Not Yet Approved

WALLINGFORD REGIONAL SOLID WASTE PROJECT
POLICY BOARD

MINUTES FOR THE MEETING ON January 11, 2017
9:00 A.M.
WALLINGFORD TOWN HALL, ROOM 315

A Meeting of the Policy Board of the Wallingford Regional Solid Waste Project was held at the Wallingford Town Hall on January 11, 2017. Present at the meeting were Michael Milone, Town Manager of Cheshire; Andrew Kinlock, Solid Waste and Recycling Coordinator, Hamden; Guy Scaife, City Manager, Meriden; Bob Bass, Public Works Director, Meriden; Michael Freda, First Selectman of North Haven; William Dickinson, Mayor of Wallingford. Curt Leng, Mayor of Hamden, was absent.

Town attorneys in attendance were: Brnedan Sharkey, Hamden and Deborah Moore, Meriden.

Others in attendance were: Don Roe and Susan Schott, Town of Wallingford; Joe Vitale and Mary Ruder of Covanta, numerous haulers, and Edward Spinella, Attorney representing All-Waste.

The meeting was called to order at 9:06 a.m. by Chair Michael Freda.

I. Discussion with Haulers/Hauler Representatives re: “Bristol” Option

Chair Freda explained this item was designed for a give and take discussion with the haulers present at the meeting regarding Covanta’s move in asking the member towns to haul trash to their Bristol facility. He added that after the discussion, the members would go into executive session, with only the Board members and Town attorneys attending. He said that the Town of Wallingford had been the host city for Covanta for quite a time. He stated that in 2014, the Wallingford Covanta facility, after negotiations with DEEP had been changed from a burn facility to a transfer station. He said most recently, Covanta had an offer for purchase on their building and the current concept was that all of the member Towns of the WRSWP would haul their trash to the Bristol facility. Chair Freda then opened the floor to comments from the attending hauler representatives.

Andy Buzzuto stated he was a third generation hauler, in business since 1963. He said that the location of the five Town consortium was one reason they had been in business so long. He continued, saying that losing the Wallingford facility gave the haulers fewer disposal opportunities. He said there were few haulers in the State and they depended upon the independent disposal opportunity. He added that the loss of the Wallingford facility would cause more travel for haulers, which would result in “pass-through” costs going directly to business owners and residential customers. He felt the haulers needed the intermediate processing center as included in the solid waste plan of the State for the next twenty years. He felt losing the facility may be an opportunity to create a material recovery facility.

Chair Freda asked Mr. Buzzuto to explain the mechanics of how the New Haven facility worked. Mr. Buzzuto stated that in the potential Solid Waste Plan for CT, it spoke of a private-public partnership (3P Partnership) that may be a possibility for the five member towns. He stated they could build a cooperative resource, based on the waste in-by-percentage and revenue out. He
said the States waste-to-energy plants were in dire need of rebuilding and mentioned that was how the WRSWP ended up with a transfer station. He felt that over the next ten years more waste-to-energy facilities would be in need of repair. Mr. Buzzuto was not aware if the New Haven facility would be interested in joining with the WRSWP, but felt they may want to look at the option. Chair Freda asked if any of the Board members had questions for Mr. Buzzuto. There were no further questions.

Mr. Edward Spinella, attorney for All Waste, said he would spoke for the group of haulers. He felt the Board members should focus on several concerns, which were that they had a contract with Covanta that expired in 2020 and they had a commitment to bring 48,000 tons of waste per year to the Wallingford facility. He said they currently generated approximately 53,000 tons. He said the haulers present at the meeting did not feel there would be a future problem of meeting that 48,000 ton minimum requirement for 2020. He said Covanta had gone to the Board stating that a neighbor expressed interest in purchasing their Wallingford facility building, thereby having the five towns direct their waste to Covanta’s Bristol facility. Mr. Spinella said the haulers were concerned due to the Towns individual contracts being drafted as such that if any one town, or Covanta on their own, chose to renegotiate a contract, the four remaining towns were stuck with the 48,000 minimum. Mr. Spinella stated the haulers wanted the towns to realize they had power and leverage, and together were committed to keeping the facility at least until 2020.

