

PUBLIC COMMENT SIGNUP SHEET

SEPTEMBER 21, 2016

Pursuant to N.C. Gen. Stat. §153A-52.1, the Henderson County welcomes public comment at its meetings. Please note that each speaker is limited to three (3) minutes, unless a different time limit is announced. Also, the Board may adopt rules limiting the number of persons speaking taking the same position on a given issue, and other rules regarding the maintenance of good order.

Each speaker should be aware and by their signatures hereto they agree that their comments may be recorded (by audio-visual recordings, photography or other means), and may be (but are not required to be) broadcast by the County as a part of the broadcast of this meeting, or as a part of the County's programming on its local video channel(s). By their signature they further agree that Henderson County is and will be the sole owner of all rights in and to such programming. The undersigned hereby indemnifies Henderson County, its employees and agents, against any and all claims, damages, liabilities, costs and expenses arising out of the use of the undersigned's images and words in connection therewith.

1.

James Owen
PRINTED NAME

James Owen
SIGNATURE

P.O. Box 184 Naples, NC 28760
MAILING ADDRESS

SOLID WASTE
Topic

2.

[Signature]
PRINTED NAME

SIGNATURE

MAILING ADDRESS

Topic

3.

PRINTED NAME

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MAILING ADDRESS

Topic

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MAILING ADDRESS

Topic

September 21, 2016 @ 9:00 a.m.

PUBLIC HEARING

Public Hearing regarding the Modification of the Henderson County Solid Waste Ordinance to provide for "Flow Control" measures regarding Solid Waste from the Unincorporated areas of the County

Sign-up Sheet

Please Print

Name:

Address:

- 1. Josh Speck
- 2. William Vine
- 3. JAMES OWEN
- 4. Gray Jernigan
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P.O. Box 189 NAPLES, NC 28760

HENDERSON COUNTY SOLID WASTE FUNDING STRATEGIES COMPILATION 2015-2016

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POLICY GOALS

The Henderson County Board of Commissioners historically have adopted solid waste ordinances, without taxation, that incentivize, in one way or another, waste reduction measures by the community and local government departments, while still ensuring that solid waste disposal costs are shifted to the generators of said waste. In order to determine a long-term funding strategy for the Henderson County Solid Waste operations beyond FY17, the Board of Commissioners directed staff to develop, analyze, and present findings throughout 2015-2016. The policy goals, no matter the method of implementation, are summarized as follows:

- 1) Maintain solid waste, recycling, and waste diversion options for community members and businesses;
- 2) Maintain competitive tipping fee rates with other similarly-sized counties in western North Carolina and still offer a wider variety of waste diversion programs;
- 3) Enable sustainable growth and management of solid waste and recycling programs as commodity markets and oil prices continually change and affect operations; and,
- 4) Maintain diversion programs and options while adhering to specific statutes and rules set forth by the North Carolina legislature that governs local government solid waste operations.

OVERVIEW

The Henderson County Solid Waste Division operates a public transfer station (to process municipal solid waste, or MSW) and convenience center (to collect household recycling)¹. The MSW is transported to Union County, SC to Republic's landfill, which charges a tipping fee to the county for disposal, just as the county charges to its users. Henderson County's tipping fee (\$60 per ton as of FY 17) is assessed per user based on tonnage and type of waste, and the collected fees are put into an enterprise fund that supports daily operations and property maintenance, permit costs², monitoring, staff, equipment and vehicles, hauling/disposal, post-closure costs, waste diversion and recycling programs (some mandated by NC DEQ³, some voluntary), as well as community outreach and education. No tax dollars are supplementing this enterprise fund, which also covers capital projects for construction, maintenance, and facility improvements.

The county does not operate a "franchise" system as some counties do, where only one hauler has control of hauling MSW (typically a curbside-type service). Instead, Henderson County allows multiple hauling businesses to operate under a permit that allows them to set their own

¹ See Appendix Item A., "Solid Waste County Comparison Research, Fall 2015" chart for detailed list of solid waste operations compared by bordering counties to Henderson and those similarly-sized (by population) NC counties.

² NCGS §130A-295.8, "Fees applicable to permits for solid waste management facilities." Applicable annual fees incurred by Henderson County Solid Waste are: post-closure MSW landfill (\$1000), construction and demolition landfill accepting ≥ 25,000 tons/year (\$5,500), post-closure construction and demolition landfill (\$500), transfer station accepting ≥ 25,000 tons/year (\$1,875).

³ NCGS §130A-309.09A-B, "local government solid waste responsibilities; local government waste reduction programs." NCGS §309.09.10, "...disposal of certain solid wastes in landfills or by incineration prohibited."

hauling rates and haul MSW to the transfer station. These permitted haulers must also offer recycling collection services though citizens are not required to pay for recycling pick-up and have the option to use the convenience center.

CHALLENGES

Overall, the solid waste budget has seen a declining fund balance since FY2010 due to poor economic conditions, decreases in volume and flow, increased oil prices, hauling and disposal costs, and other regular market forces (see Chart 1, Page 4). A loss of tonnage results in a direct loss of revenue (tipping fees). Some of this revenue loss has been attributed to market downturns from the 2008 US economic crises, but also to the flow of Henderson County-generated waste to a private transfer station in bordering Buncombe County (estimated to be roughly 20,000 tons annually).

The self-supporting enterprise fund is also required to maintain and monitor two closed, pre-regulatory landfills onsite, annually costing about \$500,000 (including but not limited to annual state permit fees, monitoring for groundwater or methane issues, reporting, and slope maintenance).

Fluctuations in diesel prices contribute to a significant annual change in the enterprise fund budget. Historical fuel surcharge pricing in the County's hauling and disposal contract has ranged between \$0 and \$400,000 since 2011.

The Convenience Center (public recycling center) incurs costs of approximately \$300,000 annually between material collection, processing, the bag-for-bag program⁴, site maintenance, and site safety measures. This amount is increased when the \$185,000 debt service for construction of the convenience center is factored into the equation. Recycling at this facility is free to residents and a no-cost disposal option, called the "bag-for-bag program" is provided to encourage use of the center, whereby residents can dispose of 1 garbage bag of MSW (generated in the bathroom or kitchen) with an equal amount of recycling each time they visit the center.

Another annual challenge in balancing the solid waste budget is fine-tuning cost of living adjustments as part of the hauling and disposal contract, which is typically an additional 3% per year.

Due to the location of the County's solid waste operations, as well as the permit costs associated with siting new landfills, there is no other viable option for waste generated in Henderson County except to be transferred to a landfill elsewhere.

⁴ "bag-for-bag program" at the Convenience Center allows residents (only) to bring one bag of household trash (typically generated in the kitchen or bathroom) for no charge with an equal amount of traditional recycling during each visit to the center.

BUDGET BREAKDOWN

The approved and operational budget for the solid waste enterprise fund during FY 16-17 is as follows:

- FY 16-17 Budget: \$5,428,583
- FY 2016 Tipping Fee Revenue: \$60 per ton
- Hauling & Disposal Contract: \$35.24 per ton
- FY 2015 Total MSW Tonnage: 78,213 tons

Solid Waste Enterprise Fund Balance by FY

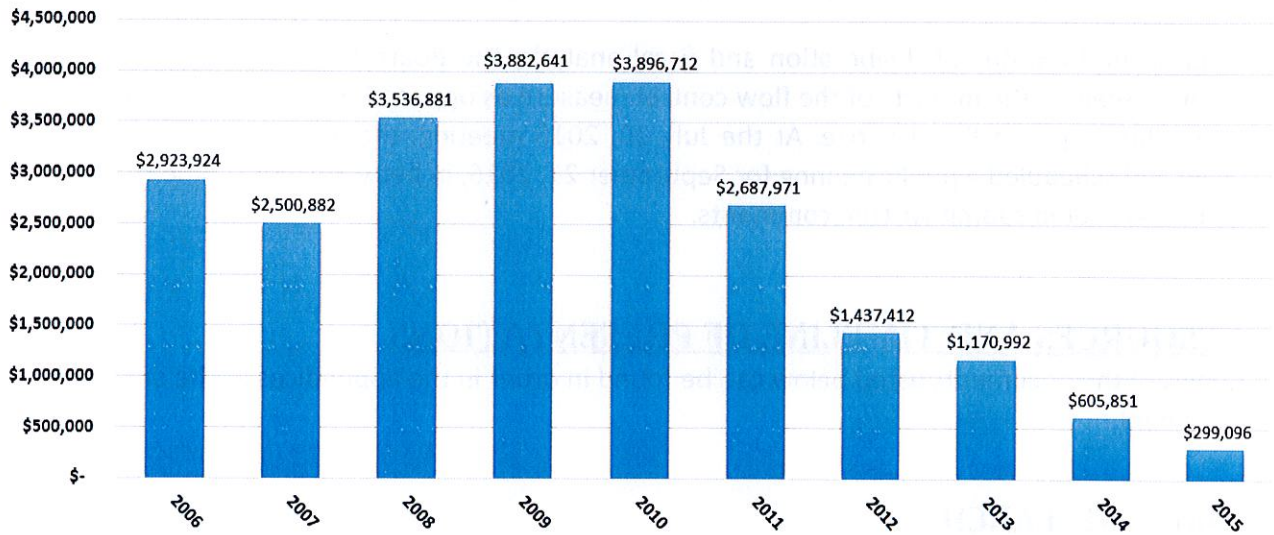


Chart 1. Solid Waste Enterprise Fund Balance by FY, January 2016. Henderson County Budget Office.

SOLID WASTE FUNDING STRATEGIES

The following strategies were presented by staff to the Henderson County Board of Commissioners on October 5, 2015 during a regular monthly meeting as options to consider for making up the deficit in the solid waste fund balance.

- 1) Tipping fee increases (that would likely change with the cost of fuel on an annual basis)
- 2) Requirement of haulers to bring collected MSW to the Transfer Station (“flow control”)
- 3) Enact an availability fee on properties across the county to help support the fund OR provide a general fund allocation to support the enterprise fund
- 4) Enact a fee for users at the convenience center plus a reduced version of one of the first three strategies. This strategy will not generate enough revenue on its own.

After several months of deliberation and fiscal analysis, the Board requested staff to gather further detail on the impacts of the flow control measure as opposed to further researching the other three options listed above. At the July 20, 2016 meeting, the Board took up the issue again and scheduled a public hearing for September 21, 2016, in between which time the public and others could submit written comments.

RESOURCES AND TIMELINE OF PRESENTATIONS

Copies of the documents listed below can be found in order in the appendices at the end of this document.

PART A- RESEARCH

- **Solid Waste Audits FY 2005 to 2014** (based on audits of operations from FY 05 to FY 14)
- **SWOT Analysis for SW Funding Options FY16 Budget** (March 2015; analysis of the strengths, weaknesses, opportunities, and threats to the Solid Waste enterprise fund with as considered through 5 funding options)
- **Recycling Program Requirements Analysis** (October 2015; information is provided on the justification and cost for the County’s diversion programs)
- **Solid Waste Availability Fee Options** (October 2015; options for implementing an availability fee in email to County Manager from staff)
- **Tipping Fee Analysis to Lower Rates and Increase Tonnage** (December 2015)
- **FY 2015-2016 Budget Request, Engineering Department Submittal** (February 2015)
- **FY 2016-2017 Narrative, Engineering Department Submittal** (February 2016)
- **Solid Waste County-by-County Comparison** (January 2016; solid waste operations and funding comparison of 16 surrounding NC counties and those of similar population size)

- **NC DEQ Flow Control Arrangements Findings Across NC** (August 2016; emails from NC Department of Environmental Quality, one page summary of variations of flow control arrangements in various counties in NC)

PART B- CORRESPONDENCES

- **Haulers Letter on Proposed Funding Strategies, Survey** (November 2015)
- **Henderson County Waste Hauler Survey** (December 2015)
- **Buncombe County Response to Franchise Tonnage** (January 2016; email between Henderson County Solid Waste staff and Buncombe County Solid Waste staff inquiring about end disposal for franchised hauler of residential MSW in Buncombe County)
- **Buncombe County Response for Closure** (January 2016)
- **Hauler Survey on Tipping Fee** (May 2016; research performed by staff and presented to County Manager)
- **Hauler Newsletter** (June 2016)
- **Public Hearing Notices & Hauler Email** (August 2016)
- **Submitted Written Public Comment to the Board of Commissioners and Related Industry Letters** (2016, compiled by the Clerk to the Board of Commissioners)

PART C- PRESENTATIONS TO THE HENDERSON COUNTY BOARD OF COMMISSIONERS

- **Solid Waste Funding Presentation, RBA** (October 2015)
- **FY 2017 Budget Retreat Slides 53-74** (January 2016)

IMPLEMENTATION TIMEFRAME

The adopted funding strategy and ordinance change would best be implemented on January 1, 2016 at the start of a new calendar year, or on July 1, 2017 at the start of the next fiscal year. Either timeframe will allow the Solid Waste Division ample time to provide proper notification of the changes to users and customers.

It would also enable Solid Waste to fully implement its new automated weigh system for the permitted haulers of the county, whereby registered, inspected, and permitted waste haulers in Henderson County receive a specific PIN and instructions on how to utilize the automated system. This new system called “Waste Wizard,” which is slated to go online during the fall of 2016, is a fully automated weigh system located at the Transfer Station that will allow haulers to bypass the wait lines at the scale house and use a separate entrance to utilize a different set of scales. Radio antennae collect the truck’s weight before and after unloading then upload the data wirelessly. This will dramatically decrease wait times for permitted haulers at the Transfer Station. The Solid Waste Director will be holding a meeting in October for all permitted haulers in Henderson County to inform them of upcoming changes and improvements.

MEASUREMENT & VERIFICATION

Should the Board move forward with adopting the flow control measure as a matter of policy, measurement and verification of the new funding strategy's efficacy could be determined in two ways: first, by establishing a baseline of MSW tonnage from multiple previous timeframes. Second, once the new strategy is formally implemented, tonnages could be measured and compared to those baseline timeframes on a set schedule (i.e.: quarterly or biannually) to understand changes to the programs. An evaluation of the new strategy should take place one year or more following implementation with particular scrutiny paid to factors such as revenues, fuel surcharges, recycling tonnages and associated costs, and whether or not the tipping fee is still relevant to sustain operations.

APPENDICES

See attachments in order.

Part A- RESEARCH

Part B- CORRESPONDENCES

Part C- PRESENTATIONS TO THE HENDERSON COUNTY BOARD OF COMMISSIONERS

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PART A- RESEARCH

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HENDERSON COUNTY, NORTH CAROLINA

Landfill Fund

Schedule of Revenues and Expenditures--Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues	\$ 3,798,000	\$ 4,300,585	\$ 502,585
Non-operating revenues:			
Interest income	<u>10,000</u>	<u>22,666</u>	<u>12,666</u>
Total revenues	<u>3,808,000</u>	<u>4,323,251</u>	<u>515,251</u>
Other financing sources:			
Transfers in:			
From Sewer Fund	43,476	43,476	-
Appropriated Retained Earnings	<u>1,700,000</u>	<u>-</u>	<u>(1,700,000)</u>
Total revenues and other sources	<u>5,551,476</u>	<u>4,366,727</u>	<u>(1,184,749)</u>
Expenditures:			
Salaries and employee benefits		674,529	
Other operating expenditures	<u>3,553,326</u>	<u>2,925,184</u>	<u>(46,387)</u>
Capital outlay	<u>1,100,900</u>	<u>67,478</u>	<u>1,033,422</u>
Total expenditures	<u>4,654,226</u>	<u>3,667,191</u>	<u>987,035</u>
Other financing uses:			
Transfers out:			
To General Fund	97,250	97,250	-
To Capital Projects Fund	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Total expenditures and other uses	<u>5,551,476</u>	<u>4,564,441</u>	<u>987,035</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	(197,714)	<u>\$ (197,714)</u>
Reconciliation of modified accrual basis to full accrual basis:			
Reconciling items:			
Increase in accrued vacation pay		(437)	
Loss from sale of assets		(774)	
Capital outlay		67,478	
Depreciation		<u>(91,390)</u>	
Total reconciling items		<u>(25,123)</u>	
Change in net assets		<u>\$ (222,837)</u>	

See the accompanying Independent Auditors' Report.

HENDERSON COUNTY, NORTH CAROLINA

Landfill Fund

Schedule of Revenues and Expenditures--Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues	\$ 3,950,000	\$ 4,321,424	\$ 371,424
Non-operating revenues:			
Interest income	<u>15,000</u>	<u>96,069</u>	<u>81,069</u>
Total revenues	<u>3,965,000</u>	<u>4,417,493</u>	<u>452,493</u>
Other financing sources:			
Transfers in:			
From Sewer Fund	50,000	50,000	-
Appropriated Retained Earnings	<u>1,700,000</u>	<u>-</u>	<u>(1,700,000)</u>
Total revenues and other sources	<u>5,715,000</u>	<u>4,467,493</u>	<u>(1,247,507)</u>
Expenditures:			
Salaries and employee benefits		689,575	
Other operating expenditures		<u>3,195,782</u>	
	<u>3,839,800</u>	<u>3,885,352</u>	<u>(45,552)</u>
Capital outlay	<u>1,775,200</u>	<u>167,012</u>	<u>1,608,188</u>
Total expenditures	<u>5,615,000</u>	<u>4,052,369</u>	<u>1,562,631</u>
Other financing uses:			
Transfers out:			
To General Fund	100,000	-	100,000
To Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other uses	<u>5,715,000</u>	<u>4,052,369</u>	<u>1,662,631</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	415,124	<u>\$ 415,124</u>
Reconciliation of modified accrual basis to full accrual basis:			
Reconciling items:			
Increase in accrued vacation pay		(2,169)	
Capital outlay		167,012	
Depreciation		<u>(88,635)</u>	
Total reconciling items		<u>76,208</u>	
Change in net assets		<u>\$ 491,332</u>	

See the accompanying Independent Auditors' Report.

