

Town of Waldoboro, Maine
Transfer Station Committee Meeting Agenda
Municipal Building - 1600 Atlantic Highway
Thursday, November 13, 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
Martha Marchut – Cushing Select Board
John Meyn – Friendship Resident
Randolph W. Robbins – Cushing Resident
Ted Wooster – Waldoboro Select Board

Also present were John W. Higgins, Waldoboro Alternate; Seth Hall, Waldoboro Alternate; Ronald Miller, Waldoboro Alternate and Selectman; Ronald Porter, Thomaston Hauler; and John Daigle, Waldoboro Public Works Director.

3. Presentation from Greg Lounder, Executive Director, Municipal Review Committee

MRC vs. PERC

Bob Butler asked Mr. Lounder why the Municipal Review Committee (MRC) is looking into alternatives to PERC.

Mr. Lounder explained that the MRC has had a lot of experience with the PERC facility. Since 1991 it's been the watchdog for the 187 communities that send their solid waste to PERC, and it has been deeply involved in all aspects of PERC's business operations.

In 2009, MRC realized that post-2018 planning was required, knowing that developing planning outcomes could take a long time. MRC's initial expectation was that there would be an extension of the PERC arrangement. It was the preferred path.

Lounder said that it was not so much that PERC's owners and the MRC split. They had worked together in earnest to craft a contract extension that would go beyond 2018. That approach changed when MRC realized that post-2018 economics gravitated against continuing with PERC. MRC decided to look into alternatives to PERC.

Lounder explained that MRC has a cultural affection for processing versus use of landfills. In early 2013 MRC explored emerging processing technologies that might be a replacement for PERC. MRC worked through 13 proposals, received in the summer of 2013. They narrowed the search down to a company called Fiberight, headquartered in Maryland.

Butler asked what it was about PERC that encouraged MRC to begin looking at alternatives.

Louder said that PERC has two sources of revenue: power sales and tip fees. The key driver behind MRC's decision was the expiration, in 2018, of the legacy power purchase contract. By virtue of that contract, PERC has been receiving subsidized power prices that are more than double current market rates. After 2018, PERC will no longer benefit from subsidized power revenues. PERC will have to compete on the open market as a provider of electrical power. Lower, unsubsidized post-2018 revenues from power sales will mean that PERC will have to look to increased tip fees to fill the revenue gap and meet its operating expenses.

Mr. Louder added that the PERC facility has always been too large for the communities it serves. It needs 315,000 tons of solid waste per year to run at capacity. The MRC communities provide 180,000 of those tons. PERC receives another 20,000 tons of trash from other sources in Maine. The only way to attract enough trash to meet PERC's optimal operating tonnage is for PERC to offer a very low tip fee for out-of-state trash to make up for the transportation difference from, say, Boston to Orrington, the location of the PERC facility. According to Louder, the cost of transporting a ton of solid waste from Boston to Orrington is about \$50. Add to that the current tip fee of around \$70, and you're at \$120 per ton. If we all agree that continuing with PERC after 2018 is the "right thing to do", then we'll all pay a tip fee of \$120 per ton to subsidize out-of-state trash so that PERC can operate with optimal efficiency. And even then, Louder said, "subsidizing PERC with increased tip fees after 2018 still would not attract enough trash to permit PERC to operate optimally."

Butler said that USA Energy's view of PERC's future is very different from that of Louder.

Louder agreed. He pointed out that the USA Energy Group has never been actively involved with procuring the solid waste PERC needs to operate. PERC's local management has always handled trash procurement.

Seth Hall said he'd read news reports a year ago in which Knudsen, USA Group Vice President of Operations, was quoted as saying that PERC would be gone in 2018, that PERC was not sustainable. He asked if the PERC facility could be used in a different way to prolong its asset life, perhaps using biomass or fermentation.

Mr. Louder replied that the MRC communities currently own part of PERC. If there's some practical way to get some value out of the asset, he believes the communities should do so. Referring specifically to biomass, he pointed out that the design of a biomass boiler, which burns wood chips, would be very different from the boilers PERC currently uses to burn MSW. "You'd have to change the process control at the plant", he said, adding "if PERC cannot pay unsubsidized rates for the trash needed to make a go of PERC's present design, how can one expect it to be able to change the design and to pay for wood chips?" (Note: the conversion also begs the issue of MSW disposal. If PERC is burning wood chips, where will the communities take their solid waste?)

