



SOLID WASTE AGENCY OF LAKE COUNTY, IL

MEMORANDUM

To: Kent Street, Chairman, Executive Committee
From: Walter S. Willis, Executive Director *WSW*
Subject: October 2011 Meeting Notice Information
Date: September 29, 2011

Attached you will find the agenda for this month's meeting, the minutes from the September 8, 2011 meeting, and the referenced consent, action and informational items.

I look forward to seeing you all at the meeting this month on October 6th (remember we have moved the meeting up one week).

**SOLID WASTE AGENCY OF LAKE COUNTY, IL
EXECUTIVE COMMITTEE
Thursday, October 6, 2011 12:00 Noon
1311 N. Estes Street Gurnee, IL 60031**

1. CALL TO ORDER.....Chairman Street
2. ROLL CALLSecretary
3. APPROVAL OF MINUTES
September 8, 2011
4. NEW AGENDA ITEMS
5. PUBLIC COMMENT ON AGENDA ITEMS
6. EXECUTIVE COMMITTEE ITEMS.....Chairman Street

Consent

1. Expenditure Report – To be presented at the Board of Directors Meeting 10/27/11

Action Item

1. SWALCO 2012 Meeting Calendar
2. Contract – Larry M. Clark, General Counsel
3. Contract – Kip Kolkmeier, Lobbyist
4. FY 2012 SWALCO Budget
5. 2012 Legislative Policy

Information Items

1. Project and Program Updates
2. America Recycles Day

7. EXECUTIVE SESSION
8. ADJOURNMENT

MINUTES

SOLID WASTE AGENCY OF LAKE COUNTY, IL
EXECUTIVE COMMITTEE
THURSDAY, SEPTEMBER 8, 2011 12:00 NOON
1311 N. ESTES STREET, GURNEE, IL 60031

CALL TO ORDER: Co-Chairman Ryback called the meeting to order at 12:04 with 6 members present. Joe Napolitano was delayed (12:07) and Chairman Street was not able to attend the meeting due to a conflict.

APPROVAL OF MINUTES

Motion by *Mike Ellis* seconded by *Steve Mandel* to approve the minutes of July 21, 2011.
Motion was approved.

PUBLIC COMMENT

None

NEW AGENDA ITEMS

CONSENT ITEM

Expenditure Report (August 2011), motion by *Pat Carey*, seconded by *Michael Talbett*.
Motion was approved.

EXECUTIVE COMMITTEE ITEMS

ACTION ITEMS

1. **Approve WMRA Agreement** - *Walter Willis* asked that this item be removed due to the fact that we were waiting for Waste Management to respond to the amended contract and pending SWALCO'S legal counsel approval.
2. **Authorize Legal Fees for Countryside Landfill**
Walter Willis gave a brief overview stating that over the past three years the Countryside Landfill has been receiving complaints related to landfill gas odors, and in particular, hydrogen sulfide odors. In 2010 the landfill was issued a Finding of Violation by the USEPA which resulted in an Administrative Consent Order being issued on July 22, 2011 by the USEPA (attached).

On June 28, 2011 the landfill experienced another bad odor incident when it lost power and its flare and gas management system went down. The new flare was further impacted by the loss of power which delayed its operation until June 29th. On July 1, 2011 WMI sent a letter to the Lake County Health Department discussing this incident and stating its intent to acquire a generator and rebuild its 13 year old flare to use as a back-up. The letter indicated a timeline would follow for implementing these two projects. To date, SWALCO is unaware of such a timeline being provided.

On August 5, 2011 a conference call was held with Barry Burton (Lake County Administrator), Pat Carey (Lake County Board member and SWALCO Director), Mike Ellis (Grayslake Village Administrator), Mike Kuhn (Lake County Health Department),

Walter Willis (SWALCO Executive Director) and Larry Clark (SWALCO legal counsel) to discuss options for achieving better compliance at the Countryside Landfill, especially with respect to odors. Larry Clark outlined several legal options that SWALCO, Lake County and Grayslake had to achieve better compliance (administrative citation powers per Lake County, attempt to file action along with the IEPA/Attorney General, or file suit under the SWALCO Disposal Agreement with WMI). It was decided that the SWALCO Disposal Agreement was the best legal option.

While SWALCO, Lake County and Grayslake prefer to negotiate with WMI to amend the Disposal Agreement to provide for specific timelines for the flare and generator projects, possible hydrogen sulfide standards, limitations on what wastes can be accepted (no ground gypsum), and possibly other standards/requirements, it was recognized that WMI does not have to agree to enter into such negotiations. As a result, this item has been prepared for the SWALCO Executive Committee meeting to determine if SWALCO is ready to pursue a legal remedy if negotiations are not successful. Larry Clark indicated that a ballpark cost for legal action would be \$30,000, which if split three ways (SWALCO, Lake County and Grayslake) would potentially mean \$10,00 in legal fees for SWALCO's share.

Our first approach is to ask WMI that it enter into negotiations to amend the Disposal Agreement before pursuing the legal option. If this is unsuccessful, the legal option may then be pursued by the three units of local government.

Motion by *Pat Carey*, seconded by *Mike Ellis*. *Motion was approved.*

INFORMATION ITEMS

1. **Fiscal Year 2012 Budget - Draft**

Walter Willis discussed the highlights of the proposed budget:

- Proposed expenditures for FY 2012 are \$1,015,915 compared to \$976,400 in 2010, an increase of \$39,515 or approximately 4%. This increase is primarily due to increased hours for the Public Information Officer, a salary increase for the first time in three years for most SWALCO staff, and a one-time payout for accrued comp time. You will note that 2.5% increases have been assumed for salaries (except the Executive Director's at 2.75%) and the weekly hours for Merleane Rampale have been increased from 20 to 28. Health related costs are only projected to increase by 3% this year but our indirect fee to SWALCO is increasing by 25% (due to an increase in the indirect rate to 16.62% from 14.47% last year, and increased payroll, which the indirect rate is applied to).
- Total FY 2012 revenues are estimated at \$980,835 an increase of \$97,850 or 11% from last year. Revenue from the landfill surcharge for 2012 is estimated at \$668,265 (last year was \$611,625). It is also projected that miscellaneous revenue will increase to \$108,500 as compared to \$62,700 last year, primarily related to increased revenue from the amended agreement with WM Recycle America.
- Expenditures are expected to exceed revenues by \$35,080 (\$1,015,915 - \$980,835) compared to last year's deficit of \$93,415.

Walter Willis reviewed the budget in detail with the Executive Committee and will incorporate the feedback into a final draft that we will vote on at our October meeting. Walter Willis plans on presenting the budget to the Board of Directors at its October meeting. The board item next month will include a five year budget projection.

2. **Project and Program Updates**

Walter Willis and Pete Adrian met with Adam Brosten and Jason Hancock on August 9, 2011 to learn more about their proposed tire recycling facility planned for Lake County, IL. They have formed a company called CRES and hope to develop a facility that will recycling tires into rubber composite, high carbon steel, diesel fuel and butane gas. They have approached SWALCO about whether the Agency would be interested in providing a loan to help the company get started. They are pursuing other venture partners and specifically asked about SWALCO's interest in helping finance a shredder for the tires, which not only processes the tires for use in the tire recycling process but also recovers valuable steel from the tires. Walter told them that he would run the concept by the Executive Committee, but any decision would require SWALCO Board support and further due diligence. He also informed them that SWALCO would also want to receive an additional royalty for each tire processed.

The Executive Committee discussed whether SWALCO should b in the business of providing loans for such projects and what impact our involvement in such projects might have on our legislative presence in Springfield. Ultimately, the Executive Committee decided that SWALCO should not provide loans to the private sector.

Walter Willis met with Grayslake and WMI on September 1, 2011 regarding the use of CNG trucks in Grayslake. This discussion was prompted by a clause in Grayslake's contract requiring such a meeting to discuss a timetable for introducing CNG trucks into Grayslake. Grayslake is serviced out of WMI's Fox Lake truck facility and not Wheeling (where WMI does have a CNG filling station).

Unfortunately, it appears WMI is looking at another location in Will County for it's next CNG filling station in the next year or so.

Walter Willis attended a networking luncheon held by the Illinois Environmental Council (SWALCO is a member) on August 19, 2011. The purpose was to enhance coordination between the numerous environmental organizations in Illinois and to develop 5 year legislative strategies in various areas of interest, including waste/material management, air, water, energy, open space and transportation.

