SOLID WASTE ALTERNATIVES FUNDING TASK FORCE

JANUARY 31, 2011

MEMBERS PRESENT

Commissioner Jennifer Hill
Mr. Curtis Binney (Chairman)
Mr. Lindell Dorsett
Mr. Dan Gorden
Mr. Donald Taylor
Ms. Chloe Gentry
Ms. Brenda Boggs

MEMBERS NOT PRESENT

Mr. Richard Grier
Mr. Peter Tarby

OTHERS PRESENT

Mr. Sandy Minkoff, Interim County Manager
Ms. Wendy Taylor, Executive Office Manager, County Manager's Office
Mr. Jim Stivender, Public Works Director
Ms. Sarah Taitt, Assistant County Attorney
Ms. Courtney Vincent, Recording Secretary

CALL TO ORDER, ESTABLISHMENT OF QUORUM, AND APPROVAL OF MINUTES

Mr. Curtis Binney, Chairman, called the meeting to order and announced they had properly noticed the meeting and a quorum was established.

HDR ENGINEERING PRESENTATION

Mr. Stivender introduced Mr. Warren Smith of HDR; and Mr. David Dee, an attorney from Tallahassee; stating they were there to discuss engineering, legal, and management issues associated with siting and developing a landfill, incinerator, or both.

Mr. Smith stated he and Mr. Dee would give a combined presentation on Lake County Solid Waste Disposal Options utilizing a handout of printed PowerPoint slides which had been handed out to all Committee members.

Mr. Minkoff explained Mr. Dee acted as outside counsel for Lake County on environmental issues and HDR was currently a consulting engineer at the Solid Waste Department, stressing they were Lake County's consultants and not representing the view of any other party.

Mr. Smith introduced himself and discussed his professional background in solid waste and environmental services, stating he had been a solid waste professional for 32 years.

Mr. Dee introduced himself and discussed his professional background in solid waste and environmental services law, stating he had worked as a solid waste legal professional for 31 years.

Mr. Smith discussed solid waste disposal options for the County, listing the landfill, conventional waste-to-energy (WTE) conversion methods such as mass burn or refuse derived fuel (RDF) facilities, emerging waste conversion technologies, or a combination of different options as the primary options. He outlined the key decision factors as being economics, environmental impacts, flexibility, reliability, recycling opportunities, collection and hauling impacts, and municipal participation. He explained Lake County was in a unique situation because it possessed a landfill/ashfill with 1.7 million cubic yards of existing capacity and no debt service, adding the County also had experience operating both an ash monofill landfill and a conventional landfill. He noted the County also had an existing mass burn WTE facility and experience with Covanta, suggesting the County explore negotiating a new contract with Covanta for when the current one expired in 2014.

Mr. Dee stressed the landfill was an asset because it provided the County with more flexibility in bargaining.

Mr. Smith reported the advantages of a landfill as typically being the lowest cost per ton option, the possibility of generating revenues to fund additional services such as collection centers and recycling, and the opportunity for renewable energy generation from landfill gas to energy operations.

Mr. Gary Debo, Solid Waste Operations Director, stated the County's landfill did not generate enough gas currently because the operating landfill had been upgraded to an ash monofill but the County's Phase 3 landfill could be converted to a recirculating landfill once it had sufficient mass.

Mr. Smith summarized the disadvantages of a landfill as being long term care costs; no waste volume reduction; and the perceptions of odors, vermin, aesthetics, groundwater pollution, and other impacts. He mentioned the aspects unique to the County, stating the 1.7 million cubic yards of airspace were already built and funded and the County was already responsible for some environmental monitoring as well as closure and long-term care costs.

Mr. Binney asked Mr. Debo if the closing costs for the closed County landfills and the Astatula landfill were already fully funded.

Mr. Debo responded the County had not used the Phase 3 landfill yet, explaining that money accrued from tipping fees was put towards the closing costs and since that landfill was not operational no funds had been set aside.

