

SOLID WASTE ALTERNATIVE FUNDING TASK FORCE

JULY 26, 2010

MEMBERS PRESENT

Mr. Curtis Binney (Chairman)
Mr. Dan Gorden
Mr. Peter Tarby
Ms. Brenda Boggs
Ms. Chloe Gentry

MEMBERS NOT PRESENT

Commr. Welton Cadwell
Mr. Richard Grier
Mr. Donald Taylor
Lindell Dorsett
Mr. Gary Hammond

OTHERS PRESENT

Mr. Sandy Minkoff, Interim County Manager
Ms. Wendy Taylor, Executive Office Manager, County Manager's Office
Mr. Jim Stivender, Public Works Director
Ms. Susan Boyajan, Recording Secretary

INTRODUCTION, ESTABLISHMENT OF QUORUM, AND APPROVAL OF MINUTES

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

On a motion by Ms. Boggs, seconded by Mr. Gorden and carried unanimously by a vote of 5-0, the Solid Waste Alternative Funding Task Force approved the Minutes of the July 12, 2010 meeting.

QUESTIONS IN REGARD TO THE LAST MEETING

Mr. Gorden stated that he had some trouble coming up with costs from the information that was provided by Mr. Jeff Cooper, Financial Coordinator for the Solid Waste Division, and there was a handout which showed that the enterprise fund had \$23,896,000, which is the total cost for everything related to solid waste. He asked how to break that down and how much specifically applied to the incinerator, landfill, drop offs, recycling, hazardous waste, and other factors. He commented that they were charged to recommend certain alternatives while keeping in mind both financial and nonfinancial considerations, and he was not sure that the \$4.5 million that the County was putting into this fund was completely for the incinerator.

Mr. Binney asked Mr. Cooper to keep Mr. Gorden's questions in mind regarding Covanta, and he commented that there would have to be some serious analytical comparisons done at the staff level. He encouraged the committee members to reach out to staff with any questions they may have.

Ms. Boggs commented that it would be helpful to see the actual budget and line item breakdown that they give to the County Commission.

RECYCLING

Mr. Emilio Bruna, Solid Waste Programs Director, explained that his presentation would discuss the financial aspects of the recycling center. He presented a chart with notations for all four spreadsheets, as well as the actual revenues for this fiscal year for the recycling operations, including the four components of old news paper (ONP), mixed paper, old cardboard containers (OCC), and the co-mingled recyclables for the materials recovery facility (MRF). He stated that the labor costs, which came out of Munis, included 25 percent of his salary and 50 percent of Debbie Fore's salary, as well as the other full-time and part-time employees. He explained that every element of their operating cost for that center was on the next handout, and there were two elements of the capital costs, which were the cost of the MRF equipment and any leasing equipment, using the accrual method of depreciation. He pointed out that they had about \$340,000 in net revenues, before splitting that with municipalities and commercial customers, and they were projecting about \$500,000 in net revenues for the year. He noted, however, that revenue was difficult to project since commodities were worldwide in scope, and the prices and demand went up and down. He pointed out that the amount of newsprint has gone down in the last few years by a couple of thousand tons, and that would continue to decrease due to the fact that less people are reading newspapers. He commented that the three cost elements of labor, operating, and capital were within the County's control, and they were projecting a fairly good year next year. He related that the MRF is on wheels and has been moved several times, and he pointed out a separate spread sheet for the MRF, including the costs for each operation. He opined that their current projections of roughly \$39,000 per quarter should give them a revenue stream of about \$40,000 a year, but they have to shut the MRF down because they could not have enough employees to run it and that they were currently sending out their co-mingled materials, resulting in a large loss of revenue for the County, and he hoped that this committee would change that situation.

