SOLID WASTE ALTERNATIVE FUNDING TASK FORCE

AUGUST 9, 2010

MEMBERS PRESENT

Mr. Curtis Binney (Chairman)
Mr. Dan Gorden
Mr. Richard Grier
Ms. Chloe Gentry

MEMBERS NOT PRESENT

Commr. Welton Cadwell
Mr. Peter Tarby
Ms. Brenda Boggs
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. Sarah Taitt, Assistant County Attorney
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 would be established once Ms. Gentry arrives. He noted that they would start with a presentation by Mr. Gary Debo, Mr. Gary Debo, Solid Waste Operations Director.

PRESENTATIONS

Mr. Debo explained that they would be traveling in several vehicles to the top of the Phase II landfill, where they could see the whole site and all of their operation. After he describes the different aspects of what they had on site, then they would go to the top level of the recycling center, where Ms. Debbie Fore, Environmental and E-Cycling Coordinator, would discuss what they do with the recycling. He also wanted to describe the residential drop off area to the committee as well as what they did there while they were on top of the landfill. He mentioned that they would drive through the residential drop off to get a closer look at it, and then they would meet Mr. Johnny Taylor at the Hazardous Waste Collection Center, who would describe his e-waste program. He stated that they would then go to the scale house before reconvening back at the main building to see how they monitor people coming in and noted that everyone gets weighed in and out.

PHASE II LANDFILL PRESENTATION

Mr. Debo mentioned that the "hill" everyone was standing on was made up of ash mixed with mulch, and he noted that they do not have to cover ash, since the State's Central District exempted them from that. He reported that the landfill was built in 1990, was operating since 1991, and was expanded by building Phase II B. He stated that in 2003 they joined two cells together to make one long landfill, and in 2008 they started to build Phase III of the landfill. He explained that one truck load of ash equaled nine truck loads of waste. He related that there was sufficient acreage for the landfill until 2030 with over 10 million cubic yards of capacity.

Mr. Binney asked if Mr. Debo could put a fact sheet with all of those facts on the website, and Mr. Debo responded that he would be glad to do so.

Mr. Debo continued to explain that they grind large logs, with the landfill compactor breaking down the smaller branches, and they consume mulch and yard waste on site mixed together including invasives. They break up furniture to use at the incinerator for fuel, which minimizes the tipping fee, and they send some yard waste to Covanta when it was needed for fuel, but they use most of it there. He explained that they have had to close off one end of the landfill due to problems with leachate, which was collected to lift stations, and brought by truck to Jacksonville.

Mr. Minkoff added that they were spending tens of thousands of dollars a year to dispose of leachate, and they were currently exploring ways of reducing that volume.

Mr. Stivender related that the heavy amount of rain in winter added to the problem.

Mr. Debo then pointed out an open covered facility where they put the waste tires and explained that some were taken to Covanta, with the rest taken to a waste-to-energy facility in Polk County which was permitted to burn tires, since Covanta was limited to only 3 percent. He pointed out the location of the recycling center, residential drop off center, and e-waste facility where they pack up and put on a trailer old television sets, refrigerators, and monitors; and he noted that they have gotten a lot of old big screen televisions, but expect that to decrease in the future. He also pointed out an area that is the site of an old tri-city landfill that was unregulated and closed in the early 1970's.

RECYCLING FACILITY

Ms. Debbie Fore, Environmental and E-Cycling Coordinator, pointed out their newest piece of equipment, called the mobile MRF, and explained that their co-mingled recycling from the curb was deposited there. She commented that they process the number two plastics, such as milk jugs, detergent bottles, and two-liter bottles, since that is what is currently bringing in the highest price; and the number 3 and 4 plastics are just separated and sold as is to a secondary buyer in Sanford, rather than processed at the site. She related that once they get the plastics segregated, they bale it, and then they can sell it. She stated that plastic food containers, butter tubs, and anything that is not a number one or two plastic recyclable such as plastics that are 3 through 7, are not viable for them to process on

site. She mentioned that the aluminum gets crushed with the loader, and she reported that they had a full catwalk manufactured to make it safer for the employees to walk down the line. She explained that they have chosen products that had the highest value to get them started. She pointed out the location of the paper processing facility, including a trailer to load newsprint that carries 18 to 22 tons. She noted that they have their own equipment and deliver the paper to a facility 20 minutes away that makes paper fiber egg crates out of it, and she specified that they supplied that facility with 450 tons out of the 1200 a month needed by the business, since the County's intake of paper had dropped off drastically over the last several years, and that business paid the County well to get a good clean product, which also has cardboard, junk mail, and other paper products in it. She also reported that 12 out of the 13 municipalities bring their plastics to the County recycling facility.

HAZARDOUS WASTE FACILITY

Mr. Johnny Taylor, Hazardous Waste Coordinator with the Solid Waste Program, showed the committee members the Hazardous Waste Facility, including the areas that contain the oils, paint, and batteries, and he reported that it was open Monday through Saturday for people to dispose of household chemicals such as ammonia, cleaning supplies, and aerosol cans, as well as lawn and garden chemicals. He mentioned that they get the resident's zip code to make sure he or she is a Lake County resident and ask for feedback from the users. He commented that since the paint program was so successful, there was not a lot of paint left in that area and that the oil and batteries generated revenue for their program, as well as 75 cents a gallon for cooking oil. He pointed out the location of the storage locker where they locked up hazardous waste on a daily basis such as muriatic acid and chemicals. He noted that they charged businesses a fee for bringing their hazardous waste to the facility and that their fee list was on their web site, and the businesses were given a SQG sheet by the County which had to be kept for three years, since those businesses had to show by law that they were disposing of those hazardous materials properly.

WEIGH STATION

After the committee members entered the Weigh Station, Mr. Debo explained the procedures used in that facility, pointing out that there were inbound and outbound scales and noting that this was where the transaction starts. He stated that the attendant will find out what they are bringing in; the vehicles going though are then given a piece of paper; and customers will travel down to the residential drop off where another attendant will instruct the customer where to deposit their material. He specified that class 3 loads, yard waste, and that type of material will go out the back. He commented that they were working on signage to make it less confusing. He mentioned that customers with different types of waste in one load would have to come through to be weighed again so that the payable and other materials in their load can be reconciled. He noted some other facts regarding the scale house, including that there is a charge for construction material for everyone, that there is an 81-pound limit on trucks, and that they manifest every load of leachate. He related that most of the transactions that take place are with franchise haulers and that even though very few cash transactions take place at the waste energy plant, they deal with cash daily at this facility. The County is required to monitor and maintain

the scale house; and the County monitors all the waste at Covanta, with Covanta processing all the waste. He also stated that they are not allowed to take red bag hazardous waste at the landfill or at Covanta, and they took this issue very seriously, since it could have financial repercussions for the County.

TELEPHONE CONFERENCE

Mr. Binney noted that they now had a quorum consisting of himself, Mr. Gorden, Ms. Gentry, and Mr. Grier and that the meeting had been properly noticed.

Mr. Sandy Minkoff, Interim County Attorney, explained that David Dee, an attorney from Tallahassee with the firm of Young Van Assenderp, is a statewide expert in solid waste issues who has counseled Lake County for many years when they have a highly technical question, and he represents other counties and cities, as well as private clients. He informed the committee that he had asked Mr. Dee to talk to the committee about flow control and what kind of legal control the County has on the solid waste from within their borders, as well as what direction the state is going regarding recycling. He noted that in the future, once the members understand the basics, they could bring in consultants to talk to the committee about what the alternatives are, such as the option of using the two large landfills at the site they saw today that had 20 years of capacity or the use of Covanta, and there are other private landfills and transfer stations that are available and new technologies such as those presented by the City of Orlando at the Green Fair gaseous diffusion plant. He opined that afterwards they should be at a point where they could start discussing what direction the County should go in.

Mr. Dee gave some background about himself, including that he has practiced environmental law for about 31 years and has represented about 28 of the counties and some of the cities in his career, including counties that are in close proximity to Lake, and he has spent a lot of time working on flow control issues throughout the State of Florida. He explained that there are three primary legal concerns in terms of their ability to control the flow of solid waste, one of which was the commerce clause of the United States Constitution which prohibits local governments and states from discriminating against the flow of interstate commerce. He specified that the US Supreme Court in 1994 issued an opinion prohibiting the establishment of local ordinances directing the flow control system, and in 2007 the Supreme Court came back and said that actually they could have a local ordinance requiring everyone to deliver their solid waste to a designated facility that was publically owned and operated; the County could provide a public service of solid waste management, but they could not use that power to benefit a private company. He commented that that would be an issue for the County, since they had a privately operated waste energy facility, but the County would be able to direct the solid waste to a facility owned by the County. However, that is not true for a landfill, because the second major legal issue that restricts their ability is Florida Statute Section 403.713, which states that there shall be no ordinance that restricts the free flow of solid waste, restricting the County from requiring that all the solid waste go to the County landfill. However, the state law does allow flow control for resource recovery, which is defined under state law broadly to mean the removal of the materials or energy from the solid waste, which meant the County could direct all of the solid waste to the Covanta facility or

possibly to a materials recovery or a recycling facility, and the residue or leftover materials from the recycling operation could go into their landfill.

Mr. Dee continued to explain that the third restriction on their ability to control the flow of solid waste is a state law that prohibits the displacement of solid waste companies by local or state governments or to put a private company out of business by offering the same service. However, there were some exceptions to that Florida statute that they may be able to utilize in order to establish flow control. He commented that since the 14 municipalities were free to do what they wanted, the County's best hope was to enter into an interlocal agreement with as many of the cities as they could to try to encourage them to bring the waste to their facility, and the County needed to have a competitive price for their services that would make it attractive for the cities and private haulers to bring their solid waste to the County, which is referred to as economic flow control. He suggested that they use the revenue from special assessment for the residential waste and sometimes commercial waste, as well as possibly franchise fees, to reduce the tipping fee that they charge at the facility.

Mr. Dee also pointed out that in 1998 the State of Florida adopted a statute that set goals for recycling at 30 percent, with the counties having varying levels of success in meeting that goal, which has been difficult to achieve, especially in the smaller counties. He reported that two years ago Senator Constantine decided to introduce a bill to increase the goal to a 75 percent rate to be achieved by the year 2020, to go up 10 percent every two years. He explained that to achieve that goal they could tinker with the way they calculate the recycling rate or force the commercial sector to aggressively recycle as well as residential. However, he noted that there were no penalties or funding loss under state law for failing to achieve the goal. Also, this year the legislature adopted a provision that gave credit for waste to energy to be counted as recycling, and a formula was put in the statute for calculating the recycling rate associated with a waste energy facility; however, that formula results in some counties recycling at more than a 100 percent rate, so DEP will try to modify the formula in the statute. He opined that local governments should continue what they have been doing in the past, but not spend a lot of money on new programs in an effort to achieve a 75 percent recycling goal until they knew more about what the state expected and how it was going to calculate those rates.

Mr. Dee stated that they had a number of both current and future options to consider while planning for 2014. He opined that Covanta would have to offer more competitive rates in 2014 for the use of its waste energy facility, and the County may decide to use their facility as just a customer without a put-or-pay contract. The second option for the County is to haul the waste to the Okeechobee landfill or to the waste services landfill in Holopaw in Osceola County, which is closer, although this option would make the County vulnerable to the changes in fuel and shipping. He also mentioned that Polk County may build a recycling center and landfill in the future south of Bartow that would recycle the material before they put it in the landfill, which would help Lake County meet its recycling and solid waste goals, and there were other potential landfill projects that would be built in the future possibly in Sumter County and Pasco County, as well as a project using cutting edge gasification technology that the City of Orlando was considering. He opined that Lake County was exceedingly fortunate, because they have the best and lowest cost options, such as several cells that could be developed in their landfill, which

was the lowest cost alternative and under their control. He noted, however, that it would take a large capital investment to develop it and that they would need to have a guaranteed flow of solid waste to pay that off and make the use of the facility cost effective, and he suggested a minimum of 500 - 1000 tons per day. He suggested that the County use their commercial and residential franchises to control the waste in the unincorporated areas and to direct that waste to their facility as well as to enter into agreements with the municipalities to direct their waste there.

Mr. Grier asked whether Mr. Dee believed that the legislature would get tough regarding the 75 percent recycling goal at some point.

Mr. Dee responded that the legislature had tried to get tough about the 30 percent recycling goal in the past, but they have never actually denied grant funds to anyone based on their failure to comply with the recycling goal, because they realized the limitations of the budgets of local governments. He believed that local governments would be watching this issue closely, and he did not believe that a Republican-dominated legislature would agree to impose new costs and regulations on local governments or businesses during the struggling economy. He concluded that the legislature could enforce the recycling regulations sometime in the future, but he did not see it happening in the near term at all.

