SOLID WASTE ALTERNATIVES FUNDING TASK FORCE

MARCH 28, 2011

MEMBERS PRESENT

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

Commissioner Jennifer Hill
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.

MINUTE APPROVAL

Since most of the task force members had not had a chance to read the minutes of October 4, 2010 and December 6, 2010, the approval of those minutes was tabled until the next meeting.

COMPREHENSIVE PLAN

Mr. Jim Stivender, Public Works Director, announced that he would discuss not only how Lake County is laid out today, but also the way it was projected in the future according to the Comprehensive Plan, and he directed their attention to the light green part of the map, which represented low-density areas, and the white areas of the map which represented the city limits, illustrating the corridors where the cities have expanded dramatically in the last 20 years and especially the last 10 years. He illustrated the district lines as well as the lines between the three collection areas. He related that the County was proposing to change some of their lines because of the massive amount of acres annexed by the cities,

and also the BCC would be facing the same issues for redistricting their own five districts due to the latest census numbers coming out now, which was more challenging than it was ten years ago. He noted that they had three transfer stations in the rural areas of east Lake County, as well as in the far south end of the County and in Lady Lake, and he mentioned that Alachua County's collection map shows an area around Gainesville, but other outlining areas were not in that service boundary. He related that he was going to discuss with the County Attorney the possibility of just setting a boundary for universal collection, leaving out some hard-to-reach fringe areas which were not economically efficient to use universal collection and providing a different type of service in those areas.

Mr. Grier asked if he meant that the green areas on the map would have to go to a drop-off center or be required to hire an independent hauler. He also commented that it was probably costing the County a lot more per capita to provide service in those areas.

Mr. Stivender stated that those would be two options, and he opined that it would be difficult for some of those areas to have curbside collection programs, because a lot of those residents do not have driveways or curbs and most of the non-county maintained dirt roads that posed a challenge under wet or dry conditions were in that part of the County. He mentioned that one of the largest complaints they have had was that the garbage trucks were tearing up the road, although that has recently improved.

Mr. Binney clarified that the drop-off centers were serviced by the County, and they could include that as part of the RFP.

Mr. Stivender responded that if they were going to do that, they would have to expand those daily operations to at least three to five days a week.

Mr. Dorsett commented that he would like to hear the opinion from the current waste haulers about having different types of fleets for different services.

Ms. Lisa Moncion from Waste Services stated that and she will make a note to have them follow up and have operations run the numbers on it.

Mr. Grier commented that Polk County had mechanized pickup in areas with long driveways and sandy shoulders that appeared to be working efficiently, which was dramatically different than what he observed in Lake County.

Ms. Boggs stated that her only concern with discontinuing the universal collection especially in the northern areas would be whether residents would make the effort to bring the garbage to the collection sites or whether they would start burning or illegally dumping their garbage again.

Mr. Binney opined that there would have to be a multiple fee basis.

Mr. Doug McCoy from Waste Management replied that he foresees that if the County eliminates the universal service out in that area and have the residents hire a hauler, that would probably be at an exorbitant cost, and he opined that there was not currently a huge differential between that area and

urban areas as far as cost is concerned, which might be one or one and a half dollars per month. He suggested that they still have a universal system, but they allow for a different type of collection method, such as what they currently have, and institute the automated service in the areas that are conducive to that system.

Mr. Dorsett commented that he believed that the hauler would have discretion to propose how they would segregate the service, which would probably be driven by economics, but that would still require an approval.

Mr. McCoy agreed with that and added that he thought there would be some general definitions, but it should be mutually decided what makes sense to do on a logistics and customer standpoint.

Mr. Taylor thought they could have minor adjustments in the existing contract, and the haulers could propose a new system with parameters set by the Board such as no increase in the annual cost, allowing them to be efficient and effective.

Mr. Binney asked how the surge of annexation in areas such as Minneola is impacting the unincorporated area and how much that would reduce the number of households that they would service.

Mr. Stivender responded that most of the land that is being annexed is vacant land and that very few subdivisions were currently building in the county and moving to the city, with most of the annexations tied to accessing city utilities.

