

NOT YET
APPROVED

**WALLINGFORD REGIONAL SOLID WASTE PROJECT
POLICY BOARD**

**Minutes of a Meeting of the Policy Board held on January 15, 2014
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 15, 2014. Present at the meeting were Michael Freda, First Selectman of North Haven; Mayor William Dickinson of Wallingford; Larry Kendzior, Meriden City Manager; and Michael Milone, Cheshire Town Manager.

Others in attendance were: Cheryl Thibeault of Covanta Energy; Joe Vitale of Covanta arrived at 9:26 a.m.; Doreen Zaback, Wallingford Regional Solid Waste Project Coordinator; and Wallingford resident Bob Gross.

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

I. Approval of October 16, 2013 WRSWP Meeting Minutes

Larry Kendzior motioned to accept the minutes from the above-referenced meeting; Michael Freda seconded the motion. Michael Milone abstained as he was not present at the meeting. The motion was approved.

II. Project Update

A. Report on Waste Volumes and Plant Operations

Ms. Thibeault reported that Covanta is going through reorganization and has moved the responsibility for bringing waste into the facility as far as spot waste, diversions, or bypass under the Waste Group, which reports regionally to Scott Peterson who has been with Covanta for many years. Joe Vitale has been handling these issues for the Wallingford facility effective November 1 and going forward. At this point we still have the waste coming in from the five member municipalities and also from Newington, Madison/Guilford, and Southbury (see Attachment 1). On occasion, depending on the volumes on the plant tip floor, Covanta may divert Southbury to Bristol and Madison/Guilford to Preston. Covanta has not had to divert Newington to date. Reasons to divert are scheduled outages or plant downtime.

Ms. Thibeault added that Joe Vitale is looking into what might be driving the tonnage anomalies we have seen over the past few months. They know that CRRA has very low spot rates in the \$20s in order to provide enough waste to keep the facility on-line. Ms. Thibeault did say that it is unusual to see the drop-offs we have seen in October and November. Overall, the plant had a scheduled outage of Unit 2 in December when superheater tubes were repaired. Unit 2 has been offline this week for about 48 hours due to a baghouse repair issue. The next scheduled outage is on Unit 1 for the last week in January for some superheater replacement, and Unit 3 will have a cleaning outage sometime in the February/March timeframe.

Ms. Thibeault also mentioned that energy rates have been unusually high in the last few weeks due to the extreme cold. Pricing has been trending down this week. Ms.

Thibeault added that while the price is up, she doesn't believe it will bring the yearly average up over the \$90/megawatt-hour. Mr. Kendzior asked what Covanta had recently been getting. Ms. Thibeault said she believed it was at one point about \$110/megawatt-hour but she didn't have the daily numbers.

Mr. Milone asked about the discrepancy between the numbers on the operational tonnage reports as shown in Attachment 1 and the actual billable tonnage Cheshire receives. Ms. Thibeault said that Ms. Zaback had sent her an email about this subject. Mr. Milone said he had a report of the discrepancies and the billables were about 158 tons less than what is shown on the operational tonnage reports. Ms. Thibeault said her staff was already working on this and she did not need a copy of that report. She went on further to explain that the initial report indicates that some trucks were miscoded as residential and they were clearly commercial, and that is being corrected. She has asked for a report on the vehicles and if they have been correctly coded. Ms. Thibeault said that some trucks are used for different purposes in different towns, so in some cases, a vehicle might not have a permanent classification. Mr. Milone asked if this issue was unique to Cheshire, or is it happening in all five towns. Ms. Thibeault said only one other town gets billed directly and other towns are billed through haulers. But, every truck is permitted with a number from Covanta and permit numbers for the member towns. Not every truck is permitted in every member town, and that is all programmed in. But the classification of trucks can vary from town to town; some trucks are clearly residential or commercial, but some trucks are used for both and that were discrepancies can arise. Ms. Thibeault said that she should have a resolution this week. Mr. Milone said the reason Cheshire is so concerned about this is that they went to the automated recycling program last year and they are tracking their tonnage very carefully with the expectation that they would see a 10% reduction in waste, so that is why the accuracy of these numbers is very critical to them.

