

SOUTHEAST ALASKA SOLID WASTE AUTHORITY-REGIONAL SOLID WASTE DISPOSAL PROJECT



Community Economic
Development Strategy

CEDS



2011 Five Year CEDS Regional Project - Action Initiative

Title or Name of the Project:

Southeast Alaska Solid Waste Authority – Regional Solid Waste Disposal project

Motivation:

For many years, members of Southeast Conference and others in Southeast Alaska have studied the issue of consolidating solid waste disposal efforts across the region. Economies of scale and regional benefits can be achieved by cooperation between communities and consolidation of waste streams. Currently, each community in the region is handling solid waste disposal on their own and costs to do so continue to rise. The Southeast Alaska Solid Waste Authority (SEASWA) was made possible by efforts of SEC and Southeast Alaskan legislators who understood the value of a cooperative solid waste effort and the benefits to our regional communities by establishing an entity to facilitate a regional project. Today, SEASWA stands alone in the state as the pioneer of the Regional Solid Waste Authority Act with the goal of providing an environmentally sound, cost effective alternative to solid waste disposal that can benefit all communities in our region. This goal continues to become more important as costs of solid waste disposal rise for our communities and environmental considerations take on more prominence.

Objective:

If SEASWA is successful in providing a regional project to accept and dispose of Southeast Alaska's solid waste, the benefits are many.

1. Long term stability of solid waste disposal rates for our communities.
2. Economic development opportunities for a centralized project site community or several project site communities.
3. Improved environmental stewardship through potential implementation of recycling programs, improved awareness of environmental protection and reduction of unlined landfills.

Obstacles:

Funding of a Project: Solid waste projects can be very expensive and complicated to design, permit and construct. Partnerships among Authority members and other southeast Alaskan communities and tribes would strengthen grant applications and open up opportunities for a wide range of funding sources. SEASWA has an ongoing effort to reach out to regional municipalities for the purposes of increasing Authority membership. Tribal governments are

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also encouraged to participate and partner with the SEASWA, although the State statute that governs the Authority does not allow non-municipal entities to achieve official membership.

Solid Waste Commitments: For a truly regional project to be feasible and stable, long term commitments from Southeast communities need to be obtained. Economies of scale will be hard to achieve if only a portion of Southeast Alaska's population is participating in a regional project. SEASWA, through its membership drive, will broach the subject of commitment of waste streams to a regional project, although this issue will only be clear after a project is selected and potential costs of shipping and disposal are estimated.

Reasonable Shipping Costs: The regional geography is naturally an impediment to the project. Shipping of solid waste to a singular or several projects must be reasonable in order to ensure long term viability. Infrastructure currently exists for a majority of Southeast communities, but fuel and freight costs could have a largely negative impact on a smaller community's ability to ship their waste to a project site. Bulk rate negotiations with our regional shippers must occur in order to simplify and reduce costs of shipping solid waste within the region.

Outcomes/ Results:

Achievement of our objectives will take place by moving forward in a logical path toward our goals.

Increasing membership of SEASWA will create more partnerships and opportunities for communication and collaboration. SEASWA is growing every year and it is possible for all municipal entities to become a member.

Partnerships with regional tribes will also strengthen the group and lead to increased awareness and stake holder buy-in. Outreach to local tribes will continue to establish strong relationships and develop a common understanding of our mutual needs and goals.

Strong partnerships with common visions will strengthen funding requests and allow for continued research and development of a regional project.

SEASWA research and solicitations designed to identify a realistic, feasible and viable project must continue so that costs and obstacles are known. Costs of solid waste disposal to municipalities is the decisive factor in achieving long term commitments of waste streams. A comprehensive development/business plan is required by the SEASWA enabling ordinance and must be accepted by SEASWA member communities before a project can move forward.

Commitments of waste streams will allow negotiations of shipping cost for project participants. Achievement of a shipping contract to project sites will bolster the feasibility of the project.

A highly feasible project is important when designing and permitting a regional project and seeking construction funds to carry out the project vision.

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Construction funds are much easier to secure when project plans, business plans and permitting are in place.

Operation of the project will create a whole new set of challenges, but with a well defined and collaborative effort to select and develop the project it stands a much greater likelihood of success.