Walter Willis continues to assist Highland Park work on a C&D recycling ordinance. Highland Park formed a working group to develop an ordinance. The group toured a C&D recycling facility in Northbrook on August 18th and held a final meeting on August 29th to review and comment on draft language. It is the intent to provide a draft to the City Council and have a vote on the ordinance in October. This ordinance, along with a draft prepared by Grayslake will be used to develop a template for the rest of SWALCO's members.

EXECUTIVE SESSION:

Motion by *Steve Mandel*, seconded by *Pat Carey* to go into Executive Session citing 5 ILCS 120/2(c)(1) to approve the meeting minutes from Executive Session, July 21, 2011.

Motion was approved on a roll call of 7 to 0.

Discussion to amend minutes by removing Chairman Street's motion to increase compensation per employee agreement.

Motion by *Steve Mandel*, second by *Mike Ellis* to come out of Executive Session.

Motion was unanimously approved.

NEXT EXECUTIVE COMMITTEE MEETING: Thursday, October 6, 2011 - 12:00 p.m.

NEXT BOARD MEETING: Thursday, October 27, 2011 - 7:00 p.m. Hainesville Village Hall,
100 N. Hainesville Road, Hainesville, IL 60030

ADJOURNMENT (1:00 p.m.): Motion by *Mike Ellis*, seconded by *Pat Carey* to adjourn.
Motion was approved.

SOLID WASTE AGENCY OF LAKE COUNTY, (SWALCO)
EXECUTIVE COMMITTEE

DATE: 9/8/11

VOTING RECORD

NAMES	ATTENDANCE	EXPENDITURE REPORT AUG 2011		LEGAL FEES COUNTRYSIDE LANDFILL					
		A	N	A	N				
FLYNN									
ELLIS	✓	✓		✓					✓
LAWLOR <i>CAREY</i>	✓	✓		✓					✓
MANDEL	✓	✓		✓					✓
NAPOLITANO <i>12:07</i>	✓			✓					✓
RYBACK	✓	✓		✓					✓
STREET									
TALBETT	✓	✓		✓					✓
WAGENER	✓	✓		✓					✓
TOTAL	6	6		7					7

LARRY CLARK
MIKE KUMM

*EXEC
SESSION*

SOLID WASTE AGENCY OF LAKE COUNTY (SWALCO)
EXECUTIVE COMMITTEE

DATE: 9/8/11

COMMUNITY REPRESENTATIVE TITLE

FLYNN		ASSISTANT VILLAGE ADMINISTRATOR
ELLIS	MIKE ELLIS	VILLAGE MANAGER
LAWLOR	CAREY <i>[Signature]</i>	COUNTY BOARD MEMBER
MANDEL	<i>[Signature]</i>	COUNCILMAN
NAPOLITANO	<i>[Signature]</i>	DIRECTOR OF COMMUNITY DEVELOPMENT
RYBACK	<i>[Signature]</i>	MAYOR
STREET		VILLAGE ADMINISTRATOR
TALBETT	<i>[Signature]</i>	VILLAGE ADMINISTRATOR
WAGENER	JOHN WAGENER	TRUSTEE

SIGN-IN SHEET

* LARRY CLARK
* MIKE KUHN

A – 1. SWALCO 2012 Meeting Calendar

ISSUE: Whether to approve SWALCO Meeting Calendar for 2012

RECOMMENDATION: SWALCO Staff recommends approval

TIMING: Routine

BACKGROUND: The Executive Committee will continue to meet monthly on the second Thursday of the month in which a board meeting is held and the third Thursday of the month when no board meeting is held, except for November when the committee does not meet. The Board will meet six times during the year on the fourth Thursday except November: November’s meeting is held on the third Thursday due to the Thanksgiving holiday. If the Executive Director and Chairman of the Board deem a meeting necessary at any time during the year, a special meeting will be called and the Board Members and public will be notified. This procedure is in accordance with Article VII, Section 2 of the By-Laws.

The Executive Committee will continue to meet at noon at the SWALCO office at 1311 N. Estes Street, Gurnee, IL 60031.

The Board of Directors meetings will continue to meet a 7:00 p.m. at the Hainesville Village Hall at 100 N. Hainesville Road.

Board of Directors Meetings

- January 26, 2012
- March 22, 2012
- June 28, 2012
- August 23, 2012
- October 25, 2012
- November 15, 2012

Executive Committee Meetings

- January 12, 2012
- February 16, 2012
- March 8, 2012
- April 19, 2012
- May 17, 2012
- June 14, 2012
- July 19, 2012
- August 9, 2012
- September 20, 2012
- October 11, 2012
- November – No Executive Committee Meeting
- December 13, 2012

ENCLOSED DOCUMENTS: SWALCO 2012 Calendar of Meetings

STAFF: Walter Willis, Executive Director, Lorin Buchta, Executive

SWALCO 2012 Calendar of Meetings

January							February							March							April						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4				1	2	3	1	2	3	4	5	6	7		
8	9	10	11	12	13	14	5	6	7	8	9	10	11	4	5	6	7	8	9	10	8	9	10	11	12	13	14
15	16	17	18	19	20	21	12	13	14	15	16	17	18	11	12	13	14	15	16	17	15	16	17	18	19	20	21
22	23	24	25	26	27	28	19	20	21	22	23	24	25	18	19	20	21	22	23	24	22	23	24	25	26	27	28
29	30	31					26	27	28	29				25	26	27	28	29	30	31	29	30					
May							June							July							August						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5				1	2				1	2	3	4	5	6	7			1	2	3	4	
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
27	28	29	30	31			24	25	26	27	28	29	30	29	30	31					26	27	28	29	30	31	
September							October							November							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1		1	2	3	4	5	6			1	2	3								1		
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	23	24	25	26	27	28	29	
30																					30	31					

Grey box is an Executive Committee Meeting (Noon; 1311 N. Estes Street, Gurnee, IL 60031)

Red box is a Board of Directors Meeting (7 p.m.; Hainesville Village Hall, 100 Hainesville Road; Hainesville, IL 60030)

A – 2. Contract- Larry M. Clark, General Counsel

ISSUE: Whether to approve contract with Larry Clark for Legal Services

RECOMMENDATION: SWALCO staff recommends approval

TIMING: Routine

BACKGROUND: The Agency's agreement with Mr. Clark must be approved annually. Mr. Clark provides legal representation to the Agency on a variety of matters. Mr. Clark has been the Agency's General Counsel since its inception. He provides competent and timely service to the Agency.

The total fees and services to Larry M. Clark during 2012 shall not exceed \$20,000. His hourly rate will increase to \$160.00 per hour from \$155.00 per hour last year.

FISCAL IMPACT: Organization 9200010, Object Code 71140, Legal Services
\$20,000

ENCLOSED DOCUMENTS: Agreement with Larry M. Clark

STAFF: Walter S. Willis, Executive Director, Lorin Buchta, Executive



SOLID WASTE AGENCY OF LAKE COUNTY, IL

**LARRY CLARK 2011/2012
AGREEMENT WITH SWALCO**

This Agreement, effective October 27, 2011, is entered into by and between the Solid Waste Agency of Lake County, Illinois (hereinafter referred to as the AGENCY) and Larry M. Clark (hereinafter referred to as the CONTRACTOR). This Agreement is made pursuant to authority granted by the SWALCO Board of Directors on October 27, 2011.

WHEREAS, the County of Lake has approved the Lake County Solid Waste Management Plan pursuant to Public Act 85-1198; and

WHEREAS, the AGENCY is tasked with implementing said plan; and

WHEREAS, the services of an attorney are necessary to assist in the matters of implementing said Plan; and

WHEREAS, the AGENCY has deemed it prudent to retain Larry M. Clark as said attorney and States Attorney Michael Waller has authorized retaining Larry M. Clark.

NOW, THEREFORE, the AGENCY and the CONTRACTOR hereby agree as follows:

SECTION 1: SCOPE OF SERVICES

The CONTRACTOR will supply the following services:

1. Provide legal counsel to the AGENCY as may be required or requested relative to the implementation of the Solid Waste Management Plan;
2. Attend meetings as requested by the AGENCY;
3. Be available for legal consultation or related solid waste matters as the need may arise;

SECTION 2: TERM

The term of this Agreement is for the 12-month period, December 1, 2011 through November 30, 2012.