HENDERSON COUNTY, NORTH CAROLINA

LANDFILL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues	\$ 4,267,000	\$ 5,023,856	\$ 756,856
Nonoperating revenues:			
Interest income	80,000	135,719	55,719
Total revenues	<u>4,347,000</u>	<u>5,159,575</u>	<u>812,575</u>
Expenditures:			
Salaries and employee benefits	789,470	682,494	-
Other operating expenditures	3,377,525	3,288,693	-
Capital outlay	1,902,555	1,662,384	-
Total expenditures	<u>6,069,550</u>	<u>5,633,571</u>	<u>435,979</u>
Revenue over (under) expenditures	<u>(1,722,550)</u>	<u>(473,996)</u>	<u>376,596</u>
Other Financing Sources (Uses):			
Transfers in:			
From Sewer Fund	50,000	50,000	-
Appropriated retained earnings	1,672,550	-	(1,672,550)
Total other financing sources (uses)	<u>1,722,550</u>	<u>50,000</u>	<u>(1,672,550)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(423,996)</u>	<u>\$ (423,996)</u>
Reconciliation of modified accrual basis to full accrual basis:			
Reconciling items:			
Increase in accrued vacation pay		(7,538)	
Capital outlay		1,662,384	
Depreciation		<u>(86,778)</u>	
Total reconciling items		<u>1,568,068</u>	
Change in net assets		<u>\$ 1,144,072</u>	

HENDERSON COUNTY, NORTH CAROLINA

LANDFILL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues	\$ 4,590,144	\$ 5,043,200	\$ 453,056
Nonoperating revenues:			
Interest income	<u>80,000</u>	<u>122,146</u>	<u>42,146</u>
Total revenues	<u>4,670,144</u>	<u>5,165,346</u>	<u>495,202</u>
Expenditures:			
Salaries and employee benefits	786,057	765,561	-
Other operating expenditures	3,601,457	3,143,627	-
Capital outlay	<u>332,630</u>	<u>144,932</u>	<u>-</u>
Total expenditures	<u>4,720,144</u>	<u>4,054,120</u>	<u>666,024</u>
Revenue over (under) expenditures	<u>(50,000)</u>	<u>1,111,226</u>	<u>(170,822)</u>
Other Financing Sources (Uses):			
Transfers in:			
From Sewer Fund	<u>50,000</u>	<u>52,628</u>	<u>2,628</u>
Total other financing sources (uses)	<u>50,000</u>	<u>52,628</u>	<u>2,628</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>1,163,854</u>	<u>\$ 1,163,854</u>
Reconciliation of modified accrual basis to full accrual basis:			
Reconciling items:			
Capital outlay		144,932	
Depreciation		<u>(83,242)</u>	
Total reconciling items		<u>61,690</u>	
Change in net assets		<u>\$ 1,225,544</u>	

HENDERSON COUNTY, NORTH CAROLINA

**LANDFILL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues	\$ 4,749,050	\$ 4,658,476	\$ (90,574)
Non-operating revenues:			
Interest income	48,182	197,588	149,406
Total revenues	<u>4,797,232</u>	<u>4,856,064</u>	<u>58,832</u>
Expenditures:			
Salaries and employee benefits	735,191	771,545	36,354
Other operating expenditures	4,002,840	3,215,373	(787,467)
Capital outlay	141,352	297,054	155,702
Total expenditures	<u>4,879,383</u>	<u>4,283,972</u>	<u>595,411</u>
Revenue over (under) expenditures	<u>(82,151)</u>	<u>572,092</u>	<u>(536,579)</u>
Other Financing Sources (Uses):			
Transfers in:			
From General Fund	54,000	54,000	-
From Sewer Fund	50,000	50,000	-
Transfers out:			
To Self Insurance Fund	(21,849)	-	21,849
Total other financing sources (uses)	<u>82,151</u>	<u>104,000</u>	<u>21,849</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>676,092</u>	<u>\$ 676,092</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis:			
Reconciling items:			
Other post-employment benefits		(15,815)	
Capital outlay		297,054	
Depreciation		<u>(107,807)</u>	
Total reconciling items		<u>173,432</u>	
Change in net assets		<u>\$ 849,524</u>	

HENDERSON COUNTY, NORTH CAROLINA

LANDFILL FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPAARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
Revenues:				
Operating revenues	\$ 4,348,000	\$ 4,188,696	\$ (159,304)	\$ 4,457,415
Operating grants	175,000	135,743	(39,257)	201,061
Non-operating revenues:				
Interest income	155,100	21,400	(133,700)	197,588
Total revenues	<u>4,678,100</u>	<u>4,345,839</u>	<u>(332,261)</u>	<u>4,856,064</u>
Expenditures:				
Salaries and employee benefits	744,202	677,147	67,055	771,545
Other operating expenditures	3,653,111	3,656,387	(3,276)	3,217,953
Capital outlay	686,715	611,186	75,529	294,474
Total expenditures	<u>5,084,028</u>	<u>4,944,720</u>	<u>139,308</u>	<u>4,283,972</u>
Revenue over (under) expenditures	<u>(405,928)</u>	<u>(598,881)</u>	<u>(471,569)</u>	<u>572,092</u>
Other Financing Sources (Uses):				
Transfers in	104,000	104,000	-	104,000
Appropriated retained earnings	301,928	-	(301,928)	-
Total other financing sources (uses)	<u>405,928</u>	<u>104,000</u>	<u>(301,928)</u>	<u>104,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(494,881)</u>	<u>\$ (494,881)</u>	<u>\$ 676,092</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis:				
Reconciling items:				
Other post-employment benefits		(11,611)		
Capital outlay, capitalized		611,186		
Capital contribution		20,030		
Post-closure care costs		125,222		
Depreciation		(145,174)		
Total reconciling items		<u>599,653</u>		
Change in net assets		<u>\$ 104,772</u>		

HENDERSON COUNTY, NORTH CAROLINA

LANDFILL FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues	\$ 4,682,680	\$ 4,002,145	\$ (680,535)	\$ 4,188,696
Operating grants	155,000	148,645	(6,355)	135,743
Non-operating revenues:				
Interest income	22,000	42,304	20,304	21,400
Total revenues	<u>4,859,680</u>	<u>4,193,094</u>	<u>(666,586)</u>	<u>4,345,839</u>
Expenditures:				
Salaries and employee benefits	802,857	806,916	(4,059)	677,147
Other operating expenditures	(3,352,596)	3,135,628	(6,488,224)	3,465,466
Repairs and maintenance	341,100	223,322	117,778	190,921
Capital outlay	1,881,026	1,515,061	365,965	611,186
Total expenditures	<u>(327,613)</u>	<u>5,680,927</u>	<u>(6,008,540)</u>	<u>4,944,720</u>
Revenue over (under) expenditures	<u>5,187,293</u>	<u>(1,487,833)</u>	<u>5,341,954</u>	<u>(598,881)</u>
Other Financing Sources (Uses):				
Transfers in	104,000	104,000	-	104,000
Appropriated retained earnings	2,000,000	-	(2,000,000)	-
Total other financing sources (uses)	<u>2,104,000</u>	<u>104,000</u>	<u>(2,000,000)</u>	<u>104,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 7,291,293</u>	<u>(1,383,833)</u>	<u>\$ (8,675,126)</u>	<u>\$ (494,881)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis:				
Reconciling items:				
Capital outlay, capitalized		1,515,061		
Depreciation		(145,449)		
Total reconciling items		<u>1,369,612</u>		
Change in net assets		<u>\$ (14,221)</u>		

HENDERSON COUNTY, NORTH CAROLINA

LANDFILL FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues	\$ 3,954,807	\$ 4,341,961	\$ 387,154	\$ 4,002,145
Operating grants	130,000	115,892	(14,108)	148,645
Non-operating revenues:				
Interest income	25,000	21,726	(3,274)	42,304
Total revenues	<u>4,109,807</u>	<u>4,479,579</u>	<u>369,772</u>	<u>4,193,094</u>
Expenditures:				
Salaries and employee benefits	978,620	915,798	62,822	806,916
Other operating expenditures	3,067,296	3,397,075	(329,779)	3,135,628
Repairs and maintenance	135,458	132,135	3,323	223,322
Capital outlay	4,090,365	2,852,829	1,237,536	1,515,061
Total expenditures	<u>8,271,739</u>	<u>7,297,837</u>	<u>973,902</u>	<u>5,680,927</u>
Revenue over (under) expenditures	<u>(4,161,932)</u>	<u>(2,818,258)</u>	<u>(604,130)</u>	<u>(1,487,833)</u>
Other Financing Sources (Uses):				
Transfers in	221,832	221,832	-	104,000
Transfers out	(29,900)	(29,900)	-	-
Proceeds from debt issuance	2,000,000	2,000,000	-	-
Appropriated retained earnings	1,970,000	-	(1,970,000)	-
Total other financing sources (uses)	<u>4,161,932</u>	<u>2,191,932</u>	<u>(1,970,000)</u>	<u>104,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(626,326)</u>	<u>\$ (626,326)</u>	<u>\$ (1,383,833)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis:				
Reconciling items:				
Other post-employment benefits		54,004		
Capital outlay, capitalized		2,803,494		
Proceeds from installment debt		(2,000,000)		
Post-closure care costs		(84,116)		
Depreciation		(149,315)		
Total reconciling items		<u>624,067</u>		
Change in net assets		<u>\$ (2,259)</u>		

HENDERSON COUNTY, NORTH CAROLINA

**LANDFILL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues	\$ 4,338,327	\$ 4,320,498	\$ (17,829)	\$ 4,341,961
Operating grants	130,000	172,495	42,495	115,892
Non-operating revenues:				
Sale of fixed assets	10,000	74,039	64,039	-
Interest income	25,000	18,342	(6,658)	21,726
Total revenues	<u>4,503,327</u>	<u>4,585,374</u>	<u>82,047</u>	<u>4,479,579</u>
Expenditures:				
Salaries and employee benefits	949,830	866,069	83,761	915,798
Other operating expenditures	3,427,022	3,595,422	(168,400)	3,428,785
Repairs and maintenance	126,435	135,737	(9,302)	132,135
Capital outlay	100,900	141,014	(40,114)	2,821,119
Total expenditures	<u>4,604,187</u>	<u>4,738,242</u>	<u>(134,055)</u>	<u>7,297,837</u>
Debt Service:				
Interest paid	64,000	64,000	-	-
Principal retirement	133,333	133,333	-	-
Total debt service	<u>197,333</u>	<u>197,333</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenditures	<u>(298,193)</u>	<u>(350,201)</u>	<u>216,102</u>	<u>(2,818,258)</u>
Other Financing Sources (Uses):				
Transfers in	163,318	142,902	(20,416)	221,832
Transfers out	-	-	-	(29,900)
Debt issuance	-	-	-	2,000,000
Appropriated retained earnings	134,875	-	(134,875)	-
Total other financing sources (uses)	<u>298,193</u>	<u>142,902</u>	<u>(155,291)</u>	<u>2,191,932</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(207,299)</u>	<u>\$ (207,299)</u>	<u>\$ (626,326)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis:				
Reconciling items:				
Change in other post-employment benefits		18,565		
Capital outlay, capitalized		141,014		
Principal paid on debt		133,333		
Bond premium amortization		9,178		
Change in accrued vacation		5,201		
Post-closure care costs		(115,050)		
Depreciation		(165,662)		
Total reconciling items		<u>26,579</u>		
Change in net position		<u>\$ (180,720)</u>		

HENDERSON COUNTY, NORTH CAROLINA

LANDFILL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues	\$ 4,600,233	\$ 4,479,953	\$ (120,280)	\$ 4,320,498
Operating grants	165,000	138,304	(26,696)	172,495
Non-operating revenues:				
Sale of fixed assets	55,000	-	(55,000)	74,039
Interest income	25,000	7,376	(17,624)	18,342
Total revenues	<u>4,845,233</u>	<u>4,625,633</u>	<u>(219,600)</u>	<u>4,585,374</u>
Expenditures:				
Salaries and employee benefits	1,002,622	819,719	182,903	866,069
Other operating expenditures	3,400,456	3,521,810	(121,354)	3,595,422
Repairs and maintenance	537,918	191,432	346,486	135,737
Capital outlay	134,740	290,936	(156,196)	141,014
Total expenditures	<u>5,075,736</u>	<u>4,823,897</u>	<u>251,839</u>	<u>4,738,242</u>
Debt Service:				
Interest paid	59,735	59,733	2	64,000
Principal retirement	133,333	133,333	-	133,333
Total debt service	<u>193,068</u>	<u>193,066</u>	<u>2</u>	<u>197,333</u>
Revenue over (under) expenditures	<u>(423,571)</u>	<u>(391,330)</u>	<u>(471,441)</u>	<u>(350,201)</u>
Other Financing Sources (Uses):				
Transfers in:				
From General Fund	121,571	54,000	(67,571)	142,902
Transfers out	(33,000)	-	33,000	-
Appropriated retained earnings	335,000	-	(335,000)	-
Total other financing sources (uses)	<u>423,571</u>	<u>54,000</u>	<u>(369,571)</u>	<u>142,902</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(337,330)</u>	<u>\$ (337,330)</u>	<u>\$ (207,299)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis:				
Reconciling items:				
Change in other post-employment benefits		(11,930)		
Capital contribution		29,410		
Capital outlay, capitalized		290,936		
Principal paid on debt		133,333		
Change in accrued interest		(30,849)		
Change in compensated absences		(6,954)		
Post-closure care costs		(116,582)		
Depreciation		(242,368)		
Total reconciling items		<u>44,996</u>		
Change in net position		<u>\$ (292,334)</u>		

SWOT Analysis: FY16 Solid Waste Budget Funding Options:

Option #1: Limited Budget

S Strength (Internal)	W Weakness (Internal)
<ul style="list-style-type: none"> Provides 12 more months to evaluate changes in funding strategy 	<ul style="list-style-type: none"> Significant increase in risk for General Fund having to cover shortfall in Solid Waste budget Further depletion of Solid Waste fund balance beyond "rainy day" level.
O Opportunities (External)	T Threats (External)
<ul style="list-style-type: none"> Delays impacts from funding strategy changes: tax increases, additional fees, hauler policy changes, etc. Temporarily minimizes tipping fee increases 	<ul style="list-style-type: none"> Delays needed Maintenance and Equipment expenditures which compounds future outlays

Option #2: General Fund Allocation

S Strength (Internal)	W Weakness (Internal)
<ul style="list-style-type: none"> Provides a sustainable and predictable funding strategy Increases competitiveness of County tipping fee by removing cost burden of Convenience Center and closed landfill maintenance 	<ul style="list-style-type: none"> Could increase General Fund expenditures almost as much as one cent on the tax rate.
O Opportunities (External)	T Threats (External)
<ul style="list-style-type: none"> Most equitable distribution of fee burden (revenue from sources generating the costs). 	<ul style="list-style-type: none"> Increasing the tax rate will generate negative feedback from property owners

Option #3: Availability Fee

S Strength (Internal)	W Weakness (Internal)
<ul style="list-style-type: none"> • Provides a sustainable and predictable funding strategy • Increases competitiveness of County tipping fee by removing cost burden of Convenience Center and closed landfill maintenance 	<ul style="list-style-type: none"> • Staff impact to manage implementation of new fee
O Opportunities (External)	T Threats (External)
<ul style="list-style-type: none"> • Most equitable distribution of fee burden (revenue from sources generating the costs). 	<ul style="list-style-type: none"> • Adding a fee to the tax bill or even a separate correspondence to property owners will be perceived as a tax increase and result in negative feedback.

Option #4: Flow Control

S Strength (Internal)	W Weakness (Internal)
<ul style="list-style-type: none"> • Most likely will generate from \$300,000 to \$600,000 in additional net revenue with the current tipping fee • Future tipping fees can be set to predictably generate needed revenues 	<ul style="list-style-type: none"> • Unsuccessful enforcement of this policy change can limit revenues generated. • 25% to 50% increase in trash volume at transfer station will impact operations • Challenges to Policy change will impact Legal Department and require a SW enforcement officer
O Opportunities (External)	T Threats (External)
<ul style="list-style-type: none"> • Impacts non-local haulers while supporting local haulers 	<ul style="list-style-type: none"> • Non-local haulers likely to campaign with customers against policy change resulting in negative feedback • Law suit against County over policy change

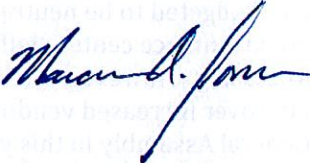
Option #5: Exclusive Franchise

S Strength (Internal)	W Weakness (Internal)
<ul style="list-style-type: none"> • Most likely will generate from \$300,000 to \$600,000 in additional net revenue with the current tipping fee • Future tipping fees can be set to predictably generate needed revenues 	<ul style="list-style-type: none"> • Staff impact to design and implement or cost of consultant (must include residential and commercial haulers)
O Opportunities (External)	T Threats (External)
<ul style="list-style-type: none"> • Provides benefits to haulers to offset restrictions (flow control). • Provide exclusive territories (equity) to all current haulers based on estimates of current level of business. • Likely significantly reduce Citizens monthly cost for collection (\$25 to \$15) due to efficiencies from exclusive, contiguous territories. 	<ul style="list-style-type: none"> • Negative feedback from Citizens due to limited choices for haulers.