Mr. Minkoff explained the general fund subsidized the tipping fees so if the closing costs were not acquired it could be taken from the general fund.

Mr. Smith discussed the advantages and disadvantages of the conventional WTE system. He listed the advantages as significant waste volume reduction; renewable energy generation; fewer complaints than landfills in regards to odor, vermin, birds, and aesthetics; and that it currently counted towards the County's State mandated 75 percent recycling goal. He outlined the disadvantages as requiring landfill operations for ash residuals management and for backup, higher costs per ton than landfills, long term contractual obligations, and perceptions regarding airborne pollution such as dioxins and mercury. He noted if the WTE plants were operated correctly they were an environmentally sound method of solid waste management.

Mr. Dee mentioned he was called in when perceptions cause the permit of a solid waste management facility to be challenged legally. He stressed a properly operating landfill processing raw garbage should not have problems, but there was the potential for birds, vermin, etc. which accounted for public perception. He noted ashfills dramatically reduced the risk for such nuisances because ash, not garbage, was going into the landfill and ash did not produce odors and was not a food source. He remarked there was still concern over ground water pollution from both landfill and ashfill and explained that because of national EPA standards, compliant landfills had not had groundwater contamination violations. He clarified the liners used could leak, but the amount was trivial, equating it to about 1.5 oz for a modern landfill, and not enough to cause an immediate impact on groundwater. He addressed the issue of airborne pollution, stating there were national EPA standards for certain pollutants with an adequate margin of safety and in every instance the WTE facilities had impacts on air quality that were far below the levels deemed to be a concern. He added there were other pollutants not directly regulated by the EPA for which, siting completed health risk assessments on WTE plants in other counties, the combined impacts of the lifetime operations of the facility were far less than any level expected to cause adverse effects on human health.

Mr. Taylor asked for clarification on Mr. Dee's reference to the County's landfill as an ash landfill when raw solid waste was also processed there.

Mr. Smith responded they were referring to the Class 1 landfill as an ash landfill because it was the primary substance processed there despite the allowance for other types of waste.

Mr. Dee explained the significance of mentioning the ash over the raw waste was in illustrating there were fewer risks for negative impacts such as vermin and odor with the ash.

Mr. Gentry questioned the environmental impacts of a traditional landfill.

Mr. Dee replied he had no record of a health assessment being completed on a traditional landfill because a traditional landfill did not carry the same concerns as a WTE plant.

Mr. Binney asked if the Committee could receive a copy of the health risk assessment on the WTE plant Mr. Dee had mentioned.

Mr. Dee specified suggested providing an executive summary because of the number of different studies for different counties and the length of each study.

Mr. Binney agreed with the recommendation.

Ms. Boggs asked if any of the health risk assessments included studies on the bodies of water surrounding the plants and asked what the results were.

Mr. Dee said yes and explained the two primary issues with WTE plants were the impacts of dioxins and mercury. He reported the studies showed a less than 1 in a million risk of impact from dioxins. He summarized an air pollution control method where carbon was injected into flue gasses to remove the mercury. He specified current assessments studied what happens not only when mercury is released into the air but also when it goes into the water and bioaccumulates into the sediments, adding the effects of dioxins were studied not just in the air but also when it settled on the grass and the chain effects from there (such as a cow eating grass, producing milk, and then humans consuming dioxin-

contaminated milk). He stressed the conclusion of the studies indicated the risks from either contaminant were very low both with regards to human health and aquatic health.

Mr. Smith added it was not unlike similar potential impacts from conventional power plants that burned oil or coal.

Mr. Dee explained when the EPA adopted national standards in the mid 1990's, WTE plants in Florida had to be retrofitted to comply and all new plants must be built to requirements and very stringently regulated. He mentioned the EPA had reported about four or five years ago that WTE was one of the cleanest and most reliable methods for generating electricity.

Dr. Ronald Ney asked what would happen in the future when the EPA determined ash was a hazardous chemical.

