MINUTES OF THE CHESHIRE TOWN COUNCIL SOLID WASTE COMMITTEE
MEETING HELD ON TUESDAY, JUNE 29, 2010 AT 7:30 P.M. IN ROOM 207,
TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present
Andrew Falvey, Chairman; Justin Adinolfi and Timothy White
Councilor Anne Giddings
Staff: Michael A. Milone, Town Manager; Joseph Michaelangelo, PW Director
Guest: Bonnie Wallinger, A.J. Waste Company

1. ROLL CALL
The clerk called the roll and a quorum was determined to be present.

2. PLEDGE OF ALLEGIANCE
The group Pledged Allegiance to the Flag.

3. TRANSFER STATION
Mr. Falvey stated that this is the first Solid Waste Committee meeting of the new Town Council. Regarding the transfer station, the committee wants to discuss the costs to operate the dump with Public Works Department staff on site for the days the station is open, the long term viability of the transfer station as a Town operated facility, and the option to contract out the services to a private organization.

Town Manager Milone reported that the annual cost is $74,500; $21,000 is for overtime costs; rentals of equipment/roll offs is $4,700; tree disposal is $4,000; hauling of the material is $10,000; disposal of materials is $30,000; and disposal of propane and other specialties is $4,600. Predisposal is another $4,000. The detail of these expenditures is cited in the operating budget book pages 165 and 166. Revenue from the transfer station is about one-half of the costs or $32,435 last year, with estimated revenue this year at $35,000. The charge is $2.00 for every 20 pounds.

With regard to options, Mr. Milone said they are continuing to operate the station as it is now or privatize it with a company providing the current services. There is a local hauler with a similar facility operation. The issue of concern is that while the costs of bringing the materials is competitive, the Town does subsidize the operation by about $40,000, and a private company costs could be higher.

Mr. Michaelangelo informed the committee that the metal goes to Albert Brothers in Wallingford and the trade off is providing the container for the hauling which pays for the tipping fee for the scrap metal.

Ms. Giddings asked about taking leaves to the dump and what happens to the leaves and grass clippings.
Mr. Michaelangelo advised that the leaves and grass clippings go to a farm in Wolcott, and are used for compost, with a cost of $3,000 in fees to the farm. The cost is for the trucks to transport the materials. A. J. Waste has a transfer service on Burton Drive, and an option is to use them for the service and not operate the Towns’ facility. Mr. Michaelangelo said that residents must have a place to bring bulky waste, scrap metal and things like anti-freeze, car batteries etc. He is not sure A.J. would accept these items. The Town takes items such as air-conditioners, freezers, etc. and there is a cost to get rid of these items.

According to Mr. Milone the Town has never gone into the exploration of this potential service.

At the transfer station site there is a PW employee at the scale, and location where the trash is unloaded. With a charge for dumping an air-conditioner staff would have to know that it is coming into the dump for disposal. Mr. Michaelangelo said Cheshire is unique with accepting these items, and he does not know of any vendor with the ability to accept bulky waste.

Mr. Adinolfi questioned whether it would be advantageous to get together with another town such as Wallingford for operation of one transfer station.

At this time Wallingford does this with a private vendor and Mr. Michaelangelo advised that some towns (Madison and Guilford) have combined transfer stations for residents and are municipally operated. The Wallingford facility charges similar to Cheshire and operates 6 days a week.

Bonnie Wallinger, A.J. Waste, noted that the Wallingford transfer station is near the sewer treatment plant. Ms. Wallinger said that A.J. Waste will begin hauling for the Wallingford transfer station this week.

The Cheshire transfer station is open 24 days a year, 2 Saturdays a month, and there are fixed costs to operation of the station. Mr. Michaelangelo stated that the costs include licenses, maintenance, rental of equipment and staff overtime. The scale is checked each year by the State with a license charge for the scale. Operators must be certified by the State, and at this time there is no plan for replacement of the scale. For the PW staff working on Saturday the overtime costs are about $20,000 annually, paid a time and a half.

Mr. Falvey said it is clear Cheshire needs a place for the trash to go, and $74,000 in annual costs for 24 days a year. With revenue of about $35,000 annually the net cost to the Town is $30,000. He asked if there is more room for recycling at the transfer station.