SECTION 3: FEES AND COSTS

The CONTRACTOR shall provide the aforesaid services for an amount not to exceed \$20,000 unless specific authorization is received from the AGENCY. Said amount is based on an estimated workload of 125 hours at \$160.00 per hour.

Invoicing and payment shall be made, based on hours worked, on a monthly basis.

SECTION 4: SUCCESSORS AND ASSIGNS

This Agreement and all of the covenants hereof shall inure to the benefit of and be binding upon the AGENCY and the CONTRACTOR respectively and their partners, successors and legal representatives. Neither the AGENCY nor the CONTRACTOR shall have the right to assign, transfer or sublet their interest or obligations hereunder without the written consent of the other party.

SECTION 5: HOLD HARMLESS

The CONTRACTOR shall indemnify and hold the AGENCY harmless from all fines, suits, claims, demands, actions, costs, obligations, attorneys' fees or liability of any kind arising out of the sole negligent actions of the CONTRACTOR'S performance of this Agreement. The AGENCY does hereby covenant and agree to indemnify and hold harmless the CONTRACTOR from any fines, suits, claims, demands, actions, costs, obligations, attorneys' fees, or liability of any kind resulting from a negligent act by any of the employees of the AGENCY.

SECTION 6: AGREEMENT MODIFICATIONS

All adjustments, additions, and/or deletions to this Agreement are subject to the written approval of both parties..

The foregoing constitutes the entire Agreement between the parties, and no verbal statement shall supercede any of its provisions.

IN WITNESS HEREOF, the parties have caused this Agreement to be signed by their respective duly authorized officers on this 27th day of October:

CONTRACTOR:

AGENCY:

Larry M. Clark
Attorney at Law

Larry Mount, Chairman

Board of Directors
Solid Waste Agency of Lake County, IL

ATTEST:

Secretary

A – 3. Contract- Kip Kolkmeier, Lobbyist

ISSUE: Whether to approve contract with Kip Kolkmeier for lobbying services

RECOMMENDATION: SWALCO staff recommends approval.

TIMING: Routine

BACKGROUND: . Mr. Kolkmeier provides legislative consulting services to the Agency. He has been the Agency's lobbyist for the past seven years.

This is a 2 year fixed contract for the 2012/2013 fiscal years. The contract amount shall not exceed \$36,500 per year, which will be paid in 4 installments of \$18,250 in December 2011, May 2012, December 2012 and May 2013. The contract amount for the current fiscal year was \$35,000.00.

FISCAL IMPACT: Organization 9200010, Object Code 71150, Consultant Services
\$36,500

ENCLOSED DOCUMENTS: Contract with Mr. Kip Kolkmeier

STAFF: Walter S. Willis, Executive Director, Lorin Buchta, Executive

EXECUTIVE COMMITTEE ACTION; Forwarded for Board approval.

Kolkmeier Consulting

1111 Williams Blvd.
Springfield, IL 62704

Kip Kolkmeier
Legislative Consultant

Tel (312) 339-6540
Fax (217) 793-7787
KolkmeierConsult@aol.com

September 15, 2011

Walter Willis
Executive Director
SWALCO
1311 N. Estes Street
Gurnee, IL 60031

RE: 2012-2013 SWALCO Legislative Consulting Contract

Dear Walter,

I appreciate the opportunity to continue to work on behalf of the Solid Waste Agency of Lake County ("SWALCO"). If this agreement is acceptable to you, please execute a copy and return it to me.

1. Parties to the Agreement. The parties to this agreement are Kiplund R. Kolkmeier, doing business as Kolkmeier Consulting, referred to herein as "Contractor", and SWALCO.

2. Term and Duties. The term of this agreement shall be for the period December 1, 2011 to November 30, 2013. During the term, Contractor shall provide legislative consulting services. It is acknowledged and agreed by both parties that Contractor is not an employee of SWALCO and shall provide services under this agreement through the exercise of Contractor's independent professional judgment. It is also understood that Kolkmeier Consulting is not a law firm and the services provided under this contract are legislative consulting services and not the provision of legal services.

3. Fee. The fee for legislative consulting services under this agreement shall be a fixed amount of \$36,500 for 2012 and \$36,500 for 2013. Unless agreed upon by SWALCO, this fixed amount shall be Contractor's sole compensation for the period of this agreement. The amount of the retainer will be payable in four installments; \$18,250 in December 2011, \$18,250 in May 2012, \$18,250 in December 2012, and \$18,250 in May 2013.

4. Liability. For purposes of this agreement, Contractor is a sole proprietor and assumes all risk of loss, indemnifies and holds harmless SWALCO from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments, including costs and attorneys fees, and related expenses that result directly from Contractor's negligent or intentional acts or omissions.

5. Benefits. Contractor acknowledges that he is not an employee of SWALCO and therefore is not entitled to receive or participate in any benefit program of SWALCO including any life, health, disability, retirement or other program that may from time to time be in place.

If this agreement is consistent with your understanding of our arrangement, then please execute where indicated and return a copy to me. Please let me know if you have any questions regarding the agreement.

Very truly yours,

Kiplund R. Kolkmeier

Signed and approved:

Dated _____

A – 4. Proposed FY 2012 SWALCO Budget

ISSUE: Whether to vote to recommend that the Board of Directors approve the proposed fiscal year 2012 SWALCO budget.

RECOMMENDATION: SWALCO staff recommends that the Executive Committee approve the 2012 SWALCO budget.

BACKGROUND: Attached to this memo is the proposed FY 2012 budget. The highlights of the proposed budget are as follows:

1. Proposed expenditures for FY 2012 are \$1,026,915 compared to \$976,400 in FY 2011, an increase of \$50,515 or approximately 5%. This increase is primarily due to increased hours for the Public Information Officer, a salary increase for the first time in three years for most SWALCO staff, a one-time payout for accrued comp time and a set aside of \$10,000 for potential legal action. You will note that 2.5% increases have been budgeted for salaries (except the Executive Director's at 2.75%), and weekly hours for Merleanne Rampale have been increased from 20 to 28. Health related costs are only projected to go up by 3% this year, but our indirect fee to Lake County is increasing by 25% (due to an increase in the indirect rate to 16.62% from 14.47% last year, and increased payroll, which the indirect rate is applied to).
2. Total FY 2011 revenues are estimated at \$980,835 an increase of \$97,850 or 11% from last year. Revenue from the landfill surcharge for 2012 is estimated at \$668,265 (compared to \$611,625 last year). It is projected that miscellaneous revenue will increase to \$108,500 compared to \$62,700 last year, primarily due to anticipated revenue from the amended agreement with WM Recycle America.
3. Expenditures are expected to exceed revenues by \$46,080 (\$1,026,915 – 980,835) compared to last year's deficit of \$93,415.

The following table shows the estimated revenues, from the four primary funding sources that support SWALCO's operations, and expected expenditures for fiscal years 2012-2016. This table is a new feature of the budgeting process that is prepared each year by SWALCO staff. It also shows the approximate cash fund balance moving forward (currently approximately \$1,876,000).

SWALCO Revenue, Expenditure and Fund Balance Projections - Fiscal Years 2012 - 2016					
Revenues/Expenditures	2012	2013	2014	2015	2016
Operations & Maintenance Fee	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000
Local Surcharge, host fees, etc.	\$668,265	\$668,265	\$668,265	\$668,265	\$668,265
Interest Income	\$14,070	\$13,725	\$13,375	\$13,025	\$12,520
Misc. Revenue (e-scrap, hauler licensing, per ton)	\$108,500	\$108,500	\$129,500	\$129,500	\$129,500
Estimated Revenue	\$980,835	\$980,490	\$1,001,140	\$1,000,790	\$1,000,285
Estimated Exp.	\$1,026,915	\$1,027,055	\$1,047,595	\$1,068,545	\$1,089,915
Surplus/Deficit	(\$46,080)	(\$46,565)	(\$46,455)	(\$67,755)	(\$89,630)
Estimated Cash Balance	\$1,829,920	\$1,783,355	\$1,736,900	\$1,669,145	\$1,579,515

Several assumptions were made in preparing the above table:

- The O&M fee will continue to be \$1 per household per year.
- Local surcharge revenues will remain steady for the next 5 years.
- Interest rates paid on the surcharge balance will continue to be 0.75%.
- Miscellaneous revenue will increase in FY 2014 due to SWALCO's per ton payment increasing from \$1 per ton to \$1.50 per ton, and it is assumed the agreement with WM Recycle America will be extended for another three years beginning 2015. All other misc. revenue items will remain constant.
- Expenditures will increase by 2% per year using \$1,006,915 as the base expenditure in 2012 (reduced \$20,000 due to one-time expenses in 2012 budget - comp time payout and legal fees for litigation).