Henderson County Engineering
1 Historic Courthouse Square, Suite 6
Hendersonville, North Carolina 28792
(828) 694-6526 | www.hendersoncountync.org

Memorandum To: Steve Wyatt
County Manager

From: Marcus A. Jones, P.E. 
Director

Subject: **Diversion Program Requirements and Costs**

Date: October 14, 2015

In response to questions from the Commissioners during the October 5, 2015 Board meeting, this information is provided on the justification and cost for the County's diversion programs. Note, the cost of the programs are broken down into direct costs that have specific revenue and expense line items in the budget and indirect costs that are shared with other programs and operations within the budget. The State distributes a portion of their revenue from the \$2 per ton Solid Waste Tax back to counties to assist with diversion programs; we budget \$45,000 for this distribution. In general, the overall budget impact of our diversion programs is negative but not a major cost compared to compliance efforts and trash processing. More details for each program follows:

Household Hazardous Waste

- Implemented after Board direction in 2009.
- Direct Budget Impact: Net direct expense of \$28,000 for certified transportation and disposal of collected chemicals and materials from the five events held each year at our Facility. A grant from Department of Environmental Quality (DEQ, formally DENR) paid for the HHW storage building.
- Indirect Budget Impact: Administered with minor impact on convenience center staff and volunteer efforts from Mountain Home Fire Department who receive training credits. Managed by the Environmental Programs Coordinator.

"Traditional" Recycling (aluminum cans, plastic bottles, paper, and cardboard)

- Required under General Statute 130A-309.10 (State's list of materials banned from landfills). Per our regional DEQ inspector and DEQ in Raleigh, the statute applies to North Carolina landfills, transfer stations and incinerators permitted in North Carolina.
- Direct Budget Impact: Net direct revenue of \$30,000. Our vendor pays us from \$0 to \$20 plus per ton depending on the market for the transportation and processing of these materials. When the Board directed the transition plan for County permitted haulers in 2009 to have compliant equipment and offer recycling, we committed to not charging a fee for recycling. However, it does generate about \$15 less net revenue than a ton of trash. We process about 5,000 tons of this type of recycling annually.
- Indirect Budget Impact: Administered by significant effort from staff and equipment at the convenience center, transfer station and scales house.

Electronics Recycling

- Required under GS 130A-309.10
- Direct Budget Impact: Budgeted to be neutral direct impact. Prior to this fiscal year costs have been limited to convenience center staffing; we were not charged by the vendor for transportation or processing. However, this fiscal year we implemented a fee on TV and computer monitors to cover increased vendor costs due to a market downturn. Unfortunately, the General Assembly in this year's budget have removed the requirement on manufacturers to cover the cost of disposal. We do not know the cost impact yet but it will likely increase costs again.
- Indirect Budget Impact: Administered by a moderate effort from the convenience center and transfer station staff with fees collected at scales house.

Mercury Product Recycling

- Required under GS 130A-309.10
- Direct Budget Impact: Budgeted to be neutral direct impact. Costs to this point have been covered by DEQ grants. We are expecting to receive a three year grant this year to continue covering the costs of the program. Without the grants, the program would cost \$5,000 to \$10,000 per year.
- Indirect Budget Impact: Administered by a minor effort from convenience center staff and equipment.

Battery Recycling

- Required under GS 130A-309.10
- Direct Budget Impact: Budgeted to be a slight positive direct impact. Our vendor pays for the transportation and processing of the batteries.
- Indirect Budget Impact: Administered by a minor effort from convenience center staff and equipment.

Oil & Filter Recycling

- Required under GS 130A-309.10
- Direct Budget Impact: Budgeted to be a slight positive direct impact. Our vendor pays for the transportation and processing of the oil and filters.
- Indirect Budget Impact: Administered by a minor effort from convenience center staff and equipment

Tire Recycling

- Required under GS 130A-309.10
- Direct Budget Impact: Budgeted to be a neutral direct impact. State reimburses our transportation and processing costs (\$125,000) with the money collect from manufacturers at the point of sale. For tires not eligible for reimbursement, we charge a fee to cover the unit cost from the vendor.
- Indirect Budget Impact: The scales house staff collect the fees, minor impact; the customers stack the tires in our vendor's trailers.

White Goods & Scrap Metal

- Required under GS 130A-309.10
- Direct Budget Impact: Budgeted to be a positive direct impact of \$27,000. State has funding available for cost overruns but is rarely needed.
- Indirect Budget Impact: Administered by a minor effort from convenience center staff and equipment

Wood & Pallet Recycling

- Required under GS 130A-309.10
- Direct Budget Impact: budgeted to be a neutral direct impact. We charge a fee to cover the cost of grinding and transportation to a DEQ approved facility.
- Indirect Budget Impact: Staff and heavy equipment used to maintain the debris piles (moderate impact) and scales staff collect fees (minor impact).

Concrete & Inert Debris Recycling:

- Approved under Solid Waste budget
- Direct Budget Impact: budgeted to be a neutral direct impact. We charge a fee to cover the cost of crushing the material. Then the material is used within our facility for road gravel and seep repairs on the closed landfills.
- Indirect Budget Impact: Staff and heavy equipment used to maintain the debris piles (minor impact) and scales staff collect fees (minor impact).

Shingle Recycling

- Approved under Solid Waste budget
- Direct Budget Impact: Budgeted to be a neutral direct impact. We charge a fee to cover the cost of transportation and processing to a DEQ approved asphalt recycler.
- Indirect Budget Impact: Scales staff collect fees, minor impact.

Rachel Kipar

From: Marcus Jones
Sent: Friday, October 23, 2015 4:15 PM
To: STEVE WYATT
Subject: Solid Waste Availability Fee Options
Attachments: Marcus A Jones PE.vcf

Steve,

As requested this week over the phone, here are some options for implementing an availability fee. Note as of February 2015, there were 41,800 parcels in the County developed (with structures) and 63,300 total parcels. Some jurisdictions apply the fee to all parcels and some to only developed parcels. The options use a \$5,500,000 budget which is the current plus the needed additional \$500,000. The current tipping fee is \$60.00. Availability fee would be charged annually likely with the tax bill.

1. Funding with just an availability fee
 - a. Tipping Fee (Fee at Scales): \$0 and
 - b. AFD (Availability Fee on Just Developed Parcels): \$131 or
 - c. AFA (Availability Fee on All Parcels): \$87
2. Funding Closed Landfill Maintenance and Convenience Center with AF (\$800,000 annually)
 - a. TF: \$50 and (with this TF we would likely capture most of the lost flow to WM transfer station)
 - b. AFD: \$19 or
 - c. AFA: \$13
3. Funding just the \$500,000 additional revenue needed over current funding policy with AF
 - a. TF: \$60 and
 - b. AFD: \$12 or
 - c. AFA: \$8

Please let me know if you would like to investigate other options

Thanks and have a great weekend,



Visit www.hcrecycles.org to stay up-to-date about recycling programs!

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Tipping Fee Analysis to Lower Rates, Increased Tonnage

	Tipping Fee	Tonnage	Net Revenue	Cost of Operations
current	\$ 65.00	75,000	\$ 30	\$ 2,250,000
	\$ 55.00	135,000	\$ 15	\$ 2,025,000.0
	\$ 50.00	182,250	\$ 10	\$ 1,822,500.0
	\$ 47.00	234,321	\$ 7	\$ 1,640,250.0

Note: assuming a 10% reduction in cost due to economies of scale

FY 2015-2016
BUDGET REQUEST
ENGINEERING DEPARTMENT

February 2015



HENDERSON COUNTY RECYCLES

<u>Division</u>	<u>Page</u>
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Garage, 115420	6
Solid Waste with Water Quality, 605472	7
Utilities: Cane Creek Water & Sewer District, 615711	11
Utilities: Justice Academy, 635711	12
Budget Forms	(attached workbooks)
Performance Measures	(attached workbooks)
Fee Schedules	(attached workbooks)
Central Services Planned Projects	(Central Services Workbook)
Solid Waste Planned Projects	(Solid Waste Workbook)
Solid Waste Equipment Replacement Schedule	(Solid Waste Workbook)

Animal Services, 115438

Mission:

The Animal Services Center is a public resource focused on improving the interactions between humans and animals to ensure public safety and to decrease the number of unwanted and mistreated animals within the community.

Budget Narrative:

Henderson County Animal Services Center continues to focus on community involvement and awareness through an array of programs and events. Our volunteers have donated an average of 1200 hours since 2009. Volunteer involvement has enhanced service to our animals and customers. We also continue to offer free training sessions and problem clinics in an effort to promote owner retention. Educational programs are still being offered to schools and at the shelter to teach responsible pet ownership and animal safety. With help from local veterinarians, we will offer two low cost Rabies Clinics to citizens of Henderson County in FY 2016. Citizens continue to utilize our Spay & Neuter Assistance Program (SNAP) and for a second year they are receiving free rabies vaccines paid for by Community Partnership for Pets. When the program started we altered approximately 200 animals for qualified citizens and the numbers have increased each year.

Of all the Animal Services programs, we believe SNAP is the most valuable to our community. In recent years several events should have triggered a significant increase on animal intake numbers. In 2008 All Creatures an alternative place to take unwanted pets was shut down. That same year the county created an Animal Enforcement Unit staffed by sworn law enforcement officers. These officers have more resources and authority than previous civilian officers, thus they bring more animals into the shelter. In addition, normal population increases and elevated unemployment levels typically cause additional strains on shelter intake numbers. Despite all these factors our intake numbers have declined. While it's hard to measure the impact that our SNAP and CPPI's spay neuter initiatives have had, we believe spaying and neutering has been a key component in lowered intake.

Professional Services 538100:

The decrease in this line item is the removal of the \$50,000 for Community Partnership for Pets which was only approved by the Board for one budget year. Should the Board approve a similar allocation again for FY16, this would again be the appropriate line item to increase.

We will continue to make the Animal Services Center a public resource focused on improving the interactions between humans and animals to ensure public safety and to decrease the number of unwanted and mistreated animals within the community.

Central Services, 115419

Mission:

Henderson County Central Services manages the maintenance of the County's facilities and equipment focusing on providing high levels of safety, value and customer service to the County Departments and Citizens.

Budget Narrative:

With the separation of the Capital Project Management duties from the Facility Manager position, the Division has been able to make significant progress on the assessment of the County's facilities. This assessment is part of proper asset management which provides for appropriate maintenance and replacement of assets to provide adequate facilities to the Citizens and staff while having a predictable impact on the budget. Ultimately, the asset management system will move County dollars from mostly corrective maintenance to planned and preventive maintenance or from the Maintenance & Repair line item to Planned Projects. The second initiative in the budget proposal is the reclassification of a Custodial Supervisor with a neutral impact on the budget. Both of these initiatives are detailed below:

Salaries and Benefits 512100-518600:

This budget proposes reclassifying a Maintenance Tech 1 and the Custodial Crew Leader positions to Custodial Supervisor and Maintenance Assistant (Custodial staff) respectively. Currently, there is a vacant Maintenance Tech 1 position that is budgeted at above job rate. The budget for this vacant position will provide adequate funding for a Custodial Supervisor at pay grade 68B and maintain a neutral impact on the Division's budget and total number of allocated positions. The loss of the Tech 1 position will be offset by the efficiencies created for the Project and Custodial Supervisors; however, the Division has sufficient capacity in the current budget to add auxiliary staff if needed.

The Division's current organizational chart is the product of the 7.5% budget cut at the beginning of the recession. The custodial efforts were switched from contract services to provide positions for the RIF'ed Youth Home staff. The custodial staff were placed under the Project Supervisor because this position managed the contract cleaning. A crew leader position was added to assist the Project Supervisor. While it afforded the cost savings needed at the time, the current organizational chart over tasks the existing supervisors, the Facility Manager and the Capital Project Manager. When the duties of the other staff are reviewed below, the impact of adding the additional duties from the Project Supervisor are of concern for the effectiveness of the Division. The Project Supervisor cannot effectively supervise the custodial staff and the duties originally assigned to the position. The proper allocation of duties is as follows:

- Capital Project Manager: Manage large Capital projects for the County to include the 911 Relocation, Health Sciences Center, Seven Falls Infrastructure, Old Fairgrounds grading, Emergency Service Facility, Oversight for Public School projects Mill Pond Creek Sewer Interceptor, Snowball Lift Station, Mud Creek Interceptor, and School House Road Lift Station,

- Facility Manager: Develop and manage the Division's budget and asset management system, quality assurance for Division and supervise the four Central Service Supervisors and the Sign Program Technician
- Maintenance Supervisor: Manage the Division's invoices and work orders, and supervise the nine Maintenance Technicians to include quality control.
- Garage Supervisor: Manage the Garage's invoices and work orders and supervise the two Vehicle Mechanics to include quality control.
- Project Supervisor: Manage the Division's contract services and non-capital Planned Projects, see tabs for each in budget. This position also provides technical and logistical support to the Manager.
- Custodial Supervisor: Manage the custodial invoices and work orders, and supervise the nine full time and 2 auxiliary custodians to include quality control. Also manages the County paper products inventory.

Additionally, we have already reclassified the Custodial Team Leader position to a Maintenance Assistant (Custodial Staff) which reduced the Division's FY15 expenses by over \$7,000. With this reclassification, the implementation of the Custodial Supervisor is even more critical.

Planned Projects 535103:

The results of the continued assessment of County buildings is detailed in the attached planned project spreadsheets. These spreadsheets paint a picture of the County's level of maintenance by equating the level of expenditures on maintenance projects to the period of time it takes to address the projects. The projects are prioritized with the most critical projects planned for the earlier years. In order to provide the Manger and Board options should the current level of funding (maintenance) not be acceptable, three other project spreadsheet options have been provided. The four approaches to the spreadsheet are as follows:

1. Budget as Submitted: phased approach to the Detention Center roof replacement (\$1 Million total project) and continuing afterwards with a level \$300,000 per year in planned projects.
2. Option 1: addresses the Detention Center roof entirely in year FY17 and continues afterwards with a level \$300,000 per year.
3. Option 2: phased approach to the Detention Center roof replacement and continuing afterwards with a level \$500,000 per year.
4. Option 3: addresses the Detention Center roof entirely in year FY17 and continues afterwards with a level \$500,000 per year.

Note, regardless of the option chosen, there will be an increase in planned project during the budget year(s) the Detention Center roof is addressed. It is not possible to break the roof project into smaller phases. Of course, by addressing the roof project is one budget year, saving will be realized over phasing the project due to inflation and contractor mobilization costs.

The assessment of the County's buildings is an ongoing process. Projects will be identified, prioritized and added to the plan each year as current projects are completed. The goal is to develop a funding stream from year to year that marries an acceptable level of maintenance to an acceptable level of expenditure.

Garage, 115420

Mission:

Henderson County Garage manages the maintenance of the County's vehicles and equipment focusing on providing high levels of safety, value and customer service to the County Departments and Citizens.

Budget Narrative:

The highlight of the proposed FY2016 budget for the Garage is as follows:

Compressed Natural Gas Station 114420:

With addition of the Apple Country Transit CNG buses, the station's revenues have increased. Originally, the buses were to be moved to a separate slow fill station installed at the proposed Transit Center; however, the Center has been delayed indefinitely. Therefore, the budget needs to reflect the more permanent service to the buses with an increase of \$15,000.

Maintenance & Repair – CNG Station:

With the increased and indefinite usage on the station from the buses, the maintenance efforts for the station will increase significantly. This fast fill station is not ideal for the large volumes required by the Transit buses. However with the loss of their dedicated slow fill station at the Transit Center, this is the best filling option for them. The additional \$15,000 will fund the added maintenance especially for contracted repairs which are typically \$4,000 to \$5,000 per visit.

Solid Waste, 605472

Mission:

Henderson County Solid Waste provides a high standard of service to our customers and protection of the Environment by efficiently processing the County's solid waste, recyclables and household hazardous waste.

Budget Narrative:

The Solid Waste Division (SW) provides the County with a transfer station for disposal of waste, tire and wood materials and a Convenience Center for residential waste, recyclable materials, electronics, white goods (used appliances and metals), and household hazardous waste. In addition, SW maintains the County's closed, regulatory landfills. The Division's operations are regulated under a permit to operate with the NC Department of Environment and Natural Resources (NCDENR) and are important to protect the public's health, safety and welfare.

In 2008 a financial analysis of the SW enterprise fund indicated future difficulties in maintaining the required revenues from tipping fees alone. Our tipping fee is in competition with other operations that do not support the non-transfer expenses that our operations support: primarily closed landfill maintenance (permit requirement) and a public convenience center. During the six years since the analysis, Solid Waste operations have completed a \$4 Million renovation project, weathered a recession which resulted in a 25% loss of tonnage (revenue), and experienced substantial increases in fuel surcharges.

Of course, the last two years, SW has operated on a limited budget and allocated retained earnings to complete the term of the hauling and disposal contract (June 30, 2015). This contract accounts for almost 50% of SW expenses. Changes in the cost of the disposal contract have a direct impact on the overall budget. Due diligence over the past few years indicates other options for the contract which could result in significant changes to the budget. However, it is not likely that this changes will allow SW to continue with a sustainable budget on tipping fees alone. We are close to the point where a tipping fee increase will not generate a corresponding increase in revenue; more tonnage will be lost to competitors.

This budget as proposed represents a sustainable budget from an expense point of view. However, the resulting revenue needs trigger a tipping fee of \$68 / ton or an \$11 increase. This will very likely result in limited revenue increases that do not cover expenses or possibly even a decrease in total revenues due loss of tonnage to competitors. While it is possible to reduce this budget's expense notably, these reductions are not sustainable long term. This is likely the case even with a very favorable result in the disposal contract RFP due April 2, 2015.

