

Allied Waste Comments to ICF Revised Work Plan (Draft)

“Study to Identify Potential Long-Term Threats and Financial Assurance Mechanisms for Long-Term Post-Closure Maintenance and Corrective Action at Solid Waste Landfills”

July 10, 2007

1. The overall approach to the project appears to be logical and reasonable. However, the work plan appears to be a minor revision to a document submitted with a proposal. The “sales” elements (e.g., project team members and associated hours, language such as “We have extensive experience including...”, or “We will use our subconsultants experience in ...”) interfere with understanding the actual intent and work to be performed under the work plan. Could ICF prepare a work plan that addresses only the work to be performed and omits the “sales” language? This would be very helpful.
2. The initial discussion of Task 3 indicates that ICF will evaluate multiple fund models. However, subsequent discussion of Task 3 states explicitly that ICF will model only Post-30 defaults and CA defaults. This is confusing (perhaps related to Item 1, above). Will the study address multiple funds, or only the Post-30 defaults and CA defaults?
3. There is a great deal of discussion about ranking landfills as presenting High, Medium, or Low risk. Such an evaluation must necessarily be subjective. We recognize the benefits of assessing the level of risk on a state-wide basis. However, we believe this project should not prepare a site-by-site list of landfills with each landfill ranked as “High”, “Medium”, or “Low” risk. We believe that such a list would be both deceptive and subject to misuse. For one thing, such a ranking would be subjective and would likely present mainly the Consultant’s assessment of each landfill, not an official consensus of all appropriate regulatory agencies. In addition, given the limited time and budget available for such a ranking, the ranking, while useful at a “macro”, state-wide level, would likely be misleading on a site-by-site basis. Therefore, we recommend that none of ICF’s work products (or CIWMB documents) identify any specific landfills as “High”, “Medium,” or “Low” risk. .
4. If individual sites are evaluated with regard to degree of risk, then historical data regarding confirmed impacts to human health and/or the environment (i.e., exclude “paper work” violations.) should be included. For example, a site might seem to pose “High” risk, but never have had a confirmed impact to human health, or the environment. CIWMB should not deem such a site to pose a “High” risk. In addition, the study should include recent activities (e.g., recent

work, that may result from a change in management, to correct past problems) in evaluating risk presented by individual landfills.

5. Portions of the work plan imply that ICF will look at this from only one perspective, “How much will we need under worst-case assumptions, and what will that mechanism look like?” An alternate scenario, “What cash flow will this mechanism generate, and do we think that will be adequate, given our ability as intelligent human beings to manage spending?” may be appropriate for evaluation.
6. Some of the text (Task 2, Step 2) implies that current financial assurance instruments are open for examination in this study, but other text indicates that they are not. Which is the case?
7. What are “adverse selection” and “moral hazard”, as mentioned in Task 3, Step 1?
8. In Task 3, Step 4, the first paragraph at the top of page 7 indicates that ICF will discuss changes to current PCM estimates. Why does this study include this activity?
9. Stakeholder review of the white papers generated in this study is crucial to developing a useful work product.