Mr. Dee responded the EPA had not yet determined ash was a hazardous material, explaining that because of the Supreme Court ruling in 1994 stating ash was not exempt from regulation as a hazardous waste it was required to be tested to be determined if it was a hazard. He noted all facilities in Florida and across the nation examined their ash and it was concluded not to be a hazardous waste. He conceded there were heavy metals in the ash and concerns over the potential of the ash to be a hazardous waste, but currently to the best of his knowledge all WTE facilities had always passed the tests required by the EPA to determine the status of the waste ash.

Dr. Ney opined there was the potential for a problem should the EPA ever declare ash a hazardous material.

Ms. Gentry noted there were local companies, such as Raptor Technology Group, who were working on ways to treat the ash, and asked if it meant there was a problem with the ash since companies were looking for ways to treat it.

Mr. Minkoff responded that Raptor had performed an analysis testing if metals could be recovered from the ash but concluded it was not an economical process.

Ms. Boggs asked if any new methods to reduce or conserve water consumption at WTE plants had been implemented.

Mr. Dee replied that WTE plants used water as a coolant with a lot of water lost to evaporation. He mentioned Broward County and a new Palm Beach County facility used an air-cooled condenser instead of water.

Mr. Smith noted other facilities throughout the State were using treated wastewater for coolant purpose. He stressed the primary purpose for a WTE facility was waste disposal and the production of electricity was a byproduct.

Mr. Binney mentioned Covanta had private wells on property for the purpose of using water as a coolant and asked if there might be metering of well water in the future.

Mr. Dee responded the purpose of the well metering was to measure the water being used in the facility and he had not heard of any suggestion of imposing a fee on groundwater.

Mr. Joe Treshler from Covanta reported Covanta had cut back on their consumptive use significantly from what their permit allowed, mentioning the use of collected rain water as one of the methods utilized to cut the use of groundwater and adding they reused water wherever possible.

Mr. Smith returned to the presentation, discussing the advantages and disadvantages of emerging conversion technologies as an option for solid waste disposal. He mentioned some of the new technologies such as plasma technology and garbage-to-ethanol technology. He listed the advantages of emerging conversion technologies as potential renewable energy generation, potential volume reduction, and the potential elimination of residuals resulting in eliminating the need for landfills, as well as the fact there were many potential options and technologies being developed that could be viable options for waste disposal. He outlined two main disadvantages, stating the new technologies had not been demonstrated on a large scale commercial basis in the United States and because of that there were significant uncertainty and risk concerning potential limitations on quantity and quality of waste, potential need for substantial pre-processing of waste, long term reliability, the ability to comply with environmental regulations, the cost per ton for waste disposal, and the ability to use any residuals. He stressed caution regarding emerging technologies right now.

Dr. Ney mentioned Florida Hospital Waterman used plasma technology to dispose of medical waste.

Mr. Dee stated plasma technology would be the best waste removal technology out there if it worked because it would eliminate all the waste, but currently the only successful utilization of the technology had been in smaller quantities with select waste and not a year-round large scale operations handling diverse waste.

Mr. Dorsett commented on the key decision factors list mentioned earlier in the presentation, wanting to add some of the County's concerns to the list. He stated incurring exposure of financial risk, concern for liability for the County in terms of legal health and safety factors, synergy with all solid waste operations, cost allocation for the citizens, and the ability of the County to control the operations through ownership or regulations were all concerns of the County for selecting an appropriate waste management solution. He asked Mr. Smith and Mr. Dee to keep those issues in mind when they gave their recommendations.

Mr. Smith clarified the list they presented was not meant to be an exhaustive list, merely an attempt at providing the most typical decision factors faced.

The Chairman announced at 10:10 a.m. there would be a ten minute break.