With the significant pressures on SW tipping fees, staff provides the following options:

1. **Limited Budget:** Set a small tipping fee increase and continue to operate under a limited budget based on the savings, if any, generated by the new disposal contract. This option is significantly more risky moving forward with the reduction of the SW fund balance. A likely result will be a transfer from the general fund at the end of the year to cover a budget deficit. The following are possible revisions to the proposed budget that will either increase revenues or decrease expenditures; noting that these changes are not sustainable and increase the risk associated with the budget:
 - a. Reduce Hauling Contract based on results of RFP (Due April 2)
 - b. Delete Household Hazardous Waste / Electronics Program (\$27,000)
 - c. Delete Capital Outlay – Equipment (\$210,000)
 - d. Delete Maintenance Project for slab repair (\$15,000)
 - e. Add Fee at Convenience Center (\$250,000)
 - f. Reduce tipping fee increase to \$59 / ton (\$150,000)
 - g. Reallocate non-Solid Waste expenses (\$300,000)
 - h. Pay off Animal Shelter Loan to General Fund with or without transfer of Activity Center (\$115,000 to \$485,000)

2. **General Fund Allocation:** Maintain the tipping fee and allocate the remaining revenue from the General Fund budget. The amendment to the proposed budget follows:
 - a. Add Transfer from General Fund (revenue): \$850,000
 - b. Revise SW User Fee (revenue): \$4,303,500 (\$57 / ton x 75,500 tons)

3. **Availability Fee:** Generate the \$850,000 from option #2 with a Solid Waste Availability Fee. This fee could be sent with the property tax bill to all parcel owners (63,000) or all parcels with development (42,000). Expanding on this option, the Availability Fee could be set to cover all non-transfer station expenses at \$1,500,000 and reduce the tipping fee to \$49 / ton. This would make the transfer station more competitive and likely increase annual tonnage and in turn, SW User Fees. The amendment to the proposed budget follows:
 - a. Add SW Availability Fee (revenue): \$850,000 (\$13.50 / parcel or \$20.50 / developed parcel)
 - b. Revise SW User Fee (revenue): \$4,303,500

4. **Flow Control:** Approve an ordinance requiring all haulers to bring trash picked up in Henderson County to the Henderson County Transfer Facility. This would in turn bring the associated revenue which based on the latest reports from the State is over 20,000 tons, \$1,100,000 in gross revenue, or \$350,000 net revenue after paying the Hauling & Disposal contract. The non-transfer station benefits are available to all County citizens. However, allowing haulers to leave the County with County revenue places a larger burden on the citizens whose trash is brought to our facility. Furthermore, the haulers taking the revenue out of the County are not local haulers. They are primarily a few large, out of County haulers. Therefore, the small local haulers and their customers are paying for the other haulers share of the costs. The County Attorney has indicated that this policy is legal and has been upheld in Federal Courts.

The impact on this proposed budget is two-fold. The lost revenue will be captured from the haulers currently not using the County's transfer station. Secondly, the tipping fee can be set to capture the revenue need without risking lost tonnage. However, there is risk in implementing the ordinance. A Solid Waste enforcement officer will need to be added to the budget, and the ordinance may require time to generate the additional revenue. Also, the out of County haulers and private transfer station will likely challenge the County in Court regardless of the precedence already set. The amendment to the proposed budget follows:

- a. Add Salaries & Benefits (SW Enforcement Officer): \$60,000
 - b. Increase SW User Fees (revenue): \$5,443,500 (\$57 / ton x 95,500 tons)
(Note, this is a \$300,000 increase to offset SW Enforcement and risk of ordinance implementation)
5. Exclusive Franchise of Private Haulers: Approve an ordinance providing an exclusive franchise to residential and commercial haulers. As part of the franchise contract haulers would be required to bring trash to the County transfer station. While this option has similar impact to the budget as option 4, it does provide benefits to the haulers and their customers. The haulers get exclusive rights to a territory and the associated efficiencies and equity. Customers will likely see a substantial decrease in their monthly collection costs. For example, a neighboring county with exclusive franchising costs \$15 / month for residential collection while the monthly bill in our County is approximately \$25 / month. The option is not without concerns. Citizens will not be able to choose which haulers provide their collection service. The contracts will need to be managed by the County requiring additional staffing. Of course, the implementation of the ordinance can provide a territory for all existing haulers in the County without putting any out of business. The amendment to the proposed budget follows:

- a. Add Salaries & Benefits (SW Franchise Administrator): \$60,000
- b. Increase SW User Fees (revenue): \$5,443,500 (\$57 / ton x 95,500 tons)
(Note, this is a \$300,000 increase to offset SW Enforcement and risk of ordinance implementation)

Specifics of this proposed budget follow:

Retained Earnings 401001:

Removed allocation of fund balance to establish a sustainable budget for this and future fiscal years.

Transfer from General Fund 604472:

Continuing the payment of the loan to the General Fund for the construction of the Animal Shelter. The following payments remain:

- FY16 payment of \$54,000 (balance \$62,000)
- FY17 payment of \$54,000 (balance \$8,600)
- FY18 payment of \$8,600

Solid Waste User Fees 478002:

Revenue needed to address project, equipment and other expenses to establish a sustainable budget for this and future fiscal years.

Planned Projects 535103 (detailed in planned project tab in workbook):

- Bay 1 Slab Repair (\$15,000): Repairs to Bay 1 of the Transfer Station to prolong life until floor replacement project in FY 2018
- Monitored Natural Attenuation – Bioremediation for Groundwater Contamination (\$145,000): Corrective Action Measure requirement from NCDENR due to positive tests from the groundwater monitoring.

Fee Schedule Changes:

The following changes are proposed to the Solid Waste / Water Quality Fee Schedule:

- Increase “MSW” and “Construction & Demolition Debris” from \$57 to \$68 / ton to generate operating revenue needed to cover sustainable, operating expenses. Note, a fee increase of this magnitude is extremely risky triggering a loss of tonnage and limited revenue increases or possibly a loss of revenue (see Narrative above)
- Increase “Concrete & Masonry” from \$30 to \$45 / ton to more accurately reflect the cost to process this material.
- Decrease “Yard Waste” and “Yard Trash” from \$57 to \$45 / ton to more accurately reflect the cost to process this material.
- Separate Latex and Oil base paint fees to identify Oil paint as a Hazardous material and Latex as a non-Hazardous material which removes latex paint from the HHW program.
- Increase “Non-eligible Tires” from \$82 to \$85 / ton to more accurately reflect the cost to process this material.
- Add a 1.5% late fee per month to invoices unpaid for over 60 days

Utilities: Cane Creek Water and Sewer District, 615711

Mission:

Henderson County Utilities Division provides a high standard of service to our customers and protection to the Environment by efficiently operating the collection system for the Cane Creek Water and Sewer District and WNC Justice Academy's Wastewater Treatment Plant.

Budget Narrative:

The Cane Creek Water and Sewer District (CCWSD) provides service to most of the Fletcher area, Mountain Home Industrial Park, Broadpointe Industrial Park, Hooper's Creek and a portion of the Mills River area. Currently CCWSD serves 3500 customers with approximately 63 miles of sewer line and 10 pump stations. Approximately 850,000 gallons per day of wastewater is transported through the collection system to MSD Buncombe for treatment. The district's enterprise fund accounts for revenues and expenditures for the operation of the CCWSD System. Salaries for the District are funded in the Solid Waste budget with a transfer to Solid Waste from this budget. Specifics of this proposed budget follow:

Transfer from the Retained Earnings Fund 614711-401000:

1. The Mill Pond Creek Interceptor Project \$2,300,000:
Construction of a major pump station and interceptor that will provide sewer service to both Rugby Middle School and West High School in turn abandoning their wastewater discharges. In addition, the project will eliminate four CCWSD lift stations: Prison, two at the Landfill, and the Animal Shelter. Also, the private lift serving retail stores at Westgate could be abandoned. Finally, provision of sewer along Mill Pond Creek would provide an opportunity for homeowners with failing septic systems in the area to have access to public sewer. \$2.3 million is the expenses remaining after FY15.
2. Snowball Lift Station \$652,040:
CCWSD has been awarded a FEMA grant to eliminate the Snowball Lift Station. Due to a change in operations at the Quarry adjacent to the current station, access for gravity line to eliminate the station is no longer possible. Therefore, the grant scope has been changed to relocate the station out of the floodplain onto higher ground owned by the Quarry. Design, permitting and access should be completed in FY15 with construction in FY16.
3. Mud Creek Interceptor- Naples Project \$130,000:
This project will extend the Mud Creek interceptor to Naples pump station; eliminating the station. In addition, the existing Naples force main will be converted to a gravity sewer line. This project extends the system closer to Fletcher Academy and Park Ridge Hospital. This allocation will fund the pre-construction with construction funded in FY17.

Fee Schedule: Add a 1.5% late fee per month to invoices unpaid for over 60 days

Utilities: Justice Academy, 635711

Mission:

Henderson County Utilities Division provides a high standard of service to our customers and protection to the Environment by efficiently operating the collection system for the Cane Creek Water and Sewer District and WNC Justice Academy's Wastewater Treatment Plant.

Budget Narrative:

The Justice Academy budget provides the funding to operate, maintain and ensure compliance for the wastewater treatment plant serving the WNC Justice Academy located in the Edneyville Community. Revenues for the budget are provided by the treatment payments made by the Justice Academy.

The project to improve the plant's disinfectant treatment system has been delayed or possibly canceled due to the suggestion from NCDENR to study the possibility of replacing the plant with a lift station connecting the Justice Academy to the City of Hendersonville's sewer system. This could also provide a feasible opportunity to also connect Edneyville Elementary to public sewer as well. Edneyville Elementary is the only public school not on public sewer. An agreement with WGLA Engineering has been executed to study the replacement options.

Transfer from the Retained Earnings Fund 635711-401000:

Plant Replacement Planning: \$5,668:

We are proposing funding \$5,668 of the \$7,500 plant replacement study mentioned above with retained earnings.

**FY 2016-2017
BUDGET REQUEST**

**Engineering Department / Solid Waste
605472**

Department Head: Marcus Jones, P.E.

Budget Prepared by: Greg Wiggins, Operations Manager

E-Mail: gwiggin@hendersoncountync.org

Date Submitted: February 24, 2016

BUDGET NARRATIVE

The Solid Waste Division provides the County with a Transfer Station for waste disposal and recycling of materials. Also, the Division operates a Convenience Center and maintains four closed landfills. The facilities are open to all residents of Henderson County and operate under a permit with the State of North Carolina. The County's Water Quality programs fall under the Division's budget as well.

As this budget is submitted, the Board of Commissioners are considering a funding policy change for Solid Waste. A change is needed to maintain the Division as a self-supporting, enterprise fund. This budget does not reflect any changes in funding policy. However, it does reduce or cut services as detailed below. Also, this budget is best described as a break even budget without any revenue retained for future budgets. The decrease in fuel costs and increase in trash volume have helped the budget but funding policy changes are still warranted.

Close Convenience Center on Monday, Wednesday and Friday:

Closing the Center three days will reduce expenses by \$65,000. This reduction will come from the Reduction in Force of three staff: one full time Labor 1 position and two part time Convenience Center Attendants. Unfortunately, this reduction will accompany a reduction in service by cutting the Center hours in half and most likely generate strong, negative feedback from the Center's customers.

Fee Schedule, Reinstate Water Quality Program Fees

Reinstating fees for our Water Quality Programs will generate \$40,000 in additional revenue. The impact to service will be limited to switching from a no charge service to the Development community to a fee service.

Suspend Household Hazardous Waste Program:

Suspending the HHW program will reduce expenses up to \$50,000. It is not a program required by our permit with the State. This has been a popular program over the past several years and this reduction in service will have an impact. It provides a safe place for hazardous materials removing them from County residences and our transfer station. Also, the program reduces our liability from our contracted Landfill; we are less likely to be the origin of a problem material in their landfill. However with the possibility of reinstating in FY18, the negative feedback from customers will be somewhat mitigated.

Reduction in Force, Part Time Administration Position:

The electronic filing project for the Department is near completion and the part time Administrative Assistant will not be needed past FY16. This reduces expenses by \$12,000 but does remove some of the Department's administration capacity beyond the electronic filing project.

Fee Schedule, Add \$30 per ton fee for Hauler Recycling:

The addition of a fee for hauler recycling (i.e. blue bags or singlestream) will generate \$75,000 to offset impact from our increases in recycling costs. The recycling markets have been poor for the last several years and as of the beginning of this calendar year, the impact is being passed along in our contract with American Recycling. We are exploring recycling options with other vendors to try to limit the impact.

Planned Maintenance Projects, Renovations to Transfer Station Bay #2:

Bay 2 of the Transfer Station is planned to be renovated this year. The engineer's estimate is \$350,000. The scope of the project is to replace the concrete floor, rebuild the concrete push walls and armor the walls with metal plate similar to Bay 1. The floor and walls are at the end of their life and are quickly deteriorating.

County	General Fund Allocation			Availability Fee		MSW Landfill		C&D Landfill		Convenience Centers	
	Tipping Fees / Bag Fees	General Fund Allocation	Availability Fee	MSW Landfill	C&D Landfill	Convenience Centers	MSW Landfill	C&D Landfill	Convenience Centers	MSW Landfill	C&D Landfill
Buncombe	\$2 / bag; \$47 / ton	no	no	\$92 / \$164 proposed for FY16	w/ MSW LF	at Transfer Station and Landfill	yes	no	no	10	
Haywood	none	no	no				no	no	no	10	
Henderson	bag for bag program; \$57 / ton	no	no			at Transfer Station	no	no	no		
Jackson	none	no	no	\$63-\$125 by # bedroom; Business \$53			no	no	no	8	
Madison	none	no	no	\$180			no	yes	yes	10	
McDowell	\$46 / C&D ton; \$42 / MSW ton;	yes	yes				no	no	no	7	
Mitchell	none	yes	yes			mobile	no	no	no		
Polk	Permit fee of \$75 / year or \$7 / trip; loads over 400lbs \$45 / ton	no	no	\$35			no	no	no	1	
Rutherford	\$57 / MSW ton; \$37 C&D ton	no	no	\$140			no	yes	yes	10	
Transylvania	\$1.50 / bag; \$52 / ton	yes *	yes *				yes	w/ MSW LF	w/ MSW LF	3	
Yancey	\$56.55 / ton	yes	yes				no	no	no	6	
Greenville SC	no fee to residents ; \$26 / C&D ton ; \$30 MSW ton	yes	yes				yes	no	no	7	
Nash	\$48/ton tipping fee	yes, allocations annually	yes, allocations annually	rural households charged \$125 per year on annual tax bill			closed	no	no	9 (staffed), accept residential waste	
Cleveland	\$37.65 per ton	no	no	\$62 annually			1	1	1	9 (staffed), accept residential waste	
Craven	\$40 tipping fee. PAYT = \$2.25 per trash sticker. One sticker required for every 33 gal. trash bag or container	no	no				regional landfill contract but does NOT accept MSW	accepted at regional landfill	accepted at regional landfill	7 (staffed), accept residential waste with appropriate # of trash stickers	
Brunswick	various tipping fee charges, but most C&D items start at \$59/ton	Brunswick County offers residential curbside pickup through the general tax fund for all residents.		no			no; MSW collected via bag-for-bag at Convenience Sites and hauled to Sampson County MSW Landfill	yes	yes	^ 4 convenience sites for recycling and MSW; 8 recycling centers	
Harnett	no residential tipping fee. \$40 per ton ONLY commercial/institutional	No. Enterprise fund. We actually pay reimbursement (indirect costs) for services provided by the general fund such as finance, legal, and enforcement.		\$70			no	2	2	4 (staffed), accept residential waste	
Wayne	Tipping fees \$31.50 per ton (\$5.00 minimum charge)	no	no	household user fee \$45 per year			yes	no	no	13 recycling centers (staffed)	
C&D: Construction & Demolition Waste				MSW: Municipal Solid Waste							
LF: Landfill				PAYT: Pay-As-You-Throw							

<p>* not every year, GF allocation for equipment purchases and shortfalls</p>																						
<p>^ The convenience centers are a little different because they are owned by the county but are operated and staffed by Waste Industries. Those sites do have a bag fee since there are no scales available and those fees are determined by Waste Industries. \$3 for 20 gal. bag; \$4 for 21-40 gal. bag; \$5 for > 40 gal. bag</p>																						

Rachel Kipar

From: Lobaugh, Trevor R <trevor.lobaugh@ncdenr.gov>
Sent: Thursday, August 18, 2016 1:24 PM
To: Rachel Kipar; Marcus Jones
Subject: RE: information on mechanisms used in NC to control waste flow
Attachments: Hauler Licensing Summary.docx

Hi Marcus and Rachel,

Hope you both are doing well. As Rob mentioned, I've been surveying governments and doing some research to find information about other counties that have used hauler licensing or franchise systems to control the waste stream. I'm still in the process of collecting and compiling this information together but wanted to touch base and share some of my findings.

The attached document summarizes the flow control arrangements I've identified thus far and provides links to a number of resources (agreements, ordinances) that could serve as examples for Henderson County. Generally, these entities have ordinances establishing a specific waste destination as a condition for approval as a licensee or franchisee or include a similar provision in the language of the hauler licensing contract.

I also have copies of ordinances, applications, and contracts dealing with flow control I can send. Some are linked in the word document but I didn't want to inundate you with too much stuff.

