SOLID WASTE ALTERNATIVES FUNDING TASK FORCE

MARCH 14, 2011

MEMBERS PRESENT

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

MEMBERS NOT PRESENT

Mr. Peter Tarby

OTHERS PRESENT

Ms. Wendy Taylor, Executive Office Manager, County Manager's Office
Mr. Jim Stivender, Public Works Director
Ms. Sarah Taitt, Assistant County Attorney
Ms. Susan Boyajan, Recording Secretary
Jeff Cooper, Financial Coordinator

CALL TO ORDER, ESTABLISHMENT OF QUORUM,

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

UNIVERSAL COLLECTION AND RESIDENTIAL FRANCHISE HAULERS

Mr. Binney recapped that there was a discussion at the last meeting about residential collection and the type of collection methods, but that he wanted to discuss that from a general standpoint without specifics. He asked Mr. Jim Stivender, Public Works Director, to explain universal collection.

Mr. Stivender explained that they have franchise areas; there was a special assessment for all residents; and everything is collected through that payment.

Mr. Binney added that the alternative to that would be the commercial model where individual residents would pick from a list of franchisers to contract with, and he opined that the universal option alleviated a lot of problems that both residents and the haulers had.

Mr. Stivender noted that the system has gone through a series of changes, the first one being a change from disposal only to universal hauling.

Mr. Debo elaborated that there were four options, which presented the difficulty of the residents being able to change their selection at any time, making it difficult to be able to see who was in the system and who was out of the system, which caused a problem with collection.

Mr. Stivender commented that universal collection was on the tax bill as a $184 payment for everyone, and they work through all of the collection and disposal issues throughout the year. He explained that the contracts for collection were continual, but the special assessment could change from year to year. He stated that the biggest problem with the previous system was that the variables would constantly change during the year, which was a constant bookkeeping nightmare.

Mr. Jeff Cooper, Financial Coordinator, added that when they renegotiated their contract, the price of hauling went down as well, because they were no longer responsible for receivables and bad debts.

Mr. Binney stated that they needed to get a consensus about whether they wanted to continue the universal model, which he opined was working well. There was a consensus to recommend continuation of universal collection to the BCC. He related that the second question was whether to recommend continuation of the three franchise districts for the commercial side as well as continuing the same process for the three residential districts.

Mr. Grier stated that if it was broken up among at least two or three, it gives them flexibility in case one of the contractors goes bankrupt, and he recommended having them bid one district, two districts, and then the whole county in any combination as separate bids, so they could see the big picture of what it was costing them.

Mr. Binney commented that although there could be some economies of scale, the middle district of the Leesburg-Tavares-Fruitland Park area was more urban than the Paisley-Pine Lakes area where haulers would have to deal with more dirt roads.

Mr. Stivender suggested that they develop a matrix to provide a variable list of different options, and let the haulers bid on what they feel comfortable doing.

Mr. Binney asked how the bidding works when unincorporated areas are annexed into a city.

Mr. Cooper responded that there was a provision in the hauler contract that addresses annexation which states that they could either discontinue service to the annexed area right away if they choose or they could transition the annexed property over a period of five years where the annexed property becomes part of the city.

Mr. Ney asked what would happen if the waste does not go to Covanta and they haul it out of the County.

Mr. Stivender stated that they were going to spend a long time negotiating those deals and understanding exactly each component, and they could have options for collection only, disposal only, and a combination thereof, which would result in a larger matrix. He also mentioned that their goal is to have their landfill ready to go and know exactly what it would cost them for usage regardless of what the recommendations would be, since that knowledge would drive a lot of other factors.

Mr. Binney asked for a general consensus of whether they would recommend moving forward using the three hauler district concept.

Mr. Dorsett clarified that they would utilize the bidding concept and interfacing that with the ultimate disposal plan.

SINGLE STREAM RECYCLING

Mr. Larry Dalla Betta from Waste Management mentioned that each single-stream recovered material processing facility would let their residents know what commodities are allowable based on what type of equipment they put into the MRF or what markets are available. He noted that sustainability has become an important consideration, with technology making it possible to process more tons at a lower cost. He stated that the ultimate benefit from single-stream recycling comes when they initiate a program that was automated using a larger cart with large participation, which diverts many tons from the landfill. He commented that curb sort for dual stream recycling required separate bins and specialty trucks needed by the haulers to keep the material segregated before it went to the MRF, which was not very economical. He noted that without a single stream processing facility, it was hard to initiate single-stream programs, but they have two facilities in South Florida and Orlando, as well as working on a third facility that would be up and running by the end of the year in Tampa. He related that they were making the investment to further expand where they could take single-stream materials and commented that there would not be a single-stream MRF in every county and city because a large amount of tonnage of over 4,000 or 5,000 tons a month or preferably 8,000 tons would be needed to justify the investment. He noted that Waste Management owns or operates 26 percent of the single-stream facilities in the country, and they make the right investments with the right equipment to make the material marketable. He described the positive aspects of single-stream recycling as being easy, requiring less room, and resulting in higher participation.