Louder said that building a smaller facility at a new location, as an alternative to PERC, would be controversial. A selected community or communities could oppose a new facility. PERC is located in a community that values PERC's presence. That's important. For example, you have traffic coming in that's accustomed to the PERC facility. PERC provides jobs. An alternative community won't be used to such operations with the changes it will entail. MRC's initial focus, therefore, was to bring new technology onto the existing PERC site. The USA Energy Group has dashed hopes for a retrofit for PERC. There are a lot of good reasons to continue with the PERC location. But, the willingness of PERC's private owners is a prerequisite for such change. They continue to maintain that PERC's current technology is the highest and best available use for the facility and its location. They've had no real interest in looking at retrofits,

Randy Robins said that if the price of electricity doubles during future years, PERC will

receive close to what it's currently subsidized rates are, making PERC competitive after 2018. He mentioned that USA Energy Group has hired George Wood, an acknowledged forecaster of energy rates. "Have you gotten anything about that," asked Robbins.

Louder pointed out that it was MRC that had first involved George Wood in energy forecasting three or four years ago. Robbins asked, "What have you come up with? In order to argue that PERC cannot be competitive, you've had to crunch some numbers."

Louder responded that it depends upon how many tons of solid waste end up at the plant. He said, "At current market rates for electricity, PERC can make a small profit margin with 300,000 annual tons of trash and a tipping fee of \$110 per ton." He said that in Boston, the rates for MSW are going down. People in the Greater Boston area are signing long-term contracts with tipping fees of \$55 to \$60 a ton. To compete with that, and to offset the longer hauling distances to Orrington, PERC would have to charge Boston area trash providers a tipping fee of only \$10 to \$15 per ton. Charging such low prices, assuming current market rates for electricity, would require a subsidy of \$150 per ton to import solid waste from out-of-state. Louder does not believe such high rates are sustainable for the MRC communities.

Seth Hall asked if rail transport would make out-of-state trash a less expensive alternative. Louder said that the MRC looked at rail years ago as a way of increasing efficiencies by bringing Boston area trash to PERC, which is close to a railroad siding. He said that the economics did not materialize.

Louder shifted the discussion from the Boston area to Aroostook County, citing on-going USA Energy Group references to that area as a source of additional MSW for PERC. Louder says he can't understand how Aroostook County is going to provide additional incremental trash to PERC. He said he knows where the trash in just about every Aroostook County community goes. For example, Presque Isle has recently invested in a significant expansion of its municipally owned landfill. "They're not going to walk away from that investment", Louder said. The Tri-Community landfill has 30 years of capacity, and they have just invested \$2 million in a pipeline to deliver leachate to the Caribou treatment plant. The northern Aroostook towns deliver their solid waste to a landfill in New Brunswick, Canada, a relationship that's been in place for probably 15 years. "These towns pay \$50 per ton to get rid of their trash. PERC can't compete with that," Louder said.

Butler asked how much trash the County generates. Louder said Tri Community, with 30 to 35 towns, puts out about 25,000 tons annually. Presque Isle with its six plus towns generates 15,000 tons. Then you get into the southern Aroostook County area. Most of those towns already bring their trash to PERC. He doesn't agree with the USA Energy Group argument that Aroostook County is somehow going to generate a lot of additional trash for PERC, regardless of the availability of rail transport. He said he's concerned that the County will actually provide less, not more trash to PERC.

Legislative Support

Wooster asked how much support PERC is likely to receive from the Maine legislature. Louder said MRC has monitored the legislature's activities for 20 years. MRC opposed LC1483 in its original form. There's a lot of interest from some current legislative committee members in helping out with the issues. In Louder's view, the legislative role should be to foster solid waste management at the local level. There could be occasions where the state could be helpful.

Wooster explained that he was actually referring to a state subsidy for electricity rates and wondered if the Maine legislature might mandate a subsidy for post-2018.

Louder responded that four years ago, MRC worked with other waste energy plants in the

state, introducing a bill to continue some level of subsidy, albeit not at current levels. That bill went nowhere. It was clear that the State Legislature had no appetite to subsidize electricity rates. He emphasized, again, that MRC's preference is to continue to find a way of working PERC. "If there's a way of getting value out of the asset, if something emerges, one should do so, however it would require retro-fitting the plant", Louder said.