Mr. McCoy added that usually the cities go after commercial areas and businesses for annexations, which generate a lot of tax dollars and generally require fewer services.

Mr. Dorsett asked how many trucks each of the two companies currently have to cover their county.

Mr. McCoy responded that they have 45 personnel and about 17 to 22 trucks in one service area, and a total of 37 trucks.

Ms. Moncion stated that she believed that they had 3 or 4 trucks for residential for their one side.

Mr. Dorsett suggested that they cut the county in half into two districts with a split running across Lake Dora and Lake Harris, with it not being critical that each company serve the same number of residents, and putting out an RFP with the intent of ending up with two haulers in those two districts.

Mr. Stivender commented that since Leesburg annexed a lot of areas south of the city and were now contiguous with Groveland, the line would end up being further south than that, and they have had discussion on drawing the line isolating the Leesburg, Fruitland Park and Lady Lake area as a district by themselves and making the Golden Triangle area including Umatilla another separate district. He also pointed out that there was not a way to get to Leesburg conveniently except on the 441 corridor between Lake Harris and Lake Griffin.

Dr. Ney commented that as the cities annex more property, the County would lose more waste from the unincorporated areas to go to Covanta.

Mr. Stivender opined that the city numbers will jump dramatically with just the approved developments which are already annexed, although he does not believe they will see growth spikes as dramatic as it had been in the past. He also noted that they wanted all of the cities in a region as well as the unincorporated areas around those regions to be working together, since a lot of the cities now ran into each other rather than there being gaps between the cities as in the past.

Mr. Binney suggested that the committee not get too specific on the details of programs or routes.

Mr. Taylor added that he believed they needed to establish goals, and how the County would attain that goal would be up to staff.

Mr. Grier asked what the County needs from the task force.

Mr. Stivender responded that they would want an indication of whether they support a certain number of districts with the understanding of regionalism and a fluent flow for efficiency purposes, and all of the things they would expect from a good operating and business plan so that the hauler knows they are thinking of the most efficient way of doing it in a certain area.

Mr. McCoy stated that the County asked the three active haulers based on the location of their facilities to divide the County geographically in a way that would make the most sense from an efficiency and collection standpoint, which was the original premise.

Mr. Binney stated that they could recommend to the Commissioners that they continue with the philosophy of having multiple districts of an appropriate number that were drawn in the best interest of the County.

Mr. Stivender stated that they can add language about regionalism, the efficiency of operations, and things like that. He also explained that they would have a meeting with all of the haulers who wanted to do business in Lake County.

Mr. Gorden commented that they do not have control over the cities, and he believed that as the cities expand, the County will be forced to talk with them regarding how they would handle waste issues.

Mr. Stivender responded that this would be next on the list to discuss with cities after fire and transportation.

Mr. Binney summarized that they have decided on the concept of universal collection, with everyone in the unincorporated areas having a pickup, and they would bill that through ad valorem taxes as a special assessment that would not be part of the general revenue taxes.

Mr. Grier asked whether there was any political will for charging residents varying amounts based on density of population, since it cost more for pickup in the rural areas.

Mr. McCoy explained that currently the rates that the hauler charges the County are different in the three districts because of the density, although all residents pay the same amount on their tax bill.

Mr. Dorsett suggested that rather than deliver the same type of service to both urban and rural areas, they could go to once a week pickup in the rural areas, since there was an inequity in hauler cost for those areas, which would level the playing field. He opined that they should be encouraging the waste haulers to make proposals that lower their cost and make them more efficient.

Mr. Grier suggested that they could counterbalance the savings by doing home pickup of medical and toxic waste.

Mr. Cooper explained that the original plan under universal collection was to increase the $184 special waste assessment every two years, which is composed of the tipping fee at an average 1.3 tons per household per year, plus the hauler cost of $110, plus a $12 administrative cost in order to manage the system countywide, which at the time came out to $173.50. He continued to explain that their contract with the haulers has an escalator clause, and the price of the hauler has gone up from $110 to $130 per household.

