

**Item #13:**  
**Village Trustee Yaeger**  
**SWALCO Board Meeting - January 22, 2015**



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

**MEMORANDUM**

To: SWALCO Directors and Alternates  
From: Walter S. Willis, Executive Director *WSW*  
Subject: January 2015 Meeting Notice Information  
Date: January 16, 2015

Attached you will find the agenda for this month's meeting, minutes from our November 13, 2014 meeting, and the referenced consent, action and information items. The action item on the electronics recycling contract with Dynamic Recycling is not in the packet. My goal is to get that sent out electronically as soon as it is available prior to the meeting.

I look forward to seeing you at the meeting on January 22nd at 7 pm, and please let Amy Bartemio know if you or an alternate will be attending the meeting. Also, please mark your calendar for the next scheduled Board of Directors meeting on April 2, 2015.

**SOLID WASTE AGENCY OF LAKE COUNTY, IL  
BOARD OF DIRECTORS  
THURSDAY, JANUARY 22, 2015 - 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 November 13, 2014
5. **PUBLIC COMMENT**
6. **NEW AGENDA ITEMS**
7. **MEMBER RESOLUTIONS**
8. **BOARD ITEMS** ..... Executive Director

**Consent Item**

1. Expenditure Report (*December 2014*)

**Action Items**

1. Dynamic's Contract - *NIP*

**Information Items**

1. Health Department Report – Mike Kuhn
2. Commercial Hauling Ordinance
3. 4<sup>th</sup> Qtr. Residential Electronics Collection Program - *NIP*
4. 4<sup>th</sup> Qtr. Recycling Per Ton Payments - *NIP*
5. Reuse-a-Shoe Program
6. Project and Program Updates

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

SWALCO BOD SIGN IN SHEET/11.13.14

MEMBER COMMUNITY	REPRESENTATIVE	TITLE
ANTIOCH		
BANNOCKBURN		
BEACH PARK	Tracy Miracle	Asst Administrator
DEER PARK		
DEERFIELD	Karl S. Selt	Village Manager
FOX LAKE	Bernice R. Bennett	Trustee
GRAYSLAKE	MIKE BLUS	MANAGER
GREAT LAKES		
GREEN OAKS	JOHN WAGNER	TRUSTEE
GURNEE	Tom	Village Administrator
HAINESVILLE	Jim Stone	Mayor
HAWTHORN WOODS	Storie Rieck	Trustee
HIGHLAND PARK	Kim Stone	Councilwoman
HIGHWOOD	ANDY PETERSON	ALDERMAN
ISLAND LAKE		
KILDEER		
LAKE BARRINGTON		
LAKE BLUFF	John	Village Admin
LAKE COUNTY		
LAKE FOREST	Michael Thomas	Director of Public Works
LAKE VILLA		
LAKE ZURICH	Tom Boynton	MAYOR
LIBERTYVILLE		
LINCOLNSHIRE	Tom McDonough	TRUSTEE
LINDENHURST		
LONG GROVE	GEORGE YAEGER	TRUSTEE
MUNDELEIN	Terrilyn	Trustee
NORTH BARRINGTON	MARTIN PAIS	Trustee
NORTH CHICAGO	Nimrod Warda	Senior Planner
PARK CITY	Bark Tiller	Alderswoman
PORT BARRINGTON		
RIVERWOODS	John Norris	MAYOR
ROUND LAKE		
ROUND LAKE BEACH	Jerry T Mount	TRUSTEE
ROUND LAKE HEIGHTS		
ROUND LAKE PARK	BOB CERRETTI Don Wagner	TRUSTEE
THIRD LAKE	Don Newby	ALT Director
TOWER LAKES	JOE SKURLA	TRUSTEE
VERNON HILLS	DAVID BROWN	DIR OF PW
WADSWORTH	GLEN RYBACK	MAYOR
WAUCONDA		
WAUKEGAN		
WINTHROP HARBOR		
ZION	FRANK FRANKLINI	Commissioner of Public Works
VOLO	Mike May	Village Administrator

THIRD LAKE BOB KOWALKE TRUSTEE

SWALCO BOD VOTING RECORD/11.13.14

MUNICIPALITY

Consent Oct 2014 Exp. 2015 Budget Larry Clark Contract Mord. Veoha Inv. 10/14 WMRA Agreement

