

SOLID WASTE ALTERNATIVES FUNDING TASK FORCE

APRIL 11, 2011

MEMBERS PRESENT

Mr. Curtis Binney (Chairman)
Mr. Lindell Dorsett
Mr. Richard Grier
Mr. Dan Gorden
Mr. Donald Taylor
Ms. Brenda Boggs

MEMBERS NOT PRESENT

Commissioner Jennifer Hill
Mr. Peter Tarby
Ms. Chloe Gentry

OTHERS PRESENT

Ms. Wendy Taylor, Executive Office Manager, County Manager's Office
Mr. Jim Stivender, Public Works Director
Mr. Sandy Minkoff, 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

On a motion by Mr. Dorsett, seconded by Mr. Taylor and carried unanimously by a vote of 6-0, the SWATF approved the minutes of October 4, 2010. On a motion by Mr. Gorden, seconded by Ms. Boggs and carried unanimously by a vote of 6-0, the SWATF approved the minutes of December 6, 2010. On a motion by Mr. Gorden, seconded by Mr. Dorsett and carried unanimously by a vote of 6-0, the SWATF approved the minutes of January 31, 2011. On a motion by Ms. Boggs, seconded by Mr. Taylor and carried unanimously by a vote of 6-0, the SWATF approved the minutes of February 28, 2011.

CALENDAR OF FUTURE MEETINGS

Mr. Jim Stivender, Public Works Director, pointed out a calendar which contained dates that the task force had talked about in the past for the remaining three meetings, which were April 25, May 9, and May 23, and asked whether those dates still worked for them.

Mr. Binney pointed out that there was a June 1 deadline and that there were at least two members that went away for a large portion of the summer. He asked since a joint meeting with the cities might not be feasible because of time restraints, whether they should move forward with their findings, forward them to the cities, and present their recommendations to the Board with the understanding that the cities would provide feedback through County staff at a later date.

Mr. Stivender responded that he thought his proposed time frame works well, and he mentioned that the input they have had from the cities could be included as part of their program.

Mr. Binney stated that if there was an issue that any of the committee members felt they should address to the cities specifically, he could do a cover letter to address that. He clarified that they would move forward with their report, provide it to the Board, and then provide a copy to the cities; and the cities would provide their input to staff and the Commissioners.

Ms. Boggs commented that they should mention in the report that they request that the cities respond to the report.

Mr. Binney added that they will mention in the report in an appropriate place that they have provided a copy of this report to the cities for their input, as well as any questions they would have for the cities.

Mr. Dorsett noted that he would be gone on May 23 and would not be available on that day.

Mr. Binney requested that the members send out any materials they were going to present at any meeting in advance for the task force to review. He suggested that Ms. Wendy Taylor, Executive Office Manager, County Manager's Office, bring a letter page for the task force members to sign on May 9 for her to keep in her office until it was approved.

Mr. Stivender asked whether their goal was to have all of the draft language done by May 9.

Mr. Binney stated he would like to have the draft language on the commercial and the residential done by the next meeting on April 25, with the remainder done in parts as early as possible, and have the signature page done by May 9.

SOLID WASTE BUSINESS PLAN

Mr. Stivender requested direction for the line items in the business plan for the County's Solid Waste that he handed out.

Mr. Gorden suggested that they go over each of those items and get consensus from the committee.

Mr. Grier requested that they add the possibility of picking up hazardous and medical waste at the household under collection, which would ensure that it gets disposed of properly.

Mr. Stivender clarified that the task force wanted to continue with universal collection, to have three Residential Collection Districts and three franchised Commercial Collection Districts, and to continue to have those districts linked together using the same lines.

Mr. Binney mentioned that there was a caveat to the third item regarding commercial collection districts that they recommend staff in conjunction with the haulers come up with the most feasible method and number of districts based on regional efficiency.

Mr. Stivender assured him that explanation would be part of the body of that issue.

