SOLID WASTE ALTERNATIVE FUNDING TASK FORCE

October 4, 2010

MEMBERS PRESENT

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

MEMBERS NOT PRESENT

Commr. Welton Cadwell
Mr. Donald Taylor
Mr. Donald Taylor
Ms. Brenda Boggs

OTHERS PRESENT

Ms. Wendy Taylor, Executive Office Manager, County Manager's Office
Mr. Sanford "Sandy" Minkoff, Interim County Manager
Mr. Jim Stivender, Public Works Director
Ms. Sarah Taitt, Assistant County Attorney
Ms. Courtney Vincent, Recording Secretary

INTRODUCTION, ESTABLISHMENT OF QUORUM, AND APPROVAL OF MINUTES

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

There were no Minutes for approval.

DISCUSSION ON VISIT TO LEE COUNTY SOLID WASTE DIVISION

Mr. Grier discussed and gave a handout about his visit the previous week to the Lee County Solid Waste Division in Ft. Meyers, Florida. He noted that Lee County had had a sustainability program in place for 20 years.

Mr. Joe Treschler from Covanta stated that Lee County's facility processed 1836 tons of waste per day and on site they had a full Materials Recovery Facility (MRF), a transfer station that was powered from the waste energy facility, and a yard waste shredding operation.

Mr. Grier mentioned the facility was owned by Lee County and run by a private organization. He noted that the facility was enclosed, that there was a low employee turnover, and that there was air conditioning in the areas considered "hot jobs". He remarked that the papers he handed out were a

comparison of Lee County to Lake County, explaining that Lake County was much smaller with a lower population and approximately a quarter of the budget of Lee County, adding that Lee County processed about 550,000 tons of waste per year as opposed to Lake County's 180,000 tons. He discussed the comparisons on the handout, pointing out that Lake County had a lower cost per ton per year, cost per household, and tipping fee. He described their leachate disposal, mentioning that because there were certain things that were difficult to handle that came through the ash, Lee County had found a site with very stable soil and rock structure about 3,000 feet down that they would be drilling a well to in order to dispose of it. He commented they were confident it would not affect the ground water. He noted their single stream MRF was making a profit. He reported that Lee County was composting all of their green waste, taking 85 percent green waste and 15 percent sewage sludge from a local treatment plant to create compost and mulch to sell back to the community. He noted that they utilized a "pay as you throw" program for their trash collection, adding that they give households the choice of a 96 gallon barrel for $288 per year as the largest option and a 36 gallon barrel for $180 per year as the smallest option, mentioning that there was also a size option in between those two.

Mr. Binney asked if the trash pick up for Lee County occurred once or twice per week.

Mr. Grier replied that it was once per week.

Mr. Minkoff commented that in Tavares it was possible to get two different sized trash cans from the city.

Mr. Gary Debo, Director of Solid Waste Operations, mentioned that the same "pay as you throw" method could be done using colored trash bags.

Mr. Grier said while he thought it was a great idea, it would not be practical because people might start dumping their trash instead of disposing of it properly. He added that he thought Lake County had shifted to a mandatory solid waste fee collected with property tax payments to cut down in the amount of improperly disposed waste.

Mr. Minkoff clarified that the primary reason for the mandatory fee was for the waste stream for the waste energy plant.

Mr. Gorden noted that Mr. Grier had said it was costing Lee County $145 per ton to process incoming waste, but the tipping fee was $54 per ton, asking how they paid for the remaining cost.

Mr. Grier responded that he had estimated the cost per ton by taking the budget and dividing it by the approximate number of tons, so it was not accurate.

Mr. Jeff Cooper, the Financial Coordinator for Public Works, said he had spoken with Mr. Lindsey Sampson, the Director of Solid Waste for Lee County, who informed him that while the tipping fee was $54 per ton, there were other fees involved that raised the cost of tipping to around $70 per ton.

Mr. Minkoff added that it was difficult to know if collection was involved, mentioning that the $145 might include collection charges and noting that the tipping fee was usually collected at the gate when collection charges are not involved.

Mr. Gorden commented that he had read an engineering report about Lee County online which indicated the tipping fee reflected the cost of what the cities and citizens were willing to pay and not the

actual costs involved, adding that this was the same problem Lake County was having. He mentioned that while the additional operating costs for Lake County came from the General Fund, he did not know how the additional funds were provided for Lee County.

