



CAPE COD COMMISSION

3225 MAIN STREET
P.O. BOX 226
BARNSTABLE, MA 02630
(508) 362-3828
FAX (508) 362-3136
E-mail: frontdesk@capecodcommission.org

Meeting Notes
Cape Cod Solid Waste Advisory Committee Meeting
Thursday, October 29, 2009
10:30 am
Conference Room, CCC, Barnstable

I. Welcome & Introductions

CCC Staff

Patty Daley Elizabeth Hude

Town Representatives:

Rob Angell	Yarmouth	Sandra Turner	Provincetown
Paul Basler	Kingston*	Sharon Lynn	Provincetown
Linda Benezra	Plymouth*	Jeffrey Osuch	Fairhaven
Bob Bersin	Brewster		
Dan Fister	Wellfleet	<u>Other Parties:</u>	
Phil Goddard	Bourne	Larry Barrett	LJB Consulting
Lincoln Hooper	Harwich	Tom Cipolla	Covanta
Raymond Jack	Falmouth	Tom DeMaio	Covanta
David Johansen	Dennis	David Dow	Sierra Club – CC Chpt
Catherine Laurent	Mashpee	Bruce Haskell	CDM
John T. Mahoney, Jr.	Plymouth	Michael Maguire	Barnstable County Coop. Ext.
Sims McGrath, Jr.	Orleans	Claire Sullivan	South Shore Recycling Cooperative
James Merriam	Harwich	Dan Wahle	Mass Coastal
Jill Myers	Kingston	Michael Wall	Covanta
Pam Nolan	Truro	Richard O'Connor	Covanta
Charles Sumner	Brewster		
Jim Sweeney	Plymouth		
Paul Tilton	Sandwich		

II. Minutes: 8/19/09
No corrections – minutes approved.

III. Alternatives Analysis update presented by Bruce Haskell, P.E., Vice President, CDM

Task 1: Review of the proposed SEMASS MOU has been completed. SEE Presentation Handout for details. Additional discussion -
CPI = Consumer Price Index (measure of inflation)

SEMASS uses term 'Favored Nation' to describe discount below market rate. The Analysis will refer to this as the 'Market Reset Clause.'

The MOU which expired in June is in fact still on the table for discussion. The MOU states similar terms to current agreements, difference is the tip fee increase:

\$40/ton increase over 5 years; Escalator = CPI to max of 4%; 2015 tip fee at least 10% below market rate; market rate reviewed 2015, 20, 25). Recycled materials are included in minimum waste commitment. CIL is unpredictable and short-term contracts will likely not include this provision.

Covanta has been forthcoming with lots of information for evaluation. An expert brought in by CDM confirmed that the SEMASS facility is in reliable, good condition; anticipate reliable operation through 2030.

The proposed escalator is higher than most, which is 75% CPI or 2.5-3%; has carryover if >4%. The market reset provision needs further definition to provide a real benefit. CDM comparison shows projected 2015 tip fee not really below market; current 2015 tip fees estimated at \$74-78/ton, based on recently negotiated contracts in eastern MA. Bourne is quoting \$71/ton for municipal contracts now, would be low \$80s by 2015.

Return on investment (ROI) for up front cost depends on final tip fees being significantly below market. Graphs showed signing vs. not signing – 15 year ROI assuming 2015 market is at \$80/ton; 10 year ROI at \$90/ton; 4 year ROI at \$100/ton. Hard to predict what the market rate will be in 2015.

What about Greenhouse Gas credits? (D. Dow) Volatile market, value may be overstated, have not factored in at this point. This becomes more important when discussing technology. Currently SEMASS retains credits.

Task 2 - Evaluate Viable Alternative Disposal Options Alternatives:

Still in progress. Full results to be presented at future meeting. Information gathered so far:

Bourne ISWMF

MSW plus bulky; similar contract conditions, less detailed; at \$70/ton to municipalities now; Permitted capacity beyond 2025

Could be operated as a regional facility, similar to GNBWMD

Casella Rochester: 890 TPD MSW and C&D

Bring waste to 3 facilities: Biddeford, ME, Southbridge, MA; Ontario, NY;

No tip fee proposed, term of contract is a factor in pricing.

Casella facility not built yet; must determine risk.

Taunton has not released details of plan – limited information available.

Plymouth is considering regional transfer station; could consider potential to include carbon conversion technology such as – Global Fuel Technology, site in Hawaii operating since 2005, need 5 acres. (J. Sweeney) There are permitting issues with state and the ban on WTE; facility likely would not be up and running for 5 years, no new landfills for 20 yrs. Site assignment process takes a long time, can kill a project.

No new information on the State Solid Waste Master Plan.

What about Waquoit Bay suggesting combined Wastewater treatment with Solid Waste – works for certain economies of scale. Advantageous? Yes, this will be discussed with other technologies. Not certain, but do not believe it is in SEMASS' permit to take wastewater.

Where does SEMASS stand on per ton fees in comparison to other communities? North Andover got into \$150 range – not the usual.

Bruce, you seem to be leaning toward SEMASS? (S. Turner) Not intended, today's presentation was focused on Task 1 – Review SEMASS MOU. Still need to bring back information on viable alternatives.

Next steps - Still need to look at the other alternatives – Bourne, Taunton, Casella Rochester
Also consider variables such as transportation, environmental concerns, WTE market vs. landfills.

Market consolidation effects? SEMASS is more dependent on LF than other Mass. regions;
Fall River, Taunton LFs will close soon which will pressure market.

Term of contract weighs into pricing; can work both ways. Short term contracts don't usually have CIL, is a concern for long term. Market reset provision is to ensure value of up front costs.

How do Covanta contracts compare with Wheelabrator, other states? Why were we only offered 10% below market, why not 15%? Profit margin issue? (R. Jack) Need to compare apples-apples. Some are dealing with county contracts vs. municipal.

Important for group to understand that the MOU came out of a process with member communities and was presented by them to Covanta. It is not a contract, but an agreement to negotiate. Example - Wheelabrator refused to negotiate in advance with Millbury near the end of the contract; communities joined together to negotiate new agreement. (M. Wall)

Sentiment from SEMASS on MOU was 'if you don't sign, you're on your own.' Economy was not an factor when SEMASS communities met to discuss extension. The purpose of the Alternatives Analysis is to allow for an informed decision with Boards of Selectmen. This is a necessary step in municipal process. Timing with economy is bad to start an escalation that isn't necessary.(R. Jack)

The full report on viable alternatives will be presented at the next meeting.

IV. Other Business

Patty Daley reported that after further research it was determined that changing the method of transportation to/from a Town's transfer station would not be a Development of Regional Impact (DRI) unless it was done in conjunction with the construction of a new facility on-Cape.