Mr. Bruna explained that the County's recycling system is single stream, which means that citizens put all recycling materials into one container to make recycling simpler for them, which results in a 21 percent recycling rate in the County. He noted that they had a two sort at the curb, with fiber and newsprint being separated from the co-mingled materials. He commented that Lake County gets the highest price of any other location, which was \$45 dollars over high yellow sheet, by selling it to one specific customer who makes environmentally friendly egg crates from the County's high-quality newsprint which was free of glass and contamination. He listed the accepted commodities as being newsprint, newspaper, magazines, number 1 and 2 plastics, aluminum beverage cans, and metal cans. He added that their drop-off site in Lady Lake is very successful because of residents from the Villages who use that site. He also noted that they only currently had one existing interlocal agreement, which

was with the City of Leesburg, and he commented that by state law they have to have the infrastructure to serve the municipalities, even though the municipalities were free to do whatever they wanted.

Mr. Gorden inquired what cities do not use the County recycling program.

Mr. Bruna responded that most of the cities do recycle with the County, but the Cities of Mount Dora and Lady Lake did not. He pointed out that recycling with the County was a win-win situation for the cities, since they did not have to pay a tipping fee and generated income from it as well.

Mr. Tarby asked if they were losing money that they had to outsource from general revenues by not burning the papers, and asked if they made up the \$2 million they lose from general fund in recycling as opposed to burning.

Mr. Bruna pointed out that they get \$45 over high, which results in revenue of \$140 a ton, but the revenues to burn it would only be \$40.

Mr. Minkoff stated that Mr. Cooper was trying to managing the system to keep the waste energy contract at exactly what the County was required to do and to recycle as much as they could, which was a conflict, and they have had to bring regular solid waste in from out of the county to lower their cost.

Mr. Cooper commented that it was a balancing act between the use of the incinerator and recycling plant, but pointed out that the prices they receive for each fluctuates, so they constantly have to take those factors into consideration depending on the day, month and year they were looking at. He stated that besides fulfilling their minimum requirements of their Covanta contract, they have requirements for recycling by the state, which change as well. He also mentioned that the County's energy contract with Covanta is the best in the state, since they get more revenue for the energy than any other waste energy facility in the entire state on capacity payment plus production. He commented that even though they currently also have an excellent recycling contract, those prices could change in the future.

Mr. Bruna opined that the trend for recycling revenue is up and will continue to rise and that people are generating less garbage due to economic conditions. He related that they have started working on a solution to regionalize with their neighboring counties and form a group called the Heart of Florida.

Mr. Tarby mentioned that as liaison to the League of Cities, he is trying to convince all of the cities in Lake County that they should be staying involved with the County's system.

Mr. Bruna reported that they had about 30 large commercial recycling accounts, including two major hospitals, residential communities, businesses, and the Lake County School System, who was their largest customer, but their lack of containers has limited the amount of customers that the County could service and the growth of the program. He stated that the small commercial program has not yet been instituted until they can acquire the equipment that they needed, such as a front end loader and seven-yard containers, and these businesses have been serviced by out-of-county vendors and franchise haulers. He listed the issues to be dealt with as nonparticipating municipalities, decreasing tonnages of newspaper, attaining partnerships with other counties and municipalities outside of the County, dealing

with a state recommendation to use 5 to 10 percent of the solid waste for composting, finding the funding to set up and use the glass crusher to make beneficial materials out of the glass that makes up about 62 percent of the comingled waste stream, federal energy stimulus grant for a machine that detects and separates aluminum from the ferrous materials, finding and hiring suitable employees for the MRF, and the fact that they currently have no education specialist.

HAZARDOUS WASTE

Mr. Johnny Taylor, Hazardous Waste Coordinator with the Solid Waste Program, had Nicholas Reed, a student from Tavares High School who was a volunteer assistant, introduce himself to the committee. He commented that they try to educate and get everyone involved in household hazardous waste awareness, especially young people, and he thought it was important to discuss their programs in the elementary schools. He commented that the brochures they produce give quality information that is beneficial to residents and act as a guide as to what the Hazardous Waste Collection Centers were actually processing, as well as giving all the drop-off points and the days and times that they were open. He also commented that he wanted the residents of Lake County to utilize all of their areas, especially since the mobile unit was no longer being utilized, and to pass that information to others in their community. He opined that it was crucial to ensure that the e-waste such as computers, scanners, and televisions is processed properly, and they were trying to educate the municipalities about the County's process and trying to get them to bring it to the County for proper disposal. He stated that one of their issues was that they were using more man hours with fewer personnel, and partnership with the municipalities would help minimize their personnel usage.

