



**SOLID WASTE AGENCY OF LAKE COUNTY, IL**

**MEMORANDUM**

To: SWALCO Directors and Alternates

From: Walter S. Willis, Executive Director *WSW*

Subject: June 2013 Meeting Notice Information

Date: June 21, 2013

Attached you will find the agenda for this month's meeting, minutes from our April 11, 2013 meeting, revised minutes from our November 29, 2012 meeting, and the referenced action and information items.

I look forward to seeing you at the meeting, and please let Lorin know if you or an alternate will be attending the meeting.

**SOLID WASTE AGENCY OF LAKE COUNTY, IL  
BOARD OF DIRECTORS  
THURSDAY, JUNE 27, 2013 7:00 P.M.  
HAINESVILLE VILLAGE HALL  
100 HAINESVILLE ROAD, HAINESVILLE, IL 60030**

**AGENDA**

1. **CALL TO ORDER** ..... Chairman
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL** ..... Secretary
4. **APPROVAL OF MINUTES** ..... Committee  
Minutes of April 11, 2013  
Revised Minutes of November 29, 2012
5. **PUBLIC COMMENT**
6. **NEW AGENDA ITEMS**
7. **BOARD ITEMS** ..... Executive Director

**Action Items**

1. Fiscal Year 2012 Audit
2. Membership Resolution
3. City of Waukegan's O&M Fee and SWALCO Membership Status
4. Elections to the Executive Committee

**Information Items**

1. SWALCO Shoe Recycling and Reuse Program
2. Compost Bin and Rain Barrel Sale Summary
3. School Education and Outreach
4. 1<sup>st</sup> Quarter 2013 Residential Electronics Collection Program Summary
5. 1<sup>st</sup> Quarter 2013 Recycling and Per Ton Payment Report
6. Health Department Report – Mike Kuhn
7. Project and Program Updates

8. **EXECUTIVE SESSION - IF NEEDED**
9. **ADJOURNMENT**

**SWALCO BOD SIGN IN SHEET/4.11.13**

MEMBER COMMUNITY	REPRESENTATIVE	TITLE
ANTIOCH		
BANNOCKBURN	Maria Jordan	Village Manager
BEACH PARK	Shelby Mirecki	Administrative Coordinator
DEER PARK	Janet Morgan	Administrator
DEERFIELD	Kathy St	Village Manager
FOX LAKE	Nancy Schuen	Village Administrator
GRAYSLAKE	M. GLO. G. G. G.	Village Manager
GREEN OAKS	Dennis J. Dasey	Trustee
GURNEE	Pat Muetz	Village Administrator
HAINESVILLE	LINDA SOTO	MAYOR
HAWTHORN WOODS		
HIGHLAND PARK	Enida Neukirch	DEPUTY CITY MGR
HIGHWOOD	ANDY PETERSON	ALDEN MGR
ISLAND LAKE	John Lotie	Finance Director
KILDEER	MICHAEL TALBET	VILLAGE ADMINISTRATOR
LAKE BARRINGTON		
LAKE BLUFF	Draw Krvin	Village Admin.
LAKE COUNTY	Pat Carey	County Board
LAKE FOREST	Michael Thomas	Director of Public Works
LAKE VILLA		
LAKE ZURICH		
LIBERTYVILLE	Jim Moore	Trustee
LINCOLNSHIRE	Jennifer Hughes	Director of Public Works
LINDENHURST	Nancy H. H.	Trustee
LONG GROVE	Barbara Schmitt	Trustee
MUNDELEIN	Len Van	Trustee
NORTH BARRINGTON	GERT HEERMAN	TRUSTEE
NORTH CHICAGO	JOE NARDITANO	DIR OF ECON DEV.
PARK CITY		
PORT BARRINGTON		
RIVERWOODS	John H. H.	TRUSTEE
ROUND LAKE	Russell J. J.	Trustee
ROUND LAKE BEACH	Larry T. Mount	TRUSTEE
ROUND LAKE HEIGHTS		
ROUND LAKE PARK	BOB CERRETTI	TRUSTEE
THIRD LAKE	BOB HOWALKE	TRUSTEE
TOWER LAKES	Chae Skurka	Trustee
VERNON HILLS	DAVID BROWN	DIR OF PW
WADSWORTH	Chris K. K.	Mayor
WAUCONDA	Chuck Bick	TRUSTEE
WAUKEGAN		
WINTHROP HARBOR		
ZION	FRANK FLAMMI	Public Works Commissioner
GREAT LAKES	Dann Stone	Integrated Solid Waste Mgr

# PUBLIC SIGN-IN SHEET

Name	Address	Representing
Joan Spilis	650 S. CURRAN, R.L.	
Jack Blumenberg	637 ESSINGTON ROAD LAKE	
Glen Stanton	617 S. ESSINGTON RL 60073	
Pat Preminger	616 S Essington RL 60073	
Emilie Mullins	1039 S. Hampton Dr. 60073	
Barbara Jussay	120 TALL OAK DR HAINESVILLE 60073	
Judith Quinto	115 W. Newbridge <sup>RL</sup> 60073	
Jim Dietz	442 N. Cedar Lake Road RL 60073	

Date: 4/11/13

**SWALCO BOD VOTING RECORD/4.11.13**

*DAM FEE \$1.24*

*CONSENT BUDGET 3/2014*

*HOST AGREEMENT w/ GROOT*

**MUNICIPALITY**

**Attendance**

**A N A N A N A N**

ANTIOCH									
BANNOCBURN ✓	✓	✓		✓		✓			
BEACH PARK ✓	✓	✓		✓		✓			
DEER PARK ✓	✓	✓		✓		✓			
DEERFIELD ✓	✓	✓		✓		✓			
FOX LAKE ✓	✓	✓		✓		✓			
GRAYSLAKE ✓	✓	✓		✓		✓			
GREEN OAKS ✓	✓	✓		✓		✓			
GURNEE ✓	✓	✓		✓		✓			
HAINESVILLE ✓	✓	✓		✓		✓			
HAWTHORN WOODS									
HIGHLAND PARK ✓	✓	✓		✓		✓			
HIGHWOOD ✓	✓	✓		✓		✓			
ISLAND LAKE ✓	✓	✓		✓		✓			
KILDEER ✓	✓	✓		✓		✓			
LAKE BARRINGTON									
LAKE BLUFF ✓	✓	✓		✓		✓			
LAKE COUNTY ✓	✓	✓		✓		✓			
LAKE FOREST ✓	✓	✓		✓		✓			
LAKE VILLA									
LAKE ZURICH									
LATE LIBERTYVILLE ✓	Ⓢ	✓		✓		✓			
LINCOLNSHIRE ✓	✓	✓		✓		✓			
LINDENHURST ✓	✓	✓		✓		✓			
LONG GROVE ✓	✓	✓		✓		✓			
MUNDELELIN ✓	✓	✓		✓		✓			
NORTH BARRINGTON ✓	✓	✓		✓		✓			
NORTH CHICAGO ✓	✓	✓		✓		✓			
PARK CITY									
PORT BARRINGTON									
RIVERWOODS ✓	✓	✓		✓		✓			
ROUND LAKE ✓	✓	✓		✓		✓	✓		
ROUND LAKE BEACH ✓	✓	✓		✓		✓			
ROUND LAKE HEIGHTS									
ROUND LAKE PARK ✓	✓	✓		✓		✓			
THIRD LAKE ✓	✓	✓		✓		✓			
TOWER LAKES ✓	✓	✓		✓		✓			
VERNON HILLS ✓	✓	✓		✓		✓			
WADSWORTH ✓	✓	✓		✓		✓			
WAUCONDA ✓	✓	✓		✓		✓			
WAUKEGAN									
WINTHROP HARBOR	✓	✓		✓		✓			
ZION ✓	✓	✓		✓		✓			
GREAT LAKES ✓	✓	✓		✓		✓			

32/33

32/33

33

32 1

## MINUTES

SOLID WASTE AGENCY OF LAKE COUNTY, IL  
BOARD OF DIRECTORS  
THURSDAY, APRIL 11, 2013 7:00 P.M.  
100 HAINESVILLE ROAD, HAINESVILLE, IL

**MEMBERS ATTENDING:** *See Attachment 1, Sign In and Attachment 2, Voting Record.*

### PLEDGE OF ALLEGIANCE

### CALL TO ORDER

Chairman Mount called the meeting to order at 7:04 p.m. with 32 members present. Libertyville was delayed and arrived late. Great Lakes was also in attendance.

Motion by *Wadsworth*, seconded by *Lake County* to proceed to Action Item #2 – Proposed Increase in O&M Fee.

### APPROVAL OF MINUTES

Motion by *Hainseville*, seconded by *Riverwoods* to approve the minutes of January 24, 2013. *Motion was approved.*

*Comment was made by Jim Dietz that the minutes of Nov. 29<sup>th</sup>, 2012 were incorrect. Page 2 should read Round Lake Park, not Round Lake Beach. Roll call sheet will also be attached to minutes.*

Chairman Mount asked to table this approval with changes to minutes and attachment of roll call until the next BOD meeting, June 27<sup>th</sup>, 2013.

Motion by *Riverwoods*, seconded by *Lake County* to table approval of the revised minutes of November 29, 2012. *Motion Approved*

Motion by *Wadsworth*, seconded by *Deerfield* to approve the minutes of the Executive Session of November 29, 2012. *Motion Approved*

### PUBLIC COMMENT:

*Chairman Mount opened the floor to public comment. Public was asked to sign in. A member of the public presented a handout for anyone interested. Jim Dietz read a letter addressed to SWALCO from the Village of Round Lake regarding the Host Agreement pertaining to the new transfer facility in Round Lake Park.*

**NEW BOARD ITEMS:** *None*

## BOARD ITEMS

### Consent Item

1. Expenditure Report – \$57,009.61 (March 2013)  
Motion by *Deerfield*, seconded by *Lincolnshire* to approve the expenditure report.  
***Motion was approved on a roll call vote of 33 to 0.***

### Action Items

1. **Proposed Host Agreement with Groot**  
Walter Willis discussed Groot's decision not to file a siting application. Lake County and SWALCO have jointly negotiated the host agreements with Groot. Groot completed the life cycle assessment required by the *2009 Solid Waste Management Plan Update* and held the required public meeting. The Agreement acknowledged that the proposed garbage transfer station was consistent with the 2009 Plan.  
  
*Linda Soto made the suggestion to Walter Willis to take residents to Glenview to visit the transfer facility. Walter Willis will arrange this visit.*  
  
Motion by *Deerfield*, seconded by *Riverwoods* to approve the proposed Host Agreement with Groot.  
***Motion was approved on a roll call vote of 32 to 1.***
2. **Proposed Increase in the O&M Fee (this was presented after the Call to Order)**  
This item was presented at the Nov. 29<sup>th</sup>, 2012 BOD meeting and the January 24, 2013 BOD meeting. This item was modified and presented at \$1.24 for 2013 and \$1.25 for subsequent years.  
  
Motion by *Grayslake*, seconded by *Lake County* to approve the O&M Fee increase.  
***Motion was approved on a roll call vote of 33 to 0.***

### Information Items

1. **Elections to the Executive Committee**  
Walter Willis discussed the two year terms of four Executive Committee members elected by the Board of Directors were expiring in April, or until new elections have been held. The current members indicated a willingness to be elected again. This does not preclude others who may be interested. Walter Willis asked that if anyone was interested, to please e-mail him.
2. **4<sup>th</sup> Quarter 2012 Per Ton Payments**  
Peter Adrian gave a brief update on the reported tabulations of curbside recyclable material. Compared to 2011, Lake County communities had experienced a decline. The decline was due to economic conditions, consumer behavior and light weighting of consumer products. Peter Adrian noted that 2013 was looking favorable for the recycling commodities values.
3. **Compost Bin/Rain Barrel Sale**  
Merleanne Rampale gave a brief update on the upcoming sale in May to be held at Independence Grove in Libertyville and that we would be partnering with the Lake County Stormwater Commission and the Lake County Forest Preserve District.

**4. Member Services – Resources for SWALCO Members**

Merleanne Rampale encouraged the member communities to complete a checklist of community events to better help her understand needs in Lake County and how you can use SWALCO resources to help you meet those needs.

**5. Health Department Report**

Mike Kuhn discussed recent activities regarding the landfills (Countryside/Grayslake) (Advanced Disposal/Zion), compost facilities/landscape waste transfer stations and food scrap.

**6. Project and Program Updates**

Walter Willis gave a brief update on several projects and programs SWALCO is currently working on:

- Walter Willis, Pat Carey and Larry Mount attended a public meeting held by Round Lake Park regarding the life cycle assessment performed by Groot on the proposed transfer station.
- SWALCO is part of an informal group called the Illinois Food Scrap Coalition focused on assisting growth of commercial and residential food scrap collection programs.
- SWALCO is part of a Carpet Recycling Working Group working on policy and information to increase carpet recycling in IL.
- Walter Willis gave a presentation at the Resource Recycling Conference in Chicago.
- Paint legislation is currently on hold (SB 1705 and HB2274).
- Bannockburn and Libertyville held required public meetings, prior to issuing RFP's for commercial franchise.
- Nu-Earth composting in Waukegan has voluntarily agreed not to take food scraps at its site due to odor concerns.
- Long Grove approved a residential franchise contract extension with WMI, providing 65 gallon recycling and PAYT options.

**Executive Session:** *None*

NEXT BOARD MEETING: Thursday, June 27, 2013 - 7:00 p.m. Hainesville Village Hall, 100 N. Hainesville Road

**ADJOURNMENT:** *8:28 p.m.*

Motion by *Deerfield*, seconded by *Grayslake* to adjourn. ***Motion was approved.***

**REVISED MINUTES**

SOLID WASTE AGENCY OF LAKE COUNTY, IL  
BOARD OF DIRECTORS  
THURSDAY, NOVEMBER 29, 2012 7:00 P.M.  
100 HAINESVILLE ROAD, HAINESVILLE, IL

**MEMBERS ATTENDING:** *See Attachment 1, Sign In and Attachment 2, Voting Record.*

**PLEDGE OF ALLEGIANCE**

**CALL TO ORDER**

Chairman Mount called the meeting to order at 7:06 p.m. with 31 members present. Great Lakes also in attendance. *Larry Mount welcomed new members (Directors/Alternates) – Tower Lakes, Joe Skurla.*

**APPROVAL OF MINUTES**

Motion by *Hawthorn Woods*, seconded by *Round Lake* to approve the minutes of October 25, 2012. *Motion was approved.*

**PUBLIC COMMENT:** *Larry Mount also asked that any public that were in attendance to please sign the Public Sign in Sheet – **Public Sign in Sheet is attached.** The public was given the opportunity to speak – they were asked to say their name and address. The public in attendance were there to voice their opinions on the proposed garbage transfer facility in Round Lake Park.*

**NEW BOARD ITEMS:** Walter Willis presented the Resolution to recognize Board Member Steve Mandel. Steve Mandel was elected to the Lake County Board and this would be his last meeting on the SWALCO Board of Directors representing Highland Park. Much thanks to Steve Mandel for all his years of dedicated service.