Dr. Ronald Ney commented that Lee County was taking a risk selling the compost made from ash and sewage sludge back to the citizens because of the mercury, dioxins, pharmaceutical waste, and other materials that could be present in it.

Mr. Binney asked why Lee County's budget was almost four times as much as Lake County's.

Mr. Cooper answered that the reason for this was because Lee County's budget included the payments for a bond debt on two of their boilers, mentioning that they had 600,000 citizens versus Lake County's 290,000, and noting that Lake County only had 66,000 unincorporated residents.

Mr. Minkoff added that Lee County was also handling construction and demolition (C & D) waste while Lake County does not, so that would also be included in their budget.

Mr. Binney asked if the $80 million budget included the debt service on the Covanta plant.

Mr. Cooper answered yes, because the County owned it.

Mr. Grier stressed that the numbers were approximations and only meant to give the committee a general idea of what Lee County was doing.

Ms. Gentry asked if Lee County was happy with their waste energy.

Mr. Grier answered yes, adding that while he did not know exactly how the citizens felt about it, he knew the director there was happy with their relationship with Covanta and the facility.

Mr. Cooper noted that when Lee County held several public meetings regarding the $120 million cost of the 600 ton boiler that was purchased, no citizens participated. He added that their education program was different than Lake County's, mentioning that it was almost mandated that every fourth-grade class visit the incinerator. He opined that the education of the citizens about the plant was why there was no opposition to putting in the extra boiler.

Mr. Binney asked if the 440 tons per day minimum was in place now and if they were having any problems with that.

Mr. Treschler responded that it was their guaranteed tonnage, adding that they might be receiving less than that at times because waste production was down nationwide due to the recession. He noted that before the recession the plant was full. He stated that the only landfilling Lee County was allowed to do was for the bypass waste during maintenance periods on the boilers.

Mr. Grier explained that because of the other programs Lee County had in place, such as the C & D, composting, and recycling, they had some flexibility with the waste energy plant, noting that he thought it was similar to what Lake County did.

Mr. Minkoff clarified that Lake County did not send recyclables to the waste energy plant.

Mr. Debo added that there were some materials being sent to the waste energy plant that a citizen might confuse with recycling when it was really material contaminated with MSW, noting that regulations stated if there was MSW mixed with recycling, the entire load was then considered MSW.

Dr. Ney commented that St. John's required water usage to be metered including water used as a coolant for the waste energy plant, and added that one day Lake County might have to pay for water used in that capacity at their plants.

Mr. Treschler explained that the water from the facility was treated effluent from the Fort Meyers waste water treatment plant and that it would be up to the County to decide if they would charge for it or not.

Mr. Grier stated that their goal was to have a closed system which included water use, not wanting to go outside for resources other than refuse.

Mr. Treschler explained that the facility had zero water discharge, that it was absorbed in the process through evaporation in the air pollution control system, adding that the residue that accumulates from the microfiltration water treatment system was nonhazardous and that it went to the landfill along with the ash residue from the waste energy facility.

Discussion ensued regarding the use of water in the waste energy plant, with the system being described for water being used for boilers to make steam to generate electricity, cooling water used to condense the steam, and water that was used to replace water that had evaporated during the process, stressing that there was no waste water from the cycle except for what evaporated into the atmosphere.

Mr. Doug McCoy from Waste Management asked why Lee County would need a deep well leachate injection system.

Mr. Grier responded that Lee County was in partnership with Hendry County, explaining that Hendry County had a county-owned landfill, and they would interchange the facilities so ash from Covanta would go to Hendry and their waste would go to Covanta.

Mr. Treschler clarified that Lee County ran the landfill in Hendry County for both counties.

DISCUSSION ON COLLECTION AND DISPOSAL OPTIONS

Mr. Jim Stivender, Director of Public Works, headed a discussion on collection and disposal options for the County. He presented categories such as disposal, waste to energy, Covanta, composing, recycling, and sending the waste somewhere else as viable options to be discussed. He mentioned the county had a 23 acre permitted landfill that only required a 60 day notice to become active.

Mr. Gorden suggested gasification as a disposal option, but did not think Lake County should be the first to try that method.

Mr. Minkoff mentioned shifting to private sector waste management as an option to be considered, which was what Sumter County was doing.

