

SOLID WASTE ALTERNATIVES FUNDING TASK FORCE

February 14, 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
Mr. Richard Grier

MEMBERS NOT PRESENT

Mr. Peter Tarby

OTHERS PRESENT

Mr. Sandy Minkoff, County Attorney
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.

APPROVAL OF MINUTES

On a motion by Mr. Dorsett, seconded by Mr. Grier and carried unanimously by a vote of 7-0, the Solid Waste Alternatives Task Force (SWATF) approved the Minutes of January 10, 2011.

REVIEW OF TASK FORCE ACCOMPLISHMENTS

Mr. Binney stated the Committee would be meeting every other week for the next four weeks and on March 14, 2011 they would evaluate their status and how much time was needed to complete the work. He mentioned he would then discuss with Commr. Hill and the BCC whether a resolution was needed to extend their time period or not. He reviewed the assigned tasks from the BCC, stating they had been asked to review the current disposal system; review and evaluate solid waste disposal options that were available to the County not limited to financial impacts, environmental impacts, or impacts of recycling efforts; and look at regional partnerships for waste disposal at the municipal level and regional partnerships for waste disposal with private entities. He remarked the Committee would form a recommendation of the best option to move forward with residential hauling, commercial hauling,

disposal, etc., listing two or three different options, stating which one was best and why. He said a draft of the recommendation would be forwarded to the municipalities for comments and whatever input was then provided would be included with the final document for presentation to the BCC.

Mr. Taylor asked what the format of the recommendation would be.

Mr. Stivender announced he had the 2008 Transportation Task Force draft report which could be used as a template to help them construct their own report.

COMMERCIAL HAULING DISCUSSION

Ms. Cindy Heffler from the Solid Waste Division of Public Works noted the County currently had three franchised areas for commercial hauling, specifying Waste Management covered the unincorporated portion of the County in two areas and Waste Services covered the unincorporated parts of the third. She explained the companies were required to provide insurance information, truck numbers, and verify trucks met DOT and Health Code standards, explaining the requirements for commercial haulers were the same as for residential haulers except the haulers billed commercial customers directly with rates controlled by the County.

Ms. Gentry asked whether the businesses negotiated with the haulers or the County.

Ms. Heffler clarified if a business was in an unincorporated area they were required to go with their franchised hauler and the County set a maximum rate dependent on the size of the container and the number of hauls per week.

Mr. Binney asked if customers would not benefit from having open market competition because the County set the fee for the haulers, preventing them from being able to negotiate a lower rate.

Mr. Minkoff opined if the County changed to an open market system some would be able to negotiate lower rates while some might have to pay higher rates.

Mr. Binney asked if the County's rate was a cap or a set rate.

Ms. Heffler answered it was a cap rate. She noted there was a clause in the contract stating if the company did not provide the necessary level of service the customer could then go to the other hauler if they were able to provide it, but added so far no one had done that.

Mr. Stivender noted the haulers in the incorporated areas were taking waste everywhere, commenting that it spoke against the efficiency of the operation when the haulers for unincorporated areas were driving past cities with another vendor, remarking it would be nice to have more of a team approach if it could be worked out.

Mr. Minkoff suggested considering to continue controlling the waste flow because it could help negotiate a lower rate with Covanta or another landfill once the current contract with Covanta ended.

Mr. Grier asked if there had been discussion regarding a countywide solid waste authority, citing Palm Beach County as an example.

Mr. Minkoff replied he did not think so, mentioning there had been a meeting with the City of Leesburg a few years ago about joining the County's system but the residents protested against getting rid of the

city waste workers. He added there had also been a meeting with Montverde to encourage them to join the County system but they elected not to.

Mr. McCoy clarified that in Palm Beach County the cities still decided who would haul away their waste; the Solid Waste Authority Board developed relationships with the cities through interlocal agreements which required all garbage from those cities go to the Palm Beach County sites.

Mr. Minkoff mentioned that in 1988, when Lake County started with their WTE plant, there was an attempt to establish interlocal agreements with the cities but most of the cities refused to participate because they did not approve of the Covanta contract.