Mr. Smith discussed his and Mr. Dee's recommendations. He stated the County should begin by preparing 10 and 20 year economic analyses for primary options, which he reported as being the County's landfill and a new Covanta contract for the WTE facility, adding that analyses of existing permitted capacity and future potential permitting capacity should be completed on the landfill as well. He explained the County should know the costs just to operate the landfill in order to use that as a basis to compare all other options to. He noted if the County decided to renegotiate the contract with Covanta they could start with a clean slate and create something new that would meet the County's needs. He then mentioned there were other things the County could do as part of an integrated system and in order to meet State recycling goals, suggesting the County look at other sensible and effective ways of handling trash: Recycling, composting, curbside recycling, commercial recycling, handling of hazardous and special waste, or even organic waste recycling. He suggested the County should

negotiate a terms sheet or create a memorandum of understanding for a potential future contract with Covanta, discuss mutually beneficial opportunities with the municipalities, and evaluate collection/hauling routes for single versus multiple disposal/conversion facilities.

Mr. Dee stressed the first issue the County needed to address was what to do with the garbage, noting the landfill was most likely the cheapest option and the County should prepare an economic analysis for what the costs would be and to be prepared to go forward with using the landfill for garbage. He explained it would give the County a position of power going into negotiations.

Mr. Smith agreed, stating the County would want to know how much it would cost because private landfills would submit proposals and the County needed something to use for cost comparison.

Mr. Dee suggested what he called a "three-pronged strategy," which would be implemented simultaneously and consisted of going forward with using the landfill as the primary disposal method, going forward with the option of using a facility outside of the County, and going forward with negotiations for a new contract with Covanta, explaining that this would allow the County to analyze the options side by side. He stressed this would allow the County to better determine what the optimal solution for the community would be. He then addressed what potential issues could arise from a change in law. He explained the County would want to have a change in law provision in the contract to position themselves as a customer of the facility so the facility would be responsible for maintaining the facility. He discussed possible terms the County could include in the negotiations with Covanta such as including up-front recycling or making the contract for a shorter period of time. He commented he would not recommend selling the landfill because it was a tremendous asset. He mentioned the County could privatize operations of the landfill but advised against it because he did not think it would save the County any money.

Dr. Ney opined putting the raw garbage into the landfill would cause it to fill up rapidly. He suggested switching the landfill to a bioreactive landfill.

Mr. Debo explained during the permitting process they were careful not to use the term bioreactive. He clarified what the County currently had was a landfill where they could recirculate conventional leachate which is sort of a bioreactive landfill but they do not introduce industrial sludge.

Mr. Binney asked Mr. Dee if he knew of any situations where a county and the cities were able to competitively bid a joint request to get the best price for all municipalities.

Mr. Dee said there could be interlocal agreements with the cities to coordinate the efforts, though he noted while it was possible it was not very successful. He suggested starting the RFP at least two years before they thought they needed to have a new contract in operation because it would take longer than expected to get the terms right.

Mr. Doug McCoy of Waste Management stated Waste Management would like the opportunity to negotiate a new hauling contract with the County. He reported the average rate Waste Management charged for twice per week garbage, yard waste, and recycling collection and then disposal was $10.64 per month. He added they were interested in moving ahead and potentially introducing new collection systems.

Mr. Dee remarked he supported competitive procurement and suggested Lake County pursue that option because there was still time for it to be effective. He commented if the County only went with

the lowest priced bidder it could negatively impact service and he did not recommend doing that, explaining the County should put out an RFP but structure it so they were not required to take the lowest bidder but rather they could select the best combination of price, service, and experience that was right for them.

Mr. McCoy asked for the opportunity for Waste Management to enter a bid to show what they can do for the County.

Mr. Fred Hawkins, Jr. from Waste Services of Florida stated he agreed with what Mr. McCoy had expressed in regards to having the opportunity to enter a bid and noted the Covanta contract set to expire in 2014 did not have a renewal option but rather had a unilateral extension provision. He opined with the poor status of the economy it was a good time to get lower rates on services and have recycling included but that by 2014 things could change.