ENCLOSED DOCUMENT: Proposed 2012 Budget

STAFF: Walter Willis, Executive Director

Solid Waste Agency of Lake County
FY 2012 Budget
(Final)

Fund:	Management Center	Account	DESCRIPTION	2012 REQUESTED	DETAIL
ADMINISTRATION 9200010					
930	51110	SW0	REGULAR SALARIES AND WAGES	\$ 335,625	Assumes 2.5% increases (with comp time payout to Pete and Steve), with exception of Exec. Director increase effective August 1, 2012 per employment contract at 2.75%
930	51120	SW0	PART TIME SALARIES AND WAGES	\$ 39,020	Assumes 2.5% increase, plus increase of hours to 28 hours per week.
930	51150	SW0	SICK PAY REIMBURSEMENT	\$ -	Assumes no sick pay reimbursement in FY 2010
930	51180	SW0	SPECIAL PAY - AUTO ALLOWANCE	\$ 15,960	3 FT (\$385/mo.) and 1 PT (\$200/mo.) Employee
50000 SERIES TOTAL (Administrative)				\$ 390,605	
930	61010	SW0	OFFICE SUPPLIES	\$ 2,200	Office supplies; petty cash; recycling specific supplies
930	61040	SW0	OPERATIONAL SUPPLIES	\$ 300	Plaques and awards
930	61080	SW0	FOOD & PROVISIONS	\$ 4,200	Executive Committee lunches ((\$1,200); 10 year building anniversary event (\$3,000)
930	65180	SW0	MISCELLANEOUS COMMODITIES	\$ 500	Misc. purchases
60000 SERIES TOTAL (Administrative)				\$ 7,200	
930	71110	SW0	AUDITING AND ACCOUNTING	\$ 7,400	Virchow Krause & Co., no increase from last year
930	71140	SW0	Legal Services	\$ 30,000	Larry Clark (\$20,000 for normal SWALCO legal, \$10,000 for potential litigation with Countryside LF)
930	71150	SW0	CONSULTANT FEES	\$ 36,500	Kip Kolkmeier, fixed price for this fiscal year and next (2013)
930	71500	SW0	TRIPS AND TRAINING	\$ 8,000	ILCSWMA/SWANA/IRA (3 people, \$1,700); OSHA Training (2 people, \$300); IDOT Training (1 person, \$500); SWANA Wastecon (\$1,700); Resource Recycling Conf (\$1,000); NAHMMA (\$2,000); LEED training (\$450); Misc. training (\$350)
930	71810	SW0	DUES AND SUBSCRIPTIONS	\$ 2,800	Official Board Markets, Resource Recycling, BioCycle, Recycled Products Guide; Membership dues for IRA, SWANA, ILCSWMA, PSI, CHMM, NAHMMA and IEC
930	71910	SW0	GAS FOR HEATING	\$ 15,000	Air make-up, hot water, furnace
930	71920	SW0	ELECTRICITY	\$ 12,000	Parking lights, storage facility and office lights and baseboard heat
930	71930	SW0	WATER AND SEWER CHARGES	\$ 1,150	Water and sewer services
930	71940	SW0	TELEPHONE	\$ 6,000	Line charges, local and AT&T; cell phones
930	71970	SW0	COURIER SERVICES	\$ 150	Federal Express

Solid Waste Agency of Lake County
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Fund:	Management Center	Account	DESCRIPTION	2012 REQUESTED	DETAIL
930	72110	SW0	LIABILITY INSURANCE	\$ 55,000	Public Officials, Property, General/prof liability insurance, Auto, and Environmental
930	72140	SW0	UNEMPLOYMENT COMPENSATION	\$ 625	\$125 per employee (5)
930	72260	SW0	OFFICE EQUIP MAINT AND REPAIRS	\$ 2,500	Computer systems, Telephones, Fax Machine, Postage Machine, alarm
930	72410	SW0	ALL OTHER MAINT AND REPAIRS	\$ -	
930	72530	SW0	EQUIPMENT RENTAL	\$ 3,900	Postage meter rental
930	72820	SW0	POSTAGE	\$ 500	Postage for meter, supplies for meter
930	72830	SW0	PRINTING SERVICES	\$ 500	Board Packets, Misc. printing, stationary and envelopes.
930	73195	SW0	INDIRECT COST ALLOCATIONS	\$ 64,920	16.62% of all 50000 series payroll costs
930	74080	SW0	H/L/D EMPLOYEE BENEFITS	\$ 73,933	Assumes 3% increase over last year
930	74100	SW0	RETIREMENT CONTRIBUTIONS FICA	\$ 28,660	All employee salaries x 7.65%
930	74110	SW0	RETIREMENT CONTRIBUTIONS IMRF	\$ 42,972	Employee Salaries x 11.47%
930	79930	SW0	MISCELLANEOUS CONTINGENCY	\$ 5,000	Contingency for unanticipated expenses
930	79940	SW0	MISC CONTRACTUAL SERVICES	\$ 13,500	Office Cleaning, Special facility handyman, Snow and lawn maint.
70000 SERIES TOTAL (Administrative)				\$ 411,010	
930	82010	SW0	BUILDINGS AND STRUCTURES	\$ -	Misc. Unknown capital expenses
930	84040	SW0	Computer System Software	\$ 1,000	software licenses
930	84060	SW0	FURNITURE AND OFFICE EQUIPMENT	\$ 1,500	misc. office furnishings or equipment
80000 SERIES TOTAL (Administrative)				\$ 2,500	
TOTAL 9200010 ADMINISTRATION				\$ 811,315	

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Fund:	Management Center	Account	DESCRIPTION	2012 REQUESTED	DETAIL
EDUCATION 9200020					
930	61040	SW2	OPERATIONAL SUPPLIES	\$ 6,000	Public information/school education, plaques, flags, promo items
930	65180	SW2	MISCELLANEOUS COMMODITIES	\$ 4,000	Supplies for workshops, open houses, training, etc.
60000 SERIES TOTAL (Education)				\$ 10,000	
930	72830	SW2	PRINTING SERVICES	\$ 1,000	Print work: guides, annual report, newsletters, brochures, flyers, workshop invites, media kits, and other needed public info materials
930	79940	SW2	MISC CONTRACTUAL SERVICES	\$ 4,200	Funding for entertainers and speakers for schools
930	71850	SW2	ADVERTISING	\$ 3,000	Funding for several general newspaper ads
70000 SERIES TOTAL (Education)				\$ 8,200	
930	85070	SW2	ALL OTHER CAPITAL OUTLAY	\$ -	
80000 SERIES TOTAL (Education)					
TOTAL 9200020 EDUCATION				\$ 18,200	

