

MAB Meeting Minutes
January 16, 2020
Daily Hampshire Gazette Conference Room
10:00-11:45 AM

Members Present: Tracy DeMaio, Mike Pattavina, Mary Stucklen, Juliette Haas, Véronique Blanchard, Jan Ameen, Steve Ellis, Susan Waite, Amy Donovan, Arlene Miller, Kathleen Casey, John Alphin, Cristina Ferrera

Others present: Chris Lucarelle and Mike Moores, WMRA; Kimberly Beauregard from Dalton; John Pepi from UMass Amherst; Ethan Tupelo from Pedal People and a graduate student at UMass Amherst.

The meeting was called to order at 10:02 AM

Public Comment Period No members of the public had comments.

Approval of meeting minutes was tabled.

MRF update – Mike Moores reporting

Mike said that everything is running fine at Birnie Avenue. Pricing is currently \$30/ton for OCC, \$10/ton for News, Aluminum was \$760/ton in December, Natural was \$850/ton and PET \$220/ton. Aluminum is going down, most other materials pricing is stable. Nine Dragons in Rumford, Maine may begin taking MRF paper. Nine Dragons also bought a paper plant in Virginia. They are buying domestic mills and exporting the rolled pulp to China. Pulp is shipped out of Boston. The specifications for paper is 5% contamination. It used to cost \$600 for a backhaul shipment of paper to China, now it costs \$1,600 to ship to India. There are still paper mills in middle of the country, in Kentucky, Ohio, etc. Pratt (an Australian company) just opened one in Wapakoneta, Ohio. Historically both coasts got better pricing from China and now mills on the coasts can't compete and have closed. After eighteen months of National Sword, other companies see this Chinese restriction is not being reversed and are willing to make investments. New plants cost between \$300-500 million dollars and take 2 to 3 years to build. Some old mills will most likely be reopened. Another dozen mills are planning to come online by 2021 with one potentially in Albany. NERC (Northeast Recycling Council) has two papers online concerning papermills, when they will open and where they will be located. OCC used to go for \$140 about three years ago, which shows how much prices have fallen. The Rumford facility will begin taking paper in the 4th quarter this year. Export pricing for cardboard is getting fairly aggressive so it is now more competitive. Natural is now worth more than aluminum and is higher than it's ever been.

Mike Pattavina asked about contamination in single stream and whether sorting technology would evolve and contamination would be addressed. Will WM be investing in sorting technology? Chris responded that contamination comes from what goes into the bins at the curb. They have an 8 million investment in screens in Avon, .5 million in Billerica on screens and optic sorting. Education is necessary to reduce incoming contamination.

Discussion then centered on glass. Chris said he has never had any material rejected for glass contamination. There is no longer a glass processing facility. There used to be one in Franklin which removed paper and metal from MRF glass delivered before it went to the Ardagh plant for use in bottles. They currently have one plant without glass so they are evaluating the costs and benefits of removing glass on equipment maintenance. Glass has not been a problem in paper products for WM.

Contract discussion: 2 contract issues, language for appropriation of funds, and timeline for signing 1/31/20.

Does state law require an appropriation of funds annually? A municipality can enter into a multi year contract based on appropriations in first year. Each following year the funds still need to be appropriated. WM acknowledges that law as well, so they have drafted governmental non-appropriation language for the contract. What they want to protect against is about how appropriation is supposed to be used, meaning that a municipality cannot decide not to appropriate as a way to exit the contract to join another vendor. There will be a new contract drawn up and the date extended to February 28th for dual stream contracts but single stream will get the new contract with no extended deadline so single stream is still due January 31st.

WM has to have control over the single stream end product and marketing and they cannot lower the price because it has to use Avon or Billerica since they have control over those locations. Some single stream communities are getting quotes which send recycling to the Berlin, CT facility but use Automated as the transfer site. Chris can't extend the single stream deadline because he needs to work out all these quote options coming in to him.

WM will still operate at Automated as long as it still makes sense to do business there.

Discussion centered on how hard it is for a municipality to compare apples to apples in the offers they are getting from other companies.

Aluminum: Everything that is not steel goes up through the eddy current, which includes plastic coated catfood cans, etc. Markets are not as hungry for aluminum as they were, so the market is getting pickier about quality. WM can either send to a primary processor who cleans up the aluminum and they then market just the aluminum cans, or WM can send aluminum directly to market and the vendor then deducts the cost to clean up the stream. WM may try having the eddy current and a person or two sorting out at the MRF.

Chris mentioned that the contract is no different than the last except for pricing. In the current contract, \$67 is the processing cost. The index used was based on #8 and is now based on #56. One is \$10, the other zero, blended together this is \$5. With this being half the stream, it is worth \$2.50. \$2.50 added to \$67 the processing fee would be \$64.50 so without the zero floor and \$6/ton revenue we're equal to the new contract.

The January AMV was \$25.59 for dual stream and \$7.18 for single stream.

Draft Press Release: Arlene will be the contact listed on the press release, Amy will email out the press release and Arlene can refer questions to Steve as well. Amy has a great list of media outlets, and if Board members want it to be sent to other outlets, members will send their request to Amy by tomorrow at 10 am and any stragglers by Wednesday at 10 am.

Juliette moved that the Board agree that all the towns should have one uniform contract, which will be sent by Tracy to the dual stream municipalities, letting them know that the language was changed for appropriations with an extended deadline. Arlene seconded and the board discussed the motion. An email will go out Tuesday that there is a minor modification to the contract and a new deadline but this doesn't nullify the previously signed contracts. Steve is concerned about the confusion which would result and is willing to call all communities. The goal is to get all communities to sign the same contract.

Next MAB meeting date is February 20th, 2020 from 10-11:30 AM at the Daily Hampshire Gazette conference room.

Respectfully submitted,

Véronique Blanchard
Clerk