Mr. Grier asked about noise related to automated pickup.

Mr. Dalla Betta commented that he personally could not hear the truck noise from inside his home. He continued with the presentation, explaining that education was the key to success. He mentioned that there were new sorting technologies and MRF designs and that there has been and will continue to be a major decrease of print media, with a possible small increase in cardboard due to people buying things online. He stated that when residents are given more capacity to put more commodities in recycling, they would see an average growth of 30 to 50 percent in volume.

Ms. Boggs asked if the older senior citizen population would be able to utilize the carts easily.

Mr. Dalla Betta responded that it was very easy for even very elderly residents to tip the cart back and wheel it down to the curb, and there were also different size carts available. It was also mentioned that a cart that could be rolled would be easier to move than one that had to be carried, resulting in more that could be put into it to be recycled. He resumed his presentation, stating that although there is a bigger capital cost investment for equipment for single stream compared to a dual stream plant, the capital cost for daily ton of capacity for single stream is lower.

Mr. Stivender mentioned that they should think about the cost of containers for single stream versus what they were currently doing.

Mr. McCoy stated that they could easily introduce the 64-gallon cart for single-stream recycling with the current system that the County is using, and as time goes on it would be easier to transition to once a week pickup with either an automated or manual system. He related that they have been talking to some cities about transitioning from unlimited twice a week garbage pickup to confined, using the two carts.

Mr. Cooper commented that increasing the amount of container volume for recycling immediately results in a 40 percent increase in the tonnage that is received, and an education program as well as other factors would determine any further increase in tonnage.

Mr. Dalla Betta announced that he would show a DVD of Reuters Recycling in Pembroke Pines, one of Waste Management's facilities, which would illustrate the automation, how it separates material, and the different pieces of equipment that are used. The DVD presentation pointed out that each person generates nearly five pounds of garbage daily and that current landfill capacity is being used faster than ever before, making recycling a vital component for Waste Management. It noted that Waste Management was one of the largest collectors and marketers of residential recyclable materials in the world, with 105 material processing facilities generating 8 million tons of recyclable commodities each year, and the new 100,000 square foot Waste Management processing facility in Pembroke Pines called Reuter Recycling is designed to process more than 800 tons per day totaling more than 250,000 per year, including mixed paper, newspaper, cardboard, aluminum, glass, and plastics. It was also mentioned that this plant has new state of the art recycling equipment to process single-stream recycling materials that are mixed together, and their curbside program is highly successful, generating high community participation. The presentation also related that a single-stream program eliminated the need for sorting the materials at the curb, allowing for the most efficient recycling system available, and the materials were brought to the facility, weighed, and recorded according to where they were collected. It then illustrated the stages for the processing of the materials once they are dropped off at the facility, including sorting, storage, and baling, and it was noted that the bales were stored and then loaded on to trailers to be delivered to the end user, who maintains strict quality limits.

Mr. McCoy pointed out that this type of technology is available to Lake County today, and Waste Management could start a single stream recycling program in the County either immediately or after

2014, since they had two transfer stations available in Wildwood and Apopka which could accept single-stream recycling from any hauler and save those haulers transportation time.

Mr. Binney commented that he saw both negative things, such as increased capital costs, and positive things, such as reduced volume in the landfill, about changing to single stream, but he asked if this program could be self-sufficient without an individual mandate, which is a politically sensitive issue.

Mr. Dan McGinnis from Waste Management stated that a lot of communities have mandated residential and commercial recycling to drive the state goals of 75 percent waste reduction through recycling by 2020, but he believed there was a way to deliver that message through an economic value. He asked whether the current expectation of picking up everything twice a week for a cheap price would result in a sustainability initiative that the county, state and nation want to get to in reducing waste and capturing more product that is of value out of the waste stream, and he suggested that they make recycling very economical while driving up the price of garbage to motivate the behavior they want.

Mr. Grier pointed out that if they went with different rates for variable sized cans, they would be giving people a choice rather than mandating anything, and it would give people more incentive to fill up the recycling carts so that they could use the smaller and less-expensive sized carts for the waste.

Mr. McGinnis mentioned that some regions were using radio frequency chips in the containers to track who was participating.

Mr. Stivender commented that they were changing people's way of doing business, and they should aim to provide a service and have people buy into it, which could result in a high percentage of recycling.