The Issue of Landfills

Wooster commented about the inconsistency between permitting new landfills while refusing to subsidize rates. He said it's incredible that new landfills are not allowed anywhere in the State. Greg Louder responded that there seems to be a movement to hem in landfill capacity statewide. The State of Maine is not being so generous about new landfill capacity.

Seth Hall mentioned the DEP's rejection of MRC's application for a new landfill in either Argyle Township or Greenbush. He wanted to know why MRC applied for the landfill permit.

Louder explained that the landfill is needed to complement the increased recycling and processing MRC expects from the new Fiberright technology it is considering. Louder estimates the residue from the Fiberright process at about 20%, which is lower than the land filled residue of PERC's facility in Orrington.

Louder continued with his argument for a landfill. He pointed out that there was a policy shift at the State level in 1989. At that time, Maine was worried it was becoming the dumping ground for New England. The State of Maine said no more commercial landfills. The market model was to fill up the landfills as quickly as possible to ensure lower operations and maintenance costs over a shorter period of time. This type of operation did not sit well with the state legislature. It mandated that the state of Maine, i.e. the public, was going to own and control landfill disposal capacity. How much landfill capacity has been added since 1989? How much capacity does the State of Maine own and control? Zero, excluding The Old Town Landfill, which was a special case. "There's a misconception about the state-owned landfill in Old Town," Louder said. The State of Maine owns that site. However, it ceded control of it to a private entity because the State did not want to raise the money to put that landfill into operation. That landfill also played into the effort to save the mill in Old Town. There was a biomass boiler in Athens, which was to be moved to Old Town to support the mill. The landfill operator made an upfront payment of \$26 million for the right to use the landfill. The state was going to use the \$26 million to move the biomass boiler to the mill at Old Town to provide low cost energy.

"Why doesn't the MRC make an arrangement with the current operator to use the Old Town landfill," Louder asked. It makes a lot of sense to make such an arrangement. Louder went on to explain that there are impediments. USA Energy Group entered into a contract with Casella Waste Systems, the Old Town landfill operator. The contract says you, Casella, will not make any arrangements with any MRC communities until April 1, 2019. USA Energy Group invented a gap to prevent MRC from dealing directly with the landfill operator between now and the time the arrangement with PERC expires in April 2018. Louder pointed out that the contract is public. There are also provisions in that contract that contemplated PERC's closure as early as March 31, 2016. Louder asked, rhetorically, "How is that USA Energy Group would enter into a contract that contemplates PERC's early closure and then comes to our communities here in public and suggests everything is fine?"

Louder said that the State does have a collection of monetary rights in regards to the landfill and that MRC is looking to clear their way through the impediments. He gives MRC a decent chance of dealing with them.

Fiberright Option

Bob Butler asked Mr. Lounder to describe the technology Fiberight offers.

Lounder said that MRC likes the Fiberight technology. It does not need 300,000 tons of solid waste that can only be obtained by purchasing garbage from out-of-state sources. Fiberight's technology is adaptable and scalable to the MSW tonnage the MRC communities currently produce. With PERC, most of the investment is in generators and boilers and machines. "There's a massive investment in a plant that produces only one thing, electricity," Lounder said. Perhaps there could be some process steam if a host could be found for it. Fiberight treats waste differently, and this is what makes the Fiberight option stand out in the minds of the MRC. Organic material appears to be the most difficult fraction of the waste stream to manage. Fiberight segregates all of those organics. It washes them and pulps them and turns them into liquid slurry, which it then distills to make liquid fuel.

What's really attractive, Lounder went on, is the ability of the technology to change products as markets change. You're not locked into one fuel product. With a relatively low investment in process change, Fiberight can shift what it's producing.

Lounder also explained that there's an upfront recycling piece to the Fiberight process. No matter how well we all recycle at the local level, there remains a considerable amount of material that is not recycled. The Fiberight system takes a second pass at those recyclables. While their quality may not be as high as the product that is recycled locally, the Fiberight process captures them and keeps them out of the landfills.

Randy Robbins asked if Fiberight is looking for cardboard and paper wastes. Lounder explained that "fiber" in the Fiberight sense means "organic matter". It's not composting. It's a chemical conversion process. MRC does have some questions concerning Fiberight's chemical and biological processes. MRC has retained the University of Maine Chemical Engineering Department to peer review the Fiberight process. MRC wants to be sure it works.

