

CommonWealth

Resource Management Corporation

The ISWM Business Plan:

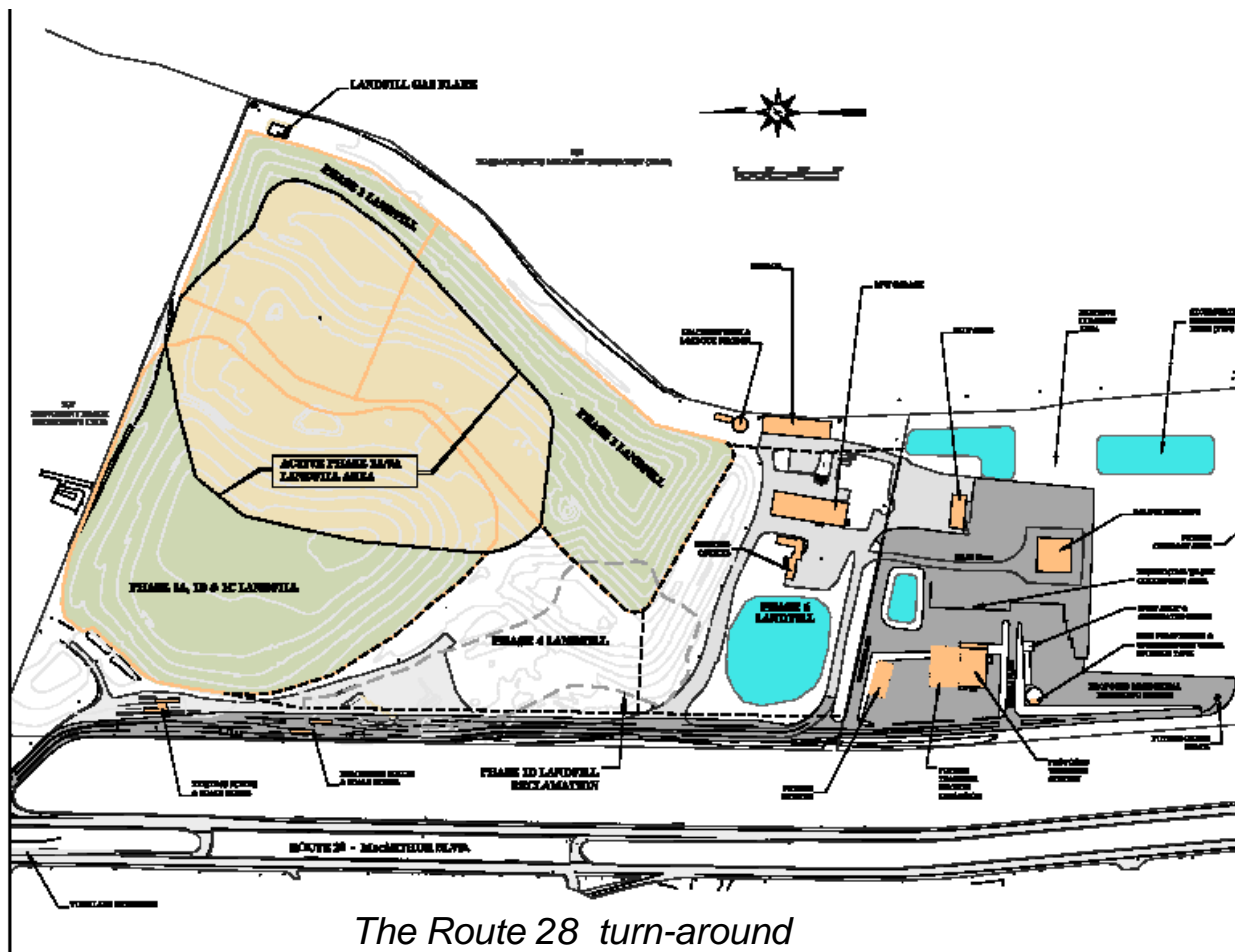
**Waste acquisition planning
and long-term site development**

**Presented to
the joint meeting of the
Town of Bourne
Board of Selectmen
Board of Health
Finance Committee
Energy Advisory Committee**