Mr. Binney asked if WM could transition from their current system of one day a week recycling into automated one day a week recycling without a price increase.

Mr. McCoy pointed out that if they switched their existing system immediately to single stream using the current 18-gallon cart and the current way they collected it, there could be a price savings, since there would be a time savings for their haulers and one less employee per truck would be needed. However, he explained that currently there could be a problem with Covanta until 2014 if they changed to that type of system, but related that WM would be willing to fill that void in the event that there is one.

Mr. Cooper specified that currently Lake County normally uses about 1.3 tons per household per year and that the County currently does about 10,000 tons of recycling, which would mean that they could increase the amount of recycling materials substantially to about 28,000 tons in the unincorporated areas. He added that one of the reasons single-stream seems to be cheaper is due to economies of scale, and he mentioned that they had to keep in mind who would pay the capital costs. He explained that since the longer the deal given the hauler, the more likely they would include the capital costs, it may not cost the County residents anything for the carts. He also suggested that they pay according to the market to either share in the increase in the price of a commodity or pay the decrease with a floor,

which he felt they could negotiate as part of the deal. He suggested that they have a separate line item cost for recycling on the tax bill, and as the recycling program contribution to the overall solid waste system cost increases, it would need less money.

Mr. McCoy responded that they could sustain the current fee of $184 longer or potentially reduce it.

Mr. Stivender pointed out that that figure could be changed in any year by the Board, but they would have to provide a budget to them showing how it would work and how they will balance their entire service. He related that one large goal of the Board members is to eliminate the general fund money going to sustain solid waste. He also indicated that he believed that the Board would expect him to reduce the overall special assessment amount once the incinerator contract expires. He reported that he was planning by October 1 for the County to send the recyclables out and getting a credit back for them instead of having the recyclables delivered to the County, which would still result in the County getting credit for the recyclables.

Mr. Grier commented that he agreed that it was prudent for the County not to be taking the risk of building their own facility when there were facilities that already existed that made a profit from it.

Dr. Ney asked whether the County would get a credit for energy that is derived from the landfill after 2014 if the County decides to use that option, as well as mulch that could be made from it.

Mr. Binney pointed out that the mulch might not be useable.

Mr. Debo responded that reaping energy from the gases from the landfill which are accelerated with the organics that are put into the landfill will have a lot to do with the agreement between the County and whatever vendor would be willing to share the capital expense of installing the equipment to get some return from the gases that are generated. He added that they have a very similar situation with haulers and processers, which was a balance between risk and share.

Mr. Binney opined that they should still work on the mindset that they were still working toward a 2014 date rather than enter into an amendment to any existing contracts immediately, and if something comes up they could always have staff look into whether it was viable or not to pursue that in the future.

Mr. Grier commented that if they stayed with the 18-gallon bin without going into the expensive technology, but turning it into single steam rather than the current dual stream system, they might be able to do something earlier without forgoing any options.

HAZARDOUS WASTE PROGRAM

Mr. Dan McGinnis from Waste Management stated that he wanted to continue their recycling discussion and talk about those difficult to recycle items of which only 2 percent is currently recycled. He introduced their new service called “At Your Door,” which was a special household hazardous waste collection from residents at either the front or garage door of their homes, which picked up waste such

as home-generated special wastes, pesticides, chemicals, universal waste, electronic waste, needles, garden chemicals, pool chemicals, automotive waste, paint products, household cleaners, and fluorescent bulbs, at a cost of less than $1 per home per month. He added that they sometimes set up kiosks throughout the County in municipal facilities for residents to dispose of their pharmaceuticals, with the pulverizing and destruction of those items supervised by law enforcement. He stated that they provide all of the public education at no cost and were building awareness for their program through public service announcements (PSA), direct mail, and education seminars. He commented that the value to the resident is that it was cost effective, saves valuable time, takes only one call to complete the process, ease of use, variety of the material available for pickup, and ensures regulatory compliance and peace of mind. He reported that they are achieving 20 to 25 percent improvement on what the community currently is doing by volume, and they recycle over 75 percent of the material that they collect. He also pointed out that this could be part of the service that WM could provide, but the County could defer that special assessment cost that they were spending right now on their household hazardous waste program, which they have found runs about between $1.50 and $3.00 a month per resident, which would balance out the cost.

Mr. Binney asked whether it would need to be incorporated into the contract as a universal component.

Mr. McGinnis responded that they would prefer it to be a separate agreement and not part of the waste contract, since it was a separate service which they perform that was not part of their traditional service.