Randy Robbins asked about the resulting residual. Lounder said that, by weight, it's about 20%, which is lower than PERC's 33%. Fiberight will recycle and process 80% of the MSW tonnage it receives. Lounder said that he has a waste characteristic profile, with a full breakdown. The residual is not so much off the back end after the chemical conversion; it's off the front end. It's primarily different paper products and plastics that did not get recycled. The profile is broken down by waste stream component type.

Proposed Location of the Fiberight Facility

Martha Marchut had a question concerning the proposed location of the new plant. Mr. Lounder said it was too early to make an announcement. MRC still has an option interest in Argyle Township and Greenbush, which could have been host sites for the landfill. Without a landfill, those two sites are less favorable. The MRC is trying to locate a new site. MRC has signed a letter of intent with a property owner that details pricing and other principle elements of the transaction. MRC needs to convert that intent into a land/purchase option. Lounder expects to announce the new location at the MRC annual meeting in December. Concurrently, MRC is working intensively with the host community ahead of announcement. MRC does not wish to make the disclosure prior to ensuring that the host community is comfortable with the idea of a new processing plant. Mr. Lounder did say that the new site would be closer to Cushing, Friendship and Waldoboro.

Martha followed up, asking if the new site will have a landfill. Lounder responded that, applying timely for a landfill permit will not be possible. The project will have to contract for transportation to move the residuals elsewhere. This additional expense represents a new layer of risk for the project, which is not a good thing. MRC is working hard to develop an economical contract arrangement for disposal of the residuals.

John Meyn said he'd lost the connection. The project cannot access state-owned landfills. DEP turned away MRC's application. "So, what's next?" Meyn asked. Lounder explained that a landfill is needed to accommodate the 20% of MSW that cannot be recycled or processed through the proposed Fiberight facility. The project will have to contract with someone to handle the residue. That's an expense. With a landfill available, MRC would have been able to know and control that expense. Lounder's view is that MRC must continue to look forward.

Meyn asked if there are any circumstances where Lounder could see relief. Lounder speculated that if the expense of residuals disposal became so high – say \$100 per ton-- that it could crater the project, the State might open up an avenue for relief. Even now the State could recognize it made a mistake in not approving a landfill for the project from the beginning. Lounder acknowledged, however that under the best scenario, there could be a gap of a year or two during which the project could pay a lot for residue disposal.

Viability of the Technology

Ted Wooster asked if Lounder had seen a Fiberight plant in operation, one that is using the process successfully. "Does Fiberight have the experience to guaranty that the project will work?" he asked. "Have you seen a plant that converts MSW to Alcohol?"

Lounder said that at this point in time, there is no guarantee. MRC will continue to look at the technology for another 9 to 12 months before they are absolutely confident that MRC should recommend the system. Lounder said that MRC confidence in the process is growing but the homework assignment is not complete. He pointed to a facility in Virginia that is operating. MRC personnel visited that facility. Fiberight is expanding it. There's another plant scheduled for construction in Iowa, and Fiberight has plans to open another 2 or 3 such plants, one of them, perhaps, in Connecticut.

The Structure of the Fiberight Arrangement

MRC has a substantial tip fee stabilization fund, which is scheduled to have a balance of about \$20 million in 2018. Lounder has been waiting for the day when Fiberight asks how much money the MRC communities want to invest and was recently surprised to learn that Fiberight is interfacing with the financial markets to raise *all* the equity themselves. They have coupled the financing for the MRC project with other projects to raise the money at the same time. Lounder likes the sound of that. Nevertheless, MRC wants some form of control and participation. As regards PERC, the communities made an equity investment. In contrast, MRC is considering a landlord/tenant relationship where MRC owns and controls the site and leases it to the project.

Ted Wooster commented that the arrangement would move the liability for maintenance and management to Fiberight. Lounder countered that MRC needs to know ahead of time if the project is missing its performance targets and to identify cures. That need may or may not dictate an equity investment and will depend upon how the relationship between Fiberight and the communities is structured.

Fiberight and Tipping Fees

Butler asked about risks associated with increased tipping fees. Lounder responded that tipping fees are what this whole project is about. He observed that the communities today are in a place very similar to the place they were in during the 1980's, when the PERC technology was under consideration. An important difference is that the communities now have 25 years of experience in the kinds of things that can go wrong with one of these projects. "We need to apply the wisdom of our experiences," Lounder said. "We could adopt a liquidated damages type approach, or a corporate guarantee approach...but whatever the approach that is adopted, the mechanisms need to be incorporated into the agreements so that towns can be assured the

project will work. Also, MRC must build in plans for contingencies. For example, the project might not perform as expected, or the corporate parent might sell or spin it off. Answers must be in place to address those eventualities and other concerns,” Lounder said.

