

Minutes – Special Meeting  
Solid Waste Advisory Board  
March 31, 2009  
**Approved May 7, 2009**

Attendance: Jan Sassaman, Bonnie Norwood, Linda Bowerman, Al Vickers, Remus Smith, and BJ Tipton

Staff: Gayle Wilson Blair Pollock, Paul Spire, Terry Thomas, Rob Taylor, Gwen Harvey, Harv Howard, Nicole Ard, Ken Hines, Chris Sherman and Wanda McCain

Guest: Bob Sallach, Jim Reynolds, Ernie Parker - Olver Inc, Bonnie Hauser – Orange County Voice

Sassaman states that there are two items on the agenda dealing with the issue of the transfer station hauling and disposal cost analysis. We will hear first from Orange County Voice. They have an analysis and a presentation they would like to make. Our consultants, Olver, will then give their detailed analysis. After that time we will have an opportunity for the SWAB to ask questions. Because there is another SWAB meeting on Thursday, this meeting will end at 9 pm.

1. **Presentation of Orange County Voice Analysis** - Bonnie Hauser states that I'm speaking on behalf of Orange County Voice. It is a community group out in rural Orange County.

To set the context of the discussion, back in December the Orange County Commissioners rushed to site a waste transfer station on rural Hwy 54. Other options were blocked politically and this was the path of least resistance. No one liked those sites, but the Commissioners were advised that the trash would pile up and create a health hazard if they didn't act quickly. At the same time some of us were questioning the notion of shipping the trash long distance to a landfill at all. It didn't fit our values and we thought the County should research waste to energy (WtE) as a long-term option for handling our trash. We thought the waste transfer station could be at the same site as the WtE facility or a least on route. SWAB had made a similar recommendation to the Commissioners in September.

As an alternative to the rural siting and the long distance landfill hauling, our group contacted some local waste management vendors and learned that three of them Waste Management, Waste Industries, and Republic Waste had both the interest and the capacity to take our trash on an interim basis. At least until a better site could be found. If no site was found then they could take our trash as long as we'd like.

We reported our findings to the Commissioners and as a result the Commissioners asked the SWAB to provide a report on vendors and WtE alternatives. From what we can tell there has been a great deal of confusion about the relatively simple request. To us the question was simply are vendors an option until we can find a better site?

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We developed two reports on cost. This report was presented to the Commissioners in January. Again the question was, “Can the vendors handle the County's trash on an interim basis, which meant a couple of years? The answer was not only yes, but using a conservative assumption, we'd actually save money by using vendors. We then visited the waste transfer station in Greensboro and realized that some of our assumptions were too conservative, so we thought the savings would be higher, somewhere between \$2 to \$4 million a year to use a vendor. The question on the table is not “How much we can save?” The question is, “Are vendors a suitable alternative on an interim basis?”

**Preliminary Analysis of Alternatives and Costs for Orange County's Solid Waste Management Operation  
Prepared for Orange County's Board of County Commissioners**

This report compares estimated costs for Orange County's planned waste disposal services to costs for services from leading local vendors. Data is based on readily available information and is intended to demonstrate that cost effective alternatives are immediately available to the county. The information provided is based on informal discussions with leading vendors who indicated that lower prices would be available through a competitive bidding process. Vendors offered to bid on a formal (RFP) or informal basis. Costs for Orange County are based on county documents combined with vendor input and have not been verified county staff.

**Estimated Costs For Disposal Waste Management Services  
Costs Per Ton**

	Vendor 1	Vendor 2	Vendor 3	Orange County	
				Low	High
<b>Build and Operate Transfer Station*</b>				\$11.00	\$20.00
<b>Long Distance Hauling (130 miles roundtrip)</b>				\$11.00	\$11.00
<b>Landfill Disposal</b>				\$25.00	\$31.00
<b>Total Disposal Cost per Ton</b>	<b>\$40.00</b>	<b>\$43.00</b>	<b>\$50.00</b>	<b>\$47.00</b>	<b>\$62.00</b>
<b>Increased Collection Cost @\$.75/ton/mile**</b>	\$6.00	\$6.00	\$7.50	\$0.00	\$0.00
<b>Total Cost to Orange County and Municipalities</b>	<b>\$46.00</b>	<b>\$49.00</b>	<b>\$57.50</b>	<b>\$47.00</b>	<b>\$62.00</b>

\*Transfer station estimates are based on 312 day/year operation and 20 year life; all estimates assume fuel @\$2.60 gallon  
Orange County estimates assume \$7-10 mm capital investment, \$500,000 - \$1,000,000/year operating cost, 240 tons per day.  
If Orange County closes transfer station after 10 years, estimated cost per ton ranges from \$52-\$70

\*\*"Increased collection cost" estimates costs incurred by municipalities (over and above 11 miles estimated from the waste centroid to the Howell Forest); costs do not include capital costs for new trucks that may be needed by the municipalities.

