

MINUTES OF
BOARD OF HARVEY COUNTY COMMISSIONERS

March 26, 2007

The Board of Harvey County Commissioners met in regular session on March 26, 2007 with all three Commissioners present. Chairman Westfall called the meeting to order at 9:00 a.m.

ITEMS ADDED TO AGENDA:

Commissioner Roberson received a letter of request to proclaim the month of April Fair Housing Month.

Minutes were approved upon a motion by Commissioner Roberson, seconded by Commissioner Krehbiel. Passed unanimously.

ADMINISTRATIVE ITEMS:

1. Craig Simons presented the agenda for this evening's meeting regarding the Waste-To-Energy project. The meeting will begin at 7:00 p.m.
2. Commissioner Krehbiel made a motion to sign an agreement between the Kansas Department of Transportation, Bureau of Construction and Maintenance, and Harvey County to treat noxious weeds. Commissioner Roberson seconded the motion and it was passed unanimously.
3. Commissioner Krehbiel made a motion to approve the application for authorized emergency vehicle permits for five vehicles at the Harvey County Parks. Commissioner Roberson seconded the motion. Passed unanimously.
4. Craig Simons presented the bid specification request for a 2007 passenger van. The Commissioners requested that the specs include dual sliding doors for the back seat entry of the van.
5. Lonnie Buller, Director of Emergency Management, informed the Commission that the City of Burrton's water system had a pump failure on March 25. The water system was not functional from approximately 5:00 a.m. until 4:00 p.m. resulting in a Declaration of a State of Emergency. Although the water system has been restored, Burrton citizens have been advised to boil the water until final lab results are complete.
6. An open house will be held at Unruh Fabrication in Sedgwick on April 13, 2007 from 11:00 to 1:00 p.m.

CITIZEN'S FORUM:

There were no citizens attending the citizen's forum.

Warrant checks for 2006 were approved upon a motion by Commissioner Roberson, seconded by Commissioner Krehbiel. Passed unanimously.

Warrant checks for 2007 were approved upon a motion by Commissioner Krehbiel, seconded by

Commissioner Roberson. Passed unanimously.

At 10:00 a.m. Scott Davies presented a request for a conditional use permit to operate a salvage operation at 2726 South Oliver Road on property owned by Gene and Elaine Stangohr. The property is zoned A-1 Agricultural. The Planning Commission has met, and by a unanimous vote recommended the Board of Commissioners allow the permit. Mr. Stangohr explained that his son is studying auto restoration at McPherson College and is planning to use the cars located at their premises to start a business. They current Planning Commission, that number must be reduced to nine by December 31, 2008. The public hearing ended at 10:35 a.m. Commissioner Krehbiel made a motion to approve the permit as recommended by the Planning Commission, and Commissioner Roberson seconded the motion. Passed unanimously.

Commissioner Roberson made a motion to go into executive session at 10:45 for a period of 20 minutes for financial reasons. Commissioner Krehbiel seconded the motion and it was passed unanimously. Also in attendance during the executive session were Willis Heck, Newton City Mayor; Mickey Fornaro-Dean, Director of Harvey County EDC; and Jim Heinecke, Newton City Administrator. No action was taken during executive session which ended at 11:10 a.m.

Robin Becker, District Court Clerk, presented a quote for District Court to purchase an imaging system, which is being required by the State of Kansas. It is mandated that Harvey County be in compliance by August, 2007. The cost of the system will be approximately \$13,800.00 and was not budgeted in the 2007 budget for District Court. The Commission will take the request under advisement.

The Commission recessed for lunch at 11:40 a.m.

Commissioner Roberson presented **Joint Resolution No. 2007-12** as amended by the CDDO transition task force following objections raised during the March 19, 2007 Commission meeting. Amendments were made in Section 2, Part B of the resolution establishing the membership of the CDDO, and in Section 3 which establishes the term limits of those members. Commissioner Roberson made a motion to approve and sign **Joint Resolution No. 2007-12** establishing the Harvey/Marion County Community Developmental Disability Organization. Commissioner Krehbiel seconded the motion and it was passed unanimously.

The Commission recessed until 7:00 p.m. to continue the meeting with a public hearing regarding the proposed waste-to-energy program.

Chairman Westfall called the meeting back to order at 7:00 p.m. Craig Simons gave an overview of the proposed waste-to-energy project. The first priority of waste-to-energy is reuse, the second is recycling and composting, the third is the creation of energy, and the fourth is to avoid the use of land filling.

The current waste-to-energy agreement being considered is with Quality Recycling, Inc of Hendersonville, North Carolina. The agreement is for a new Rotary Cascading Bed Combustion unit. The County would furnish and install separation equipment, the site preparation, the building to

house the plant, and the dry system condenser to conserve water. Quality Recycling would provide the shredder, combustor, and electrical system at no charge if the County allows the firm to use the plant as a demonstration plant. The County would allow tours of the plant by the contractor groups, and provide operating records to them.

Quality Recycling Inc. was first contacted in October of 2003. They had a used plant for sale that had been operating in the textile industry for two years. On December 13, 2004 the County Commission approved a resolution authorizing the issuance of revenue bonds not to exceed \$4,000,000 in bond financing to purchase and install the waste to energy system from Quality Recycling, Inc. However, the project was discontinued due to engineering reports which stated the purchase was for refurbished equipment, and it was unwise to purchase equipment which was not commercially proven to operate.

