

**: OFFICIAL PROCEEDINGS :****: FOR THE CITY OF PEORIA, ILLINOIS :**

Peoria, Illinois, June 4, 2009, a Peoria City/County Landfill Committee Meeting was held this date at 8:05 A.M., at Peoria County Courthouse, 324 Main Street, 4<sup>th</sup> Floor County Board Room, Peoria, Illinois, with Mr. Lester D. Bergsten presiding.

**ATTENDANCE**

The following Committee Members were physically present: Bob Akers, Les Bergsten, Brad Harding, Tim Riggerbach, Ryan Spain, Merle Widmer and Steve Van Winkle - 7. Absent: None.

*City/County Staff present:* Mayor Ardis, Dave Barber, Julie Dewey, Steve Giebelhausen, Bonnie Hester, Tom O'Neill, Patti Pitcher, Karen Raithel, Randy Ray, Patrick Urich

*Other interested parties:* Emily Ambroso, George Armstrong, Joyce Blumenshine, Holly Cooper, Chris Coulter, Kathy Coulter, Matt Coulter, Royal Coulter, Todd Coulter, Ron Edwards, Tom Edwards, Dan Erni, Tracy Meints Fox, Joyce Harant, Steve Harenberg, Jenny Hinton, Dale Hoekstra, Elaine Hopkins, Linda Kocher, Daryl Lindemann, Steve Matheny, Brian Meginnes, Devin Moose, Carl Niemann, Joe Roberts, Cara Rosson, Phil Sahn, Christina Seibert, Patrick Sloan, Jesse Varsho, Ron Welk, Mike Wiersema

**ANNOUNCEMENTS, ETC.**

None.

**MINUTES**

Mr. Akers moved to approve the minutes of the Regular Peoria City/County Landfill Committee Meeting held on May 20, 2009; seconded by Mr. Van Winkle.

Approved by viva voce vote.

**AGENDA ITEMS****ITEM NO. 1. REPORT from FOTH INFRASTRUCTURE & ENVIRONMENT, LLC****A. Permit approvals as needed.**

Ms. Ambroso reported there were two (2) new profiles and one pre-approved profile in today's packet. The first two for routine Special Waste permits requiring Committee approval. No technical objections. 1 - Evonik/Goldschmidt Chemical [spent hydrogen plant catalyst]; 2 – City of Canton [treated wood – weathered]. The third one – Evonik/Goldschmidt Chemical [pitch bottom and debris] – is for informational purposes only.

Mr. Sloan referenced a memo in the packet to be received and filed regarding elevated levels of organics in upgradient groundwater monitoring well G04S. The impacts appear to be caused by inadequate management of the gas collection and control system (GCCS) by the contracted operator, which Foth has explained to IEPA. The Bureau of Land has determined that instead of delaying the mandated compliance schedule due to the ongoing RTC issues, the City/County must investigate and propose a remedy within 194 days of May 21, 2009. Foth's memo outlines the necessary steps and timeline.

Mr. Widmer moved to approve the permit applications as outlined and Foth's report; seconded by Mr. Akers.

Approved by viva voce vote.

**ITEM NO. 2 REPORT from WASTE MANAGEMENT, INC.**

**A. Monthly Activity Reports**

Mr. Matheny reviewed the Monthly Activity report and noted no major changes.

**B. Permit approvals as needed**

No permits anticipated before the next regular meeting; however, Waste Management requests that if some are received in the interim that they be reviewed by Foth and signed by Mr. Barber upon Foth's approval.

Mr. Van Winkle moved to approve this request as outlined; seconded by Mr. Spain.

Approved by viva voce vote.

**ITEM NO. 3 REPORT on RESOURCE TECHNOLOGY CORPORATION**

There were no representatives of RTC present at the meeting.

Mr. Giebelhausen stated there is nothing new to report at this time and confirmed no royalty monies have been received recently.

**ITEM NO. 4 FLARE BIDS**

Mr. Sloan recommended this item be deferred for one month.

Mr. Spain moved to defer for one month as requested; seconded by Mr. Van Winkle.

Approved by viva voce vote.

**ITEM NO. 5 APPROVAL of SEYFARTH & SHAW INVOICE for \$10,427.31**

Mr. Widmer questioned how this law firm was hired. Mr. Giebelhausen stated the decision was made by the State's Attorney's office along with the City's Corporation Counsel, explaining that the County has discretion on hiring decisions.

