

April 27, 2009

Members of the Stamford Board of Representatives:

This is to ask that you deny the WPCA's request for \$2,510,997 for "sludge processing" in the 2009-2010 Proposed Operating Budget.

1. **\$1 million in increased utility costs:** WPCA's sludge processing costs have increased by more than 50% -- from \$1.6 million to \$2.5 million -- in the last two years. This is primarily due to utility costs for the sludge drying and pelletizing facility that became operational in 2008. This facility used \$600,000 for natural gas and additional electrical costs to heat the sludge dryers and run the pelletizing equipment in its first year of operation. Despite more than a 30% increase in WPCA user rates since 2007, WPCA's operating income declined by 72.5% -- from \$1.8 million for FY 2007 to \$511,487 for FY 2008 -- primarily due to these added utility costs. (SWPCA Financial Report, June 30, 2008, www.cityofstamford.org/filestorage/25/52/131/144/154/StamfordWPCAAudit-6302008.pdf; Proposed Budget, page 368).
2. **WPCA planning more rate increases:** Instead of seeking ways to control operating expenses, the WPCA Board is exploring ways to increase user rates. At its January 7, 2009 meeting, the Board discussed moving to quarterly instead of bi-annual billing because "it would be easier to make increases in the WPCA budget and customers would be more likely to tolerate higher rates if they were billed in four installments."
3. **No revenue from sludge pellets:** The pelletizing facility was supposed to generate revenue from the sale of pellets as agricultural fertilizer. It appears there is no fertilizer market, however, and the WPCA has not reported any revenue from pellet sales. Instead, the WPCA is paying Synagro Technologies \$1.5 million per year to manage the facility and dispose of the pellets. Only 3% of Synagro's gross income is from total product sales, which includes pellet sales. In Pennsylvania Synagro gives the pellets to farmers free. Synagro is the same company that in January 2009 pleaded guilty to bribing Detroit city officials, and in February 2009 was sued by New York's Attorney General for persistent noxious odors from its South Bronx plant.

(See "Bribery case in Detroit is 1 of several problems faced by nation's biggest sewage recycler", Hartford Courant (April 19, 2009), <http://www.courant.com/business/nationworld/wire/sns-ap-sewage-recyclers-saga,0,2866797.story>).
4. **Energy-intensive and environmentally unfriendly:** Before the pelletizing facility was built, the WPCA did not use any natural gas for sludge processing and disposal. Last year, the WPCA consumed \$600,000 (more than 40 million cubic feet) of natural gas just to run the dryers, and additional electrical power, by our calculation between \$130,000

and \$235,000 (700,000 to 1,300,000 kilowatt hours), to pelletize the sludge. Natural gas is a nonrenewable fossil fuel, and it produces CO2 emissions when burned, undermining the WPCA's claims that its proposed "waste-to-energy" plant is a clean energy project.

5. **NO to sewage sludge from the South Bronx**: WPCA's long-term plan is to build a \$40 million "waste-to-energy" plant that will burn the pellets as fuel. WPCA has projected that this power plant would generate up to 15 megawatts (MW) of power. The problem is that by their own admission the WPCA only produces enough pellets to run a 1 MW facility. By our calculations it is closer to 0.4 MW. In order to fuel a 15 MW facility, the WPCA will have to import sewage sludge pellets from other cities. No other city in Connecticut produces the pellets. The closest source is New York City's South Bronx sewage treatment facility, operated by Synagro. If the "waste-to-energy" plant is built, the logical conclusion is that Synagro will truck or barge up to 200 tons of sewage sludge pellets per day from the South Bronx to the WPCA facility on Magee Avenue to run the plant.

6. **No feasibility studies conducted**: Despite the massive capital investment, the WPCA never conducted any scientific feasibility study or cost benefit analysis for this project. In response to public pressure, on April 21, 2009, the WPCA issued RFPs for limited technical and financial reviews of the proposed waste-to-energy plant. These reviews fall far short of the requirements for a comprehensive feasibility study, and the RFPs do not include any review of the pelletizing facility.

7. **WPCA Board unqualified**: This project is outside the scope of the WPCA's authority under the Stamford Code, and the WPCA Board is not qualified to evaluate the pelletizer facility or the waste-to-energy plant. Section 200-17 of the Stamford Code states that the WPCA Board shall consist of nine members, including five "at-large members", at least one of whom must be an accountant or financial manager and at least one of whom must be an engineer". To our knowledge, there is neither an engineer nor an accountant among the at large members of the WPCA Board, leaving it without the requisite financial or technical expertise required by the Code. Mr. Barnes, as Chairman of the WPCA Board, has rejected technical and financial expertise volunteered by outside engineers and financial experts.

Clearly, the WPCA sludge management program is spinning out of control. In order to bring some rational management back to the WPCA, we ask that you deny the WPCA's \$2,510,997 budget request for "sludge processing and disposal", and instead **require the WPCA to obtain bids from qualified contractors to dispose of WPCA's sewage sludge by conventional means.**

Sincerely,

George H. Stadel, III, Chairman

Stamford Taxpayers Political Action Committee