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Fund:	Management Center	Account	DESCRIPTION	2012 REQUESTED	DETAIL
HOUSEHOLD CHEMICAL WASTE (HCW) 9200030					
930	65020	SW2	LABORATORY SUPPLIES	\$ 100	Supplies for Unknown Test Kit
930	61040	SW2	OPERATIONAL SUPPLIES	\$ 12,500	Safety Gear, OilDry, Brooms, Tape, Visqueen, Spill Cleanup, FirstAid Kits, Respirator Cartridges, Pallets, Etc.
930	65180	SW2	MISCELLANEOUS COMMODITIES	\$ 550	Grease for crusher, bottled water, etc.
60000 SERIES TOTAL (HCW)				\$ 13,150	
930	71150	SW2	CONSULTANT FEES	\$ 138,800	Labor Mobiles \$71.5k (\$11.5k/event x 6 + 3%); Labor Drop-offs \$49.5k (\$2k/event x 24 + 3%); Paint Bulking \$13.6k (\$1.1k/month x 12 + 3%); Suppl Labor \$2.2k (\$45/hrx2x8hrsx3events); CHLRFD Training (\$0), Food \$2.1k; Web Appts \$300
930	71630	SW2	GARBAGE DISPOSAL	\$ 5,900	Mobile Events/Office 5.4k(\$450x6events + 3%) + Office (\$50x52) + Xtra Rolloffs(\$500)
930	79940	SW2	MISC. CONTRACTUAL SERVICES	\$ 4,600	Burnis fork lift=\$2.3k (\$375x6+3%) Tents=\$1.6k (\$800 x 2 events); LZ Oil Program (\$200); Porta John (\$450)
930	72110	SW2	LIABILITY INSURANCE		Covered under Administrative 930-72110, Liability Insurance
930	72210	SW2	MOTOR VEHICLE MAINT & REPAIR	\$ 2,800	Truck (\$2k), Fuel (\$750) Truck safety inspections (\$50)
930	72410	SW2	ALL OTHER MAINT AND REPAIRS	\$ 21,150	Dock PM \$1k, BF preventers PM \$1k, Fire sys PM \$3k, Whouse Maint \$1.5k, Generator \$1.5k, HVAC \$3k, Elec Services \$1.5k, Fork lift \$1k, Can Crusher \$1k, Alarm \$1k, Overhead Doors \$150, Fire Extings \$800, Paint Oil Tank and Bollards \$5k
70000 SERIES TOTAL (HCW)				\$ 173,250	
930	82010	SW2	BUILDINGS AND STRUCTURES	\$ -	
930	83010	SW2	MOTOR VEHICLES	\$ -	
930	84060	SW2	FURNITURE AND OFFICE EQUIPMENT	\$ -	
930	85070	SW2	ALL OTHER CAPITAL OUTLAY	\$ -	
80000 SERIES TOTAL (HCW)				\$ -	
TOTAL 9200030 HCW				\$ 186,400	

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Fund:	Management Center	Account	DESCRIPTION	2012 REQUESTED	DETAIL
RECYCLING 9200040					
930	65180	SW8	MISCELLANEOUS COMMODITIES	\$ 9,000	Electronics Collections, supplies (\$2,000), signage and labels (\$500); RAS Collection, supplies (\$200); Participant recognition (\$500); Hospitality for helpers (\$200); Special collection containers (\$2,500); Signage and labels (\$100); Compos/rain barrel sale, supplemental stock (\$3,000)
60000 SERIES TOTAL (Recycling)				\$ 9,000	
930	72830	SW8	PRINTING SERVICES	\$ -	
930	79940	SW8	MISC. CONTRACTUAL SERVICES	\$ 2,000	E-scrap events, supplemental staffing (\$2,000)
70000 SERIES TOTAL (Recycling)				\$ 2,000	
TOTAL 9200040 RECYCLING				\$ 11,000	

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Fund:	Management Center	Account	DESCRIPTION	2012 REQUESTED	DETAIL
GRAND TOTAL (All Series)				\$ 1,026,915	

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Fund:	Management Center	Account	DESCRIPTION	2012 REQUESTED	DETAIL
REVENUES 40000					
930	47230	SW0	REVENUE FROM LANDFILL SURCHARGE	\$ 668,265	Countryside LF (\$262,500); Zion LF (\$405,765).
930	48010	SW0	INTEREST INCOME FROM SURCHARGE BALANCE	\$ 14,070	Assumes surcharge balance of \$1,876,000 at an annual interest rate of 0.75%
930	45380	SW0	REVENUE FROM MUNICIPALITIES	\$ 190,000	O&M Fee
930	49910	SW0	MISCELLANEOUS REVENUES	\$ 108,500	Hauler Licensing (\$2,000); Payment for e-scrap (\$60,000); WMRA payment (\$42,000); Rain barrel sales (\$4,500)
TOTAL REVENUES				\$ 980,835	

A – 5. 2012 Legislative Policy

ISSUE: Whether to recommend approval of SWALCO's 2012 Legislative Policy to the Board of Directors.

RECOMMENDATION: SWALCO staff and the Legislative Committee recommend approval.

TIMING: Routine

BACKGROUND: The Legislative Committee was sent a draft of the 2012 Legislative Policy on September 26th and provided feedback on the policy. The Committee approved the Policy via email prior to the October 6th meeting of the Executive Committee.

The federal level policy has remained fairly consistent with last year. The state level policy prioritizes three primary initiatives for next session: 1) amending the Environmental Protection Act to eliminate the exemptions for certain wastes accepted at landfills, 2) continuing to attempt to find a reasonable compromise on SB 102 (Plastic Bag and Film Recycling Act), and 3) continuing to build a coalition to support product stewardship legislation in the 2013 legislative session for architectural paint (non-industrial latex and oil based paints) modeled after the Oregon and California legislation which is supported by the paint industry.

It is SWALCO's intent to again schedule meetings with members of Lake County's legislative delegation (as we did last year) after the veto session in mid November. These meetings will be attended by the Chairman of the Legislative Committee, Walter Willis and Kip Kolkmeier to discuss SWALCO's legislative goals for the 2012 session and to get feedback from legislators regarding those goals.

This year's budget does include funding for SWALCO's lobbyist to not only track legislation but assist SWALCO in developing legislation and hopefully enacting legislation. The FY 2012 budget does not include funding for a legislative breakfast, instead SWALCO will attend the County's legislative breakfast. The 2012 Legislative Policy document is attached.

ENCLOSED DOCUMENT: 2012 Legislative Policy

STAFF: Walter S. Willis, Executive Director



**SOLID WASTE AGENCY OF LAKE COUNTY, IL
2012 LEGISLATIVE POLICY**

The Solid Waste Agency of Lake County (SWALCO) is a Municipal Joint Action Agency established to implement the Lake County Solid Waste Management Plan. SWALCO is comprised of 41 Lake County municipalities, the County of Lake and the Great Lakes Naval Base. SWALCO's Board of Directors established the Legislative Committee to develop a legislative policy for ultimate approval by the Board of Directors. The Legislative Committee implements the approved policy.

Annually, the SWALCO Board of Directors approves a Legislative Policy that acts as a guide to our members, and informs our federal and state legislators and executive branch officials on SWALCO's legislative concerns and positions on issues. The following is SWALCO's 2012 Legislative Policy, which has been divided into state and federal levels.

SWALCO's 2012 LEGISLATIVE POLICY

SWALCO's legislative policy will be communicated to our elected representatives and will be used to provide input to organizations which SWALCO, or its members, are affiliated (for example: National Association of Counties, US Conference of Mayors, the Solid Waste Association of North America, Illinois Counties Solid Waste Management Association, Lake County Municipal League, Northwest Municipal Conference and the Illinois Municipal League).

Legislative committees are the first, and most important, part of the process. At the state level, solid waste legislation is introduced and is generally referred to one committee in each of the chambers. In the Senate, the Environment Committee is the legislative starting point. In the House, it is also the Environment and Energy Committee. At the Federal level, the House Commerce Committee and its subcommittee on Commerce, Trade and Hazardous Materials handles solid waste initiatives. In the Senate, it's the Environment and Public Works Committee.

The following is a more detailed discussion of legislation of interest to SWALCO on both the state and federal levels.

State Level

1. ISSUE: INFORMATIONAL SUPPORT FOR OUR STATE DELEGATION

The SWALCO Legislative Committee and staff will coordinate with the Lake County legislative delegation in reviewing legislative initiatives.

Discussion

This year, ~~SWALCO will not be holding its annual Legislative Breakfast due to budget cuts. Instead, the Agency intends to~~ will attend the Lake County Legislative Breakfast. ~~This past August and September~~ During November 2011 the Chair of the Legislative Committee, SWALCO's Executive Director and SWALCO's lobbyist plan to meet again (as we did last year) met with ~~eight members of the~~ legislators from the Lake County legislative delegation on a one-on-one basis ~~which provided an excellent opportunity to discuss SWALCO's legislative initiatives for the 2012+ session and to receive valuable feedback from the legislators.~~

It is also important for SWALCO to support its delegation on an on-going basis regarding issues as they arise in Springfield. The state representatives often do not have the staff required to complete detailed assessments of issues. However, this is an area where the Agency can assist its legislators.

2. ISSUE: LOCAL SURCHARGE

Support amending the Illinois Environmental Protection Act to eliminate exempting wastes from state and local fees imposed by units of local government (\$1.27 per ton).