Some of the key programs Mr. Taylor mentioned were the used oil program, which processed 11,000 gallons; 3,489 pounds of e-cycling processing; 123,460 pounds of hazardous waste such as household flammable chemicals and pesticides; 34,880 pounds of batteries processed through a partnership program which generates about \$1200 to \$1500 each time they were picked up, as well as 25 cents per pound for rechargeable batteries; fluorescent bulbs processing; the reusable latex water-based paint program, which has been very successful in processing over 1200 gallons this year and given to nonprofit organizations, residents, and small businesses; the cooking oil program, which has generated 1680 gallons since October and 75 cents a gallon in revenue for the County; and the cell phone program, which generates \$1.25 per pound in revenue. He commented that he was constantly looking to see what he could do to minimize costs for Lake County, and his overall goal was to make the residents aware of what they were doing.

Mr. Binney asked Mr. Taylor to define processing.

Mr. Taylor explained that processing entails getting the recycling materials from the vehicle, running PH tests to identify them, and putting the materials in container lockers.

Mr. Doug McCoy, District Manager for Waste Management, reported that over the last two years they have had no less than four or five instances where their drivers on their collection routes had been exposed to muriatic acid and materials from a meth lab that had been thrown in the garbage. He noted

that he had been sending some brochures to the cities, and he stated that the company was very willing to help fund distribution of the brochures to all the County residents and work with the Hazardous Waste Department to promote safe disposal of hazardous materials in an effort to keep the materials out of the landfill and prevent exposure of their employees to them.

CITY PRESENTERS

Mr. Aaron Mercer, Assistant Public Works Director for the City of Clermont, stated that the city has about 10,000 residential customers, and they provide once a week collection of garbage and recycling with an unlimited number of recycling bins provided to the customers. He reported that they charge a monthly \$20 flat rate, and they collect just about anything that is put at the curb or in their 95-gallon container, although they were in the process of changing that practice for economic reasons. He mentioned that they have eight franchises for their commercial collection, with Waste Management having about 50 percent of their commercial business.

Mr. Ray Sharp, Director of Environmental Services, Public Works for the City of Leesburg, reported that they had about 6700 residential customers and they offer full service. He noted that most of their programs dovetail into the County's programs; and they use the incinerator, rely on the County for recycling, participate in the e-waste program, and try to support the hazardous waste program. He pointed out that the handout gives some details regarding the tonnage that they produce over the course of a year, and he reported that their overall budget was about \$3.6 million, with about 45 percent of those revenues coming from residential and the remainder from commercial; however, he pointed out that over 60 percent of their operational cost was associated with providing service to residential. He related that they offered two solid waste pickups, one bulk pickup and one recycling pickup per week for residential service, and they pick up just about any type of material in order to minimize the likelihood of unauthorized disposal. He commented that they have looked at ways to improve efficiency of residential service, such as use of automated side loaders, with two of them currently in operation. He also provided a breakdown of their rate schedule.

Mr. Stephen Lueallen, Solid Waste Manager from the City of Leesburg, mentioned that the City of Leesburg works with the County to educate the public regarding hazardous waste.

Mr. Mercer stated that the City of Leesburg mentions the handling of hazardous waste on their website and they deliver information about that to their residents twice a year.

Mr. Chris Thompson of Tavares related that that they have website updates on much of that information.

Mr. Todd Trueblood, Sanitation Supervisor for the City of Tavares, added that fliers are supposed to be handed out with utility billing any time a new account is set up. He related that they have twice a week collection on residential curbside and once a week collection on curbside commercial, and the customers have a choice of a 95-gallon or a 65-gallon cart. He noted that commercial curbside is run by the city itself, and the commercial dumpsters as well as the recycling are handled by a franchise

agreement with Waste Management. He stated that they were charging \$20.69 per month for residential and \$25.26 per month for commercial cart service. He added that they have once a week collection of bulk on the first collection of the week and once a week collection of yard debris on the second pickup of the week limited to 2 cubic yards per collection.

