facilities to be treated as a renewable energy and every generator must have a portfolio that has a certain percentage of this energy and must be purchased at a higher price. Mr. Kendzior said that he knows CT DEEP is not supporting reclassification. Ms. Zaback stated that the bill is not moving anywhere. Mayor Dickinson said the industry has to be willing to re-regulate; he said as it is, nuclear plants are making \$0.10-\$0.12 per kilowatt and they are producing at \$0.02 - this makes no sense.

B. *Enforcement Activities*

Ms. Thibeault said enforcement activities have been light. She does not have a printed report due to a technical difficulty. There have been a couple of fines, there have been a couple of uncovered loads and a reload from Fabio. Fabio was advised to come pick up the material, they didn't come in on a timely basis and they were issued a fine letter. Covanta has been working with one hauler from the area who routinely has to be shut off because of failure to tarp. Ms. Thibeault said she would get the report to Ms. Zaback

C. *Environmental*

1. *Solid Waste Permit Update*

Ms. Thibeault said Covanta has not received the permit yet from CT DEEP. They feel it is imminent as there have been no further comments or changes, so at this point, they are just waiting for the permit writers to get it to them.

2. *Title V Permit Update*

Mr. Huebner said the permit has been submitted and accepted and is pending draft comments.

3. *Status of Transfer Act Monitoring*

Ms. Thibeault distributed the latest groundwater monitoring report and invoices (see Attachment 2); she said they are getting close to the end. Covanta anticipates three more quarters of groundwater testing due to a small spike on cadmium in one of the wells. The LEP recommended they do additional testing, which they did. This testing indicates the cadmium has disappeared, so it seems to be a fluke. The options were to do soil testing immediately or do a couple more rounds of groundwater testing. Covanta collectively agreed with the LEP advice to go with the groundwater testing. Once they demonstrate four quarters without cadmium being detected, the LEP will be ready to file the final report.

In terms of the invoices, there is a charge of about \$8,200 for the abandonment of one well. This well was on land that was sold to BYK and BYK will reimburse Covanta the cost of the abandonment. Covanta is anticipating a couple more quarters and then hopefully we can put this behind us.

III. Legislative Overview

A. *State*

1. **HB 6531, An Act Preserving and Retaining the Environmental Benefits of In-State Resource Recovery Facilities**

Ms. Zaback stated that this bill has to do with the reclassification of electricity generated at WTE facilities as a Class IIA renewable and a guaranteed minimum pricing. She added that there has been no action on this proposed bill since the public hearing.

2. **SB 816, An Act Creating a Regional Composting Facility Siting Task Force**

Ms. Zaback reported that this bill is moving forward and is following the push by the governor's office and CT DEEP to establish a new large-scale composting facility or an anaerobic digestion facility. This legislation has language that lists representatives of each of the solid waste projects or authorities as members of the task force. A representative from the WRSWP is included. The Task Force would meet monthly and legislation calls for a final report to be completed in February 2014.

3. **HB 6437, An Act Concerning Mattress Stewardship Program**

Ms. Zaback reported this bill is moving forward and there is every expectation that it will pass and become a Public Act. There is tremendous support behind this from the large cities and towns in the state. She mentioned that Hamden was a big supporter of the bill. Upon passage and program implementation, there will be a fee assessed to the sale of every mattress sold in the state, which will then go toward a fund to establish a recycling program for used mattresses.

4. **Governor's Bill No. 6350, Transfer of \$30,000,000 from CRRA Landfill Post-Closure Reserves to the State of CT**

Ms. Zaback reported that both the Governor's Bill and the Governor's Budget-in-Detail, show a transfer of \$30 million from CRRA to CT DEEP as a result of assuming care and control of five CRRA Post-Closure Landfills. Ms. Zaback added that as soon as this information was released she contacted Peter Egan of CRRA and Diane Duva of CT DEEP to find out more information regarding this matter. Mr. Egan said he didn't know much about it at that time, and Ms. Duva indicated that she was not involved in these discussions.

Ms. Duva did say that she had suggested that CT DEEP, OPM and CRRA get together to discuss this, and that the affected municipalities should be pulled into the discussion.