Attendance

		A	N	A	N	A	N	A	N	A	N	A	N	A	N
✓ ANTIOCH	⊗	✗	✗	✓	✗	✓	✗	✓	✗	✓	✗				
✓ BANNOCKBURN	✓	✓		✓		✓		✓		✓					
✓ BEACH PARK	✓	✓		✓		✓		✓		✓					
<del>DEER PARK</del>	⊗														
✓ DEERFIELD	✓	✓		✓		✓		✓		✓					
✓ FOX LAKE <i>arrived late</i>	⊗			✓		✓		✓		✓					
✓ GRAYSLAKE	✓	✓		✓		✓		✓		✓					
<del>GREAT LAKES</del>	⊗														
✓ GREEN OAKS	✓	✓		✓		✓		✓		✓					
✓ GURNEE	✓	✓		✓		✓		✓		✓					
✓ HAINESVILLE	✓	✓		✓		✓		✓		✓					
✓ HAWTHORN WOODS	✓	✓		✓		✓		✓		✓					
✓ HIGHLAND PARK	✓	✓		✓		✓		✓		✓					
✓ HIGHWOOD	✓	✓		✓		✓		✓		✓					
<del>ISLAND LAKE</del>	⊗														
<del>KILDEER</del>	⊗														
✓ LAKE BARRINGTON	⊗	✓		✓		✓		✓		✓					
✓ LAKE BLUFF	✓	✓		✓		✓		✓		✓					
<del>LAKE COUNTY</del>	⊗														
✓ LAKE FOREST	✓	✓		✓		✓		✓		✓					
✓ LAKE VILLA	⊗	✓		✓		✓		✓		✓					
✓ LAKE ZURICH	✓	✓		✓		✓		✓		✓					
<del>LIBERTYVILLE</del>	⊗														
✓ LINCOLNSHIRE	✓	✓		✓		✓		✓		✓					
✓ LINDENHURST	⊗	✓		✓		✓		✓		✓					
✓ LONG GROVE	✓	✓		✓		✓		✓		✓					
✓ MUNDELELIN	✓	✓		✓		✓		✓		✓					
✓ NORTH BARRINGTON <i>arrived late</i>	⊗	✓		✓		✓		✓		✓					
✓ 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	✓	✓		✓		✓		✓		✓					
<del>WAUCONDA</del>	⊗														
<del>WAUKEGAN</del>	⊗														
<del>WINTHROP HARBOR</del>	⊗														
✓ VOLO	✓	✓		✓		✓		✓		✓					
✓ ZION	✓	✓		✓		✓		✓		✓					

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## MINUTES

SOLID WASTE AGENCY OF LAKE COUNTY, IL  
**BOARD OF DIRECTORS**  
THURSDAY, NOVEMBER 13, 2014 7:00 P.M.  
100 HAINESVILLE ROAD, HAINESVILLE, IL

**MEMBERS ATTENDING:** *See Attachment 1, Sign In and Attachment 2, Voting Record. North Barrington (7:11pm) and Fox Lake (7:25 pm) arrived late.*

### PLEDGE OF ALLEGIANCE

### CALL TO ORDER

Chairman Mount called the BOD meeting to order at 7:06 p.m. with 28 members present. Steve Nelson from SWALCO was not present.

### APPROVAL OF MINUTES

Motion by *Wadsworth*, seconded by *Lake Bluff* to approve the minutes of April 3, 2014. *Motion was approved. (With clarification of motion for Action Item 2)*  
Motion by *Lake Bluff*, seconded by *Hainesville* to approve the minutes of August 28, 2014. *Motion was approved.*

**PUBLIC COMMENT:** *None*

**MEMBER RESOLUTIONS:** *None*

**NEW BOARD ITEMS:** *None*

### BOARD ITEMS

#### Action Items

1. **Proposed FY 2015 SWALCO Budget**

Walter Willis presented the FY 2015 budget, highlighting proposed expenditures and estimated revenues. Highlights included:

- Proposed expenditures for FY 2015 are \$1,030,905 compared to \$1,065,145 in 2014, a decrease of \$34,240 or approximately 3%. Please note the following: 1) a 2.75% salary increase was assumed, 2) the major reductions in expenditures were the lower indirect fee payable to Lake County (\$49,273 in FY 2015 vs. \$66,945 in FY 2014, a savings of \$17,672), lower costs for legal counsel (reduction of \$5,000) and moving the costs budgeted last year for building upkeep (\$16,000) off the annual budget (these expenses will be funded through the Capital Reserve Fund).
- Total FY 2015 revenues are estimated at \$1,048,785 compared to \$1,079,470 in 2014 a decrease of \$30,685 or approximately 2.8%. Revenue from the landfill surcharge for 2015 is estimated at

\$669,000, an increase of \$34,000 from last year. It is projected that miscellaneous revenue will decrease \$66,070 primarily due to the anticipated loss of revenue from the electronics collection program. Overall the revenue from non-landfill sources (O&M Fee and misc. revenues) now account for 36% of our revenue compared to 41% last year.