15 February 2011

The ISWM Business Plan: waste acquisition planning and long-term site development

ISWM today: a solid waste enterprise providing \$ for the Town



ISWM Assets

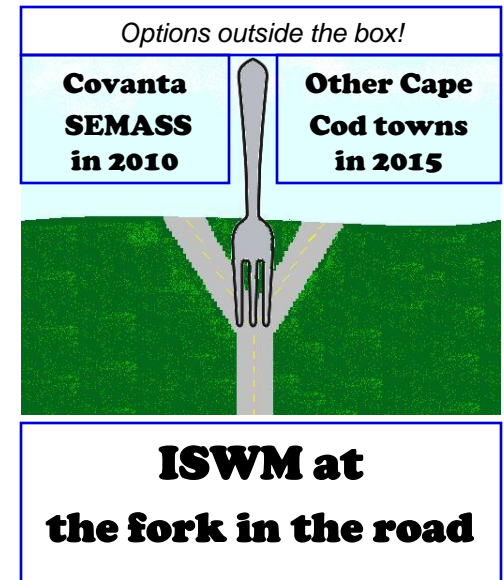
1. Landfill permitted for disposal of 219,000 tons/year (tpy)
2. Transfer station to handle C&D waste
3. Recycling center with baling facility
4. Compost/organics processing area
5. **Infrastructure and space for more development**
6. **Landfill gas available for beneficial use**
7. Upper Cape Regional Transfer Station
8. Cape Light Compact and CVEC affiliation

The ISWM Business Plan: waste acquisition planning and long-term site development

Phase I: The Landfill Waste Acquisition Plan

Recent events

1. Cape Cod Commission SWAC is preparing to issue a Request for Expressions of Interest to find disposal capacity providers
2. Covanta/SEMASS and ISWM have started a new phase of negotiations
3. ISWM continues to pursue short-term disposal contracts with municipalities and commercial customers



The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-Term Site Development Plan

Award of the Gas Rights

Ongoing ISWM activities

- ISWM provided Letter of Interest to National Grid
 - Committed to provide data/support for a feasibility study
 - Agreed to delay issuing the RFP until late summer/fall 2011
 - Stated that if the study yields attractive results, the RFP
 - Will not preclude pipeline injection
 - Will recognizes advantages of pipeline injection
- National Grid will proceed with the feasibility study
- ISWM is working with DEP on the air quality permit
- ISWM will evaluate an electric generating facility as a basis for comparison



The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-Term Site Development Plan

Lease sites for development

Approach to the RFP

Pre-RFP issues

- Requested/received advice of Town Counsel
- Clarify/modify Town Charter
- Address Site Assignment via a two-part process
- Address potential issues with facility traffic impacts
- Get feedback on acceptable technologies and waste types

The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-Term Site Development Plan

Lease sites for development: Approach to the RFP

RFP Goals

- Attract lucrative proposals from responsible vendors
- Ensure potential facility impacts are within acceptable limits
- Ensure proposals are real and stable (technically and economically)
- Minimize risk pricing and excessive risk-taking

The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-Term Site Development Plan

Lease sites for development: Approach to the RFP

RFP Strategies

- Set clear limits on site activities and impacts upfront
- Evaluate vendor qualifications and experience
- Evaluate technology record in the application and at scale [!!!!]
- Secure commitments before the award (when leverage shifts)

The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-Term Site Development Plan

Lease sites for development: Approach to the RFP

RFP Outline

1.0 Overview

2.0 Property description

3.0 Minimum site lease terms and conditions

4.0 Proposal submittal instructions and contents

5.0 Evaluation process and criteria

APPENDIXES – Site data, permits, local regulations, etc.