Mr. Egan of CRRA sent an email on April 11, 2013 stating that the concept as presented to him is that DEEP, or some other state agency, will assume responsibility for CRRA's landfills. This would entail this entity becoming the permittee on the governing environmental permits, and the entity taking title to the parcels of land that CRRA owns. The State would also take funds in CRRA's landfill post-closure reserve accounts. Mr. Egan also added in his email that it was CRRA's understanding that this transaction may be effectuated by legislation and that to date, CRRA has not seen any proposed legislation. CRRA assumed that if the transfer of responsibility did happen, it would not happen sooner than July 1.

Ms. Zaback stated she had spoke with Jeff Duvall of CRRA on April 11. Mr. Duvall indicated that the balance of the Wallingford Landfill Post-Closure Reserves is currently \$6.6 million; \$1.6 million in a GASB-18 trust and \$5.0 million in a CRRA STIF account.

Mr. Kendzior asked that if after the post-closure period, would any remaining funds be eligible for distribution to the member towns. Ms. Zaback said that after the post-closure period, which we have about 24 years to go, any remaining funds should go back to the towns. Mr. Roe added that certainly under CRRA stewardship, remaining funds would go back to the towns. Mr. Milone asked what the genesis of this was. Ms. Zaback said she didn't know. Mayor Dickinson said the concern he has is that it is a nice some of money, similar to other funds that have been created for particular purposes, that get adsorbed and disappear when budget crunches appear. Both Mayor Dickinson and Mr. Kendzior asked Ms. Zaback to forward to them any information she had pertaining to this matter so that they would then be able to communicate with legislators and/or Deputy Commissioner.

5. SB 1081, An Act Concerning Recycling

Ms. Zaback stated that this bill is moving forward. The purpose is to increase recycling, provide incentives for unit-based pricing of solid waste disposal or pay-as-you-throw (PAYT) and regionalization of solid waste services, strengthening the wording on implementation of source separated organics recycling and registration of haulers by CT DEEP. Ms. Zaback added that the bill has been amended to remove the section regarding CT

DEEP registration of haulers because of the objection to this by haulers. She also stated that there is a push on the part of CT DEEP to move toward regionalization, specifically moving from the existing 14 regional government organizations to 8 organizations.

6. Stack Testing Costs Update

Ms. Zaback said at the direction of the Policy Board, she looked into the cost associated with annual stack testing. Ms. Zaback said the most recent data available for annual stack testing of all three units was from 2010, at which time the cost was about \$73,000. She added that Covanta's corporate office bids out services for stack testing each year and is done on a regional basis.

Ms. Thibeault said that Covanta had completed the bid process and awarded the contract to TRC. The TRC proposal is shown in Attachment 3. The total cost of the annual stack testing for 2013 will be \$57,150. Due to legislation passed in 2012, this cost will be the responsibility of the WRSWP member towns and other contracted users of the facility. Ms. Zaback mentioned that based on language in our Solid Waste Agreements with Covanta, Covanta pays the first \$30,000 each year due to change-in-law. In addition, based on current MSW generation data, the member communities are supplying about 85-90% of MSW delivered to the Wallingford Covanta WTE facility. As a result, the member towns will be responsible for about \$25,000 of the cost and that it will be billed starting on July 1, 2014. Ms. Zaback added that at the last meeting there was discussion as to whether this money would come out of the WRSWP Interlocal Reserve Fund or if the members wanted to implement an add-on fee to cover the cost. It was estimated that the add-on cost would about \$0.13 per ton. It was decided that the group would wait until final invoicing before determining the method in which this cost will be paid.

Ms. Zaback said that she did send letters to every legislator from the member towns concerning the 2012 legislation repealing reimbursement of stack testing costs. She indicated that Rep. Mary Fritz had contacted her and that she was forwarding the information to Speaker Brendan Sharkey for consideration. Ms. Zaback stated she had contacted Rep. Fritz for an update, but had not heard back.

B. Federal Nothing to report.

IV. Solid Waste Management Best Practices/Emerging Trends

A. *E-Covanta e-waste program*

Ms. Thibeault stated that E-Covanta was now one of six CT Certified Electronics Recyclers (CER) and that she had reached out each of the member towns about contracting for their e-waste recycling. She added that Covanta had signed contracts with 12 towns, one being Meriden. E-waste pickup in CT will be sent to their e-waste sorting facility in Bristol, then onto their dismantling facility in Philadelphia.

Ms. Thibeault also distributed information about Covanta4Recovery's "Secure Sustainability" Programs (see Attachment 4). She mentioned that all three Covanta facilities in CT are permitted to accept special waste, but not hazardous or medical wastes.