VARIABLE REFUSE RATES

Mr. Milton Towns, Waste Collection Manager from Alachua County, mentioned that the City of Gainesville and Alachua County had the first cart program in Florida and was the only one for a number of years with the inception of its Pay-As-You-Throw (PAYT) Program in 1994. He mentioned that the City and the County did a joint bid award and signed separate agreements, and they have continued to do joint negotiations and joint RFP's together with fairly identical programs. He opined that communities that switch to the Pay-As-You-Throw program do see substantial increases in their recycling rates and reduction in their waste since it gives residents financial incentives to recycle, and that it was economically sustainable and provided equity and fairness for people to pay according to the amount of waste generated. He related that he would discuss the need for their program, the issues, the implementation, and the cost, stating that the need for this program was brought on by the closing of their southwest landfill and running out of landfill space. He noted that the City and the County prepared their bids for a new contract after studying various PAYT programs, since their other contract was coming to a close in order to change their program to enhance waste reduction and encourage recycling. He related that their previous program was unlimited two-day-a-week collection, and they switched to volume-based one-day-a-week garbage collection, which he opined could be done all at once. He mentioned that there was initially some opposition to the reduction in frequency in garbage collection, but he pointed out that the bulk of the waste was out on the first day with the old system anyway, with the second day being a lot lighter. He added that there was also opposition to the limit on

the amount of garbage that could fit into the containers, and other issues they had encountered when starting the program were the time frame for distribution of carts and the new hauler's unfamiliarity with the service area. However, he pointed out that all of those issues were taken care of relatively quickly within the first six months, and they saw an increase in their recycling. He related that they first sent a postcard or letter to all of the residents about the upcoming change and asked them to select a cart size out of initially three sizes of 96, 64, and a 35 gallons, and he commented that they wanted the households to get a size appropriate for their family's needs. He showed an illustration of the different sized carts, mentioned that they have once a week collection, and noted that after the first five-year term at the request of the residents, they added a smaller 20-gallon cart by adding a false bottom to the 35 gallon cart with a black lid. He related that they had a dual-stream recycling system with one bin for paper products and another for containers, as well as yard trash collection, and he pointed out that they saw a decrease in the disposal cost after implementing this system. He noted that in 1994 the County implemented a 5-bag limit of yard waste or 2 cubic yards of loose yard waste, but because of opposition from residents the County went to a 10-bag limit and the City went back to unlimited. Recently, with their newest contract in October of 2009, they went back to unlimited but eliminated plastic bags from their yard trash collection and require it to be in rigid containers or specially-marked yellow paper bags.

Mr. Gorden asked what they did with the yard waste.

Mr. Towns answered that they use two local yard trash processers, where the County's waste gets turned into mulch and compost, and he opined that the transition to that went very smoothly with some news stories, advertising, and a public education contract with an advertising firm. He noted that one challenge that they initially had was to figure out the best way to get the plastic bags out of the yard trash stream. He went on to explain that the County residents pay annually on the non ad-valorem assessment, with the rates based on cart size ranging from $13.99 per month for the mini-can to $30.53 for the 96-gallon cart, which were expected to be decreased next year to make up for too large an increase of 30 percent that was made last year. He pointed out that the costs were fully covered by the assessment and that there were no general fund revenues being used.

Mr. Grier asked if they can figure out how much funding was needed by the percentage of people who have the different sized cans.

Mr. Towns stated that they figure it on an annual basis by looking at their unit counts, but initially they charged everyone the same amount, and he specified that about 70 percent of their users have the 64-gallon cart and only about 2 percent of unincorporated users use the mini-can. This year they based their assessment and their counts for the year with their contract on the certified assessment roll. He noted that there was substantial decrease in the total tons collected when the program was first implemented with a significant increase in recycling. He added that other benefits they saw by changing to this system were that fewer trucks were driving down the streets due to once a week pickup, improved safety, energy savings, and reduction of pollution; and automation resulted in a safer, aesthetically pleasing, and more cost-effective operation.

Ms. Gentry asked what their biggest challenges today were.

Mr. Towns responded that in the last couple of years they have the least number of reported misses that they have ever had, and their miss ratio was way down. However, if there was any consistent problem, it would be monitoring for overflow, and the County has two solid waste inspectors who spend about 50 percent of their time monitoring to make sure the haulers provided the service to the residents that they contracted for and the other half of their time enforcing the solid waste code, with the two most frequent violations being leaving the containers out too long after collection and overflow. He specified that if there was an overflow problem where the lid could not close on the container, they would send a letter to the resident, and if is not corrected voluntarily after three letters in a three to four-month period, they will give the next larger cart size to the offender and send an amended tax statement.

PUBLIC INPUT

There was no public comment.

NEXT MEETING

Mr. Binney informed the committee that the next meeting will be March 28 at 9:00 a.m. at the Agricultural Center.

ADJOURNMENT

The meeting adjourned at 12:10 p.m.