The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-Term Site Development Plan

Lease sites for development: Annotated RFP Outline

1	Overview	Summary and logistics	Purpose
2	Site description	Conditions, infrastructure, permit status	Attract vendors
3	Minimum site lease terms and conditions	Business terms Technical conditions	Limit impacts and risks
4	Proposal submittal instructions and criteria	Plan of services: design, performance, development process, financing, construction, O&M Compensation proposals	Get enough detail to ensure proposals are real, stable and reviewable
5	Evaluation process and criteria	Best overall responsive proposal	Provide basis for defensible award

The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-Term Site Development Plan

Lease sites for development: Approach to the RFP

Confirm the proposed approach

1. Solicit site lease under Chapter 30B, disposition of property
2. Encourage proposals from responsible proposers to manage non-MSW wastes with emerging technologies [more to come]
3. Get compensation proposals that provide
 - Base site lease (starting at award)
 - Contingent site lease (revenue sharing and other)
 - Host fees or personal property taxes/PILOT
4. Protect the Town with business terms, bonding and security, milestones, performance and financial guarantees, etc.

The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-Term Site Development Plan

Lease sites for development: Pre-RFP issues: the Town Charter

- Existing Charter limits ISWM Scope and Functions to
“...sanitary landfill; composting and recycling.” [Section 5-5]
- Town Counsel offered the following language to support an amendment as a matter of policy

“... [ISWM] shall include the solid waste functions approved under the Site Assignment administered by the Board of Health and in accordance policies established by the Board of Selectmen. The Department’s functions also include the implementation of additional solid waste functions as approved by the Board of Selectmen and consistent with the Site Assignment.”
- BOS will vote on a stand-alone warrant article for TM approval

The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-Term Site Development Plan

Lease sites for development: Pre-RFP issues: Site Assignment

Site Assignment Part I: before the RFP goes out

- Site Assignment on the 25-acre parcel prohibits “landfilling and/or combustion use” and allows “handling or processing” Section VI(vii)
- Before the RFP goes out, ISWM will request the following:
 - Allow processing of biosolids, separated organics, and similar wastes
 - Allow combustion of landfill gas, biogas, syngas and similar gases
 - Allow gasification, anaerobic digestion and similar processes
- ISWM will work with the BOH and Town Counsel on the approach
- Neither landfill disposal nor MSW combustion will be pursued

The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-Term Site Development Plan

Lease sites for development: Pre-RFP issues: Site Assignment

Site Assignment Part 2: after the vendor is selected

- Vendors will be required to seek BOH approval and/or site assignment modifications for
 1. Detailed site plans, impacts and mitigation
 2. Site leases and conditions
 3. Tonnage increases associated with and limited to the specific project

The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-Term Site Development Plan

Lease sites for development: pre-RFP feedback

Traffic issues

- The turn-around on Route 28 southbound raises safety issues
- MEPA and CCC will review traffic impacts of new facilities
 - Site road design and Route 28 improvements will support traffic at 1,500 tpd (Tepp LLC study, 2006)
 - The turn-around will become an issue and delay such reviews
- Can the turn-around be closed before the MEPA and CCC processes begin? When can the ISWM start the needed study updates and agency consultations (Mass DOT, CCC)?
- ISWM seeks responses from the BOS/BOH by the March meeting

The ISWM Business Plan: waste acquisition planning and long-term site development

Phase II: The Long-term Site Development Plan

Lease sites for development: pre-RFP feedback

Emerging Technologies and non-MSW wastes

- Mass DEP Solid Waste Master Plan (July 2010 update)
 - Sets objectives for organics diversion and future waste bans
 - Continues moratorium on MSW combustion, but does not preclude using source-separated materials as fuels (Draft SWMP p.47)
- ISWM will confer with Mass. DEP on scope of the moratorium
- Do the BOS/BOH consider unacceptable, or conditionally acceptable, any specific
 - Technologies (gasification, anaerobic digestion, other)?
 - Waste streams (biosolids, source-separated organics, liquids wastes, other)?
- ISWM seeks responses from BOS/BOH by the March meeting

The ISWM Business Plan:
waste acquisition planning
and long-term site development

Phase II: The Long-term Site Development Plan

Schedule

- Mar 2011 Address pre-RFP issues;
Get feedback from BOS/BOH
- May 2011 Town Meeting
- July 2011 Release RFP
- Dec 2011 Select vendor before December 31
(new ARRA deadline)
- 2013 Achieve commercial operation