

Town of Waldoboro, Maine
Transfer Station Committee Meeting Minutes
Municipal Building - 1600 Atlantic Highway
Thursday, October 9, 2014 – 6:00 p.m. to 8:00 p.m.

1. Sign in and Call to Order
2. Determine presence of a Quorum (at least 5 of the 7 Committee members or their duly appointed Alternates must be present).

The following committee members were present and constituted a quorum:

Bob Butler – Waldoboro Resident
Elizabeth Dinsmore – Friendship Select Board
Terry Gifford – Waste Hauler
Martha Marchut – Cushing Select Board
John Meyn – Friendship Resident (Arrived After the meeting started)
Randolph Robbins – Cushing Resident
Ted Wooster, Waldoboro Select Board

Also present were Rod Carr, Doyle & Nelson/PERC; Robert P. Knudsen, USA Energy Group Vice President of Operations; Ronald Porter, Thomaston; Seth Hall, Transfer Station Committee Alternate; Ronald Miller, Waldoboro Resident and Alternate; Jim Guerra, Mid-Coast Solid Waste; John Higgins, Waldoboro Resident and Alternate; and John Daigle, Director of Waldoboro Public Works.

3. Bob Knudsen's and Ron Carr's Presentation Concerning the Future of PERC

The two Penobscot Energy Recovery Corporation representatives passed out packets of information concerning PERC.

Introduction

Rod Carr said the USA Group, as majority shareholder of PERC, is trying to do a better job of staying in touch with PERC's solid waste providers. It had left the job to the Municipal Review Committee (MRC), which represents the interests of its charter members and 100 other communities vis-à-vis PERC. The MRC has gone off in a different direction to explore alternatives to PERC. (Note: The issue of concern for MRC—not stated by Carr or Knudsen—is that PERC is going to increase tipping fees substantially after 2018, when the current contracts with PERC expire.) Carr and Knudsen met with the Boothbay Group last night. They will reach out to others across the state in the next three or four weeks.

Knudsen said PERC wants to keep the communities apprised of what's become a moving target as the year 2018 closes in.

USA Group and the Maine Legislature

Ted Wooster asked about PERC's political relationship with Maine State government. Going forward, how willing is state government to support what PERC has been doing?

Knudsen replied that USA Group had introduced bill 1483, which evolved and became a codification of the Solid Waste Hierarchy: Reduce, Reuse, Recycle, Compost, Waste Processing, and Landfill. Under that legislation, which became law without the Governor's signature, DEP is directed to adopt rules incorporating the State of Maine's solid waste management hierarchy as a review criterion for licensing approval for any new waste management facility. This requirement includes landfills. Knudsen said the revisions were made because everyone knew that the governor would veto anything that smelled like a tax. So, the focus became the Solid Waste Hierarchy.

During the hearing process the biggest thing they heard from the communities was, "Don't pick winners and losers. Don't pit one community against another." The consensus was that the State needs a fully integrated statewide program for solid waste, a program that treats all citizens the same, a program that works for the state as a whole.

DEP issued a report, which basically said it intends to stick to the facts and to do what it can with the program it has in place, applying it state wide.

Knudsen expressed his belief in the need to stabilize the waste-to-energy part of the waste hierarchy among the three existing waste-to-energy plants. He noted that the closure of the Biddeford plant was a loss to the state of a \$300 million asset.

During the hearing process around LD1483, it became apparent that Maine needed to do something. The sub-committee which reviewed and helped to revise the proposed legislation, realized there IS a problem and that the Maine Legislature needs to be convinced the problem exists.

The USA Group is now contributing information to DEP in response to DEP's general request for information from all parties. The packet of information Doyle and Knudsen handed out includes information that the USA Group has submitted to DEP. The USA Group intends to continue supporting DEP with information and ideas.

The Question of Natural Gas

Ted Wooster asked if PERC needs natural gas to operate.

Knudsen replied that PERC's back-up fuel is oil; it does not need natural gas, but it would prefer it. If PERC obtains access to natural gas, then the Town of Orrington will, as well. PERC is close to the gas line. It would cost about \$1million to hot tap the line close to PERC's location.

Bottom Line Prices on Fuel and Waste Conversion

Ted Wooster alluded to the stress on taxpayers of increased energy and waste disposal costs. What's the appropriate bottom line price on fuel and waste-to-energy conversion?

Knudsen responded that many factors influence what happens in the process of collecting, transporting and processing trash, all of which have an impact on prices. Consequently, post 2018, he anticipates that tipping fees will go up and down.

Electricity Rates

John Higgins asked how the energy component of providing electricity would impact PERC's operation.