Mr. Binney asked if they wanted to recommend the institution of single-stream curbside recycling or just recommend a continued analysis of looking at the cost benefit of it.

Mr. Dorsett opined that he is not convinced that it is in the County's best interest to change from dual stream to single stream.

Mr. Binney asked that they hold off on making any recommendations on that issue pending a discussion on recycling. He went on to the next issue regarding once per week garbage collection.

Mr. Taylor commented that he did not think they could consider changing to once a week garbage collection unless they increase the amount of recycling.

Mr. Binney asked whether they would recommend that the County should look at the use of automated trucks or whether they recommend the feasibility of it.

Mr. Grier opined that they should take at face value the opinions they have heard that it would keep costs down and also that the language of their recommendations should be strong.

Mr. Binney commented that he thought that a lot of the items, such as the containers and automated trucks, could be put under one broad category of issues to consider when sending out an RFP to the haulers. He also added that cost would be a factor that other items would be based on, and he believed they needed to sell or explain their recommendation to the Board as to how it would be in the best interests of the taxpayers and the County.

Mr. Stivender pointed out that the haulers would probably want a longer-term contract if they had more up-front capital costs for things such as containers in order to recoup their costs, which he felt played a large role in the decision.

Mr. Binney recapped that their mandate from the Board was to make recommendations, look at the pros, the cons, the environmental effect, and the financial impact.

Mr. Dorsett stated that he would like to see this decision coupled with the districting decision, because the bidding process from the waste haulers would produce the lowest-cost outcome for the County, as well as the final outcome regarding whether to use the landfill or renewing the contract with Covanta.

Mr. Stivender explained that there would be a matrix of a series of options or add-ons.

Mr. Minkoff added that for purposes of bidding, complexity makes it much more difficult to evaluate options. He explained that they could recommend either yes, no, or maybe for each line item and then give reasons why, so the Board can evaluate both the logic behind their recommendation as well as the recommendation itself.

Mr. Binney related that two commissioners have already requested that the task force explain their thought process rather than just giving them a bullet.

Mr. Stivender suggested that they keep working through the list, which were the main principles based on the direction from the Board, and then they could discuss through the pros and cons of each one.

Mr. Minkoff commented that they would not be bound by the basic direction or decisions made today, and staff could go back and give them the pros and cons in writing based on the minutes and other information to review.

Mr. Stivender pointed out that they had to have the framework in two weeks, even if it had some blanks in it.

Mr. Binney requested that they have it by the Wednesday or Thursday prior to the next meeting, so that the committee has time to look at it and format their thoughts. He asked about the item regarding increasing the drop-off center hours.

Mr. Stivender responded that the hours can vary based on the part of the County, explaining that they did not need extensive hours at the Astor or Paisley drop-off center, since there was a small quantity of waste and the area was isolated from the rest of the County, as opposed to the Lighthouse site in South Lake or the Lady Lake site, which are busy all day long. He asked if the drop-off centers were a viable part of this and whether they would need to increase the days of operation.

Mr. Gorden opined that he believed the County should keep the drop-off centers, since they provide convenience and necessity for people who live in rural areas of the County.

Mr. Dorsett recommended that they have fairly limited hours, making special provisions any time there is a storm-related increase in activity, and give the County the flexibility to extend the hours when justified.

Mr. Minkoff suggested that they rephrase this item to state "keep the residential solid waste service centers for garbage, recycling and hazardous waste, and to examine the hours of operation for the most efficient operations."

Mr. Binney stated that they would add an additional line item for the pick up of residential and small business medical and hazardous waste. He also commented that this handout was a good tool for

guiding their future discussions and thought processes. He asked if the committee members wanted to wait to discuss disposal options.

Mr. Stivender asked if any of the options listed under disposal was to be eliminated.

Mr. Grier stated that he wanted to take the option of sending the waste out of the county off the list, because of fuel costs.

Mr. Binney stated that he wanted to leave that on the list for discussion.

