

Solid Waste Advisory Meeting
Tuesday, August 16, 2011
Draft Meeting Minutes

Attending: Councilor Keith Nyhan, (Chair), Councilors Elizabeth Blanchard, Allen Bennett and Michale DelloIacona; Committee members Melanie Dorion, and Greg Banks

Staff: City Manager Tom Aspell, Deputy City Manager Brian Lebrun, General Services Director Chip Chesley, General Services Business Manager Jeff Hoadley, and General Services Solid Waste Manager Pat Winn

Guests: Jim Presher (Concord Co-op), Liz Bedard (Recycling Consultant for the Concord Co-op), Craig Musselman (Engineering Consultant for the Concord Co-op), Ben Leubsdorf (Concord Monitor)

Absent: Councilors Jan McClure: Committee members Paula Mattis (has moved to Manchester) Mike Russell, Terry Clarkson, Arthur Aznive

Keith Nyhan called the meeting to order at 4:15 and decided to start with the second item on the agenda first; curbside trash infraction letter. Chip reported the General Services Department will be launching a new initiative regarding the placement of illegal solid waste at the curb for collection such as bulky items, tires and computer terminals. He noted that the Department's current practice is to have the City's contractor collect the waste and to incur the cost. Some locations are repeat offenders. The letter, which has been reviewed by the City's legal department, will advise the resident the city has picked up the illegal waste this first time, but in the future, the cost of removal will be charged to the homeowner. Committee members noted renters are probably the biggest offenders; they move and leave behind what they don't want. Councilor Mike DelloIacono requested the letter include an information sheet advising the resident dispose of these items. Chip said he would see the information was included.

The first item on the agenda was the single stream facility update. Jim Presher said they were hoping to have 25,000 tons by now, having visited many communities, with well over 66 presentations. With the exception of Kennington and Wilmont, Jim reported they have signed contracts for fifteen years with all the RFAM's. Jim provided a handout (copy attached) of the Co-op and RFAM communities committed to the plant and noted the total tonnage is just over 24,000 tons, which is just shy of the 25,000 ton criteria set by the City of Concord. Jim noted he had met with the Board of Selectman from Epping who advised they would place the item on their upcoming Town Meeting for consideration. He also indicated the population for Epping is higher than listed on the hand-out.

Keith asked if any potential RFAM communities have backed out since his last presentation to the Committee. Jim said New London with 1,000 tons is feeling uncomfortable to sign at this time. Milford, with 500 - 1,000 tons has pulled out. Liz Bedard corrected Jim and advised Milford had 1200 tons committed to the project. Jim said because it's been an ongoing project, selectmen change, Public Works members come and go; feels like it's trying to herd cats! Jim noted it was time to make a decision now if the project is to move forward.

Liz Bedard said other communities will come on board, just not as RFAM. She noted the RFAM communities will get the best rate. Melanie notes the population figures are a year old, but Jim indicated there would be only a small increase in tonnage due to slightly higher population figures.

An estimated 4,300 tons will come from Concord (Concord's current tonnage), but Liz feels this total will also increase.

Craig Musselman then made a presentation regarding the project economics. He reminded the committee he has presented these graphs several times. He reviewed what he had previously presented to the committee and recalled recyclable materials took a significant drop in 2008 and has climbed back since then. He noted the charts show highest and lowest value of the recyclables based upon the mix of material present and feels the material the facility would receive is in the middle.

At 25,000 tons per year, Craig reported the facility could generate net revenues of about \$30 per ton based upon a median value of the mix of materials the facility processes. He noted the facility has a breakpoint in its project economics at 30,000 tons per year.

Keith inquired if the Co-op was looking for additional recycling material elsewhere. He noted the facility had gone from -\$70 (2009) to +\$40 (2011); and it could potentially go up or down again.

Liz Bedard discussed the competitive markets; she noted Allenstown is getting paid \$8 a ton. While Eccomaine is receiving additional revenue, she stated it was her understanding the facility has elected to pay down debts

Jim Presher indicated the project economics right now are at its best point, and he is still talking with other communities. He noted some communities are still waiting to see what happens.

At present, Liz Bedard stated there are no other single stream facilities similar to the Co-op's project. She reported Bestway currently takes their single stream recyclable material to a facility in eastern New York.

Jim Presher reported Pinnard Waste (Bob Allgaier, company's president) gave him a courtesy call, informing him that Pinnard is planning on building a facility in southern New Hampshire. Jim further reported Bob stated it was just a courtesy call, and there was no guarantee Pinnard was going forward with it.

Brian LeBrun inquired about the 25,000 residential tons and the 5,000 commercial tons. He asked if there were signed contracts for the commercial tonnage and was contamination considered in the Co-op's analyses. Jim Presher said there are no signed contracts for the 5,000 commercial tons. Craig Musselman stated his analysis included a 6-7% contamination rate, and typically New Hampshire is less than that. Craig reported urban areas tend to have higher contamination rates. Tonnage rates include residue rates.

Liz Blanchard asked if the city ever thought of building a facility. The answer was yes and too volatile. City would receive revenue right now. Commodities and tonnage generated.

Jim Presher said we will know a year at a time.

Noting the project is short of meeting its 25,000 residential ton criteria, Brian LeBrun further questioned considering the viability of the 5,000 commercial tons projected by the Co-op and the potential impact of another facility starting up in the area as a possibility, and should we worry about tonnage?

Liz said with 30,000 tonnage, there would be almost \$60 million in revenue generated by the facility for RFAMS and Co-op members. She further noted all the communities surrounding Manchester have already signed written contracts for the fifteen year haul. Liz noted private enterprise involves different economic environment and other communities look at this. She reported the Town of Hampton likes the idea of a 15 year guarantee.

Keith advised Jim Presher the project will have to go before the Mayor and City Council in September, and inquired how quickly does this schedule impact another entity from going ahead? Jim responded if the facility is started this fall, it should be completed in 2012. Jim further stated he finds it hard to believe if we start building first, that anyone would likely go forward with another project in New Hampshire.

Liz Bedard reported that Manchester's tonnage is between 3 - 6,000 tons; but again, areas around Manchester have already committed to the Co-op's facility when it's built.

Jim Presher said the Co-op is receiving a lot of phone calls asking about the status of the project; wondering when or what is happening. Keith told Jim there would be no answer today; however, he is impressed with the numbers –presented by the Co-op today.

Melanie wanted to know where the City would go if not with this proposed facility. Chip advised our current contract with Bestway dictates it is the contractor's responsibility to market recyclable material, and if the facility is not built, our material would need to travel further.

Tom stated the market for recyclable materials will go up and down independent of the tonnage received by the facility and do we need to be at 30,000 because of contamination? Craig responded the project must have sufficient material to set competitive pricing and the project currently has the ability to do it.

Keith thanked the Co-op, and their consultants, for their attendance today, and appreciates all the hard work they have done for this to happen.

Mike made the recommendation for the project go before Mayor and City Council in September: Liz seconded the motion. The vote was unanimous in the affirmative.

In closing, Jim Presher stated he would like to get started as soon as possible.

Meeting adjourned at 5:35 PM