Whom do the MRC Communities Trust?

Randy Robbins observed that the MRC has been the liaison between the communities and PERC. He noted inconsistencies between what the Vice President of Operations for the USA Group (Knudsen) said to our committee at its meeting in November and what he’s been hearing, now, from Mr. Lounder. He pointed, for example, to Knudsen’s comment that PERC burns about 300,000 tons of trash per year. Knudsen said 180,000 tons of that amount comes from the MRC communities and the remainder comes from somewhere else. Knudsen said importation of out-of-state trash was not permitted. Butler added that Knudsen even said that MRC discouraged importing trash from out-of-state to support PERC because that would release the MRC communities of their obligation to send their solid waste to PERC. Randy said he wanted to know how we’re going to decipher through this. “We’re hearing one thing from them and another thing from you,” adding “You’re hopefully closer to where we’re at”, with Butler inserting that MRC represents the interests of the communities. Randy continued, asking, “How much truth can we put into what Knudsen says”, noting, “You are not giving us a very firm grasp on where we’re going to go after 2018. This in limbo.”

Lounder responded that he could try to make a sales pitch. But he asserted that he couldn’t say something of which he is not sure. He said that MRC’s confidence in Fiberight continues to grow, but insisted that more due diligence needs to be done before MRC is certain that it’s comfortable recommending Fiberight to the MRC communities.

Seth Hall asked about the cost of the Fiberight plant. He wondered why MRC would want to relinquish control of the investment. Voting control would give the communities serious consequential input into the new project and its operation. Lounder responded that MRC wants to have that control, just by different means. He said that negotiations with Fiberight are not complete. It could occur along the way that MRC suggests taking, say, \$5 million from the tip fee stabilization fund as an equity investment and couples that with the landlord/tenant arrangement. “That’s not off the table”, he said. He confirmed that the project cost is between \$60 and \$70 million, noting that’s not a huge amount compared to the investment in PERC.

John Daigle commented that the University of Maine is looking into the project and that we need to wait for answers from the university before discussing contract details. He suggested not putting Mr. Lounder on the spot until after he gets the information he needs from the University.

John Meyn said that he thinks MRC is playing it straight. Based upon his own experience, he regards MRC as professional, organized, and confident, working hard to deal with the problems. MRC has been honest about the difficulties and the “I-don’t-knows”. Meyn expressed his personal feeling that the MRC is a far better option than any other of which he’s aware.

Butler commented that the Fiberight plant would produce downstream products that are hazardous. Lounder acknowledged that he and MRC have a lot to learn about the handling of those products, which will be subject to DOT and other state and federal regulations.

Ted Wooster said we had received all kinds of assurances from USA Energy Group that the plant in Orrington is viable and successful and will run for a long period of time. How does PERC’s Orrington plant survive without the MRC communities contributing?

Lounder responded that it’s hard to envision a future for PERC with the MRC participating let alone what that might look like without MRC participating. John Meyn added, “You close the

steel mill; it's beyond its useful life. It is something you no longer invest in. You go somewhere else."

Butler said Knudsen's point was that new waste-to-energy incinerators continue to be built and to produce electricity at a cost that is competitive. Knudsen had referred to seven new plants being planned or under construction on the East Coast, as supportive of his argument that the PERC technology remains viable. Knudsen had also mentioned the \$657,906 investment Cushing, Friendship and Waldoboro have in PERC as of the end of 2013. "What happens to that if PERC goes away?" Butler asked.

Louder responded, "If you have investments in an asset that's not a going concern, the value drops to zero." He was unsure of what, exactly, Knudsen was referring to when he mentioned the \$657,906 investment in PERC. Butler pulled up the document Knudsen had passed out during the October meeting, noting its title: "Schedule of Equity Charter Municipality Net Position as of December 13, 2013." Louder acknowledged his familiarity with the document and said for Knudsen "to relate that amount to an equity investment in PERC shows a basic misunderstanding of MRC's financial statements and what that money entails." He clarified that around \$550,000 of that \$657,906 is cash assets in the tip fee stabilization fund. A very small fraction of the amount would relate to the three towns' equity investment in PERC.