Mr. Stivender added that at the Board's retreat in December, he was directed to keep the fee at $184.

Mr. Binney asked if the $184 covered the cost of pickup and tipping fees.

Mr. Cooper responded that it would depend on how they want to use the monies that they receive, which is different every year, for example the Covanta debt service was different every year because of the money they were receiving from the energy agreement. However, he pointed out that the reserve was not growing, and they were covering drop offs, household hazardous waste, disposal, recycling, and pickup.

Mr. Stivender noted that they had an obligation in the contract to pay for disposal out of that, but they have benefited from the electric credit, and then the obligation to the haulers was technically second.

Mr. Gorden commented that the goal of the committee ought to be to make it a true enterprise fund.

Mr. Grier expressed concern about the effect of rising gas prices on what the haulers will charge.

Mr. Stivender added that last year they cut some of their service back, eliminated some positions, and did a lot of things to balance the budget He related that this year they were working on trying to get some major savings with recycling and discussing hours of operation. However, they were also trying to provide better hazardous waste services to residents.

Mr. Gorden asked how often the haulers get compensated for the adjustments in fuel prices.

Mr. Cooper explained that it was a quarterly RRI.

Mr. Stivender noted that it would be discussed in the future with the BCC about what that assessment should be and how they can restructure what they are paying and how they are paying it, although there was a directive that it was not something to be discussed this year.

Mr. Binney opined that there needs to be additional language in there that talked about consideration about adjusting this assessment based on how the numbers fall with what happens with Covanta, as well as gas prices.

Mr. Stivender stated that he believes it would be more difficult getting to 2014 then after that, because he felt they would be alright if they can negotiate a decrease in the disposal cost. He related that the first directive was to eliminate the general fund payment, and the second directive was to adjust this appropriately.

Mr. Taylor asked Mr. McCoy if his company is changing his trucks over to run on propane.

Mr. McCoy responded that Waste Management is moving to compressed natural gas vehicles slowly and that potentially would be coming by 2014, because it was cheaper than diesel fuel. Also, the technology to get diesel engines as clean as the EPA wants them is very expensive and high-maintenance, so there is a lot of incentive in the industry to move to C&G or L&G, and he could see trucks servicing Lake County being powered by something other than diesel fuel.

Mr. Binney asked whether the price for natural gas was fairly stable.

Mr. McCoy answered that compressed natural gas was an alternative fuel, and the future pricing is going to be dictated by supply and demand.

Mr. Cooper stated that they still have to pay the quarterly increase in the RRI, and they had very little reserves, because they had to build two new landfill cells, and they were concentrating on making changes internally to decrease costs. He pointed out in response to a question from Mr. Taylor that their current electric agreement with Covanta, which is the best agreement in the state, will expire in 2014, and also that Covanta would have to secure enough waste to operate if the County had no minimum in the new agreement. He noted that the waste stream was not a constant, but a variable issue, depending on the economy and other factors, and they had to manage that system to maximize the revenue.

Mr. Binney clarified that the special assessment would either be the current amount of $184 or a variable rate. He stated that he would feel more comfortable adding language under the special assessment that states that based on the need for the enterprise fund to be a self-sustaining fund, the County should consider that in the future they need to look at the possibility of adjusting either the $184 fee or charge variable rates for different types of services.

Mr. Stivender explained that one of the goals of the special assessment is to acquire a revenue stream for an enterprise fund to eliminate the general fund transfer.

Mr. Cooper commented that the rate would be $213 if they in fact had those increases every two years, which would have generated sufficient monies all along to pay the increases for the haulers, since the recommended increases were based on the RRI increases.

Mr. Grier opined that he believed that should be in their language to be clearly stated to the BCC.

Mr. Stivender suggested that they could put language in there stating that after 2014, the base rate at that time would automatically increase when the RRI is adjusted.

Mr. Binney opined that this was one of the few things that did not have to wait until 2014, and although he understood the political impact of raising the fee, the Commissioners needed to look at that number.