Orange County estimates do not include financing costs (e.g. bond issuance) or lost revenue from business disruption or property devaluation  
Vendors can confirm capacity for 20 years  
Vendors unclear about the 40mph speed limit on Orange County collection trucks. Might be due to "governors" designed to control speeding rather than inherent limitations of trucks (unless the trucks are very old)

The three vendors, in no specific order, are Waste Industries, Waste Management, and Republic Waste. I did not identify which vendor is which because this is not a comparative, bid - they didn't want to be identified because they didn't want to be penalized if they were asked to bid for this business.

These costs are all commercial rates. If we were under contract these numbers would be less. The rates are subject to quarterly review and they could increase per quarter

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if gas prices go up or if the state changes some of its licensing fees. In the total cost per ton we included a factor because we assumed the vendors would be slightly further away than a [Hwy]54 site. We assumed 8 to 10 miles and at \$0.75 ton/mile, which is a standard number used by the professionals. We [therefore] included an additional [calculated] surcharge of \$6 - \$7.50 a ton just for additional travel time over and above going to 54 to go to a vendor site. This would be going from Meadowmont to the Waste Industries site.

Looking at Orange County to get to the \$11 to \$20 we used the county's numbers of \$5 to \$7 million to build and operate a waste transfer station. Those were the numbers that were in the county's report to the Commissioners in December. We added \$2 to \$3 million as a negotiated price for the Howell property.

In talking to the vendors, they gave us some standard prices of eight-and-a-half cents per ton, which is the basis of long distance hauling. Standard [landfill solid waste] tipping fees in NC are about \$25 to \$31 per ton. The numbers assume a 20-year life for the transfer station. We also estimated for 10 year life because we were not sure what 'interim' means. Bottom line it is \$40 to \$50 per ton for the vendors versus a \$47 to \$70 per ton for the county. All our cost assumes 240 tons a day, 312 days a year, which equals 75,000 tons/year. The county's volumes are actually lower than that so the cost per ton is closer to \$15 to \$25 per ton, on a ten year model even more. We are not sure about the capital cost for the county because the \$5 to \$7 million that we used was based on an estimate that was developed in 2006 for Eubanks Rd. We haven't seen a number of how much it would actually cost to build and operate a waste transfer station on [Hwy] 54. Some on this Board have suggested that \$5 to \$7 million is not representative of the cost to build a facility out in the rural county.

At the end of the day how do we answer the question "Are the vendors an option?" The answer is, "Yes the vendors are an option to take our garbage in the short-term if we don't find a better site." In fact if we really work the numbers we can probably save money but I don't think that is the question on the table.

We looked at the Olver reports, it seems that they agree in principle with that conclusion that the vendors can take our trash and it is a cost-effective solution. We may not agree on the extent of the savings but it certainly looks like we have time to find a better site. Our trash is not going to pile up and it looks like saving time to find a better site will save the County a great deal of money over the next 20 years - possibly \$15 or \$20 million.

In the midst of today's global and financial crises it seems short-sighted to consider hauling and dumping our trash anywhere for 20 years and to build infrastructure to do that. If we use vendors, it might give us time to find some new ways rather than simply patch up an uncomfortable situation with old technology.

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Norwood states that trucks would have to be re-gearred to go more than 40 mph, do you know how expensive that is per truck?

Hauser states that the vendors were asked about that and they said unless the trucks are really old they go 40mph because they have governors on them which keeps the drivers from speeding and it is not expensive to change the trucks to go faster.

Bowerman asks when looking at the increased collection cost and put it at \$0.75 ton/mile are you looking at mileage or mileage plus the increased time that takes. What are you looking at?

Hauser states that we used an average rate of \$0.75 ton/mile assumed six ton trucks which is \$4.50 per six ton truck. We used some standard rates. If you use a vendor truck, they have trucks that are designed so that they only need one operator. It is an estimated assumption. We didn't ignore it. There is a cost. Is it 75 cents, 50 cents? It is a fairly standard rate per mile.

Bowerman states that that doesn't take into account the extra time they spend driving that far. Is there an hour added on that also?

Hauser states that this is what the vendors use in their rating. Presumably it is [an] all-inclusive cost – equipment, maintenance, and people.

Sassaman states that your analysis seems to focus on county; I don't see how what you are saying fits into the infrastructure of the towns and their operations. What is your concept of what Chapel Hill's solid waste operations does?

Hauser states that it is our understanding that under the interlocal agreement the towns are responsible for collection and the county is responsible for disposal, which means that the county needs to find a place for the towns to dump their trash.