Mr. Kendzior asked if this issue with truck classification could explain what is going on with the Meriden numbers. Ms. Thibeault said she thinks that the Meriden situation has to do with the switch with the hauler. Mr. Kendzior asked what would have happened because of that switch. Ms. Thibeault said she is wondering if they are diverting waste out to the project. But, she said, the hauler is billing Meriden. Mr. Kendzior said he is not sure if there is a one-for-one, but their bills are down also, so if the hauler is bringing it somewhere else, they are not charging Meriden for it, which makes no sense at all. Mr. Kendzior agreed that the problem does seem to have started when they switched haulers; he added that the commercial numbers are way up and Meriden hasn't added any commercial businesses. He thinks there has been a switch between the classifications as Meriden has more total waste this year than last year. Ms. Thibeault said the Meriden issue is harder to pin down because Trash Master has not given set trucks to Covanta, instead they will float trucks in and out, so this could be contributing to the problem. Ms. Zaback asked for clarification on "set trucks." Ms. Thibeault said they might use one truck one week, and another for that same route the next week. Mr. Kendzior added that Trash Master is not familiar with the routes, and especially in the center of the city the routes are a bit different, so that Trash Master

had to bring in extra trucks especially in October, to get the work done on time. Ms. Thibeault said she has asked Joe Vitale to look into this.

Ms. Zaback added that the Wallingford residential was way down by over 200 tons in November relative to the previous month and this is very unusual. Ms. Thibeault said October was the last month she was responsible for the waste; Ms. Zaback said that perhaps that is something that needs to be considered. Mayor Dickinson said that with Cheshire and North Haven, the towns with municipal pickup on residential, there is less or no variance than in those without municipal pickup. He said, to him, this could be an indication that trash is going elsewhere.

At that point, Joe Vitale arrived. Mr. Vitale said he hasn't had the opportunity to dig into this. Mayor Dickinson said that we really need to get a better idea of what is happening. And that we as a project may need to look at flow control issues. Mr. Kendzior said that our total tonnage for the year is up. Mayor Dickinson said for the last three months, Wallingford is significantly down. Mr. Kendzior agreed.

Mr. Milone said Cheshire hasn't done a bulk waste pickup for 5 years and their council members think that to some extent, this might be driving the waste volumes. Mr. Kendzior said that haulers won't pick up that stuff. Mr. Milone asked the other Policy Board members how often they do bulky pickups. Mr. Freda said North Haven does it twice a year. It is not done in Wallingford or Meriden. Ms. Thibeault said they have not seen a change in unprocessibles. Mr. Kendzior asked what is being seen at Covanta's other plants. Mr. Vitale said they are seeing about a 3% decline when looking at base tonnage. The Bristol plant was holding steady, but then there was one month with a huge unexplained drop; there was no indication that the waste was going to other plants. Ms. Thibeault said that recycling is playing a key role. Mr. Milone said that in Cheshire, they are seeing their recycling tonnage way up, but they are not seeing the corresponding decrease in waste tonnage. Mr. Kendzior said their recycling is up also.

Mr. Vitale said that when Covanta has looked at household tonnages, they are seeing the number going down; there is less being generated overall. There was a discussion in the role that packaging light weighting and overall change in the makeup of waste is playing in the composition of waste. Ms. Thibeault mentioned that the shift to closed waste containers may be responsible for some decreases in weight. With closed containers, less rain and snow gets into containers and trucks, with the end result being lighter loads.

Ms. Zaback mentioned that at the plant, there will be a shift to the use of an automated scale system in a month or so. There will be a learning curve for drivers on how to use the system. She mentioned that she spoke with Ken Huebner, plant manager, about the need to have a meeting for haulers and drivers to introduce the system to them so that we can avoid inaccuracies in weights. Ms. Thibeault said in the beginning of implementation of the new system, Covanta will have staff outside interfacing with the drivers.

B. Enforcement Activities

Ms. Thibeault distributed the violations report (Attachment 2). She stated that Mike Faniel is still actively inspecting waste. There has also been a frequent presence of a CRRRA inspector on the tip floor also. There have been some violations regarding cardboard and misrepresentations.

Mr. Kendzior stated that he was not familiar with the hauler, Latella Rubbish. Ms. Thibeault said the company is out of Orange, CT and is permitted in at least three of the member towns as well as handling all the collection for the Town of Plainville. Mr. Freda asked who CWPM was. Ms. Thibeault said they are part of Manafort of Plainville; Ms. Zaback added that they operate a volume reduction facility in Plainville and a lot bulky material goes there.