Motion by *Grayslake*, seconded by *Riverwoods* to approve Resolution.  
*Motion was approved.*

**BOARD ITEMS**

Consent Item

1. Expenditure Report - \$94,973.22 (October 2012)  
Motion by *Riverwoods*, seconded by *Hainesville* to approve the expenditure report.  
*Motion was approved on a roll call vote of 31 to 0.*

Action Items

1. **O&M Fee Increase**  
Motion by *Hawthorn Woods*, seconded by *Hainesville* for additional roll call to confirm attendance for a vote on the O&M fee increase. *Motion was Approved.*

Walter Willis explained that we needed 32 municipalities to be present to discuss and vote. At this time only 31 were present, so this item would be moved to the January 2013 Board Meeting.

2. **Round Lake Park/Groot Proposed Transfer Facility**

Walter Willis discussed Groot's proposed garbage transfer station and the issue that it was not consistent with the Lake County Solid Waste Management Plan. This is important because one of the nine siting criteria that the project will be judged on is whether it is consistent with the plan. Before going into executive session, Larry Clark gave a brief explanation to explain IL siting law also known as ILSB172. Walter explained that this has become a timing issue due to the anticipated filing on 11/30/12.

**Information Items**

These items have been moved to the January Board Meeting due to time constraint discussions regarding Action Item #2.

1. **ARD Events/Recycle-O-Ramas**

2. **Recycle First, Trash Last Video**

**Executive Session:**

Motion by *Deerfield*, seconded by *Riverwoods* to go into Executive Session citing 5 ILCS 120/2(c)(11) to discuss the purpose of potential litigation. *Motion was approved on a roll call of 31 to 0.*

*Discussion of potential litigation.*

Motion by *Highland Park*, second by *Hainesville* to come out of Executive Session. *Motion was unanimously approved.*

**Return to Open Session:**

Motion by *Riverwoods*, second by *Lake Barrington* to authorize participation in the siting hearing and to oppose the proposed facility, due to lack of consistency with criteria #8, the County plan.

*Motion was approved on a roll call of 29 to 1(Round Lake Park).* Hawthorn Woods had to leave early due to another commitment.

NEXT BOARD MEETING: Thursday, January 24, 2013 - 7:00 p.m. Hainesville Village Hall, 100 N. Hainesville Road

**ADJOURNMENT: 9:04 p.m.**

Motion by *Wadsworth*, seconded by *Hainesville* to adjourn. *Motion was approved.*

SWALCO BOD VOTING RECORD/11.29.12

CONSENT  
OCT  
2012

TO GO IN  
EXEC  
SESSION

~~Roll~~  
Roll EXEC  
Call

~~Roll~~  
open  
sess

071

MUNICIPALITY

Attendance		A	N	A	N	A	N	A	N
ANTIOCH									
*BANNOCBURN K	✓	✓	✓	✓		✓		✓	
BEACH PARK									
DEER PARK									
DEERFIELD	✓	✓	✓	✓		✓		✓	
FOX LAKE	✓	✓	✓	✓		✓		✓	
GRAYSLAKE	✓	✓	✓	✓		✓		✓	
GREEN OAKS	✓	✓	✓	✓		✓		✓	
GURNEE	✓	✓	✓	✓		✓		✓	
*HAINESVILLE	✓	✓	✓	✓		✓		✓	
HAWTHORN WOODS	✓	✓	✓	✓		✓		✓	
HIGHLAND PARK	✓	✓	✓	✓		✓		✓	
HIGHWOOD	✓	✓	✓	✓		✓		✓	
ISLAND LAKE	✓	✓	✓	✓		✓		✓	
KILDEER									
LAKE BARRINGTON	✓	✓	✓	✓		✓		✓	
LAKE BLUFF									
LAKE COUNTY	✓	✓	✓	✓		✓		✓	
LAKE FOREST	✓	✓	✓	✓		✓		✓	
LAKE VILLA	✓	✓	✓	✓		✓		✓	
LAKE ZURICH	✓	✓	✓	✓		✓		✓	
LIBERTYVILLE									
LINCOLNSHIRE	✓	✓	✓	✓		✓		✓	
LINDENHURST	✓	✓	✓	✓		✓		✓	
LONG GROVE	✓	✓	✓	✓		✓		✓	
*MUNDELEIN EIN	✓	✓	✓	✓		✓		✓	
NORTH BARRINGTON									
NORTH CHICAGO									
PARK CITY									
PORT BARRINGTON									
RIVERWOODS	✓	✓	✓	✓		✓		✓	
ROUND LAKE	✓	✓	✓	✓		✓		✓	
ROUND LAKE BEACH	✓	✓	✓	✓		✓		✓	
ROUND LAKE HEIGHTS	✓	✓	✓	✓		✓		✓	
ROUND LAKE PARK	✓	✓	✓	✓		✓		✓	X
THIRD LAKE	✓	✓	✓	✓		✓		✓	
TOWER LAKES	✓	✓	✓	✓		✓		✓	
VERNON HILLS	✓	✓	✓	✓		✓		✓	
WADSWORTH	✓	✓	✓	✓		✓		✓	
WAUCONDA	✓	✓	✓	✓		✓		✓	
WAUKEGAN									
WINTHROP HARBOR									
ZION	✓	✓	✓	✓		✓		✓	
GREAT LAKES	✓	✓	✓	✓		✓		✓	

31  
32 31

Announcement  
of BOARD

**A – 1. Fiscal Year 2012 Audit**

**ISSUE:** Approve 2012 Audit

**RECOMMENDATION:** Staff Recommends Board Approval.

**TIMING:** Routine.

**BACKGROUND:** SWALCO By-Laws and Illinois law requires that joint action agencies undertake an annual audit. This year the firm of Baker, Tilly, Virchow, Krause, LLP. undertook the audit. This is the same firm which audits Lake County.

The audit includes a Statement of Net Assets and a Statement of Revenues, Expenses and Changes in Net Assets, Statement of Cash Flows and a letter to the Board of Directors concerning comments and recommendations.

This year's audit is in conformance with the Government Accounting standard Board (GASB) 34 model. It includes fixed assets and depreciation schedules.

**ENCLOSED DOCUMENTS:** Audit November 30, 2012 and 2011

**STAFF:** Walter Willis, Executive Director and Lorin L. Buchta, Executive

**SOLID WASTE AGENCY OF  
LAKE COUNTY, ILLINOIS**

Gurnee, Illinois

COMMUNICATION TO THOSE CHARGED  
WITH GOVERNANCE AND MANAGEMENT

As of and for the Year Ended November 30, 2012

# SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

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**REQUIRED COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS  
IDENTIFIED IN THE AUDIT TO THOSE CHARGED WITH GOVERNANCE**



Baker Tilly Virchow Krause, LLP  
Ten Terrace Ct. PO Box 7398  
Madison, WI 53707-7398  
tel 608 249 6622  
fax 608 249 8532  
bakertilly.com

Board of Directors  
Solid Waste Agency of Lake County, Illinois  
1311 N. Estes Street  
Gurnee, IL 60031

In planning and performing our audit of the financial statements of the Solid Waste Agency of Lake County, Illinois (SWALCO) as of and for the year ended November 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of its internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in SWALCO's internal control to be a material weakness:

> Internal Control Over Financial Reporting

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
June 13, 2013

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## INTERNAL CONTROL OVER FINANCIAL REPORTING

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### *Financial Reporting*

The definition of a material weakness in internal control includes consideration of the yearend financial reporting process. To avoid the auditor reporting a material weakness in internal control, your system of controls would need to be able to accomplish the following:

- > Present the books and records to the auditor in such a condition that the auditor is not able to identify any material journal entries as a result of our audit procedures.
- > Be capable of preparing a complete set of yearend financial statements for the auditor to test. Currently, many of our clients have us prepare the financial statement document. This includes drafting the statements and preparing footnote disclosures. Your staff would need to be capable of presenting the auditor with a set of complete financial statements in such a condition that the auditor is not able to identify any material changes as a result of the audit.

To accomplish such a high level of internal control over financial reporting is a difficult task for most governments. Many large organizations, such as SEC companies, have been required by law to prepare their own statements for years, and are staffed appropriately to do so. Most governments operate with only enough staff to process monthly transactions and reports, and so rely on us to prepare certain yearend audit entries and handle the yearend financial reporting. Under the auditing standards, we must inform you that this is a material weakness in your internal control.

**OTHER COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE**

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## TWO WAY COMMUNICATION REGARDING YOUR AUDIT

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As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
  - > Identify types of potential misstatements.
  - > Consider factors that affect the risks of material misstatement.
  - > Design tests of controls, when applicable, and substantive procedures.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.

- c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the Board of Directors has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements?

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## TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)

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Also, is there anything that we need to know about the attitudes, awareness, and actions of SWALCO concerning:

- a. SWALCO's internal control and its importance in the entity, including how the Board of Directors oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This timing may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

**REQUIRED COMMUNICATIONS BY THE AUDITOR WITH THOSE CHARGED WITH GOVERNANCE**



Baker Tilly Virchow Krause, LLP  
Ten Terrace Ct. PO Box 7398  
Madison, WI 53707-7398  
tel 608 249 6622  
fax 608 249 8532  
bakertilly.com

Board of Directors  
Solid Waste Agency of Lake County, Illinois  
1311 N. Estes Street  
Gurnee, IL 60031

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the financial statements of the Solid Waste Agency of Lake County, Illinois (SWALCO) for the year ended November 30, 2012, and have issued our report thereon dated June 13, 2013. This letter presents communications required by our professional standards.

***OUR RESPONSIBILITY UNDER AUDITING STANDARDS  
GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA***

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or the Board of Directors of their responsibilities.

As part of the audit we obtained an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

***OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS***

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents, such as official statements related to debt issues.

***PLANNED SCOPE AND TIMING OF THE AUDIT***

We performed the audit according to the planned scope and timing previously communicated to you.

Board of Directors  
Solid Waste Agency of Lake County, Illinois

***QUALITATIVE ASPECTS OF THE ENTITY'S SIGNIFICANT ACCOUNTING PRACTICES***

***Accounting Policies***

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by SWALCO are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by SWALCO during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

***Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements is the allowance for uncollectible accounts.

***Financial Statement Disclosures***

The disclosures in the financial statements are neutral, consistent, and clear.

***DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT***

We encountered no significant difficulties in dealing with management in performing our audit.

***CORRECTED MISSTATEMENTS***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements. Copies of all audit adjustments are attached.

***DISAGREEMENTS WITH MANAGEMENT***

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS***

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Board of Directors  
Solid Waste Agency of Lake County, Illinois

***MANAGEMENT REPRESENTATIONS***

We have requested certain representations from management that are included in the management representation letter. This letter follows this required communication.

***INDEPENDENCE***

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and SWALCO that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of SWALCO for the year ended November, 2012, Baker Tilly Virchow Krause, LLP hereby confirms that we are, in our professional judgment, independent with respect to SWALCO in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants. We provided no services to SWALCO other than audit services provided in connection with the audit of the current year's financial statements and nonaudit services which in our judgment do not impair our independence.

- > Financial statement preparation
- > Adjusting journal entries

None of these nonaudit services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

***OTHER AUDIT FINDINGS OR ISSUES***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SWALCO's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We welcome the opportunity to discuss the information included in this letter and any other matters. Thank you for allowing us to serve you.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
June 13, 2013

**SUMMARY OF FINANCIAL STATEMENT MISSTATEMENTS**

Solid Waste Agency of Lake County, Illinois  
 Year End: November 30, 2012  
 Adjusting Journal Entries  
 Date: 12/1/2011 To 11/30/2012

TB. 2

Done By	In-Charge	Manager
Partner	Pre-issuance	11/5/2013
JCA 6/10/2013	JCA 6/10/2013	

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
AJE 1	11/30/2012	Allowances for Bad Debt	930-0000000-14080	E. 1			29,192.00	
AJE 1	11/30/2012	Write-Off Expense	930-9200010-45381	E. 1		29,192.00		
To record an allowance for doubtful accounts for Waukegan's member fees.								
AJE 2	11/30/2012	Accounts Receivable	930-0000000-14010	10. 6		49,004.47		
AJE 2	11/30/2012	All Other Miscellaneous Revenue	930-9200010-49910	10. 6			49,004.47	
To record additional A/R related to WM rebates and Sims 4th Quarter Invoice								
AJE 3	11/30/2012	Land	930-0000000-17000	PY TB		166,216.45		
AJE 3	11/30/2012	Land Improvements	930-0000000-17010	PY TB		96,352.00		1
AJE 3	11/30/2012	Buildings	930-0000000-17020	PY TB		1,678,340.00		
AJE 3	11/30/2012	Office Furniture and Equipments	930-0000000-17030	PY TB		214,037.84		
AJE 3	11/30/2012	Accumulated Depreciation	930-0000000-18000	PY TB			826,993.75	
AJE 3	11/30/2012	Fund Balance	930-0000000-30010	PY TB			1,327,952.54	
To record prior year plant and accumulated depreciation balances.								
AJE 4	11/30/2012	Prepaid Amounts	930-0000000-12010	G. 1		1,147.00		
AJE 4	11/30/2012	Liability Insurance	930-9200010-72110	G. 1			1,147.00	
To adjust insurance expense and prepaids based on insurance premiums for the year.								
AJE 5	11/30/2012	Accumulated Depreciation	930-0000000-18000	H. 1			73,862.70	
AJE 5	11/30/2012	Depreciation	930-9200000-50000	H. 1		73,862.70		
To record depreciation expense.								
						2,308,152.46	2,308,152.46	
Net Income (Loss)			(74,370.83)					

