

The New Bedford Standard-Times

SouthCoast towns face trash fee increase

By Charis Anderson
March 01, 2009

Four SouthCoast towns and 15 communities on Cape Cod have managed to avoid steady increases in trash disposal costs over the past two decades, but the bill is about to come due.

Acushnet, Fairhaven, Freetown, Mattapoisett and the Cape communities all signed long-term contracts with SEMASS, the waste-to-energy plant in Rochester, in the mid-1980s, locking in prices that have remained virtually unchanged for 20 years.

Now, as the contracts' expiration dates rapidly draw near, the towns are grappling with how best to manage what could be a staggering increase in their solid waste budgets.

"When the first contract was offered (in the 1980s), there was no (price adjustment) requirement. ... That was the carrot," said Jeffrey Osuch, Fairhaven's executive secretary. "Nobody expected trash prices at this point to be in the 80-buck range."

Under the existing contracts, Fairhaven pays about \$17.50 a ton, Acushnet and Freetown pay about \$25 a ton, and Mattapoisett pays about \$32. All of those contracts expire in 2016.

Today's market rate is \$75 to \$90 a ton, a rate that is expected to increase to about \$100 a ton by 2015, according to information provided to the towns by Covanta Energy, which owns SEMASS.

Of the four towns, only Freetown has a user fee for trash collection. It charges its residents \$125 a year for curbside collection and \$10 for an annual sticker to use the town's transfer station to drop off recycling.

To mitigate the sticker shock that could occur if towns had to swallow an \$80 increase per ton in one year, SEMASS already has offered its "Tier 1" communities — the four SouthCoast towns, along with 14 communities on Cape Cod and another 11 Massachusetts communities — a proposal for a 15-year contract extension.

SEMASS is proposing to gradually increase the towns' tip fees over the last five years of their existing contracts to bring the fees closer to market rate by the start of the new contracts in 2015 or 2016.

Under the new contract, tip fees would be increased annually based on the Boston consumer price index, although increases would be capped at 4 percent per year, according to information from Covanta.

The contracts would also include a provision to re-adjust the communities' tip fees every five years, if necessary, to ensure they remained at least 10 percent below other long-term contracts signed within that five-year period.

"We wanted to capture as many of the communities as we could with this," said Tom Cipolla, SEMASS' business manager, who noted that for the last provision to take effect, enough towns must sign up to guarantee 50 percent of the annual trash tonnage from tier 1 communities.

"We're willing to roll the dice, if you will, **for the benefit of ensuring that we have tons coming to the facility for the long term,**" he said.

For Fairhaven, where the Board of Selectmen have already signed the memorandum of understanding with SEMASS, the contract extension would mean an increase in prices starting in September 2011.

(The contract extension itself will need Town Meeting approval.)

The first year, the town's tip fee would increase \$5 a ton, followed by four years of \$10-a-ton increases. In September 2016, when the new contract would start, the town's tip fee would be \$62.52.

At Fairhaven's current rate, dumping about 6,500 tons of trash at SEMASS cost it about \$113,800; at the rate it will pay in 2016 if it signs the new contract, dumping the same amount of trash will cost the town an additional \$293,000.

Gradual though the increase may be, it is still an increase, and in these economic times — Fairhaven is facing a substantial budget shortfall for fiscal 2010 — the town may have to consider implementing some kind of user fee for trash pick-up, according to Osuch, the executive secretary.

"I don't think the appetite is there to start talking about a trash fee at this moment," Osuch said. "I see it on the horizon. ... That's a source of money."

None of the communities on the Cape, nor the other three SouthCoast towns, have decided whether to sign the memorandum of understanding from SEMASS yet.

The Cape Cod Commission is trying to find funding for an analysis of the available alternatives, according to Patty Daley, director of technical services for the commission, and ultimately, the decision will be left to each town whether it wants to re-sign with SEMASS.

The majority of the Cape towns have contracts that expire in January 2015, which means their fees would start to increase in January 2010 if they choose to re-sign with SEMASS.

In Acushnet, Town Administrator Alan Coutinho presented SEMASS' offer to the Board of Selectmen and the Board of Public Works.

"They're currently exploring all their alternatives ... really trying to see what's on the horizon for new technology."

The boards of health in Mattapoissett and Freetown also are considering the issue, but "there aren't a lot of options out there," said Dale Barrows, the health agent in Mattapoissett.

In Massachusetts, the two main options for getting rid of waste are incineration and landfills, according to Greg Cooper, deputy director of consumer programs at the state Department of Environmental Protection.

The state has a moratorium on incineration in place, so while plants that already have their permits in place, such as SEMASS, can continue operations, no new plants can be built, nor can existing plants expand, according to Cooper.

State regulations do allow new landfills to be sited, but no new landfills have opened since 2000, he said.

"There's a very strong local jurisdiction in our regulations ... so the success of siting a new solid-waste, disposal facility has a lot to do with local acceptance of that activity," Cooper said.

There are new technologies available but none that are commercially viable in Massachusetts, according to Cooper.

"With the rising costs of solid waste and solid waste services ... municipalities are exploring all the options available to try to reduce that cost and control those costs," Cooper said.

Some communities in the state are pursuing regionalization of collection services, while others are looking for ways to encourage their residents to generate less waste, he said.

A pay-as-you-throw program, which tends to increase recycling rates in communities that implement it, is being considered in Freetown, according to Bud Lee, the town's assistant health agent.

"We haven't made a final decision yet, but that's the way we want to go," he said.

Mattapoissett has not discussed implementation of a pay-as-you-throw program or any other type of user fee, according to Barrows, while in Acushnet, the idea has been considered "sort of tangentially," Selectman David Wojnar said.

The town is exploring the best ways to reduce its waste disposal costs, Wojnar said, but a decision on whether to implement a fee would be made only after significant public discussion.

"It's not on the table yet," he said of a user fee. "It's probably still in the kitchen."
