

The “Inside-Out” Approach A Practical Guide To Successful Project Development In Municipal Government

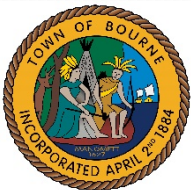
**The New York Federation of Solid Waste Associations
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Bourne Department of Integrated Solid Waste Management

Overview

- Inside-Out Development
- The Need For Infrastructure
- MA Current Challenges
- The Role Of Municipalities
- How It Can Go Wrong
- When It Goes Right
- Common Mistakes
- Lessons Learned

Inside-Out Development

- A strategy that emphasizes pro-action vs. reaction
- Emphasizes preparation before action and grandiose announcements
- Opposite of what is tempting to do (outside-in)
- Demands that leaders face the most uncomfortable, political, legal, permitting and financial risks of a project as early as possible
- Fully engaged community leaders who listen to an empowered staff

Inside-Out Development

- Realistically and adequately funds the development from the start
- Recognizes the complexity of projects
 - Financing
 - Siting
 - Community support
 - Multi-layered permitting processes
 - Legal processes
 - State policy impacts

The Need For Infrastructure

- Recycling, re-purposing, composting & AD, transfer stations, new technologies
- Landfills will likely always be needed
 - Soils
 - Residuals (recycling, C&D)
 - Bulky, difficult-to-manage
 - Backup for outages
 - Storm debris
 - Special wastes

Edward M. Kennedy Institute for the United States Senate



Built on an old dump. Soils from the excavation were managed at the Bourne landfill.

MA Current Challenges

- MA is facing a shrinking disposal capacity; serious shortfall looming
- Rail haul to Ohio is growing
- At risk for disruptions to the system
 - Outages, fires, capacity choke points, natural disasters
 - Commodities market disruptions (China National Sword)
 - Bankruptcies

Role of Municipalities

- Municipal leadership is needed now more than ever but an entrepreneurial mindset and industry expertise not a natural role
- Know what you are willing to do
 - lease
 - own and operate
 - respond to private developers
- What can you offer?
 - land
 - waste and energy
 - utilities
- Be realistic about what your true capabilities are and the political will to see them through
- Partners in some fashion whether you like it or not; development is coming

How It Can Go Wrong

- The political leadership does not have a realistic understanding of the development process
- Fatal flaw being discovered after enormous financial and political capital have been expended.
- Failure to do the necessary preparation will not only doom the proposed project, it could also “poison the well” for future efforts

How It Can Go Wrong

- MA town wanted to develop “state-of-the-art” exotic new technology to replace landfill
- Highly publicized, excitement, overseas research trips
- Purchased land for \$2.7 million
- Paid about \$1.5-2 million in consulting fees
- Project leads- Town Solicitor and Mayor
- DEP wouldn't approve technology
- Town had little to offer that was tangible
- Land had flaws- wetlands, traffic issues, not site-assigned
- Project failed after 5 plus years of controversy

When It Goes Right

- Bourne started developing its town dump site in 1996
- Multi-year process to build local support, explain vision what the local benefits would be
- Met with regulators early
- Strong leadership support and experienced team
- Hard work from the bottom up
- Public operation model compared against private proposals

When It Goes Right

- Celebrating 20th anniversary this week
- Fully integrated solid waste management system, hence the name “ISWM”
 - Residential recycling center
 - Composting area
 - Landfill (219,000 TPY- 189,000 ash, 30,000 for MSW and soils, etc.)
 - C&D transfer for processing
 - Single stream recyclables transfer station
- Gross revenue for FY ‘16 ~ \$12.75 million
- Contributes approximately \$2 million a year in savings and cash to the General Fund

When It Goes Right

- Even with success there are challenges
- Town issues RFP options beyond the landfill
- Led to a 25-year lease for AD, SSO, FOG, biosolids
- Harvest Power, Inc. to finance, build and operate
- Purchase our LFG, make biogas, mix to make 4-5 mW
- Town invested about \$400,000
- Conflicting emissions policies for LFG and biogas
- Increased risk and cost to HP
- Couldn't secure PPA so they terminated lease