Response: Up and down the Eastern Seaboard we're seeing an increase in the energy

component of the electricity rate. Under its existing contract, PERC currently sells to EMERA, which includes the Bangor Hydro District serving Hancock, Piscataquis and Washington Counties and most of Penobscot County and the Maine Public District, which serves Aroostook County and a small part of Penobscot County). PERC sells to EMERA under a Federally mandated old contract at an above-market rate of \$140/megawatt hour. Current wholesale market rates in the state are in the range of \$60 to \$80/megawatt hour. PERC's federally mandated rate is double the current market rate. This subsidized rate will disappear in 2018, and PERC will have to compete on the open market against other sources of energy generation.

Knudsen emphasized that the energy component of the electricity rate clearly impacts the total electricity rate.

PERC's two sources of revenue are tipping fees from communities that send their solid waste to PERC and sales of its net electrical output. Both revenue sources are required to cover PERC's operating and capital costs. Generally, to the extent that the revenue stream from electricity increases, there is less need for increased tipping fees. More income from sales of power mean more flexibility to reduce tipping fees for solid waste brought to the plant. PERC does need to factor into tipping fees the capital reserves required for on-going maintenance and operating costs. There's also the factor of the ferrous metals and other commodities PERC recovers. Those commodities have value and add to PERC's revenue stream, helping to lower operating costs.

Increases in electricity rates are good for PERC because they allow PERC to stabilize the tipping fee.

Knudsen related that PERC has done some work on electricity costs. They have a consultant who deals a lot with wind, tidal, and other energy sources. The consultant is a forecaster of energy prices.

Knudsen added that the electricity generation industry has what's called a "forward strip". The question posed is, "At what forward price are you willing sell energy for 5 years? 10 years? 1 month? The forecasters deal strictly with wholesalers. If, after 2018, EMERA says, we want to buy your energy over a five-year period, PERC has to know the price at which to sell in competition with other providers. The forecasters are constantly up-dating their models as 2018 approaches. PERC has seen a dramatic increase in the past 18 months in the energy component of electricity rates. It's doubled from 4.5 cents to 9 cents for one school district in Massachusetts, for example. There are indications that some industrial users in Maine are now seeing significant increases in electrical rates because of this. *Knudsen argues that these market factors are outside of PERC's control. (Emphasis added.)*

Future Tipping Fees, PURPA, and Buried Electricity Costs

Bob Butler asked whether PERC's post 2018 tipping fees would be variable or fixed.

Knudsen responded that PERC will try to start with a low a number as possible and then might try to tie tipping fees for solid waste to the CPI (Consumer Price Index), though it would not be considered as an arbitrary guideline.

He emphasized that energy prices are not under the control of the communities providing solid waste to PERC.

Butler than asked what factors are under the control of the communities.

Knudsen said that elements lying within the control of the communities are the cost of collecting solid waste and transporting it, though the latter costs are also highly dependent on

less controllable fuel costs and distance. The other factor under the communities control is WHERE they take the trash.

PERC is looking at the distance component and discussing it with DEP. For example, how does PERC bring Aroostook County into the fold? Aroostook County is especially problematical when taking the principle of “fairness” into consideration. Trucking distances in the County are relatively greater. The transportation differential for the County is high. Knudsen speculated that there could be a reimbursement scheme and suggested that a subsidy for the County would have to come from somewhere.

Knudsen continued. Waldoboro does have a choice of waste-to-energy plants. The distance component will be influential. Disposing of trash is not free. There’s a cost. It’s a real privilege to be able to put trash by the curb and watch it go away. But, that’s a privilege that comes at a cost. Collection and processing costs are under local control.

Landfills represent the least expensive way of getting rid of trash. However, Maine State policy is to decrease the use of landfills. So, the question becomes, how do we encourage reduce, reuse, recycle, compost, and incinerate? How do we resolve the community-to-community conflict of who is allowed to use landfills and who is required to use the higher cost option of incinerating? The whole picture needs to be examined to avoid conflicts.

The Waste statues, 36 and 38 were put into place years ago. At that time, the State of Maine had a good handle on what to do with trash. Over the years, however, the legislature has weakened those statutes by creating exemptions or through lack of enforcement. The drafters of those statues had one of the best systems for waste disposal advocated at that time in the country. They did not follow through with enforcement. Knudsen suggested the committee members read the packet of materials he distributed to look at the history of Maine’s efforts to dispose of trash. (The memo to which Knudsen refers is attached to these minutes.)