Ms. Debbie Fore, Environmental & E-cycling Coordinator for Public Works, mentioning the BCC allowed the County to compete in the commercial market, noting companies sought the County out to collect their commercial cardboard. She stated the Lake County School Board was their largest clientele and they used large curbside bins for collection, swapping full bins for empty ones when the recycling was collected. She added they owned their own vehicles, owned the containers, they took the containers out and placed them, and the customer called when it was time for the container to be picked up. She described the container as a 33 yard container, green and about 18 feet long with compartments inside so they could split up what they collected. She stated they unloaded the cardboard first followed by the other separated materials, measuring the weight of each material dropped off.

Mr. Debo commented the separation of the materials allowed customers to receive the benefit of certain materials and prices depending on the market, noting it would not be possible to do that if the recycling was brought in single stream.

Ms. Fore added the County's facility was not set up for single stream and did not have the proper equipment for that type of work, also mentioning it was much more labor intensive to separate single stream waste. She remarked that even if the County went to a single stream collection the commercial recycling collection could continue as it already was because they had the ability to work out what they want to recycle with their commercial customers. She noted it was not cost effective to recycle comingled waste with the schools because they did not produce enough recycling to fill the containers.

Ms. Gentry questioned if cost effectiveness was a result of the cost of hauling the recycling. She asked if recycling operations would want the business to bring the materials to the processing site.

Ms. Fore said cost effectiveness was related to the cost of hauling and that they would accept the companies bringing the recycling to them. She explained it was not cost effective to haul plastic because despite the volume there was not much weight and while they might receive 200 pounds of plastic it took 850 pounds to make a bale large enough for them to make any money from it.

Mr. Gorden asked if the assumption was made that after 2014 there would no longer be an issue of minimum and maximum amounts of garbage, what incentive would the County have for having a franchise agreement for hauling commercial garbage.

Mr. Minkoff responded that regulatory issues would be an incentive. He also mentioned commercial rates subsidized residential rates and if the County gave that up there might be a slight increase on residential rates. He opined if an open market method was used it might result in lower rates for concentrated population areas but rural areas might end up with higher rates.

Mr. Binney asked what would happen if a third franchiser was brought in only for residential and how the issue of subsidies would be handled.

Mr. Minkoff said a franchise fee could be imposed and the funds from that could be used to subsidize residential rates, but then noted the County bid residential and commercial together so the rates were reviewed at the same time, specifying that the lower the residential rate was the higher the commercial would be and the focus had really been on the residential rates.

Ms. Gentry asked what the County did prior to the contract with Covanta.

Mr. Minkoff answered that prior to Covanta the County had a free market.

Mr. Grier asked what the pros and cons would be of balancing the commercial and the residential system so commercial and residential were paying for themselves instead of commercial subsidizing the residential.

Mr. Stivender responded by the autumn of 2012 RFPs would go out for all those services with a chance for long term negotiations. He stated the Committee needed to decide if the services would be handled together or separately and remarked the actual costs could not be used as a decision maker now because those numbers might be very different in 2013 when a contract was brought before the BCC. He noted gas prices would be a large influence on future costs.

Mr. Binney asked if the County renegotiated fees annually despite having a long term contract.

Ms. Heffler responded it was quarterly for residential and annual for commercial.

Mr. Grier stated he was ambivalent about the system now, mentioning there was just one driver collecting dual stream and the problem with single stream was that the technology was more expensive than dual stream, noting for Lake County put up a single stream MRF would be a gigantic expense and so the haulers would have to take it to their facility.

Mr. McCoy stated as long as the County wanted to continue with the dual stream set up it precluded one mechanized container for all recyclables. He remarked that the fact their facility could process single stream more effectively provided potential for rebates for the large governmental entities who were their customers.

Mr. Grier asked Mr. Hawkins where the WSI MRF was located.

Mr. Hawkins responded it would be in Groveland now that they had purchased land there, but right now they sent everything to Orlando.