Feel free to reach out if you have any questions. I am continuing to get information from counties and will keep you updated as things develop.

Thanks,

Trevor Lobaugh

Graduate Intern, Division of Environmental Assistance and Customer Service
Department of Environmental Quality

919 707 8138 office
trevor.lobaugh@ncdenr.gov

Division of Environmental Assistance and Customer Service
1639 Mail Service Center
Raleigh, NC 27699-1639



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From: Taylor, Rob
Sent: Thursday, August 18, 2016 10:33 AM
To: Rachel Hodge Kipar (rkipar@hendersoncountync.org) <rkipar@hendersoncountync.org>;
majones@hendersoncountync.org

Cc: Lobaugh, Trevor R <trevor.lobaugh@ncdenr.gov>

Subject: information on mechanisms used in NC to control waste flow

Marcus and Rachel,

I am aware that Henderson County has been exploring the legal mechanisms that can be utilized to direct waste to specific destinations. I have been working with our graduate intern, Trevor Lobaugh, to pull together some additional information that you all might find helpful. Trevor recently completed his Masters of Public Administration at the UNC School of Government, and he has been working with our office on a range of policy matters. By this email I wanted to introduce you all to Trevor, and to let you know that he will be sending you some information on how other counties in NC use hauler licensing systems or franchise systems to affect control of waste and direct the collected materials to specific destinations. Look for an email from Trevor soon with additional info, and please feel free to follow-up with either of us if we can provide additional support.

Best, Rob

Rob Taylor

Local Government Assistance Team Leader
Department of Environmental Quality

Office: 919 707 8139

Email: rob.taylor@ncdenr.gov

Division of Environmental Assistance and Customer Service
1639 Mail Service Center
Raleigh, NC 27699-1639



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Hauler Licensing/Franchise Systems

NC Government Entities that Control Flow of Waste

Albemarle Regional Solid Waste Authority- Hauler licensing system. I believe Albemarle Regional Solid Waste Authority's license system is a good example of effective flow control. It has clear provisions in both the license application and county/municipality ordinance that directs all MSW waste to one of their facilities. **See hauler license application at website linked below**

New Hanover County- Flow control included as provision of franchise contract and ordinance

3. Disposal at County-Approved Facilities. Operator agrees to dispose of all waste collected in the County, as part of this franchise agreement, at County-approved facilities. With regard to County-approved facilities, said approval must be obtained by Operator prior to the disposal at said facilities, and said approval shall be granted or denied entirely at the discretion of the County. The County also has the authority to designate which facilities shall be used.

Forsyth County- Flow control included as part of franchise ordinance. Sec 9(e) of the franchise ordinance was added following negotiations which resulted in the franchise holders being allowed to pay the discounted tipping fee for large volume haulers at our landfill without being required to meet the volume threshold to qualify for this discount (currently \$3.50/ton)

- (e) All solid waste collected under this Ordinance must be deposited at the Winston-Salem/Forsyth County Utility Commission Sanitary Landfill located at 325 Hanes Mill Road, Winston-Salem, NC.

Ordinance/Application Examples

Albemarle Regional Solid Waste Authority Permit Application

<http://www.albemarlesolidwaste.org/services/#PermitLicenses>

Chowan County Ordinance

<http://www.chowancounty-nc.gov/vertical/Sites/%7B10E82D50-AAE0-43D7-A98A-42E82683885E%7D/uploads/%7B5B201C53-1443-4299-BD54-0BA0B6D60B97%7D.PDF>

New Hanover Franchise Ordinance (See Sec 44-55 n)

https://www.municode.com/library/nc/new_hanover_county/codes/code_of_ordinances?nodeId=COOR_CH44SO_WA_ARTIICODI_DIV2ADSOWAPR_S44-55FRRESOWACO

Forsyth County Franchise Ordinance- not available online, I can send a copy if needed

PART B- CORRESPONDENCES

- **Haulers Letter on Proposed Funding Strategies, Survey** (November 2015)
- **Henderson County Waste Hauler Survey** (December 2015)
- **Buncombe County Response to Franchise Tonnage** (January 2016; email between Henderson County Solid Waste staff and Buncombe County Solid Waste staff inquiring about end disposal for franchised hauler of residential MSW in Buncombe County)
- **Buncombe County Response for Closure** (January 2016)
- **Hauler Survey on Tipping Fee** (May 2016; research performed by staff and presented to County Manager)
- **Hauler Newsletter** (June 2016)
- **Public Hearing Notices & Hauler Email** (August 2016)
- **Submitted Written Public Comment to the Board of Commissioners and Related Industry Letters** (2016, compiled by the Clerk to the Board of Commissioners)



ADDRESS TO HAULER

November 23, 2015

Dear [insert Hauler Contract Name]:

The Henderson County Engineering Department and Solid Waste Division seek your input as a valuable business member of the waste and recycling sector of our community. The Department strives to bring affordable and convenient programs to the residents and businesses of the County to reduce our overall impact on the environment, while offering high quality customer service and useful programs aimed at diverting a variety of waste streams.

As you may be aware, the Solid Waste Division maintains the Transfer Station and Convenience Center, both located on Stoney Mountain Road, and operates as a self-sustaining, enterprise fund. This type of operation utilizes the tipping fees collected at the Scale House with each transaction to cover the expenses incurred at each location. These fees also enable the County to monitor and maintain the closed landfills, as required by the NC Division of Environmental Quality (formerly Department of Natural Resources).

Due to the self-sustaining nature of our enterprise fund, long-term funding strategies are an integral part of maintaining appropriate tipping fees while still allowing for the future implementation of waste diversion programs as low to no-cost options for the public. At present, the Solid Waste Enterprise Fund receives no allotments from the General Fund or funds from property taxes.

At the October 5, 2015 meeting of the Henderson County Board of Commissioners, strategies for long-term funding were presented. These strategies are attached following this letter. After much discussion, the Board asked the County Engineer and County Attorney to draft changes to the existing Solid Waste Ordinance to include clauses implementing "flow control," a measure that, by ordinance, gives the County authority to require all solid waste generated and collected within the County limits be brought to the Transfer Station. Minutes from the October 5th Board meeting concerning this discussion and request are also attached.

A copy of the draft ordinance is attached. The Board reviewed this ordinance as presented by County Attorney Charles Russell Burrell on October 21 and has voted to resume discussion at the mid-January meeting. The proposed changes to the ordinance would require all haulers to bring waste generated in Henderson County to be taken to the Henderson County Transfer Station. This is commonly known as Flow Control.



HENDERSON COUNTY ENGINEERING

Solid Waste Division
1 Historic Courthouse Square, Suite 6
Hendersonville, NC 28792
(828) 694-6526

The Engineering Department would like your input on this proposed measure as a member of the solid waste and recycling sector of the County. Please find a brief survey attached to this letter, with a self-addressed envelope. **Please return the survey to the Engineering Department no later than January 6, 2016.** We welcome your input and invite you to contact us should you have further questions.

As always, thank you for your commitment to making our community safer and our environment cleaner.

Sincerely,

Marcus Jones, P.E.
County Engineer

Attachments:

- 1) Funding Strategies
 - <http://www.hendersoncountync.org/agendas/October%205,%202015/index.htm>
- 2) Applicable Minutes from October 5, 2015 Board of Commissioners Meeting (Pgs. 12-14)
 - <http://www.hendersoncountync.org/agendas/index.html>
- 3) Proposed DRAFT Solid Waste Ordinance Revisions
 - <http://www.hendersoncountync.org/agendas/November%202,%202015/index.htm>
- 4) Survey and Self-Addressed Envelope



WASTE HAULER SURVEY

PLEASE FILL OUT AND RETURN TO HENDERSON COUNTY ENGINEERING
NO LATER THAN JANUARY 6, 2015

[Insert Hauler's Name and permit number]

Owner/Operator Name (if applicable): _____

Contact Person Name & Phone Number: _____

Signature of Contact Person: _____

Do you support the proposed ordinance to implement Flow Control in Henderson County as an option to maintain a solvent Solid Waste Enterprise Fund?

If you do not support Flow Control which of the following option do you support to maintain a solvent Solid Waste Enterprise Fund:

1. Charge an Availability Fee on the Tax bill to support Solid Waste
2. Raise the tipping \$6.50 to support Solid Waste
3. Raise property taxes to support Solid Waste
4. Other (please specify): _____

Do you feel that Flow Control will hinder your ability to continue operating as a permitted waste/recycling hauler in Henderson County?

On a scale of 1 to 3 (with 3 being 'fully understood' and 1 being 'no understanding'), please rate your UNDERSTANDING of the proposed flow control ordinance. Please write any comments below regarding your UNDERSTANDING of the proposed flow control ordinance.

1 2 3

Survey continued on next page.



Additional Survey Questions:

Number of Permitted Trucks and Drivers within Company:

- Permitted Trucks _____
- Permitted Drivers _____

Number of Solid Waste Customers:

- Do you provide carts, bins, or dumpsters? If YES, circle customer options.
- If NO, please write in disposal options for customers.

Number of Recycling Service Customers:

- Do you provide carts, totes, dumpsters, or require blue bags? If YES, circle customer options.
- If NO, please write in disposal options for customers.

Frequency of Transfer Station Visits per week (Mon-Sat): _____

QUESTION 1: On a scale of 1 to 5 (with 5 being excellent and 1 being very poor) please rate your EASE OF USE of programs available to you at the Transfer Station (i.e.: trash disposal on bay floors, blue bags (SS) recycling disposal, other disposal programs like asphalt shingles, C&D, or yard waste). Please write any comments below regarding your EASE OF USE at the Transfer Station.

1 2 3 4 5

Please use an additional sheet to include further comments. Thank you for your time and cooperation!

Marcus Jones

From: Kristy Smith <Kristy.Smith@buncombecounty.org>
Sent: Monday, January 4, 2016 10:51 AM
To: Marcus Jones
Subject: RE: household assessment

Hi Marcus,

Thanks for the quick response. Flow control discussions are always interesting, good luck, can't wait to hear how it all goes. Yes, we pay post closure costs with solid waste revenues, we are 100% self supported as well, and yes, getting more and more difficult.

Talk later,
Kristy

From: Marcus Jones [mailto:majones@hendersoncountync.org]
Sent: Monday, January 04, 2016 10:47 AM
To: Kristy Smith <Kristy.Smith@buncombecounty.org>
Subject: Re: household assessment

Kristy,

Happy New Year to you as well! We do not have any household availability fees. However, we are presenting funding policy options to our Board now and that along with flow control are the two most discussed options.

We are 100% self supported of tipping fees but it's getting difficult. Sounds like y'all are in a similar situation.

I did get a Commissioner question for Buncombe. Do y'all pay for post closure costs with solid waste revenue or general fund (property taxes)?

Thanks
Jones

quick message sent via mobile

On Dec 31, 2015, at 10:22 AM, Kristy Smith <Kristy.Smith@buncombecounty.org> wrote:

Hi Marcus,

Happy New Years Eve. I am working on a gathering information regarding household assessment for solid waste fees in counties of North Carolina, do you all have that type of fee and if so, how is it collected and how much is it?

Thanks Marcus,
Kristy

[Spam](#)
[Phish/Fraud](#)
[Not spam](#)
[Forget previous vote](#)

Marcus Jones

From: Kristy Smith <Kristy.Smith@buncombecounty.org>
Sent: Monday, January 4, 2016 4:52 PM
To: Marcus Jones
Subject: Re: household assessment

Yes they are required to bring it to us

Sent from my iPhone

On Jan 4, 2016, at 4:45 PM, "Marcus Jones"
<majones@hendersoncountync.org<mailto:majones@hendersoncountync.org>> wrote:

Kristy,

One more question from the Board. Is WastePro required to bring their tonnage from the Franchise Contract to you?

Thanks again,
Jones

From: Kristy Smith [mailto:Kristy.Smith@buncombecounty.org]
Sent: Thursday, December 31, 2015 10:23 AM
To: Marcus Jones <majones@hendersoncountync.org<mailto:majones@hendersoncountync.org>>
Subject: household assessment

Hi Marcus,
Happy New Years Eve. I am working on a gathering information regarding household assessment for solid waste fees in counties of North Carolina, do you all have that type of fee and if so, how is it collected and how much is it?
Thanks Marcus,
Kristy

--

BEGIN-ANTISPAM-VOTING-LINKS

Teach CanIt if this mail (ID 09Q1VPCOi) is spam:

Spam: <https://antispam.roaringpenguin.com/canit/b.php?i=09Q1VPCOi&m=fd3295ff4ecf&t=20160104&c=s>
Fraud/Phish: <https://antispam.roaringpenguin.com/canit/b.php?i=09Q1VPCOi&m=fd3295ff4ecf&t=20160104&c=p>
Not spam: <https://antispam.roaringpenguin.com/canit/b.php?i=09Q1VPCOi&m=fd3295ff4ecf&t=20160104&c=n>
Forget vote: <https://antispam.roaringpenguin.com/canit/b.php?i=09Q1VPCOi&m=fd3295ff4ecf&t=20160104&c=f>

END-ANTISPAM-VOTING-LINKS

Rachel Kipar

From: Marcus Jones
Sent: Thursday, May 19, 2016 5:23 PM
To: STEVE WYATT
Cc: Amy Brantley
Subject: Hauler Survey on Tipping Fee
Attachments: Marcus A Jones PE.vcf

Follow Up Flag: Follow up
Flag Status: Flagged

Steve,

In response to the Board's request yesterday to survey the permitted haulers to see what tipping fee would bring them back our Transfer Station, I called the following:

- Town of Fletcher: left a voice mail to return my call
- Waste Management: left a voicemail to return my call
- WastePro: left a voicemail to return my call
- Republic: left a voicemail to return my call
- Waste Industries: responded that we are "not far offer with our fee but it is still a no-brainer to take tonnage out" [I would guess that there tonnage out of County is to Polk County and not part of the 20,000 tons to Waste Management]
- Consolidated Waste Services (CWS): Buncombe County is at \$43 / ton and less than Waste Management. Only large accounts are hauling to WM (Republic, WastePro and WM). Others go to Buncombe County.
- Smokey Mountain Containers: Haywood is at \$22 / ton but a long haul; Waste Management is \$39 / ton to large accounts but \$53 to small accounts if at all. He hauls to Buncombe County not Waste Management. Buncombe County gives a \$4 / ton rebate check at end of year to some haulers [not heard this before and can't verify it]

Note, these haulers account for almost if not all of the tonnage leaving the County. I'll update this email tomorrow; I believe Fletcher will call back but I don't except WM, WP or Republic to.

Thanks,



Visit www.hcrecycles.org to stay up-to-date about recycling programs!

All e-mail correspondence to and from this address is subject to the North Carolina Public Records Law, which may result in monitoring and disclosure to third parties.



HENDERSON COUNTY SOLID WASTE

191 TRANSFER STATION DRIVE
Hendersonville, NC 28731
Phone: 828-697-4505

Haulers Newsletter

June 9, 2016 Volume No. 2

Hope your Spring has been rewarding and you are ready for a busy Summer.
We would like to update you on some recent activity with Henderson County Solid Waste:

1. At their final budget meeting for fiscal year 2016-2017, the Henderson County Board of Commissioners directed the County Attorney to bring a draft ordinance to implement flow control to them for review and approval at their next meeting on July 20th. The discussion pointed towards an effective date to start flow control sometime this summer. As you are aware, the Board has been discussing a flow control ordinance for over a year with such an ordinance requiring any waste generated in Henderson County to be brought to Henderson County's Solid Waste facility on Stoney Mountain Road. Should you have any questions, please do not hesitate to contact me at 828-694-6560 or Russ Burrell, County Attorney at 828-694-4719. We will provide you updates as more information becomes available. With the approval of flow control, the tipping fee will remain \$60 per ton with no fee for single stream recycling.
2. With the increase traffic due to implementation of flow control, we have started installation of "Waste Wizard." This is a self-payment system that will allow permitted haulers to by-pass the scales line. This system should be ready prior to flow control implementation and will mitigate the negative impact of the increased traffic and maybe even reduce line times for our haulers.
3. The other project approved in next year's budget is a major renovation of the Transfer Station to include replacement of both floors and repair to the push walls in Bay 2. We are planning on a fall construction time to avoid peak flow months. Please give Greg Wiggins a call with questions or comments, 828-697-4505

Your business is very important to our Solid Waste Operations.....Thanks!
Marcus Jones, County Engineer

HENDERSON COUNTY BOARD OF COMMISSIONERS

1 Historic Courthouse Square, Suite 1
Hendersonville, North Carolina 28792
Phone: 828-697-4808 • Fax: 828-692-9855
www.hendersoncountync.org

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Chairman
CHARLES D. MESSER
Vice-Chairman

J. MICHAEL EDNEY
GRADY H. HAWKINS
WILLIAM G. LAPSLEY

NOTICE

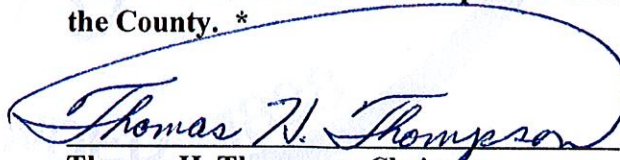
*PUBLIC HEARING

DATE: Wednesday, August 17, 2016

TIME: 9:00 a.m.