Mr. Spain moved to approve said invoice in the amount of \$10,427.31; seconded by Mr. Akers.

Yeas – Akers, Bergsten, Harding, Riggerbach, Spain, Van Winkle  
Nays – Widmer

Motion passed.

**ITEM NO. 6 PRESENTATION by BIDDERS for LANDFILL EXPANSION PROJECT**

City Staff passed out questions from the Chairman in anticipation of the upcoming Presentations as well as a letter from Waste Management dated May 29<sup>th</sup>, outlining their responses to "Request for Discussion" Memoranda.

Mr. Bergsten announced questions had also been received from Ms. Tracy Fox and those will be made public and addressed in writing at the July meeting.

Mr. Barber explained that at the last meeting staff had presented a document that compared the two bidders but did not communicate with the respective parties. Staff will meet between now and the July meeting to clarify or verify assumptions that were made during the proposal assessment process. A corrected documentation, along with Ms. Fox's questions, will be included in the July meeting packet.

Mr. Bergsten announced public comments would be postponed until after both presentations have been given and would allow comments only, no questions, in 3-minute increments for a total of 15 minutes for the public comment portion. If there are questions to be asked, they should be submitted in writing to Ms. Pitcher, recording secretary.

Two coins, one marked with a "W" for Waste Management, one with a "P" for PDC, were placed in a hat. The chosen bidder would have the option to go first or second. Ms. Pitcher chose a coin; Mr. Widmer verified it was a "W." Waste Management opted to go second.

Presentations began at 8:24a.m., starting with Chris Coulter of PDC. [End time: 9:20a.m.]

Carl Niemann began Waste Management's presentation at 9:38a.m. [End time: 10:31a.m.]

Q&A portion began at 10:32.a.m. Questions were asked by the Committee Chair and respective members with bidders answering alternately.

1. Mr. Bergsten asked if there are any significant differentiators of your proposal?

PDC: 2010 rate will be \$50/T, so promising \$52/T in 2018 gives the most protection for Peoria residents. PDC's proposal offers more on the revenue side and proposal items are addressed with specifics not broad generalizations. Landfill No. 1's current condition is due to RTC's operations, not anything PDC did or didn't do when it was previously under their management and noted PDC staff has attended all Landfill meetings in the interim. Waste Management is obligated, under their current contract, to offer indemnification, but PDC feels the City/County would want to rely on a perpetual care fund (money in the bank) rather than a company's indemnification. Requests of and decisions by PDC are done locally. Waste Management is proposing to develop Landfill No. 3 on top of unknown underground mines while PDC is proposing to situate the Landfill in areas avoiding the underground mines.

WMI: Gate rate should be established based on the current market to allow competitive pricing and to meet whatever increased costs have been incurred. A competitive rate is good not only for the Peoria County users, but also the host community in order to maximize revenues.

Gas-to-energy is critical to the success of a landfill operation. Waste Management has been helping - and continues to help - the City/County with the documentation of and attempted removal of RTC from the [Landfill No. 2] site. Waste Management will provide a state-of-the-art facility and also maximize the revenue.

Waste Management staff routinely attends Landfill meetings and responds to any and all requests from the Peoria City/County Landfill Committee, allowing the local staff to respond to the community's local needs, including providing an on-site back-up flare if

needed. Their corporate office in Houston does not get directly involved with the Peoria site.

2. Mr. Bergsten asked what are the biggest challenges posed at this site in regards to your proposal?

WMI: As indicated by the proposal criteria form they developed, City/County staff recognizes that economics have a huge impact on the proposals and the Committee's decision.

PDC: The biggest challenge has been removed by offering multiple options to cover all the bases during the next twenty (20) years of solid waste management. If WM runs into land mines or permitting/siting problems, back up would likely be Tazewell County transfer station whereas PDC's would be a Peoria-based transfer station. Also the permitting/siting process has become more challenging due to the associated public trust and confidence involved with regard to being environmentally friendly.

3. Mr. Bergsten asked how has compliance with the FAA setback regulations been considered in your proposal and have you been in contact with the FAA regarding this potential development?