Mr. Grier commented that since C & D waste took up about one-third of the landfill space in Florida, it was something Lake County should consider looking at, if for nothing else than out of the concern that the contractors would not dispose of the waste properly.

Mr. Debo explained that it was 1998 when they realized private landfills were cheaper than what the County was charging because whoever owned the land made money first by selling the clay and then by filling in the hole made from extracting the clay. He noted that they had asked the BCC to convert the C & D landfill to a Class 3 landfill because the majority of the curbside pickup materials consisted of things like furniture, mattresses, and other things not allowed in a C & D landfill. He explained that because they were still under the old contract with Covanta, the decision was made not to alter the landfills, but to export both C & D and Class 3 materials out. He described the current process as charging people that bring C & D and Class 3 materials to the gate of the landfill a fee and then processing the material by crushing it up and separating anything they can salvage as recycling out of the pile before transferring it to Covanta to use as fuel. He added that any oversized materials were taken to a Class 3 facility. He noted that currently they were tipping in Zellwood for about $17 per ton and in Deland for $29 to $31 per ton, mentioning that while the prices varied, it was difficult for the County to compete with private landfills.

Mr. Minkoff stated that contractors were required to report what they would do with their waste as part of the process to receive building permits.

Mr. Binney asked if would be helpful to create a flow chart depicting how various streams of waste were handled. He described the process as starting in a home and showing how the waste was collected, where it was routed to, and how it was disposed, showing its movement in detail.

Mr. Stivender mentioned that right now they had a partnership with Covanta, their own landfill, and had partners they sold recycling to. He stated that they needed to find long term partners that want to stick with a competitive plant, which would be a challenge. He noted there was interest from Bushnell in Sumter County to bring waste to Lake County on a temporary basis while they completed their landfill. He discussed the possibility of a tri-county partnership with Marion and Sumter Counties and the option of total privatization of waste management including collection and disposal, adding that the solutions included disposal, partners, collection, environmental concerns, and economics.

Mr. Gorden commented that the County was in a difficult situation with economics because the tipping fee was set at what the cities were willing to pay to ensure most of the cities are sending their waste to the incinerator and with the amount being as low as it was, approximately an additional $4 million was being subsidized from the General Fund. He asked if the goal was for them to have the process support itself through fees and not have to use money from the General Fund to pay for it. He opined that when money came from the General Fund it hid a great deal of the cost to the citizens of Lake County. He added that he did not think anyone would be willing to pay if they increased the tipping fee to $100 per ton.

Mr. Grier stated that the cost was low, but it was finite because at some point the landfill would become full, estimating approximately 20 years until that point from now if the County started dumping everything there.

Mr. Minkoff stressed that the first decision of the committee should be whether or not Lake County should stay in the garbage business or not, noting that the landfill being built in Sumter County was a private landfill and adding that the county was not in the landfill business at all.

Mr. Binney expressed concern that should they opt to no longer remain in the waste management industry, it would be up to each individual citizen to negotiate a rate with a commercial hauler, adding

that this might lead citizens to resort to improper disposal and dumping of their waste, especially in unincorporated Lake County.

Mr. Minkoff explained that there would be pros and cons, conceding that the dumping issue might be a problem, but stressing that the committee still needed to address the issue of whether they would remain in the waste business at all.

Mr. McCoy commented that before universal collection rules, there had been exclusive franchise areas where customers had the option of the County billing them or the hauler billing them, adding that it was a complex mess.

Mr. Minkoff explained that before 1988 there were around a dozen haulers in the County and residents were free to choose whichever hauler they wanted, or the citizen could opt to haul their own trash to the County's landfill, adding that it was only after they built the waste energy facility and needed the waste stream that they went to universal collection.

Mr. Cooper noted that universal collection brought an end to collection problems for hauling fees because it became included in the tax bill.

Mr. Grier asked if commercial customers were required to use County haulers or if they were allowed to go wherever they wanted.

Mr. Minkoff clarified that they were required to use one of the County's franchised haulers.

Mr. Grier asked if it would be a big change to balance out the fees so residents were paying for the service they were getting, in a general sense.

Mr. Minkoff answered that at the individual level it probably was not a lot of money, but the amount compounded by the number of individuals paying in the County would have a gross number in the millions.

Mr. Tarby reminded the committee that each city individually pays different amounts, so a $3 change is significant to a smaller town, especially when compounded with other small increases to other utility fees.