**MANAGEMENT REPRESENTATIONS**



SOLID WASTE AGENCY OF LAKE COUNTY, IL

<i>Antioch</i>	<i>Highland Park</i>	<i>Lindenhurst</i>	<i>Round Lake Park</i>
<i>Beach Park</i>	<i>Island Lake</i>	<i>Long Grove</i>	<i>Third Lake</i>
<i>Deer Park</i>	<i>Kildeer</i>	<i>Mundelein</i>	<i>Tower Lakes</i>
<i>Deerfield</i>	<i>Lake Barrington</i>	<i>North Barrington</i>	<i>Vernon Hills</i>
<i>Fox Lake</i>	<i>Lake Bluff</i>	<i>North Chicago</i>	<i>Wadsworth</i>
<i>Grayslake</i>	<i>Lake County</i>	<i>Park City</i>	<i>Wauconda</i>
<i>Great Lakes NTC</i>	<i>Lake Forest</i>	<i>Port Barrington</i>	<i>Waukegan</i>
<i>Green Oaks</i>	<i>Lake Villa</i>	<i>Riverwoods</i>	<i>Winthrop Harbor</i>
<i>Gurnee</i>	<i>Lake Zurich</i>	<i>Round Lake</i>	<i>Zion</i>
<i>Hainesville</i>	<i>Libertyville</i>	<i>Round Lake Beach</i>	
<i>Hawthorn Woods</i>	<i>Lincolnshire</i>	<i>Round Lake Heights</i>	

June 13, 2013

Baker Tilly Virchow Krause, LLP  
Ten Terrace Court  
P.O. Box 7398  
Madison, WI 53707-7398

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the 2012 financial statements of the Solid Waste Agency of Lake County, Illinois as of November 30, 2012 and 2011 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Solid Waste Agency of Lake County, Illinois, results of operations, and cash flows of its proprietary funds in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government and all component units required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
7. All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
8. All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
9. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
10. Guarantees, whether written or oral, under which the agency is contingently liable, if any, have been properly recorded or disclosed.
11. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of The Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
16. There are no known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. There are no known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you all known related parties and all the related party relationships and transactions of which we are aware.
19. We have made available to you all financial records and related data.

20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. We have taken timely and appropriate steps to remedy fraud, violations of laws, regulations, contracts or grant agreements, or abuse that you have reported to us.
22. The agency has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
23. We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
24. There are no:
  - a. Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance.
  - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
  - c. Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.
  - d. Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
25. In regards to the nonattest services performed by you listed below, we have 1) made all management decisions and performed all management functions; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
  - a. Financial statement preparation
  - b. Adjusting journal entries

None of these non attest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.
26. The Solid Waste Agency of Lake County, Illinois has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
27. The Solid Waste Agency of Lake County, Illinois has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
28. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
29. The financial statements properly classify all funds and activities.
30. Components of net assets (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
31. The Solid Waste Agency of Lake County, Illinois has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.

32. Provisions for uncollectible receivables have been properly identified and recorded.
33. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
34. Deposits and investments are properly valued.
35. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized.
36. We have appropriately disclosed the Solid Waste Agency of Lake County, Illinois's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
37. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Sincerely,

Solid Waste Agency of Lake County, Illinois

Signed: Walter Willis  
Walter Willis, Executive Director

Signed: Lorin Buchta  
Lorin Buchta, Executive Office Manager

Signed: \_\_\_\_\_

**SOLID WASTE AGENCY OF  
LAKE COUNTY, ILLINOIS**

Gurnee, Illinois

**FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Years Ended November 30, 2012 and 2011

**SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS**  
Gurnee, Illinois

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Baker Tilly Virchow Krause, LLP  
Ten Terrace Ct, PO Box 7398  
Madison, WI 53707-7398  
tel 608 249 6622  
fax 608 249 8532  
bakertilly.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Solid Waste Agency of Lake County, Illinois  
Gurnee, Illinois

We have audited the accompanying statements of net assets of the Solid Waste Agency of Lake County, Illinois (SWALCO), as of and for the years ended November 30, 2012 and 2011, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of SWALCO's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Solid Waste Agency of Lake County, Illinois, as of November 30, 2012 and 2011, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

SWALCO has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not to be part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economical, or historical context. Our opinion on the financial statements is not affected by this missing information.

To the Board of Directors  
Solid Waste Agency of Lake County, Illinois

Accounting principles generally accepted in the United States of America require that the budgetary comparison and Schedule of Funding Progress information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Baker Tully Verchow Krause, LLP*

Madison, Wisconsin  
June 13, 2013

# SOLID WASTE AGENCY OF LAKE COUNTY

## STATEMENTS OF NET ASSETS As of November 30, 2012 and 2011

	<b>ASSETS</b>	
	<u>2012</u>	<u>2011</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 1,912,119	\$ 2,151,330
Other receivables, net of allowance for uncollectible accounts	168,037	140,124
Prepaid insurance	<u>20,110</u>	<u>18,963</u>
Total Current Assets	<u>2,100,266</u>	<u>2,310,417</u>
<b>NONCURRENT ASSETS</b>		
Restricted assets		
Equipment replacement fund	120,000	120,000
Capital Assets		
Plant in service	2,154,946	2,154,946
Accumulated depreciation	<u>(900,857)</u>	<u>(826,994)</u>
Total Noncurrent Assets	<u>1,374,089</u>	<u>1,447,952</u>
<b>TOTAL ASSETS</b>	<u>3,474,355</u>	<u>3,758,369</u>
	<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	78,170	290,811
Accrued payroll	<u>8,301</u>	<u>5,303</u>
Total Current Liabilities	<u>86,471</u>	<u>296,114</u>
Total Liabilities	<u>86,471</u>	<u>296,114</u>
	<b>NET ASSETS</b>	
Invested in capital assets	1,254,089	1,327,952
Restricted	120,000	120,000
Unrestricted	<u>2,013,795</u>	<u>2,014,303</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 3,387,884</u>	<u>\$ 3,462,255</u>

See accompanying notes to financial statements.

## SOLID WASTE AGENCY OF LAKE COUNTY

### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS For the Years Ended November 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>OPERATING REVENUES</b>		
County surcharge - current	\$ 661,906	\$ 577,052
Member fees	220,313	220,956
Other miscellaneous	166,632	83,766
Allowance for uncollectible accounts	<u>(29,192)</u>	<u>(29,192)</u>
Total Operating Revenues	<u>1,019,659</u>	<u>852,582</u>
<b>OPERATING EXPENSES</b>		
Personnel services	391,464	366,870
Operational services	30,767	26,289
Contractual services	611,200	469,067
Capital outlay	1,389	5,694
Depreciation	<u>73,863</u>	<u>84,782</u>
Total Operating Expenses	<u>1,108,683</u>	<u>952,702</u>
<b>OPERATING LOSS</b>	<u>(89,024)</u>	<u>(100,120)</u>
<b>NONOPERATING INCOME</b>		
Investment income	4,653	5,572
Miscellaneous education campaign donations	<u>10,000</u>	<u>-</u>
Total Nonoperating Income	<u>14,653</u>	<u>5,572</u>
<b>CHANGE IN NET ASSETS</b>	<u>(74,371)</u>	<u>(94,548)</u>
NET ASSETS - Beginning of Year	<u>3,462,255</u>	<u>3,556,803</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,387,884</u>	<u>\$ 3,462,255</u>

See accompanying notes to financial statements.

## SOLID WASTE AGENCY OF LAKE COUNTY

### STATEMENTS OF CASH FLOWS For the Years Ended November 30, 2012 and 2011

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from members and the County	\$ 1,001,328	\$ 809,774
Paid to suppliers for goods and services	(854,146)	(330,184)
Paid to employees for services	(391,464)	(366,870)
Net Cash Flows From Operating Activities	(244,282)	112,720
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	5,071	8,547
<b>Net Change in Cash and Cash Equivalents</b>	(239,211)	121,267
CASH AND CASH EQUIVALENTS – Beginning of Year	2,271,330	2,150,063
<b>CASH AND CASH EQUIVALENTS – END OF YEAR</b>	\$ 2,032,119	\$ 2,271,330
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating loss	\$ (89,024)	\$ (100,120)
Nonoperating income	10,000	-
Noncash items included in operating loss		
Depreciation	73,863	84,782
Changes in assets and liabilities		
Other receivables	(28,331)	(42,808)
Prepaid insurance	(1,147)	18
Accounts payable	(212,641)	188,131
Due to the County	-	(2,372)
Accrued payroll	2,998	(14,911)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$ (244,282)	\$ 112,720
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET ASSETS</b>		
Cash	\$ 1,912,119	\$ 2,151,330
Equipment replacement fund	120,000	120,000
<b>CASH AND CASH EQUIVALENTS</b>	\$ 2,032,119	\$ 2,271,330

See accompanying notes to financial statements.

# SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended November 30, 2012 and 2011

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The financial statements of Solid Waste Agency of Lake County, Illinois (SWALCO), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by SWALCO are described below:

#### ***REPORTING ENTITY***

SWALCO is a municipal corporation formed by Lake County and 41 municipalities within Lake County for the purpose of implementing the Lake County Solid Waste Management Plan. SWALCO has a Board of Directors made up from these members, an Executive Committee (one permanent seat for Lake County, two seats for members with 30,000 or more residents and six at large seats), a Legislative Committee and five staff members. SWALCO is established pursuant to the Intergovernmental Cooperation Act of the State of Illinois, the Illinois Local Solid Waste Disposal Act, the Illinois Planning and Recycling Act and Lake County Board Resolution #38 of September 12, 1989. Operations began on February 21, 1991. Following criteria established by GASB, SWALCO is not considered a component unit of the county.

#### ***MISSION STATEMENT AND OBJECTIVES***

SWALCO implements a regional approach to solid waste management by addressing the economic, political and environmental issues in Lake County, and by meeting the following objectives:

- > Implement and update the Lake County Solid Waste Management Plan.
- > Facilitate an efficient, reliable and environmentally sound waste disposal system.
- > Advise and assist SWALCO members regarding solid waste management issues.
- > Educate the public regarding the implications of solid waste management options.
- > Identify and disseminate information regarding techniques to reduce, reuse and recycle solid waste.

The entity generally does not dispose of solid waste for its members.

#### ***FUNDING***

The Agency is funded from a surcharge imposed at sanitary landfills. The surcharge also funds the Lake County Health Department's enforcement program. The Agency also receives a yearly operations and maintenance fee from its members based on the number of households in each member community.

# SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended November 30, 2012 and 2011

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION*

SWALCO is presented following enterprise fund accounting. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *ASSETS, LIABILITIES AND NET ASSETS*

##### *Deposits and Investments*

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition. SWALCO's deposits and investments are maintained by the Treasurer of Lake County in pooled deposit and investment accounts. The county's policy is to maintain collateral for all deposits.

##### *Receivables/Payables*

Other receivables consist of membership fees being paid over a number of years from member communities and other miscellaneous amounts due to SWALCO, net of an allowance for doubtful accounts. Breakdown of accounts receivable is as follows:

	<u>2012</u>	<u>2011</u>
Statutory fee receivable	\$ 110,619	\$ 136,271
Member receivable	202,770	119,595
Interest receivable	608	1,026
Less: Allowance for doubtful accounts	<u>(145,960)</u>	<u>(116,768)</u>
Total Other Receivables	<u>\$ 168,037</u>	<u>\$ 140,124</u>

Accounts payable consists of amounts due from SWALCO to outside parties for goods and services received.

# SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended November 30, 2012 and 2011

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *ASSETS, LIABILITIES AND NET ASSETS (cont.)*

##### *Restricted Assets*

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by external parties. During fiscal year 2009, the Agency authorized a replacement account to fund any future replacement of capital items.

##### *Prepaid Insurance*

Prepaid insurance represents insurance premiums which benefit subsequent periods.

##### *Capital Assets*

Capital assets are generally defined by SWALCO as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year.

Capital assets of SWALCO are recorded at cost or the fair market value at the time of contribution to SWALCO. Major outlays for SWALCO capital assets are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the capital assets constructed, net of interest earned on the invested proceeds over the same period. Capital assets in service are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Land improvements	5 – 10
Buildings	30
Office furniture and equipment	2 - 10

#### *REVENUES AND EXPENSES*

SWALCO distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with SWALCO's principal ongoing operations. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Years Ended November 30, 2012 and 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

*EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS*

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*; Statement No. 66, *Technical Corrections - 2012 an amendment of GASB Statements No. 10 and No. 62*; Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*; and Statement No. 68, *Accounting and Financial reporting for Pensions - an amendment of GASB Statement No. 27*. Application of these standards may restate portions of these financial statements.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Generally accepted accounting principles require the disclosure of SWALCO's cash and investment balances and their applicable risks. SWALCO's cash and investments are commingled with the Treasurer of Lake County, Illinois; therefore, individual fund bank balances cannot be determined. Please refer to Lake County's statements for further information.

**NOTE 3 – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets for 2012 follows:

	Balance 12/1/11	Increases	Decreases	Balance 11/30/12
Capital assets, not being depreciated				
Land	\$ 166,217	\$ -	\$ -	\$ 166,217
Total Capital Assets Not Being Depreciated	<u>166,217</u>	<u>-</u>	<u>-</u>	<u>166,217</u>
Capital assets being depreciated				
Land improvements	96,352			96,352
Buildings	1,678,340			1,678,340
Office furniture and equipment	214,037	-	-	214,037
Total Capital Assets Being Depreciated	<u>1,988,729</u>	<u>-</u>	<u>-</u>	<u>1,988,729</u>
Total Capital Assets	<u>2,154,946</u>	<u>-</u>	<u>-</u>	<u>2,154,946</u>
Less: Accumulated depreciation	<u>(826,994)</u>	<u>(73,863)</u>	<u>-</u>	<u>(900,857)</u>
Net Capital Assets	<u>\$ 1,327,952</u>			<u>\$ 1,254,089</u>

## SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Years Ended November 30, 2012 and 2011

### NOTE 3 – CHANGES IN CAPITAL ASSETS (cont.)

A summary of changes in capital assets for 2011 follows:

	Balance 12/1/10	Increases	Decreases	Balance 11/30/11
Capital assets, not being depreciated				
Land	\$ 166,217	\$ -	\$ -	\$ 166,217
Total Capital Assets Not Being Depreciated	<u>166,217</u>	<u>-</u>	<u>-</u>	<u>166,217</u>
Capital assets being depreciated				
Land improvements	96,352			96,352
Buildings	1,678,340			1,678,340
Office furniture and equipment	214,037	-	-	214,037
Total Capital Assets Being Depreciated	<u>1,988,729</u>	<u>-</u>	<u>-</u>	<u>1,988,729</u>
Total Capital Assets	<u>2,154,946</u>	<u>-</u>	<u>-</u>	<u>2,154,946</u>
Less: Accumulated depreciation	<u>(742,212)</u>	<u>(84,782)</u>	<u>-</u>	<u>(826,994)</u>
Net Capital Assets	<u>\$ 1,412,734</u>			<u>\$ 1,327,952</u>

### NOTE 4 – NET ASSETS

GASB No. 34 requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

**Invested in capital assets, net of related debt** - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds. SWALCO has no debt outstanding as of November 30, 2012 or 2011.