Knudsen went on. PURPA, the Public Utility Regulatory Policy Act, became Federal law in 1978. It promoted less dependence upon foreign oil by promoting alternative energy sources and energy efficiency and by diversifying the electric power industry. (See the PURPA memo attached.) PURPA permitted above market electric rates to be set to support alternative energy technologies. Benefitting most from the act were cogeneration plants powered by natural gas or coal. PURPA required utilities to buy power from independent companies that could produce power for less than it would have cost the utility to generate the power. When oil prices were high the strategy worked. Now that oil and especially gas prices are coming down PURPA has, in effect, allowed less efficient, more costly alternative methods of electricity generation to persist.

(Note: please refer to the beginning of the presentation, where Knudsen compared the PURPA-mandated PERC rate of \$140 per megawatt hour to the existing wholesale rates of \$60 to \$80 per megawatt hour.)

Knudsen pointed out that consumers have been paying the mandated above-market rates for electricity, making the utility system the best tax collector in the U.S. The unit of measure is so small that people don’t see or understand the waste-to-energy “tax”. A recent analysis showed that the average household in Maine supports the above-market PURPA mandated contract with EMERA at a cost of \$60 per year. Take \$60 and add it to what you’re paying for your electricity, and you see the true cost of what it takes to get rid of your waste. Even though part of it was hidden to the electric side

The State could continue to do this; it could continue to bury the cost of waste-to-energy going forward. However, PERC is not advocating this.

The Future of Guaranteed Annual Tonnage

Bob Butler asked how PERC would deal with the Guaranteed Annual Tonnage issue after 2018. He alluded to the relationship between tipping fees and recycling. To reduce tipping fees, communities recycle more to reduce the tonnage going to PERC. On the other hand, PERC relies on a certain amount of solid waste tonnage to keep its plants operating.

Knudsen explained that GAT was implemented when PERC was refinanced. To accomplish the refinancing, PERC had to issue bonds. The banks underwriting the financing required the identification of the fuel (solid waste) and energy generation revenue streams to ensure they were sufficient to cover operating costs and to pay off the bonds. The arrangement was put in place to avoid the requirement that each municipality issue its own bonds to help pay for the PERC facility.

Knudsen confirmed that PERC's plant is now paid for. The bonds are no longer outstanding. Going forward, PERC is not looking for senior debt. However, PERC will have maintenance costs, and PERC will continue to need a business model going forward.

How do we get rid of GAT? How does PERC ensure it has sufficient solid waste to meet its energy requirements going forward? PERC has been working with the larger solid waste haulers in the state. PERC now has the flexibility of bringing in out-of-state trash. PERC could have eliminated GAT some time ago by resorting to out-of-state solid waste into Maine. The Municipal Review Committee (MRC), which represents the interests of the communities that send solid waste to PERC, thought GAT focused those communities on getting trash to PERC and was not supportive of the idea of out-of-state solid waste going to PERC.

Going forward beyond 2018, if your town knows how much trash it's going to collect you could sign a longer-term contract with PERC. If you're uncertain, you could do a one-year contract. Different contract terms would reflect on what you believe you can do. Or, you could pool your trash with other communities. A community would not need to over-commit the amount of solid waste it promises to ship to PERC. Knudsen advises communities to keep some cushion to allow that PERC could take on option. He advises communities to base their commitment on their experience. Look at the community's recycling trend lines. The communities and PERC have a lot of information available. If a municipality adopts single-sort, it could reduce the amount of solid waste it could make available to PERC. PERC could make that up for such reductions with sources from out of state.

"Is this terribly different from what we're doing now?" Butler asked. Knudsen responded that it is not. He said that we should discard the idea that GAT and PERC work against recycling. Take all of the stuff out of the waste stream that you possibly can, he advised. PERC does not like to burn metals or plastic, for example. Incinerated plastic creates hostile gases with which the incinerator has to deal. Lettuce does not burn. Remove your compostable materials from the waste stream. What remains of the Solid Waste Hierarchy will come to PERC, and it will be sufficient to permit PERC to operate efficiently.

Butler Asked, "Where's the incentive for people to recycle? How do you get people to recycle more? The legislative committee challenged the DEP. What is DEP doing to increase recycling? The DEP has been challenged. It's part of the program DEP has been challenged to put together.

Butler: Sounds like Knudsen is putting the onus on DEP instead of on PERC. PERC would like to see everyone follow the hierarchy. What's left over will come to PERC. It's not that PERC won't have fuel for its plants.

How PERC Adjusts to Reductions in Solid Waste Fuel

Bob Butler asked, "If communities become so expert at recycling, where will PERC obtain the

solid waste in needs for its plant?"