Mr. McCoy noted if their collection efficiency as a hauler went up it could offset any potential cost increases in transport, explaining it could be done through such changes as switching to a mechanized system. He remarked the current set up had the worker getting out of the truck, separating the waste, and then dumping it into the truck. He stated it was possible to start single stream recycling tomorrow if the County wanted to and there would be an increase in recyclable materials because there would be more participation with a larger container and more materials that could go in it. He said they would negotiate a collection savings with the County because of the significant amount of time it would save the haulers with the collection process. He remarked the County would not only potentially get rebates from the program but would also receive a reduction in the hauling rate because efficiency would

increase. He noted the capital was more intensive and the equipment was more expensive, but the efficiency would offset a lot of the cost.

Ms. Boggs asked what the contamination rate was when they switch to single stream.

Mr. McCoy responded the contamination rate increased but at the front end of the single stream facility there were people removing unrecyclable materials. He noted that upwards of 15 percent contamination could be taken through single stream and remarked they had never had a contaminated load rejected.

Mr. Binney remarked the two private vendors picked up commercial waste as single stream but the County collected it as triple stream because of the separated containers used at the source.

Mr. Grier asked if commercial collection could be increased to ensure enough material was moving through the County's MRF if the County decided to switch to single stream on residential collection.

Ms. Fore replied she thought it could, noting cardboard was the commodity bringing in the most money. She stated an eight-yard front-end load truck would benefit the County.

Mr. Binney asked what level of participation there was with recycling.

Ms. Fore responded the level of participation through their system was low, explaining it was mainly because the containers were so large it made it difficult to place at smaller business locations.

Mr. Hawkins replied he could get the exact numbers and noted that WSI did try to sell recycling along with regular waste disposal.

Mr. McCoy estimated between 15 and 20 percent of customers recycled with Waste Management.

Mr. Grier remarked the only way to have an increase in commercial recycling was to make it mandatory within the County. He noted businesses in counties that had done this were actually saving money.

Mr. McCoy agreed with Mr. Grier.

Mr. Binney noted if a business recycled more they would use a smaller container for the remainder of their waste which would result in lower fees paid to the haulers and therefore would lead to a reduction in subsidies. He noted it was not necessarily a bad thing but it was something to be aware of.

Mr. Grier agreed with Mr. Binney and recommended making commercial recycling mandatory.

Mr. Minkoff noted that once the contract with Covanta ended the subsidy might not be as important because the disposal rate would be less.

Ms. Gentry asked if there would be an advantage in negotiating a private hauler to pick up sorted waste and bring it to the County.

Mr. McCoy answered commercial recycling could not be regulated as far as who picked it up and where it went. He stated the County could make it mandatory but could not direct the commercial recycling.

The Chairman announced at 10:14 a.m. there would be a ten-minute break.

Mr. Binney summarized the County's current system of using franchised vendors. He stated they would discuss the pros and cons. He mentioned they could add open market as an option, suggesting there would be a list of preferred vendors and customers could go out and purchase services from that list. He remarked the cons of an open market would be the number of trucks on the road, damage to infrastructure, amount of fuel and the carbon footprint it would create. He said another option would be altering the current franchise method.

Ms. Boggs asked if there could be more than three franchise areas.

Mr. Minkoff answered they chose three because it suited the shape of the County.

Mr. Binney asked if there were counties that only had one franchised vendor.

Mr. Cooper responded some of the smaller counties had only one vendor.

Mr. Stivender opined that regionalism was a good idea because there were three parts to the County: east, northwest, and south. He said they could still have one vendor servicing all three areas if they could do so efficiently versus other vendors.

Mr. Minkoff clarified they never wanted just one vendor out of concern something might happen to that vendor, adding that the current arrangement required the other vendors to come in and help if needed.

Mr. Dorsett asked what vendors currently serviced what parts of the County.

Ms. Heffler responded Waste Services collected in the northwest section and Waste Management collected the central and southern sections.

Mr. Cooper explained the south section previously belonged to a third vendor.