C. Environmental

1. Title V Permit Update

Ms. Thibeault reported that they had a public meeting with CT DEEP and the general public in December. Residents or anyone were allowed to make comments and raise questions. The public was also able to present written comments to CT DEEP through December 31, 2013. Covanta has received a recording of the hearing and are working with Lakiesha Christopher, the permit writer and Janice Deshais, the hearing officer, to determine who will answer certain segments. Derek Grasso is taking the lead for Covanta.

Ms. Thibeault said that Matt Venturi no longer has the role of Environmental Specialist for Covanta; he has gone back to an operational role as Chief Engineer in Bristol. Covanta is in the process of hiring a new Environmental Specialist.

2. Status of Transfer Act Monitoring

Ms. Thibeault said the Transfer Act is in the final stages. GZA is completing their report and Covanta should see a draft on or about January 17. Covanta will make comments and GZA will revise the report. Once Covanta has the revised report, Ms. Zaback and CRRRA will be provided with copies. The report will be filed with CT DEEP. Once DEEP accepts the report and has deemed the Transfer Act to be complete, then the escrow funds will be released. Mr. Kendzior asked what is in escrow. Ms. Thibeault and Ms. Zaback said there is \$500,000 in escrow of the Wallingford Project money. Once the Transfer Act with regard to the facility is complete, the towns will get that money back. Mayor Dickinson asked if this is part of the money that is to be transferred to the state. Ms. Zaback said no, these are separate funds. Mr. Kendzior asked if the funds might be expected to be distributed before the end of the fiscal year. Ms. Thibeault said the timeline is not really known. Ms. Thibeault distributed the latest Transfer Act expense summary report (see Attachment 3).

III. Legislative Overview

A. ***PA 13-285, Section 7: Operational Review of CRRA by CohnReznick***

Ms. Zaback said the Wallingford Project was responsible for 7.1% of the cost of this report. The budget for the report was not to exceed \$500,000; it has been projected that the report will cost \$460,000 although CRRA has not been billed by the state yet. CRRA is not sure what the final cost will be, so at this time, we don't know the cost to the Wallingford Project. Ms. Zaback said if the final cost is \$460,000, the Wallingford Project is responsible for \$32,600. Ms. Zaback said the report was finalized in November and there wasn't anything earth-shattering that came out of it. The report concluded that CRRA at present is not able to meet its budget with the revenues that it is currently taking in due to the decrease in the energy rates and because they have lost towns to private contractors. The report suggested that CRRA tighten its efficiencies; however some suggestions are not practical for an organization such as CRRA. It was also suggested that salaries are higher of those of similar organizations, that CRRA had more staff in administration compared to the similarly-sized Wheelabrator facility in Bridgeport and technology at the Mid-Conn facility being refuse derived fuel is not as efficient as mass burn facilities, and that if CRRA continues to operate on its current course will have a deficit of about \$10 million in 2015. CRRA disputed some of the assumptions CohnReznick used, especially the future energy pricing and said their deficit wouldn't be that large. However, at the same time CRRA admitted that they were looking at 8 years for the longevity of that plant. A few weeks later, CRRA came out with a transition plan that indicated they would put \$90 million dollars into the plant so that it would operate well over 10 years and they would pay for that through bonding, the use of reserves, and trying to secure more long-term contracts. CRRA also put a freeze on salaries and indicated there may be an increase in tip fees and proposed a decrease to the City of Hartford host fee benefit.

Ms. Zaback said she did have Jeff Duvall of CRRA provide the balance of reserves. Mr. Duvall indicated the Wallingford Project had \$500,000 in escrow for the Transfer Act and \$133,000 in the Project Closure reserves. The Project Closure reserve does diminish yearly with any legal fees and insurance costs for the landfill.