Sassaman states that simply stated before, Chapel Hill expects that there will be a place to dispose of its trash here in the county. That is what is in the interlocal agreement.

Hauser states that we don't have to debate the interlocal agreement. It was designed for operating a landfill. It also says if the costs are going up more than 10% the Towns need to be notified. There are many constructs in the interlocal agreement.

Sassaman states that I don't see from your paradigm how that is going to flow. Hauser states that what our paradigm says is instead of putting a waste transfer station in rural Orange County or Eubanks Rd. that it would be operated by a vendor

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in Durham or RTP and that our collection trucks would go to those sites and tip into those transfer stations until we found a better site. If Chapel Hill has a site they should offer it up.

Pollock states that in the case of the Towns did you look at the opportunity costs, the forgone costs, to the Towns. If they spend that hour off route and they have a diminished hour of productivity does the \$0.75/mile account for making up that hour for getting back on the street?

Hauser states that I didn't use an hour. I used a \$0.75 number. We can get into the details of incremental costs of [Hwy] 54 versus the vendor sites etc. but what we used is a standard all-in rate. We didn't want to get into the detail of routing, the peoples' time, how the trucks are staffed, how they are used, how much trash is coming out of the convenience centers, nor the 40% of the trash that is being handled by private vendors. It is a complicated question. Chapel Hill is not the only collection operation that we are serving. I think Orange County is serving all those collection operations.

Wilson states that the interlocal agreement anticipated a transfer station. It wasn't just designed around a landfill.

Hauser states that based on everything that has happened, we are not questioning whether or not Orange County should build a transfer station. We think if there was a good site it would be much more cost effective. Rural [Hwy] 54 is not that site. Based on all our work it is our understanding that the Commissioners and certainly the community at this point want to know how much will it cost to build and operate a waste transfer station on rural Hwy 54. Not to understand a 20 year comparison to vendors but as a benchmark to understanding and the benefits of selecting a better site. The Commissioners also want to know if the County can rely on vendors to take our trash on an interim basis until a better site is selected. Our definition of a better site means 5 acres or more in a commercial or industrial area with water and sewer near a highway and ideally near rail and power and, most of all, close to where the waste is generated. We hope once we clarify the cost that the SWAB will join us asking for a report that will clarify the options that are available to this community.

Vickers states that in the past the board has looked at going out of county for a transfer station.

Hauser states that no one is questioning the value or quality of the solid waste operations nor if it is a better option for Orange County to put a waste transfer station in the county. We don't have a site that works and that is the issue. What do we do now? We sat at the Commissioner meetings where they stated more than once that the trash will pile up, we don't have an option, we have to make this decision now we

don't like these sites. We don't like the sites either and we now have an option that we know our trash will not pile up.

- 2. Presentation of Consultant Analysis – Olver Inc** Sallach states that the information that we are providing is the backup to the summary that was presented in the agenda packet. We are also providing a copy of the slides of the presentation. To put into the context of the evaluation, what we have looked at is the costs associated with operating the transfer station that would be located at the [Hwy] 54 site. This analysis addresses [the] additional cost to each jurisdiction associated with hauling that trash to that site and also deals with the costs of constructing the transfer station, operating the transfer station, and hauling and disposal of the waste. We have also looked at and compared the vendor options along with this. You will get a complete picture of the options as far as transfer and disposal that are available in this immediate area. I will turn the presentation over to Jim Reynolds who will go through the derivation and the methodologies used to develop the numbers that we have presented in the summary sheets.

Reynolds states that the presentation is in three chapters – the investigative approach, results of the analysis and observations and conclusions.

The investigative approach looks at four components. The components are to estimate the off-route hauling costs by the Towns and the County. By off-route hauling we mean that once the truck collects the waste and is full it then has to travel to a location to dump, which is currently Eubanks landfill. In the future it will be a transfer station. The off-route time and cost is the component that we looked at to see what is different with different options. Essentially collection will be the same. We interviewed all the existing transfer station owners and operators and discussed what they can and cannot do. We did some investigation of their operations. We looked at a new transfer station cost specifically for the Hwy 54 site. We also looked at the new long-haul and disposal cost and we tried to compare apples to apples. By that we mean we added all the cost in, even if the County might be able to have an economy of scale because there are already doing some other operations. We didn't allocate certain cost to landfilling. We allocated 100% of the cost to transfer station if it is needed for the transfer station. That was more in keeping with what the alternatives were.