**Restricted** - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net assets** - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is the agency's policy to use restricted resources first, then unrestricted resources as they are needed.

## SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended November 30, 2012 and 2011

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#### NOTE 4 – NET ASSETS (cont.)

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The following calculation supports the net assets invested in capital assets, net of related debt as of November 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Plant in service	\$ 2,154,946	\$ 2,154,946
Accumulated depreciation	<u>(900,857)</u>	<u>(826,994)</u>
Total Net Assets Invested in Capital Assets	<u>\$ 1,254,089</u>	<u>\$ 1,327,952</u>

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#### NOTE 5 – CONTINGENCIES AND COMMITMENTS

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##### *CONTINGENT LIABILITIES*

Due to the nature of SWALCO's operations, claims and legal actions against hazardous waste disposal may be incurred. No amount has been recorded as a loss because the probability, or amount, cannot be reasonably estimated.

##### *LANDFILL CONTRACTS*

SWALCO has executed waste disposal capacity agreements with seven landfills. The agreements were executed to provide guaranteed disposal capacity to the participating communities over their agreed to terms. The agreements further call for monthly payments to SWALCO based on the tonnage received from the members. Complete terms and conditions of the agreement are available from SWALCO offices.

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#### NOTE 6 – RISK MANAGEMENT

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SWALCO is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

# SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended November 30, 2012 and 2011

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### NOTE 7 – EMPLOYEES RETIREMENT SYSTEM

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All full-time employees participate in the Illinois Municipal Retirement Fund (IMRF) through Lake County. The IMRF provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. All permanent employees expected to work over 600 hours a year are eligible to participate in the IMRF. Employees participating in the IMRF were required by statute to contribute 4.5% of their annual covered salary in calendar years 2012, 2011, and 2010. The employer rate for calendar years 2012, 2011, and 2010 were 11.47%, 11.44%, and 10.96%, respectively. All employer contributions are made by the county with a portion of the cost being allocated to SWALCO. The actuarial valuation of the plan is computed for the county as a whole and; therefore, it is impractical to determine SWALCO's proportionate share.

IMRF is established under statutes adopted by the Illinois General Assembly, and is governed by a Board of eight Trustees who must also be participating members and one Trustee who must be receiving an IMRF annuity. The IMRF issues an annual financial report which may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, IL 60523-2337, or by visiting the IMRF website at <http://www.imrf.org>.

Further details regarding the county's entire commitment to the fund can be found in the Lake County, Illinois financial statements.

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### NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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All full-time employees participate in a single-employer self-insured health care plan administered through Lake County. The Plan provides limited health care coverage at 100% of the active premium rate. The State of Illinois requires IMRF employers who offer health insurance to their active employees to offer the same health insurance to disabled members, retirees, and surviving spouses at the same premium rate for active employees. Therefore an implicit rate subsidy exists for retirees (that is, the difference between the premium rate charged to retirees for the benefit and the estimated rate that would be applicable to those retirees if that benefit were acquired for them as a separate group) resulting from the participation in postemployment healthcare plans that cover both active employees and retirees. The plan operates on a pay-as-you-go funding basis. No assets are accumulated or dedicated to funding the retiree health insurance benefits. The actuarial valuation of the plan is computed for the county as a whole. The Agency's portion of the liability is not considered material to the financial statements.

Further details regarding the county's entire commitment to the health care plan can be found in the Lake County, Illinois financial statements.

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### NOTE 9 – RELATED PARTIES

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SWALCO is a stand-alone government as determined by criteria established by GASB. Lake County does provide certain services including, but not limited to, banking, general ledger, payroll and other data processing.

**REQUIRED SUPPLEMENTARY INFORMATION**

## SOLID WASTE AGENCY OF LAKE COUNTY

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BUDGET AND ACTUAL Year Ended November 30, 2012

	Original and Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
County surcharge - current	\$ 668,265	\$ 661,906	\$ (6,359)
Member fees	190,000	220,313	30,313
Other miscellaneous	108,500	166,632	58,132
Allowance for doubtful accounts	-	(29,192)	(29,192)
<b>Total Operating Revenues</b>	<u>966,765</u>	<u>1,019,659</u>	<u>52,894</u>
<b>OPERATING EXPENSES</b>			
Personnel services	390,605	391,464	(859)
Operational services	39,350	30,767	8,583
Contractual services	594,460	611,200	(16,740)
Capital outlay	2,500	1,389	1,111
Depreciation	-	73,863	(73,863)
<b>Total Operating Expenses</b>	<u>1,026,915</u>	<u>1,108,683</u>	<u>(81,768)</u>
<b>OPERATING INCOME</b>	<u>(60,150)</u>	<u>(89,024)</u>	<u>(28,874)</u>
<b>NONOPERATING INCOME</b>			
Investment income	14,070	4,653	(9,417)
Miscellaneous education campaign donations	-	10,000	10,000
<b>Total Nonoperating Income</b>	<u>14,070</u>	<u>14,653</u>	<u>583</u>
<b>CHANGE IN NET ASSETS</b>	<u>(46,080)</u>	<u>(74,371)</u>	<u>\$ (28,291)</u>
<b>NET ASSETS - Beginning of Year</b>	<u>3,462,255</u>	<u>3,462,255</u>	
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,416,175</u>	<u>\$ 3,387,884</u>	

See independent auditors' report and notes to required supplementary information.

## SOLID WASTE AGENCY OF LAKE COUNTY

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BUDGET AND ACTUAL Year Ended November 30, 2011

	Original and Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
County surcharge - current	\$ 611,625	\$ 577,052	\$ (34,573)
Member fees	190,000	220,956	30,956
Other miscellaneous	62,700	83,766	21,066
Allowance for doubtful accounts	-	(29,192)	(29,192)
Total Operating Revenues	<u>864,325</u>	<u>852,582</u>	<u>(11,743)</u>
<b>OPERATING EXPENSES</b>			
Personnel services	358,980	366,870	(7,890)
Operational services	28,050	26,289	1,761
Contractual services	579,870	469,067	110,803
Capital outlay	9,500	5,694	3,806
Depreciation	-	84,782	(84,782)
Total Operating Expenses	<u>976,400</u>	<u>952,702</u>	<u>23,698</u>
<b>OPERATING INCOME</b>	<u>(112,075)</u>	<u>(100,120)</u>	<u>11,955</u>
<b>NONOPERATING INCOME</b>			
Investment income	<u>18,660</u>	<u>5,572</u>	<u>(13,088)</u>
Total Nonoperating Income	<u>18,660</u>	<u>5,572</u>	<u>(13,088)</u>
<b>CHANGE IN NET ASSETS</b>	<u>(93,415)</u>	<u>(94,548)</u>	<u>\$ (1,133)</u>
NET ASSETS - Beginning of Year	<u>3,556,803</u>	<u>3,556,803</u>	
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,463,388</u>	<u>\$ 3,462,255</u>	

See independent auditors' report and notes to required supplementary information.

**SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended November 30, 2012

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***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the accrual basis of accounting. We also note depreciation expense is not budgeted.

**SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS  
 For the Year Ended November 30, 2012

The schedule of funding progress, presented as required supplementary information, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The schedule below represents Lake County as a whole, and does not separate SWALCO's proportionate share.

**Entire County Including SWALCO**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
11/30/2012	\$ -	\$ 29,659,000	\$ 29,659,000	0.00%	\$ 119,608,000	24.80%
11/30/2011	-	27,362,000	27,362,000	0.00%	132,341,000	20.68%
11/30/2010	-	46,157,000	46,157,000	0.00%	153,979,000	30.00%
11/30/2009	-	47,307,231	47,307,231	0.00%	144,383,846	32.76%

We have omitted the IMRF required supplemental information as this is shown in the county financial statements and discussed in greater detail in Note 8 of these financial statements.

**A – 2. Membership Resolution**

**ISSUE:** Whether to approve a resolution that encourages SWALCO members to be active members of the Agency working in unison with each other.

**RECOMMENDATION:** SWALCO staff and the Executive Committee recommend approval.

**BACKGROUND:** At its meeting on May 16, 2013 the Executive Committee discussed whether the Agency should amend its by-laws to better define the responsibilities and obligations of being a SWALCO member. After discussion the Executive Committee felt such a by-law would be too difficult to enforce, and that instead staff should prepare a resolution that the Board of Directors would be asked to approve at its June 2013 meeting. The Executive Committee reviewed the draft resolution at its meeting on June 13, 2013 and recommended its approval by the Board of Directors.

**ENCLOSED DOCUMENT:** Proposed membership resolution.

**STAFF:** Walter Willis, Executive Director

RESOLUTION  
No. \_\_\_\_\_

WHEREAS, the Solid Waste Agency of Lake County (SWALCO) was established as Municipal Joint Action Agency in 1991; and

WHEREAS, the members of SWALCO determined there was a need to join together to provide an efficient and environmentally sound waste and material management system throughout Lake County; and

WHEREAS, the members of SWALCO have determined that a regional approach to planning for and managing Lake County's municipal waste, recyclables and organics is in the best interests of the members; and

WHEREAS, SWALCO members are required to appoint a Director to the SWALCO Board of Directors to actively engage in the operations of the Agency and are strongly encouraged to appoint at least one Alternate; and

WHEREAS, SWALCO Directors and Alternates are relied upon to keep their respective legislative bodies and staff informed and updated on the activities of SWALCO, and to assist with implementing SWALCO's program within their units of local government.

NOW, THEREFORE, BE IT RESOLVELD, that each SWALCO member commits that it will:

1. Ensure that it has a qualified Director and at least one Alternate appointed at all times and that it will inform the Agency of such appointments in a timely fashion with a copy of the resolution appointing such members; and,
2. Work cooperatively with all other members to achieve the overall goals of the Agency with respect to regional planning and program implementation.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

AYES:

NAYS:

ABSENT:

BY:

\_\_\_\_\_

ATTEST:

\_\_\_\_\_

**A – 3. City of Waukegan’s O&M Fee and SWALCO Membership Status**

**ISSUE:** Whether to forgive the past accounts receivable from Waukegan for the O&M Fee since 2007, a total of \$175,152 (six years x \$29,192 per year).

**RECOMMENDATION:** SWALCO staff and the Executive Committee recommend forgiving the past six years accounts receivable from Waukegan.

**BACKGROUND:** On June 26, 2008 the SWALCO Board of Directors suspended Waukegan due to a lack of response to a “demand letter” the Agency sent to Waukegan on March 31, 2008 requesting that Waukegan make payment on its \$29,192 O&M Fee. Over the past several years informal discussions have occurred with Waukegan’s mayor with no specific progress being made. On May 15, 2013 Walter Willis, Larry Mount and Glenn Ryback met with the newly elected Mayor Wayne Motley, Alderman Harold Beadling and several City staff members to discuss the status of Waukegan’s membership in SWALCO. At the meeting the Mayor indicated an interest in regaining full membership status with SWALCO, and wanted to get more information on the benefits of being a member of SWALCO. The benefits were discussed and Mr. Willis indicated that the issue of past payments due would be brought before the Executive Committee and the Board of Directors to see if there was support for forgiving the past payments. This would not include the payment due this year of \$36,198.08.

If the fee is forgiven, the Agency would expect payment of the 2013 O&M Fee before taking action to recognize Waukegan as a full member of SWALCO again.

**ENCLOSED DOCUMENT:** None

**STAFF:** Walter S. Willis, Executive Director

**A – 4. Elections to the Executive Committee**

**BACKGROUND:** The two year terms of four Executive Committee members elected by the Board of Directors are set to expire in April, or until new elections have been held. Following the procedures used last year to elect members of the Executive Committee an information item was presented at the April Board of Directors meeting asking for those interested in serving on the Executive Committee to notify the Executive Director.

The members of the Executive Committee whose two year terms are expiring are:

Mike Ellis - Grayslake  
Joe Napolitano – North Chicago  
John Wagener – Green Oaks  
Tony Blumberg – Highland Park

All four have indicated a willingness to be elected again for a two year term. In addition, Walter Willis was contacted by John Norris (Riverwoods) and Linda Soto (Hainesville) and both want to be considered for election to the Executive Committee.

According to SWALCO's intergovernmental agreement, two directors are to be elected from municipalities having a population of more than 30,000 people. Of the members who have indicated interest in being elected to the Executive Committee only Joe Napolitano of North Chicago comes from a member with 30,000 or more residents, therefore Joe will listed as the sole candidate from a town with 30,000 or more residents (and would join with Mundelein to be fill the two slots on the Executive Committee). That means the remaining 5 candidates will be running for 3 open positions, which will require us to hold an election per the requirements of Article IV, Section 8 of SWALCO's By-laws. A ballot will be used at the meeting and each member will vote for three candidates and in order to be elected a candidate must receive at least a majority of the quorum of votes.