PDC: There are four potential distance parameters in the federal regulations with regard to landfill development near airports: 5,000-foot, 10,000-foot, 5-mile or 6-mile, all four of which PDC researched. The 5- or 6-mile radius (Windell Ford Act) does not appear to be applicable but FAA would, of course, have the final authority. This ruling is specifically for new landfills, not existing or expansion of existing landfills. Additionally, requirements include flights of 60 or fewer passengers which PDC verified with airport authorities. PDC has established that neither the 5-mile nor the 6-mile regulations are applicable to this project, but FAA will ultimately determine its intended application.

WMI: Same conclusion that the FAA regulation is for new landfills only, not existing landfills. The expansion of this Peoria City/County Landfill project would be grandfathered in and, therefore, not applicable.

4. Mr. Bergsten asked how does your long-term disposal fee structure provide fair and equitable disposal costs to the citizens of Peoria County and local businesses?

WMI: Need to ensure the gate rate is a competitive rate in the marketplace. Forecasting an accurate gate rate ten (10) years from now is unpredictable. Waste Management averaged the gate rates from ten (10) nearby landfills to use as the starting rate.

PDC: The rate quoted is a not-to-exceed fee so this would be the maximum rate to be charged. If a competitive rate requires a less-than rate, PDC would charge the less-than rate in order to remain competitive.

WMI: To have a competitive cost for local residents while maximizing revenue for the City and County, there must be a flexible rate.

PDC: Giving a not-to-exceed gate rate and stated this facility will be competitive. However, something for the Committee to consider is if Waste Management doesn't get this contract, where will their refuse be taken?

5. Mr. Bergsten asked what changes do you anticipate in the public solid waste industry in the next 25 years and how is your proposed facility equipped to address these changes?

PDC: Proposal guarantees 25 years of life which should be sufficient. Changes are bound to happen. To expect the exact same technology and approach [in 25 years] as we have today, it's hopeful we would have experienced changes in that regard. No particular advantage to stretching the lifecycle beyond 25 years based on today's technology. There will be legislative regulations to remove white goods, batteries, landscape waste, fluorescent tubes, etc., from landfills. PDC's Convenience Center allows such items to be taken elsewhere. There will be a push to eliminate toxicity and more emphasis on turning landfills into vital resources as opposed to stagnant fields, by removing gas and creating more energy. PDC has designed the facility to allow continued research on photovoltaic and heat recovery methods, not yet viable, as well as other alternatives. This, in turn, gives the Committee increased cash flow while anticipating what the future may present so that the Committee is always prepared.

WMI: Not much has changed in the landfill industry in the past 30 to 40 years, so don't anticipate much change in the next 25 years. Other than possibly combustion options (incinerators) to significantly reduce waste, there will always be a fraction of waste that's deemed unrecyclable. The key to reducing what goes into the landfill is what happens on the front end such as packaging reduction ("smart packaging"), curbside recycling, recycling at businesses, etc. PDC referenced in their presentation various alternatives as the "next" technologies – solar, wind and heat recovery – but they are "now" at Waste Management.

6. Mr. Akers said citizens have expressed concern regarding plasma arc dust and if this waste would be accepted at the new expanded facility.

PDC: PDC's proposal didn't contemplate treated waste going from PDC facility to the Peoria City/County Landfill but has a home for it in another landfill as previously approved by the community. If it were to become an issue, however, it would require Committee approval by which PDC would abide. PDC noted the current steel industry is troubling as they are currently operating at 45% capacity.

WMI: [No response – question was geared towards PDC only]

7. Mr. Akers asked who would recruit the new businesses for the Green Energy Park and would it be done with a partnership or independently?

WMI: Would partner with local Economic Development entity.

PDC: DeWitt County currently has a nuclear power plant and soon will construct the largest wind farm. Mayors and County Board worked together to bring an industrial park together in conjunction with the green energy park. Also, a currently proposed project is for the Five Oaks site to pipe heat to the Clinton School District, so a collective effort would be implemented.

8. Mr. Van Winkle asked, Considering that waste flow must be forecasted beginning around ten (10) years from now, how does PDC respond to WMI (Carl Niemann's) statement that PDC will not have as much waste flow going to the Peoria C/C Landfill No. 3 as their revenue projections suggest, which, if true, would lower PDC's revenue projections to the City, County and Landfill Committee?

