

MAB Meeting Minutes

August 23, 2018

Hampshire Daily Gazette Conference Room

10:00am – 11:30am

Members present: John Alphin, Jan Ameen, Jamie Cahillane, Tracy DeMaio, Amy Donovan, Steve Ellis, Cristina Ferrera, Arlene Miller, Mike Pattavina, Susan Waite

Guests: Greg Cooper of Mass DEP, Mike Moores of WM Recycles America

The meeting was called to order at 10:00 am

Public Comment Period No members of the public were present.

Changes to July's draft meeting minutes:

- ✓ Strike Mike Moores' name from attendee list
- ✓ Last sentence of consultant update section: s/b "member communities." (not plural)
- ✓ Facebook paragraph, replace "necessary" with "advantageous"
- ✓ Public ed material paragraph: replace "using" with "offering."

Surprise Visit from Greg Cooper

On Monday the DEP received formal communication from Waste Management Recycles America (WMRA) regarding their ability to perform under the existing conditions of the contract. Based on outside impacts and market conditions over several months, they don't feel they can fulfill their obligations unless changes are made to the compensation formula. WMRA said that beginning October 1, their intent is to notify single stream MRF communities of a contract change. They are proposing initiating a \$50.00 per ton tip fee for single stream material.

- DEP Commissioner Martin Suuberg engaged in the conversation and discouraged WMRA from sending letters. He requested that the DEP have time to inform the communities in advance.
- It is likely that dual stream communities will also be affected at some point down the road; Single stream communities are low-hanging fruit with the largest amount of tonnage and relatively few communities.
- Greg does not believe this is a contamination-related issue.
- WMRA is claiming unforeseen, uncontrollable circumstances and that they are losing a couple hundred thousand dollars per month. Contract is clear that cost is not uncontrollable, but we assume WMRA has reviewed their legal position and feel they have justification.
- The DEP has a long-standing relationship with WMRA with regards to this facility. The contracts have weathered both good and bad market conditions.

The plan is to call a meeting with single stream communities ASAP (next week if possible) to discuss/agree on how to respond to this request. Greg suggests that we consider the issue strategically, keep calm, and come to collective agreement before individual municipalities contact WMRA.

Discussion:

Jan: There is precedent for change. In 2000 WMRA was paying \$20/ton to towns when market crashed, and they said they would pay zero. Casella is charging \$100/ton for single stream material in Vermont. This may not be an unrealistic request.

Mike: Single stream was sold to us as an evolving system. We were told that technology (and processing) would improve. We need to hold them to their promise.

Tracy: If contamination is not the issue it is not fair for single stream communities to shoulder the cost burden. Fiscal year budgets are just in...the timing could not be worse.

Arlene: - This situation demonstrates why it is important that the DEP continue their involvement with the Springfield MRF contract.

Greg- Someone should be at the meeting to represent the MAB and dual stream communities. DEP will look at the legal situation before the meeting. We will look at legitimacy of legal argument, and assess risks if WM were to bail on contract. We know the cost of single stream processing in 2012 and can look at market changes and extrapolate current costs. Hopefully there will be a collective approach from the region.

Jan: If contract is being amended, both single and dual stream should be amended at the same time.

Meeting audience was discussed. DPW directors? Mayors and town managers? Tracy suggested that someone from the MAB follow-up on invitation to encourage attendance.

Steve: This changes nothing at the MRF from an operational standpoint. We will get through this. The Commissioner took the situation very seriously, and Greg completely changed his schedule so he could be here this morning.

MRF & Automated Operations/Market Update: Steve & Mike reporting

Steve explained that there were load adjustments for wet paper last month. Until we understand and there is clarity about the new process and fairness, nothing will go out.

Revenue checks: Spread sheet to be reviewed. WMRA is holding off drafting checks until Steve gives them the go-ahead.

Progress is being made on the MRF RFR. The DEP gave feedback after reviewing an RFP outline draft. The MAB needs to provide a definition of where we want the facility to be within four weeks.

Mike Moores reported that the fiber market is flat and has been plateaued for months. In 2017 cardboard was selling at \$170/ton, it is now at \$110/ton. News was selling for \$85/ton and it is now selling for \$25/ton.

Residue has gone up in last months, mostly due to wet newspaper. From 57 tons (June 2017) to 72 tons (June 2018), and 49 tons (July 2017) to 83 tons (July 2018).

Lots of plastic bags are coming through, as well. Black trash bags and white kitchen bags are problematic. Good to communicate with/educate member community residents.

Mike is having difficulty moving mixed plastics (after removal of 1's and 2's). WMRA is moving material to single stream plants to see if they can break it down further.

Contract Committee: Arlene reporting

The Contract Subcommittee met to discuss the questions identified during last month's discussion with Peter Engel (Kessler Consulting) and Greg Cooper.

Regarding location Jan has proposed a concentric circle with fewer points allotted to those locations further from Springfield. Concept of drive time was floated, but Cristina feels with trucks getting 2 miles per gallon, mileage is more important.

As to whether the processing fee and revenue should be disassociated, Arlene feels that we should find out the preferences of member communities and their CFOs.

Both Arlene and Jan feel that communities will find a 10 year contract with no out clause very unattractive. Understanding who is in is key, but Arlene argues that at some point there is more wiggle room. She suggested offering an out clause after three years. We will bounce the concept around with Steve before speaking to Peter about it. The last time we negotiated the contract, the market was great. We are now in a different position.

The Committee will create a communication timeline for member community communication. It will be beneficial to:

- Inform them that the search for a vendor and new contract negotiation process has started
- Assure them that they are being represented
- Let them know about the timeline
- Offer boilerplate language for special town meetings

The Committee will write an initial letter. A mailing list will be developed from Tracy's educational material grant communication mailing list.

Mike pointed out that it will be difficult for communities to reconcile this with the potential single stream tip fee situation.

Board members are encouraged to attend the NERC meeting on October 30 as the key topic is MRF contractor negotiation. Mike proposed in an email that the MAB consider paying the registration fee for MAB members able to attend that day. Jan moved that the Board reimburse members attending the NERC meeting on October 30 for the early bird municipal daily registration fee (\$175.00). Jamie seconded and the motion passed. Members will be reimbursed AFTER the meeting. Early bird registration ends August 31.

Treasurer's Report-Postponed to September

Jan spoke with Dawn Quirk and argued that communities should be able to use RDP money to pay the MRF Public Education Fee if they order public education materials from the MRF. Dawn will discuss it with Brooke to get permission.

Public Education

Facebook: Tracy reported that the contract with Jess Wosniak has been signed. Jess needs easy access to images from the MRF website. Amy will discuss options with her.

Public Ed Materials: Tracy asked someone in her office to translate the postcard into Spanish and John had a colleague review it. Tracy will have a third person review it for good measure.

Arlene moved that we fund Nancy Turkle's time to produce a Spanish version of the postcard. Jan seconded and the motion passed.

Radio Ad – This topic was tabled as we no longer had quorum and the meeting was running late.

MAC Update – Veronique is not here, but (via Tracy) reports that the DEP's Recycle Smart website is up.

The meeting was adjourned at 11:46. The next meeting is September 27 at 10 AM in the Daily Hampshire Gazette Conference Room.

Respectfully submitted, Susan Waite