Mr. Grier commented that the commercial side was subsidizing the residential side, and he thought it would be good to take that out of the system. He opined that they should be including what other jurisdictions are charging for trash hauling, because Lake County was the cheapest in the state and provided more services for that dollar than almost anywhere in the state.

Mr. Stivender recommended that the report to the Board regarding 2014 should not include that, but he suggested that they send a letter to the Chairman of the BCC with recommendations before then as a separate task. He added that he did not think they would see anything change until the economic situation and the value of land stabilizes.

Mr. Grier agreed with that, and noted that they could possibly also add other suggestions to that letter.

Mr. Cooper mentioned that the task force's recommendation should also keep in mind whether it would include the cities.

Dr. Ney asked what the cost would be for the haulers to take the waste out of the county.

Mr. Cooper responded that that was an interesting question, and he talked about the history of what the cities did and noted that they do not know what some of those costs would be.

Mr. Binney clarified that they would include in their report a recommendation to adjust the rate based on the position of the enterprise fund in 2014 and to make it a true enterprise fund.

Mr. Grier asked what the task force thought about the subsidizing of the private by the commercial businesses.

Mr. Binney opined that the commercial-residential was an implicit subsidy that was worked out so that the County could keep the residential rate low, because the haulers had to make money.

Mr. McCoy stated that there was less subsidizing because of the annexation rate, and additionally the County's rate is very competitive with all of the cities in Lake County. He related that the County has not received any concerns about the price of commercial garbage, and he did not think it was a major issue.

Mr. Grier asked if they were going to recommend that this would come to be reviewed by the Commissioners every year, and he opined that was a good idea and would start to get the public aware that their assessment may change from year to year, which could be a decrease as well as an increase.

Mr. Binney announced that they would put some language together at the next meeting for a draft. He asked whether they want to recommend one large district encompassing the county or have logical multiple districts that serve the best interests of the constituents in that district.

Mr. Dorsett added that it should consider the input of the waste haulers and identify what provides the best logistics and bottom line.

COMPOSTING

Mr. Debo related that he has looked at what a lot of neighboring counties were doing with their yard and wood waste and noted that Orange County had a pretty elaborate program, with the largest publically owned and operated landfill in the state which took in about 2200 tons per day. He stated that Orange County's service area includes about 198,000 homes, and he believed their assessed rate was well over $200 per year. He illustrated on a slide that they have on their site three different areas where wood waste is taken to and processed into a pure compost product. He pointed out that Sumter County's program had post-consumer food waste, which could be contaminated with things such as plastic forks and paper, but in Orange County they had no food waste whatsoever in their waste and have two wood waste streams, one which is picked up at curbside and the other delivered to the landfill in bulk. He mentioned that they have a separate collection one day a week of bundled yard waste in a container or plastic bag of no more than 50 gallons in size, and the MSW waste is picked up by their haulers and is kept separate from the yard waste, which is treated separately at the landfill than the clean waste that is brought in by bulk loads. He pointed out in Slide 3 in the upper left hand corner the clean waste and the curbside waste. He noted that it had been costing Orange County $3.90 per processed yard, or over $1 million last year, to go through the process of separating out the plastic and other debris and get it out to the windrows, but now they have reduced the contractor's contract where he does not have to deal with the curbside collected yard waste, except to mulch the clean yard waste for volume reduction, resulting in a decreased cost of currently $1.45 per yard. He pointed out that Slide 4 was a picture of the Orange County fee schedule at the landfill, mentioning that residents were limited to three cubic yards per week for curbside pickup, and he noted that even though they are charged an assessment on their taxes, residents would still pay $29 per ton to dispose of yard waste at the landfill, which was different than the way it was done in Lake County. He related that in the early 1990's Lake County was holding construction demolition debris in the wintertime while they had an influx of visitors from up north to process it during a slowdown in waste deliveries in the summer months, but he liked the idea that if they exceed three yards per week, they pay to bring it to the landfill, since new regulations require that yard waste could not be put in the Class 1 landfills except for gas collection systems.