V. Reserves

A. *WRSWP Interlocal Reserve Update*

Ms. Zaback reported that the balance in the reserve account was \$2,003,455.05 and that she had forwarded this information to the finance directors in each town. Ms. Zaback added that if Policy Board members would also like to receive this information, they should let her know.

VI. First Amendment to Municipal Solid Waste Disposal Agreement

A. *CPI determination*

Ms. Thibeault distributed a draft Bureau of Labor Statistics table showing the CPI change for March 31, 2013: All Urban Consumers, Series CUUR0100SAOLE, Northeast urban, all items less energy (see Attachment 5). The year-over-year change is 1.73%. Because the Solid Waste Agreement between Covanta and the member towns invokes a CPI change with a floor of 1.75%, the FY 2014 tip fee be subject to a 1.75% increase. Therefore, the FY2014 will be set at \$69.09 per ton.

VII. Project Coordinator Report

A. *Discussion and Approval of Project Coordinator's Budget*

Ms. Zaback referred to the proposed Project Coordinator's budget for FY2014 (see Attachment 6). Ms. Zaback explained when she formulated the budget, the CPI was tracking at 1.8%. Mr. Milone moved to discuss the Project Coordinator's budget and was seconded by Mayor Dickinson. Mr. Milone asked why the salary

line item was increasing by 1.5% when the CPI was increasing at 1.75% and that he would recommend that the salary increase matched the CPI increase. Ms. Zaback stated this increase is what was expected for Town of Wallingford employees.

Mr. Milone motioned to amend the Project Coordinator's budget so that the salary increase from 1.5% to 1.75% to match the CPI. Mayor Dickinson seconded the motion. The motion was unanimously approved amendment.

Mr. Milone motioned to adopt the FY2014 Project Coordinator's budget with the approved amendment. Mr. Kendzior seconded the motion. The motion was unanimously approved amendment.

B. National Drug Take Back Collections – April 27, 2013

Ms. Zaback said that locally, these DEA sponsored collections will be held at the Wallingford Police Department and the North Haven Fire Department. Collection hours are from 10 am to 2 pm.

C. PaintCare Program

Ms. Zaback stated that due to legislation that was passed last year, we now have a Paint Stewardship program in Connecticut. The program will be implemented on July 1, 2013. As of that date, there will be an extra assessment placed on each can of paint purchased. The fee will range from about \$0.35 for a quart to about \$1.60 for a 5-gallon container. This fee will be used to fund the collection and recycling of paint. The program is for both latex and oil-based paint. Ms. Zaback said she contacted Lori Vitagliano of HazWaste Central to learn if they will be accepting latex paint starting July 1. Ms. Vitagliano indicated that she was unsure of the July 1 date as the PaintCare group still had not finalized their contract with a paint transporter at this time. Ms. Zaback said that there were about 55 retail paint stores interested in participating in the program, but as of yet no final list of participating retailers was available. Ms. Zaback added that ultimately, the towns should see their hazardous waste disposal costs decrease due to manufacturers now responsible for the recycling/disposal of oil-based paint.

D. WTE Tip Fees in CT

Ms. Zaback stated that FY 2014 tip fees of other projects are as follows: CSWS (CRRRA Mid-Conn) will range from \$61.00 to \$63.00, depending on the type of contract; SECONN (Preston) will be \$58.00, a decrease from \$60.00 as a result of use of tip fee stabilization funds; BRRFOC, will be \$62.50; Southwest Project (CRRRA controlled) will be \$67.77 plus a CPI adjustment. Ms. Thibeault added the CSWS

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tip fee could be subject to change depending on whether CRRA is successful in contracting with the State for the purchase of electricity at an above-market rate.

E. C-PACE

Ms. Zaback stated that Mr. Roe had asked her to look into this program, which is an energy efficiency program run by the CT Clean Energy Fund. Because municipalities function as the collector of project improvement costs, the Clean Energy Fund is able to provide funding to manufacturers and businesses at low interest rates. Because the program requires some filings by town clerks and billing by municipal tax collectors, the Clean Energy Fund will reimburse towns for their administrative costs. Mr. Milone indicated a number of Cheshire companies had expressed interest in the program so the town is considering participation. Mr. Kendzior stated that one business in Meriden has expressed interest.

VIII. ADJOURNMENT

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

Doreen Zaback
April 18, 2103