Knudsen responded that PERC could reduce its throughput. It can reduce operating levels and therefore operating costs by reducing the number of its employees through retirement and natural attrition. (PERC is not unionized.) By reducing employee costs, PERC can operate more efficiently with lower throughput. Knudsen does not believe PERC would have a problem reducing the number of its employees. PERC has a good work environment. The company works very hard to service employee needs. Any reductions to accommodate lower operating levels would be gradual.

The Question of Rail Transport

Ted Wooster asked about the cost effectiveness of rail transport. Knudsen replied that it could be cost effective and pointed out that rail transport offers a potential solution for dealing with transport distances in Aroostook County. All of Aroostook County is connected by rail, and so is southern Maine, for that matter. Rolling stock is potentially available in the form of old circus cars. They have on- and off ramps and could be used to service transfer stations located in remote areas. They can handle two semi-trailer truckloads at a time. PERC is close to a rail and has a railroad siding system. The siding is clean. It can be used without any health hazard. Ted Wooster pointed out that the Waldoboro Transfer Station is very close to the rail.

Seth Hall asked about the logistics involved in using railroad cars. Knudsen explained that PERC currently burns about 1,000 tons of solid waste per day or about 300,000 tons per year. It would take time for a remote community to fill a truck. The trucks could be brought to the circus rail car in pairs to where they can be placed onto the rail car. Timing would be important, but PERC can hold a certain amount on the tipping floor and in its reclaim area, giving PERC time to adjusting its flow and storage as rail cars come in. PERC could handle 1, 2, or even 3 rail cars at a time. Knudsen did point out that there's a point, depending upon flow rates, where it makes no sense to bring solid waste in by rail instead of by truck. He does not know where that point is.

Ted Wooster suggested that NYC and Boston have tremendous amounts of solid waste available. Using those sources would take the pressure off of everywhere else. Knudsen said that the State of Maine wants to limit the amount of out-of-state trash coming in. However, some imported solid waste would help to stabilize the tipping fees the residents of Maine pay. Knudsen believes, however that Maine has enough trash in state to avoid having to bring in trash from out of state, even after recycling. He does not know if that will continue to be the case.

Ted asked if it would be cost effective for PERC to increase its throughput capacity to accommodate out-of-state trash. Knudsen responded that, at the moment, PERC is at capacity, handling about 320,000 tons per year of in-coming trash. Maine's three waste-to-energy facilities represent an \$800 million investment. If there were a whole lot more trash being generated in Maine, then one could look at a location for another plant. Building additional capacity represents a huge capital investment. PERC's communities own about 22% of the plant. USA Energy Group, as the operator and majority owner, has a fiduciary responsibility to maximize the investment PERC's owners, including the communities, have made.

Seth Hall asked if investors could make a fair return on an investment in an increase in PERC's capacity. Knudsen said that using landfills for solid waste is the cheapest disposal method available, and as long as that alternative is available, communities will use the landfill. The ability to use landfills impacts on the viability of any new incinerator. He pointed out that in some cases a landfill is the ONLY choice for a community. He said that NY and its 9.2 million people represent a completely different profile from Maine. Tipping fees in New York are about \$180. The energy component of their electric bill is \$0.18. In that environment a large investment might make sense.

Knudsen said that there are 7 new waste-to-energy plants being built on the eastern seaboard right now. Some people think you can make money building such plants. Waste to energy is the cleanest technology we have except nuclear, and it's no coincidence that new waste-to-energy capacity is coming on-stream. There are other technologies, but, unlike PERC's continuous processing, they tend to "batch" process. Moreover, waste-to-energy is a known and preferred technology. Its environmental impact is zero, and it's almost as clean as nuclear. It's important to remember that waste-to-energy is a service. If it's over-priced customers will leave. Maine needs a change in attitude to bring out-of-state waste in to feed an incinerator.

The Future of the Municipal Review Committee

Bob Butler asked about the future role of the Municipal Review Committee.

Knudsen said that PERC would go forward beyond 2018. The plant is 25 years old. It's well maintained; it's attractive to investors. The MRC has its own by-laws and charter. It's tasked to represent the interests of its 87 charter members, and others, and to oversee PERC's operations. This is how USA Group regards the MRC. Will MRC's role continue beyond 2018? Yes. The ownership is there. There are funds held in trust and the ownership interests of the communities are held in trust. Post 2018 Waldoboro, Cushing, and Friendship are still going to own a piece of PERC. Knudsen believes that PERC will continue to operate, though the ownership could change. USA Group intends to keep its 52.7% ownership of PERC. It takes seriously its job to work for a fair return on the PERC investment.