**ENCLOSED DOCUMENTS:** None

**STAFF:** Walter Willis, Executive Director

**I-1. SWALCO Shoe Recycling and Reuse Program**

**BACKGROUND:** With the pursuit of sustainability in mind, SWALCO has coordinated a program that recycles and reuses shoes. Every year across the globe, millions of pairs of shoes end up in landfills or disposed of in some other way. This was the 9th year that SWALCO has sponsored and coordinated the program in Lake County. The Agency has partnered with Nike to recycle worn out athletic shoes and turn them into something new. Old athletic shoes (any brand) are collected, processed and recycled into a material called "Nike Grind" that is used to create sports surfaces like basketball and tennis courts, athletic fields, running tracks and playgrounds. Products like floor tiling and carpet padding made with "Grind" are also becoming available now at places like Home Depot. SWALCO staff have expanded the program even further as we have added a reuse component to the program.

Community groups came together during the first week in May to drop-off a record number of shoes for the 2013 program. Schools, scout troops, village and city departments, park districts, libraries, corporate offices and other community groups from all around the county united in the effort. The Village of Vernon Hills Public Works Department again acted as host site for the final collection and drop-off for 110+ groups. SWALCO and Vernon Hills Public Works staff worked together to gather, process, package, and finally, ship off the shoes. Staff from City of Zion and Vernon Hills Park District also volunteered to help with the shoe round-up, as well as Board Members Frank Flammini from Zion and Dave Brown from Vernon Hills, and other family and friends. Nearly 24 tons of shoes were collected in total. About 12,000 pounds of shoes were sent for reuse and Nike reported 35,000 pounds were weighed and delivered to their Tennessee facility. As the Agency plans to launch a county-wide clothing and textile program, a quick thought came that this might be a wonderful opportunity to test/utilize 2 of the potential vendors and have them collect the shoes that could be reused. It would be an opportunity to see how well they communicated, worked with our programs and see how they performed. The groups made a combined donation of \$8,000.00 to SWALCO. We presented the Village of Vernon Hills with a portion of these funds for providing a site, equipment and some staffing to assist with the Shoe Round-up efforts. Our hopes and plans are that we can launch the C&T Recycling program which will include collecting shoes separately, and that we can revenue share (for both shoes and clothing/textile) with all of our participating member communities as we do with electronics. Over the next few months, I plan to meet with all participating members, and new members who are interested, as we learn more and begin developing the new program.

Groups registered and those new to the program, or had new coordinators, were oriented to the program and given materials and supplies to help them run their collections. Shoe Kits were also loaned out through SWALCO's "lending library" for schools, businesses, and other groups to use. They include a DVD about the program, samples of the "grind", samples of materials made from the grind, curriculum for educators and other information and items.

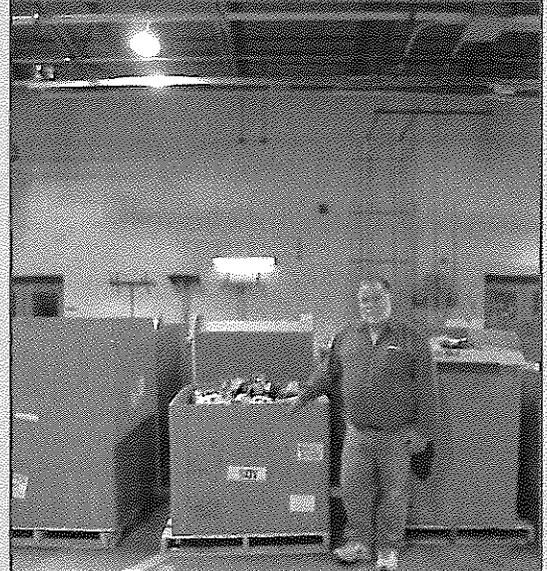
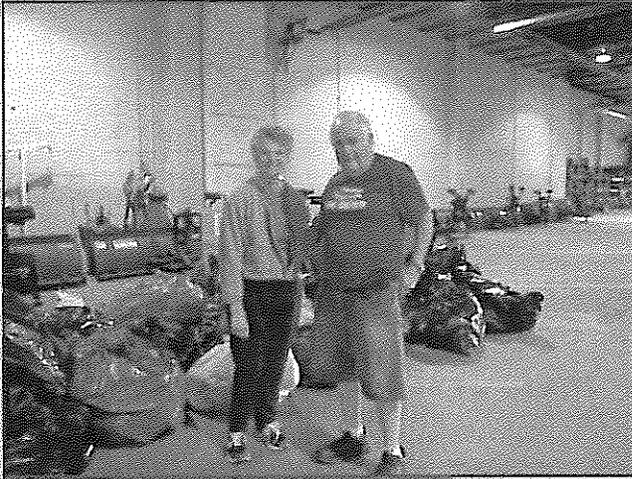
Several members participated. Vernon Hills, Wauconda, Zion, and Fox Lake, along with other groups, offer year-round drop-off locations. Mundelein offers a drop-off for residents through its Park District. Riverwoods, Highland Park, Highwood, Lindenhurst and Hawthorn Woods also offered drop-off collections and plan to participate again next year. These collections have been helpful for individuals looking to drop-off just a few shoes collected from the family home, etc. SWALCO is pleased to be collaborating with so many different groups and working closely with our member communities. Thanks to the efforts of people from all around the county, we collected another record breaking number of shoes.

This is a truly unique, fun, educational and worthwhile program that people have been so excited to be involved in. Everyone from seniors to young children can participate. It has also been a really great way for people to learn more about SWALCO and its other programs. Many of our groups have helped to promote programs like HCW and Electronics through their own websites, newsletters and E-blasts. Schools have used it to aid in some of their certifications and efforts. Scouts earn a special SWALCO shoe badge. A number of articles about Reuse-A-Shoe and our efforts were featured in local papers and publications. The program continues to grow and flourish. Some groups participated in photo and video contests we offered. We want to continue to add new elements to make it enjoyable and rewarding for groups. If any members would like to have their communities involved in collecting shoes, clothing and textiles, one or both, please contact Merleanne for more information.

**STAFF:** Merleanne Rampale, Public Information Officer

**ATTACHMENTS:** Pics from the event

# SWALCO SHOE PROJECT 2012-2013



From Right Top Clockwise: SWALCO Board member , Frank Flammini from City of Zion at Round-up; Students from Beach Elementary School doing their part; With help from Vernon Hills Public Works staff, we put the last box on the truck and send it off to Nike Facility in TN; Shoes and more shoes!; Matt Bartlett and Kelly Carlson from Village of Hawthorne Woods dropping off shoes they collected at their Summer concerts; Louise & Roger Simonson from Village of Riverwoods/Riverwoods Preservation Council at the Round-up with shoes they've collected at the Village Hall.

## **I-2 . Compost Bin and Rain Barrel Sale Summary**

**BACKGROUND:** With a renewed interest in promoting backyard composting as a strategy to achieving a 60% recycling rate, and a renewed interest in gardening and saving rain water, by our community residents, the Agency, in partnership with the Lake County Stormwater Management Commission and Lake County Forest Preserve District, hosted a one day truck load compost bin and rain barrel sale. We again worked with EnviroWorld Corporation as the vendor. The sale event occurred on Saturday May 11 from 9 a.m. to 3 p.m. at Independence Grove Forest Preserve. This year we were located right next to the plant sale and the results were very successful. The event was held in collaboration and conjunction with the Forest Preserve District's Native Plant Sale and was cross promoted by all three organizations. Thousands of flyers were sent out in water bills, thanks to the Lake County Public Works. Additional flyers were handed out at a variety of community events and programs, ads and articles appeared on websites, in local newspapers and media, and information was also included in two sections of the Forest Preserves' *Horizons*. Eblasts were sent to SWALCO lists and members, Stormwater lists, Forest Preserve lists, inclusion in 2 sections of *Horizons*, Illinois Legislators, County Board members and others. Additionally, a wide variety of other promotional efforts were launched, including special displays, etc.

Compost bins were sold for \$50.00 each and rain barrels were sold for \$60.00 each. A \$5.00 donation per bin/barrel sold was negotiated for the Agency from EnviroWorld which will mean approximately \$2,500 revenue generated for us from the sale day.

The sale event was very well attended. During the six hour we welcomed several hundred visitors and sold approximately 500 rain barrels and compost bins in total (twice as many rain barrels as bins) and approximately 200 tools and accessories. We brought back an additional 60 Rain Barrels and will have them available for purchase at our office in Gurnee, while supplies last, and will receive a \$5 donation/discount for these as well, realizing just under \$3,000.00 in revenue.

SWALCO and Stormwater staffed the event. Thanks to staff members, family and friends who helped out in areas of distribution, pick-up and sales. Thanks also to all of our member communities that helped promote this and to those communities who offered a rebate to their residents who purchased a bin or barrel from us.

If any members are interested in purchasing some of the surplus rain barrels for their community, please contact staff to make arrangements. A flyer is attached with details and information about these products.

Merleanne Rampale met with members from Lake County Stormwater Management Commission and Lake County Forest Preserve District earlier, and presented a special "*Partners in Conservation*" award to each of these organizations, on behalf of the Agency. A follow-up meeting has been planned with Forest Preserves and Stormwater Management Commission, to recap and begin planning for next year's event.

**STAFF:** Merleanne Rampale, Public Information Officer

**ATTACHMENT:** None

**I-3. School Education and Outreach**

**BACKGROUND:** In addition to working with and providing educational assistance to community, municipal and corporate groups, and organizations, SWALCO also works with Lake County schools and educators in order to fulfill part of the agency's core mission. SWALCO's school outreach programs educate Lake County students, teachers, administrators and parents about a number of environmental initiatives and topics that involve caring for our environment/our planet Earth, including sustainability and the "4R's": reduce, reuse, recycle and recover (buying recycled products). I work with teachers, students, parents and administration on a variety of initiatives. Help is given to implement recycling programs, provide educational assistance, information and training, suggest environmental activities and projects, and act as a resource and guide throughout the school year. Additionally, Educators and youth leaders can sign up for a special E-list/newsletter and receive occasional emails with information on a number of topics including environmental projects and activities for their school, classroom resources, noteworthy community events, national and international events of interest, grant opportunities, helpful websites and links, help with curriculum and classroom planning and more.

Through one of SWALCO's programs, schools from K-12 will complete certain criteria, on their way to earning an Earth Flag. SWALCO works with schools throughout the year to complete certain criteria and then help to plan and coordinate special events and ceremonies at assemblies. These assemblies are planned with customized special events and presentations, with representatives from the school and community also in attendance. Additionally, schools who have completed the requirements for Earth Flag Every Day are presented with special award plaques (designed and created in house) to recognize their continuing efforts to reduce, reuse, recycle and recover and care for our environment. School reports are still coming in and we estimate 20+ schools from around the county will be awarded for their efforts this year.

In addition to schools that have participated in formal programs, assistance and support has also been given to schools looking to begin recycling efforts, implement Environmental clubs or Teams or pursue other environmental activities or projects. Many schools also participate in SWALCO's Shoe Recycling and Reuse program including elementary schools, preschools, private and specialized schools, high schools, high school tech campuses and the College of Lake County. SWALCO sponsored a photo and video contest, which some schools participated in. Related curriculum and activities have also been utilized by educators. Numerous schools have also been encouraged to form, and have been assisted in forming and developing Environmental Clubs, Green Teams or other groups to help oversee initiatives and efforts. SWALCO also works with and supports other youth groups, Scout troops, and educational endeavors in the community. Almost every year, SWALCO has mentored and assisted Prairie Crossing school students and Eagle Scouts with large and extensive projects they are required to complete.

Schools recycled items including paper, cardboard, ink jet cartridges, juice pouches, plastics and aluminum, plastic bags, cell phones, CDs and other recyclables. Activities included and Environmental Leadership Conference with work in raising awareness of climate change and energy issues, tracking data and campaigning for a recycling dumpster at the school, books swaps, clothing swap and donations, mini recycling classes, Presentations from Student Council to all classes on Why we should Recycle, Holiday Light Recycling Collections, Environmental Fair events with guest speakers and demonstrations, Creation of Educational Website Videos and "Ads" on the importance of recycling, implementation of paperless systems for newsletters and bulletins, gardening/composting efforts, litter pick-up, Waste Free Lunches, creation of recycling stations, gym shoe recycling and reuse program, crayon recycling, locker clean-out, inspiring and informative murals, graphs and flyers posted throughout the school, river and highway clean-ups, Earth Day activities, special displays, and Environmental Nights. It's been phenomenal to see all of the wonderful environmental activities, projects and educational opportunities happening in our community and know that there efforts are far reaching. These students we touch will become "educators" themselves, and take home what they learn to educate their neighbors, family and friends.

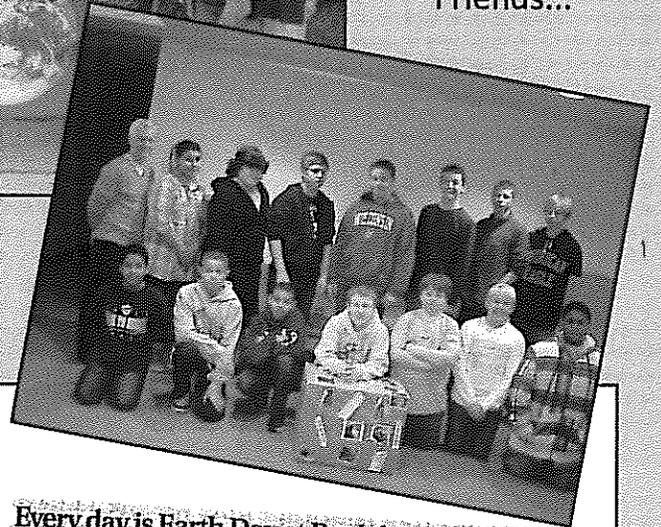
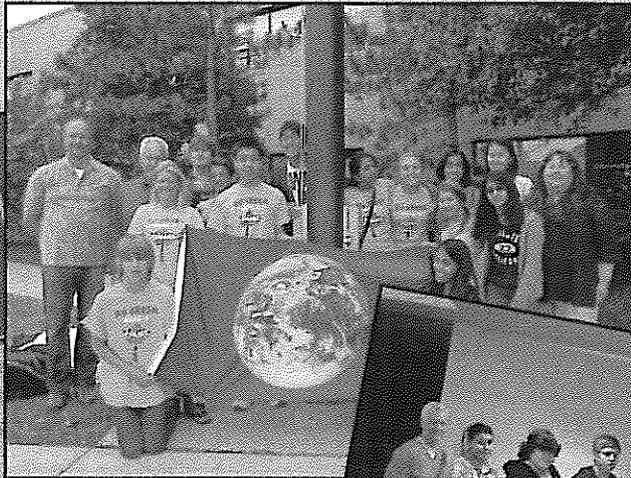
**STAFF:** Merleanne Rampale, Public Information and Education

**ATTACHMENTS:** Pics from the event

# SWALCO SCHOOL OUTREACH

2012-2013

Just  
A Few  
Of our  
Fellow  
Recyclers &  
Friends...



