SOLID WASTE ALTERNATIVES FUNDING TASK FORCE

NOVEMBER 15, 2010

MEMBERS PRESENT

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

MEMBERS NOT PRESENT

Commr. Welton Cadwell
Mr. Dan Gorden
Mr. Peter Tarby

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

CALL TO ORDER, ESTABLISHMENT OF QUORUM, AND APPROVAL OF MINUTES

Mr. Curt Binney, Chairman, called the meeting to order and announced that they had properly noticed the meeting and that a quorum was established. He announced that they would defer the approval of the Minutes of November 1, 2010 until the next meeting.

INTERIM DRAFT REPORT

Mr. Binney related that he had one minor change submitted by a committee member, which was at the conclusion of Phase I on Page 4 to insert the words, "In Phase I the task force has not identified any issues that should be brought to the Board of County Commissioners," and he asked Ms. Wendy Taylor, Executive Office Manager, to make that adjustment as requested. He also mentioned that a couple of committee members made some changes to their own histories or biographies, but that he would not go over those types of changes. He stated that he would like to include as an attachment the diagram that Mr. Jim Stivender, Public Works Director, and his staff did, and he thought it would be appropriate to reference that as an appendix or attachment to the report.

On a motion by Mr. Dorsett, seconded by Mr. Grier and carried unanimously by a vote of 6-0, the Solid Waste Alternatives Task Force (SWATF) approved the Interim Report to be presented at the December 7 BCC Meeting with the above-mentioned changes made.

Mr. Emilio Bruna mentioned that today was Lake County Recycles Day.

Mr. Binney announced that they would postpone the discussion regarding the County assessment report that was on the agenda for today until the next meeting due to some information that staff needed in order to finalize the report.

RECAP OF COLLECTIONS

Mr. Sandy Minkoff, Interim County Manager, stated that he went back over the three collection options, which were mandatory universal collection, completely free market, and the drop off system, that the committee discussed and listed some factors about each one. He noted that it was possible that things could be mixed, such as having a mandatory universal as well as drop-offs for the convenience of citizens. He noted that the County would not be involved in collection or disposal in a free market system, and citizens could take their waste anywhere they wanted, as long as it was done in a legally accepted way, but the County would still have regulations that haulers would have to comply with. He also pointed out that the County would have to provide some services such as hazardous waste collection and recycling in order to meet state requirements. He went through some pros and cons of the free market system, including that collection could cost more, there could be specialized collection, customers could self haul their waste to a licensed facility, the amount of waste would likely decrease, and unlawful disposal might increase.

Mr. Grier asked whether it was a certainty that unlawful disposal would increase.

Mr. Minkoff remarked that Marion County did not seem to have a larger dumping problem with this type of system.

Mr. Stivender added that it was minimal because of Marion County's 18 drop-off centers throughout the county, but he also noted that he believed that the problem decreased in this county after mandatory pickup began.

Mr. Gary Debo mentioned that Marion County has a well-structured litter team composed of people serving community service.

Mr. Dorsett asked whether the Florida legislature would consider mandating a specific recycle rate and if that could be done in a free-market system.

Mr. Minkoff commented that there was a lot of debate as to what constitutes recycling, but currently their waste to energy plant meets the criteria, and he stated that it could be done, whether it was at the drop-off centers by making them more widely available or a separate recycling only pickup. He also opined that the County would probably have an ordinance that required collection service at the curb in Lake County to also provide curbside recycling. He related that there were currently recycling goals, but not mandates in Florida, but he opined that rural counties in Florida would never meet those goals.

Mr. Doug McCoy opined that they would have to mandate recycling, because very few people would pay extra for recycling services.