Rod Carr suggested we take a close at the packet of information he had passed out. Look at the comments DEP had made concerning MRC's landfill application. Look at John Doyle's recommendations. Learn about the solid waste disposal process for Maine municipalities under Title 38. In the event the municipalities elect to divest of their investment in PERC in 2018 what are their rights? How will PERC and the current relationships be unwound? Carr advised the communities to check with their own town attorneys. What are their rights after PERC is closed. All questions should be addressed to the Maine Attorney General's office. That office oversees all public monies held in trust and has the obligation to ensure the monies held in trust are properly spent.

4. Discussion with Jim Guerra, MCSW, concerning Pay-as-You Throw (PAYT)

Jim Guerra operates transfer stations in Union (Tri-County Recycling) and Rockport (Mid-Coast Solid Waste)

PAYT at Tri-County and Mid-Coast Solid Waste (MCSW)

Jim Guerra said Tri-County in Union increased recycling rates by implementing Pay-as-You-Throw (PAYT) in 1992, one of the first transfer stations in the state to do so. When Guerra took over Tri-County there were six towns with open dumps. Prior to implementation, Guerra visited all of the towns frequently to explain the new system and to ensure everyone understood that under PAYT you pay for what you throw away. He talked money and savings and convinced people it would work. PAYT makes the costs of disposal transparent. There are no hidden taxes, and you know where you're money's going. You don't pay for what your neighbor throws away. There are no hidden taxes, and the cost of solid waste disposal becomes transparent. He constantly reminded people that they would only be paying their fair share. Feedback after implementation was overwhelmingly positive. People would tell him, "You know? You were right".

A big argument against PAYT was the fear that roadside dumping would increase. In fact, there was no increase. People who dump on the roadside will do it no matter what system is in place. The people who dumped roadside continued to do so until they were eventually caught

or decided to change their behavior.

Guerra said that he supported local civic efforts to clean up snow trails and roadsides by taking such trash for free. Over time, even trash voluntarily collected through such activities decreased significantly.

In Guerra's view, PAYT is "it" as the best available means of encouraging recycling, even more so than single stream. An article he is reviewing for publication cites recycling improvements of 9%, on average, compared to about 4.5% to 5% for single-or dual-stream.

At Tri-County recycling rates have been as high as 48% and have averaged in the range of 40%.

Guerra said that curbside pick-up is another method used to increase recycling. However, that approach requires single-or dual-stream in order to be effective. Trucks that have to pick up sorted recyclables will experience uneven use of the separate bins on the truck. The bin for cardboard, for example, might fill up more quickly than that intended for plastic, and the truck would have to make a run to the transfer station before it became full. With single stream all of the recyclables are mixed together, and special runs to empty part of the truck become unnecessary.

Guerra introduced PAYT to MCSW in 2002. Recycling rates at MCSW in Rockport have not been as high as at Tri-Town. They improved from the high teens to about 30%.

The difference in recycling rates between the two locations, Guerra said, is attributable to demographics. The towns MCSW serves discard more solid waste per capita than any other towns in Maine. People in those towns don't use and reuse their possessions that way people using Tri-County do. At MCSW users up-grade their possessions. In Union, they use them up. MCSW makes usable items available at its swap shop to keep them out of the waste stream.

In terms of cost, Tri-County's assessment to the towns is 50%. In other words, PAYT bag fees are set to cover 50% of the costs of the transfer station operation.

In Rockport, which has a \$2mm budget for handling solid waste—including demolition debris and its landfill--PAYT fees cover about 25% of the budget. \$500,000 is about what it costs MCSW to operate the solid waste disposal part of its operation. Again the principle applied is the same. The question policy-makers try to answer is, "How much of the budget do we want to cover with PAYT fees?"

Guerra warned that if you price the bags too high, you'll encounter resistance. Belfast charges more than \$2.50 per bag. \$2.50 to \$2.75 can take a lot of people's income. In his view, PAYT needs to take enough but not too much. The objective is to encourage recycling and responsible behavior.

Jim explained that he has to figure out the labor, transport and other variable costs relating to solid waste disposal that the bag fees are intended to cover.

Bob Butler asked if Jim factors capital improvements into the price of bags. Jim responded that he does not.

He also suggested that bag prices be set in even increments. He cited MCSW as an example. Money changes hands at the gate, which backs up onto heavily trafficked Union Street. Even dollar amounts for the bags minimize delays attributable to counting change. The cost bags are intended to cover at MCSW is about \$1.81 per bag. Jim's charge is \$2.00. MCSW is collecting the difference to keep the bag fee at \$2.00 even after the cost goes above \$2.00. In that sense he's building a buffer, or reserve, against future increases in bag prices. (Note: the

MCSW website says: “The 33-gallon bags are sold in packs of five for \$10.00 and the 15-gallon bags are sold in packs of ten for \$12.00.”