Mr. McCoy stated Waste Management was able to negotiate a new contract today that would benefit Lake County citizens today rather than in 2014.

Mr. Smith discussed the arrangement in Pinellas County and the 24 cities within the county, explaining the county recognized the benefits of those municipalities' involvement with solid waste so a formal meeting was established once a month to allow the cities to have a say in all aspects of the solid waste system in an advisory capacity to their Board of County Commissioners. He suggested Lake County might want to look into their arrangement and consider it as a possibility for the future.

Mr. Gorden commented on the RFP discussion and opined the RFP process only made sense when there were new players but that he did not see that happening in Lake County as far as collections were concerned.

Mr. Dee responded that they would not know until they issued the RFP who would respond and there were other companies that would like to expand in this area.

NEXT MEETING

Mr. Binney asked Mr. Minkoff to clarify at the next meeting if there was actually a five-year renewal option on the Covanta contract. He then stated the next meeting was scheduled for Monday, February 14, 2011 at 9:00 a.m. at the Agricultural Center, adding that the meetings after that were scheduled for Monday, February 28th, March 14th, and the last meeting would be March 28th at the same time and location. He mentioned that at the next meeting he wanted to look at where the Commission was in terms of their recommendation to the Board and to determine how long it was going to be until they reach a recommendation so he could inform Commr. Hill and the BCC if they need additional time. He announced the future meetings would be spent analyzing, discussing, and coming up with recommendations and there would be no additional speakers, explaining if the Commission had any questions they would be forwarded to County staff and they would provide the answers. He noted Mr. Stivender had been asked to prepare an analysis of what the commercial side of solid waste was doing for the Commission to review.

Mr. Dorsett asked if it was possible for the Commission to see the recycle operation in Astatula in operation.

Mr. Binney asked him to coordinate it with Mr. Debo, noting it either had to be as a group or individually.

Mr. Taylor mentioned he had not seen it in operations either and that he would like to go as well.

Mr. Binney noted they would have to go separately because of the Sunshine law.

Mr. Gorden asked if it was the County's position that they did not take construction waste.

Mr. Debo responded that private C&D landfills were more affordable, noting the County did have a C&D landfill on property but opted not to use it. He explained they crunched up any C&D waste that could be used for fuel and delivered it to Covanta.

Mr. Gorden asked if C&D was not a large part of what was received in the waste stream.

Mr. Debo answered that while it was a huge item in the solid waste picture for the State, most of the waste received in Lake County was Class 3 waste such as furniture and could not go into a C&D landfill. He added that in the last few years the County's C&D waste stream had declined significantly.

Mr. Binney asked where most of the C&D waste went.

Mr. Debo responded it went to facilities in Howey-In-The-Hills, Mount Dora, Deland, and Fruitland Park.

Mr. Gorden asked if they wanted to address C&D waste at all or just leave it alone.

Mr. Stivender responded it was an optional service area as opposed to a formal program. He noted C&D materials could be recycled and it was something they tried not to put into the landfill or haul off.

Mr. Debo remarked if the recycling requirements went through then one of the easiest commodities to recycle would be C&D waste.

Mr. Minkoff mentioned the County previously required all C&D waste to come to the County but it also used up landfill capacity at a faster pace than regular solid waste.

Mr. Binney asked if there was a crusher in the County that could be used to crush up concrete for reuse.

Mr. Stivender responded they had looked into the costs of a crusher but it was cost prohibitive.

Mr. Minkoff remarked there were private facilities that could be used.

Mr. Dee recommended letting the private companies handle the C&D.

Mr. Smith concurred.

Ms. Boggs suggested the Committee discuss the new legislation and what changes might occur because of it.

Mr. Dee stated the legislation proposed a goal but it would most likely not be enforced and suggested the Committee not waste time or concern on that issue.

PUBLIC INPUT

There was no public comment.

ADJOURNMENT

The meeting adjourned at 11:05 a.m.