Mr. Gary Debo, Solid Waste Operations Director, Department of Public Works, mentioned that bagged yard waste that is set out with the MSW will get picked up and taken to Covanta, and the loose yard waste collected in Tavares is picked up in a lightning loader to deliver to the landfill. He pointed out that they do not offer loose yard waste collection in the County, since they did not have the equipment to do that, but the customer could make a bulk delivery of yard waste at their residential drop-off site. However, he noted that if the waste was a result of a declared disaster, it would qualify for FEMA, and the County has contractors that they use to affect that cleanup for waste that is brought to the right of way, with qualifications and limitations to that material.

Mr. Gorden inquired about once a week versus twice a week garbage pickup.

Mr. Mercer stated that they were currently doing a study of that, and the City Council wanted them to come up with a cost comparative of once versus twice a week pickup, and he commented that the savings does not seem to be that substantial.

Mr. Sharp commented that they switched from once to twice a week, and they found that there was not a lot of savings with once a week pickup, and they thought that they gave better service by offering twice a week collection. He pointed out that there was more trash to pick up with only once a week service, which resulted in more trips to the incinerator and more use of fuel, and he commented that it was an inefficient way of doing pick up and disposal.

Ms. Gentry asked if any of the cities would want the County to do anything differently.

Mr. Mercer stated that he would like to see the landfill and the incinerator open at least a half an hour later in the evening, and a closing time of 6:00 rather than 5:30 p.m. would make a huge difference to give them more time to get their trucks from Clermont to the site in time. He commented that their collection currently has to stop by 4:30 to be able to get to the disposal sites before closing, which is not always possible, resulting in their being two hours behind schedule in starting the base collection.

DISCUSSION

Mr. Stivender asked the committee if they would like him to do a line-by-line solid waste budget presentation, including where they were going this year and into next year.

Mr. Binney commented that he thought that would be very useful, and they would like to be updated on current information, since they already were given a background on the historical information, so that they could look forward and make some recommendations based on that for the future. He added that going over the budget would be appropriate, and he recommended that Mr. Stivender go over what he

considered the key issues using the overhead monitor and that he give that information to the committee to look over in advance.

Mr. Stivender responded that he would give a presentation of his way of looking at the budget, and he would summarize the information to give them an idea of some of the highlights of the programs, where the revenue comes from, and the kind of service they have.

Ms. Boggs recommended that they present a vision of what each of the sections had for the future.

Mr. Minkoff clarified that the Board wanted the committee to come up with alternatives for what the County would do in 2014 after the Covanta contract has ended, and the information being presented to the committee was to give them a good background and education about the solid waste program.

Mr. Binney mentioned that he would also like to know what the intergovernmental transfers were for and an explanation of why they were moving money between the general and enterprise fund.

Also, Mr. Debo clarified that on the charts he handed out at the last meeting, the customer count and residential drop-off was referring to the number of vehicles, and the amount of material that they accepted was expressed in tons.

FUTURE MEETINGS

Mr. Stivender stated that their next meeting would be at the landfill on August 9 at 8:00 a.m., and they would start the meeting in the main office inside the front door on the left. He noted that the Hazardous Waste and Recycling Facilities were nearby, so they could see some of the operations that they discussed today and get a feel for that location. He related that they would be visiting Covanta on August 23, and it was decided that the meeting would start at 9:00. He also announced that there would be no meeting on September 6, since that was Labor Day.

Mr. Minkoff mentioned that they would arrange so that the public would be able to walk through with them on the tour of the facilities.

It was decided that there would be subsequent future meetings on September 13 and September 20 at 9:00 a.m.

ADJOURNMENT

On a motion by Mr. Gorden, seconded by Mr. Tarby and carried unanimously by a vote of 5-0, the Board adjourned the meeting at 11:15 a.m., there being no further business to be brought before the Lake County Solid Waste Alternative Funding Task Force.