In reply, Mr. Michaelangelo said there is room for more recycling, additional services, and electronic disposal. Mr. Michaelangelo explained a State law was passed in June making manufacturers pay into a fund to provide for recycling of
electronics and mandates municipalities to offer this service. For Cheshire, keeping the station operating as it is now, a private vendor would set up an enclosed trailer to accept the electronics, do the paperwork involved in the process, submit the paperwork to the State, with repayment from the fund for the service provided. The DEP will provide a list of certified vendors in Connecticut and the town chooses a vendor which best meets the needs of the town. There is no financial exposure for the town, but a commitment from the vendor to do the job for the town. There could be four events a year for collection with the same vendor in place to handle the process. With local collection of electronics there is a cost to the town, but with the private vendor there is no cost.

As long as the transfer station is being operated by the Town, Mr. Milone said a private company can come in with a trailer for electronics disposal/recycling and handling the process.

Ms. Wallinger informed the committee that A.J. Waste has its license to do this and could provide the service to the Town.

Mr. Michaelangelo will check on whether this service can be for commercial and business electronics disposal along with residential items.

4. BULKY WASTE COLLECTION
The committee was informed by Mr. Falvey that he has received calls from people regarding the bulky waste pickup service, and if it will be available at the transfer station for people to dispose of bulky waste items.

Mr. Milone explained that the last bulky waste pickup was in Fall 2008; the cost was $150,000 for a bi-annual collection; and this budgeted for $75,000 in each of the budget years. The estimate for this service would now be at least $180,000. When the service was terminated the Council discussed opening up the transfer station twice a year for bulky waste disposal.

Stating it is hard to predict the tonnage Mr. Michaelangelo believes it would be high, and then this material must be removed from the transfer station. The last free events (in 2002) had bulky waste overflowing the dump, and the material comes in faster than it can be taken out. The question is where the material would be put on the site.

There was a discussion about doing bulky waste pickup by zones over 4 Saturdays, but Mr. Milone said this could be difficult to administer at the gate to the station.

Mr. Adinolfi said there could be a charge for the bulky waste service.

Mr. Michaelangelo will get information on the amount of tonnage from past bulky waste pickups and advise the committee.
Mr. Milone commented on the challenges facing the town by reducing expenses and being more efficient, with the downside of having to lower expectations. It is hard to do both. The bulky waste service is a prime example of this as it cuts across all demographics.

The idea of privatizing the bulky waste pickup was raised by Mr. Adinolfi, and doing it in zones.

There are tonnage limits and Ms. Wallinger said A.J. Waste has limited permits and this must be considered if the town goes over its tonnage.

Mr. Michaelangelo noted that some towns do bulky waste pickup on an appointment basis. With municipal workers doing the bulky waste pickup they use compacting trucks and Cheshire does not own one.

Mr. Adinolfi suggested having the bulky waste picked up at different areas of the Town, i.e. northwest corner in 2010, northeast corner in 2011, and over a few years everyone gets the service.

Ms. Wallinger advised that 2/3rds of the $150,000 cost was for landfill costs.

On an appointment basis, Mr. Michaelangelo explained that people call and state their name and address, and the date for their pickup. With 5 workers and town trucks about 20 calls can be handled a day.

Mr. Milone noted that with the hauler, no matter how efficient, the schedule was never met for the 5 week time frame for the bulky waste pickup.

(Mr. White entered the meeting at 8:10 P.M.)

5. RECYCLING/SINGLE STREAM RECYCLING
Mr. Michaelangelo informed the committee that with the tax bills there was a mailing included regarding the Town’s recycling system, and the acceptance of #1 through #7 plastics. There is also information on the web site and in the local newspaper.

Mr. Milone displayed a copy of the mailing in the tax bills which was prepared by Mr. Michaelangelo for the curbside residential collection.

Mr. White asked about the 7,000 tons and CRRA contract for $10,000 tons, and if recycling is included or if the number is the same percentage.

All numbers are reported to the DEP and Mr. Michaelangelo said the recycling rate is calculated by the information and material received from CRRA.
It was noted by Mr. Adinolfi that there was a decrease last year in the tonnage.

The single stream recycling concept was raised by Mr. Falvey who commented on all glass and metal going into one tub, with separation of newspaper and cardboard and it all going into the same bin in the back of the truck. He questioned the difference of single stream other than the newspapers.

Mr. Michaelangelo said it looks like a factory setting up its operations so it is convenient from beginning to end. With dual recycling the homeowner accumulates cans in one location and newspaper in another, and this is being put out for collection. The person at curbside dumps one bin into one truck compartment and the other in a different compartment. A larger, different type of truck, with compaction, is needed for this collection. This is a somewhat inefficient system, and creates 20% recycling rate for the average home.