- Revenues are expected to exceed expenditures by \$17,880 (\$1,048,785 – \$1,030,905). Our current reserve balance is approximately \$2.1 million.

Motion by *Third Lake*, seconded by *Lake Bluff* to approve the FY 2015 SWALCO Budget.  
*Motion was approved on a roll call vote of 29 to 0.*

2. **Executive Committee Appointment**

Walter Willis discussed the need for one more appointed member to meet its full complement of 9 members. Several months ago Joe Napolitano left his position with North Chicago with about a year remaining on his term. We contacted the Mayor of North Chicago and asked if the City would like to name a new member to the Executive Committee. The City responded and said that it would and has since appointed Nimrod Warda, Senior Planner, as its Alternate to the SWALCO Board of Directors. Having done that, Mr. Warda became eligible to fill the remaining term for Joe Napolitano which runs out in April of 2015 or until such time as the Board of Directors appoints a new member to the Executive Committee. Also noted, appointing Mr. Warda would also give the Executive Committee its second member from a municipality of 30,000 or more residents, a goal of the by-laws.

Motion by *Grayslake*, seconded by *Wadsworth* to appoint Nimrod Warda to the Executive Committee.

*Motion was unanimously approved.*

3. **Larry Clark Contract Renewal**

Walter Willis presented a one year contract for Larry Clark and a brief update of the services and hourly rate.

Motion by *Riverwoods*, seconded by *Hainesville* to approve a one year contract with Larry Clark.  
*Motion was approved on a roll call vote of 29 to 0.*

4. **2015 Legislative Policy**

Walter Willis reviewed the legislative policy highlighting state level policy priorities the following for next session: 1) enacting product stewardship legislation for architectural paint (non-industrial latex and oil based paints) modeled after similar legislation enacted in 8 other states, 2) engaging in the comment period written into the electronics law that allows for stakeholders to comment on the how the law is performing with a report due to the Governor by February 2016 per the law, and 3) enacting product stewardship legislation for carpeting and padding. The federal level policy has remained fairly consistent with last year. Walter Willis also contacted the Lake County Municipal League about participating in the League's annual legislative breakfast on February 7, 2015.

Motion by *Deerfield*, seconded by *Bannockburn* to approve SWALCO's 2015 Legislative Policy.  
*Motion was unanimously approved.*

5. **Veolia HCW Invoice**

Walter Willis presented an invoice from Veolia Environmental Services. Invoice No. 427183563, in the amount of \$11,438.00, is for services provided at the Mundelein Household Chemical Waste collection event held on November 1, 2014. The invoice exceeded the payment authority of the Executive Director.

Motion by *Wadsworth*, seconded by *Mundelein* to approve the payment of Veolia invoice.  
*Motion was approved on a roll call vote of 30 to 0.*

6. **SWALCO 2015 Meeting Calendar**

Walter Willis presented the 2015 calendar of SWALCO Executive Committee Meetings and the Board of Directors Meetings.

Motion by *Round Lake*, seconded by *Wadsworth* to approve the 2015 SWALCO Meeting Calendar.  
*Motion was unanimously approved.*

7. **WMRA Agreement, Proposed Amendment**

Walter Willis present a second amendment to the Intermediate Processing Facility Capacity Agreement with Waste Management Recycle America (WMRA), and reviewed the major elements of the proposed amendment which included the following:

