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For immediate release

A faulty economic justification for Gardner's sludge landfill expansion

The Coalition for a Sustainable Alternative to the Gardner Sludge Landfill Expansion (the Coalition) has found serious errors and omissions in the City's financial calculations for its proposed sludge landfill expansion.

According to Ivan Ussach, director of the Millers River Watershed Council (MRWC), which is leading the Coalition's efforts, those miscalculations favor the sludge landfill expansion at the expense of more environmentally friendly opportunities. "Some of the alternative project solutions could have a much better economic outcome for the City and its residents," said Ussach. "We think that's important for City officials and residents to know as they consider the options."

The miscalculations were identified by Coalition members after months of study and close examination, and involve the proposed landfill expansion as well as two of the main alternatives: The City of Fitchburg's plans for a "Regional Renewable Energy and Biosolids Management Facility", and "a hydrothermal carbonization (HTC) facility" proposed for Gardner by SoMax Circular Solutions of Spring City, Pennsylvania. Both projects would utilize organic waste streams, such as the sludge that goes to Gardner's landfill, as feedstock to convert waste to energy for a net economic gain.

The City's faulty financial analyses, Ussach said, are contained in a May 23rd, 2023 letter from DPW Director Dane Arnold to Mayor Michael Nicholson requesting \$307,000 to prepare a detailed Environmental Impact Report (EIR) required by state officials.

In Arnold's letter, the expanded sludge landfill's annual operating cost is put at \$600,000 to cover the cost of a \$7 million construction loan, including interest. No mention is made of: 1) annual operation and maintenance costs, estimated by the Coalition to be \$100K annually; 2) capping costs, estimated by the City consultants at between \$1.7 to

\$3.0 million when the landfill is full—after 17 years according to the 2022 Engineering Report; or 3) the \$1 million already spent on engineering and design work. Depending on whether a loan interest rate of 2.5% or 4.5% is used, the Coalition estimates that the total project cost over 17 years ranges from \$12.45 to \$15.29 million—an annual average cost of \$732,000 to \$899,000 to the City.

For the option to bring its waste to nearby Fitchburg’s planned waste-to-energy project, which now has a clear permitting pathway with state and federal regulators, Arnold’s letter dramatically overstates Gardner’s projected beginning annual disposal cost: \$1,062,500, versus around \$389,000 to \$435,000 according to the Coalition’s calculations. The disparity results from a miscalculation in converting Gardner’s output in cubic yards to wet tons, and an erroneous assumption about the “total solids” content of Gardner’s sludge. These errors were documented in several communications with Tom Bintz, CEO of EQ Renewables, a partner in the Fitchburg project. Arnold’s letter also states that Gardner would be “at the mercy” of tipping fee increases over time for hauling away the remaining sludge product, but fails to mention that the remaining sludge is a marketable Class A biosolids product.

As for building a SoMax HTC facility in Gardner, Arnold’s letter makes no mention of the available 40% federal tax credit, which is discussed in the March 2023 Feasibility Study that Gardner paid SoMax to prepare. Unlike other options, this solution offers a return on investment in 6-11 years and an estimated positive project balance, in 20 years, of \$10.9 million. The tax credit would reduce the initial \$10 million capital investment to about \$6 million. The letter also fails to mention the abundance of food waste and wastewater sludge available relatively close to Gardner to use as feedstock.

“In addition to the landfill expansion’s many environmental shortcomings,” Ussach said, “including potential contamination of nearby drinking water wells in Gardner and Templeton, Gardner officials and residents need to be able to assess the options for disposing of sludge based on complete and accurate financial information.”