Out west they made a simple system with single stream recycling with the entire operation of one half municipal solid waste and single stream recycling. After 7 days there is one container of municipal solid waste and one container of recycling. Pickup could be more efficient using a compactor and at the plant there is a more intensive separation. This system has been shown to work better particularly in municipalities which are not recycling conscious.

For the most part, Mr. Falvey said we do this now. Mr. Michaelangelo said in a sense, that is correct.

Mr. Milone said we want to make this easier and more convenient for the homeowner. With single stream there is a larger tote container with more room for the recycling, and the cost to the town is for the purchase of the toters.

Hamden, CT is doing single stream recycling and Mr. Michaelangelo said people buy one type of bin, use a decal, and this is their bin.

According to Mr. White DEP has a 58% recycling target and he asked if towns are being encouraged to meet the mandates.

There are goals and Ms. Wallinger said they are unrealistic, and they are to be accomplished by 2024. There is significant cost associated with the goals.

Mr. Falvey has a concern with single stream recycling, and said without bundling of newspapers they are all over the neighborhood.

The goal is to have people recycle more and Mr. Adinolfi said people can get more than one bin from the town.

There are towns in the Hartford area using larger 45 gallon bins, but Mr. Michaelangelo is not sure whether this gets people to recycle more. One of the
negative feedbacks from Hamden CT is about things going to the dump rather than being recycled, and mishandling by the vendors. The charge for the larger bins is $8.00.

Ms. Giddings said she has three recycling bins, and the mailer indicates that more bins are available for $8.00 each. She has put out other containers for recycling and they have been picked up.

Town Manager Milone commented on the fact that our hauler is very good about picking up anything at curbside.

In Cheshire there are 10,000 customers and Mr. Michaelangelo said that complaints are minimal each week. If there are 10 to 20 a week they are immediately taken care of by the hauler.

Regarding the recycling, Mr. Falvey said the Town pays the hauler for the service, and he asked about the hauler getting anything more for the recycling.

Mr. Michaelangelo said the hauler gets whatever the market is, makes some money, or makes no money. They make money on the paper. Some towns are involved in tracking the materials and sharing costs. Cheshire does not do this. This was the deal at the time of the bid.

According to Ms. Wallinger with the current market there is about $4,000 for recycling to the hauler. There is a choice of where to bring newspaper. There are two places in Connecticut which accept single stream – CRRA or AutoMated. There could be zero dollars a ton or $100 a ton, and when the numbers for the bid were figured this was considered. Single stream recycling is not being considered at this time, and moving to this system is very expensive.

The concept of a recycling bank was discussed by Mr. White who said there is a bank in Hartford, and he asked if A.J. Waste could work with this.

With the current tonnage pickup, Ms. Wallinger said A.J. Waste loses $2,800 a month. The equipment to provide single stream is very costly, very technical, and requires additional staff to administer the function.

6. CRRA FUNDS STATUS

7. STATUS REPORT ON THE WALLINGFORD REGIONAL SOLID WASTE PROJECT AND COVANTA

Mr. Milone distributed information on the status of the CRRA funds. In December 2009 the fund was $18.6 million to be distributed to the five towns. Cheshire’s share is 13% or $5.6 million. There was a large reserve with CRRA which the five towns could use to stabilize the tip fee and for things beyond the
scope of the CRRA function. The five towns have decided to set up a $2 million reserve account. Cheshire received $3.46 million in December 2009, and has an estimated payment of $2.158 million in 2010-11. There was a meeting with CRRA last week, and the starting reserve is $21.1 million which is about $1.5 million more than anticipated last year. This is an un-audited figure, with the audited figure available in September, with payment to the towns in late September or early October. Against this $21.1 million there will be $2 million set aside in a reserve.

As the property transfers from CRRA to Covanta there was a determination of a contamination on the site, and the responsibility is being worked out between the two companies. It is possible about $500,000 may have to be set aside in an escrow account for this situation. With the $2 million reserve account and $.5 million escrow account there is a balance of $17.6 million, and Cheshire should receive $2,288,000 ($138,000 more than predicted) later in the year.

Mr. Milone stated that, as part of this effort, the consortium of the five towns is maintained, and they will continue to meet as a policy board, make decisions as a group, and this is why the reserve fund is established. The consortium asked Covanta to add an amount to the tip fee if they want to expand the reserve fund. The tip fee, under the contract for the next five years, is pre-determined by the CPI and other things. This is under negotiation now for 50 cents of the ton be redirected into the reserve fund.

