

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **SOLID WASTE AND RECYCLING**

DATE: May 10, 2006

Committee Members Present:

Supervisors Monroe
Champagne
Mason

Committee Members Absent:

Supervisors Tessier
Belden
Stec
Merlino

Others Present:

Richard McCarthy, President, Environmental
Capital LLC
Paul Dusek, County Attorney
William H. Thomas, Chairman
Nicholas Caimano, Budget Officer
Joan Sady, Clerk of the Board
Debra L. Schreiber, Legislative Office Specialist

Mr. Monroe called the meeting to order at 10:45 a.m.

Mr. W. Thomas, Chairman of the Board of Supervisors, made the quorum along with Supervisors Monroe, Champagne and Mason.

Motion was made by Mr. Mason, seconded by Mr. Champagne, and carried unanimously to approve the minutes of the previous meeting, subject to correction by the Clerk.

Privilege of the floor was extended to Richard McCarthy, President of Environmental Capital LLC, who distributed a packet of information to members of the committee, a copy of which is on file with the minutes.

Mr. Monroe commenced the meeting by explaining Mr. McCarthy had been hired by Warren County to advise them on the Town of Hartford solid waste facility and how it would fit into their overall objective. He expressed there was a current offer of \$3.2 million for the Hartford landfill but they had asked some engineers to value the offer to determine the best option.

Mr. McCarthy apprised he and Paul Dusek, County Attorney, had reviewed a report prepared by HDR Engineering, Inc. and they had met with Henry Gallinari, Town of Hartford Supervisor, and he said he felt progress had been made. He reminded the committee the contract between the County of Warren and Hudson Falls Resource Recovery Facility (HFRRF) expired in 2012. The cost of the facility was running approximately \$18 million, half of which was debt service; however, he said if the debt service was paid, Warren County would essentially have a \$25-\$35 tipping fee. The tipping fee fluctuated from year to year depending on the debt service but it was currently \$150, replied Mr. McCarthy. He indicated while it was considered a low cost facility, there was a profit for Foster Wheeler or Wheelabrator Hudson Falls, L.L.C.

In contrast, Mr. McCarthy commented the Town of Hempstead operated a large resource recovery facility (3,000 tons a day, 50% debt service) and their contract expired in 2008 or 2009. He said the negotiations had commenced but it was unreasonable to expect Wheelabrator to reduce their fees to cost plus a small profit. It was anticipated, he said, that their tipping fee would decrease to \$35. Mr. Monroe indicated he had been advised by Wheelabrator of other options available to the County including transportation and disposal.

Mr. McCarthy responded the options were 1) do nothing with the property; 2) sell the property; or 3) develop the property as a landfill. He expounded the sale of landfills was quite spectacular, averaging between \$100,000,000 - \$200,000,000 for some of the larger 3,000 ton per day landfills but all facilities had permit problems, including the solid waste companies. In order to receive significant funding, he stated, it would necessitate the towns and counties cooperating and conditioning the payments based on permit approval. In addition, he suggested initiating an RFP (request for proposal) to see what kind of response they receive. Mr. Monroe reminded the committee the Town of Hartford did not want an MSW (municipal solid waste) landfill and therefore passed a local law accepting no out-of-county waste.

Referring to Table 9 on page 29, Mr. McCarthy summarized the cost comparison of transportation and disposal tipping fees with three different landfill scenarios. Mr. McCarthy reported Scenario 1 was consistent with the Saratoga landfill; the second scenario involved municipal solid waste (MSW); and the third scenario involved Warren/Washington Counties utilizing ash as a daily cover. He noted the HDR report was predicated on the C.T. Male numbers that were generated approximately 10 years ago and the technology of landfill development had changed dramatically since then. Mr. Monroe stated the numbers received at the joint committee was based on 180,000 tons per year, which accepted outside disposal. It appeared in their discussions that as long as the Town of Hartford received a satisfactory host benefit package, they were willing to accept it but he said he anticipated a broader construction and debris (C&D) landfill would make it much more attractive. Mr. Monroe expressed Warren County was making better progress than six months ago.

In summation, Mr. McCarthy related, he did not recommend Scenario 1; relative to Scenario 2, there were too many problems with MSW; and the best alternative might be the C&D landfill. However, he suggested checking with the Department of Environmental Conservation (DEC) to insure the daily amount of ash cover. He said the County could decide they wanted to be in the C&D business but that would necessitate expertise. More importantly, Mr. McCarthy emphasized the County needed a waste facility as much as Wheelabrator needed the County but ultimately it was in both parties interest to cooperate together.

Mr. Monroe suggested a contract with the Town of Hartford recommending C&D with the option for Warren/Washington County to put in MSW for just the two counties, which allowed Warren County to operate the plant. He noted that Mr. Gallinari was receptive to that idea but wanted a higher host benefit package. Mr. Caimano queried whether an MSW facility of any size, shape or form had passed in this area and Mr. Monroe replied if taxes were eliminated in the Town of Hartford, it was a possibility.

While they did not intend on putting in MSW, Mr. Monroe remarked they would have a pre-approved contract with the Town of Hartford for that option. Mr. Caimano inquired 1) whether that landfill was permitted for MSW and 2) how would Warren County guarantee the Town of Hartford to only dispose of materials from Warren County. Mr. Monroe replied it would not be easy but they would execute the contract without the option based on the substantial value of the landfill. Mr. Caimano stated one way to guarantee all materials came from Warren County was to make sure there was a Warren County pick-up but that cost additional money. Mr. Dusek clarified the landfill classification was not MSW at the present time. He said conceivably the classification could be changed to "MSW" (Scenario 2) because the landfill was authorized to be a bypass (Scenario 1), so the landfill could accept MSW. He reiterated it was not characterized as an MSW landfill but rather characterized as a bypass landfill which would give Warren County the advantage with DEC to convince them to give us the MSW permit (Scenario 2).