- A new composition formula will be utilized to calculate the value of the recyclables based on a recyclables composition study conducted by WMRA in August . The amendment requires this study to be repeated for year 2 of the Agreement. The new composition has newsprint at 36.6% of the recyclables vs. 47% under the old method, glass increased from 16% to 19.6% and cardboard increased from 6% to 10.3%. Other commodities also changed but not as drastically as these three. The overall impact on the calculated value is quite minimal, within \$1 or \$2 of the old method.
- A 2 year extension, which will be exclusive to WMI.
- A clause that allows WMRA to provide SWALCO 90 days' notice to terminate the contract if the blended market value reaches \$50 per ton or less, furthermore, SWALCO cannot use this clause to terminate WMRA, it's a one-way notice.
- A strike point (the dollar value at which members will begin receiving a recycling rebate) of \$65 per ton vs. the current \$50 per ton. We recognized that WMRA's costs have been increasing since the Agreement went into effect in 2009 and that the strike point had not been changed since that time. The amount of the rebate per ton will also be reduced across the board by approximately \$2 to \$3 per ton (see attachment comparing current rebates to the proposed rebates).
- SWALCO's payment will be reduced from \$1.50 per ton to \$1 per ton if the value is equal to or greater than the \$65 strike point.

Motion by *Wadsworth*, seconded by *Hainesville* to recommends approval of the proposed amendment, pending final legal review by SWALCO's legal counsel.  
*Motion was approved on a roll call vote of 30 to 0.*

## Information Items

1. **3<sup>rd</sup> Quarter 2014 Residential Electronics Collection Program Summary**  
Pete Adrian gave a brief report of tabulations of residential electronics collections. In summary, a total of 1,661.5 tons (3,323,065 pounds) of electronics have been collected through our network of 37 collection partners. This total represents an increase of over 11% in e-scrap collected compared to the same period of 2013 (2,954,396 pounds). Staff attributes this increase to the increasing size and weight of cathode ray televisions that residents are dropping off. Pete also forecasted that the volume of electronics collected through this program will exceed previous years' collection volume and may surpass 4 million pounds by end of 2014.
2. **3<sup>rd</sup> Qtr. 2014 Recycling and Per Ton Payment Report**  
Pete Adrian gave a brief report of tabulations of curbside recyclable material tonnage and recycling, by member community for the 3<sup>rd</sup> quarter of 2014. The first nine months of 2014 show that 44,731 tons of recyclables were collected from Lake County communities. Compared to previous year's third quarter totals, Lake County communities have experienced nearly a 4% increase in recycling volume as compared to the same period in 2013 (42,964 tons). The upward trend in recycling volumes can be attributed to the expansion of cart based recycling collections that occurred over the past year in our member communities of Beach Park, Long Grove, Zion and Waukegan. Supporting this trend towards more robust recycling efforts is the fact that overall waste disposal rates for Lake County communities continues to be declining slightly.
3. **Clothing and Textile Recycling Program**  
Merleanne Rampale gave a brief summary of new our new clothing and textile. Our unofficial goal for 2014, the first tier of the program, was to see about ½ dozen to 10 bins placed throughout the community during the first year. There are now 18 bins in place, and these were all placed within just the last few short months. In addition to the Year-round bin collection program, other tiers were developed as part of a comprehensive program to capture these materials. We have also included clothing and textile collections as part of several special events including our big Recycle-O-Rama we do each Fall in Libertyville as well as other community recycling events we partner with throughout the community. We are also working with church and community rummage sales and events and have scheduled pick-up of numerous materials.
4. **Reuse-A-Shoe Recycling Program**  
Merleanne Rampale gave a brief summary of the Reuse-A-Shoe final round up. Merleanne also mentioned SWALCO celebrated its 10<sup>th</sup> anniversary this year for this program. Members, schools, scout troops, park districts, libraries, corporate offices and other community groups from all around the county came together and were united in this effort. The Village of Vernon Hills Public Works Department again acted as host site for the final Shoe Round-up collection for 110+ groups. Staff from City of Zion and Vernon Hills Park District also volunteered to help with the round-up, as well as Board Members Frank Flammini from Zion and Dave Brown from Vernon Hills, along with other family and friends. Over 30,000 pounds of

shoes were collected in total. Due to efforts to reconfigure the program due to Nike's departure, we have now put a somewhat new system in place and will be able to begin revenue sharing with year-round groups that collect shoes this coming year.