On July 1\textsuperscript{st} the waste material goes to the same facility; the same truck picks up the trash; and everything should be seamless with the exception of a policy board working with a different organization. Some of the ancillary benefits from CRRA will no longer be there. The five towns have discussed having events (paper shredding, electronics recycling, spike in tipping fees, etc.) using money from the reserve account.

The only time there could be a spike in the fees is if there is a change in the law and Mr. Milone said this would be a change in the ground rules under which Covanta would operate. As a result of that they could bring in regulations not anticipated when the contract was negotiated. There is strict language regarding this in the contract.

Cheshire has a new tip fee of $65 per ton with increases over the five years of the contract. The City of New Haven has a fee of $87 per ton.

At this point, Mr. Milone said there should no change in the operations. Organizationally, the five towns are meeting with a different vendor, not a public agency, and things will be done to secure an adequate reserve with hopes of building it up.
Ms. Wallinger informed the committee she deals with Covanta in Bristol and they are great to work with, and she hopes Wallingford will be as well. When A.J. Waste did bid for the town it was based upon the numbers for the next five years, and she asked about the adjustment of the 50 cents in the tip fee being a change.

This is for the containers and Mr. Michaelangelo said they are for schools, town buildings and A.J. Waste gives a flat fee including tipping.

Mr. Milone said the concerns of A.J. Waste would be considered if there is an increase in the tip fee.

Ms. Wallinger said residents are all picked up in the same truck with the town paying the tip fee. For town buildings and commercial/condos, the pickup includes the tip fee.

With the town paying the tipping fee Mr. Milone said there is better control and savings. Residential and other pickups are broken out for the fees.

The committee was informed by Ms. Wallinger that Covanta wanted a $300,000 bond for A.J. Waste, and after discussion with them the bond is now $150,000 after breaking out the residential fees.

Mr. Michaelangelo reported on the permitting of the trucks, with five towns and five different permitting requirements. Cheshire had no permitting costs, and the haulers only had to get their trucks inspected at the PW garage. Now, this has been standardized with the same permitting fee of $50 per truck for all the towns. Every vendor must register every truck working in town, and the revenue is estimated to be $4,000. The feedback from the vendors is that the system is uniform and it has worked out well.

The tipping fee is tied to the CPI and Mr. Milone said the range is known. Cheshire’s required tonnage is lower than with the CRRA contract. With spot waste Cheshire has never paid a penalty at the plant. In the contract, with successful recycling, there is no minimum tonnage exposure.

With regard to the extra 50 cents in the tip fee, Ms. Giddings said having Covanta add this to the reserve fund is a convoluted method and it is not obvious what is going on.

Mr. Milone said there would have to be two different billing rates which would complicate it for them. There would be one rate for Cheshire residents and another rate for other towns. She questioned why the reserve fund has to be tied to a tipping fee.

Mr. Falvey stated that all the towns agreed to have the reserve.
It was stated by Mr. Milone that the towns wanted a co-mingled reserve so there would be economies of scale to do programs and events as a group. It was not used as a tip fee stabilization method, but for coordination of effort. It is not sure if the $2 million reserve will be adequate in a few years, but it’s a good start. When the five towns were leaving a project with a $45 million reserve, starting again with a $2 million reserve does not have a comfort level.

With other towns for events such as electronic recycling costs, Mr. Falvey said the costs are shared.

Ms. Giddings does not like hidden fees.

In each year of the contract with CRRA the surplus went to the reserve account and Mr. Milone said that over 20 years it built up to $45 million. The rate was higher because it was at market, and it could have dropped over the last few years. Also there was a contract which gave an exceptionally high electricity rebate and this contributed to the large surplus. Under the new contract any profit goes to Covanta.

Mr. Falvey requested that the committee receive information on the past bulky waste tonnage, the impact on the transfer station for the waste to be there, and the percentage of residential recycling now.

Regarding getting the permit with the town and transfer station, Ms. Wallinger asked if a permit is needed for a truck to go to the burn plant.

According to Mr. Michaelangelo, the way it is set up, if a truck picks up in town and goes to the burn plant, it is $50 per truck for the permit.

8. ADJOURNMENT

MOTION by Mr. Adinolfi; seconded by Mr. Falvey.

MOTION to adjourn at 9:17 p.m.

VOTE The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk