SOLID WASTE ALTERNATIVE FUNDING TASK FORCE

AUGUST 23, 2010

MEMBERS PRESENT

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

MEMBERS NOT PRESENT

Commr. Welton Cadwell
Mr. Donald Taylor

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 properly noticed the meeting and that a quorum was established. He noted that there was an agenda change to allow Waste Management to discuss an issue involving the Mascotte landfill, which would be inserted after approval of the Minutes. He also stated that they would move the public comment period before the tour of the facility.

On a motion by Mr. Gorden, seconded by Ms. Boggs and carried unanimously by a vote of 7-0, the Board approved the Minutes of the Solid Waste Alternative Task Force meeting of August 9, 2010.

PRESENTATION BY WASTE MANAGEMENT

Mr. Dan McGinnis from Waste Management, stated that in cooperation with Flagship Development, which owns the property off of Smith Road in the City of Mascotte, they made an application to change the zoning of that property from a planned unit development to a mixed use, and he reported the history of that request from the time that Waste Development was approached in late March by Flagship Development out of Orlando to ask if there was any interest on their part to put in a potential environmental park on 250 acres in Mascotte. He related that they entered an agreement with Flagship

and that the City of Mascotte had a confidentiality agreement with Flagship regarding the potential plans for this property. He reported that they made a presentation to the Mascotte City Commission on August 2 on the planned use of the property and then met afterwards with Mascotte's Development Review and Zoning Board, who approved the concept and the preliminary site plan, which would have been a 20-year block based on the amount of available acres and the tons that it would have held. He commented that they had about 1,000 to 1,200 tons of unencumbered waste external to this area that would have been moved into this site from central Florida that is now going to a landfill that they owned in Okeechobee, which would have saved on transportation expenses. He reported that about 250 people showed up at the public hearing on August 16, and they ended up withdrawing the Flagship Development application because they knew it was going to fail with a 5-0 vote. He did not feel that there would be another day in Mascotte at this point, but they would continue to look for suitable sites in north central Florida for a regional landfill, since they did not want to encroach on Lake County's volumes, and they were not looking to secure any volume from Lake, Marion, Citrus, or any of those immediate areas.

Mr. Binney inquired why they did not enter into some agreement with Covanta to take some of their waste, since Covanta is normally under capacity, and whether that has ever been addressed.

Mr. McGinnis responded that those discussions have occurred, but their major dilemma was the transportation cost of getting it there from central Orange County and the capability of Covanta to manage 120-yard transfer trailers so that they would not have to convert their fleet to walking floor trailers, which would be an expensive venture for them.

Mr. Sandy Minkoff, Interim County Manager, noted that the County has been working with Doug McCoy from Waste Management to try to secure more waste, and they have told the County that they would bring them waste if they needed to do that. He commented that they are taking spot waste from Sumter and Hillsborough Counties at $15 a ton in order to keep the Covanta plant operating. He also clarified that they were not discouraging Covanta from finding waste, but they just wanted the waste to come through the County contract.

Mr. Joe Treshler from Covanta replied that he did not suggest in any way that the County was discouraging waste from going there, but only that the County has denied them permission to contract it themselves as well, and he opined that he has been working very well with County staff to keep the facility full.

Mr. Jeff Cooper reported that they had talked with Doug McCoy, who has related that Covanta has offered to bring the County additional waste at a price that is below their base line. He noted that they were delivering sufficient levels of waste at this time in order to keep the facility at full capacity, and they were monitoring that on a daily basis, which was one of the things that would be shown to the committee during the tour that day. He commented that the price that Waste Management agreed to give them was not agreeable to them, and they have been able to secure waste at a higher price elsewhere. He also mentioned that the County has told Covanta that if they had some customers, the

County would contact them immediately and do what they had to do in order to bring that waste in. He added that Waste Management has been very agreeable about bringing them excess waste from Mount Dora, Eustis, Fruitland Park, and Lady Lake, which was sometimes actually from elsewhere within the County, and paying the County the regular tipping fee of $40 per ton for that waste as well.

Mr. Binney asked whether a transfer station closer to the Turnpike or South Lake would be a practical option for single haulers for the economics of both the County and the franchise haulers.

Mr. Cooper assured Mr. Binney that they would be deluging the committee with all kinds of options.

Mr. McCoy commented that as the population and volumes grow, it does make economic sense whenever possible that in the future a transfer station be located in the south or north end of the County, since shortening the hauler's distance would obviously lower overall operation and transportation costs, but whether Lake County was ready for that would all be based on economics.

Mr. Gorden commented that the confidentiality agreement the developer asked Waste Management to honor confused the issue and upset some people, and landfills are public issues that people would find out about anyway, especially since there has to be a public meeting at some point in time.

Mr. McGinnis responded that confidentiality agreements are normal practice in their business with developers and everyone else to make sure that they were protecting the information flow and not divulging something that could injure one of the parties. He pointed out that the process moved very quickly from August 2, which was when staff made a recommendation to the City Council, to August 16, which was the date of the public hearing. He also explained that they currently move their waste from Central Florida to the Okeechobee landfill, and it was more cost effective for them to internalize it into one of their properties that they own and manage.

PRESENTATION REGARDING COVANTA FACILITY

Mr. Cooper stated that they were going to show the committee members the inner workings of the incinerator that takes all of the unincorporated Lake County tonnage and that of some of the cities. He commented that he thought it was important for the committee to understand the kind of oversight that the County provides pursuant to their contract with Covanta, with the use of real-time cameras that they maintain in the control room which can move to pan different areas, which shows the haulers how much wait time they were going to have as well as tells the County when they have to pick up all the things that Covanta could not take. He specified that the pit will hold 3,000 tons and probably an additional 3,000 tons outside of the pit. They also have cameras that show the ramp up to the tipping floor to see how many trucks are lined up and a camera for the incoming and outgoing ramp for the scales. He explained that they could observe whenever there was a problem, such as a red bag incident, and they can monitor how many tons come in and are processed by Covanta every day, in a seven-day period, and monthly for contractual issues. He commented that he projects out for the entire year through the end of each fiscal year to identify what the issues are for Covanta and to make sure they were getting enough tonnage there. He explained that whenever they have too much waste, they

would automatically start to divert, and if they diverted on the busier days of a Monday or Tuesday, there would be more than a desirable amount of waste diverted to the landfill, which would also result in overtime issues at the landfill. He noted that in the future when they determine downtime, they will now divert on Wednesday and Thursday when the crews overlap, which were light days for Covanta anyway. He concluded that they work with Covanta and the landfill people to make sure that they accommodate all of the waste that is available for them to process.

Mr. Joe Treshler from Covanta clarified that the turbine which was out of commission recently and which contributed to the recent backup at Covanta was due to scheduled routine maintenance and not an operating problem, and he pointed out that while the turbine was down, they did a lot of other things to make sure this contract ran well. He also commented that it was Covanta's responsibility to make sure they have the proper availability. He started the PowerPoint presentation by explaining that waste to energy is a waste reduction technology that has the benefit of recovering the energy, which makes the landfill last ten times as long and puts something in the ground that is not a hazard. He noted that energy from waste is a net greenhouse gas reducer, and they were also reducing dependency on foreign fuel. He related that garbage is indigenous fuel that already has its own harvesting system, and nine percent of the electricity of renewable energy in the United States is from energy to waste. He also noted that a ton of garbage is processed into one barrel of oil, and 30 million tons of garbage was being turned to energy from waste in the U.S. out of over 200 million.

Mr. Treshler illustrated a cross section of a typical waste to energy facility, and he explained that the trucks deliver to the tipping floor. He emphasized that the refuse pit is the storage pit or fuel bunker which is sized to handle three days of continuous operation, and that the bio mass can run all day, every day of the year, unlike other renewable energy sources which were peak power available only such as sun and wind. He then stated that an overhead crane picks up the waste and brings it to the actual feed shoot which enters into the furnace, where it is combusted on the grate as it passes through. He explained that the heat is recovered through the evaporator and super heater sections of the furnace, and steam goes through the turbine, which creates electricity that is sold out on to the grid to one of the investor-owned utilities. He commented that air-pollution control equipment was very important, and they had proprietary technologies to bring the NOx level way down. He stated that they inject carbon to pick up mercury and any dioxins and lime to capture acid gases in the dry scrubber in the main air pollution control area. He mentioned that they recover on average about 2600 tons of ferrous material annually, which go into the recycling collection. He pointed out that there were several environmental benefits of energy from waste, including the reduction of the volume of waste by 90 percent, with the ash being nonhazardous and able to be used as daily cover at the landfill, as well as the generation of 500-750 kilowatts of electricity from one ton of garbage. He also noted that the odors were pulled into the furnaces and no organics escaped.

Mr. Gorden asked why the leachate had to be trucked to Jacksonville.

Mr. Gary Debo, Solid Waste Operations Director, answered that it was high in chlorides that would kill off the microorganisms inside the small local waste water treatment plants, but he pointed out that the

leachate was not considered a hazardous material. He explained that Jacksonville was heavily industrial and was already dealing with a lot of fluids, and the discharge from the Jacksonville plant eventually goes into the Atlantic Ocean where it goes right back to salt water.

Ms. Teri Staniec, the Business Manager at Covanta, added that they had previously looked at the option of processing the leachate there, but they could not do that because it was mixed with the organics.

Mr. Treshler commented that there might be some options in the future for that. He went on to explain that their plant reduces long haul trucking of waste to distant landfills, which makes waste disposal costs more predictable since it reduced dependency on fuel costs; that they bring green, high-wage jobs to the area; and that they were competitively priced. He gave the committee a Covanta corporate overview, which related that the company operated 45 energy-from-waste facilities of varying sizes which offered just about every proven technology, as well as transfer stations, biomass-to-electricity facilities, and hydroelectric facilities. He noted that all five of their Florida facilities are OSHA VPP "Star" worksites, and they were the first to install mercury control technology in the United States, use patented low NOx technologies, and have received numerous awards for the work that they have done. He listed the five principles of their environmental policy as protection, compliance, conservation, qualification, and commitment, and emphasized that their first goal is environmental and employee safety before profit. He showed a chart that illustrated that the United States was still very landfill-dependent, especially compared to other countries, and he pointed out that some countries have started taxing landfills very heavily to discourage raw waste landfill disposal. He opined that their facilities were not incinerators, but were very sophisticated power plants that were more highly pollution controlled than anything the investor-owned utilities operated and with higher standards. He reported that there were 66 active landfills in Florida, and they did not think there was a need for more raw waste landfills. He also reported that Florida has 11 energy-from-waste facilities, which produce more than 50 percent of the State's renewable electricity; however, this is less than one percent of the State' s total power needs.

Mr. Treshler mentioned that their five facilities employ about 400 people, have produced over 11.5 million megawatt hours, and has recovered over 670,400 tons of ferrous and 36,000 tons of non-ferrous metal for recycling. He noted some facility expansions and plans for new facilities throughout the state, and he commented that many facilities were not being offered a fair price for their electricity by the utilities, resulting in some facilities selling the power directly rather than going through the utility companies. He gave some history regarding the Lake County facility, mentioning that they have processed more than 3 million tons of waste and 2.8 million megawatt hours of electricity since 1992 and that more than 180 acres of landfill space has been preserved. He reported that they employ 36 full-time employees in Lake County and had an economic impact of more than $12 million per year. He opined that they work together well with the County to reduce the cost of solid waste service.

Mr. Minkoff commented that the County had no qualms about the quality of services that Covanta provides to them.

Mr. Treshler related that the original 25-year agreement between Covanta and Lake County was renegotiated in December of 2004 and would be ending on June 30, 2014. The contract specified that Lake County would deliver a guaranteed annual tonnage (GAT) of 163,000 per year, and excess tonnage capabilities of the facility can range from 8,000 to 10,000, depending on how efficiently they were running the facilities. He noted that the County receives 90 percent of the electrical revenues, with Covanta keeping 10 percent, and Covanta receives 100 percent of the recovered metals revenues, with the recycling credits going to the County. Also, Lake County currently receives payment of $48.92 for every ton of merchant waste Covanta delivers. He commented that since 2004 they have reduced the cost of service by 44.9 percent, which was $5 million in cost savings, much of that due to the energy revenues which the County receives. He pointed out the initiatives and groups they have been involved in and awards they have received which showed that they were involved in the community. He went over the County's options for disposal of solid waste, including continued use of the facility, developing a new large scale facility, relying solely on the existing landfill, and exporting waste to other areas. He listed factors that impact the cost and revenue sources for each potential option, which included economies of scale, permitting requirements, tipping fees, hauling fees, cost of fuel, electric rates which were controlled by the investor-owned utilities, renewable energy credits, and recycling credits. He concluded that Covanta was ready to continue to work with the County to solve the shortfall issues and could assist in bringing regional solutions to the area.

Mr. Gorden asked what the capital costs would be for a 1500 ton per day facility.

Mr. Treshler responded it would be about $400 million, and he referred him to the study he handed out that was done by Thomas Conoscenti of the economic impact of a facility that size.

OTHER BUSINESS AND NEXT MEETING DATES

Mr. Binney mentioned that Resolution No. 2010-79 changed the due date from June to December for their initial report to the Board, and Resolution No. 2010-86 allowed for the two alternate members of the committee. He also related that the next meeting was scheduled for September 13, with the following meeting on September 20.

Mr. Stivender mentioned that there was a conflict with the September 20 meeting. He asked if the committee wanted to tentatively set some dates into October. There was some discussion about changing the September 20 meeting to September 27.

Mr. Minkoff stated that they could have a meeting on September 20 if they started at 10:00 a.m., because there was another meeting in Chambers at 9:00 a.m. It was decided that they would have that meeting on September 20 at 10:00 a.m., with subsequent meetings on October 4 at 9:00 a.m. and October 18 at 9:00 in BCC Chambers. He also mentioned that the City of Orlando was looking at a different technology, and he asked if the committee would like them to invite their Public Works Director to discuss gasification.

Mr. Stivender opined that they could present the committee with the ideas, aspects and options that have been discussed or asked about.

Mr. Binney commented that the committee needed to gain a really good understanding of Covanta.

PUBLIC INPUT

There was no public input.

TOUR OF FACILITY

Mr. Binney stated that he wanted it noted in the minutes that any members that were not present or wanted to schedule a second tour could schedule and coordinate that through Mr. Cooper.

Mr. Don Peco, Safety Coordinator, showed everyone a video regarding safety while touring the facility, including what kind of clothes and safety gear to wear, staying with the tour guide at all times, what to do in case of emergency or accidents, restricted areas, and being aware and yielding to all moving vehicles. It also mentioned that Covanta continues to achieve full compliance with OSHA regulations as well as exceeded regulatory requirements through best and safe work practices, and that their exemplary safety record is distinguished by their involvement in the Occupational Safety and Health Administration's Voluntary Protection Program. It also noted that Covanta facilities operate 24 hours a day, 7 days a week, making energy from waste the most reliable source of renewable electricity generation available, and energy-from-waste facilities are one of the most highly regulated utilities in the country, with Covanta rated 60 to 70 percent better than the standards set by the U.S. Environmental Protection Agency.

The tour started in the control room, which was noted as the heart of the facility, where everyone could see the floor through the window, with the crane that picks the garbage up and moves it down the hoppers to get it ready for the boiler, and it was noted that fans suck air in to keep odors out. It was also noted that the process used was designed to handle the wide variability of trash that comes in; however, large items such as appliances are sorted out to be sent to the landfill. There were readings through the entire process which measured weight, moisture, environmental parameters, and emissions. The tour showed the inner area between an opening and hoppers where garbage feeds down the shoot and into the hoppers, and the pollution control site of the plant where ash comes out and falls on a moving conveyor belt that moves it to the back of the facility, where it is loaded onto a dump truck and sent to the Astatula landfill. Everyone was also shown tubes which hold known quantities of gas used to ensure accuracy and to hold "calibration gases."

ADJOURNMENT

The meeting adjourned at 11:55 a.m.