### **Approaches**

Off route hauling – We went to the Towns and County and they provided actual operating data and assumptions. We looked at the number of routes they had, the number of trips to the landfill they had, and we looked at the crew size, types of vehicles -- some are rear loaders, front loaders or automated side loaders. Analysis is based on actual crew sizes and vehicles. We looked at end routes. For Chapel Hill there are six routes, we averaged various locations [from the ends of routes]. We

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looked at the County Convenience Centers where trucks would end up being full and mapped the haul distances from there to each of the transfer options. Some costs are based on industry standards. Example of that is maintenance and capital costs on the trucks. We went back to the Towns and County after the analysis was complete and had them review it and made adjustments after their comments to refine the data.

Existing Transfer Stations – We interviewed each owner/operator. There were 27 questions regarding five categories – capacity, times of operation, operational details, local restrictions, and contracting. We went to NC DENR files to review their operating history. We toured each facility and took pictures.

New Transfer Station – We looked the construction cost for the Hwy 54 site based on recent bids and transfer station layout. It is an update of the Eubanks Rd. assumptions. Designer assumptions are based on Orange County features, i.e. totally enclosed facility. We looked at all the equipment and operational costs based on your history. There is a history of operating a lot of front-end loaders. We also used Orange County living wage on employee assumptions.

New Long-haul and Disposal – The cost was based on recent bids and actual operations. This is from the assumed [Hwy] 54 transfer station to the Sampson County landfill. We assumed all new equipment, even the backup and spares. The haul distances are based on tractor-trailer routes which are primarily interstate. We adjusted the routes to make sure the tractor-trailers weren't going through the middle of towns to get to the landfill. The disposal fees we assumed for the landfill are based on some recent bids and gate rates that we know of e.g. last year they gave Wake County a bid of \$18/ton. We used \$20 as an estimate for our starting point.

### **Results**

Off-Route Hauling Estimates – This is sort of a combination of approach and results of how we did this. The cost categories for each Town are the same. What we wind up with is the hourly rate to operate that truck and crew. That hourly rate then drives the cost of additional time it takes to go some other location. The hourly rate is based on mileage as well. We then moved from that rate what it would take to go to the landfill now, Hwy 54 transfer station, the Durham transfer station, and the Waste Industries transfer station. This gives the number of routes per week and the average speed to various locations. We assumed a wait time of 15 minutes across the board. We wind up with a total number of miles. We looked at miles per hour. We looked at total hours then off-route hours and the cost of that. We looked at miles per gallon. We wind up with an off-route cost for each of the options.

The annual off-route hauling costs that are in addition to what Eubanks are today are:

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Additional Off-route costs – All Jurisdictions					
TS Option	Year				
	2011	2015	2020	2025	2030
Hwy 54	\$172,000	\$202,000	\$246,000	\$299,000	\$365,000
Durham	\$525,000	\$659,000	\$874,000	\$1,156,000	\$1,524,000
WI/WM	\$597,000	\$747,000	\$987,000	\$1,300,000	\$1,708,000

In the investigation of the existing transfer stations we found that all of them including the landfills that they go to are permitted to accept Orange County waste. Waste Industries (WI) and Waste Management (WM) have capacity both at the transfer station and landfill. Durham has told us that their capacity at its transfer station would be only for the next 2 or 3 years. That is due to them reserving capacity for the City of Durham and Durham County. They are thinking about expanding that facility or moving it. Actually if you look at the capacity they have for the next 2 or 3 years you don't need it for the next year or year-and-a-half. All the facilities observe 3-7 holidays a year. WM only accepts waste Monday – Friday 7am to 4pm. WI only accepts waste Monday – Friday 6am to 7pm. Durham accepts waste Monday – Friday 7:30am to 4:30pm and Saturday until noon. What this means is that you will have to work out a deal with one of the transfer stations to change their operating hours or allow you come in off-hours or you will have to modify your weekend services.

Each facility indicated its willingness to contract with Orange County. Durham indicated it was more of a political decision among the two communities. WM/WI it is a contract basis low bid. WM current spot price is \$45 - \$50/ton. They would give a price break for a multi-year contract. WI current price is \$42.50/ton. They indicated there was little room for special price reductions based on quantity or long term contracting. Durham's current price is \$42/ton. Price escalators on all would follow a CPI and fuel cost escalator. WI indicated that would be willing to set a price flat for 2 – 5 years but it would probably not be the \$42.50. We went to the [NC] DENR files and looked at all the inspections - there were no significant violations.

The next component of the analysis is the new transfer station. It is an update from what was assumed on Eubanks Rd. We have assumed 25 acres of land, which is more than we need but it is a conservative number to buy land to give plenty of buffers. It is a fully enclosed building. It would be built at capacity so that you wouldn't have to expand it for 20 years of growth. It would have a small citizen's drop off area. This is not a convenience center, but an area that would allow a citizen that didn't realize this was for commercial vehicles so you wouldn't have to turn them away. The 20 years of growth is consistent with our analysis on our whole approach.