Mr. Jim Stivender, Public Works Director, inquired whether any of the landfills or potential projects that Mr. Dee mentioned earlier have rail access.

Mr. Dee responded that the new Mims facility in Polk County had rail access.

DISCUSSION WITH STAFF

Mr. Binney inquired whether they were above or below the 30 percent recycling rate.

Mr. Emilio Bruna, Solid Waste Programs Director, responded that the County was not anywhere near 30 percent. He noted that Ms. Fore was reporting the recycling figures to the state, and currently they were reporting in the low 20th percentile, which he opined was one of the higher figures in the area.

Mr. Debo commented that a new energy and recycling goal counts other things toward that goal that were not being counted before.

Mr. Minkoff pointed out that the County would exceed the 30 percent if they counted the waste energy.

Mr. Jeff Cooper, Financial Coordinator for the Solid Waste Division, related that the legislature discussed just counting the biogenic portion of solid waste that was burned, which was naturally degradable, and not the anthropogenic, which was not.

Ms. Gentry asked if they get a higher percentage rate of recycling when they sell their unsorted recyclables than when they sort it themselves.

Mr. Cooper answered that they actually get more revenue by sorting it out, but the amount of tons is the same. He also noted that there was a value in the capital improvements at the landfill, but no one knows what that is and how to figure that in to the current costs.

Mr. Grier asked if the increased revenue offset the labor costs of sorting the recyclable materials.

Mr. Minkoff related that the Board was told that the increased revenues would more than offset the cost of sorting it, but they have not seen those numbers yet. He explained, however, that they have had a hard time keeping employees and were using part-time people with no benefits, but the Board was looking into giving them enough positions.

There was a discussion of other recycling and waste facilities in other areas in Florida and the differences of those from Lake County's facilities and procedures. It was mentioned that Lee County has a large extensive, publically-owned, and successful operation with the highest recycling rate in the state of about the mid 40's and that they generate a lot of revenue.

Mr. Cooper noted that there was very little turnover in the Lee County facility, which was run by a private company, because the efficiency of having it completely full all of the time makes it easier for the employees to process the recycling. He pointed out that Lee County has almost twice the population of Lake and that there were a lot more retired people that recycled more. It was also mentioned that Lee County had very extensive educational instruction regarding recycling in the public school system.

Mr. Stivender stated that they would try to figure out what is important to the community and what needed to be emphasized.

Mr. Binney commented that one of the questions was how they would move the MSW within the County and what the most efficient way to do that would be. He inquired whether or not it would be a viable option to have some kind of transfer station in South Lake County and then to put it in a larger truck and bring it to the landfill. He suggested that it might be economical to have a transfer station site somewhere near the Turnpike, which would be convenient for Sumter County haulers that were coming down the Turnpike to drop their waste, which would be an incentive to get more waste into the County.

Mr. Stivender responded that they discussed doing that in the 1980's as well as developing a series of recycling and transfer stations to do everything, and they looked at the facility in Hillsborough County which worked very efficiently. He also pointed out that there was a cost and inefficiency associated with transferring, and they had to have the right volumes for it to be able to work. He commented that they had rail that went to Orlando and Mims which could be a good transport option, since the trucks would not be on the highway and the efficiency in fuel and operation would be high.

Mr. Cooper explained that they had to look at logistics and how full the trucks would be, since they would have to pick up large amounts to make the transfer stations efficient.

Mr. Debo mentioned that Volusia and Seminole Counties have transfer stations where they pick up their waste and transfer it to their landfill.

Mr. Grier clarified that the solid waste went through recycling first at the Mims facility so everything ran through the conveyer.

Mr. Cooper explained that was the way they could control the flow, since everything went through the recycling facility, and then they could take the garbage anywhere they needed to take it.

APPROVAL OF MINUTES

On a motion by Mr. Gorden, seconded by Ms. Gentry and carried by a vote of 4-0, the Minutes of the July 26, 2010 meeting of the Solid Waste Alternative Task Force was approved.

NEXT MEETING DATE

Mr. Binney announced that the next meeting would be at the Covanta facility on August 23 at 9:00 a.m.

ADJOURNMENT

The meeting adjourned at 11:15 a.m.