Discussion

Over the past several years the amount of waste received at the two in county landfills has decreased by approximately 250,000 tons per year due to increased recycling and local market conditions. SWALCO has had to cut ~~its~~ budget accordingly and implement an annual Operations and Maintenance Fee on its members. As SWALCO continues to increase its recycling rate (currently at approximately 38%) and divert more material from the landfills its revenues will likely continue to decline. This will limit SWALCO's ability to develop and implement programs to further divert materials from the landfill.

There are two primary ways to increase the revenue associated with the local surcharge: increase the fee or remove or modify the exempt waste exclusion. Since local units of government began collecting the \$1.27 surcharge on fee eligible waste over 15 years ago the fee has not been increased. The state fee has been increased from \$0.95 per ton to \$2.22 per ton. Based on recent discussions with the legislators it was advised that SWALCO pursue removing the waste exemptions instead of pursuing a surcharge increase. If the exemptions were eliminated the additional revenue for Lake County could be significant. In ~~2010~~09, if the fee had been applied to exempt waste the local surcharge payment would have increased by ~~\$407,506~~74,000 (in 2010 the Zion LF took in additional contaminated soils from a large clean-up project in Lake County that increased this number substantially from previous years).

These fees are relied upon by SWALCO as its primary funding source for numerous programs, consulting services to members, and education efforts that residents in Lake County have grown to rely on and expect. This same source of revenue is also the primary funding source for the local enforcement program administered by the Lake County Health Department. Landfill volumes are down significantly due to SWALCO's recycling programs and the recent recession. In 2005 the two in-county landfills took in nearly 1 million tons on of fee eligible waste, in 2010 that had shrunk to 564,000 tons.

While we expect that volume to increase due to the Zion LF accepting waste it was previously redirecting, we don't expect volume to increase greater than 650,000 to 700,000 tons per year in the future. The impact on revenues has been significant; in 2005 the surcharge generated \$1.3 million by 2010 that had dropped to \$726,000. While the closing of the exemptions will not replace this lost revenue, it will enable SWALCO and Lake County to continue to provide important waste reduction and enforcement programs in Lake County for at least the next 12 to 14 years when the landfills are expected to reach capacity.

The waste industry will likely oppose any effort to alter the exempt waste status.

3. ISSUE: RECYCLE RETAIL PLASTIC BAGS AND FILM

- ~~The Agency will continue to support enactment of SB 102 which was introduced by Senator Link on behalf of SWALCO, will actively support legislation requiring that:~~
- ~~—~~
- ~~Retailers with greater than 10,000 square feet of retail space provide collection programs for plastic bags and film. The Agency will support an opt-out provision for retailers who either do not distribute plastic bags or can demonstrate they are unable to implement cost-effective collection programs.~~
- ~~All plastic bags be labeled with a recycling message along with a plastic resin identification code.~~
- ~~By January 1, 2015 that plastic bags be manufactured with at least 30 percent recycled content, of which 15 percent must be post-consumer~~
- ~~An educational campaign be implemented to inform consumers about recycling plastic bags and plastic film.~~
- ~~Reusable bags be available for purchase at retail stores greater than 10,000 square feet if the store offers plastic bags to its customers.~~
- ~~A study be conducted on the use of degradable plastics and their potential impact on petroleum-based plastics recycling, composting operation and overall environmental impacts versus petroleum-based plastic bags.~~

Discussion

Attempts to negotiate a compromise to SB 102 as introduced were unsuccessful during the 2011 legislative session. SB 102 takes an extended producer responsibility (EPR) approach to managing plastic bags and film, whereby the manufacturers of plastic bags would be responsible for developing and implementing a statewide plan for collecting plastic bags and film at various retailers (voluntary programs, not a mandated take back).

SWALCO was negotiating with three primary organizations, the Illinois Retail Merchants Association, the Illinois Manufacturers Association and the Chemical Industry Council of Illinois. Their primary concerns were the mandatory recycled content provision, the need for distributors of plastic bags to also be part of the legislation, changing of dates dealing with implementation of the law and the need for preemption language. Efforts to reach a compromise intensified during the last days of the spring session as SWALCO agreed to some of the changes. One of the big issues still remaining is the preemption language, which SWALCO members cannot accept without stronger metrics/performance standards in the law.

The legislation is important due to the fact that nearly 4% of the waste deposited in landfills is plastic film. This amounts to nearly 500,000 tons per year of plastic film entering Illinois' landfills, with a potential market value of over \$100 million. Current programs are capturing less than 3% of this valuable material. Capturing this material will create jobs, and lengthen the life of Illinois' landfills.

~~Under the Plastic Bag Recycling Act (Public Act 95-0268), a Task Force was created, and SWALCO was a member of the Task Force. SWALCO and the Task Force implemented a pilot program which ran from May to December 2009 that resulted in 76 retail locations in Lake County accepting plastic bags and other film for recycling. A total of 259,183 pounds of plastic bags and film were recycled by the participating retail locations. The Task Force compiled and submitted a written report on the pilot program to the General Assembly in May 2010 which contained recommendations for pursuing statewide legislation to require retail locations (as discussed above) to collect and recycle plastic bags and film. One Task Force member, the Illinois Retail Merchants Association, did not support the recommendations for statewide legislation but instead supported a voluntary approach with education.~~

4. ISSUE: PRODUCT STEWARDSHIP AND PRODUCER RESPONSIBILITY, PAINT

Support legislation that fosters responsible product stewardship and producer responsibility and does not place unfunded mandates on local government resources. The focus for this legislative session will be on latex and oil based paints.

Discussion

The State of Oregon is the first state in the U.S. (since then both California and Connecticut have passed similar legislation) to pass producer responsibility legislation for architectural paints (typical latex and oil based paints, not including industrial type paints). The legislation had the support of the American Coatings Association, the trade group that represents paint manufacturers. The legislation allows for the implementation of an "assessment fee" on paint that is passed on from the manufacturer, to the retailer and ultimately the consumer. This is different than the two other producer responsibility bills enacted in Illinois for electronics and mercury thermostats which don't provide for assessment fees. Another key component of the Oregon law is that the amount of the fee and the implementation of the program is determined and managed by the paint manufacturers not a state agency. The state does review, comment and approve the plan developed by the paint manufacturers on an annual basis. The paint manufacturers are allowed to form a non-profit stewardship group, which required anti-trust language in the bill as well. The one downside of the Oregon bill is that it does not provide for the paint collector's collection costs to be covered by the manufacturers. Only the transportation and management of the paint is covered by the assessment fee.

Given that 30% of what we collect in our HCW program is paint, SWALCO is very interested in creating a more sustainable program for managing paint. The budget woes of the IEPA are well known and any efforts we can make to find more sustainable funding are well worth the effort. We will definitely want cost recovery for our collection costs in any bill proposed in Illinois.

SWALCO is working with other units of local government in Illinois, along with the Product Stewardship Institute, to build a coalition and strategy in 2012 that will

ultimately lead to the introduction of legislation in 2013. The ACA is aware of Illinois' interest in moving legislation in 2013 and has not said it will oppose such action. The timing of introducing legislation is complicated by the fact that 6 other states are ahead of Illinois per an MOU that ACA entered into with those states and the three that have already passed legislation. SWALCO has reached out to Ace Hardware (key member of ACA and its paint program) in an effort to build a stronger relationship with an Illinois paint manufacturer and to let Ace know about the interest that SWALCO and numerous public sector entities have in passing paint legislation in Illinois. SWALCO is also working on finding a sponsor for such a bill in 2013.

5. ISSUE: CONSTRUCTION OR DEMOLITION DEBRIS RECYCLING

The Agency will actively support legislation that addresses the construction and demolition debris recycling facilities' compliance with the 75% diversion requirement in Section 22.38 of the Act and helps create markets for materials, as long as those markets do not include landfill related uses, and the Beneficial Use Determination legislation is amended to not allow landfill related uses.

Discussion

Section 22.38 of the Illinois Environmental Protection Act encourages the development of facilities that accept exclusively construction or demolition debris (as defined in the Act) as long as they limit the amount of non-recyclable construction or demolition debris to 25% or less of the total incoming volume and/or weight. During the 2009 legislative session, SWALCO, with Senator Link's help as a sponsor, was able to enact legislation (Senate Bill 125) that will make it easier for C&D recycling facilities to be located in Lake County. The remaining issue with these facilities is their compliance with the limit of 25% or less of non-recyclable materials resulting from the recycling process. In essence they must achieve a 75% recycling rate or lose their special status under Section 22.38 of the Act. In 2009 SWALCO also supported HB 266, which became law, and allowed the use of wood as a fuel to be counted toward the 75% goal.