Mr. Dorsett agreed that he wanted to leave that item on the list, since he realized there could be some commercial drivers for doing that.

Mr. Binney opined that under the "Financial" heading, they all agreed to recommend an elimination of the general fund transfer to Solid Waste.

Ms. Boggs commented that they might need to put some kind of a fee on the tax bill for everyone so that they could have access to the drop-off centers and household hazardous waste facilities, because residents in the unincorporated areas should not be paying for the residents of the cities for those services.

Mr. Stivender mentioned that in the past before they had a special assessment or general fund subsidy, they had a fee-based charge based on what the resident disposed of.

Mr. Minkoff suggested that they change that line item to state "eliminate the transfer, except for services that are provided county-wide."

Mr. Binney suggested to add to that "unless under extraordinary circumstances" to allow flexibility for things such as recycling or hazardous waste disposal.

Mr. Grier suggested that once the Covanta contract ended, any increases or decreases of the Solid Waste budget need to go into the Solid Waste SA so that people were charged a realistic number.

Mr. Binney suggested language that would indicate that they look at that every year in case the cost goes down in subsequent years when they renegotiate with their haulers and Covanta.

Mr. Minkoff pointed out that changing the wording to "make the Solid Waste fund self-supporting," would eliminate the need to do that.

Mr. Binney asked whether "to address solid waste issues for unincorporated area only" needed to be a line item.

Mr. Stivender responded that the County has 115,000 tons, and the cities would add another 50-60,000 tons to that, so he wanted to know if they should plan to deal with all of the residents in the County.

Mr. Grier commented that they do not have any control over the cities, unless they want to recommend a solid waste authority that would have some jurisdiction to cover the whole county.

Mr. Stivender noted that disposing of the cities' garbage at the landfill would shorten the life of the landfill and run their cost up. He suggested that they could state that unincorporated Lake County was their principal duty, and possibly ask the cities to join them in a possible deal with Covanta for volume discounts.

Mr. Minkoff suggested that an alternative line item to those two items could be to work with the cities to have a coordinated collection and disposal system. He also mentioned that the two biggest impediments to cooperation have been the Covanta contract and the fact that the County does not have mechanized pickup.

Mr. Grier asked Mr. McCoy about the solid waste authority in Palm Beach County, which had a tremendous education program.

Mr. McCoy responded that the BCC in Palm Beach County also make up the solid waste authority board, and they have separate meetings. He explained that there were interlocal agreements with all of the municipalities to utilize the County's disposal facilities, as well as promotion of the recycling programs, but the hauling contracts were all determined by each city separately.

Mr. Grier suggested that staff do an analysis of other solid waste authorities in Florida to study what the efficiencies and problems are and whether that system would benefit the citizens of Lake County, as well as give them the ability to think realistically about the high technologies they have looked at.

Mr. Binney suggested that they could make a recommendation to encourage the County through negotiation with the cities through their ISBA's to include solid waste, and he opined that the cities would be leery about a solid waste authority, stating he would be hesitant to recommend that.

Mr. Minkoff added that they were not going to face any large capital costs over the next 10 to 15 years in their system, so there was no need to have an authority that issues bonds.

Mr. Binney asked if the next item regarding establishing long-term funding for ten years was a function of the negotiation process.

Mr. Stivender responded that the special assessment would be adjusted annually based on the RRI to keep up with the hauling costs to protect against incremental increases.

Mr. Binney asked if staff could pull out of the budget everything related to Covanta, such as the debt service, the related fund transfer, the electricity, and the related revenue from dumping the ash to see where they are regarding cost without Covanta.

Mr. Stivender predicted that the County's financial position would start getting better in 2013 when some of the bond payments stop and would get even a lot better in 2014, which could make it possible to lower the special assessment as well as eliminate the general fund transfer.

Mr. Binney recommended that they put the last item listed, which was the only item under Community Programs to fund and expand the education program, on hold and to have that discussion immediately after the discussion of landfill operations.