Meyn said, "Let me repeat that because I want to be sure I got it right. When you talk about the three towns' investment in PERC, you're saying a very large part of that investment is in the form of cash under the control of MRC. Am I saying that correctly?" Louder agreed with that characterization.

Butler added that Knudsen's other argument was that those funds are in a trust fund that is under the purview of the Attorney General's Office, not under the control of MRC.

Louder explained that he knows USA Energy Group has spent extensive efforts to convince the AG's office to freeze MRC's assets. He said, USA Energy Group's "biggest fear is our ability to solve our problem. They want to strip our ability to solve our problems from us so that we have to pay them whatever rate they command. That's where we're at."

"As for seven plants up and down the East Coast," Louder continued, "I'd like one named because I'm aware of none. There hasn't been an RDF plant constructed in this country for 20 years. Of the 33 or 34 that were constructed in this country, there's only 12 left operating," he said. "PERC's is the smallest remaining RDF plant. The next smallest is more than twice PERC's size." The only expansion of waste disposal capacity of which Louder is aware is an RDF plant in Dade County, FL... "They did add capacity at this facility within the last year," he said. (Note: in a subsequent e-mail to Butler, written on November 14th, Louder wrote that had had misspoken. While Dade County has waste-to-energy, the particular project about which he was speaking was in Palm Beach County.) Rather than add on PERC's Refuse Drive Fuel Technology (RDF) they (Palm Beach County) added on Mass Burn (like EcoMaine in Portland). EcoMaine is a little more capable of being competitive. When asked what "Mass Burn" means, Louder explained they take MSW that comes in the door and figure out a way to shove it into the furnace. EcoMaine tip fees historically have been \$100 to \$110 per ton. "That", said Louder, "is my take on RDF and Mass Burn and what's going on up and down the east coast." If someone could show him some of the projects, Louder would love to see them, He's not aware of them.... except for the Palm Beach County project.

John Meyn said he's always objected to people who don't tell him the truth. "I would be interested to see if the PERC rep would identify the seven new plants." Butler interjected, "we can write USA Energy Group a letter and ask them. Meyn continued, "Because, if there are not those plants, then we've been lied to. What else is it? You've come here. You have my trust. Was that freely given? I don't give my trust freely. There's a lot of different ways about how you make that kind of decision (to trust). "If this guy gives us a mealy mouth answer

about the seven plants that's a source of information that's to be ignored", Meyn said.

John Meyn asked if the Committee had missed something. Was there something more that should have been asked?

Louder suggested that he discuss the time line. By MRC's annual meeting in December, he expects there will be an announcement about the new location. MRC is currently negotiating a Development Agreement with Fiberright. The Development Agreement will be a framework and, if completed in time for the December MRC annual meeting, it will provide a lot more information about the project, including a waste disposal agreement and a lease agreement. The Development Agreement will be a binder of about 300 pages that someone will have to stand up at town meeting to explain. He estimates the post-framework discussions will continue through 2015 to ensure that the final agreements work for the MRC communities. If that happens, the MRC should be in a position to recommend the project to the municipalities. By March of 2016 MRC will approach the MRC communities for their project approvals. That process could take 6 to 8 months. During the fall of 2016, after obtaining project approvals, there would be a project closing. The hope is to catch some of fall construction season in 2016 and to continue construction through all of 2017. All of that time would be needed to complete acceptance tests in the months leading up to April 2018, when the MRC communities' contracts with PERC will terminate.

John Meyn suggested that maybe it's time to start training the cadres of people in the towns, like us, to carry the message, even if it's just conversational. He recommended training sessions for the December meeting. Louder endorsed that idea.

Seth Hall asked what the communities could do in the meantime. Louder suggested the committee write to USA Energy Group to explain that its not looking to be further educated at this time and stating that if USA Energy Group has a contract or proposal to extend PERC the committee would like to see it. In the absence of an actual proposal, there's no need for the communities to meet with the USA Group. Louder expressed his frustration the USA Energy Group was going around explaining their side of the story on PERC's nickel. They've spent more than \$1 million of PERC's money telling their side of the story.

Butler said that until Louder and the MRC are convinced in their own minds about the viability of the project, the three communities should withhold judgment, ask tough questions and get the necessary information. Louder confirmed he would not want it any other way.