During the 2011 session, SWALCO worked with Senator Harmon and the C&D recycling industry to develop compromise language that was introduced as SB 1929. This bill eventually became law (P.A. 97-0230) and addressed the 75% diversion requirement. Per SB 1929 C&D recycling facilities can count "landfill related uses" as defined by the law, up to 35% of the incoming volume to meet the 75% diversion requirement. All such facilities must also get scales and compute the diversion percentage based on weight, not volume (or a mix of the two).

In 2009-2010 last years SWALCO worked very hard to develop compromise language for the C&D recyclers that would also include an amendment to the BUD law to not allow BUDs for materials that are placed in the permitted airspace of a landfill. The working group was formed at the request of Senator Garrett (who also conducted a Senate Hearing on this issue) to work out a compromise. Ultimately, the C&D recyclers and the landfills could not agree to language that was agreed to by the public sector reps and the IEPA. No BUDs have yet to be issued at a landfill though one application is pending. The use of BUDs for landfill related uses is still an open and unresolved issue in SWALCO's opinion. The C&D recyclers continue to operate even though it appears they are not meeting the requirement of Illinois law.

6. ISSUE: FOOD SCRAP COMPOSTING

The Agency will actively support legislation that promotes and supports the marketing of compost or enhances the market demand for compost derived from landscape waste alone or commingled with food scraps.

Discussion

With the passage of SB 99 in 2009 (which SWALCO supported and worked hard to see enacted) significant barriers to the development of food scrap composting sites were removed. The focus now is to ensure that markets exist for the final compost product from landscape only and landscape waste with food scraps. There are now two permitted composting facilities in Lake County pursuing permit approval to accept food scraps beyond the 10% additive rule.

7. ISSUE: RENEWABLE ENERGY FROM MSW SOURCES

Support the designation of municipal solid waste (MSW) derived energy (including landfill gas, waste-to-energy, anaerobic digestion, and MSW gasification) as a renewable energy source. SWALCO may, on a case-by-case basis, support the establishment of renewable energy goals/requirements as a percentage of total energy output. This may also include support for tax credits and other incentives, including greenhouse gas offset credits that provide financial and/or environmental incentives for the development of renewable energy from MSW sources.

Discussion

Under current Illinois law, energy derived from municipal waste from non-landfill related uses does not count as a renewable energy source and therefore cannot be counted toward the 25% renewable portfolio standard per Illinois law (25% by 2025). Ironically, landfill gas does count as a renewable energy source.

8. ISSUE: POLLUTION CONTROL FACILITIES

Oppose changes that affect the local authority's control over the siting of pollution control facilities.

Discussion

SWALCO firmly supports the current practice of having local units of government approve or deny the siting of pollution control facilities within their jurisdictions. This law has proven to be successful in Illinois. Any attempt to tamper with local control will be opposed by SWALCO. However, minor changes to the law that help streamline or clarify the process (often due to case law) will be evaluated on a case-by-case basis.

9. ISSUE: LANDFILL MATERIAL BANS

Oppose the banning of individual materials from landfills unless a viable alternative disposal technology is available.

Discussion

Waste bans have been used previously to eliminate landscape waste, white goods and oil from municipal solid waste landfills. These bans have reduced the amount of material going to landfills. However, the infrastructure needed to support the alternative disposal plan is rarely in place. SWALCO believes that a two-year period is required to ban material from a landfill and to set up the alternative disposal technology. In this interim period, the state agencies can address the alternative disposal methodologies needed to handle the banned material.

10. ISSUE: ENVIRONMENTAL FEE TRANSFER

Oppose the transfer of any state fees imposed on municipal solid waste to offset any shortfall in general fund revenues.

Discussion

The State applies two fees on waste accepted at landfills: a Subtitle D fee (this refers to the portion of the federal law known as the Resource Conservation and Recovery Act, which regulates municipal waste landfills) and a solid waste fee. The Illinois Environmental Protection Agency, Bureau of Land (BOL) uses these fees for its programs. These fees are used for enforcement grants, which enable Lake County and others to inspect solid waste facilities. It is imperative that these fees stay in the BOL and not be used for other State purposes SWALCO does not support the transfer of fees to the general fund and supports the expansion of the enforcement program to other Illinois communities.

SWALCO is reliant on our agreement with the Illinois Environmental Protection Agency for funding the disposal of the household chemical wastes we collect in our program. Securing and maintaining funding for this agreement is of the greatest importance to SWALCO.

11. ISSUE: DEPOSIT LEGISLATION

Oppose the imposition of a deposit on beverage containers. A \$0.05 or \$0.10 tax on beverage containers will negatively impact our recycling program, create a tax on residents and penalize retailers.

Discussion

Eleven states have enacted this deposit legislation. Hawaii adopted a deposit system in 2002. The remaining states adopted a deposit system prior to 1987. Generally it is aimed at reducing roadside litter by creating a financial incentive as well as recycling discarded materials. New York experienced a 30% reduction in roadside litter with their bottle bill.

SWALCO has approved a Capacity Agreement (effective January 1, 2009) with Waste Management Recycle America that will pay SWALCO members for their recyclables based on the actual value or blended value of the recyclables. Under the Agreement, if

Illinois or the federal government enacts a bottle bill, WMRA has the authority under the Agreement to assess the impact of the bottle bill on its operations and potentially alter the terms of the Agreement as it relates to the amount paid for SWALCO members' recyclables.

Deposit legislation can expand access to the recycling system to all residents, but handling of deposit containers, either through retail stores or redemption, is an increased burden from a transportation and space standpoint - such as additional trips by residents to redeem containers and space required by retailers to store deposit containers. This financial burden on retail stores may be partially offset by the fees imposed by the deposit. The deposit is an additional tax on residents when they fail to redeem their containers. Curbside recycling represents a convenient way for residents to recycle their beverage containers.

12. ISSUE: LEAF BURNING BAN

The Agency will support a leaf burning ban bill, which provides for local control of burning ordinances.

Discussion

Over the last several years, SWALCO considered supporting a ban on burning leaves. Landscape waste is prohibited from being disposed of in landfills. Therefore, property owners must compost/mulch leaves at home, subscribe to a service for collection (which costs money) or burn them. Many member communities have banned or restricted the burning of leaves within their communities, while other communities have decided to not restrict the burning of leaves.

Burning leaves creates particulate emissions and causes the release of chemicals in the burning process. Many residents suffer respiratory distress as a result of this process. Leaf burning is a significant air pollution hazard and may be an increased health risk to humans. The Agency will consider supporting a leaf burning ban bill which provides for local control of burning ordinances.

Federal Level

1. ISSUE: INTERSTATE WASTE

Support federal legislation which recognizes and "grandfathers" current interstate waste transport and disposal. Any bill that limits the future importation or exportation of waste should be evaluated to assess its impact on SWALCO's members before a final policy position is taken.

Discussion

Midwest states do not want to be considered dumping grounds for east coast or Canadian generated waste. Many communities, however, signed agreements to accept waste from outside of their state when their local landfill was developed. They benefited in this arrangement by receiving host fees for this waste. Several states, primarily Michigan with its concerns over waste imports from Canada, have attempted to enact federal

legislation to limit or restrict the flow of waste from other states and/or countries. In Illinois we recognize that a significant quantity of Chicago metro waste is transported to landfills in Wisconsin, Michigan and Indiana. Any federal attempt to legislate the flow of waste must be closely scrutinized and evaluated before a position can be taken.

2. ISSUE: PERMITTING SOLID WASTE FACILITIES

Support legislation, which provides for state permitting and local land development controls over solid waste transportation facilities.

Discussion

The Surface Transportation Board (STB) has regulatory authority of all rail facilities. This Board is part of the US Department of Transportation. Currently, the STB exempts rail operators from complying with state and local solid waste laws and regulation. Solid waste handling facilities require active environmental regulation to ensure minimal impact to the environment. State and local governments engage in long-term planning for waste management facilities. The development of solid waste rail capacity is desirable to reduce the impact of truck traffic on local and state roads. However, solid waste rail facilities have potential negative environmental consequences and therefore local and state permits are essential.

Therefore it is necessary to ensure that these solid waste facilities are compliant with environmental permitting and local land use planning. Therefore, Title 49 of the United States Code should be amended to require state permitting of rail solid waste facilities.