## Every day is Earth Day at Beulah Park School

This year Beulah Park Student Council did a tremendous job involving the school community and parents with all its recycling efforts. This includes recycling paper, ink cartridges, batteries, and more. Many of these

efforts were also shared with the other district schools. It was great that everyone has continued their efforts to help reduce the amount of garbage and increase the amount of recycling action.

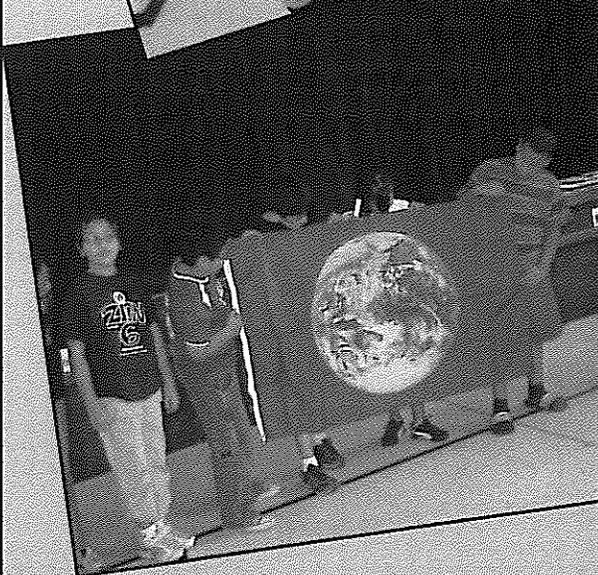


Beulah is not recycling efforts of the school just was a lot of fun recycling.

Special thanks to: Walter Rizzo, Joyce Torres, Tracy Gibe, Matti Grossnik, Victor Diaz and David. A thank you they put stress in being in the school by SWALCO (Solid Waste Agency of Lake County) to be recycled of Vermont.

The students and their families donated items and resources. This will create a very special and meaningful day for our school. Many thanks to everyone who helped, they became leaders in school recycling efforts.

These new resources were given as gifts to Beulah. The SWALCO for Teachers Appreciation Week. All items of the recycled resources will be given as teacher appreciation gifts for the teachers who will attend Learning in the Fall.



**I-4. 1<sup>st</sup> Quarter 2013 Residential Electronics Collection Program Summary**

**BACKGROUND:** Attached is a summary of all activity within the SWALCO Residential Electronics Collection Program for the first three months of 2013. In summary, a total of 355.7 tons (711,314 pounds) of electronics have been collected through our network of 21 collection partners that hosted collections during these months. This total represents a 25% increase in e-scrap collected over the same period in 2012. It is anticipated that the volume of electronics collected through this program will again exceed previous years' collection volume and could reasonably reach a record 3.5 million pounds by end of year.

As previously discussed with the Board, beginning in February 2013, our electronics processor, Sims Recycling Solutions, has reduced the per pound credit for CRT and TV from \$0.08 per pound to \$0.035 per pound. The credit for all other CED and EED materials remains unchanged at \$0.08 per pound. Agency collection partners receive one third of the credit for the electronics that they collect, with the remaining balance of the credit remaining with the Agency to provide support for the program.

The attached summary tables illustrate both the volume of electronics collected from each partner site and credit distributions provided by our electronics processor. Total revenue for the quarter was \$37,594.52. The Agency will disburse \$12,531.50 of those funds to the 21 collection partners who held collections during the quarter.

Staff will continue to periodically report back the results and accomplishments of this program.

**ENCLOSED DOCUMENTS:** SWALCO Residential Electronics Collection Host Site Collection Volume January – March 2013; SWALCO Residential Electronics Collection Volume and Credit Summary 1<sup>st</sup> Quarter 2013.

**STAFF:** Peter Adrian, Recycling Coordinator

**SWALCO Residential Electronics Collection Program**  
**Host Site Collection Volume**  
**January – March 2013**

Collection Partner Site	TOTAL Lbs.
1 City of Highland Park	104,539
2 Waste Management North	98,125
3 Grant Township	59,350
4 Village of Grayslake	57,278
5 Vernon Township	43,328
6 Ela Township	42,116
7 Wauconda Township	41,358
8 Warren Township	39,087
9 Village of Vernon Hills	33,549
10 Village of Round Lake Beach	29,760
11 City of Zion	28,330
12 City of Lake Forest	22,610
13 Prairieland Disposal	18,629
14 Village of Round Lake	17,908
15 City of North Chicago	13,972
16 Village of Wauconda	13,382
17 Cuba Township	12,724
18 Groot Industries	10,572
19 Village of Lake Bluff	9,273
20 Village of Lindenhurst	8,672
21 Waukegan Township	6,752
Abbott	Not Active in Quarter
Baxter Healthcare	Not Active in Quarter
Lake County DOT	Not Active in Quarter
Lake County Farm Bureau	Not Active in Quarter
Lake County Healt Department	Not Active in Quarter
Navy	Not Active in Quarter
Vernon Hills Park District	Not Active in Quarter
Village of Deerfield	Not Active in Quarter
Village of Gurnee	Not Active in Quarter
Village of Hainseville	Not Active in Quarter
Village of Libertyville	Not Active in Quarter
Village of Lincolnshire	Not Active in Quarter
Village of Long Grove	Not Active in Quarter
Village of Mundelein	Not Active in Quarter
Village of Mundelein - Rotary	Not Active in Quarter
Village of Port Barrington	Not Active in Quarter
Waukegan Park District	Not Active in Quarter
<b>TOTAL</b>	<b>711,314</b>

**SWALCO Residential Electronics Collection Program  
Volume and Credit Summary  
1st Quarter 2013**

Location	Collection Partner Credit	SWALCO Credit	Total Credit	CRT & TV Lbs.	Compliant Lbs.	Total Lbs.	% CFS	Non-CFS / EEDS	% of Non-CFS/EEDS	% of CRT & TV
City of Highland Park	\$ 1,873.63	\$ 3,747.27	\$ 5,620.90	54,013	88,007	104,539	84.2%	16,532	15.8%	51.7%
City of Lake Forest	\$ 465.17	\$ 930.33	\$ 1,395.50	16,129	20,533	22,610	90.8%	2,077	9.2%	71.3%
City of North Chicago	\$ 166.11	\$ 332.22	\$ 498.33	9,486	11,565	13,972	82.8%	2,407	17.2%	67.9%
City of Zion	\$ 546.20	\$ 1,092.40	\$ 1,638.60	16,156	25,865	28,330	91.3%	2,465	8.7%	57.0%
Cuba Township	\$ 237.77	\$ 475.55	\$ 713.32	6,037	10,667	12,724	83.8%	2,057	16.2%	47.4%
Ela Township	\$ 584.63	\$ 1,169.26	\$ 1,753.90	25,005	35,989	42,116	85.5%	6,127	14.5%	59.4%
Grant Township	\$ 919.82	\$ 1,839.64	\$ 2,759.46	37,205	47,559	59,350	80.1%	11,791	19.9%	62.7%
Groot Industries	\$ 125.42	\$ 250.85	\$ 376.28	9,905	10,275	10,572	97.2%	297	2.8%	93.7%
PrairieLand Disposal	\$ 331.79	\$ 663.59	\$ 995.39	10,300	15,639	18,629	83.9%	2,990	16.1%	55.3%
Vernon Township	\$ 783.71	\$ 1,567.42	\$ 2,351.13	26,046	37,457	43,328	86.4%	5,871	13.6%	60.1%
Village of Grayslake	\$ 998.05	\$ 1,996.10	\$ 2,994.15	33,887	47,693	57,278	83.3%	9,585	16.7%	59.2%
Village of Lake Bluff	\$ 140.91	\$ 281.82	\$ 422.73	3,838	7,443	9,273	80.3%	1,830	19.7%	41.4%
Village of Lindenhurst	\$ 140.91	\$ 281.82	\$ 422.73	3,582	7,299	8,672	84.2%	1,373	15.8%	41.3%
Village of Round Lake	\$ 350.14	\$ 700.28	\$ 1,050.42	8,973	15,909	17,908	88.8%	1,999	11.2%	50.1%
Village of Round Lake Beach	\$ 510.85	\$ 1,021.70	\$ 1,532.56	17,788	23,500	29,760	79.0%	6,260	21.0%	59.8%
Village of Vernon Hills	\$ 675.19	\$ 1,350.39	\$ 2,025.58	16,036	28,427	33,549	84.7%	5,122	15.3%	47.8%
Village of Wauconda	\$ 231.78	\$ 463.56	\$ 695.35	6,541	10,606	13,382	79.3%	2,776	20.7%	48.9%
Warren Township	\$ 684.81	\$ 1,369.61	\$ 2,054.42	18,571	31,411	39,087	80.4%	7,676	19.6%	47.5%
Waste Management North	\$ 1,856.27	\$ 3,712.53	\$ 5,568.80	63,325	82,543	98,125	84.1%	15,582	15.9%	64.5%
Wauconda Township	\$ 744.39	\$ 1,488.78	\$ 2,233.17	26,535	35,789	41,358	86.5%	5,569	13.5%	64.2%
Waukegan Township	\$ 163.95	\$ 327.89	\$ 491.84	4,139	6,148	6,752	91.1%	604	8.9%	61.3%
<b>TOTAL</b>	<b>\$ 12,531.50</b>	<b>\$ 25,063.02</b>	<b>\$ 37,594.52</b>	<b>413,497</b>	<b>600,324</b>	<b>711,314</b>	<b>84.4%</b>	<b>110,990</b>	<b>15.6%</b>	<b>58.1%</b>

**I -5. 1st Quarter 2013 Recycling and Per Ton Payment Report**

**BACKGROUND:** Attached are the reported tabulations of curbside recyclable material tonnage, by member community, for the first quarter of 2013. Tonnage totals are reported both by month and quarter for the calendar year. The information is provided by the waste hauling companies servicing customers in Lake County.

2011 and 2012 tonnage figures are also listed for comparison purposes. In first quarter 2013, 12,914 tons of recyclables were collected from Lake County communities. Compared to the previous year, Lake County communities have experienced a 7% decline (13,905 tons) and 4% decline as compared to 2011 (13,450 tons).

Staff believes that the decline, which became noticeable in the 2<sup>nd</sup> quarter of 2012, is due to changes in consumer behavior and light weighting of consumer products and economic conditions. These conclusions are again supported by the fact that overall waste disposal rates for our communities have been tracking downward at a comparable rate as illustrated in the attached graph titled Waste and Recycling Comparison 2010 – 2013.

Market values, of most recyclable material grades showed slight gains in the first quarter. However, historical soft commodity values continue to keep Agency Member Per Ton Payments at the low end of the scale. The index per ton payment held flat to \$8.50 per ton for all three months of this quarter.

As a reminder, our Agreement with WMRA contains a provision that provides a \$1.00 per ton increase to our members rebate for 2013. For example, in 2012 if the blended index value for a given month was in the range of \$70.00 to \$79.99 then the member rebate was \$7.50 per ton. In 2013 that same range yields an \$8.50 per ton rebate.

2013 recycling markets are expected to be a bumpy road with the many of the commodities we index fluctuating more than usual from month to month. Due to this, Staff finds it hard to determine where our rebate index will be over the next six months. However, staff is confident that the early part of the second quarter should bring an index rate of \$11.00.

In April the Village of Bannockburn entered into its first municipal franchise with Lakeshore Recycling Services. Residents of the community now have 64 gallon recycling carts. Also, over the next few months, the Village of Long Grove will be upgrading to 64 gallon recycling carts and the Village of Lake Barrington currently in negotiations to add carts as well. With these additions, we will have a total of 36 members and 3 townships using 64 gallon or larger recycling carts in their communities.

**ENCLOSED DOCUMENTS:** Municipal Summary Table - 2013 Recycling Volumes; Waste and Recycling Comparison Table; SWALCO Members Per Ton Payment Summary; 1st Qtr. 2013; Q1 2013 Single Stream Value Calculation for SWALCO Contract Rebate; Lake County Municipal & Township Cart Based Single Stream Recycling Collection Program Summary

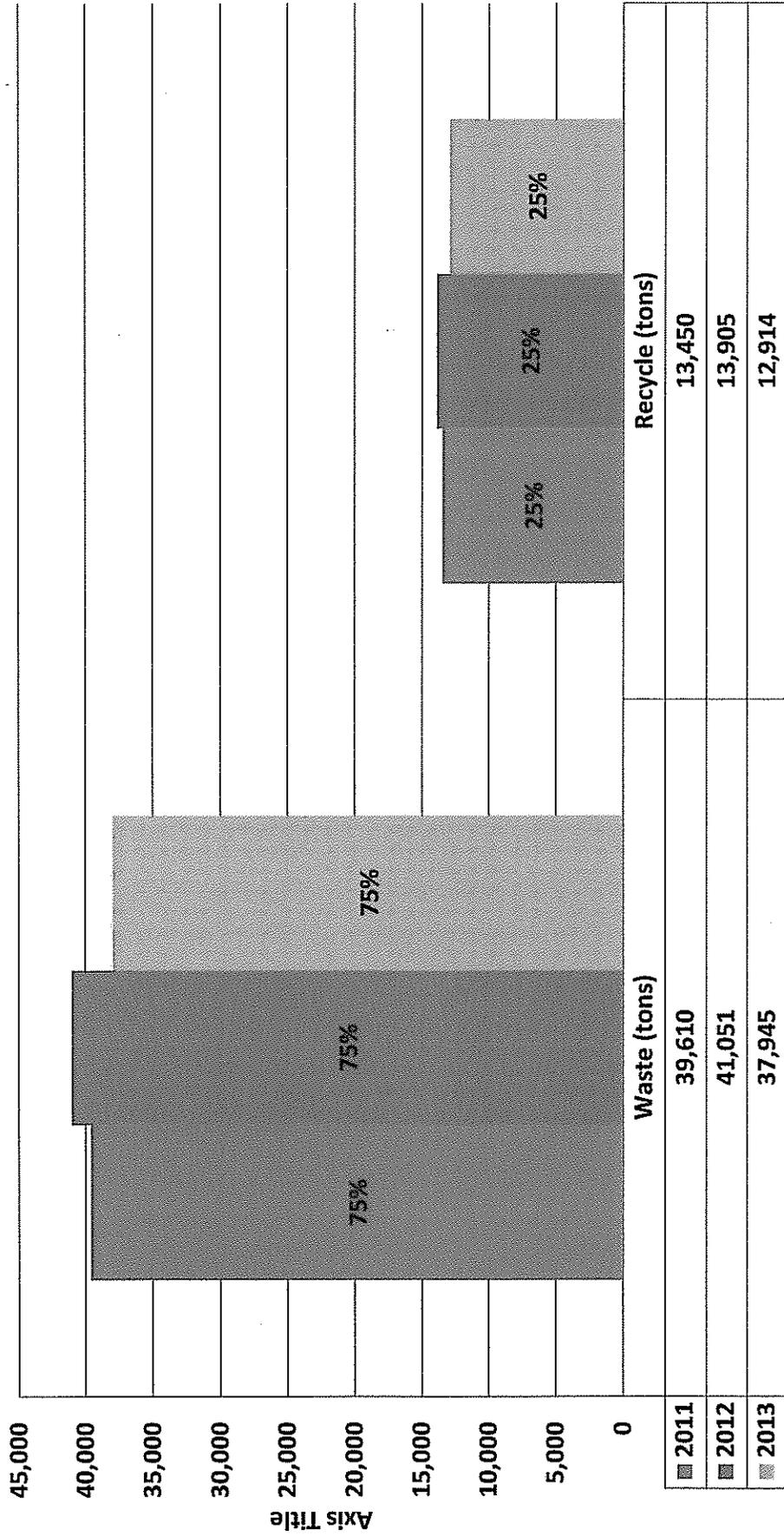
**STAFF:** Peter Adrian, Recycling Coordinator.