The committee thanked Mr. Louder for his visit.

Randy Robbins noted, after Louder left, that Louder had seemed a lot more positive about Fiberright at the MRRA conference last spring. Butler pointed out that the MRC had not had its landfill application turned down.

Ted Wooster emphasized that he is not enthused about being a guinea pig. Ted has the impression that Fiberright continues to experiment with its technology.

John Meyn said that we have a reasonably well-defined situation if we continue with PERC. Tipping fees will skyrocket. He added that we have an organization (MRC) that has spent years looking at this problem in advance and is honest about the difficulties that exist. He said, "I think we have to hitch our wagon to the MRC. The MRC has been honest about the situation; they've been looking at alternatives. Yes, there's risk," Meyn said. On a long-term basis Meyn thinks the MRC is our best solution and believes that PERC is not an option unless PERC begins to do something differently.

Butler said that the MRC has not closed the door on PERC.

Martha Marchut asked what option other than PERC do we have if MRC can't pull this together.

Butler said that the only thing the three towns can control is the amount of trash they ship out. He said we should be making every effort to bring the tonnage down as fast as we can. There's talk of a \$110 a ton tipping fee and more, which is far higher than what we're currently paying. He said there's a lot of folks in town who are not aware of the problem and need to be brought up to speed.

Wooster said that the new scales will help show what not recycling is costing us.

Butler reminded Wooster that there used to be a recycling committee in Waldoboro back in 2001 and 2002. At that time the stated objective was 50% recycling. "Here we are, years later, and we're at roughly 30% to 35%. We have a long way to go", Butler said.

4. Discussion of the Minutes of the October 9, 2014 Meeting

John Meyn moved to accept the minutes as written. Randy Robbins seconded the motion. All voted in favor of the motion.

5, Report of the Committee Chairman

Butler summarized things the Committee has recommended.

- Brochure: The brochure is with the graphics artist. "Monika and Alan have not come back to us yet. I know they're working on it," Butler said.
- Waste Hauler: A lot of time was spent on the waste hauler issues. The Waldoboro Select Board met in October and went into executive session to take up the letter from the Friendship Select Board and the request of the waste haulers. The Select Board did not take up the specific recommendation of this committee. Butler was not present at the executive session so he does not really know what transpired. He could only relate what happened when the Select Board came out of executive session. He said that the Select Board had decided to leave things as they are. The Chairman of the Waldoboro Select Board said that Select Boards had been asked over the years to remove members for whatever reason and the one thing about which the Select Boards have been very consistent is staying with whom they have. The Select Board chairman did point out that they would be going through the selection process again next year. The Select Board chairman said that people don't always get along with everyone. He requested that we move forward and do what we've been tasked to do. He said the Waldoboro Select Board has not suggested whom other towns should appoint. He hopes to receive from the other two towns the same respect Waldoboro accords to them. The Select Board chairman did say he had heard that the waste hauler in questions was doing a better job. Bob Butler requested that the Transfer Station Committee please put the matter to rest.

Martha Marchut asked if there was anything in writing concerning the decision of the Select Board. Butler responded that the post-executive session statements should be available in video format on the town website and in the minutes of the Select Board meeting, which are also posted on the Town of Waldoboro website. Butler said he would follow up with Martha. Martha said she needs something in writing.

Letter to Lincoln County. Back in July the Transfer Station Committee had proposed that the Waldoboro Select Board or the Waldoboro Town Manager send a letter to Lincoln County. He had learned that the letter had not been sent. The proposed letter requested budgetary information about Lincoln County Recycling (LCR) and expressed the concern that the current budget does not permit an accurate evaluation of the cost effectiveness of LCR. Butler does recall receiving a fairly long file pursuant to that request which the Waldoboro representative on the Lincoln County Budget Committee had made available. The Transfer Station

Committee had discussed the matter and remains dissatisfied in that LCR workmen's comp and health insurance are not allocated to the recycling operation and there is no apparent capital budget. At the suggestion of Ted Wooster the Committee agreed by consensus that Butler should define those budget items that need clarification.

Transfer Station Staff

Because it was mentioned specifically in the minutes of the previous meeting, Seth Hall wanted to know whether the transfer station employees are satisfied with the Waldoboro Select Board's deliberations concerning the waste hauler seat on the Transfer Station Committee. John Daigle preferred not to discuss that matter further.