Ms. Heffler clarified the third vendor elected not to keep that area anymore which was why the County now only had two vendors servicing all three areas.

Mr. Grier remarked they should have in their recommendation that one vendor cannot service the entire County.

Mr. Binney asked if they wanted to make any adjustments to the existing policies. He asked if they should let the economics drive the decision and then discuss recycling afterwards, noting recycling would be a subsidiary of the decision and would not affect such things as whether or not to be open market or franchised. He recommended having a separate discussion on residential and commercial recycling.

The Committee agreed to have a separate discussion on recycling.

Mr. Binney stated it was the opinion of the Committee that they were alright with the existing commercial hauling system with the three regions bidding out two of those to any one vendor and the setting of a max rate at the County level that is part of the contract process.

Mr. Minkoff clarified that the original set up required three different vendors, one for each area of the County.

Mr. Grier asked whether Mr. Cooper, Mr. Stivender, and Mr. Minkoff thought they should return to having three vendors.

Mr. Stivender stated he would like to return to having three vendors.

Mr. Minkoff noted the contracts with Waste Services and Waste Management were set to expire in 2014 and that both had options for the County to renew for five years. He said one option for the County was to renew the existing agreements, a second option would be to stay with existing haulers but alter the agreements, and a third option would be to seek proposals for bids.

Mr. Gorden remarked if they had vendors they were happy with and who were not receiving complaints they should talk to those vendors before starting the RFP process.

Mr. Stivender said he partially agreed, mentioning that while there was value to the relationship already established with current vendors, competitiveness was good for everybody. He stressed they should not go with just the lowest bidder, saying they needed responsible vendors qualified to do the job.

Mr. Binney remarked they should leave the decision of whether or not to renew the contracts to the BCC. He summarized the Committee's recommendation for commercial hauling as not to change anything.

Ms. Gentry asked for clarification on how the commercial waste hauling subsidized the residential waste hauling.

Mr. Minkoff explained residential and commercial were bid together and the haulers understood the residential rate was more important.

Mr. McCoy emphasized that those types of practices were very common in the waste hauling industry. He explained the franchises worked by balancing out the costs because some businesses and residences should be paying more than others for the waste they need hauled off but instead they are able to average the costs.

Ms. Gentry asked if they would be able to get rates that were true for each area if the County wanted to switch to a model where there was no subsidizing.

Mr. Minkoff responded it would be difficult to do that unless they bid them separately but then they might lose the efficiencies and become more expensive for both.

Mr. Binney noted Waste Management was the vendor hauling waste for unincorporated Lake County in the southern part of the County and asked if they were also hauling commercial waste for the City of Clermont.

Mr. McCoy responded the City of Clermont was open to competition, noting it was one of the few places in the County that had an open market. He reported Lady Lake, Fruitland Park, Mount Dora, Groveland, Mascotte, and Eustis used commercial and residential franchises, adding that Leesburg hauled their own waste and Clermont hauled their own residential but were competitive with commercial waste.

Mr. Binney asked what the rates were that were charged in a municipality versus the rates allowed in the unincorporated areas and if they were comparable.

Mr. McCoy responded the County was much lower.

Mr. Minkoff explained the cities added costs to their fees so they would need to look at what the private hauler was charging the city versus what the city was charging the customer.

Mr. Binney remarked it would be difficult to have something like an interlocal service boundary agreement where the County and cities got together to bid on something because there was an invested interest within the municipalities because of the markup.

Mr. Stivender recommended putting bids out and giving the cities the chance to participate.

Mr. Minkoff said the cities could be in the County's system and still charge a different rate because they were doing the billing and he did not think that would be an impediment. He opined the largest impediment would be the mechanized collection because many of the cities were interested until they found out the County did not do mechanized collection.

Mr. Hawkins mentioned there were certain areas in the County where they could not use mechanical collection.

Ms. Boggs asked who handled commercial hazardous waste in unincorporated areas.

Ms. Fore responded the businesses themselves were responsible for the disposal. She clarified there was no way to mandate further than the State had already and the County could not enforce them because it was the State's responsibility, noting that the responsibility was handled partially through the Department of Agriculture.