In November of 2005, twenty companies were mailed proposals for the purchase and installation of a gasification or incinerator waste-to-energy plant. Proposals were due February 17, 2006. Four proposals were received, two gasification and two incinerator ranging in price from \$ 7,750,000 to \$23,000,000. All four proposals were rejected as being uneconomical.

In July of 2006, Quality Recycling, Inc. contacted the County and proposed the agreement where they would provide the waste-to-energy plant as a demonstration plant. County Staff has been formulating a legal agreement and examining the details. Roy Patton presented an aerial view of the Harvey County Transfer Station and noted where the proposed building for the waste-to-energy plant would be located. He also showed pictures of how the boilers on this type of a unit work. No increase in fees are anticipated to operate and pay for the project.

The advantages of the waste-to-energy plant as proposed are as follows:

1. The plant is being provided at no cost if it is used as a commercial plant to demonstrate the technology.
2. Harvey County would be land filling less trash. Land filling of trash has the following consequences:
 - a. Consumes agricultural land
 - b. Creates a possibility of future groundwater contamination
 - c. Regulations require monitoring of the landfill for a period of 30 years after the landfill is closed
 - d. A landfill emits methane gas as the organics decompose. Methane gas is a potent greenhouse gas; a molecule of methane is 23 times more potent as a greenhouse gas than a molecule of carbon dioxide. Ashes from the waste-to-energy plant have already been broken down and do not emit methane gas.
3. The waste-to-energy plant separation of metals, glass, and electronic equipment would result in more materials being recycled and recycling is a higher priority than incinerating materials to produce energy.
4. Energy is produced from formerly discarded materials which are land filled. This is considered renewable energy.
5. Dewatered sewage sludge can be incinerated in the waste-to-energy plant.

The disadvantages of the waste-to-energy plant are as follows:

1. A waste to energy plant is complex to operate.
2. This technology has favorable reports at the plant scale and testing scale levels incinerating coal, coal wastes, municipal solid wastes, and other materials. However, the technology of the waste-to-energy plant has not been proven operating day after day.
3. The waste-to-energy plant may have too many maintenance problems and not operational enough of the time. Harvey County would then lose money because of loss of energy generation and trash would have to transport to a landfill instead of being incinerated. Reno County will increase their tipping fee from \$25/ton to \$27/ton beginning January 1, 2008.
4. The operation cost estimates could be wrong, although the estimates were calculated conservatively.

The questions raised during the hearing are as follows:

1. Harvey County is too small to attempt a project of this size. There is concern about the risks involved. Citizens do not want a tax increase to fund this project. However, some of the equipment purchased for this project could be used even if the project fails.
2. Quality Recycling only has about half of the funds needed. It was stated that they must show us a letter of credit that shows they have at least \$5,000,000 of the amount needed before starting the project.
3. There was concern that the unit had not been tested to run 24 hours per day for seven days a week.
4. What kind of fuel is used for accelerants? The County is proposing a propane system that will start the system and they are also looking at using methane gas piped over from the old landfill.
5. If Norcraft moved out, the County would we have to find another source of fuel.
6. Commissioner Roberson reminded the audience that the Commission has paid Engineering firms to evaluate this system. The Commission has been cautious and taken time to research the issue in order to minimalize the risk. The combustor would be new and paid for by the developer.
7. How many people would be required to staff the plant? The County is proposing two per shift, five control room operators, and five in the boiler room. The boiler would produce 60,000 pounds of pressure per hour.
8. Were the estimate numbers of municipal solid waste for burning drawn from this community? The numbers being used are mid-range, and the recycling programs for this area are first priority. Other counties around Harvey seem to be willing to bring their trash to us.
9. If the incinerator works well, we will still have residual ash. The ash would have to be tested and then could be used for other purposes, such as a road base.
10. What about metals in the waste stream. The metals will be pulled out before burning.
11. There is concern about the Carbon Dioxide that will be emitted from the burning process. However, methane gas emitted from landfills is much more damaging as a greenhouse gas.

12. What are the water requirements for the plant? It takes 11,500 gallons of water per day to run the system. There is a clause in the legal agreement stipulating that there would be adequate water before moving ahead on the project.
13. There is concern that there have been some major expenses that have been left out of the proposal. The operation costs have been estimated too low and we're too small a community to try a project of this size.
14. Ames Iowa has a very successful recycling program that generates electricity for the City of Ames. How similar is this system to that one. That system is a coal-fired plant that the City owns.
15. Why not just burn the trash? It is not economical; to make it cost effective for the County, electricity has to be produced. There are over 1,500 incinerators of all types in the United States, but there are fewer than 100 waste-to-energy plants.
16. How much money will the County lose if the project fails? The County does not plan to issue more than \$2,000,000 in bonds. The separation equipment that will be purchased will be used whether the project fails or not.
17. The Board of Commissioners was commended for pursuing a project such as this.
18. There was concern about allowing a contractor to do work in the County with only a letter of credit. Does the County do that for other contractors? Is this really good business practices?

Greg Nye, Harvey County Counselor, reviewed the proposed contract to construct and install a municipal solid waste-to-energy facility in Harvey County, Kansas. If the contractor does not meet the guaranties of the contract, the equipment can be removed after six months.

Commissioner Krehbiel made a motion to table the decision on the contract for a week while some of the issues that have been raised are checked out. Commissioner Roberson seconded the motion and it was passed unanimously.

Commissioner Roberson made a motion to adjourn the meeting at 9:00 p.m. Commissioner Krehbiel seconded the motion and it was passed unanimously.

BOARD OF HARVEY COUNTY COMMISSIONERS

Chairman

ATTEST:

Member

County Clerk

Member