PDC: PDC owns three hauling companies – on Swords Avenue, in Chillicothe and in Morton – which, when combined, control a majority of the locally-generated waste

stream. PDC can control where its waste is deposited and is comfortable with its revenue projection figures for Landfill No. 3.

WMI: PDC owns two other landfills that serve this area. Does the waste flow they control satisfy their flow needs at their two landfills if they send their projected flow to Peoria City/County Landfill No. 3? [PDC responded that they feel their flow and the flow they'll receive from third-party haulers will meet their needs at their two existing landfills while meeting their revenue projections for Peoria City/County Landfill No. 3.] Waste Management wants to continue their relationship with Peoria City/County. If they are not the successful bidder for this contract, they would look at all potential sites, Waste Management-owned or not, for disposal.

9. Mr. Sloan asked since the U.S. Supreme Court's decision in Onieda-Herkamer, extends some ability of publically owned facilities to control flow, do you feel that this facility could be subject to that decision?

WMI: In Illinois, this is still a conflicted process. The last thing Waste Management wants to do is take waste out of Peoria. If PDC has a monopoly, it may not be in the best interest of the community.

PDC: It's PDC's interpretation the Supreme Court decision is not applicable because the landfill would need to be deemed owned and operated by the public in order to direct the flow. Here, however, it would not be owned and operated by the public, therefore the flow could not be directed, but this issue needs further review. This is a non-issue since PDC has enough waste and also anticipated Waste Management would take theirs elsewhere. PDC has been here for 80 years and intends to remain for another 80 years. It was also noted that PDC thrived even when Waste Management controlled the two landfills.

10. Mr. Widmer asked about the reference of speeding things up with regarding to RTC in PDC's presentation.

PDC: Mr. Moose stated he has clients who have had similar situations with RTC – some of whom got out of the situations, others who have not. He didn't mean to indicate there was a plan to speed things up but could offer his clients' contact information if the Peoria City/County Landfill Committee would be interested in learning how the successful ones were able to get out from under RTC.

WMI: Mr. Phil Comella was recommended to the Peoria City/County Landfill Committee because he has first-hand knowledge on how to get out from under RTC. He has been successful in doing so at one of Waste Management's sites.

11. Mr. Widmer commented the goal isn't the filling of landfills especially with today's increased emphasis on recycling. He wondered, though, what percentage - 10%, 20% or higher – plastics represent of landfill receipts.

[No comments.]

12. Mr. Widmer said the solar project as mentioned or wind projects wouldn't exist without extensive government subsidy and asked what percentage of the solar project is subsidized by government?

WMI: The economic reality is alternate methods couldn't happen without tax credits. The real advantage of putting in ancillary projects is that the electrical infrastructure is already in place where gas-to-energy systems exist, which isn't cheap, so it's easier to avoid certain costs for solar panels, wind farms, etc., when this infrastructure can be utilized. Innovation is key. The heat recovery project, for example, at the Five Oaks site had a significant impact yet the process itself is rather simple.

PDC: The first goal is to divert waste away from Landfill. A 30% diversion rate within a service area is targeted. Details and worst case scenarios are used in calculating this rate. Every town with a population of over 30,000 received grant money to study energy which will require sophisticated innovations to be developed.

13. Mr. Spain asked Waste Management about soil surplus management as mentioned by PDC.

WMI: It's a design choice. Waste Management chose soil balance which means to match excavation of soil with soil needs, resulting in soil balance.

PDC: PDC based their soil management variable on calculations and the fact that digging deeper results in soil surplus.

### **UNFINISHED BUSINESS**

None.

### **NEW BUSINESS**

None.

### **PUBLIC COMMENT**

Public Comments began at 11:30a.m.

1. *Joyce Blumenshine – Sierra Club volunteer*

Ms. Blumenshine thanked the Landfill Committee, City and County for their time and efforts, adding the presentations were appreciated as this [project] is a huge issue for the future of our community.

California recently determined single-layer landfill coverings are not protective enough and asked the Committee to please look into double-layer coverings with leak detection for long-term protection.

Trust is a huge factor. In 2006, the County denied the expansion of PDC's hazardous waste landfill; PDC protested to the Illinois Pollution Control Board (County decision affirmed); PDC protested to the Appellate Court (IPCB and County votes affirmed), resulting in a significant amount of legal fees.