Leadership:

The Southeast Alaska Solid Waste Authority was formed for this purpose. The Board of Directors will lead the effort to achieve the completion of our goals. General aid, support and participation from SEC, SEASWA member communities, non-member communities and regional tribes is very much appreciated.

Action Plan and Implementation:

1. SEASWA membership outreach is an ongoing priority of the Authority.
2. SEASWA is researching project types in order for the membership to arrive at a collective decision as to what the first regional project may be. A regional landfill development estimation model has been completed as well as an incineration study (commissioned by the City and Borough of Wrangell). SEASWA is currently soliciting Statements of Qualifications from interested entities for the purpose of evaluating other prospective project types and technologies that could offer a feasible regional approach to solid waste disposal.
3. SEASWA will evaluate the RFQ responses detailed above and move forward on a selection of feasible projects to investigate further with either a more defined RFP process or by more immediate selection and development of a specific project type.
4. Conditional long term commitments of solid waste will be sought and/or negotiated with municipal entities in the region. These commitments would be contingent upon SEASWA member approval of the project development plan as prepared and presented by the Authority.
5. A detailed development plan is required by the SEASWA enabling ordinance and this plan must be approved by all SEASWA member's governing bodies – before moving forward with actual project design, permitting and construction.

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6. Upon approval of the project development plan, SEASWA would seek funds to carry out the plan and achieve the proposed project.

Timeline:

Membership recruitment is ongoing.

April – May 2011: RFQ solicitation, evaluation and selection for further definition of feasible projects.

June – August 2011: SEASWA identifies the most feasible project to pursue and shares the concept with member community's governing body.

September 2011: SEASWA presents conceptual project to SEC membership and begins the work of completing the project development plan.

October – December 2011: Development plan is completed and presented to SEASWA membership for approval.

January 2012: Search for funding sources and partners begins.

July 2012: Funding secured for design phase of project. Project design and permitting begins.

January 2013: Project design and permitting complete. Construction funds sought.

July 2013: Construction funds secured. Project construction/development begins.

Project begins operation as soon as possible in 2013/2014.

What does this Promote:

- a. A regional project sited in any community will provide a financial boost to that local economy in addition to the positive economic impacts of stable MSW disposal rates for the remainder of the region.
- b. Our regional environment will also be better protected with fewer solid waste disposal sites needed in SE Alaska.
- c. Lastly, but not insignificantly, the cooperative effort that is required to achieve this project will create lasting regional bonds between our many geographically separated communities.

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Performance Measures:

1. Probable performance measures are subject to extreme variation at this time due to an undefined final project.
2. It is envisioned by the SEASWA Board that this project will create jobs in the region although an exact number is not known at this time.
3. Private sector investment is highly probable due to the significant financial capabilities of solid waste management companies that may be interested in providing service to SE Alaska.
4. Stable costs of MSW disposal will free up capital for other uses in the region.

Funding:

ROUGH ORDER OF MAGNITUDE Estimation based on development of a REGIONAL LANDFILL to accept 20,000 tons of MSW per year. These numbers can change significantly if a different type of project is selected and developed.

Land Purchase (37 acres)	\$1,840,000
Site Development Includes: design, permitting and construction of general infrastructure	\$1,260,000
Landfill Cell Construction Includes: design, permitting and construction of cells.	\$5,520,000
Landfill Leachate Collection System Includes: design, permitting and construction of the system.	\$1,260,000
Landfill Heavy Equipment Includes: Dozer, Compactor, Loader and dump truck.	\$1,380,000
Total Landfill Capital Need	\$11,260,000

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Annual Operational Costs

O&M, Labor, Utilities, HHW acceptance \$298,000

Funding Sources

Initial Capital funds: The SEASWA has the legal authority to incur debt in the form of loans or bonds for the purposes of constructing a project. However, all potential grant opportunities would be identified and pursued prior to entering into a debt service situation. A likely source of grant funds would be the ADEC Municipal Matching Grant program.

Operational costs: The project would operate as a normal business and would therefore develop a rate structure for the services provided in order to cover repayment of any debt, annual operational costs, depreciation and replacement of the facility when it reaches the end of its life. In the case of a landfill, revenues would also be allocated for the eventual closure of the facility.