

Lexington Capital Expenditures Committee (CEC)—Information Handout—April 5, 2011
2011 Annual Town Meeting Article 7, DPW Compost Operations Revolving Fund
Information on Capital-Related Projects

As we routinely cite in our report to Town Meeting, even if the funding for a capital-related project is being requested through the general authority provided for a revolving fund, we recommend that all such capital-related projects be explicitly described to Town Meeting by the proponents before the funding is authorized. That, however, was not done with regard to two projects contemplated in FY2012 under the subject revolving fund; therefore, we are providing this handout to ensure Town Meeting is aware of the nature of those projects. *The CEC had been briefed on those projects and our approval of them is in our written report, along with the planned uses of the requested funds. (See Pages 30 & 31 of our report.)*

Culvert Replacement (\$65,000)

In this case, we believe quoting from the Town’s FY2012 Recommended Budget & Financing Plan, February 28, 2011—the “Brown Book”—page XI–15, will suffice for what would likely have been the essence of a presentation:

The three corrugated metal pipe arch culverts under the access road to the Hartwell Avenue Compost Facility have failed due to rust and separation at the pipe connection joints. Significant sinkholes have developed in the roadway as a result. Replacing these pipe culverts will allow for continuous and safe access to the compost facility as well as proper storm water flow through the culverts. This request is for survey, design and permitting of the repairs. Funds for construction will be requested at a subsequent town meeting....”

Compost Facility Green Waste (Anaerobic Facility) Study (\$52,000)

While the “Brown Book, page XI–15, said the following:

The Board of Selectmen has requested staff to assess the Hartwell Avenue compost site as a location for a privately operated “green waste” processing facility. Such an operation, through a process known as anaerobic digestion, would convert green waste (food stuffs and vegetative matter) into energy and compost.

we offer the following additional information that would likely have been the significant points made in a presentation and provides what we feel is further, important, insight into the background and scope of the proposed project. *(The following consists of extracts from the Executive Summary of a draft report, Preliminary Evaluation of a Source Separated Organics Facility at the Hartwell Avenue Landfill Site, March 2011, by Camp Dresser & McKee Inc., which has been funded with \$12,050 of the balance remaining from the appropriation made at the 2003 Annual Town Meeting under Article 8(1)—Landfill Closure. While you should remember the report is still only a draft, and therefore specific details may change when it is final, it is our understanding the fundamental positions are most likely to remain, as cited.)*

“The Town of Lexington currently operates a successful leaf and yard waste composting facility at the closed Harwell Avenue Landfill Site. Because of the success of this facility as well as changing regulations that propose to ban source separated organics such as food and vegetative waste and tax incentives for energy generation, the Town retained Camp Dresser & McKee Inc. (CDM) to evaluate the potential to site a facility that accepts source separated organics at the Landfill Site. This report summarizes the findings of CDM’s evaluation including discussions with potential vendors, a meeting with representatives of the Massachusetts Department of Environmental Protection (MassDEP), meetings with local officials including the Board of Health, and a detailed review of the regulatory requirements for this type of facility at the closed landfill.

“In summary, the proposal to evaluate a source-separated organics facility at the Hartwell Avenue Landfill Site merits further investigation. This would include issuing the appropriate procurement documents to allow private vendors to provide the Town with proposals to permit, construct and operate the facility at the Landfill Site. The following is a summary of CDM’s conclusions and recommendations.”

“*[Some of the]* preliminary conclusions based on our initial evaluation of locating a source separated organic waste processing facility at the Hartwell Avenue Landfill Site:”

“• The Hartwell Avenue Landfill Site offers several advantages which make it an ideal candidate for a source separated organic waste processing facility including a compatible existing use, sufficient land area, adequate transportation access, good separation from residential property, nearby access to water and sewer utilities, and nearby access to the utility grid and natural gas transmission line for exporting electricity or pipeline quality gas;”

“• To be cost effective, the facility will need to accept approximately 40,000-50,000 tpy [*tons per year*] of food waste plus another 44,000 to 55,000 tpy of yard waste based on preliminary input from two potential vendors. This compares with approximately 10,000 tpy of yard waste that is presently handled at the Hartwell Avenue Landfill site;”

“• Approximately 10 to 12 acres of land would be needed to support a 40,000 to 50,000 tpy anaerobic digestion facility and a 55,000 to 65,000 tpy covered aerated static pile composting operation which is approximately the same area currently used to windrow compost 10,000 tpy of yard waste. The areas of the Landfill Site that are currently used for yard waste composting operations, also appear to be the most practical places to locate the new operations;”

“• Due to the uniqueness of this project, there is some uncertainty to the process and time frame for securing local and state permit approval. The Town is participating in a Task Force committee established by MassDEP and other state agencies to review and potentially streamline the permitting process;”

“• While anaerobic digestion of food waste is well demonstrated in Europe and anaerobic digestion of sewage sludge is common in the U.S., this would be a first of its kind project in Massachusetts which presents some project risk;”

“• This type of project offers the Town an opportunity to advance its stated goal of encouraging the development of renewable energy while maximizing the potential revenues from the Hartwell Avenue Landfill Site. Current net revenues from composting operations at this site amount to approximately \$90,000 per year;”

“• The term of any lease would likely need to be 15 years or more to allow the vendor to recover its capital cost to develop and construct the facility.”

“*[Some of the]* Recommendations”

“• The permitting process with MassDEP needs to be finalized. Specifically, clarification is needed as whether (i) source separated organics are to be considered a recyclable material for purposes of the regulations, (ii) the existing site assignment for the Hartwell Avenue Landfill can be used for the new facility and (ii/*i*) an Environmental Impact Report (EIR) needs to be filed for the project under the Massachusetts Environmental Policy Act. MassDEP is currently reviewing the regulatory framework for this type of facility and these requirements will have to be worked out prior to the issuance of an RFP/RFQ.”

“• The proposed facility can be constructed within the limitations of the landfill closure under the Massachusetts Contingency Plan (MCP, 310 CMR 40.0000). Modifications to the existing documents including the Activity and Use Limitation (AUL) would be required to accommodate the new facilities but these changes are within the limitations of the current site closure documents. These modifications are best obtained by the selected project developer with oversight by the Town’s Licensed Site Professional (LSP).”

“• The Town should solicit formal proposals from qualified vendors through a combined Request for Qualifications/Request for Proposal (RFQ/RFP) process. This document should include specific information on the site and the required permit approvals as well as detailed minimum qualifications on the proposed technology and the financial viability of the proposer. The RFQ/RFP should also include a draft land lease agreement that contain specific requirements and conditions that the Town desires.”