Seth Hall asked for a typical range in prices for bags. “What price is bearable?” Guerra said that in Rockport, he can probably go higher than \$2.00 per bag. At Tri-County he recently increased the bag price from \$1.00 (where it had been since 1992) to \$1.50. The increase was, in part, to keep people in South Hope from going to Tri-County (South Hope is served by Mid-Coast), where disposal fees are lower. Guerra suggested an appropriate price is somewhere between \$2.00 to \$3.00. He emphasized that bags should not be priced to make money.

He again emphasized that the demographic is an important consideration for pricing bags. PAYT is more difficult in the poorer areas. Be aware of that when you come up with the fee for the bags. Keep the fee appropriate to the area. Put an obvious value on the trash that’s moved out and relate it to the cost of the bag.

Martha Marchut suggested it might not be as hard for the poorer areas to be comfortable with PAYT as we might first assume because they use their possessions more thoroughly. They are thriftier. Jim Guerra confirmed that there is no direct relationship between bag prices and degree of acceptance.

Randy suggested it would cost a low-income family of 6 relatively more to purchase bags. Jim Guerra allowed that could be the case, but he pointed out that if, in addition to recycling they had a compost heap in their yard, they could easily cut their bagged trash by 60%. He added that if you compost, your trash never stinks.

Ted Wooster said that a lot of poorer people around here burn their trash in wood stoves. Jim agreed and warned that burning trash at low temperatures is dangerous. He emphasized, again, that you have to know how to price the bags. “You have to be a Solomon.”

Jim Guerra summed up the PAYT discussion by saying, “It’s not an easy decision to go with PAYT, but it’s a good decision.

Future Issues

Ted Wooster asked about up-coming changes. “Are you having to spend time getting ready for the future? What are the current stresses?” He asked.

Guerra answered that post 2018 is a huge concern. In addition to managing transfer stations in Union and Rockport, Jim is also on the board of the Municipal Review Committee. (He is soon to relinquish to Tri-County job to a replacement and focus on MCSW.) Then there’s the dual sort Casella is proposing for the new Lewiston facility.

Jim thinks dual sort is inevitable. But he’s convinced it won’t save money. Lewiston is too far away from Rockport and/or Tri-County and the transport of recyclables and MSW to Lewiston will be expensive. Even if there’s no tipping fee, he estimates that going dual stream will cost \$50,000 more than MCSW is paying now. There is the related spinoff of curbside collection. With single stream (as noted above) curbside pick-up can be more efficient. Jim cannot at this point evaluate how increased efficiencies at curbside will impact MCSW’s operating costs, if at all.

Randolph Robbins asked about MCSW’s using MRRRA. . MRRRA acts as a price reference and a broker for recyclables. Jim said MRRRA calls weekly to see what his inventory of recyclables is. If MCSW has a load of recyclables, MCSW receives the load rate from MRRRA and could agree to a sale.

MCSW currently has a horizontal baler and bales about 1,000 tons per year. Tri-County does

not have a building large enough to hold everything they are collecting. Mid-Coast has the space. Tri-County runs on very busy days with 3 people. They have a pallet truck and a loading dock with some storage space to hold recyclables. However, storage is more of a challenge for Tri-County. It cannot hold recyclables for sale. The collected recyclables need to move in order to create space for more in-coming materials. By contrast, Mid-Coast has enough space to store recyclables. At Tri-County, operating costs are lower. Worker's comp is low, and there's no need for a fork truck and the associated labor. Jim does not need people to man a baler at Tri-County, either. Tri-County is a much simpler operation, compared to MCSW. It's much like Waldoboro's operation.

Jim arrived at MCSW just after the economy crashed. He inherited a budgeted \$120,000 in revenues from recyclables that year and they came in at \$65,000. As a rule of thumb for MCSW, the average pool of recyclables brings in about \$75 per ton. For 1,000 tons of recyclables, expect about \$75,000 in revenue.

MCSW does not use single-stream. The Board at Mid-Coast is leaning in that direction. Jim believes no-sort/single-stream will cost more to operate. He'll need to put in a compactor, get rid of the baler, and probably have to hire another employee because compactors are dangerous machines and the public is in the MCSW facility all day long. Consequently, he has not been able to find savings for his board from single stream. Jim has come to regard single-stream as a way of providing more local jobs, not a way of increasing recycling rates or of saving money.

Randy Robbins asked, "If you had in Rockport the facility you have in Tri-County and vice versa, would people recycle more? Jim believes not. The programs look similar at both facilities.

John Higgins asked about recycling revenue streams. Jim said that at Tri-County they pay \$22,000 per year to Lincoln County to take away their recyclables. (Sommerville is the only Lincoln County town Tri-County serves.) The arrangement with Lincoln County Recycling works at Tri-county. The Tri-County operation is small; it's simple.