Total capital estimate in 2010 dollars is almost \$5 million. We took that current prices escalated to 2010. Our analysis says you build it then and pay a debt service and levelize the debt service for 20 years. It includes all new equipment both operating at

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the transfer station and the long haul tractor-trailers. The equipment type and operating cost are based on county experience and other operating facilities.

The results of this on a net present value are the economic tool to get you to a true apples-to-apples comparison. We understood from the beginning from the Commissioners we were to look at the alternatives and looking at alternatives to getting to a long-term solution.

We know that the Hwy 54 site is not going to be appreciated by the people that live around it any more that any other site. The issue for us is not if [Hwy] 54 is a good site or not or should you look for another site. The County has gone through an elaborate siting process that got to this point. You don't want to abandon that totally because people around that site don't like it. There is no such thing as a perfect site. What has to be considered to put a site here, is it a permanent site or not. We assume if it is, 20 year cost analysis is your best cost for that site. We also noted that any alternative will take more than a few years to develop.

Cost Summary – 20-Year Net Present Value	
Option	Cost
West Hwy 54 Transfer Station	\$55 Million
Durham Transfer Station	\$62 Million
WI/WM Transfer Station	\$65 Million

We also looked at some emissions. We used the additional off route emissions based on heavy-duty diesel vehicle emissions. The information is from an EPA study by INFORM. We did some correlation of the amount of tons that would be accumulated over the 20 year period. In reality this isn't a lot of tons.

We were also asked to look at some relative risks and impacts. The thing that sometimes gets lost in this is the headache of the one that has to run the vehicles for the Towns and County. Those that drive the vehicles have more risk the farther they have to drive. They will have a [mechanical] breakdown. There will be accidents. They will slowed down because of other accidents. So we looked at relative risks and grouped them high, medium and low.

Other issues that we looked at based on our experience with a local government not owning its transfer station, it reduces the flexibility to use alternative long-term disposal options. If you want the best deals from the private guys you have tap into a longer term contract which locks you out of any other options during that period of time. There is less influence on the disposal site operations to ensure environmental protection and community health and safety. The reduced ability to take advantage of improved disposal costs at alternative locations is similar to the alternative technology but it is more of landfilling [alternative]. Something that was pointed out

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by elected officials was the economic benefits of having local employees stay. None of this is quantified. It is just [a series of] issues that we were asked to look at in addition to cost.

Some of the observations and conclusions are:

- the longer [distance] you haul your waste, the higher the risks, vehicle emissions and costs you have.
- The least costly out-of-county option is significantly limited, that's Durham.
- We also point out regardless of out-of-county option the weekend services will likely require modifications.

Norwood asks on the additional off route costs for all jurisdictions for Hwy 54 in year 2011 is \$172,000; WI/WM is \$597,000 with a difference of \$425,000. If you multiply that twice each year in 8.5 years guesstimating you will have the 4.5 million that is needed to build the transfer station in savings by not using Waste Industries. Is that correct?

Reynolds states that, I think what you are doing is looking at accumulated cash flow over time and over that period of time you would have spent enough money to do something else with it. That is not an improper analysis it is just a different way of looking at it.

Norwood asks if WI/WM is used at the \$600,000 that would be \$1.2 million to use them for a couple of years interim.

Reynolds states that you are looking at the additional off-route costs and that is not the complete costs. That is not the numbers you should look at. The additional off route costs are only one component of the total costs. [See the \$3.5 million v. \$3.6 million in year 2011, in the report see page 2-2 of first tab in the report book to compare the total impact of cash flow year after year.] We can show an accumulation of that fairly easily for Thursday.

Vickers states that on your routing analysis you took the curve routing the trucks, you didn't optimize them according to locations of each individual transfer station. Did you re-route your routing plan in each town, does that make a difference if you do optimize collections?

Reynolds states that the reason that we did not look at optimizing the actual route of the collection part is because routing assessments and efficiencies are very complicated and beyond the scope of the analysis. It's not as easy as to say if you are going to the east in Durham or Wake County's transfer station that you would just end up [your collection route] on the east side of town. The reason that is not the case

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is because you can end up closer to your destination by a mile or so but the efficiency of the route is lost because you have to make more left hand turns or because you have to back-track. Every town would optimize their route, once the final site is looked at and it would have some adjustment to be made. Based on our experience with routing and this situation that is not a driver that would 'flip' any of the graphs to make one more efficient than the other.

Vickers asks if the \$4.9 million includes the wastewater treatment system needed.

Reynolds replies yes. It includes every bit of the utilities, water, fire control and everything on site including the roads.

Vickers states that OCV question was for an interim of 4 - 5 years to transfer waste, does the 20 year analysis hold any water. The 20 year analysis favors the landfill [means building transfer station].