Mr. Minkoff continued to discuss the factors involved in the free market collection option, stating that the County would lose control of their waste stream, which would limit their disposal options, and he mentioned that there was a possibility that they could impose flow control, but typically they would have to own the disposal location. He explained that the rate fluctuation risk would be shifted solely to the customers, and customers who produce little waste could be rewarded with reduced rates. He also pointed out that the private sector might not put in as many drop off sites as the County, especially in areas where it was not economically feasible to do that. He also commented that the County would be out of the solid waste assessment business, eliminating billing and administrative costs, and they could possibly sell its solid waste facilities. He asked the committee members to make their own comments and add other factors to this list on their own, and they could discuss them afterward and start to develop their work paper from them.

Mr. Binney noted that the end product that they were supposed to produce for the Board contains options, pros and cons of those options, and financial and economic impact of those options, without any predetermined result in mind. He asked if they were to not use the waste to energy plant, what kind of volume would they be looking at that would be going into the landfill.

Mr. Debo answered that they would be looking at the volume that the waste to energy plant was receiving now, which was about 163,000 tons.

Mr. Minkoff mentioned that they have been talking about keeping yard waste and other things out of the waste stream if they did not have a put or pay, and they could take other steps to reduce the waste flow.

Mr. Taylor asked what the longevity was of the existing landfill and the adjacent parcels that could be developed.

Mr. Debo answered that he was looking at how they would reduce the volume and capacity of that land, and if they used the existing Phase III cells and continued to operate in conjunction with Covanta, they could go out to 2018, but they would have to build another ash monofill to continue that. However, if they decided to let the existing service agreement with Covanta expire, what they have already built would last them until 2020, and if they were to develop all of the land that has been conceptually permitted, they would go out to 2051 without a service agreement with Covanta, including an additional 1,000 tons per year to account for growth beyond 2015.

Mr. Minkoff related that Page 4 was regarding the Drop-Off System, which is similar to the Marion County system, and those who want curbside could contract with a hauler of their choice. He pointed out that all of the pros and cons they have already discussed would apply to this system as well and that this system could be operated and funded by the government either by taxes, assessments, or charges at the gate, or could be totally private. In some cases the County might still operate a disposal system

that was set up so that users would be charged for disposal plus the cost of the drop off. In addition to the pros and cons already mentioned, he noted that if the disposal cost of the system were put on the tax bill, then the customers would not be able to reduce their cost through conservation or recycling and that if the drop off system as well as disposal system were operated totally privately, then the County would lose control of the waste stream and could close and perhaps sell all of its solid waste facilities.

Mr. Minkoff then discussed the system the County currently operated, which was the mandatory universal collection system, and noted that the drop off system they operated along with it was not required. He noted that in this system, everyone was required to have curbside collection, and the cost of collection and disposal would be placed on their tax bill, either through ad valorem or special assessment. He explained that under this system, the County would have the responsibility to dispose of waste, self hauling would not be available, and services would be standardized. He pointed out that all residents would pay the same, which would be on the tax bill, although it is possible to charge according to usage in the urban areas on an annual basis. He also noted that this system would result in the County collecting the most waste, which might help to obtain a better rate, and this system would use the County's capacity at its landfill more quickly if they disposed of it at their facility. He commented that this was the most efficient method to collect waste at the curb, since it is easiest for the hauler, and would probably cost the least. He pointed out that it was very difficult or impossible to turn off service for seasonal customers.

Mr. Grier asked about how they would reward customers who produced less waste under this system.

Mr. McCoy stated that having standardized containers of different sizes and mechanized trucks would be the most efficient way to do that.

Mr. Minkoff added that with the mechanized system, the hauler only picks up what is in the can and nothing else, so the size of the can and the frequency of the times it is picked up limit what can be put at the curb. He also opined that the mechanized system would not work very well or be feasible in the rural areas and on the dirt streets. He commented that aesthetics is also a big issue for municipalities, which like the look of the containers all being the same and in the same location.

Mr. Grier opined that he remembered mechanized trucks being very loud.

Mr. Minkoff commented that customers would not have to buy garbage cans, and the cans were larger than the typical garbage can.

Mr. Stivender commented that there were a lot of areas in unincorporated Lake County where that system would work very efficiently, such as in Clermont and a subdivision in Mount Plymouth that was completely built out.