PDC wants to place a chemical waste landfill in Clinton over the Mahomet aquifer which citizens don't want.

In Peoria, PDC recently sought permission from IPCB to take a federally-listed hazardous waste - electric arc furnace dust waste (EAF) - off the toxic waste list requiring disposal in a federally-permitted hazardous waste landfill, for purposes of

putting it in a municipal waste landfill instead. PDC developed a secret process for this and was approved. However, nine days later, PDC contacted IEPA to discuss significant changes in their recently-approved process which is yet another factor that doesn't engender trust with citizens. She also noted a lawsuit was filed against PDC in Indiana for alleged patent infringements. There are a host of issues and past practices of PDC that should be of concern to the Committee during this decision process.

PDC indicates they would take any materials to the Waste Committee and ask that the Committee will not unreasonably deny any application they would provide. There seems to be devil in the details and wording with regard to application approval and lump sum payment issues.

2. *Joyce Harant – Peoria Families Against Toxic Waste*

With regard to the hauling contract due for renewal later this year, she encouraged the Committee to incorporate increased curbside recycling and increased citizen education.

3. *Tracy Fox – Rural Peoria County resident*

Ms. Fox thanked the Committee for opening today's presentations to the public and for Mr. Urich's assistance in reviewing the detailed materials.

She thinks there are several exciting concepts such as the proposed Household Hazardous Waste center, increased recycling and LEED buildings and thinks the discussions for green energy is very timely and appropriate. She applauds the Committee for allowing these concepts to be incorporated.

On the other hand, there are topics that are far too broad which cause her concern. Waste Management's claim of collecting a capacity of 14.6 million T over 49 years equals 300,000 T/year and PDC's claim the minimum space being 10 million T over 25 years equals 400,000 T/year. Both numbers are significantly above the 226,000 T/year Waste Management currently collect and can't image a scenario in which Peoria City and County would want to develop an environmentally-protective landfill with so much excess capacity when there are items such as farm chemicals, additives to fabrics and pharmaceuticals that are not yet regulated (as they are in other countries). Why build excessively now with today's technologies rather than build conservatively which would allow opportunities to factor in newer technology later? This makes more sense especially since the Committee is requesting a significant increase in per year capacity without factoring in increased recycling, construction waste diversion and other zero-waste processes.

She expressed concern about technical details such as Waste Management's confusing wording of their Bioreactor information and that both proposals lack clarification on how special waste and PDC's D-listed EAF waste will be handled. It is prudent for the Committee to minimize the risk at our landfill and the next closest by letting this waste continue to go to Tazewell County under a host agreement specifically excluding this EAF.

Ms. Fox acknowledged the Committee has a tough decision to make especially with today's economics and asked that the Committee draws the best from both proposals, remains skeptical and investigates with detail before coming to a decision. She again urged the Committee to consider building a conservatively-sized facility since we know technology can only improve from this point forward.



4. *Tom Edwards – Peoria resident*

He encouraged the Committee to contact Madison, Wisconsin representatives because they are deemed the most successful community in reducing waste by fifty percent (50%).

Mr. Akers stated the comments should be related to Peoria City/County's current Landfill Expansion project, not PDC's hazardous landfill site.

**NEXT MEETING**

The next Regular Landfill Committee meeting will be held at the Peoria County Courthouse, 324 Main Street, on Wednesday, July 15, 2009, at 8:00 a.m. in the 4<sup>th</sup> Floor County Board Room.

Mr. Bergsten reminded everyone that meeting packet materials are due to Ms. Pitcher by 9:00a.m. Monday, July 6<sup>th</sup>.

The Landfill Committee can make a recommendation regarding today's presentations, but reminded the audience that the City Council and County Board jointly make the final decision.

**EXECUTIVE SESSION**

None.

**ADJOURNMENT**

Mr. Widmer commended Chairman Bergsten on conducting the meeting and presentations in a fair and professional manner and commended the participants for their roles as well.

Mr. Spain moved to adjourn the regular meeting; seconded by Mr. Van Winkle. The regular Landfill Committee meeting adjourned at 11:48A.M.

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Lester D. Bergsten  
Chairman