B. ***PA 13-184, Section 99 Update: Transfer of up to \$35,000,000 from CRRA to General Fund***

Ms. Zaback stated that according to Peter Egan, Director of Operations of CRRA, there has been no action on the transfer of these funds from CRRA to the General Fund. Mr. Egan has informed Ms. Zaback that CRRA and OPM continue to work on developing the memorandum of understanding (MOU) and that no funds will be transferred until the MOU has been agreed upon. Ms. Zaback added that Rep. Altobello of Meriden has requested documents pertaining to the landfill and has had meetings with OPM about the issue. Rep. Altobello indicated last week to Ms. Zaback that he was meeting with Sec. Barnes of OPM to discuss this matter; he is very interested in ensuring that the Wallingford Project towns receive any remaining funds once the landfill post-closure period is complete. Ms. Zaback said she did not know the outcome of the meeting

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between Rep. Altobello and Sec. Barnes. Mayor Dickinson noted that Rep. Altobello's action is a result of the letter the Policy Board sent to Governor Malloy.

C. Possible Carpet, Battery Producer Responsibility Programs

Ms. Zaback said CT DEEP is looking at continued implementation of new product stewardship or producer responsibility programs. CT DEEP recently awarded an \$180,000 contract to the Product Stewardship Institute to consult on the initiation of new programs. Programs that have been mentioned include carpet and household batteries. There was some talk of a tire producer responsibility program in light of the abrupt closure of the tire incineration plant in Sterling, CT. There has been a recent press release that the facility has been bought and we be reopened. In any case, the state of CT is very interested in implementing more programs as a means to remove materials from the waste stream and reduce solid waste budgets for municipalities. Ms. Zaback stated that she has not received any reports on how much paint has been collected through the new PaintCare program and how much money has been saved through hazardous waste programs. She hopes to have some of that data after the next HazWaste Central meeting.

D. Other Legislative Issues of the Policy Board

Ms. Zaback asked Policy Board members if they had any issues they would like raised in the next legislative session that begins on February 5. There were no issues raised.

Mr. Vitale said he believed CRRRA did a presentation of PAYT programs and wondered if there were any grants available for towns to implement a program. Ms. Zaback said there was a grant funded through DEEP by EPA for towns to implement programs. The deadline for that grant was Dec. 16, 2013. Ms. Thibeault said towns have not heard what towns have been awarded the grant. Mr. Milone asked how much the grant was for. Ms. Zaback said that towns could apply for up to \$50,000, but the award would be based on the size of the community; so a town like Cheshire would not expect to receive the maximum of \$50,000 unless the proposal was very strong.

IV. Solid Waste Management Best Practices/Emerging Trends

A. Covanta/Turning Earth Anaerobic Digestion Facility Partnership

Ms. Thibeault distributed the Covanta press releases pertaining to the partnership (see Attachment 4) and reviewed the major aspects of the project. Ms. Thibeault said the facility would be located in Bristol or Southington, however, Mr. Vitale said it was just announced that it will be in Southington.

The digester would handle 75,000 tons of waste annually and would use a combination of source separated organics and green waste (yard waste). Covanta is reaching out to various towns about participating and will be contacting appropriate staff from the member towns about the project .

The legislation is geared toward resorts, hotels, conference centers, grocery stores, etc. that generate 104 tons/year of organic waste, and are located within 20 miles of the processing facility. Those businesses will be required to source separate organics from MSW and have it processed in the organics facility.

In the Covanta project, the material will take about 6 weeks to degrade in the digester, the resulting compost will be moved to windrows to dry. Mr. Kendzior asked for clarification on which types of commercial businesses will be mandated to participate in this program. Ms. Thibeault said it is for food producers, grocery store chains, and large resorts such as Lake Compounce. Exempt businesses include hospitals, universities, and government facilities; however, many of these types of entities are looking to participate in the program to satisfy their sustainability policies.

The Covanta project is scheduled to come online in the first quarter of 2016. Ms. Zaback mentioned the recent announcement of another new source separated organics facility being located in Southington developed by Supreme Forests, which has already been approved by the Planning Commission. Ms. Thibeault said that facility is not quite the same as Covanta's and their capacity seems to be smaller than Covanta's proposed facility. Ms. Thibeault added that Phase 2 of the Covanta project is to build an adjacent greenhouse that would use the energy created in the anaerobic digestion process to heat the greenhouses and produce food. Mr. Kendzior asked if the compost produced will then be sold. Ms. Thibeault said the compost is a marketable product and from what she understands there will be different blends for different purposes. Covanta is looking to work with municipalities that might have a difficult time getting rid of leaves and is looking to do pilot programs for residential source separated organics collection.