Reynolds states that our understanding of the question from the beginning is long term alternatives. Looking at the information presented, all of it deals with long-term alternatives. At no time did we think that this was "Put up a temporary transfer station or not and that ultimately the long term solution would be something that would not need a transfer station." The issue for the county in our minds is how are you going to get your waste out of this county to its disposal site long term. If you don't think long term you could do something that is really cheap for the next few years and be truly costly in the long term. That is why we did a 20-year analysis. It does not make sense to build a transfer station of this caliber and use it for 5 years.

Vickers states that this is a loaded question. You stated that [Hwy] 54 would be up by 2011, do you realistically think it could be done by then even if everyone gets out of the way. If the landfill is going to be done by the end of 2010, what is going to happen in the shortfall between [Hwy] 54 and the closing of the landfill.

Wilson states that the landfill will have capacity to until mid-2011. We are preparing a report for the Commissioners for the April 21 meeting to tell them what the options are to bridge the gap if there is one.

Yuhasz states that it looks like the biggest difference in cost is in the off route costs and the biggest component of that difference is the difference in mileage between the 54 site and each of the other sites.

Reynolds states that the dollar per ton tipping fee at the transfer station that includes long haul disposal is very similar for private sector or the County is correct. What that says is that the County can operate that facility about as efficiently as the private sector can. The differences are the routes costs.

Sallach states that you would need to be careful breaking out the components. There is a difference in the transfer cost because we are incorporating a new facility. We have the amortization of the \$4.7 million, the operation of that and then the haul to a disposal location. That component, looking at the analysis, is slightly higher for the 54 [transfer] station versus what you have as \$42 or \$45 for the private sector disposals. But the thing that does offset is the long haul to get to the more remote transfer stations. It isn't exactly that differential but it is offset by the differential cost of hauling to [Hwy] 54.

Yuhasz asks if we didn't build a transfer station and went with one of the alternative haulers, over 20 years that would cost more than if we built a transfer station and did it ourselves.

Sallach concurs.

Yuhasz states that at some point, there is the line of build it ourselves and operate it which is less at the end, and there is don't build it and use the private haulers which is less in the beginning. Those two lines are going to cross each other at some point. Do you have any sense of how far out we go before those two lines cross?

Sallach states that it is about two years under this set of assumptions. See the graph in the report on page 2-3 in the first section of the report "Transfer, Haul and Disposal Evaluation."

Yuhasz states that if there was a third option of a WtE station and we knew that it would be operational in three years it would clearly make sense not to spend the money on the transfer station. If the WtE station was going to take 15 years to build then it might make sense to do the transfer station and operate it ourselves for that 15 years even though we know we weren't going to run it out for the 20 years. That is the question that I am asking. Where how far out do we have to go before it makes sense to build the transfer station regardless of when alternatives would be available?

Wilson states that the answer is we don't know because we have to have a date certain to say when the WtE facility will come on line. From your question it assumes that you would think that the WtE facility would be in Orange County.

Yuhasz states yes, a WtE facility in Orange County is the only way to eliminate the need for a waste transfer station.

Wilson states that there is obviously nothing in the short term so you are clearly looking at 10 - 15 years minimum. The question is if it is 10 years is it worth hauling

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to the private facilities for that ten-year period rather than having an in-county transfer station.

Yuhasz states that is the essence of the question. Is that number 1 year, 5 years, or 15 years?

Reynolds states that question is, “What is the likelihood of an in-county WtE facility or some other in-county option in the next 5, 10, 15 or 20 years?” What we have said is that is pretty unlikely to have a WtE facility in-county in the next 20 years.

Wilson states that if you are thinking about a WtE in-county for Orange County waste only then you shouldn't worry about how much extra hauling costs there is in the mean time but the \$40 to \$50 million it will cost to build the WtE facility.

Vickers states that all this started with the centroid of waste being in this general area. I'd like to see a baseline of actually located the centroid of the waste in the county is how efficient is any of these decisions economically as it affects the tax payer. How much of our decision is really getting towards the optimum costs? You have the numbers because Eubanks Road is pretty close to that centroid.

Tipton asks Bonnie Hauser on the \$0.75 ton/mile, this is on the off-route hauling?

Hauser replies yes it is an industry standard from the vendors of what you are calling off-route hauling.

Ray Kirby states that most of the times when you get ready to build a house the first thing you do is buy the land. Have you bought the land? That has not been figured in on your costs. Howell has said that you buy 142 acres or nothing. You all are talking about buying 25 acres. I don't think you are going to get it. He is not going to sell it to you unless you all go out and take it from him.