**Solid Waste Agency of Lake County  
Municipal Recycling Summary  
1st Quarter 2013**  
(as reported by haulers)

MUNICIPALITY	SERVICE PROVIDER	Jan 2013	Feb 2013	Mar 2013	1st Qtr 2013 TOTAL	1st Qtr 2012 TOTAL	1st Qtr 2011 TOTAL
ANTIOCH*	Waste Management, Inc. Antioch	109.30	82.70	94.30	286.30	313.00	305.98
BEACH PARK	Veolia Environmental Services. Waukegan	0.00	0.00	0.00	0.00	5.00	10.05
BEACH PARK	Waste Management, Inc. Antioch	2.40	1.60	2.10	6.10	4.20	6.48
BEACH PARK	Groot Industries	35.53	26.58	26.92	89.03	90.55	112.68
BEACH PARK	<b>TOTAL</b>	<b>37.93</b>	<b>28.18</b>	<b>29.02</b>	<b>95.13</b>	<b>99.75</b>	<b>129.21</b>
DEERFIELD*	Waste Management, Inc. Wheeling	241.61	178.60	187.26	607.47	379.75	
DEERFIELD*	Veolia Environmental Services. Northbrook						501.64
DEERFIELD*	<b>TOTAL</b>	<b>241.61</b>	<b>178.60</b>	<b>187.26</b>	<b>607.47</b>	<b>379.75</b>	<b>501.64</b>
DEER PARK*	Groot Industries	49.96	33.56	33.77	117.29	110.91	101.69
FOX LAKE*	Waste Management, Inc. Antioch	53.80	44.30	55.00	153.10	178.80	175.01
GRAYSLAKE*	Waste Management, Inc. Antioch	205.20	158.20	166.60	530.00	576.80	563.43
GRAYSLAKE Drop-Off	Waste Management, Inc. Antioch	8.00	3.85	7.61	19.46	14.49	26.43
GRAYSLAKE*	<b>TOTAL</b>	<b>213.20</b>	<b>162.05</b>	<b>174.21</b>	<b>549.46</b>	<b>591.29</b>	<b>589.86</b>
GREEN OAKS*	Groot Industries	52.87	39.88	40.93	133.68	154.77	152.60
GURNEE*	Waste Management, Inc. Antioch	251.20	207.50	234.00	692.70	708.80	692.06
HAINESVILLE*	Veolia Environmental Services. Waukegan	23.70	24.80	23.90	72.40	61.30	55.95
HAWTHORN WOODS*	Waste Management, Inc. Wheeling	103.25	103.54	90.98	297.77	454.10	404.53
HIGHLAND PARK*	Veolia Environmental Services. Northbrook	359.45	307.56	344.63	1,011.64	1,067.85	1,010.70
HIGHWOOD	Veolia Environmental Services. Northbrook	27.20	20.83	23.60	71.63	51.89	65.01
ISLAND LAKE*	Waste Management, Inc. Antioch	95.70	70.60	74.60	240.90	229.40	224.20
KILDEER*	Waste Management, Inc. Wheeling	53.81	39.19	40.23	133.23	189.47	152.29
LAKE BARRINGTON	Waste Management, Inc. Antioch	46.70	36.50	40.20	123.40	136.90	133.71
LAKE BLUFF*	Groot Industries	84.06	68.03	63.44	215.53	222.57	233.51
LAKE BLUFF Drop-Off	Groot Industries	7.10	6.51	5.61	19.22	12.50	12.55
LAKE BLUFF*	<b>TOTAL</b>	<b>91.16</b>	<b>74.54</b>	<b>69.05</b>	<b>234.75</b>	<b>235.07</b>	<b>246.06</b>
LAKE FOREST	Municipal Collection	272.82	205.86	206.49	685.17	638.92	544.36
LAKE VILLA*	Waste Management, Inc. Antioch	42.20	34.30	37.30	113.80	125.10	122.22
LAKE ZURICH*	Waste Management, Inc. Wheeling	216.65	194.94	205.97	617.56	738.76	654.42
LIBERTYVILLE*	Groot Industries	217.89	163.79	173.02	554.70	597.04	584.73
LINCOLNSHIRE*	Waste Management, Inc. Wheeling	66.15	62.96	63.31	192.42	277.92	204.34
LINDENHURST*	Groot Industries	122.27	107.95	107.31	337.53	377.43	381.91
LONG GROVE	Waste Management, Inc. Wheeling	78.16	68.57	81.04	227.77	289.60	204.65
MUNDELEIN*	Groot Industries	271.37	204.87	220.14	696.38	701.06	721.55
NORTH BARRINGTON	Waste Management, Inc. Antioch	45.10	35.60	36.10	116.80	123.30	120.40
NORTH CHICAGO	Veolia Environmental Services. Waukegan	56.80	57.90	50.00	164.70	69.70	131.92
GLNTC Housing	Waste Management, Inc. Antioch	14.90	12.90	13.10	40.90	41.50	40.01
PARK CITY*	Groot Industries	8.72	8.36	8.00	25.08	23.07	28.35
PORT BARRINGTON*	Waste Management, Inc. Antioch	9.00	7.10	7.90	24.00	28.20	27.49
RIVERWOODS*	Lake Shore Disposal Service	36.50	27.38	31.55	95.43		
RIVERWOODS	Waste Management, Inc. Wheeling					154.91	92.54
RIVERWOODS	<b>TOTAL</b>	<b>36.50</b>	<b>27.38</b>	<b>31.55</b>	<b>95.43</b>	<b>154.91</b>	<b>92.54</b>
ROUND LAKE*	Waste Management, Inc. Antioch	149.30	116.60	126.10	392.00	404.50	395.08
ROUND LAKE BEACH*	Waste Management, Inc. Antioch	212.00	160.30	165.90	538.20	598.70	585.13
ROUND LAKE HEIGHTS*	Groot Industries	21.00	16.62	18.79	56.41	52.90	42.01
ROUND LAKE PARK*	Veolia Environmental Services. Waukegan	24.50			24.50	114.80	118.62
ROUND LAKE PARK*	Groot Industries		21.79	25.83	47.62		
ROUND LAKE PARK*	Waste Management, Inc. Antioch		26.90	27.40	54.30		
ROUND LAKE PARK*	<b>TOTAL</b>	<b>24.50</b>	<b>48.69</b>	<b>53.23</b>	<b>126.42</b>	<b>114.80</b>	<b>118.62</b>
THIRD LAKE*	Waste Management, Inc. Antioch	13.40	8.60	8.50	30.50	32.10	31.36
TOWER LAKES	Waste Management, Inc. Antioch	12.80	9.00	9.30	31.10	28.40	27.85
VERNON HILLS*	Veolia Environmental Services. Waukegan	187.30	142.20	166.70	496.20	502.90	522.43
WADSWORTH	Groot Industries	33.87	23.79	29.98	87.64	101.33	102.65
WAUCONDA*	Waste Management, Inc. Antioch	93.90	71.10	74.80	239.80	270.50	264.45
WAUKEGAN	Veolia Environmental Services. Waukegan	236.70	208.10	221.90	666.70	668.30	579.21
WINTHROP HARBOR*	Groot Industries	46.15	41.91	50.21	138.27	165.03	146.90
ZION	Veolia Environmental Services. Waukegan	41.70	46.70	35.60	124.00	111.00	142.42
LAKE COUNTY	Groot Industries	154.20	111.88	128.96	395.04	520.20	589.18
LAKE COUNTY	Waste Management, Inc. Antioch	306.80	213.20	219.60	739.60	910.20	888.79
LAKE COUNTY	Waste Management, Inc. Wheeling	41.16	43.88	53.99	139.03	274.76	214.41
LAKE COUNTY	<b>TOTAL</b>	<b>502.16</b>	<b>368.96</b>	<b>402.55</b>	<b>1,273.67</b>	<b>1,705.16</b>	<b>1,692.38</b>
<b>TOTALS</b>		<b>4,844.15</b>	<b>3,909.38</b>	<b>4,160.47</b>	<b>12,914.00</b>	<b>13,905.18</b>	<b>13,449.88</b>

\*Municipalities Utilizing Recycling Carts

### Lake Count Residential Waste & Recycling Comparison Q1 2011 - 2013



**SWALCO PER TON PAYMENT SUMMARY**  
**1st QUARTER 2013**  
 (as reported by haulers)

\$1,181.76 - 25% (\$295.44) = \$886.32 (\$1,008.56 balance due to County for O&M on 1,304 homes)

Paid from Ela Township (\$295.44) & Warren Township (\$761.18) for O&M to County

\$3,944.70 - 25% (\$761.18) = \$2,283.52 (\$4,724.82 balance due to County for O&M on 5,486 homes)

Participating Members & Townships	1st Qtr. 2013 TONS			Total Tons Collected	Total Per Ton Payment	Payment With County and SWALCO Portion
	Jan	Feb	Mar			
ANTIOCH*	109.30	82.70	94.30	286.30	\$ 2,433.55	\$ 2,433.55
DEERFIELD*	241.61	178.60	187.26	607.47	\$ 5,163.50	\$ 5,163.50
ELA TOWNSHIP*	41.16	43.88	53.99	139.03	\$ 1,181.76	\$ 886.32
FOX LAKE*	63.80	44.30	55.00	153.10	\$ 1,301.35	\$ 1,301.35
GRAYSLAKE*	213.20	162.05	174.21	549.46	\$ 4,670.41	\$ 4,670.41
GREEN OAKS*	52.87	39.88	40.93	133.68	\$ 1,136.28	\$ 1,136.28
GURNEE*	251.20	207.50	234.00	692.70	\$ 5,887.95	\$ 5,887.95
HAINESVILLE*	23.70	24.80	23.90	72.40	\$ 615.40	\$ 615.40
HAWTHORN WOODS*	103.25	103.54	90.98	297.77	\$ 2,531.05	\$ 2,531.05
ISLAND LAKE*	95.70	70.60	74.60	240.90	\$ 2,047.65	\$ 2,047.65
KILDEER*	53.81	39.19	40.23	133.23	\$ 1,132.46	\$ 1,132.46
LAKE BARRINGTON	46.70	36.50	40.20	123.40	\$ 1,048.90	\$ 1,048.90
LAKE BLUFF*	91.16	74.54	69.05	234.75	\$ 1,995.38	\$ 1,995.38
LAKE COUNTY					\$ 1,056.62	\$ 1,056.62
LAKE VILLA*	42.20	34.30	37.30	113.80	\$ 967.30	\$ 967.30
LAKE ZURICH*	216.65	194.94	205.97	617.56	\$ 5,249.26	\$ 5,249.26
LIBERTYVILLE*	217.89	163.79	173.02	554.70	\$ 4,714.95	\$ 4,714.95
LINCOLNSHIRE*	66.15	62.96	63.31	192.42	\$ 1,635.57	\$ 1,635.57
LINDENHURST*	122.27	107.95	107.31	337.53	\$ 2,869.01	\$ 2,869.01
LONG GROVE	78.16	68.57	81.04	227.77	\$ 1,936.05	\$ 1,936.05
MUNDELEIN*	271.37	204.87	220.14	696.38	\$ 5,919.23	\$ 5,919.23
NORTH BARRINGTON*	45.10	35.60	36.10	116.80	\$ 992.80	\$ 992.80
PARK CITY*	8.72	8.36	8.00	25.08	\$ 213.18	\$ 213.18
PORT BARRINGTON*	9.00	7.10	7.90	24.00	\$ 204.00	\$ 204.00
RIVERWOODS*	36.50	27.38	31.55	95.43	\$ 811.16	\$ 811.16
ROUND LAKE*	149.30	116.60	126.10	392.00	\$ 3,332.00	\$ 3,332.00
ROUND LAKE BEACH*	212.00	160.30	165.90	538.20	\$ 4,574.70	\$ 4,574.70
ROUND LAKE HEIGHTS*	21.00	16.62	18.79	56.41	\$ 479.49	\$ 479.49
ROUND LAKE PARK*	24.50	48.69	53.23	126.42	\$ 1,074.57	\$ 1,074.57
THIRD LAKE*	13.40	8.60	8.50	30.50	\$ 259.25	\$ 259.25
TOWER LAKES	12.80	9.00	9.30	31.10	\$ 264.35	\$ 264.35
VERNON HILLS*	187.30	142.20	166.70	496.20	\$ 4,217.70	\$ 4,217.70
WADSWORTH	33.87	23.79	29.98	87.64	\$ 744.94	\$ 744.94
WARREN TOWNSHIP*	139.70	107.80	110.70	358.20	\$ 3,044.70	\$ 2,283.52
WAUCONDA*	93.90	71.10	74.80	239.80	\$ 2,038.30	\$ 2,038.30
WINTHROP HARBOR*	46.15	41.91	50.21	138.27	\$ 1,175.30	\$ 1,175.30
SWALCO credit @ \$1.00 per ton on 9,160.40 tons					\$	\$ 9,160.40
<b>TOTAL</b>	<b>3,425.39</b>	<b>2,770.51</b>	<b>2,964.50</b>	<b>9,160.40</b>	<b>\$ 77,863.40</b>	<b>\$ 87,023.80</b>

Blended Index Value	Per Ton Payment
January 2013	\$75.16
February 2013	\$75.65
March 2013	\$79.16

Lake County MRF, BU 01800  
 Quarterly Single Stream Value Calculation for the SWALCO Contract Rebate  
 Q1 2013

Commodity/Material	Source	%	Actual January		Actual February Per Ton \$	February Value	Actual March Per Ton \$	March Value
			Per Ton \$	Value				
ONP #8	OBM Chicago HS	47.00%	\$ 70.00	\$ 32.90	\$ 70.00	\$ 32.90	\$ 70.00	\$ 32.90
OCC	OBM Chicago HS	6.00%	\$ 80.00	\$ 4.80	\$ 80.00	\$ 4.80	\$ 85.00	\$ 5.10
Mixed Paper	OBM Chicago HS	13.00%	\$ 50.00	\$ 6.50	\$ 50.00	\$ 6.50	\$ 50.00	\$ 6.50
Three-Mix Glass	Actual	16.00%	\$ (15.58)	\$ (2.49)	\$ (14.33)	\$ (2.29)	\$ (14.29)	\$ (2.29)
Tin	Waste News HS	2.20%	\$ 120.00	\$ 2.64	\$ 120.00	\$ 2.64	\$ 120.00	\$ 2.64
Aluminum	Waste News HS	1.00%	\$ 1,600.00	\$ 16.00	\$ 1,600.00	\$ 16.00	\$ 1,600.00	\$ 16.00
PET	Waste News HS	2.50%	\$ 360.00	\$ 9.00	\$ 380.00	\$ 9.50	\$ 410.00	\$ 10.25
HDPE Natural	Waste News HS	1.10%	\$ 540.00	\$ 5.94	\$ 560.00	\$ 6.16	\$ 600.00	\$ 6.60
HDPE Colored	Waste News HS	1.20%	\$ 340.00	\$ 4.08	\$ 360.00	\$ 4.32	\$ 510.00	\$ 6.12
Mixed Plastic Film	Actual	1.00%	\$ (42.04)	\$ (0.42)	\$ (48.75)	\$ (0.49)	\$ (46.59)	\$ (0.47)
Residue	Actual	9.00%	\$ (42.04)	\$ (3.78)	\$ (48.75)	\$ (4.39)	\$ (46.59)	\$ (4.19)
Total		100.00%	\$ 75.16	\$ 75.65	\$ 79.16	\$ 8.50	\$ 8.50	\$ 8.50
The monthly rebate per ton is ----->			\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50
Directed SWALCO tons for month ----->			3,425.39	3,425.39	3,425.39	2,770.51	2,964.50	2,964.50
Monthly per ton credit due to SWALCO members ----->			\$ 29,115.82	\$ 29,115.82	\$ 23,549.34	\$ 23,549.34	\$ 25,198.25	\$ 25,198.25
\$1.00 per ton education credit due to SWALCO ----->			\$ 3,425.39	\$ 3,425.39	\$ 2,770.51	\$ 2,770.51	\$ 2,964.50	\$ 2,964.50
Total monthly rebate due to SWALCO and members ----->			\$ 32,541.21	\$ 32,541.21	\$ 26,319.85	\$ 26,319.85	\$ 28,162.75	\$ 28,162.75

If the Stream Value is ...

at least ...	\$	-	but no more than ...	\$	49.99	then the rebate per ton is ...	\$	-
at least ...	\$	50.00	but no more than ...	\$	59.99	then the rebate per ton is ...	\$	3.50
at least ...	\$	60.00	but no more than ...	\$	69.99	then the rebate per ton is ...	\$	6.00
at least ...	\$	70.00	but no more than ...	\$	79.99	then the rebate per ton is ...	\$	8.50
at least ...	\$	80.00	but no more than ...	\$	89.99	then the rebate per ton is ...	\$	11.00
at least ...	\$	90.00	but no more than ...	\$	99.99	then the rebate per ton is ...	\$	16.00
at least ...	\$	100.00	but no more than ...	\$	109.99	then the rebate per ton is ...	\$	19.00
at least ...	\$	110.00	but no more than ...	\$	119.99	then the rebate per ton is ...	\$	22.00
at least ...	\$	120.00	but no more than ...	\$	129.99	then the rebate per ton is ...	\$	25.00
at least ...	\$	130.00	but no more than ...	\$	139.99	then the rebate per ton is ...	\$	37.00
at least ...	\$	140.00	but no more than ...	\$	149.99	then the rebate per ton is ...	\$	41.00
at least ...	\$	150.00	but no more than ...	\$	159.99	then the rebate per ton is ...	\$	45.00
at least ...	\$	160.00	but no more than ...	\$	169.99	then the rebate per ton is ...	\$	49.00
at least ...	\$	170.00	but no more than ...	\$	open	then the rebate per ton is ... (stream value less \$50) X 50%	\$	49.00

**Lake County Municipal & Township  
Cart Based Single Stream Recycling Collection  
Program Summary**

1.	Gurnee	Jun 2001	64 gal carts*	Waste Management
2.	Warren Township	Jun 2001	64 gal carts*	Waste Management
3.	Grayslake	Jul 2002	64 gal carts*	Waste Management
4.	Vernon Hills	Jul 2002	64 gal carts	Advanced Disposal Services
5.	Lake Zurich	Nov 2002	64 gal carts	Waste Management
6.	Hainesville	Dec 2002	64 gal carts*	Advanced Disposal Services
7.	Kildeer	Apr 2003	64 gal carts*	Waste Management
8.	Lincolnshire	Apr 2003	64 gal carts*	Waste Management
9.	Round Lake Park	Jun 2003	64 gal carts	Groot Industries
10.	Lindenhurst	Oct 2003	64 gal carts	Groot Industries
11.	Park City	Oct 2003	64 gal carts	Groot Industries
12.	Round Lake Beach	Dec 2003	64 gal carts*	Waste Management
13.	Round Lake	Jan 2004	64 gal carts	Waste Management
14.	Hawthorn Woods	Apr 2004	64 gal carts*	Waste Management
15.	Lake Villa	Jul 2004	64 gal carts	Waste Management
16.	Lake Villa Township	Jul 2004	64 gal carts	Waste Management
17.	Winthrop Harbor	Oct 2004	64 gal carts	Groot Industries
18.	Third Lake	Nov 2004	64 gal carts	Waste Management
19.	Deer Park	May 2005	64 gal carts	Groot Industries
20.	Antioch	Nov 2005	64 gal carts*	Waste Management
21.	Wauconda	Dec 2005	64 gal carts	Waste Management
22.	Port Barrington	Dec 2005	64 gal carts*	Waste Management
23.	Deerfield	Apr 2006	64 gal carts**	Waste Management
24.	Round Lake Heights	Apr 2006	64 gal carts	Groot Industries
25.	Green Oaks	Apr 2007	64 gal carts	Groot Industries
26.	Lake Bluff	May 2007	64 gal carts	Groot Industries
27.	Ela Township	Oct 2008	64 gal carts	Waste Management
28.	Mundelein	May 2009	64 gal carts*	Groot Industries
29.	Island Lake	Apr 2010	64 gal carts	Waste Management
30.	Libertyville	Jul 2010	64 gal carts*	Groot Industries
31.	Highland Park	Oct 2010	64 gal carts*	Advanced Disposal Services
32.	Fox Lake	Dec 2010	64 gal carts*	Waste Management
33.	Riverwoods	Apr 2012	64 gal carts*	Lakeshore Recycling Services
34.	Highwood	May 2012	64 gal carts*	Advanced Disposal Services
35.	Lake Forest	Oct 2012	64 gal carts	Municipal Collection
36.	North Chicago	Jan 2013	64 gal carts*	Advanced Disposal Services
37.	Bannockburn	Apr 2013	64 gal carts*	Lakeshore Recycling Services
38.	Long Grove	2013	64 gal carts*	Waste Management
39.	Lake Barrington	2013	64 gal carts*	Waste Management

\* Contract provides for a free upgrade to a 95 gal. recycling cart upon customers request.

\*\* Contract provides for upgrade to a 95 gal. recycling cart for a onetime upgrade fee at customers request.

**SWALCO members using an 18 gallon open top recycling bin**

Beach Park	Subscription Service
Naval Station Great Lakes (Housing)	Waste Management
Tower Lakes	Waste Management
Wadsworth	Groot Industries
Waukegan	Advanced Disposal Services
Zion	Advanced Disposal Services
Unincorporated Lake County (Townships)	Subscription Service

**I – 6. Health Department Report**

LAKE COUNTY HEALTH DEPARTMENT &  
COMMUNITY HEALTH CENTER  
Population Health Services  
Solid Waste Unit

Countryside Landfill Inc.

The contractor, Joseph Coleman & Sons, arrived on site May 6, 2013 to start installing a series of horizontal collectors and stone columns. The work was substantially completed on June 14<sup>th</sup> when the collectors and stone columns were connected to the gas collection system. CLI provided notice to Grayslake, SWALCO and the Prairie Crossing Subdivision prior to beginning the work. The Genco power plant was off line during mid-May to mid-June due to problems with the compressor. Both landfill flares were operating during the time, collectively consuming landfill gas at approximately 3,900 scfm. Repairs to the service road and runoff drainage ditch, which run along the perimeter of the landfill, were completed in response to a Non-compliance Advisory Letter issued to CLI. The outer east side slope of Cell 5 has been graded and covered with topsoil for seeding. On May 21, split samples were collected from three monitor wells at CLI and two monitoring wells were sampled at the EDCO closed landfill. No organic compounds were detected in any of the samples. There was one odor complaint reported in April, one in May and 4, to date, in June. There were no exceedences recorded by the hydrogen sulfide monitors in April, May and, so far, in June.

Advanced Disposal Services Zion Landfill

Twelve gas collection wells were replaced at the landfill in May to improve gas collection and odor control. Also in May, a contractor repaired the drainage culverts in the retention pond that had been dislodge during late winter. Vegetation has been established on the north and south slopes that received final cover last fall. The gas flare and power plant are consuming landfill gas at a rate of approximately 4,200 scfm. The odor neutralizing system continues to operate. Soil is being excavated from the area where future Cell 8 will be constructed. The permit for the lateral expansion has not been issued by the Illinois EPA. There were three odor complaints reported in April, none in May and one, to date, in June.

Landscape Waste Facilities

The landscape waste transfer stations and compost facilities are operating in compliance with the exception of the Nu-Earth Organic Compost Facility which is in enforcement. A compliance commitment agreement was reached with the owner and operator, effective May 14, 2013.

The Great Lakes Farms is in formal enforcement and expected to go to trial in March 2014.

**I – 7. Project and Program Updates**

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

1. The Lake County Board voted at its June 11<sup>th</sup> meeting to approve amendments to its Solid Waste Hauling and Recycling Ordinance, which address approximately 5 of the recommendations in the 60% Recycling Task Force Report for Lake County. The amendments become effective on January 1, 2014.
2. Walter attended a meeting of the Wadsworth Village Board on May 21, 2013 to discuss residential hauling franchises. Currently Wadsworth has a franchise hauler for recyclables only and is assessing whether to extend that contract, expand it to include refuse and organics or eliminate any type of franchise at all. Walter also attended the pre-submission meeting for Libertyville's commercial hauling franchise on May 23<sup>rd</sup> and Deerfield's public hearing on issuing an RFP for its commercial franchise on June 17<sup>th</sup>. Grayslake received proposals from 4 haulers in response to its commercial franchise RFP.
3. Walter and Pete attended the annual Illinois Recycling Association's conference in Normal, IL on June 3, 4 and 5. Walter presented a legislative update and moderated the session on carpet recycling. Senator Melinda Bush also spoke at the conference after accepting an invitation to present from Walter. During the conference we were able to talk with the Senator on the Paint Stewardship bill we are interested in passing. She has signed on as a chief co-sponsor and we look forward to working the Senator on the bill.
4. The website has been updated to include a more user friendly home page. Over the coming months we will be focusing on new content with respect to the 60% recycling effort, with updated information on program efforts and data tracking our progress.
5. Walter was formally appointed to the Task Force on the Advancement of Materials Recycling per Public Act 97-853 (the bill we ran last session with Rep. May and Sen. Garrett as sponsors). The first meeting was held on June 18<sup>th</sup> in Bloomington, IL. The task force will be focusing on fees (especially the fees we collect from the landfills) and the State's recycling and composting legislation and possible need for upgrades.
6. Walter attended a Great Lake Pharmaceutical conference on June 11, in Milwaukee and also attended a national product stewardship strategy meeting on June 12 (also in Milwaukee) hosted by the Product Stewardship Institute.
7. The IL Municipal Retirement Fund (IMRF) contacted Lake County about SWALCO employees being under the County's IMRF fund account, the result being that IMRF has told SWALCO that it must have its employees covered by a SWALCO IMRF account not Lake County's since technically SWALCO employees are not county employees. SWALCO established such an account many years ago and will have to begin using it again shortly. Larry Clark has been negotiating with IMRF on behalf of SWALCO. We are uncertain at this time if the contribution rate will be affected by this change.
8. Groot filed its siting application on June 21, 2013 with the Village of Round Lake Park for a proposed garbage transfer station. The public hearings cannot start for at least 90 days from the filing date. SWALCO and its legal counsel will be participating in the hearings and we will be posting the siting application on our website.

**ENCLOSED DOCUMENTS:** None

**STAFF:** Walter Willis, Executive Director