Mr. Debo added that the County offered conditionally exempt commercial small quantity generators (CSQG) for smaller businesses, whether they were in a municipality or an unincorporated area and they reimbursed the County by paying back the County's costs.

Ms. Boggs asked how they ensured businesses found out about that service.

Mr. Johnny Taylor, Hazardous Waste Coordinator for Public Works, replied the County put out brochures and information on the website that identified the small quantities generators program and the assistance they had for businesses to utilize.

Mr. Stivender stated they were in the middle of putting together a program they hoped to have out by next year that would get the word out about hazardous materials collection.

OTHER BUSINESS AND NEXT MEETING DATES

Mr. Grier stated he would like to hear more information about the variable refuse rate system that Volusia County and Gainesville had in place. He added he would like to hear from a solid waste entity who had introduced a green waste collection and composting system. He suggested the Committee recommend one refuse pick up, one recycle pick up, and one green waste pick up per week if they decided to use mechanized collection methods. He added they should expand their composting out of the landfill and he would like to hear from entities that have done that. He mentioned he would also like to hear from one of the five counties surrounding Lake County that used bioreactor landfills. He

remarked it was not definite the County would continue working with Covanta and they needed to look at real options and not untested technologies.

Mr. Binney stated next meeting they would begin discussing universal collection and residential billing. He asked Mr. Stivender to put something together for the Committee for the next meeting in regards to the variable refuse rates. He suggested discussing the green entities when they discussed recycling and composting. He also asked Mr. Stivender and Mr. Debo to put something together regarding bioreactors for discussion during the disposal section when they were dealing with the landfill.

Mr. Donald Taylor said he would like to see more information on single stream collection.

Mr. Binney commented they would discuss that with recycling. He clarified they would first discuss residential collection and hauling and then they would discuss disposal, actual land filling versus Covanta, and then environmental and recycling, concluding with education.

Ms. Boggs mentioned they had not had any input from the Cities in regards to what type of things they would like to see the County move towards.

Mr. Binney replied it was difficult to coordinate with 14 cities for a single discussion so the Committee would draft their recommendations, send them to the cities for their input, and then provide their opinions to the Commissioners as an appendix to their report.

Ms. Boggs suggested sending out a questionnaire asking the opinion of the cities on various solid waste topics as opposed to waiting until the very end of the process.

Mr. Donald Taylor seconded sending out a questionnaire.

Mr. Grier agreed as well.

Mr. Stivender responded the County had most of that information because they knew how they were collecting at the curb.

Ms. Boggs explained the questionnaire format would show they were working with the cities as opposed to imposing a certain option on them.

Mr. Stivender explained the cities were more custom-oriented on their curbside collection program. He remarked the cost of Covanta had stifled the County's ability to be diversified and innovative, adding that the recycling program and the hazardous stream program would have gone a lot further if not for that contract.

Mr. Binney suggested using the March 28, 2011 meeting to invite the city managers to attend for the purpose of discussing municipal participation with solid waste issues in Lake County, allowing for a public hearing to be on the record if the cities want to be involved. He asked Mr. Stivender to meet with Mr. Daren Gray, the County Manager, and see about the viability of inviting all the city representatives to the meeting.

Mr. Stivender commented the city managers would want to know what direction the Committee was supporting.

Mr. Binney suggested revisiting the discussion after the discussion on March 14, 2011 regarding where they were on their timeline.

Mr. Dorsett expressed he would like more insight from the haulers regarding what they thought were key ingredients for being more efficient including the pros and cons of mechanization.

Mr. Binney stated the next meeting was March 28, 2011 at 9:00 a.m. at the Agricultural Center and the Committee would discuss residential hauling.

PUBLIC INPUT

Mr. Trevor Hall, a real estate broker representing a landowner next to the Tavares landfill, asked when the Committee would discuss landfill and disposal.

Mr. Binney said it would most likely happen on the meeting on March 14, 2011.

ADJOURNMENT

The meeting adjourned at 11:16 a.m.