Mr. Mason commented if they could get together with the three principal people in the project, then the next step would be looking for someone to operate the landfill. Mr. Monroe explained they envisioned an RFP (request for proposal) for an operator but the project would be conditioned on the Town of Hartford obtaining the necessary permits for C&D and MSW. Instead of Warren County receiving a tipping fee, Mr. McCarthy related it was his belief the Town of Hartford would make payments over time rather than a lump sum payment. Mr. Monroe advised if they sold it outright, they expected an upfront payment or provide adequate security; however, a majority of the discussions had focused on leasing. Mr. McCarthy expounded it was in the best interests of the County to retain control over the site to better negotiate with Wheelabrator rather than the nominal compensation Warren County would receive for a C&D landfill. He emphasized it was important to establish a C&D landfill that paid the developer, benefitted the community and had the flexibility of bargaining with Wheelabrator.

Mr. Monroe remarked there were ongoing meetings with the negotiation committee but he wanted to apprise the Warren County Solid Waste & Recycling Committee of the direction they were proceeding thus far.

Mr. Champagne commented he would like to see half the funds up front after C&D was permitted, the gates were open and the roads paved. Unless someone could convince him leasing and all these other options were better, he said he felt the County should get the job done and walk away. Mr. McCarthy replied there was a risk premium to any operator but the County would receive less money if it was paid up front. These were items that could be put into the RFP, he added. He suggested listing the objectives of the County so they could evaluate the benefits of an up front payment versus a payment over time.

Mr. Champagne commented the value of the C&D efforts were beginning to shrink due to the high cost of transportation but benefitting the County in the burn plant. Mr. McCarthy commented there was an inconsistency that had to be resolved if ash was used as a cover; however, he added they needed verification from the Department of Environmental Conservation (DEC). He articulated the more Warren County received of C&D outside the two counties, the larger the benefit to the County. Mr. Mason queried how the waste arrived, whether it was put through a chipper. Mr. McCarthy explained the RFP (request for proposal) should recommend a business plan be posted articulating how C&D would be accepted. He indicated if the site was permitted for 45 acres, they estimated the total capacity would be 1.8 million or 54 years just for the two Counties; however, for MSW it would be 2.9 cubic yards or 22 years. He reported if they could get to the 137 acres for C&D and ash, they could receive 4.7 cubic yards. While there was a process to go through without any guarantee, Mr. McCarthy stated the 137 was the permissible acreage on the site.

Mr. Monroe explained the proposed draft summarized the host benefits to the Town of Hartford as well as the rights to be retained by Warren & Washington Counties. In order to obtain the necessary permits, the Town of Hartford would agree to cooperate fully in obtaining the necessary permits, indicated Mr. Monroe. In summarizing the rights retained by the Counties on the second page, he stated the Counties would look into selling, leasing or an operating agreement; however, they would retain the option to deliver MSW and C&D waste. Mr. McCarthy recommended an independent agent to audit the scale house because that was where the payment was obtained. Mr. Mason queried if it was the intention of Warren County to dedicate a cell or sub-cell of the new landfill and Mr. Monroe replied affirmatively.

In summarizing, Mr. Monroe stated the draft had not been approved by the Town of Hartford but their Supervisor, Henry Gallinari, seemed to think it was reasonable. He said he thought this proposal was far better than their recommendation six months ago. Mr. McCarthy emphasized Warren County should want the ability to control the activities of the landfill through an agreement entered into with the operator. He said Warren County could give them a larger tipping fee for MSW in exchange for the freedom to negotiate deals with the operator.

Mr. Monroe stated Mr. Gallinari, Town of Hartford Supervisor, had an extensive list of items he wanted the Counties to achieve but he recommended Warren County offer the Town of Hartford a settlement and allow them to work out the details of the list. The ideal situation for Warren County would be to settle upon a figure, retain total flexibility and keep all options open, noted Mr. McCarthy. If the Town of Hartford agreed with Warren County there was a host fee for MSW, then Mr. McCarthy said it appeared everyone was in agreement. Mr. Dusek apprised there was room to challenge the law; however, he had not done all the research needed to verify it. Mr. McCarthy suggested getting the Town of Hartford to repeal the law.

Mr. Champagne related the Town of Hartford had been through significant controversy pertaining to the mining operation and on behalf of Warren County, they were attempting to paint a positive picture. Mr. Monroe confirmed they were treating the Town of Hartford the way Warren County would want to be treated and suggested preparing the RFP both ways, payments over time versus payments up front.

Mr. McCarthy queried if the committee was prepared to put together an RFP package and Mr. Champagne responded the Town of Hartford needed to sign off first. In summation, Mr. Monroe said he felt Warren County and the Town of Hartford were extremely close to reaching an agreement. He suggested the next step would be for Mr. Gallinari, Supervisor of the Town of Hartford, to present the proposal to the Town Board; schedule a public meeting in Hartford.

There being no further business to come before the Committee, on motion by Mr. Mason, seconded by Mr. Champagne, Mr. Monroe adjourned the meeting at 10:45 a.m.

Respectfully submitted,

Debra L. Schreiber, Legislative Office Specialist