**5. Health Department Report – Mike Kuhn**

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:

- SWALCO, in collaboration with the Lake County Health Department, Clark Mosquito, and the Lake County Farm Bureau, conducted a tire collection event on October 31, 2014. Municipal and township governments (12 SWALCO members and 8 townships) brought over 58 truckloads of tires to the event and over 1,100 tires were collected from approximately 122 cars from the general public. In total, the event collected over 5,000 tires. The cost for the tire event for government was covered by the IEPA as part of its tire program, and the cost for the tires from the general public will be covered by the sponsoring agencies along with the money collected from the residents (\$1 per tire). We felt the event was a success and talked with our partners about doing such an event every 3 years or so, pending IEPA funding for the government portion.
- SWALCO is working with SWANCC, Will County, DuPage County, Cook County, and numerous other units of local government on legislation to address several key problems with Illinois' electronics law. The goal is to try to get a bill passed during the lame duck session in early January in hopes of increasing the poundage goal of manufacturers in 2015. The goal has been going down as our collection programs have gotten more robust statewide. We will be meeting with the manufacturer's lobbyists on November 12<sup>th</sup> in hopes of reaching a compromise.
- The Lake County Board approved the 2014 Solid Waste Management Plan Update at its meeting on October 14<sup>th</sup>. The report is being finalized and will be sent to the IEPA for final review and comment as per the State law.
- Lake Zurich approved a contract extension with WMI that includes a Pay as You Throw Option, new carts for the refuse, and a recycling cart upgrade option for households. The new contract will also see a reduction in prices for all households in the range of 10 to 20% depending if unlimited or limited service is chosen.
- SWALCO, the DEA and (17) local police departments are collaborating to allow our Gurnee facility to collect prescription medications, additional details to follow shortly.

**Executive Session:** *None*

**NEXT BOARD MEETING:** Thursday, January 22, 2015 - 7:00 p.m. Hainesville Village Hall, 100 N. Hainesville Road

**ADJOURNMENT:** 8:23 p.m.

Motion by *North Chicago*, seconded by *Park City* to adjourn. *Motion was approved.*

## David Lothspeich

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**From:** Willis, Walter S. [WWillis@swalco.org]  
**Sent:** Tuesday, January 20, 2015 3:31 PM  
**To:** Andy Peterson: Highwood Alderman; Barbara Telle: Park City Alderman; Bernard Wysocki: Green Oaks Mayor; Bernie Konwent: Fox Lake Trustee; Bob Cerretti: Round Lake Park Trustee; Brad Burke: Lincolnshire Village Manager; Bruce Bassett: Grayslake Trustee; Bruce Mack: Great Lakes; Christopher Martin: Lake Barrington Village Administrator; Chuck Black: Wauconda Trustee; Cindy Hebda: Vernon Hills Trustee; Dave Kilbane: Round Lake Beach Village Administrator; David Brown: Vernon Hills Director of Public Works; David Corrigan: Port Barrington Trustee; David Knapp: Highland Park City Manager; David Lothspeich; Debra Baggett: Tower Lakes Deputy Village Clerk; Dennis Dorsey: Green Oaks Trustee; Dennis Heimbrodt: Antioch Director of Public Works; Don Newby: Round Lake Trustee; Donna Lobaito: Hawthorn Woods Chief Administrative Officer; Donny Schmit: Fox Lake Mayor; Drew Cullum: Libertyville Trustee; Drew Irvin: Lake Bluff Village Administrator; Erik Jensen: Gurnee Management Analyst; Frank (Bud) Rothing: Bannockburn Trustee; Frank Flammini: Zion Public Works Commissioner; George Russell: Lake Bluff Village Engineer; Ghida Neukirch: HP Deputy City Manager; Glenn Ryback: Wadsworth Mayor; Harold Hoppe: Third Lake Trustee; Jackie Andrew: North Barrington Trustee; Jeff Gately: Hainesville Public Works Supervisor; Jeff Katzel: Round Lake Heights Trustee; Jim Connors: Deer Park Village Administrator; Joe Skurla: Tower Lakes Trustee; Joel Brumlik: Winthrop Harbor Police Chief; John Hucker: Beach Park Mayor; John Norris: Riverwoods Trustee; John Wagener: Green Oaks Trustee; Jon Kindseth: Beach Park Administrative Services Director; Lawlor, Aaron L.  
**Cc:** Bartemio, Amy; Adrian, Peter; Nelson, Steven E.; Rampale, Merleanne  
**Subject:** Electronics Program, Board Item  
**Attachments:** A-1, Dynamic Recycling contract.pdf

Dear SWALCO Directors and Alternates,

Attached is the electronics recycling action item for the Board meeting this Thursday, which was not included in the packet that was sent out on Friday. Over the past week we have been working out an issue we had with Dynamic Recycling (the vendor who has been servicing our program since January 2<sup>nd</sup> on a verbal agreement per direction from SWALCO's Executive Committee) after receiving the invoice for our first truckload (this issue did not allow us enough time to finalize the contract and board item by last Friday). We were charged more than we had anticipated and discovered we had different interpretations of the draft Agreement. The attached revised contract will cover the first 600,000 pounds at a price of a little over 7 cents per pound (still the low bid). After we collect 600,000 pounds (by mid-March) we will have to mutually agree to extend the contract in hopes of getting better pricing from Dynamic or another vendor.

SWALCO staff understands this has been a difficult program to keep you all up to speed on, we have tried our best by issuing 3 member services bulletins. This billing issue with Dynamic was unexpected but par for the course with electronics recycling in IL lately. We realize we have disappointed many of our collection partners and the public, and have done our best to explain what has happened and why. But this topic is complicated and the bottom line for the public, based on feedback we all got when the sites were being shut down, is they want access to collection sites.

We also understand that some Directors question why we are moving forward with spending money on this program when it is not our obligation to do so. The Executive Committee did discuss this and decided we were in a no win situation, the public was upset and looking for answers. We do have a reserve fund (about \$2.2 million) and the Executive Committee has recommended that we approved a contract with Dynamic with a not to exceed of \$200,000 that will be funded from the reserve fund. This contract must still be approved by the Board of Directors on Thursday to continue the program.

This is going to be a tricky program year for electronics in Lake County. We plan to offer one day events to past collection partners that no longer have permanent sites. But we will need to determine how many of these we can afford with our limited budget.

We are continuing the legislative effort to hopefully provide us some relief in the latter part of 2015, but we will need a very strong push to be successful in Springfield. As the legislative effort continues I will keep you all updated.

Please let Amy know if you can attend the meeting on Thursday, if you haven't already.

Regards,

Walter S. Willis, Executive Director

SWALCO

1311 N. Estes Street

Gurnee, IL 60031

847/336-9340 x2 (office)

630/621-0736 (cell)

**A – 1. Proposed Electronics Recycling Contract with Dynamic Recycling**

**ISSUE:** Whether to approve a contract with Dynamic Recycling to provide transportation and recycling services for SWALCO's electronics recycling program.

**RECOMMENDATION:** SWALCO staff recommends approval and the Executive Committee recommended approval at its meeting on December 18, 2014.

**BACKGROUND:** Sims Recycling Solutions has been SWALCO electronics recycling vendor since May 2012. This past September 19<sup>th</sup> SWALCO received a letter from Sims stating it did not intend to continue the program beyond December 31, 2014. Sims provided us service through the end of the year in excess of its obligation under our contract, for that we owe Sims a thanks.

Immediately after receiving this letter staff began reaching out to other vendors and began attempting to solicit bids to operate the program. Unfortunately, due to the timing of the IL law, recyclers were unable to provide us with timely firm price quotes due to not having their contracts finalized with the manufacturers. This severely hampered our ability to proceed in a timely fashion and led to the program confusion we had in late December. It was beyond our control, but this is an explanation that is very difficult to communicate to the public.

At the December 18<sup>th</sup> Executive Committee meeting staff presented quotes from 3 vendors and developed a table to normalize the comparison. The three quotes we received were from Advanced Recycling (\$0.0497 per pound), MPC (\$0.0722 per pound) and Com2 (\$0.0807 per pound). Based on these quotes the Executive Committee recommended the BOD approve a contract with Dynamic Recycling not to exceed \$200,000 in 2015, and approved a motion to direct SWALCO's legal counsel to review the IL electronics law and the legislative history to determine what, if any, legal action SWALCO could pursue to recover its expenditures. SWALCO staff informed the Executive Committee that Dynamic was willing to begin service on January 2, 2015 without a contract approval from the BOD. The Executive Committee directed staff to inform Dynamic that we were agreeable to them starting services on January 2<sup>nd</sup> and that we would negotiate with them in good faith if the contract was not approved to cover the services rendered without a contract in place.