Robert Campbell states that I am more concerned about the temporary transfer station. Have you begun to get permits and where have you identified a site for a temporary transfer station – not on Eubanks Rd. Just like the folks on Hwy 54, we need to find a true alternative to our waste problem. Waste transfer station is not it. You are talking about a waste transfer station with a life of 20 years. We are talking about \$4.9 million every 20 years to build a transfer station where we can use new technology. We are in an area where you have a university that has great resources of grey matter that we can come up with a better alternative than sending our waste to someone else's county when we don't know how it is going to be treated.

Do we want our trash to go into a landfill that is operated almost like Orange County landfill where it does not take in regards of the health impact that a landfill has on the

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residents that live around a landfill. If we are more progressive and if we are talking about sustainability in economic growth, why not be like the people in Greensboro? Their waste facility is not around any residents and they took in mind when they got ready to build their transfer station that we are not going to impact the community that was impacted when we were operating a landfill. We have to be more progressive in our selection of what we do with our waste. Why are we going to send our waste to be a problem for someone else when we cannot resolve the issue of whether we want a waste transfer station or a WtE station. Which one would make the better economic sense? I think our problem is we don't want to collaborate with other counties to generate the amount of waste to have a WtE station.

Neloa Jones states that I live in the Rogers-Eubanks community. That is a community as most of you know has borne more than their share of holding the garbage for Orange County, as I think the count now is 37 years. My concern is that perhaps the county is considering a temporary transfer station or perhaps you are considering after all has been said and done locating a permanent transfer station in the community. What I am feeling tonight, I want to continue to trust the county to keep its word that it will not site a transfer station on Eubanks. I don't think many people in this room can fathom what it is like to live in a landfill community. I truly believe if you could just imagine then you would be much more empathetic and take much more care in making sure that a solid waste facility was sited in a area where it could not impact communities in a way that this landfill has impacted the community [where] I live.

I've heard people say that this is the best place to put the landfill from a technical perspective. I've heard it say it's more economical. That may be the case, but those issues are not the issues we need to consider. I think that what we have to do as Mr. Campbell said, is organize as counties and talk about ways to deal with our garbage issues that we need not transfer out of the county. This is our garbage and I think if we become more responsible and stop burdening small communities, rural communities, helpless communities, communities that don't have resources to say "no" as my community will say and will continue say because we are not going to be able to continue to accept this burden and you shouldn't continue to expect us to. I think that we have to do what is best and what is right. I trust you will do the right thing and we'll help you think through this problem.

Susan Walser states that it is 11 miles from the centroid or Eubanks to the 54 site and that's driving Homestead to Old 86 out to 54. I know that is the route they take because I drive behind the trucks. If it is 11 miles from here how can the average miles on your estimates be 8.7? The other question is we were at the Greensboro transfer station, a wonderful facility, we spoke with Jerri Covington, it is on 10 acres in an industrial location,[with] water, sewer. She said the cost was \$9 million. I don't understand how Orange County can build one on 25 acres which the land they are

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looking at is 142 acres with no water, no sewer, you will have to build water capture and haul that off for \$4.9 million. Is debt service included in that number?

Wilson states that part of the reason is that those costs are so much more is because their facility is three times the facility we are looking at and the commercial property there is much more expensive than undeveloped rural property.

Chris Heaney asks is a permit required for a temporary waste transfer station.

Sallach replies yes. You have to take and develop what the concept is and NC DENR would have to approve that from the standpoint of modifying the operation.

Heaney asks if a permit is being sought now. Is that being planned for a temporary waste transfer station?

Wilson states that the County Commissioners have not determined a site where a transfer facility would be constructed so we have no authorization to proceed towards permitting.

Heaney asks even for the temporary solution. It sounds like the planning has to start for that as some point.

Wilson asks are you talking about the contingency or a true transfer station.

Heaney replies a short-term contingency plan to transfer the waste. Is construction on Eubanks Rd. going to occur in such a way to be converted into a contingency transfer site? And would a permit be required for that?

Wilson states that a permit would probably be required no matter what. We will present a report to the County Commissioners, the contingency options we think are available to us which include an interim transfer system and then some other non-transfer direct hauling options. We will prefer to notify the Commissioners of that first.

Heaney asks when that will happen.

Wilson states that it will be public whenever the packet goes out for the Commissioners' April 21<sup>st</sup> meeting.

Yuhasz states that I can't image any circumstances under which the County Commissioners would approve even a contingency transfer station on the Eubanks site. That may be presented as an alternative, but it is not one that I think is likely to gain much traction with the County Commissioners.

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Hauser states that on the facility costs if you use 25 acres at \$15,000/acre which is \$375,000 but we are looking at a \$900,000 market value plus the illegal road and the other improvement at an asking price of \$1 million for the Howell property. I just want to make sure we know what numbers we are using.