PLACE:
Commissioners' Meeting Room
1 Historic Courthouse Square, Hendersonville

SUBJECTS TO BE CONSIDERED: Public Hearing regarding the Modification of the Henderson County Solid Waste Ordinance to provide for "Flow Control" measures regarding Solid Waste from the Un-incorporated areas of the County. *


Thomas H. Thompson, Chairman

*In addition to the foregoing, any person wishing to comment in writing on these proposed changes should submit the same prior to the date of the hearing noticed hereto to the undersigned, at 1 Historic Courthouse Square, Suite 1, Hendersonville, NC 28792.

- = Action may be taken with respect to any of the items to be discussed at this meeting.

HENDERSON COUNTY BOARD OF COMMISSIONERS

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THOMAS H. THOMPSON
Chairman
CHARLES D. MESSER
Vice-Chairman

J. MICHAEL EDNEY
GRADY H. HAWKINS
WILLIAM G. LAPSLEY

SPECIAL NOTICE

The Henderson County Board of Commissioners
will be **RESCHEDLING** the Public Hearing
previously scheduled for
~~Wednesday, August 17, 2016~~

to

Wednesday, September 21 at 9:00 a.m.

Regarding the Modification of the Henderson County Solid Waste Ordinance
to provide for "Flow Control" measures regarding Solid Waste from the
Un-incorporated areas of the County*

*In addition to the foregoing, any person wishing to comment in writing on these
proposed changes should submit the same prior to the date of the hearing noticed
hereto to the Clerk to the Board, 1 Historic Courthouse Square, Suite 1,
Hendersonville, NC 28792

Please make a note of this change.



Thomas H. Thompson, Chairman
Henderson County
Board of Commissioners

Rachel Kipar

From: Joanna Manley
Sent: Tuesday, September 20, 2016 2:44 PM
To: Rachel Kipar
Subject: FW: BOC Public Hearing Postponed (8-11-16)

To All Haulers:

The Henderson County Board of Commissioners has postponed the public hearing on the revision to the Solid Waste Ordinance to implement Flow Control to the September 21, 2016 Board meeting. This meeting starts at 9:00 am in the Boardroom at the Historic Courthouse.



Joanna Manley, Administrative Assistant
Henderson County Engineering
191 Transfer Station Drive
Hendersonville, NC 28791
Engineering Department: 828-694-6526
Utilities Department: 828-694-6608
Fax: 828-698-5164

Letters
Regarding
Flow
Control
Ordinance



May 24, 2016

Tommy Thompson, Chairman
Henderson County Board of Commissioners
1 Historic Courthouse Square, Suite 1
Hendersonville, NC 28792

RE: Henderson County Solid Waste Budget

Dear Commissioner Thompson,

On behalf of the Recycling Committee at MountainTrue's Southern Regional Office in Hendersonville, we would like to thank you for your support of waste reduction and recycling programs. Henderson County has made tremendous progress in the way residents can safely and sustainably dispose of their waste and recycling materials, and it would be unfortunate to lose or restrict any of those options due to budget constraints. As such, we encourage your continued support of the following provisions as you consider the County's budget for solid waste programs:

- The Convenience Center, which serves all County residents, should not be restricted to operate only three days per week as proposed by County staff. Rather, it should remain open at its current level of operation.
- The Household Hazardous Waste program is an effective and necessary service to handle dangerous household waste that should continue.
- Tipping fees should be maintained at a reasonable rate.
- Flow control should be implemented to maximize revenue for our County Enterprise Fund. This would not pose an undue hardship on local waste haulers who already use our transfer station.

Thank you again for protecting, maintaining, and growing local waste reduction services, and for continuing to support the Enterprise Fund, which provides critical public services for Henderson County residents.

Sincerely,

Gray Jernigan
Southern Regional Director

CC: MountainTrue Recycling Committee

29 North Market Street, Suite 610 Asheville, NC 28801 828.258.8737
611 N. Church Street Hendersonville, NC 28792 828.692.0385
164 South Depot Street Boone, NC 28607 828.719.7624
16 Stewart Street Franklin, NC 28734 828.349.3899
mountaintrue.org

WATERKEEPER ALLIANCE MEMBER

McGuireWoods LLP
434 Fayetteville Street
Suite 2600
P.O. Box 27507 (27611)
Raleigh, NC 27601
Tel 919.755.6600
Fax 919.755.6699
www.mcguirewoods.com

Charles D. Case
Direct: 919.755.6698

McGUIREWOODS

ccase@mcguirewoods.com
Fax: 919.755.6675

August 12, 2016

Via US Mail

Thomas H. Thompson, Chairman
Henderson County Board of Commissioners
1 Historic Courthouse Square, Suite 1
Hendersonville, NC 28792

Re: Henderson County's Proposed Flow Control Ordinance

Dear Chairman Thompson:

Pursuant to the attached Notice of Hearing, which is attached as Exhibit A, we submit these comments and objections to the "Modifications of the Henderson County Solid Waste Ordinance to provide for 'Flow Control' measures regarding Solid Waste from the Un-incorporated areas of the County" (the "proposed Flow Control Ordinance"). These comments are submitted on behalf of the North Carolina Chapter of the National Waste & Recycling Association (NWRA). NWRA is an association of privately-owned solid waste management companies that provide solid waste collection, recycling, disposal, and engineering services throughout the United States. The North Carolina Chapter is comprised of our members who operate within the State and in Henderson County. NWRA's members play a critical role in providing the infrastructure to assure adequate waste and recycling services exist to protect the State's environment.

Both NWRA and one or more of its member companies have previously communicated with you and your County's attorney, Mr. Burrell, expressing opposition to the proposed Flow Control Ordinance. Mr. Huff, Manager of the Sunbelt Region of NWRA, wrote a letter to you, dated May 27, 2016, on behalf of NWRA and its member companies ("NWRA Letter"). A copy of that NWRA Letter is attached as Exhibit B. Prior to that NWRA Letter, my partner, Mr. Justin Howard, had communications with Mr. Burrell on behalf of one of NWRA's member companies, Waste Management, Inc. ("WM") regarding the likely illegality of the PFCO – these include Mr. Howard's May 5 letter to Mr. Burrell and his May 6 letter in response, and Mr. Howard's May 17 letter back to Mr. Burrell providing some of the prior case law that has held flow control ordinances such as the proposed Flow Control Ordinance to be unconstitutional which are attached as Exhibits C, D, and E, respectively (the "WM Letters"). The attached NWRA Letter and WM Letters (collectively the "Letters") are incorporated by reference into these comments for inclusion in the record. As such, I will try to avoid repeating the substance

Thomas H. Thompson, Chairman
Henderson County Board of Commissioners
August 12, 2016
Page 2

of what is contained in those Letters, although I would note that they were written without the benefit of the proposed text of the proposed Flow Control Ordinance, which we now have seen.

A review of the text of the proposed Flow Control Ordinance confirms the various bases for the objections and comments contained in the prior Letters. As shown in the cases cited in Mr. Howard's prior letter, as well as others that we have since considered, the proposed Flow Control Ordinance violates the Dormant Commerce Clause of the U.S. Constitution, Art. I, Sec. 8, cl. 3, in that it discriminates or burdens the interstate flow of solid waste as an item of commerce, and that it does so facially, in its practical effect and in its purpose, given that there is no valid factor unrelated to economic protectionism justifying the proposed Flow Control Ordinance and that there are other nondiscriminatory alternatives to preserve the local interests at stake. As such, the relevant cases deem ordinances like the proposed Flow Control Ordinance as being subject to a virtual *per se* rule of invalidity. Even if this was not the case, because the proposed Flow Control Ordinance fails to regulate evenhandedly and also directly affects interstate commerce, it would impose unreasonable burdens on interstate waste that are excessive in relation to the putative local benefits.

As noted in Mr. Howard's May 17th letter, recent decisions have reaffirmed the long-established principal that a discriminatory flow control ordinance violates the dormant Commerce Clause. Recent decisions by the U.S. Supreme Court and the Fourth Circuit that have upheld flow control ordinances did so based on terms, intents and/or effects that are different from those in the proposed Flow Control Ordinance and, indeed, their discussions make clear that an ordinance like the proposed ordinance that the Henderson County Board of Commissioners now has before it will violate the dormant Commerce Clause. It may also run afoul of the Constitution's Contract Clause. A challenge in federal court to an ordinance on the basis of its unconstitutionality is brought under 42 U.S.C. 1983. Such an action could also contain pendant claims under North Carolina law that the County does not have sufficient specific statutory authority to adopt the ordinance and collect the fees required under it, either under the citations to Chapters 153A and 130A contained in the proposed Flow Control Ordinance, or in any other provisions of state law that we are aware of. See, e.g., *Smith Chapel Baptist Church, et al. v. City of Durham*, 350 N.C. 805, 815, 517 S.E.2d 874, 881 (1999). A prevailing plaintiff in such an action is entitled to request its attorney's fees for the effort.

NWRA and its member companies have noted the harms that would be created by the proposed Flow Control Ordinance and the additional burdens it would impose on its membership, but also on the citizens and businesses of Henderson County. Because of the harms that flow control ordinances impose on the proper handling of solid waste and those who manage it, NWRA is strongly opposed to the proposed Flow Control Ordinance.

Thomas H. Thompson, Chairman
Henderson County Board of Commissioners
August 12, 2016
Page 3

NWRA would be happy to discuss further its objections to the proposed Flow Control Ordinance, and representatives of my firm would be willing to meet with Mr. Burrell and/or your retained counsel to discuss further the legal bases for challenge that are referred to in this letter.

Sincerely yours,

McGUIREWOODS LLP



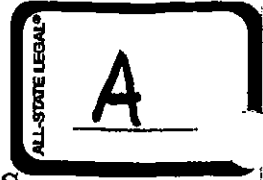
Charles D. Case
Justin D. Howard

Enc.:

- Exhibit A – Notice of Hearing
- Exhibit B – May 27th NWRA Letter
- Exhibit C – May 5th Letter
- Exhibit D – May 6th Letter
- Exhibit E – May 17th Letter

Cc (w/enc.):

Charles Russell Burrell, Esq., Henderson County Attorney
NWRA – North Carolina Chapter



HENDERSON COUNTY BOARD OF COMMISSIONERS

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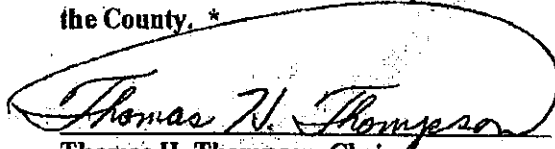
NOTICE *PUBLIC HEARING

DATE: Wednesday, August 17, 2016

TIME: 9:00 a.m.

PLACE:
Commissioners' Meeting Room
1 Historic Courthouse Square, Hendersonville

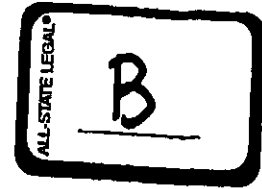
SUBJECTS TO BE CONSIDERED: Public Hearing regarding the Modification of the Henderson County Solid Waste Ordinance to provide for "Flow Control" measures regarding Solid Waste from the Un-incorporated areas of the County. *



Thomas H. Thompson, Chairman

*In addition to the foregoing, any person wishing to comment in writing on these proposed changes should submit the same prior to the date of the hearing noticed hereto to the undersigned, at 1 Historic Courthouse Square, Suite 1, Hendersonville, NC 28792.

- = Action may be taken with respect to any of the items to be discussed at this meeting.



May 27, 2016

Thomas H. Thompson
Chairman
Henderson County Board of Commissioners
Historic Courthouse Square, Suite 1
Hendersonville, NC 28792

Dear Chairman Thompson:

I am writing on behalf of the North Carolina Chapter of the National Waste & Recycling Association (NWRA). NWRA is an association of privately-owned solid waste management companies that provide solid waste collection, recycling, disposal, and engineering services throughout the United States. The North Carolina Chapter is comprised of our members who operate within the State and in Henderson County. Our members play a critical role in providing the infrastructure to assure adequate waste and recycling services exist to protect the State's environment.

I am writing about an issue of grave concern with our operators in Henderson County, as well as private operators throughout the state. Our members have recently learned the Henderson County Board of Commissioners is considering passing an ordinance requiring all waste generated within Henderson County to be disposed at a County-owned facility.

We believe this flow control ordinance will have a negative impact on your residents and businesses. The implementation of flow control amounts to a hidden tax on local businesses and citizens who ultimately will pay a higher price for solid waste services. It achieves nothing but the creation of a monopoly that is detrimental to the well-being of your community and its residents. Further, the message this ordinance sends is that free enterprise is not welcome in Henderson County.

Flow control guarantees that County operations are not judged by their efficiency and quality, but by the jurisdiction's use of its police powers. Competition and free enterprise are the cornerstones of American business, yet Henderson County is considering the creation of a monopoly rather than address budget issues with its operations. Efficient operations, cost controls, competitive pricing, and customer service are the key to success, not flow control.

We respectfully request that Henderson County abandon the adoption of this ill-conceived ordinance. The County instead should require its solid waste operations to compete on its ability to provide the best service and the best price. In other words, the department should earn its business, as opposed to having it handed to them to the detriment of all rate payers in the County. Thank you for your consideration of this request.

Sincerely,

Mike Huff
Manager

- c. Charlie Messer, Vice-Chairman
William Lapsley, Commissioner
Grady Hawkins, Commissioner
Michael Edney, Commissioner

McGuireWoods LLP
434 Fayetteville Street
Suite 2600
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Raleigh, NC 27601
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www.mcguirewoods.com
Justin D. Howard
Direct: 919.755.6685

McGUIREWOODS



jhoward@mcguirewoods.com
Fax: 919.755.6699

May 5, 2016

Via FedEx

Mr. Charles Russell Burrell
Henderson County Attorney
1 Historic Courthouse Square, Suite 5
Hendersonville, NC 28792

Re: Henderson County's proposed flow control ordinance
McGuire Woods File No. 0945293-0274

Dear Mr. Burrell:

I am writing on behalf of my client, Waste Management ("WM"), to express its opposition to the flow control ordinance that is being considered by the Henderson County Board of Commissioners. WM understands and appreciates the budget challenges that Henderson County faces and has followed the flow control debate, remaining hopeful that the County will explore other means of raising revenue. WM recently learned, however, that the Commissioners could vote on the proposed flow control ordinance as early as May 18, 2016, and therefore believes it is important to communicate its position directly to the Henderson County Commissioners at this time. WM strongly opposes the proposed ordinance on grounds that it is unconstitutional and would have a number of adverse effects on Henderson County's businesses and residents. WM encourages the Board of Commissioners not to implement flow control, and it is prepared to take legal action to challenge any such ordinance passed by the Board.

Background

Waste Management is the largest provider of solid waste collection, recycling, disposal, and resource recovery services in North America. In Henderson County, WM has been providing comprehensive solid waste solutions for more than twenty years and currently provides daily service to over 200 county businesses. Currently, over 25,000 tons of Henderson County waste is transported and disposed of outside the County at lawfully permitted and competitively priced disposal facilities.

In its October 5, 2015, meeting, the Henderson County Board of Commissioners considered a number of "funding options" to generate revenue for the County government's budget, including an amendment to its solid waste ordinance that would require all solid waste generated within Henderson County to be transported to the transfer station on Stoney Mountain

Road and then transported and disposed of exclusively by Republic Services, a private waste removal company that is a competitor of the other haulers currently serving customers in the County. If this proposed flow control amendment is implemented, it will have the immediate and far reaching effect of eliminating free market competition for solid waste disposal solutions in Henderson County, increasing costs to area businesses and certainly inviting expensive and burdensome legal challenges by WM and others.

Currently, approximately seventeen permitted commercial haulers transport the solid waste generated in the County to the most competitive, efficient, and practically located processing and disposal facilities. Under the current free market structure, Henderson County residents and businesses receive the best possible value from waste service companies. In contrast, if the proposed flow control ordinance is adopted, competition among disposal facilities will be eliminated, and the County will transform Republic Services into a solid waste disposal monopoly. The ability of hauling companies to efficiently route their collection vehicles will be eliminated. Businesses will lose their right to negotiate prices and obtain the best waste services at the best price for their needs. Now is not the time for more government regulation and intrusion into business operations, especially in this case, where it is unnecessary and will not achieve the County's budget goals.

The Proposed Flow Control Ordinance Will Not Survive Legal Challenges

Waste Management and approximately sixteen other waste removal and recycling companies serving Henderson County have spent decades and invested millions of dollars developing the necessary infrastructure in the region to offer competitive, dependable, and innovative solid waste and recycling solutions to the Henderson County community. These infrastructure investments are supported by numerous individual service contracts currently in effect between the permitted haulers and Henderson County business owners. If the proposed flow control were adopted, the affected waste service companies would have no choice but to pursue every legal avenue available to defend their businesses, their investments, their rights under existing agreements, and to protect themselves from the associated lost revenues that would necessarily result. It makes little sense for a County already facing budget challenges to subject itself to the unnecessary burden and expense of litigation on an issue where our federal courts have made salient that flow control ordinances like the one currently under consideration are impermissible and violate the dormant Commerce Clause of the U.S. Constitution. This is particularly true when the County has the opportunity to develop and pursue other, appropriate means of generating revenue.

Flow Control Will Increase Costs to Henderson County

Under a flow control scheme, overall waste collection and disposal costs to Henderson County businesses will increase. The commercial haulers currently providing collection service in the County will be forced to redirect an additional annual volume of approximately 26,000 tons of waste to the transfer station on Stoney Mountain Road, which charges substantially higher tipping fees than all other transfer stations in the region. This additional volume at the transfer station will result in higher maintenance and operating costs for the County. Ultimately,

Mr. Charles Russell Burrell
May 5, 2016
Page 3

these increased costs will have to be passed along to Henderson County businesses and taxpayers.