Higgins asked if there's a way PAYT fees could cover MCSW's \$2 million budget. Guerra said there's no way that could happen. Rockport is not just a Municipal Solid Waste collector; it collects demolition debris and other materials, as well. So the entire budget for the facility is \$2 million. The bag fee at this point covers the MSW part of the facility.

Guerra said the MCSW Facility in Rockport serves an aggregate population of about 11,000, not taking into account the summer growth in population. Tri-county serves about 7400 people. By comparison, John Daigle pointed out that Waldoboro's transfer station serves about 8,000 people and has an operating budget of around \$500,000.

Randolph Robbins asked if Pine Tree serves the MCSW communities. Guerra confirmed that and said, until he intervened, haulers were collecting trash among MCSW communities and not reporting the collections to PERC. This caused PERC to penalize MCSW for not meeting its Guaranteed Annual Tonnage (GAT) requirement. Things have now changed, and MCSW is getting credit with PERC for solid waste coming out of the MCSW communities via non-MCSW haulers.

Bob Butler asked if either of the two transfer stations is taking compostable materials and promoting composting. Jim believes Tri-County will be well positioned in the future to compost. Tri-County is land rich and has a good location. He added, however, that composting is expensive to do if you're composting household waste. Compostable wastes comprise about 40% of the waste stream, and that 40% should be taken care of by means of home composting.

Seth Hall wondered if a municipality could cover its costs and possibly make money by

producing and selling compost. Jim Guerra said composting at transfer stations is expensive. You have to go all the way with the investment, he said. He added that it's best to bag compost instead of selling it unbagged by the cubic yard.

The Alternative to PERC

Guerra then suggested changing the topic a little bit to discuss the Municipal Review Committee's considerations of alternatives or complements to PERC. Bob Butler reminded Jim that the Transfer Station will host Greg Louder, Executive Director of MRC, during its November meeting. Guerra kept his remarks brief, saying that one technology the MRC is reviewing values organic and fiber in the waste stream. Those two elements cover about 75% of the waste stream. Organics generate methane gas, which could be used as fuel for the trucks hauling solid waste. A further residual, ethanol, is obtained using enzymes. Ethanol could be used as a feedstock for chemicals. At some point in the process, they can pull two different sugars that also have industrial value.

Martha Marchut asked about the recent DEP refusal to approve the MRC application for a landfill. Was that refusal a big setback? Jim explained that it was not. His concern all along was that the focus on the landfill would detract from the project, itself. It was also unfortunate that the proposed landfill was only four miles from Juniper Ridge, the site of the landfill PERC uses. Putting the landfill application out in front detracted from considerations of the technology that would be put up for consideration. It's the nature of the technology, and its advantages, that will drive decisions concerning a related landfill.

5. Minutes of the September 11th meeting.

After discussing and making suggested changes to the minutes, Ted Wooster moved and John Meyn seconded the motion, to approve the minutes of the September 11th meeting, as amended. The move was unanimous.

6. Recommendations to Select Board Concerning Waste Hauler

Bob Butler pointed out that two recommendations from the Transfer Station Committee had been forwarded to the Select Board. One concerns the waste hauler and one concerns the number of alternates. Butler asked if the Transfer Station Committee needs to have its views presented to the Waldoboro Select Board prior to the executive session.

Prior to the discussion of Butler's question, Ron Miller provided the committee chairman with a document, the contents of which are reproduced below. The Waldoboro Town Manager had provided the document to Miller. Butler read the document into the record:

6. Permitted deliberation. Deliberations on only the following matters may be conducted during an executive session:

A. Discussion or consideration of the employment, appointment, assignment, duties, promotion, demotion, compensation, evaluation, disciplining, resignation or dismissal of an individual or group of public officials, appointees or employees of the body or agency or the investigation or hearing of charges or complaints against a person or persons subject to the following conditions:

(1) An executive session may be held only if public discussion could be reasonably expected to cause damage to the individual's reputation or the individual's right to privacy would be violated;

(2) Any person charged or investigated must be permitted to be present at an executive session if that person so desires;

(3) Any person charged or investigated may request in writing that the investigation or hearing of charges or complaints against that person be conducted in open session. A request, if made to the agency, must be honored; and

*(4) Any person bringing charges, complaints or allegations of misconduct against the individual under discussion must be permitted to be present.
This paragraph does not apply to discussion of a budget or budget proposal; [2009, c. 240, §2 (AMD).]*

Butler expressed his view that the operative word in the document for the Transfer Station Committee was “appointment”, which would include the Waste Hauler seat on the Transfer Station Committee.