Sallach states that what we have included in the model as Bonnie has said the \$375,000 as far as the price of the land would be allocated for this project. We haven't included any asset value of that land at the end of the 20 years.

Hauser asks if the \$5 million to build the site. Does it include planning and design time? The numbers seem low. Two years ago Orange County estimated \$5 - \$7 million [with] no land [cost included] to put a waste transfer station on Eubanks Rd. where we have water and sewer. Somehow we are now looking at \$5 million to build a transfer station three years later in a place where we know it is going to cost \$250,000 just to make the road improvement to 54.

Wilson states the reason it is less is because it is smaller than the original version. We have gone through an excruciating budget process, so we've taken a look at all the numbers. We are not going to recommend 143 acres to be purchased. There are a number of things going on. This is a fluid process. We have shaved as much as we can off those numbers.

Hauser states that at least 30% of our waste is handled by private haulers so the rates that you used for the Carrboro trucks might not apply to the private hauler rates and because of our living wage our costs might be a littler higher than a private hauler so I was curious how that would factor into the costs.

Reynolds states that the material shown was an example we used for Carrboro. We did the same thing for Hillsborough, Chapel Hill and the County. The 8.7 miles that you are looking at may be the difference Carrboro has to [Hwy] 54 and they don't start at Eubanks to go to [Hwy] 54.

Hauser asks how do you handle the private haulers? What cost did you use for the 30% of the rest that is done by private haulers?

Reynolds states that the portion of private haulers that we did not account for is 17% of the waste stream.

Hauser asks is there an agreement that we will look at the numbers and get a re-statement of the numbers based on some assumptions that we think might have been misapplied.

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Wilson states that we can answer questions the best we can.

Reynolds states that the material that was presented in the slides is a portion of what we did as examples. [For] every town and the County, we went through their routes, their cost assumptions and mapped each one. It is all included. That is all but about 17% of the waste stream. The private haulers collect commercial waste and the component is in our numbers. The part that is not in our numbers is the private haulers that collect waste now that are not associated with some contract with the Towns, that is 17% of the waste stream. The reason we didn't include those numbers is because it is very difficult to come up with an end-of-route assumption. OCV used one location county-wide end of route and we've been criticized for simplifying our end of route so we went through a very elaborate process to get all the routes down. The reason we didn't use it for that one component is because we didn't want to assume where the end-of-route would be. We can assume a waste centroid and add that into the analysis.

Laura Streitfeld with Preserve Rural Orange states that on the capital cost, is it possible to get a breakdown of those because as Mr. Kirby mentioned the property in question is not 25 acres.

Sassaman states that they are in the report.

Streitfeld states regarding the weekend service at the proposed site on Hwy 54 and how the private locations might limit weekend options for the municipalities, can you clarify what is proposed for the Hwy 54 transfer station in terms of weekend hours?

Wilson states that we do not envision being open on Sunday unless during some emergency situation. The normal hours are to close at noon on Saturday.

Streitfeld states regarding getting this information out to folks who will be affected by the proposed site on Hwy 54 there were concerns that we sent and I know that have started to be addressed about updating the transfer station website information but there is also some question about how to get information to people that don't use the internet. I am wondering how the County and the consultants might try to contact folks that will be affected and don't use the internet.

Wilson states that in some of the previous works in the siting process there were mailings that went out to property owners within a certain number of feet of each site. For most that have been keeping up with the process there have been numerous amounts of news articles. I can't image anyone not knowing. If you have any ideas we will be glad to do some expanded mailings or posters.

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Tipton states to Bonnie Hauser in looking at your numbers of \$0.75 ton/mile and I compared that to the University's cost for a roll-off container which is as close as you can to an off-route. Our cost is \$16.90 when I average out to 15 miles and yours is \$11.25.

Yuhasz states that the thinking of the parallel track has maybe gotten off track. When I asked for an investigation of private hauler alternative on a parallel track it was not because we wanted to be looking for another site. It was because we wanted to be looking for another way. Insofar as the location of a transfer station in Orange County, that decision has been made. That transfer station, if there is a transfer station sited in Orange County is going to be on the NC 54 property. The parallel track was to determine if for some finite period of time we could use an alternative method while we developed an alternative way to the transfer station those numbers are the numbers we need to see. I think we have begun to see that. That was the essence of my question, where do the two lines cross because we are either going to build a transfer station out on Hwy 54 or we are not going to build a transfer station at all. It is not a question of finding another site. We are not going to open up the siting process again. That from my standpoint is a fairly definitive statement and should lead us in the direction to look at what alternative ways there are for handling solid waste in Orange County. That is the direct the parallel track should be focusing on.

Sassaman asks if there is anyone else from the audience that would like to speak.

Norwood moves to adjourn.

Smith 2<sup>nd</sup>.

Adjourn: 9:15pm