Mr. Spinella continued, saying the haulers had, at a previous meeting, expressed an interest in paying a higher tip fee to Covanta’s Wallingford transfer station in order continue use of that facility. The haulers felt that this option had not been considered by the Board members and were felt that the five member Towns had no other option than to allow Covanta to close the facility. Mr. Spinella said Covanta’s reason for closing the facility was that there was no profit in it. He questioned whether Covanta had shared any of their financial information with the members to show they were losing money. He felt it made sense to negotiate with Covanta to try to keep the transfer station open. He understood that Covanta had offered incentives to offset additional expenses to travel to Bristol; however, that did not help the haulers who would have additional expenses due to the facilities closing. He said the haulers created their business models based on having the Wallingford facility available. He added that all the haulers would need to change their business models and renegotiate all their contracts if Bristol became their option, thereby increasing fees to customers. He reiterated the haulers were interested in paying higher tip fees if Covanta chose to keep the plant open.

Chair Freda stated that the 48,000 ton minimum did not apply to the Bristol facility, and the current risk for the Towns was not meeting that minimum. He said this was one of the focal points of the discussions they had regarding going to Bristol. He felt that as single stream recycling proliferated itself, the Towns were concerned they would not meet the minimum requirement of 48,000 tons at the Wallingford facility. He added that if they fell below the minimum, the five Towns could be out. Mr. Spinella assured Chair Freda that would not happen, adding that single stream recycling was already in place, and the haulers were confident that they would meet the 48,000 ton requirement. He mentioned that Covanta had increased their commercial pricing in a short period of time, causing haulers to look elsewhere for a place to dump commercial waste.
Chair Freda asked how the Towns residential service levels would be affected with the haulers having to travel to Bristol. Mr. Spinella replied that if haulers had increased travel, fuel and time costs having to travel to Bristol, residential costs would substantially increase. He said another concern of the haulers was the total capacity of the Bristol plant and specifically what would happen if Covanta went over capacity due to the five member Towns being added. He said there was also concern regarding contracts that Covanta claimed would not be renewed and whether those towns were even aware of that fact, along with whether Covanta would change rates once the changeover was started. Chair Freda said this was excellent information.

Mayor Dickinson mentioned there had been previous comments regarding the wait times at the Bristol facility. The owner of AJ Waste stated wait times fluctuated throughout the year, and that they had had trucks waiting for up to an hour and a half during to summer months. A comment was made that trucks waiting in line for a long time may not be able to return and finish their given route for the day. Traffic going to Bristol could also be a factor in increased driver times.

Chair Freda asked Mr. Spinella to explain the difference between the permitted tonnages at the Bristol facility versus the 85% tonnage numbers. Mr. Spinella explained that no facility ran at 100% efficiency of their permitted tonnage so the industry average used was 85%. He explained that Bristol was permitted 237,250 tons and 85% of that was 201,662 tons. He thought Covanta processed 196,000 tons last year, and there were reports on how much was burned versus how much waste was transported out. Chair Freda stated North Haven did their own trash pickup and other Towns had outside contracts.

Chair Freda asked Mr. Spinella what types of discussions the haulers would be presenting to the Board if the Board decided to go to Bristol. Mr. Spinella said they hoped for an adjustment given to the Meriden haulers, and there would be a substantial increase. He said All American had a contract with Hamden and had been discussing anticipated additional costs. For the subscriptions customers, the residents would incur a substantial increase in order to cover costs of going to Bristol. He said there were municipal and subscription contracts, and added that North Haven would have their own additional costs of wear and tear on trucks, fuel and added drive times. Mr. Spinella asked what it would cost to the Towns to keep the Wallingford facility open versus the added cost of going to Bristol. He said Covanta could raise their tip fees in order to keep the plant open.

Mr. Bass questioned what tip fee would the haulers pay if Covanta allowed commercial waste back in to the facility. One hauler commented that when Covanta raised the tip fee to $115, it forced them to go elsewhere. Mr. Spinella stated the haulers would be interested in bringing commercial waste back to the Wallingford facility for a reasonable tip fee rate. Mayor Dickinson stated there had been discussion regarding a reasonable commercial rate.

Mr. Bass asked Mark Bobman of the BFFROC (Bristol Resource Recovery Operating Committee) what the impact would be if the five member Towns brought their waste to the Bristol facility and if that facility could handle the additional trash load. Mr. Bobman stated he represented fourteen communities, including Bristol that delivered waste to the Bristol facility. Mr. Bobman stated that due to conflicting information regarding the timing of when the members’ towns would be hauling trash to the Bristol facility, he did not feel he had a good answer to the question of whether there could be a capacity problem. Chair Freda stated that four of the five
members were interesting in hauling to Bristol and the timeframe would be November, 2017. Mr. Bobman said if it was to be a November transition, a lot would depend upon the makeup of the customer base at that time. Chair Freda agreed that there were many unknown answers at that time. Mr. Bobman reiterated there was conflicting information about the timing of the transition, therefore he did not have a good handle on exact schedule of the transition was. Chair Freda questioned if it was the general consensus of all the haulers that closing the Wallingford facility would be a problem. Mr. Spinella replied it was absolutely all of the haulers’ consensus.

