

Exhibit E

FROM	NAME & TITLE	Rudolph S. Chow, P.E., Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building		
	SUBJECT	City Council Bill 18-0306		

DATE: January 28, 2019

TO

The Honorable President and Members
of the Baltimore City Council
c/o Natawna Austin
Room 400 – City Hall

I am herein reporting on City Council Bill 18-0306 introduced by Council Member Reisinger, Henry, Costello, Scott, Bullock, Stokes, Burnett, Cohen, Middleton, Dorsey, Pinkett, Sneed, and Clarke.

The purpose of the Bill is to regulate the emissions from commercial solid waste incinerators; define certain terms; require the continuous monitoring of certain pollutants; setting emissions limits for certain pollutants; require the production and public disclosure of certain emissions reports; require commercial solid waste incinerators to allow certain inspections; establish a certification process for air monitoring contractors; set certain penalties; set special effective dates; and generally relating to clean air regulations.

The proposed legislation would establish air quality limits for certain specified pollutants emitted by commercial solid waste incinerators located within the limits of Baltimore City. The specified limits for Mercury and Sulfur Dioxide would have to be met by January 1, 2020 and the specified limits for Dioxins/Furans and Nitrogen Oxides (NOx) would have to be met by January 1, 2022. Continuous monitoring of emissions would be reported in the form of daily reports submitted to an air monitoring contractor.¹ The air monitoring contractor would make these and other reports available to the public on a publicly accessible webpage. In addition, the air monitoring contractor would have to provide reports to the Baltimore City Health Department in the form specified by the Health Commissioner. This monitoring and reporting is presumed to be in addition to any required monitoring and reporting provided by these facilities to the Maryland Department of the Environment. An air monitoring contractor would also be responsible to periodically inspect the continuous emissions monitoring systems no fewer than four (4) times each calendar year to verify that the systems are operating correctly. Inspections would be conducted at the times and intervals chosen by the Health Commissioner. The legislation stipulates civil and criminal penalties for any violation of the provisions or rules or regulations generating from the proposed "Baltimore Clean Air Act". It further stipulates fines and penalties for singular, simultaneous, and continuous violations of the Act.

Based on the definitions in the legislation, there are currently two facilities which would be subject to this legislation: the Medical Waste Incinerator and the Baltimore Refuse Energy Systems Company (BRESKO) waste-to-energy facility owned and operated by Wheelabrator Technologies, Inc. The City of Baltimore has a contractual relationship with BRESKO for acceptance of municipal solid waste collected from City households, small businesses, small non-profits,

¹ The legislation stipulates the requirements that the Baltimore City Health Department must follow to certify air monitoring contractors. Certification could begin as early as six (6) months after the enactment date of the ordinance.

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municipal buildings, and some condominium regimes. In CY 2018 the City paid BRESKO \$8,883,499 in tipping fees to dispose of its mixed refuse. The portion of mixed waste that does not go to BRESKO is disposed of at the City-owned Quarantine Road Landfill. As part of the contractual relationship, Baltimore City accepts BRESKO ash for disposal at the Landfill by charging the company a per-ton fee. In FY 2018 the tipping fees the City received for BRESKO ash disposal totaled \$2,513,332. BRESKO collects a City solid waste surcharge from users of the incinerator which is remitted to the City, along with site lease payments, a host fee, and personal and real property taxes; all of which totaled \$7,304,297 in revenue in CY 2018. This information is meant to be informative, but should not be considered a substitute for a detailed fiscal impact analysis that should involve the assistance of the Department of Finance.

Should City Council Bill 18-0306 be enacted, significant changes to the BRESKO facility would be necessary to meet the emission levels for NOx and other pollutants listed in the legislation. It would be expected that, if Wheelabrator decided to invest in the required improvements, the facility would have to be shut down for some indeterminate period. Wheelabrator could also decide to shut the facility down completely. The City would have to decide what the most cost-effective and feasible option or options would be for redirecting its disposal of approximately 200,000 tons of trash per year in the short- and long-term. This Department has just begun its study of the solid waste management processes and the opportunities for investing in new and more diversified means to manage the waste stream in the future, which will include strategies and programs to reduce waste generated and to increase recycling and composting. The Department is also in the midst of a State permit process that will allow for the expansion of the Quarantine Road Landfill. Disposal of all 200,000 tons of waste at the Landfill would result in a drastically reduced life capacity, and depending on how long this sole disposal option would have to be used, could overtake the capacity before expansion work is completed. Under these circumstances, the City might have to decide to stop accepting waste from private haulers and non-profits, in order to conserve space for the waste the City must collect, thus eliminating tipping fee revenue.

Municipal landfills in neighboring counties could be potential options for alternative disposal sites, assuming those counties would be amenable to accepting large quantities of waste and at what cost. Other entities using the BRESKO facility would also be looking for disposal options, which could drive up tipping fees or cause counties to turn outside users away to preserve their landfill space. Currently, tipping fees at other Maryland landfills range from \$67 to \$100 per ton. The City does not pay tipping fees for waste disposed at the City-owned landfill but does pay a \$54.95 per ton tipping fee for the waste disposed at BRESKO. In addition to the extra expense of tipping fees, trucking the trash out of the City or out of state to a landfill or other disposal facility requires: additional transportation time; more equipment, vehicles, fuel, and drivers; and more transfer facilities to manage the trash. These investments of funds would be in addition to the development of any alternative facilities to divert or dispose of City-generated trash in the long-term.

The Department of Public Works wishes to point out that any interim or long-term impact of enacting City Council Bill 18-0306 will require the redirection of funding to effectively manage mixed refuse in a safe manner.



Rudolph S. Chow, P.E.
Director