Mr. McCoy mentioned that there was also a second cart that was being provided in some communities for recycling which could be larger than the regular garbage bin. He also commented that making fewer trips to pick up garbage would make a smaller carbon footprint and be better environmentally.

Ms. Gentry asked if they would still realize a cost savings with mechanized trucks if they had to keep the traditional pickup system in the rural areas.

Mr. McCoy answered if they were limited to the amount of garbage that would go in a 96-gallon cart in a rural area and the amount of garbage is reduced, there could be some financial benefits, since they were not picking up as much. He also suggested that the committee not let the cost of capital move them away from this type of system, because the key would be whether they had a long enough contract to amortize it, and in most cases the service provider would provide all of the equipment.

Mr. Binney asked if there was any way of knowing whether there were enough viable customers for this option.

Mr. McCoy pointed out that they have been servicing Lake County for many years, and they could get an idea from their operations department, who knew the streets well, where it would and would not work and could get a percentage estimate for the committee by the next meeting.

Mr. Minkoff added that this type of service would work well in subdivisions with lots of one-acre or less, such as in the unincorporated areas between Tavares, Mount Dora, and Eustis where there were several thousand residents as well as areas in and around the greater subdivisions in the Four Corners area where there was a lot of development. He opined that it would be fairly easy to identify the larger lots in the rural areas that would not work well with this type of system.

Mr. McCoy also pointed out that one of the biggest valid arguments against having a subscription service is that it could result in eight to ten garbage trucks coming down one street, which would also make it hard for the county to police infractions such as oil spills, hydraulic spills, and property damage.

DISPOSAL OPTIONS

Mr. Minkoff noted that the task force has not discussed disposal options a lot yet, and they would be hearing presentations from both haulers as well as someone who would talk about plasma arc technology at the next meeting. He stated that they looked at four different options, which were waste to energy, landfill, new technology or a new waste to energy facility, and diversion of waste using methods such as reduce, recycling, conservation, and composting. He opined that they could not make decisions about either collection or disposal in a vacuum and have to look at them both together; for example if they decide that they want to build a new regional waste to energy facility that would need waste, then they could not have a collection system that reduces the amount of waste that would be sent there. He opined that they probably would have to use several disposal methods and noted that they would still need a landfill with waste to energy to dispose of ash and handle the waste during diversions due to maintenance or repair. He emphasized that the issue of who does disposal is an important part of the solution, mainly because the County has its landfill but does not have trucks or carts. He commented that the task force also has to decide what to recommend to the Board about what to do with their landfill, such as whether to use it as the primary source, sell it, close it, or use it only for ash.

Mr. Minkoff stated that when Covanta's contract ends, it would be an option that would be available to them after 2014, and Covanta would like to continue some type of relationship with the County. He explained that Covanta burns solid waste, producing steam and electricity; recovers metals; and produces ash as a byproduct which has a use in other countries but is not approved for use currently in Florida and has to be disposed of in a landfill. Since energy is produced from the solid waste, it is considered an alternative energy supply and reduces the County's carbon footprint. He reiterated that if they elect to stay with Covanta, they would have to have a landfill somewhere that they could use, but it would significantly extend the life of the County owned landfill. He commented that with current electric prices, using the Covanta facility is likely to be more expensive than other methods of disposal, and unfortunately the ash that is produced causes the leachate that they get at the landfill to require special handling, which increases the leachate costs, although they are attempting to work through that to perhaps reduce that cost. He mentioned that there were environmental arguments both for and against waste to energy, and he pointed out that they will need additional partners to provide waste for the facility to run efficiently in order for this option to work.

Mr. Treshler pointed out that the leachate situation was a unique problem specific to the organics resulting from the mixing of raw waste with the ash, not strictly the leachate from the ash, but there were solutions. He noted that the soft cement product that was demonstrated at a prior meeting had no leaching problems at all as long as it was used as a base course and not as a wear course, and Waste Management worked on producing an asphalt product with the City of Tampa.

Mr. Binney asked if there was any possibility in the next 15 years that there may be changes in policy or technology where the ash would not necessarily have to go into the landfill.

Mr. Treshler responded that there was a clear track record already demonstrating that the ash could be used, and it all came down to legislative initiative to solve this problem for 11 communities. He opined that the ash would disappear if they could get it to be used.

Mr. Minkoff related that other landfills such as Citrus County built a very small waste package plant on their facility to treat their leachate and dispose of it on site, but adding the ash to the mixed cell would not work because of the salt that is in there which would kill the organic digestion. He explained that if they had it separated, they would still have to dispose of the leachate from the ash system as well, which would have to be sent out to be disposed of. However, if it was strictly MSW, they could probably treat it on site at a package plant and then dispose of the effluent on the site.

Mr. Debo added that ash by itself makes a very good fine aggregate if they could get the gradation right to replace sand in some of the cementitious products, because it was very angular and binds very well, but there was a reluctance to make concrete blocks with incinerator ash for use in dwelling units.

Mr. Minkoff pointed out that the advantage was that the ash works as a cover for the waste at that landfill, and it was a cost avoidance since they do not have to buy dirt or clay for that purpose.

Mr. Stivender mentioned that they were in the process of finishing up a 16-acre cell and would be putting a cap on it, which would dramatically decrease their leachate volume.

Mr. Minkoff continued to explain that all MSW could be disposed of in a landfill, or a landfill could be used in conjunction with other methods. He stated that it was possible that they could send some of the waste to Covanta, some could be disposed of with a new technology, and some could be recycled. He related that landfilling was likely the least expensive option for disposing of solid waste, but he noted that landfill prices have been known to increase and decrease as market forces occur depending on capacity, and the way to protect themselves pricewise would be to own their own landfill or have a long-term put or pay contract with a landfill operator. He explained that there would be environmental arguments both for and against landfills, and there were requirements for maintenance of the facility. He related that the County did not currently have the 1,000 tons per day of MSW to operate the landfill efficiently and would need to bring in additional partners, and he pointed out that they needed 528 tons a day for Covanta, which they struggle to maintain on a regular basis.

Mr. Minkoff stated that there will be a presentation given by one new provider regarding a new technology, and Covanta was thinking of building a new regional facility that would have a much more efficient operation. He opined that these types of facilities might require them to take on a significant risk either through capital investment, a long-term put or pay contract, or technological risk. He commented that new technologies might have a better environmental method of disposal of solid waste, and he explained that if they were able to build a much larger facility on a regional basis, then they would have economies of scale that would decrease the cost of disposal. He noted that there were many ways to keep waste out of the waste stream with diversion methods such as reuse, recycling, conservation, or composting. He pointed out that state law mandates that they recycle or compost a certain portion of waste, and there are environmental arguments in favor of dealing with solid waste, including safer disposal as well as saving resources through reuse. However, he mentioned that this type of disposal is likely to be more expensive than other methods of disposal, and prices for recycled materials vary widely based on economic and other circumstances, so it was hard to make a long-term plan based on that. He related that although the reduction of overall waste is beneficial, it could have negative impacts regarding pricing if the County wanted to enter into a long-term disposal agreement. He also encouraged the task force to add to the information he presented about disposal options.

Mr. Binney recapped that they started a discussion regarding the values of the task force and what their focus should be on at the last meeting, and he opened that up for discussion.

Ms. Gentry opined that it should not be focused on the values of the task force, but the values of the County and how the County is looking to market itself in terms of drawing residents and businesses.

Mr. Dorsett wanted to understand the priorities and driving forces as they move toward making recommendations, such as monetary, environmental, jobs, and growth, and he believed the community places more emphasis on the economy than the environment right now.

Mr. Binney opined that he was not sure if that was a fair statement, and he believed that they needed to protect the environment and thought the Commissioners would feel the same way. He suggested that for the purpose of this task force, they should make the environment an important factor to be considered, even though there were difficult issues that the committee would struggle with, such as whether they were willing to bear the cost of recycling or if there was some happy medium.