RECYCLING COSTS AND COST BENEFIT ANALYSIS

Mr. Dorsett related that he had visited a couple of recycling facilities to try to get some insight about other operations to compare to what Lake County is presently doing and what they could do in the future, including a 2200-ton per day private waste hauling and recycling facility in California with an automated three line MRF system and a for-profit composting operation. He also visited the Lee County operation in Fort Myers, including a Covanta facility that was about three times the size of the Lake County one, a composting operation, and a fully automated single-stream MRF facility; and he commented that those larger facilities enjoy economy of scale. He related that he visited the Lake County facility, and he concluded that the County would never be able to operate a single-stream facility without huge capital investments. He commented that most of the revenue is coming from the fiber such as newsprint and cardboard and high grade plastic and that it was a true 80-20 operation where 80 percent of revenue comes from 20 percent of the through-put materials, and 80 percent of the costs are attributed to 20 percent of the materials. He opined that there may be merit to keeping a two-stream operation if Lake County stays in the recycling business, but he did not think the County could justify being in the recycling business and that it should be shopped out to a private enterprise. However, in general he believed that single-stream was the best system for recycling and would reduce their overall costs, but it would have to be delegated to a recycling facility through another enterprise in order to do that in this county, and he opined that an outside recycling operation would justifiably pay the County a monthly or annual fee for the right to have that revenue stream.

Mr. Gorden stated that he agreed that Lake County should not consider expanding its recycling operation and that it would need to be privatized.

Mr. Stivender commented that this is exactly what they have been working towards, and they have made changes organizationally to do that. He added that their objective is to maximize recycling, and their current facility is not efficient.

Mr. Grier reported that single-stream is 40 percent lower in cost than the dual stream when they had enough through-put, and although he thinks the recycling should be contracted out, he wanted the recycling to stay as close to the area as possible, such as the site in Groveland.

There was discussion about the costs of recycling the glass with the glass crusher, noting that there was no market for the material that would make the expense of using the equipment feasible.

Mr. Binney recommended changing the language on the line item under Collection in the previously-mentioned list which stated "institute single stream curbside recycling" to "encourage residential single-stream recycling through a bidding process to find the most efficient and cost-effective means."

Mr. Taylor opined that they would not have to wait until 2014 to do that and also that he did not believe they should change the language of that item.

Mr. Stivender explained that staff was making short-term changes to save the County dollars, but they may not achieve some of the revenue numbers they would like to, and they are recycling a little bit more material. He reported that he was currently working on the 2011-12 budget year, and next year would be a phase-out plan to find another location to send it to.

Ms. Boggs recommended changing that item to "institute residential single-stream curbside recycling through privatization." She added that they would have to develop a system for areas that are non-accessible by the recycling trucks, which would be a reason why they might have to have expanded hours for drop-off centers.

Mr. Stivender added that they want to have those drop-off centers more efficiently run so people could bring whatever they need to get rid of on a residential basis, and they plan to start heavy discussions in January 2012 and want all the contracts signed and everything done by October 2013.

Mr. Gorden opined that once a week garbage collection should be instituted slowly, but the single-stream recycling should reduce the waste stream and make it easier to do that.

Mr. Binney pointed out that they were not eliminating a pickup, but just changing a pickup to yard waste, which would be picked up separately in the future.

Mr. Debo explained that Orange County had a separate pickup for yard waste, since they did not have the option of bringing that to the incinerator like Lake County does.

Mr. Taylor recommended that they do not use plastic bags for yard waste, since separating it would create a very expensive problem.

Mr. Minkoff asked if there would be a separate disposal for yard waste, since there was a separate pickup.

Mr. Grier asked whether automated pickup would present a problem with yard waste being in with refuse.

Mr. McCoy suggested that they do not use the 96-gallon cart until they were ready to make that change, but instead use a 64-gallon cart for single-stream recycling, and then reduce the level of service from twice to once per week for garbage. He stated that after that, they can mandate that people put out yard waste in a container other than a plastic bag, and have a separate yard waste pickup.