Traffic Safety

The proposed flow control ordinance also will place an increased burden on residents living near the transfer station. It will significantly increase refuse truck traffic at the entrance and exit to the Stoney Mountain Road transfer station, a location that the County has acknowledged presents a significant safety concern at its current traffic levels. This concern prompted the County to request the North Carolina Department of Transportation to reduce the road's posted speed limit from 45 to 35 mph. The proposed flow control ordinance would exacerbate this problem regardless of whether or not the County's request to the DOT is granted. Numerous refuse trucks that were previously leaving the County would be redirected and concentrated on Stoney Mountain Road. The resulting increase of truck traffic in and out of the County's transfer station would result in congestion and traffic safety issues, not to mention the increased repair and replacement costs of the effected County roadways.

Summary

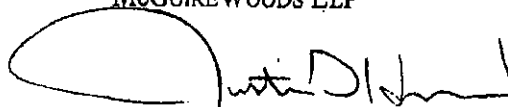
Simply put, flow control is not a solution to Henderson County's budget challenges. WM respectfully requests that the Board of Commissioners reject the proposed ordinance and abandon flow control as a potential revenue source. If it does not, WM is fully prepared to challenge the ordinance in court, but we remain hopeful that that will not be necessary.

Thank you for your attention to this matter. Please give me a call should you have any questions.

With kind regards, I am

Sincerely yours,

McGUIRE WOODS LLP

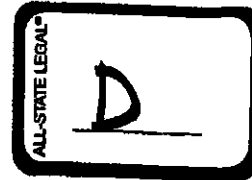


Justin D. Howard

JDH/jm



Charles Russell Burrell
County Attorney



OFFICE OF THE COUNTY ATTORNEY
Henderson County, North Carolina

May 6, 2016

Mr. Justin D. Howard
McGuire Woods LLP
Post Office Box 27507
Raleigh, NC 27611

RE: Flow Control Ordinance

Dear Mr. Howard:

Thank you for your letter of May 5. Since your letter appears to me to be primarily an attempt to persuade the Board of Commissioners on this subject, I have forwarded a copy of your letter to them.

I did note the paragraph headed "**The Proposed Flow Control Ordinance Will Not Survive Legal Challenges**" on the second page of your letter, and noted with particular interest your statement that "federal courts have made salient that flow control ordinances like the one currently under consideration are impermissible and violate the dormant Commerce Clause of the U.S. Constitution." This is to request that you provide me with citations to the case law to which you refer.

Again, thank you for your letter.

Sincerely,

Charles Russell Burrell

CRB

1 Historic Courthouse Square, Suite 5
Hendersonville, North Carolina 28792
Telephone (828) 697-4719 — Facsimile (828) 697-4536

McGuireWoods LLP
434 Fayetteville Street
Suite 2600
P.O. Box 27507 (27611)
Raleigh, NC 27601
Tel 919.755.6600
Fax 919.755.6699
www.mcguirewoods.com

Justin D. Howard
Direct: 919.755.6685

McGUIREWOODS



jhoward@mcguirewoods.com
Fax: 919.755.6699

May 17, 2016

Via Facsimile and US Mail

Mr. Charles Russell Burrell
Henderson County Attorney
1 Historic Courthouse Square, Suite 5
Hendersonville, NC 28792

Re: Henderson County's proposed flow control ordinance
McGuireWoods File No. 0945293-0274

Dear Mr. Burrell:

Thank you for your letter dated May 6, 2016. As you requested, I am writing to provide you with information concerning the impermissibility of flow control ordinances like the one Henderson County has proposed. As I mentioned in my previous letter, our federal courts have consistently held that such flow control ordinances are in violation of the dormant Commerce Clause of the U.S. Constitution.

The U.S. Supreme Court addressed the constitutionality of flow control ordinances in *C & A Carbone v. Town of Clarkstown*, 511 U.S. 383 (1994). In *Clarkstown*, a New York town adopted a flow control ordinance requiring that all nonhazardous solid waste brought into the town either be (1) generated in the town; or (2) processed at a designated transfer station, pursuant to the terms of a contract between the town and a private waste management company. *Clarkstown*, 511 U.S. at 386-88. The contract terms also permitted the private company to charge waste haulers a tipping fee that exceeded the disposal cost of unsorted solid waste on the private market. *Id.* at 387-88.

In reversing the opinion of New York State's highest court, the U.S. Supreme Court held that such an ordinance (1) regulates interstate commerce; and (2) violates the dormant Commerce Clause of the U.S. Constitution. *Id.* at 389-90. Because the ordinance deprived out-of-state businesses of access to the local waste processing market, the Court held that its economic effects were interstate in reach. *Id.* at 389. Additionally, the ordinance was discriminatory in nature because it permitted only a single operator to process waste at its facility, thereby eliminating market competition. *Id.* at 389-92. The Court in *Clarkstown* emphasized the possibility of nondiscriminatory alternatives to a flow control ordinance, stating that the legitimate local interest of environmental safety can be accomplished by instituting uniform safety regulations for waste processing. *Id.* at 392-95.

May 17, 2016

Page 2

Thirteen years later, the Court reaffirmed its position that a flow control ordinance favoring a private waste management company violates the dormant Commerce Clause. *Cf. United Haulers Ass'n v. Oneida-Herkimer Solid Waste Mgmt. Auth.*, 550 U.S. 330, 334 (2007) (distinguishing between flow control ordinances involving public benefit corporations and those involving private waste management companies).

The circuit courts nationwide have repeatedly relied on *Clarkstown* when presented with issues concerning flow control ordinances. *See Huish Detergents, Inc. v. Warren County*, 214 F.3d 707, 714 (6th Cir. Ky. 2000) (holding that *Clarkstown* "teaches us that a State cannot 'hoard' solid waste by prohibiting or restricting the flow of waste to an out-of-state disposal facility."); *U & I Sanitation v. City of Columbus*, 205 F.3d 1063, 1072 (8th Cir. Neb. 2000) (holding that an ordinance requiring all garbage collected within city limits be processed at a city-owned transfer station – save for garbage to be disposed of out-of-state – violated the dormant Commerce Clause because the restriction was "clearly excessive" relative to its local benefits); *Houlton Citizens' Coalition v. Town of Houlton*, 175 F.3d 178, 184 (1st Cir. Me. 1999) ("*Clarkstown* is both the most recent and most relevant" of the Supreme Court cases involving "the application of the dormant Commerce Clause to a municipal waste management scheme."); *Atlantic Coast Demolition & Recycling v. Board of Chosen Freeholders*, 112 F.3d 652, 655 (3d Cir. N.J. 1997) (following *Clarkstown* in holding that flow control statutes requiring management districts to contract with designated facilities for local waste disposal violated the dormant Commerce Clause); *SSC Corp. v. Town of Smithtown*, 66 F.3d 502, 514 (2d Cir. N.Y. 1995) (relying on the *Clarkstown* analysis in holding that a town's flow control ordinance violated the dormant Commerce Clause).

Here, the flow control ordinance proposed by Henderson County will not survive legal challenges because it entails an exclusive waste transportation and disposal contract between the County and a private waste removal company, Republic Services. Pursuant to precedent that the U.S. Supreme Court and federal circuit courts have firmly established, Henderson County's proposed ordinance violates the dormant Commerce Clause. Therefore, WM respectfully requests that the Board of Commissioners reject the proposed ordinance and abandon flow control as a potential revenue source.

WM hopes to avoid litigation in this matter. It is prepared, however, to take legal action to protect its business, investments, and rights under existing agreements, as it has done successfully in other parts of the country. *Cf. Nat'l Solid Wastes Mgmt. Ass'n v. City of Dallas*, 903 F. Supp. 2d 446 (N.D. Tex. 2012) (permanently enjoining the City of Dallas from implementing a control flow ordinance).

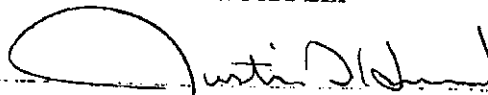
Thank you for your attention to this matter. Please give me a call should you have any questions.

With kind regards, I am

May 17, 2016
Page 3

Sincerely yours,

McGUIREWOODS LLP

A handwritten signature in black ink, appearing to read "Justin D. Howard". The signature is written in a cursive style with a large, prominent loop at the beginning.

Justin D. Howard

JDH/jm

Town of Laurel Park

J. CAREY O'CAIN, Mayor
ROBERT O. VICKERY, Commissioner
and Mayor Pro Tem
DONA M. MENNELLA, Commissioner
A. PAUL HANSEN, Commissioner
GEORGE W. BANTA, Commissioner

ALISON L. MELNIKOVA, Town Manager
KIMBERLY B. HENSLEY, CMC, Town Clerk
BOBBIE K. TROTTER, Chief of Police
ANDREW D. GRIFFIN, Public Works Superintendent
MONICA GILLET-STALLINGS, Town Attorney

July 26, 2016

Commissioner Grady Hawkins
Henderson County Board of Commissioners
1 Historic Courthouse Square
Suite 1
Hendersonville, NC 28792

Dear Commissioner Hawkins,

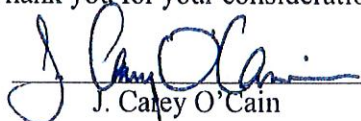
The Town of Laurel Park is negatively affected by the proposed flow control ordinance. Laurel Park contracts for residential only garbage service with a Buncombe County-based provider, and would fall under the definition of "Collector" within the proposed ordinance, including on the days when they are collecting Laurel Park residential garbage. By applying the "Collector" definition to the services provided within the corporate limits of Laurel Park, you are asking the Town, and thus our residents, to pay the County approximately \$8,600 annually in increased tipping fees versus the rate our contracted collector is currently able to secure for the Town.

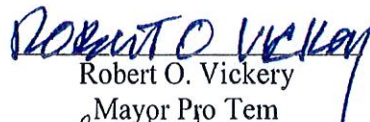
The other two municipalities which provide residential garbage collection, Hendersonville and Fletcher, are purposefully excluded from the "Collector" definition because they use Town employees for residential garbage collection, and as a result are allowed the flexibility of disposing of waste at a facility of their choice. The Town of Laurel Park has determined that it is most cost-effective for our operations to contract for this service rather than use Town employees. This choice should not be used to penalize the Town and its residents.

Please note the Town's contracted garbage collector dedicates two trash trucks and one recycling truck to Laurel Park residents one day a week – no outside Laurel Park waste is included with the Town's garbage.

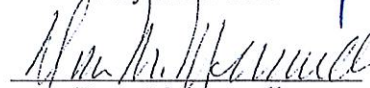
We understand that our garbage collector, Republic Services, also provides garbage collection services to businesses within Henderson County, and must be permitted by the County as provided in the new section 95-28(c). As a result, we request the second clause of the proposed new sentence in the *Collector* definition in 95-12(4) be removed so a municipality may continue to contract for garbage collection, and include within the contract the disposal of waste at the most cost effective facility available to the collector for the municipal waste.

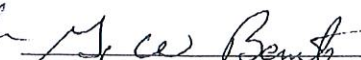
Thank you for your consideration,


J. Carey O' Cain
Mayor


Robert O. Vickery
Mayor Pro Tem


A. Paul Hansen
Commissioner


Dona M. Mennella
Commissioner


George W. Banta
Commissioner



cc: SAC
Steve
Amy
Russ
Terry

Waste Management
24 Pond Road
Asheville, North Carolina 28806

August 2, 2016

Dear Henderson County Commissioners,

As you are aware from prior communications, Waste Management (WM) opposes the flow control ordinance being considered by the Henderson County Board of Commissioners. WM understands and appreciates the budget challenges that Henderson County faces and has followed the flow control debate, remaining hopeful that the County will explore other means of raising revenue.

In Henderson County, WM has been providing comprehensive solid waste solutions for the past 20 years and currently provides daily service to over 200 county businesses. Henderson County has been supportive of business growth during our involvement in the community. However, if this proposed flow control amendment is implemented, it will have the immediate and far reaching effect of eliminating free market competition for solid waste disposal solutions in Henderson County, increasing costs to area businesses.

Under the current free market structure, Henderson County residents and businesses receive the best possible value from waste service companies. In contrast, if the proposed flow control ordinance is adopted, competition among disposal facilities will be eliminated, and the solid waste disposal industry will be transformed into a monopoly controlled by the County. The ability of hauling companies to efficiently route their collection vehicles will be eliminated. Businesses will lose their right to negotiate prices and obtain the best waste services at the best price for their needs.

WM strongly opposes the proposed flow control ordinance on grounds that it is unconstitutional and would have a number of adverse effects on Henderson County's businesses and residents. WM encourages the Board of Commissioners not to implement flow control.

If you have any questions about this issue or service concerns, please contact me via email, afairley@wm.com, or phone, 910-445-1094.

Sincerely,

A handwritten signature in black ink, appearing to read 'Amanda Fairley'. The signature is written in a cursive, flowing style.

Amanda Fairley
Sustainability Manager of the South Atlantic Area

Waste Management
Attn: Amanda Fairley
34 Pond Rd.
Asheville, NC 28906

Received
AUG - 3 2016
Henderson County
Board of Commissioners

Henderson County Board of Commissioners
Solid Waste Flow Control Ordinance Public Comment
Revisions
1 Historic Eastmouse Square, Suite 1
Hendersonville, NC
7777777

Terry Wilson

From: Will <willvn100@gmail.com>
Int: Tuesday, September 13, 2016 9:05 AM
To: Terry Wilson
Subject: comments on transfer station

DATE: 9-13-16
TO: County Commissioners
RE: Transfer Station Regulations

The monopolization of the transfer station seems a desperate attempt to continue operation of an inefficient facility. The rationalization for this change is that the transfer station has an operational deficit of about \$500,000. The claim is that forcing haulers to use the station would eliminate the deficit by adding 20,000 tons of waste for processing at a fee of \$60/ton to produce about \$1,200,000 of additional revenue.

The station faces about a 10% deficit while charging 25% more than adjacent counties, both indicators of inefficient operation. The proposal is a classic example of government overreach, making a bad situation worse by failure to understand how enterprise works. Moreover, the County ignores the negatives of the plan in its zeal to increase revenue and its political power via monopolization and control of an essential service. What are the negatives not mentioned in public statements by County representatives?

- 1) First and foremost is the failure to control costs at the transfer station. Have any efforts been made to control costs? A private business operating at a deficit would immediately institute cost controls because continued deficits mean business failure.
- 2) The transfer station runs at a deficit even though its fees are more than 25% (Times News 7-19-16) higher than those of Polk and Buncombe Counties. Why is there about a 10% deficit (Times News 7-19-16) when the fees are 25% higher? Thus, there seems substantial room for improvement.
- 3) What are the additional costs for processing an additional 20000 tons? How much of the revenue increase of \$1,200,000 would add to the bottom line or would the additional work only increase the deficit at the inefficient facility.
- 4) What will prevent the County from raising fees above the current \$60/ton since it has a monopoly?
- 5) What will prevent haulers from passing any fee increase to residents of the County? Some haulers say their fees will increase, others say not at \$60/ton. But what happens if this inefficient monopoly decides to raise fees further?
- 6) Will the increased fees force some haulers out of business?
- 7) If the County cannot operate the facility efficiently, perhaps it should be sold to a private enterprise. Has this option been discussed?

I moved to Henderson County about five years ago because of the affordable high quality of life. My plan seemed wise until this year when the County Commissioners set in motion multiple increases in taxes and fees to support extravagant spending. A nefarious case in point is the monopolization of waste processing in the County through the County's transfer station.

Respectively submitted,

William Vine
28 Buttons Dr
Hendersonville, NC 28739
828-692-9963
willvn100@gmail.com

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BEGIN-ANTISPAM-VOTING-LINKS

Teach CanIt if this mail (ID 09RH15inL) is spam:

Spam: <https://antispam.roaringpenguin.com/canit/b.php?i=09RH15inL&m=79c73ff3437b&t=20160913&c=s>

Fraud/Phish: <https://antispam.roaringpenguin.com/canit/b.php?i=09RH15inL&m=79c73ff3437b&t=20160913&c=p>

Not spam: <https://antispam.roaringpenguin.com/canit/b.php?i=09RH15inL&m=79c73ff3437b&t=20160913&c=n>

Forget vote: <https://antispam.roaringpenguin.com/canit/b.php?i=09RH15inL&m=79c73ff3437b&t=20160913&c=f>

END-ANTISPAM-VOTING-LINKS



September 13, 2016

Thomas H. Thompson, Chairman
Henderson County Board of Supervisors
1 Historic Courthouse Square, Suite 1
Hendersonville, NC 28792

Dear Chairman Thompson:

I am writing on behalf of the Solid Waste Association of North America (SWANA) in connection with the proposed revisions to the Henderson County solid waste ordinance, which include provisions directing waste materials generated within the county to certain disposal facilities (i.e., flow control). SWANA is the largest professional association for the waste sector in the world, with more than 8,500 members, and has a large and active chapter in North Carolina.

SWANA recognizes flow control as an effective and legitimate instrument of integrated municipal solid waste management (Technical Policy 5.2). To the extent it is permitted under applicable law, and after public discussion, including the consideration of economic, environmental and social impacts, and input from residents, businesses, and other interested parties, SWANA supports communities such as Henderson County implementing and enforcing flow control requirements without unduly interfering with the free movement of municipal solid waste and recyclables across jurisdictional boundaries.