Mr. Binney asked whether he believed that would contribute to illegal dumping.

Mr. Debo responded that it might, but his opinion was based solely on what is equitable.

Mr. Stivender further explained that they have had some problems with commercial vendors dropping off yard waste as residential customers, and they were trying to minimize storage space on some of those sites.

Mr. Debo pointed out that Slide 5 was a picture of the clean wood waste pile, including pallets which Orange County accepts, and they had spotters and operators that screen the deliveries to remove contaminates such as plastic bags. He noted that Slide 6 showed the plastics bags mixed in with the yard waste from curbside collection, which was the reason that it had to be separated from clean wood waste. He illustrated the Scarab compost turner, explaining that it would get up on a wind row, grind the waste, and completely turn the pile over, and he showed pictures of wind rows after the scarab had turned the piles over for a period of days. He explained that it took about three months for those piles to become a compost product, and Orange County turns the material over every two or two and a half days. He added that a water truck will go through between the wind rows and wet down the piles, and the decomposition will start building up heat, aiding in the breakdown of the wood material. He specified that they wanted it to be about between 140 and 160 degrees to kill off any fugitive seed, which was a big concern on giving away the mulched wood product.

Mr. Grier commented that besides fugitive seed, there were also pests and pesticides that degrade.

Mr. Debo noted that Orange County will not make any promises on the quality of their mulch. He then illustrated the final compost screening area, noting the oversized material that was still in the compost which will set and will not be turned, and then the product is put through another fine screening process for a consistency similar to coffee grounds. He pointed out that the citizens' pickup area was way off in the distance from the processing centers to keep the citizens away from the heavy equipment and all of the traffic going through the busy landfill.

Ms. Boggs asked whether the County would need a system similar to this for the landfill operations if they decided not to use Covanta.

Mr. Debo replied that there was a cost associated with this, and they would have to look at their budget at that time. He also noted that it gets very hot inside the pile, which could result in a fire that could only be put out with heavy equipment.

Mr. Stivender added that they were in the process of establishing their mulching operations right now in order to minimize some large piles, and this was exactly where they want to go. He explained that they are going to grind everything up and utilize it to the best of their ability, although it may not be turned into compost. He mentioned that they may take some of that to Covanta in the summer if they do not have enough solid waste going there. He also mentioned that they intend to pursue the possibility of a public-private partnership for a composting operation on some scale in Lake County.

Mr. Grier suggested that they require putting the yard waste in a paper rather than a plastic bag.

Mr. Gorden opined that they ought to recommend that yard waste come out of the waste stream, especially if they do not use Covanta in the future, because it could not be put in the landfill, and he thought they needed to start thinking about what they would do with it. He mentioned a system he observed in Apex, North Carolina, where there was single-stream recycling once a week, mechanized garbage once a week, and yard waste pickup that could be left on the curb without being in any type of container, where a truck with a vacuum sucked it up directly. He added that they also have a truck that has a grinder and chipper behind it, and those things have eliminated the plastic bag problem altogether. He commented that he would like to see Lake County move in that direction rather than burning it.

Mr. Grier specified that between 25 and 33 percent of refuse collected is yard waste, so if they have yard waste collected one time a week, along with single-stream and mechanized carts for recycling, they would reduce their refuse about 50 percent. He commented that they did not have to introduce everything all at the same time, and he noted that many regions all over the country were changing to this type of system.

Mr. Gorden specified that in the North Carolina region he previously spoke of, they broke the garbage rates down to $9.29 a month for garbage pickup, $2.22 for recycling, and $4.00 for yard waste with the vacuum and chipper operation.

Mr. Gorden indicated that he had given everyone a copy of a memo with goals that he had put together along with comments on those, and he wanted the task force to start to establish goals.

PUBLIC INPUT

There was no public comment.

NEXT MEETING

Mr. Binney informed the committee that the next meeting will be April 11 at 9:00 a.m. at the Agricultural Center.

ADJOURNMENT

The meeting adjourned at 12:05 p.m.