Andy Buzzuto asked why Covanta wanted to close the facility. Chair Freda commented there had been an offer on the building and Covanta was willing to sell the property. Mayor Dickinson did not feel that was the driving force behind the closing and felt Covanta’s lack of profit may be more the driving force. Mr. Bass questioned if any of the Board members has seen figures of Covanta’s deficit. Mayor Dickinson stated he had not; however Covanta had expressed to him that they were not making money on the transfer station. Mr. Milone stated Covanta had created part of the lack by diverting commercial waste.

Mr. Scaife questioned what the current tip fee was at the Bristol facility. Mr. Bobman said it was $62.00. Mr. Scaife said in less than a year Covanta had raised their tip fee 44%. He said it was problematic for himself and Mr. Bass that Covanta had been unable to project their business costs, thus causing such quick changes in their tip fees. He added it was hard to take at face value that Covanta was losing money on the current operation. He also questioned why the rate varied so greatly between the Wallingford and Bristol facilities.

Other haulers offered similar comments in support of the identified issues and options.

Chair Freda thanked the haulers for attending the meeting and said he appreciated their input. Mr. Spinella thanked the Board members for allowing the haulers to be a part of the meeting. He added that the haulers were a good resource for the Board and asked that they be invited back prior to the Board making crucial decisions.

**II. Executive Session Pursuant to CGS §1-225(f), §1-200(6)(E) and 210(b)(1),(5)(B)regarding waste management agreement**

Chair Freda asked for a motion to move into executive session and to invite Covanta personnel into the session. Mr. Bass made the motion and Mr. Milone seconded to move into executive session, Pursuant to CGS §1-225(f), §1-200(6)(E) and §1-210(b)(1),(5)(B). The vote passed unanimously. The Board moved into Executive Session at 9:57 am.

Town attorneys, and Policy Board staff, along with Joe Vitale and Mary Ruder of Covanta were invited into the executive session.

At one point Mr. Vitale and Ms. Ruder of Covanta were asked to leave the executive session.

Mr. Scaife made a motion to come out of Executive Session. Seconded by Mayor Dickinson, the motion passed unanimously. The Board returned from Executive Session at 11:24 am.
III. Discussion Regarding Waste Management Agreements
Discussion ensued regarding the problem of residential haulers bringing in mixed loads of residential and commercial waste at the Wallingford facility. Mr. Vitale asked the Board members to keep in mind that there were mixed loads being brought to the facility. Mayor Dickinson asked if those loads were charged as residential or commercial. Mr. Vitale stated at the time they were charged as residential. He said Covanta would be hiring someone to follow trucks to determine what types of trash they picked up, and if mixed loads were discovered in the future, they would be charged as commercial. He added that depending upon the decisions of the Policy Board, this may change what Covanta charges. He stated they would no longer accept mixed loads at the residential rate.

Mr. Bass asked what the percentage of mixed loads was. Mr. Vitale said only rear-loaded trucks would be mixed waste. He mentioned that haulers bringing in mixed loads would no longer be accepted at the facility. Ms. Ruder stated the scale was automated and the hauler would select residential or commercial, along with the origin of the load.

Mr. Vitale asked the members about the January 31 deadline. Mayor Dickinson stated he felt they should have an answer for him by the deadline, but questioned if Covanta meant having the legislative bodies making a decision. Mr. Vitale said it was acceptable if they had a decision on the docket for the first week of February. Mr. Milone stated the members needed the information they required from Covanta before they could make a decision. Mr. Vitale said he would provide a rate if everyone paid for both commercial and residential and a separate rate for just residential by the end of the day. Chair Freda stated the Board would give Covanta their decision only, not the legislative bodies’ decision by the end of January. Mr. Vitale said he did not have the ability to, and could not guarantee Covanta would hold their deal if the decision is not on the legislative docket for the first week of February.

The Policy Board decided to adjourn the meeting and take up the other items on the agenda at a Special meeting to be scheduled on January 25, 2017 at 3:00 pm in Wallingford. Mr. Bass made a motion and Mr. Milone seconded to suspend the remaining items on the agenda until the Special meeting. The motion passed unanimously.

VIII. Next Meeting
The next meeting of the Policy Board will be held January 25, 2017 at 3:00 pm.

IX. Adjourn
Mr. Bass made a motion to adjourn, Mr. Milone seconded. The meeting was adjourned at 11:45 a.m.

_________________________
Susan Schott
January 11, 2017