Mr. Binney asked why they would not burn yard waste.

Mr. Grier stated that he disagreed with the assumption that they should burn everything they could. He believed that they should recycle the most that they can, and he pointed out that they can increase their recycling 25 to 33 percent if they compost yard waste.

Mr. Debo noted that there was a big difference between mulch and compost, and the mulch is still considered wood waste. He related that their permit for their Class 1 landfill cell will allow them to recirculate leachate and give them the ability to collect landfill gas, and with that provision in their permit, they could put wood waste in their Class 1 landfill. He added, however, that mulch could further decompose to become compost if done correctly, and he also reported that it would take the County four or five years to put in the massive waste that would generate landfill gas. He mentioned that they already have pumps that would pump leachate back into the MSW landfill, and the pipes used for that could also be used for the methane collection system.

Mr. Stivender explained that they send their yard waste to Covanta to keep their volume up, but it was not as efficient if it does not produce a good BTU value due to moisture and other factors.

Mr. Grier mentioned that there were some successful, large commercial composting programs around the country, and he would like to see an RFP go out to privatize the composting at the landfill.

Mr. Dorsett commented that although he was a big believer in privatization of commercial enterprise if possible, he did not think economy of scale was as critical to composting as other processes that require a lot of mechanized equipment, and logistics may favor the County maintaining control of a composting operation.

Mr. Stivender stated that composting material could be valuable or viable at different levels depending on who the end user is.

Mr. Minkoff opined that the composting process would be extraordinarily expensive, and the collection costs alone would be tremendous on a household basis, since very few people put out yard waste, and he suggested that they encourage individuals to compost or dispose of it on their own property rather than put it out for collection, which he believed would be more cost efficient.

Mr. McCoy reported that the pickup of yard waste was seasonal.

Mr. Debo agreed that they needed to promote getting the citizens of Lake County to compost or process the yard waste on their own property.

Mr. McCoy stated that one alternative is to take their current garbage/yard waste collection system to Covanta from twice a week to once a week and not make any change, along with a 96-gallon cart for recycling, or they could pick up manually once a week.

Mr. Grier mentioned that the national trend was towards three pickups which consisted of yard waste, recycling, and one day a week of trash. He commented that the current system is the easiest of all systems at the cheapest price, and they were talking about making some changes that would be a little

uncomfortable in the beginning for residents, but other jurisdictions have made these transitions, have gotten through it fine and have much better quality systems in the long run, rather than the easiest of all systems.

Mr. Fred Hawkins from Waste Services noted that there are counties that do not have yard waste budgets, but instead pick up by as-needed bulk pickup calls.

Mr. Binney pointed out that the second trash pickup day is usually a light day and asked if an assumption of a light yard waste pickup day would be incorporated in the hauler's RFP.

Mr. McCoy responded that they would have the same amount of collection days as the three they have now, but they would probably be picking up less material over those three days since it was not unlimited.

Mr. Binney announced that they would defer this discussion until the next meeting, since they were running out of time, and they would also continue their discussion on landfill and disposal operations next week as well.

Mr. Grier asked Mr. Stivender what information he would provide regarding the recycling numbers.

Mr. Stivender responded that he had a basic sheet of what their revenues and expenditures are and how it nets out based on the tonnage they had today and what their costs would be if they went to single stream. He commented that the biggest problem they saw in the numbers was that they did not have the volume needed to process single-stream recycling on their own.

Mr. Binney asked him to e-mail it to Ms. Taylor so that she can send it to them to look at, and they will discuss it at the next meeting if they have any questions.

PUBLIC INPUT

There was no public comment.

NEXT MEETING

Mr. Binney informed the committee that the next meeting will be April 25 at 9:00 a.m. at the Agricultural Center.

ADJOURNMENT

The meeting adjourned at 12:05 p.m.