Mr. Grier recapped that he had previously cited a couple of studies showing that although the County was currently subsidizing recycling, there was some come-together point economically and environmentally that they could find a material recovery facility that handled a lot more recyclables without it necessarily costing a lot more than it costs now. He opined that although the commodity market fluctuates greatly, they have seen in the last few years the worst and best it was going to get, which gives them a clear picture of the range.

Mr. Bruna pointed out that if they did not consider the cost of bringing it to the recycling facility, the recycling facility makes a lot of money, but those profits are wiped out by the hauling costs.

Mr. Binney commented that it was a factor that they had to take into consideration, but there were ways to mitigate it, and he wanted to point out that if they were going to recycle more than they currently were, then it would impact whether they could do something else.

Mr. Dorsett opined that the community is sensitive to paying any increase from what it is currently paying and that the community would accept almost anything that does not cost them any more and would be especially receptive to anything that would result in savings, such as drop off facilities. He thought that one of the priorities is to stay within the confines of the existing revenue structure. He commented that it seems like there have been some surprises that have come out of the contract in the last 20 years, and he thought it should have the same or less risk than the County is facing now.

Mr. Binney opined that they would want a lot less risk than what they currently had.

Mr. Minkoff commented that the biggest mistake that was made last time was that the future estimate of solid waste was wrong, and if the estimates made in 1988 had been correct, no one would have ever complained about Covanta's agreement. He also opined that Covanta has been a tremendous resource for the County that has been a substantial capital investment, paid a lot of taxes through the years, brought a lot of good jobs to the area, and has been positive for the County from an economic development standpoint. He mentioned that the landfill was probably also a positive economic tool.

Mr. Binney suggested that the task force members individually write down what was important to them as citizens of Lake County, and he asked them to try to set aside any preconceived notions and keep an open mind while they were going through the process and work on a solution for all of their concerns.

Mr. Grier commented that Covanta in principle is a great idea, but it also represented a bottleneck in the system and limited the flexibility of what they do with all of the refuse, and he believed they needed to

find a way for Covanta to get more tonnage outside of the area, allowing them to do more and different things with the refuse, including conservation of natural resources.

Mr. Dorsett suggested that they come up with a general mission or value statement.

Mr. Grier added that if they were to brainstorm, prioritize, and weigh their values, they could then collect everyone's together, weigh all of those, and come up with an overall value system that generalized their beliefs.

Mr. Binney suggested that they write down the priorities that were important to them, and then weigh those against the resolution and what their job is to come up with an individual mission statement. He suggested that they could then have a discussion at the first meeting in January.

NEXT MEETING

Mr. Grier mentioned that since he and at least one other member could not be at the November 29 meeting and that both of the haulers that were to give presentations at the next meeting would like to have more time before presenting those, he thought it would be best to reschedule that meeting.

Mr. Binney mentioned that they had a March 1 deadline to give their final recommendation to the Board. After discussion, it was decided that they would cancel the meeting scheduled for November 29, and the next meeting would be held on December 6 at 9:00 a.m. at the Agricultural Center. He also announced that everyone was welcome to attend his presentation of the Interim Report to the Board on December 7 at 9:00 a.m. in County Commission Chambers at the Administration Building.

Mr. Stivender suggested that if there was concern about the March deadline, the Board Meeting on December 7 might be a good time to talk to the Board about an extension.

Mr. Minkoff commented that he did not think the Board would have a problem with an extension of a few months, and he has reported to them on a regular basis that the committee has been working hard. He opined that the product was more important to them than the timeframe.

Mr. Binney stated that he would mention to them as part of the verbal presentation that they were concerned about the timing because of the holidays, and he may have to come back through the County Manager to ask for a 60-day extension or an appropriate time to finish their work.

PUBLIC INPUT

There was no public comment.

ADJOURNMENT

The meeting adjourned at 11:23 a.m.