Mr. Stivender stressed that the issues of waste in regards to collection, disposal, cost, environmental concerns, and recycling were all mixed together. He asked what the comfort level of the committee was for recycling and whether they still wanted to work with Covanta after 2014.

Mr. Debo noted that if they let the service agreement lapse with Covanta, they could go until the year 2021 just on the 23 acres of landfill space the County has right now without any further expansions, adding that there was room to make those expansions if needed.

Discussion ensued regarding the projected tonnage of trash that would go into the landfill, how long the landfills would be viable options, and the percentage of capacity of the landfill space used, with Mr. Debo estimating it would be less than 15 percent capacity.

Ms. Gentry asked what the cost per ton would be to use a landfill when taking the cost of building the landfill into consideration.

Mr. Debo responded that it would have to be part of the calculation to find out what the true tipping fee was. He noted that some services paid for by tipping fee funds were not necessarily landfill related, such as household hazardous waste, inspectors, and drop-offs, and that all of those came together into what their revenue was. He mentioned before universal collection people were paying $93 per ton, which then increased to $95 per ton, though now they have driven the gate fee down to make it affordable and ensure the waste comes to them.

Mr. Binney asked what they would be doing at the County level if they ceased County-managed waste services.

Mr. Minkoff responded that at a minimum they would control the regulations for solid waste management within the County such as controlling standards for haulers, collection times, allowable equipment, and ensuring waste was properly disposed of. He added that the County would still be responsible for or hire a company to provide services for such things as florescent light bulbs or household hazardous waste.

Mr. Debo asked about the closed landfill liabilities.

Mr. Minkoff explained that they would have to continue to maintain already closed landfills, but if they sold existing open landfills they could pass off the long term maintenance onto whoever purchased the land, though they would still be involved in monitoring the property to ensure maintenance was performed properly.

Mr. Binney asked if they could charge a fee for their role in regulating haulers and monitoring enforcement.

Mr. Minkoff responded that even in the non-exclusive franchise method they could charge a fee to companies to allow them to operate in the County and probably recoup the costs of regulating the companies involved. He commented that if there was additional illegal dumping, then they could enforce dumping costs, though typically illegal dumping happened on private property and the owner of that property usually bore the brunt of the clean up costs even if they were not the ones responsible for improperly disposing of the waste.

Mr. Stivender described Marion County's method of having 18 drop-off sites open seven days a week but no universal pick-up, with the fee for the drop-offs added into the tax bill so residents did not have to pay up front.

Mr. Minkoff commented that the three models to look at were Sumter County where they were not involved in waste management at all, Lake County where everything was universal, and Marion County where they were in the middle. He noted there would be illegal dumping regardless of whatever model they followed. He mentioned that a public meeting was held when Lake County was going to switch to universal collection, and traffic became so congested that day that SR 19 stopped moving because so many people were coming out in opposition to that method. He added that Marion County was going through similar problems and that Sumter County believed everything should be privatized.

Mr. Stivender asked if they regulated the haulers in Sumter County.

Mr. McCoy responded that there was universal service in the cities but there was no regulation in the rest of the county, adding that Sumter County recently got out of operating a transfer station and a landfill and they have directed some of their waste to Covanta.

Mr. Gorden asked how Lake County became involved in the landfill business.

Mr. Minkoff explained that prior to when regulation of solid waste began in Florida, many cities had their own landfills and handled their waste disposal themselves because it was inexpensive to do so, and it was not until regulations were put in place that private companies started to enter the waste services business.

Mr. Binney said he wanted to look at a 15-year period, from 2015 to 2030, and what their costs would be to maintain the landfill as it was. He noted Mr. McCoy was going to see if the Waste Management landfill expert was available to talk to the committee about how they run their landfill. He stressed the importance of flow charts for depicting the movement of waste starting with the citizen who creates the waste and moving through each step of the process to learn where the decision points were and what options they had at those points.

Mr. Minkoff noted that they had a $10 million investment built into the landfill, so if they looked at the 15 year horizon, they would make money but they would probably be recouping back what they had already spent. He added that each time they made a decision at one of the decision points depicted on the flow chart they would have to make sure to look further down the chain to anticipate any significant financial impacts. He explained that 15 years in garbage was not a long term horizon, so they would want to look past 15 years from now.

Mr. Stivender expressed he preferred to look ahead 30 years because it moves past a generation and created an established plan.

Mr. Grier commented that it appeared they had hit the low end with the current economic situation, and the high was just a few years back, so at least they had real numbers to look at for both high and low economic times in the fairly recent past. He asked if it was possible to have a 30 year plan with a flexible back end.

Mr. Minkoff responded that as long as they did not sign a 30 year contract, they had complete flexibility.

Ms. Gentry remarked that the rules could change, the landfill they were not currently using could become void, and they could lose that asset.

Mr. Debo responded that he did not think that was a possibility because an existing landfill could be “grandfathered” in, explaining that if they tried to add land onto an existing landfill-permitted property, the new land would be subject to the new rules but not the old property.

Mr. Minkoff explained that it provided a false sense of security, because if it was discovered that there really was a problem from a landfill, then they would be forced to fix it.

Mr. Tarby commented that it would be critical to bring the cities on board as partners.

Mr. Stivender explained they were trying to accomplish a long term plan with a short term contract and with as many partners as they can get to make whatever action they take economically feasible.

Mr. Minkoff said if they used new technology or built a new energy plant, they were not going to get short term contracts.

Discussion ensued regarding feasibility of long and short term contracts.

Mr. Stivender mentioned for the next meeting he would attempt to create a flow chart which would show the choice streams, where the waste started and where it ended, and where there were opportunities for partners.

Mr. Binney expressed his desire for the next meeting to lay out the stream of choices for residential waste such as hazardous waste, MSW, and recycling, and see how they move now and what the alternatives were at each point during the waste stream so they could visualize it.

Mr. Minkoff asked where they should start, because by having them start with the waste collection at the curb already took away some of their options.

Mr. Binney suggested starting where the County was now so they could see how the current system works and use it as a starting point.

Discussion ensued regarding how the flow chart would be structured for the next meeting, with the decision being to create an example for each of the three models of Marion, Lake, and Sumter Counties, beginning with the current methods and showing places where alternative choices could be implemented.

Mr. Minkoff commented that once they create flow charts with those three methods, they could start over again and construct their own system and fill in information regarding the costs.

Ms. Gentry noted they needed an indicator, when looking at the options, of cost the County would incur for each option, adding that if they did not have the economic constraint, then they would start looking at impact of each option to the environment.

Mr. Minkoff noted Mr. McCoy stated money was important and they should focus on the economics. He commented that most households would be willing to spend an extra $3 a month for a more environmentally friendly way to dispose of their garbage, but most would not be willing to spend $30.

Ms. Gentry expressed that the task force needed to decide what environmental values they had that they were going to stand firm on. She said they had never sent recyclables to Covanta, and that was a value judgment to her.

Mr. Grier mentioned there would be grants available to counties that were being progressive with their environmental progression.

OTHER BUSINESS AND NEXT MEETING DATES

Mr. Binney said the next meeting was on October 18, 2010, at the Agricultural Center's training room at 9 A.M. He noted creating an outline of the interim report, adding that he would be drafting the initial report and once he had that completed, he would be forwarding it to Ms. Wendy Taylor, Mr. Minkoff, and Mr. Stivender for their comments. He reported that once that was completed, it would be forwarded to the committee for review, voted on, and then presented before the BCC on December 7,

2010. He mentioned that all the committee members were welcome and encouraged to attend. He commented that last meeting there were four open items that Mr. Grier had brought up which were a discussion on the MSW facility, education, recycling costs, and then the issue with the incinerator. He said he had a spreadsheet with the accumulative list of outstanding items brought up at various meetings and the status of those items, adding that he would forward the list to Ms. Taylor, so they could ensure everyone's questions were answered sufficiently.

PUBLIC INPUT

Mr. Tarby wanted to make sure all city managers were notified that they were welcome to attend and speak at the committee meetings.

Mr. Minkoff said he had contacted them, but he would bring it up again.

Mr. Binney commented that if there was an issue that was pertinent to a particular city or municipality, they would contact them specifically and invite them to attend.

Mr. Treschler noted, in regards to a previous question on water usage, that it was about 275,000 gallons per day at the Covanta facility. He mentioned that Mr. Minkoff made a good point that the County had an installed asset at the landfill, which had great value, and the waste energy facility in 2014 would also be an asset.

ADJOURNMENT

The meeting adjourned at 5:05 p.m.