

Middletown, New York

Middletown mayor tells Herald she is "optimistic" about their 11 year-old trash-to-ethanol project. "Optimistic in hopes it never gets completed."

by Dave FEATHERLY

The stalled Middletown, New York "Masada Project" is the poster child for futility in putting a commercial trash-to-ethanol facility into operation. What follows is their story.

In December, 1994, a Baltimore development agency (Pencor) proposed "designing, building and operating a waste-to-ethanol facility in Middletown." It was reported by the Times Herald-Record (TH-R) that "the proposal is in reply to a city request for a company to handle its municipal waste." The plant was to cost \$105 million. The Baltimore agency joined with Masada Oxynol, Inc.

In January of 1996, Middletown's public works commissioner was given authority to solicit trash from neighbors "to make a plant viable." The goal was 700 tons a day and Middletown then produced only 50 tons a day.

(Note: Middletown is a small city of less than 30,000 population but is in Orange County, which has a current population of approximately 375,000. Middletown is about 50 miles from Newark, New Jersey and 60 miles from New York City. There are 19.5 million people in the tri-state region of N.Y., Pa. and N.J.)

In March of 1996, the TH-R reported that, "City officials are impressed by a trip to a waste-to-ethanol plant in Muscle Shoals, Alabama. But the demonstration plant, funded in part through \$350 million in federal subsidies, only handles 50 tons of waste per day."

In September of 1997, Middletown "signs on to the project as a customer." Five other Orange County communities had already signed on to deliver their trash to Masada.

Almost a year later, in August of 1998, Orange County lawmakers "reject Masada's offer to take county garbage. 'They never convinced us they could do the job,' one county lawmaker said."

In March of 1999, almost 25 municipalities or garbage districts "sign up to pay Masada to haul and process garbage." A plan was approved for Masada to build on a former city landfill.

Neighbors began to express their concerns about "the potential for the plant to pollute the city's south end."

In the Summer of 2000, "Masada abandons a similar venture in Birmingham, Alabama (their hometown). Company officials blame politics." A Birmingham official said, however: "They were asking us to be a guinea pig and for us to pay them for the privilege of doing it."

Guinea pig? Hmmm, sounds a little like what is likely to surface in Cheyenne as the process moves forward.

In a telephone conversation on December 21, 2005, the present mayor of Middletown, Marlinda Duncanson, told me that she opposed the project from the beginning and was one of only two (she was a council member at the time of the vote) to vote against it. Her reasons were "environmental" and because she didn't want Middletown to be a "guinea pig."

In July of 2001, Middletown hired an international risk management firm (Kroll, Inc.) to review Masada. Four months later, the firm had requested documents from Masada but Masada "refuses or fails to turn over much of the requested information," according to the local newspaper. The report, when completed, was provided to the Council - but kept secret from the public. Then, the Council approved "spending \$50,000 to hire a Long Island law firm that specializes in complex contracts and limiting risk."

In a September 15, 2004 story in the TH-R, the mayor at the time, Joseph DeStefano, said, "At best, the Masada Project is 'on hold' and at worst, the \$285 million project will never see light." \$102 million had become \$285 million.

The New York Times reported at about the same date: "The mayor of Middletown, N.Y., the city's economic development director and a city judge have been indicted on charges of conspiring to direct more than \$140,000 in federal urban development loans to the mayor for his personal use." The judge was a former city attorney under the mayor.

There were 52 counts brought against the mayor and fewer against the other two men. Only the mayor was convicted and of two of the charges. It sounds like Joe DeStefano would have fit in quite nicely with Cheyenne's mentality about accurately reporting. His convictions were because he answered a question about whether he had transacted any business in excess of \$1,000 with an "insider." He said "no," even though he had done so. His lament about his conviction - and his explanation to voters who had trusted him - was that he was convicted because he had "answered wrong." Yes, he did. He lied - which some think is the same thing as wrong for behavior like his.

When I asked Mayor Duncanson what her thoughts were about the completion of the trash-to-ethanol plant, she replied she was optimistic. "Optimistic in hopes it won't be," she said. Contact has been reestablished with Masada after their phones were disconnected but no progress has been made on the plant.

As the project crept along, some of the municipalities who had earlier signed on to providing their trash for the Masada Project changed their minds and now use other methods and places of disposal.

The mayor also told me that laws were changed to accommodate such a project but

there has still been no completion.

Will the Middletown, New York trash-to-ethanol project ever be completed? Does Masada have the interest or commitment to complete the project after the death of the principal of the company? Will there be more and more opposition to a project which couldn't break ground for more than a decade? Has technology moved forward to the point that such a large investment can be profitable enough to satisfy investors or lenders or will all such trash-to-ethanol plants of the future have to be built with public money?

There are far more questions than answers at this point. When I asked Mayor Duncanson if anyone else from Cheyenne had contacted her to discuss their proposed project, she told me "no." That's the way they do things here. They try to re-invent the wheel when they are hardly capable of putting air in the tire.

In 2000-2001, a waste-to-ethanol feasibility study was conducted for northeastern North Dakota and northwestern Minnesota. Grant money paid for the study. Concerns expressed in studies like this one involve the need to discourage recycling and the potential of needing raw materials which should be used for other purposes to keep the plant operating. Harvesting trees to make ethanol when the wood cannot be replenished for two generations is an unwise approach. Corn is the most common fuel for ethanol production and a new crop comes in every year. Trash-to-electricity seems a more prudent approach. And, after years of conditioning people to recycle, they will be told not to. Put the WT-E newspaper in the trash. On second thought, maybe not such a bad idea.

BELOW: The first Annual Report of the company selected by the City of Cheyenne to construct and operate a municipal waste-to-ethanol facility. The first Report of RUDC was filed over three months late. RIGHT TOP: A 2003 Annual Report for a "predecessor" company which was going to build a similar "first in the nation" trash-to-ethanol plant in Akron, Ohio. BOTTOM RIGHT: An Administrative Dissolution for that company from the office of the Missouri Secretary of State - dated the same day as the incorporation of its successor corporation.