Bob Butler asked if the Transfer Station Committee’s recommendations would be on the agenda of the next Select Board meeting. Miller said they would be, in part. Ted Wooster confirmed they would be on the agenda. All three issues? Butler asked. Ted said he believed so. John Daigle confirmed that the human rights issue would be in executive session without the press.

Terry Gifford insisted she had the right to have her issue heard in executive session and warned against any further discussion of the issue. Miller said the Committee was moving into territory reserved for the Waldoboro Select Board.

Ted Wooster moved that there be no further discussion on the matter. Randy Robbins seconded the motion. The vote was unanimous.

7. Report from Sub-Committee. Discussion of the Proposed Structure of a new Recycling Brochure

Ted, Seth and Bob presented the results of their discussions concerning the organization of the information that could be included in a new brochure. The proposed framework of the brochure follows the structure of the ordinance.

Randy Robbins asked about the requirement that labels AND caps be removed from plastic containers. John Daigle said that only caps need to be removed. Randy said that taking the label off a plastic prescription bottle is easy. Taking it off of other plastic containers can be quite difficult..

Butler said the brochure needs to be inexpensive and easily changed to keep it current.

Ted remarked about the difficulties that film plastics present, referring to plastic bags and film wrappers. He suggested a need to move toward biodegradable plastic films.

Randy pointed out that the proposed draft is not consistent about informing the reader where certain recyclables or trash should be placed. In such instances, Butler suggested that the brochure could recommend consulting with the transfer station operator.

Terry Gifford said that the brochure should should emphasize that recycling has to start at home.

John Meyn moved that the committee approve the outline for Alan Magee to start the pamphlet. Randy Robbins seconded the motion. The vote in favor was unanimous.

8. Up Date from Waldoboro Director of Public Works

John Daigle reported that just about every transfer station in the Waldoboro area was fined for contaminated wood chips. Pressure treated cannot be more than 0.5%; plastics cannot be more than 1.5%. Various other materials cannot be present in the wood chip pile. Waldoboro’s wood chips were clean. There were no Fines.

John Daigle reported that the scale bids had been received and the contract awarded. The low

bid for the pitless scale came in at \$184,100. The pitted scale was bid at \$197,200, about \$14,000 LESS than John's estimate of two years ago for the scale and the recycling area. The Waldoboro Select Board awarded the bid to Jarr Management. When Jarr Management completes the project, the transfer station capital project for the scale will be completed. John Daigle expects the scale to be installed by the end of December this year. John reported that everything is going well. The hot topping may have to be put off until the spring. In response to a question from John Higgins, John Daigle clarified that the scales project does not include the paving of the day pads. The day pads budget is separate from the budget for the scales and the recycling area.

John Daigle repeated Jim Guerra's comment that the annual operating budget for MCSW is \$2 million. MCSW serves 11,000 people. The Waldoboro Transfer station serves 8,000 people. John Daigle asked, "Are we really wasting money with our budget at \$500,000?"

9. Agenda Items for Next Meeting, Set for November 13, 2014 at 6:00 p.m.

Greg Louder, Municipal Review Committee

Report from the Chairman at Seth Hall's suggestion and Randy Robbins' Request.

10. Adjournment. Ted Wooster moved to adjourn; Liz Dinsmore seconded the motion. All present voted in favor.

Approved:

Bob Butler, Chairman (Waldoboro Resident)

Elizabeth Dinsmore. (Friendship Select Board)

Terry Gifford (Haulers' Representative)

Martha Marchut (Cushing Select Board)

John E. Meyn (Friendship Resident)

Randolph Robbins (Cushing Resident)

Ted Wooster (Waldoboro Select Board)

Attachments to October 9, 2014 Minutes:

- Memorandum to Robert Knudsen from Craig Nelson of Doyle & Nelson
Dated October 8, 2014: Outline/Description of the Process for the Dissolution
and Winding up of the Affairs and Business of PERC, LP
- Memorandum to Robert Knudsen from Craig Nelson of Doyle & Nelson
Dated October 8, 2014: Disposition of Assets Belong to Municipal Members
By a Public Waste Disposal Corporation or Other Regional Association
Authorized by Title 38 M.S.R.A.
- Maine Revised Statutes, Title 38
- Schedule of Equity Charter Municipality Net Position as of December 13, 2013
- An Act to Implement the Solid Waste Management Hierarchy, LD 1483
- Memorandum to Robert Knudsen from Craig Nelson of Doyle & Nelson
Dated October 8, 2014: Process for Participation of Maine Municipalities in
Public Waste Disposal Corporations and Regional Associations under Title 38
M.S.R.A.