When It Goes Right

- Have a great lease template
- Excellent experience with a complex RFP process
- Community support
- Reputation in the industry as a partner community

Common Mistakes

- Lack of preparation and research about the process
- Dismissal of warning signs
- Leadership not told the bad news
- Promises get ahead of deliverables
- Unrealistic expectations and vague objectives
- Inexperienced team members
- Underfunding
- Not knowing when to walk away

Lessons Learned

- Start early with all the key stakeholders
- Ask the tough questions
- Create a roadmap but be willing to adjust
- Get commitments from key boards
- Budget- allow for 2-3 fiscal years
- Assemble a great team and empower them

Lessons Learned

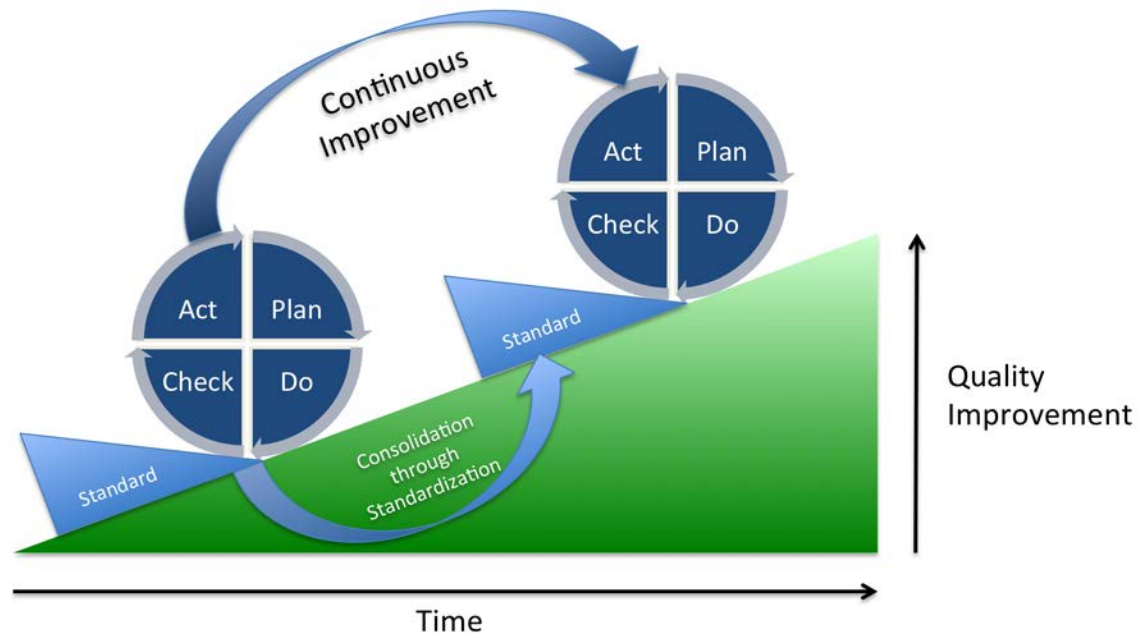
- List your assumptions, assets and weakest links
- Identify your decision makers and get buy-in early on
- Meet with regulators early and listen to them
- Know who your supporters and detractors are and the organizations they represent
- Communicate regularly with all audiences
- A vacuum of information will be filled by others in their way, not yours

Lessons Learned

- Think logistics and process, not just strategic goals
- Expect obstacles and have support from leadership
- Identify assets: land, permits, infrastructure, power/heat users
- Identify what vendors need
- Vendor's business plan is now your business plan
- Look for ways to help

Lessons Learned

- Chart progress often
- Continuous improvement



It will take all of us

- Regulators
- Engineers
- Educators
- Politicians and local boards
- Lawyers
- Community liaisons and the general public
- Business leaders
- You can play a role
 - SWANA.org

Questions?