Mr. Freda offered that North Haven has been paying \$81,000 to an outside vendor to have leaves composted. They have now taken everything in-house and eliminated the \$81,000 by using existing resources in Public Works. They sell the compost to businesses and give away the compost to residents. Early on, North Haven generated \$5,000 from the sale of the compost. Mr. Vitale mentioned that Covanta will not be able to give away any compost as it will be a very high quality product and will be almost like a soil.

V. Reserves

A. *WRSWP Interlocal Reserve Update*

Ms. Zaback reported that the balance in the reserve account was \$2,006,498.42 as of December 31, 2013 (see Attachment 5).

VI. Project Coordinator Report

A. *Status of Resource Recovery Task Force Findings*

Ms. Zaback said participating on the task force was a very interesting process and the group was under a very tight timeframe. The report did conclude that there was uncertain sustainability for the WTE industry at this time due to low energy pricing. It

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noted that the state of CT would have to move into some new direction in the future and should not be relying on WTE to such a great extent in the future. This was precipitated by the idea that the CRRRA facility could be closing in about 8 years, which would leave an excess waste of about 700,000 tons/year in the state.

The report concluded that the state needed to be more aggressive in finding diversion and recycling programs of the waste; any subsidies provided to the industry should be short-term and be tied to waste reduction and increased recycling goals; dual contracting, which was initially labeled as bilateral contracting, should be considered as it might be beneficial to some communities and facilities, and there was nothing stopping facilities from doing this. Mr. Kendzior asked for clarification, if Covanta could presently sell electricity to say, Meriden. Ms. Thibeault said that it would be easier to sell to Wallingford electric, but there were contractual barriers, but not legislative barriers. The Task Force was also to determine whether WTE facilities should be included in the definition of "electric municipal utility" but made no formal recommendation on that issue. It was noted that this may be beneficial to the Mid-Conn facility but not so to the other facilities. It was also recommended that the Class II Renewable Energy Credits be restructured to capture the greenhouse gas mitigation benefit of WTE facilities. This approach has been done in Massachusetts and Ms. Zaback expects that we might see something similar proposed in CT. The last conclusion was that the current \$1.50/ton solid waste assessment applied to only that waste disposed of at an in-state WTE facility be applied to all waste generated in CT. Funds from this assessment should be used to develop new diversion and recycling programs.

B. *Update on Mattress Stewardship Program*

Ms. Zaback said there is not much to report on this program at this time. The next Mattress Recycling Council Stakeholder Meeting will be held on February 4, 2014 at the Trash Museum in Hartford. The group continues to work on the implementation timeline, permitting for municipal transfer stations and municipal collection containers.

C. *Regional Textile Collection and Recycling Program*

Ms. Zaback stated that the Central CT Solid Waste Authority (CCSWA) recently released an RFP for an organization to collect and remove textiles. Last fall, CT DEEP did host the used textile industry at a SWAC meeting where presentations were made about the used textile industry. Organizations discussed collection programs and revenue sharing that could be realized by municipalities. Ms. Zaback informed the Policy Board that the CCSWA RFP did state that non-member municipalities had the ability to piggyback off the resulting contracts.

Mr. Freda mentioned that Goodwill has reached out to the Town of North Haven for some sort of partnership. The Town would allow them to use the town seal on collection boxes and Goodwill would collect the clothing.

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Mr. Freda asked Covanta where they were on recycling. Ms. Thibeault said they do have some towns that have partnered with them on recycling and they are putting together a proposal for the 14 municipalities of the Bristol project. Mr. Freda said they are looking for a quote; they are getting solicitations from companies willing to pay them \$20/ton for recyclables so they would be interested in hearing from Covanta. Ms. Thibeault said she would contact Lynn Sadosky. It is the goal of North Haven to remove a budget line item and turn it into a revenue generator. Mr. Vitale added that Covanta's approach to pricing recyclables is to take a long-term approach that removes the highs and lows.

VII. Executive Session Pursuant to 1-200(6)(B) regarding strategy and negotiations to pending claims

A motion to go into Executive Session was made by Mr. Freda and seconded by Mr. Kendzior. Executive Session began at 10:25 a.m. and ended at 10:33 a.m.

VIII. Next Meeting

Mayor Dickinson announced that the next meeting would be held on April 16, 2014.

VIV. ADJOURNMENT

The meeting was adjourned at 10:35 a.m.

Doreen Zaback
January 21, 2014