3. ISSUE: FLOW CONTROL

Take no action on flow control, other than to work with other solid waste and municipal organizations to monitor the progress of any flow control legislation and ensure that local governments can institute franchise refuse collection and continue to act as a market participant to direct their waste and/or recyclables to facilities pursuant to competitively bid contracts.

Discussion

The US Supreme Court has upheld the right of communities to enact flow control by acting as a market participant. The Court went further with its April 30, 2007 decision in the *United Haulers v. Oneida-Herkimer Solid Waste Management Authority* case where the Court sustained the flow control ordinances of the Waste Authority. The Court held that directing waste or recyclables to publicly owned facilities was constitutional. The Court has now created a public-private distinction with respect to the Commerce Clause of the U.S. Constitution.

This means that SWALCO has the legal authority to direct its waste and recyclables to publicly owned disposal sites and recycling centers. What isn't clear in the decision is what ability public entities have to direct materials to privately owned or operated facilities. Regardless, SWALCO does have the authority to act as a market participant and direct materials to facilities as part of competitively bid contracts.

4. ISSUE: SUPERFUND RE-AUTHORIZATION

Work with our federal legislators on revisions to the Superfund Act to cap municipal liability. Participate with national organizations as they consider positions on the reform of the Superfund law.

Discussion

It is widely accepted that the existing Superfund law is not working as envisioned. The “polluter pays” approach is an important part of the original legislation. However, the due process provision, for the Potentially Responsible Parties (PRP), often delays cleanups from occurring.

Any change in the liability and cost distribution will impact funding for Superfund. Funding, in general, is a key issue for Congress.

5. ISSUE: RENEWABLE ENERGY FROM MSW SOURCES

Support the designation of municipal solid waste (MSW) derived energy (including landfill gas, waste-to-energy, anaerobic digestion, and MSW gasification) as a renewable energy source. SWALCO may, on a case-by-case basis, support the establishment of renewable energy goals/requirements as a percentage of total energy output. This may also include support for tax credits and other incentives, including greenhouse gas offset credits that provide financial and/or environmental incentives for the development of renewable energy from MSW sources.

Discussion

Methane gas energy production is an example of energy production from waste sources. The primary method of waste management in Lake County is landfilling. All three landfills serving Lake County collect and generate energy from methane gas. This capability is facilitated through tax incentives. It is also a source of renewable energy production.

Also of interest is energy derived from alternative waste management technologies including anaerobic digestion and MSW gasification. Both technologies are well proven with other feed stocks, but have yet to be utilized for MSW in the U.S. due to unfavorable economics and the U.S.’s continued reliance on landfilling. Several alternative technology projects are proceeding in both California and Florida. Essential to the economics of these projects is the designation of the energy as a renewable energy source. Large utilities are now searching for renewable energy projects and are often willing to pay a premium for the energy. These projects also have the potential to reduce the amount of greenhouse gases (GHG) emitted in the production of energy, especially as related to coal power plants.

6. ISSUE: PRODUCT STEWARDSHIP AND PRODUCER RESPONSIBILITY

Support legislation that fosters responsible product stewardship and producer responsibility. Most attention is currently focused on the electronics industry. SWALCO supports a national policy, but in the absence of a national policy will support a state-

based program (please refer to the state level discussion).

Discussion

Product stewardship is a product-centered approach to environmental protection. Product stewardship calls on all those in the product life cycle--manufacturers, retailers, users, and waste managers --to share responsibility for reducing the environmental impacts of products. States such as Illinois, California, Maine and Massachusetts have enacted legislation to divert electronic products, such as home computers and Cathode Ray Tubes (CRTs), from municipal waste disposal facilities.

Product stewardship recognizes that product manufacturers should take on new responsibilities to reduce the adverse environmental impact of their products. However, all participants in a product life cycle, including retailers, consumers, and waste managers have important roles to play in working in cooperation with product manufacturers to develop the most workable and cost-effective solutions.

From a solid waste manager's perspective, product stewardship refers to the actions that should be taken with respect to product design, reuse, collection, recycling and disposal in order to avoid adverse environmental impacts from the disposal of the product. Manufacturers must design their products to facilitate disassembly and recycling. Consumers must be educated on how to properly dispose of products. Education can be approached through information developed by manufacturers and provided to consumers through product stickers, operation manuals and advertising. Most importantly, an infrastructure must be developed to properly and responsibly handle the product if it's diverted from the municipal solid waste stream

I – 1. Project and Program Updates

BACKGROUND: The following are updates on several projects and programs we are currently working on:

1. Walter Willis met with the City of Highwood and Park City recently to assist them with residential hauling contract discussions. Lincolnshire has approved an extension with WMI (that includes an option for limited refuse service which is a key recommendation of the Recycling Task Force), Kildeer is still in negotiations with WMI for an extension (that would also include a limited refuse option), and Riverwoods is deliberating on whether to franchise the town for collection and issue an RFP.
2. Walter Willis attended the annual awards dinner of the Illinois Environmental Council on September 21, 2011 where Sen. Suzi Schmidt was presented an award for her work on the e-scrap bill and the pharmaceutical collection bill. Walter also had a chance to talk with Sen. Steans about her possibly sponsoring legislation regarding paint collection and management based on EPR.
3. Walter Willis and Pete Adrian toured a carpet recycling operation in Milwaukee on September 9, 2011 owned and operated by CLEAR. They are currently recycling about 30 tons per day, working with two shifts and employing about 40 people. Strong markets exist for the nylon carpeting (about 60% of total carpet accepted), adequate markets for polypropylene carpeting but no markets for PET carpeting. They also have markets for all the padding as well. SWALCO agreed to assist CLEAR with expanding programs here in Lake County. CLEAR does have trailers that accept old carpeting from installers who work for several carpet retailers here in Lake County. On September 27, 2011 Walter met with CLEAR and the two in-county landfills about collecting carpeting at the landfills prior to it getting to the active face. Veolia has agreed to let a trailer be dropped at its convenience center that self-haul clients use to dispose of refuse, including carpeting. Now they will be instructed to use the trailer for carpeting and padding, and once full the trailer will be taken to Milwaukee where the carpeting and padding will be recycled. WMI is looking into logistics for collecting at its convenience center as well. WMI also wanted to double check with IEPA that having such a drop-off would not violate its permit (main issue is with scavenging which is prohibited at landfills unless permitted to do so).
4. Walter Willis, Barry Burton, Mike Ellis and Mike Kuhn met with WMI at the Countryside LF on September 29, 2011 to begin negotiations regarding offsite odors and the overall gas management operations.

ENCLOSED DOCUMENTS: None

STAFF: Walter Willis, Executive Director

I-2. America Recycles Day Event

BACKGROUND: Since 1997, communities across the country have come together on November 15 to celebrate America Recycles Day. America Recycles Day is the only nationally recognized day dedicated to the promotion of recycling in the United States. One day to educate and motivate. One day to get neighbors, friends and community leaders excited about what can be accomplished when we all work together and, to continue our endeavors 365 days a year. In light of the 60% Task Force's mission, as well as SWALCO's own mission, anything we can do to highlight the importance of recycling will only help our efforts.

More details will be forthcoming, but tentative plans include partnering with the Lake County Health Department and the Lake County DOT. Plans include hosting a county-wide electronics collection, a recycling collection including items like smoke detectors, propane tanks, fire extinguishers, latex paint as well as a document/paper shred event. SWALCO also has a small number of rain barrels left and will have these available for sale to the general public as these final supplies last. The event is tentatively scheduled for Saturday, November 19 from 10:00 am until 2:00 pm.

Due to construction and other complications, SWALCO's annual Recycle-O-Rama and Environmental Fair will be postponed until next year. This will be a nice event to fill that void to promote and celebrate America Recycle's Day.

SWALCO staff also plan to work with and assist volunteers from Prairie Crossing Charter School who must complete an 8th grade project.

Other plans include handing out copies of Lake County's Curbside Recycling Guidelines to everyone who comes through, along with a magnetic clip that residents can take home and use to clip and post these Guidelines on their refrigerator or elsewhere for easy access. The magnet will also have SWALCO's website and "Recycle Where You Live, Work and Play" imprinted on it.

Member communities will receive updates and final details soon to share with their residents.

STAFF: Merleanne Rampale, Public Information Officer/Education Director