6. Up-date from Waldoboro Director of Public Works

John Daigle reported that the scale walls should have been poured today (November 13th), but he rejected the cement because it was out of spec. He hoped the contractor would pour the walls on November 14th. Some framing materials are now on site, and the decking material is to be delivered, soon. "Everything is looking good right now", Daigle said. Hot topping is still up in the air. The project is on schedule.

The wood chips have all been trucked away. John Daigle is hoping that next fall we can clean the area, depending on weather and get everything ready.

Recycling: Everyone is pretty close to meeting the 30% benchmark. He said that it's ironic how everyone screamed and hollered that it could not be done. He's waiting to see what impact the recycled chips will have on the DEP recycling numbers within a month or so.

The recycling area has been filled in. The contractor had a small issue with water, and he expects that problem to be solved.

Butler asked why crushed stone was not used for the base of the scale. John Daigle responded that the existing soils showed the underlying soils met a 97% compaction standard, more than sufficient to support the 12-inch slab with 12,000 psi and 3/4-inch rebar. With four piers sitting on top of the slab, support for the scale will be more than adequate, Daigle replied.

7. Discussion of Procedures for Use of the Scale, now under construction, and Related Software

Daigle expressed concern that the current emphasis on volume has pushed behavior towards recycling plastics, which have a lot of volume and very little weight. He said that it's hard to convert, if somebody brings in 10 empty milk jugs and then turns around and brings in cardboard and everything else. Daigle said that some haulers are saying, "you told us before 1/3 would satisfy you, and now you're going by weight."

Butler asked if it's a theoretical problem or a real problem. Daigle said he thinks it's real problem. He noted that the recycling of plastics has increased tremendously.

Ron Miller asked if there's an outfit that offers information about mixed recyclables and wondered if that information would be beneficial. John Daigle responded that the problem is that some haulers are coming in with plastics that don't weigh much in order to meet the volume requirement. Daigle is trying to figure out a fair way of dealing with that issue and wondered if, over time, the situation would balance out.

Butler suggested consideration of a pilot program and possible changes to the Attachments to the ordinance. Daigle thought that could be a fair way of approaching the issue. He said he'd hate to turn around and weigh people up after they've done their part recycling the 30% the

ordinance requires and then find that weight-wise, the results weren't coming out right.

John Meyn asked if the committee should make a motion concerning the weight versus volume issue. Butler responded that we need some language to look at.

John Higgins wanted to go back to the April 2014 meeting. He said that the software has not been addressed. Butler said it has not been discussed. Daigle said he had not heard any complaints from committee members and insisted that he had given software specifications to the committee. (In July 2014, Daigle had submitted a software spec, which Butler confirmed. At the time, the scales were still being engineered and had not been put out for bid. John Higgins insisted that the matter had not been discussed and should be.

[Note: The Transfer Station Committee did not meet April 2014 because it met twice in March. The March 6, 2014 Transfer Station Committee minutes state, "there are lots of software packages available for scales. Scale options are numerous and growing. John Daigle recommends pending the discussion concerning software until after the scales have been approved and are undergoing installation."]

Bob Butler suggested the need to talk about procedure and what the Transfer Station personnel will have to do when the scales are operating.

John Daigle shifted the topic, saying that out back, when it's cleaned up and ready, he would like to start composting. He said the DEP would have to licensed Transfer Station to do that. Daigle agreed with Butler that, at this time, the Committee does not need to act on the issue because the licensing application approval process will take a lot of time, there's no certainty about the outcome, and there's little point having theoretical discussions about composting unless and until Daigle knows Waldoboro can obtain a license.

8. Agenda Items for Next Meeting, Set for December 11, 2014 at 6:00 p.m.

By consensus the committee agreed to hold its December meeting on the Thursday the Eleventh. Liz Dinsmore confirmed that she would not be able to attend that meeting and believed Arthur Thompson would attend in her stead. Issues on the agenda will include possible changes to the Attachments to the Ordinance, the brochure if drafts are available, and software for the scales.

Ted Wooster moved the committee adjourn. Randy Robbins seconded the motion. All voted in favor.

Approved:

Bob Butler, Chairman (Waldoboro Resident)

Elizabeth Dinsmore. (Friendship Select Board)

John Meyn (Friendship Resident)

Randolph Robbins (Cushing Resident)

Martha Marchut (Cushing Select Board)

Ted Wooster (Waldoboro Select Board)