If you have any questions, please do not hesitate to contact me at 240-494-2254 or dbiderman@swana.org

Sincerely,

David Biderman
Executive Director and CEO

Cc: Michael Stahl, SWANA NC President
Michael Brinckek, SWANA NC Board Representative
Marcus Jones, Henderson County



PART C- PRESENTATIONS TO THE HENDERSON COUNTY BOARD OF COMMISSIONERS

- **Solid Waste Funding Presentation, RBA** (October 2015)
- **FY 2017 Budget Retreat Slides 53-74** (January 2016)

REQUEST FOR BOARD ACTION

HENDERSON COUNTY
BOARD OF COMMISSIONERS

MEETING DATE: October 5, 2015
SUBJECT: Solid Waste Funding Policy
PRESENTER: Marcus Jones, P. E.
ATTACHMENTS: Yes
1. Presentation

SUMMARY OF REQUEST:

With the options presented in the attached presentation, staff requests that the Board give direction on a policy to fund Solid Waste operations. Staff will prepare any required documentation for Board approval during a future meeting prior to the FY2017 budget process.

BOARD ACTION REQUESTED: Direct the County Engineer to develop *[insert option from attached presentation]* for Board approval.

Suggested Motion:

I move the Board direct the County Engineer to develop *[insert option from attached presentation]* for Board approval.

SOLID WASTE FUNDING POLICY

OCTOBER 5, 2015

SOLID WASTE FUNDING POLICY

PURPOSE

DETERMINE A FUNDING POLICY FOR SOLID WASTE FOR THE FY2017 BUDGET PROCESS

PRESENTATION OVERVIEW

- OPERATIONS AND BUDGET OVERVIEW
- CHALLENGES
- FUNDING OPTIONS
- BOARD DIRECTION FOR FY2017 BUDGET

HENDERSON COUNTY ENGINEERING

OPERATIONS AND BUDGET OVERVIEW

SOLID WASTE PROGRAMS:

- MSW & C&D DISPOSAL
- CONVENIENCE CENTER
- CONCRETE & INERT DEBRIS RECYCLING
- WOOD & PALLET RECYCLING
- SHINGLE RECYCLING
- HAULER RECYCLING
- PAINT RECYCLING
- HOUSEHOLD HAZARDOUS WASTE
- ELECTRONICS RECYCLING
- BATTERY RECYCLING
- MERCURY PRODUCT RECYCLING
- OIL & FILTER RECYCLING
- TIRE RECYCLING

HENDERSON COUNTY ENGINEERING

OPERATIONS AND BUDGET OVERVIEW

- SELF SUPPORTING ENTERPRISE FUND
- FY2016 BUDGET: \$5,428,583
 - \$405,000 CANE CREEK SALARIES & BENEFITS
- FY2016 TIPPING FEE: \$60 PER TON
- HAULING & DISPOSAL: \$35.24 PER TON
- 78,213 TONS OF MATERIAL IN FY2015
- FUND BALANCE HAS TRENDED DOWN SINCE FY2010

HENDERSON COUNTY ENGINEERING

CHALLENGES

- LOSS OF TONNAGE (REVENUE) DUE TO RECESSION (25% AT LOWEST POINT)
- DIESEL PRICES (FUEL SURCHARGE): UP TO \$175,000 PER YEAR
- ANNUAL POST CLOSURE COSTS: \$500,000 (NO ASSOCIATED REVENUE)
- ANNUAL CONVENIENCE CENTER COST: \$300,000 PLUS \$185,000 IN DEBT SERVICE (NO ASSOCIATED REVENUE)
- TONNAGE (REVENUE) LEAVING COUNTY: 20K TO PRIVATE TRANSFER STATION IN BUNCOMBE COUNTY
- NO VIABLE DISPOSAL OPTION TO TRANSFER
- CONTRACTUAL COLA ON EXPENSES (H&D AND S&B)

HENDERSON COUNTY ENGINEERING

FUNDING OPTIONS

FUNDING OPTIONS:

- TIPPING FEE INCREASES
- REQUIRE HAULERS TO BRING TONNAGE (REVENUE) TO COUNTY FACILITY: (20,000 TONS OR \$400,000 TO \$500,000 NET REVENUE)
- AVAILABILITY FEE / GENERAL FUND ALLOCATION
- FEE AT CONVENIENCE CENTER (NOT STAND ALONE)

HENDERSON COUNTY ENGINEERING

FUNDING OPTIONS

TIPPING FEE INCREASES

PROS:

- LIMITED RISK DUE TO UNKNOWN CONSEQUENCES OF A POLICY CHANGE

CONS

- POSSIBLE LARGE FEE INCREASES
- NOT SUSTAINABLE LONG TERM
- REACH A POINT WHERE FEE INCREASE GENERATES LESS REVENUE DUE TO MORE WASTE LEAVING COUNTY.

HENDERSON COUNTY ENGINEERING

FUNDING OPTIONS

REQUIRE HAULERS TO BRING TONNAGE (REVENUE) TO COUNTY FACILITY

PROS:

- GENERATE \$400,000 TO \$500,000 IN NET REVENUE
- LIKELY AVOIDS TIPPING FEE INCREASE CONCERNS
- LONG TERM SUSTAINABILITY LIKELY
- EQUITY TO LOCAL HAULERS AND THEIR CUSTOMERS

CONS:

- IMPACT BUSINESS OF NON-COUNTY HAULERS
- "GOVERNMENT INTERVENTION INTO FREE ENTERPRISE"
- ENFORCEMENT

HENDERSON COUNTY ENGINEERING

FUNDING OPTIONS

AVAILABILITY FEE / GENERAL FUND ALLOCATION

PROS:

- DISTRIBUTES REVENUE BURDEN MOST DIRECTLY TO COST GENERATOR
- COST RECOVERY FROM COLAS
- AVOIDS TIPPING FEE INCREASE CONCERNS
- SUSTAINABLE LONG TERM

CONS:

- INCREASES PROPERTY TAX AS MUCH AS 0.75 CENTS OR ADDS A FEE TO THE TAX BILL THAT EQUATES TO AS MUCH AS 0.75 CENTS (UP TO \$800,000)

HENDERSON COUNTY ENGINEERING

FUNDING OPTIONS

FEE AT CONVENIENCE CENTER

PROS:

- RECOVER COSTS SOME COSTS ASSOCIATED WITH THE CENTER

CONS:

- DOES NOT COMPLETELY SOLVE FUNDING CONCERN
- REMOVES THE NO COST TRASH DEPOSAL OPTION FOR CITIZENS
- LIKELY MEET STRONG RESISTANCE FROM CENTER'S CUSTOMERS

HENDERSON COUNTY ENGINEERING

FUNDING OPTIONS

ARE THERE OTHER OPTIONS THE BOARD WOULD LIKE TO CONSIDER?

HENDERSON COUNTY ENGINEERING

SOLID WASTE FUNDING POLICY

BOARD DIRECTION FOR FY2017 BUDGET

HENDERSON COUNTY ENGINEERING

SOLID WASTE FUNDING POLICY

QUESTIONS?

THANK YOU

HENDERSON COUNTY ENGINEERING

FY 2016-2017

Board of Commissioners'

Planning Workshop

January 20, 2016
Commissioners' Meeting Room
Historic Courthouse

Agenda

- 9:05 am FY 2015-2016 Mid-Year Financial Report
- 9:30 am Financial Forecast
- 10:15 am Capital Financing Debt Schedules
- 10:45 am Break
- 11:00 am Updates and Emerging Issues
- 12:00 pm Lunch
- 1:00 pm Updates and Emerging Issues—Continued
- 3:00 pm Commissioner Discussion
- 4:00 pm Budget Discussion and Direction to Staff
- Adjourn

Solid Waste Funding Policy

January 20, 2016

Henderson County Engineering



Purpose

Determine a funding policy for Solid Waste for the FY2017 budget process.

Presentation Overview

1. Review previous presentation
2. Results of County Surveys
3. Results of Permitted Hauler Survey
4. Response to Questions on Buncombe County
5. Additional Comments
6. Questions and Discussion on Board Direction

Solid Waste Funding Policy



Review Previous Presentation

Solid Waste Funding Policy




Solid Waste Programs

- MSW & C&D disposal
- Convenience Center
- Concrete & Inert Debris Recycling
- Wood & Pallet Recycling
- Shingle Recycling
- Hauler Recycling
- Battery Recycling
- Mercury Product Recycling
- Oil & Filter Recycling
- Tire Recycling
- Paint Recycling
- Household Hazardous Waste
- Electronics Recycling

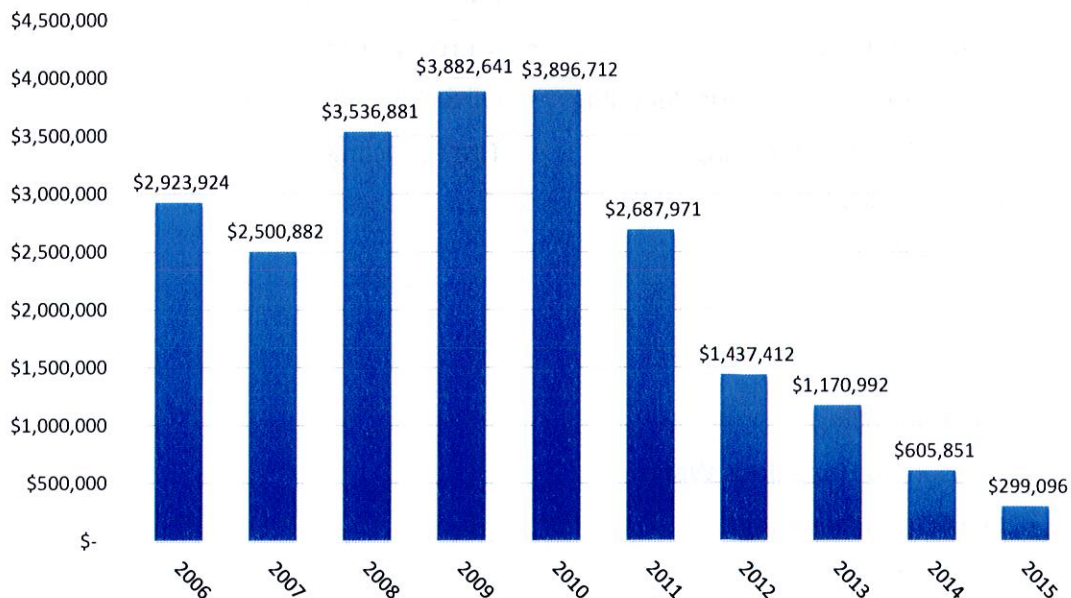
Solid Waste Funding Policy



- Self Supporting Enterprise Fund
- FY2016 Budget: \$5 Million
- FY2016 Tipping Fee: \$60 per ton
- Hauling & Disposal: \$35.24 per ton
(*\$33.51 as of Oct 2015*)
- 78,213 tons of material in FY2015
 - FY 2015 = 258 tons per day
 - FY 2009 = 272 tons per day
- Fund Balance has trended down since FY2010
(*Positive trend YTD FY2016*)

Solid Waste Funding Policy


Solid Waste Enterprise Fund



Challenges

- Loss of Tonnage (Revenue) due to Recession (25% at lowest point)
- Diesel Prices (Fuel Surcharge): up to \$175,000 per year
- Annual Post Closure Costs: \$500,000 (no associated revenue)
- Annual Convenience Center Cost: \$300,000 plus \$185,000 in debt service (no associated revenue)
- Tonnage (Revenue) leaving County: 20k to private Transfer Station in Buncombe County
- No viable disposal option to Transfer
- Contractual COLA on expenses (Hauling Contract & Salaries)

Solid Waste Funding Policy



Funding Options:

- Tipping Fee Increases
- Flow Control
(proposed ordinance revision was presented at Nov 2nd BOC)
- Property Tax Increase

Solid Waste Funding Policy



Tipping Fee Increases

Pros:

- Precedent has been set; easy to understand
- Maintains Enterprise Fund

Cons

- Requires large fee increases (\$6 or 10%)
- Not sustainable long term
- The potential for loss of revenue because of pricing yourself out of business

Solid Waste Funding Policy



Flow Control

Pros:

- Generate \$400,000 to \$500,000 in net revenue
- Avoids tipping fee increases associated with deficit
- Long term sustainability likely
- Equity to local haulers and their customers
- Precedent in NC/Nationally
- Captures the resource that created the issue and makes it the solution

Cons:

- Impact business of non-County haulers
- "Government intervention into free enterprise"
- Enforcement

Solid Waste Funding Policy



Property Tax Increase

Pros:

- Distributes cost burden across the County property owners
- Avoids Tipping Fee Increase concerns
- Sustainable long term

Cons:

- Increases property tax
 - Next Year projection of \$0.75

Solid Waste Funding Policy



Results of County Surveys

Solid Waste Funding Policy



County Solid Waste Surveys

The surveys on the following slides are very detailed with the following notable points:

- It is **not** possible to compare County Solid waste operations by tipping fee alone
- From the Counties surveyed, Henderson County is the **only** non-regulated operation supported by tipping fees
 - Buncombe has flow control on residences via the franchise agreement with WastePro and has a Landfill.
 - Craven has Pay-As-You-Throw (PAYT) which charges \$2.25 per bag at point of collection and is part of a regional SW authority.

Solid Waste Funding Policy



Survey: Adjacent Counties

County	Tipping Fees / Bag Fees	General Fund Allocation	Availability Fee	MSW Landfill	C&D Landfill	Convenience Centers
Buncombe	\$2 / bag; \$47 / ton	no	no	yes	w/ MSW LF	at Transfer Station and Landfill
Haywood	none	no	\$92 / \$164 proposed for FY16	no	no	10
Henderson	bag for bag program; \$60 / ton	no	no	no	no	at Transfer Station
Jackson	none	no	\$63-\$125/ bedroom; Business \$53	no	no	8
Madison	none	no	\$180	no	yes	10
McDowell	\$46 / C&D ton; \$42 / MSW ton;	yes	no	no	no	7
Mitchell	none	yes	no	no	no	mobile
Polk	Permit fee of \$75 / year or \$7 / trip; loads over 400lbs \$45 / ton	no	\$35	no	no	1
Rutherford	\$57 / MSW ton; \$37 C&D ton	no	\$140	no	yes	10
Transylvania	\$1.50 / bag; \$52 / ton	yes	no	yes	w/ MSW LF	3
Yancey	\$56.55 / ton	yes	no	no	no	6

Solid Waste Funding Policy



Survey: Counties with Similar Population

County	Tipping Fees / Bag Fees	General Fund Allocation	Availability Fee	MSW Landfill	C&D Landfill	Convenience Centers
Nash	\$48/ton tipping fee	yes, allocations annually	\$125 Annually	closed	no	9 (staffed)
Cleveland	\$37.65 per ton	no	\$62 annually	1	1	9 (staffed)
Craven	\$40 tipping fee. PAYT = \$2.25 per trash sticker. One sticker required for every 33 gal. trash bag or container	no	no	regional landfill contract but does NOT accept MSW	accepted at regional landfill	7 (staffed)
Brunswick	various tipping fee charges, but most C&D items start at \$59/ton	yes	no	no	yes	4 sites for recycling and MSW; 8 recycling centers
Harnett	no residential tipping fee. \$40 per ton ONLY commercial/institutional	No.	\$70 annually	no	2	4 (staffed)
Wayne	Tipping fees \$31.50 per ton (\$5.00 minimum charge)	no	\$45 annually	yes	no	13 recycling centers (staffed)

Solid Waste Funding Policy



Results of Permitted Hauler Survey

Solid Waste Funding Policy



Permitted Hauler Survey: Responses

	YES	NO	NO RESPONSE	OTHER		
Do you support the proposed ordinance to implement Flow Control in Henderson County as an option to maintain a solvent Solid Waste Enterprise Fund? YES or NO	2	1	3	SOMEWHAT		
	1	2	3	4	OTHER	NO RESPONSE
If you do not support Flow Control which of the following options do you support to maintain a solvent Solid Waste Enterprise Fund:						3
1) Charge an Availability Fee on the Tax bill to support Solid Waste	1					
2) Raise the tipping \$6.50 to support Solid Waste						
3) Raise property taxes to support Solid Waste			1			
4) Other (please specify)					2	
	YES	NO	NO RESPONSE			
Do you feel that Flow Control will hinder your ability to continue operating as a permitted waste/recycling hauler in Henderson County? YES or NO	1	5	1			
	1	2	3			
On a scale of 1 to 3 (with 3 being 'fully understood' and 1 being 'no understanding'), please rate your understanding of the proposed flow control ordinance. Please write any comments below regarding your understanding of the proposed flow control ordinance.			7			

Response to Questions to Buncombe County

- BCSW unlike HCSW **does** regulate it's residential waste with flow control via the franchise contract with WastePro
- Buncombe County Solid Waste (BCSW) is a self supporting enterprise fund like Henderson County Solid Waste (HCSW)
- BCSW pays for closed landfill expense with solid waste revenues like HCSW (no general fund revenue)
- BCSW operates a landfill which significantly reduces disposal costs over transferring waste
- BCSW last month begun investigating solid waste funding options

Additional Comments

1. During our recent update to the Chamber of Commerce's policy committee, the following analogy was given by a committee member: Solid waste is not entirely a government operation nor is it a private enterprise. It is most closely related to a public utility (regulated monopoly).
2. The proposed flow control ordinance will very limited negative impact on the Citizens and businesses of Henderson County
3. Henderson County solid waste programs are self supporting or very close with the following exceptions:
 1. Household Hazardous Waste (\$50,000)
 2. Convenience Center Bag for Bag (approx. \$350,000)
 3. Closed Landfill (approx. \$500,000)
 4. Debt Service (\$185,000 yearly)

Solid Waste Funding Policy



**Questions and Discussion on Board
Direction for FY2017 Budget**

Solid Waste Funding Policy