Last week SWALCO received an invoice from Dynamic for the first trailer load of material. The invoice was much more costly than expected and prompted discussions with Dynamic. We found that the way we were interpreting the way the costs would be calculated was different than what Dynamic had interpreted. This prompted the need for further negotiations that continued until January 20<sup>th</sup>, thus prompting the late submittal of this action item to the Board of Directors. The revised contract now has a rate of 7 cents per pound, which can vary depending on the contents of the material collected. This creates an unknown in the contract that will have to be closely monitored. The contract will also expire after the first 600,000 pounds is collected unless both parties agree to extend the contract with the pricing in Exhibit B (closer to 10 cents per pound) or new pricing/terms negotiated in the interim. Dynamic wants to maintain this account moving forward and this allows them an opportunity to try to find more manufacturer backing in the next

couple of months and hopefully provide us better pricing than is currently in Exhibit B. In the meantime, staff is in contact with other vendors to determine if better rates can be found once the 600,000 pound is collected, which will likely be in mid to late March.

On January 7, 2015 Walter Willis attended a meeting of the Lake County Public Works and Transportation Committee to update the committee on the situation. At this meeting he asked for the County's help in researching the law and possibly asking the Attorney General for an opinion on whether manufacturers are required to pay for the full cost of electronics recycling under the current law. The committee indicated its support and SWALCO's legal counsel is in contact with the Lake County State's Attorney regarding this issue.

Walter Willis and Peter Adrian met in La Crosse, WI with Advanced Recycling on January 21, 2015 to further discuss the contract, the program moving forward and to tour its processing facility.

**ENCLOSED DOCUMENT:** Proposed Agreement with Dynamic Recycling, Inc.

**STAFF:** Walter Willis

**ELECTRONIC PRODUCTS RECYCLING AGREEMENT BETWEEN  
THE SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS AND  
DYNAMIC RECYCLING, INC.**

WHEREAS, The Solid Waste Agency of Lake County, IL (SWALCO) is a municipal corporation and public body politic and corporate of the State of Illinois: and

WHEREAS, SWALCO is authorized by the Intergovernmental Cooperation Act to plan, construct, reconstruct, acquire, own, lease, equip, extend, improve, manage, operate, maintain, repair, close and finance waste projects; and

WHEREAS, one of the purposes of SWALCO is to implement the Lake County Solid Waste Management Plan as adopted by the Lake County Board September 12, 1989 and amended from time to time thereafter; and

WHEREAS, the Illinois Electronic Products Recycling and Reuse Act became the law of the State of Illinois in September 2008 (Public Act 095-0959) and was amended by Public Act 97-0287 in 2011 and Public Act 98-0714 in 2014; and

WHEREAS, Public Act 095-0959, Public Act 97-0287 and Public Act 98-0714 establish a statewide system for recycling and/or reusing certain electronic products; and

WHEREAS, SWALCO has managed a Residential Electronics Collection Program for residents of Lake County since 2000; and

WHEREAS, SWALCO wishes to continue providing opportunities to the residents of Lake County to recycle electronics generated from residential uses; and

WHEREAS, SWALCO wishes to enter into an agreement with a contractor to fulfill the work of transporting, processing and recycling electronics generated for residential uses: and

NOW, THEREFORE, in consideration of the forgoing and of the mutual promises and obligations expressed herein and other good and valuable consideration, the sufficiency, adequacy and receipt of which are hereby acknowledged, IT IS HEREBY AGREED by and between the SWALCO and Dynamic Recycling, Inc. as follows:

1. This Agreement is entered on the 22<sup>nd</sup> day of January, 2015, into by and between **Solid Waste Agency of Lake County**, a body politic and corporate of the State of Illinois, 1311 Estes Street, Gurnee, IL 60031 (hereafter referred to as "SWALCO") and **Dynamic Recycling, Inc.** 2135 Enterprise Ave, La Crosse, WI 54603 (hereafter referred to as "Dynamic").
2. The parties agree that the recitals have been incorporated into the text of this Agreement. This Agreement constitutes the entire Agreement between Dynamic and the Agency with respect to providing the necessary work of transporting, processing and recycling electronic material generated from residents that reside within cities that are included as part of the oversight of the Agency.
3. SWALCO hereby engages Dynamic to recycle all of SWALCO's electronics for end of life recycling and asset reuse/recovery, and Dynamic hereby agrees to be so engaged, to collect and recycle SWALCO's residential electronic material, which includes Covered Electronic Devices (CEDs) and Eligible Electronic Devices (EEDs) as defined in the Illinois Electronic Products Recycling and Reuse Act, and miscellaneous equipment as listed on Exhibit A and Exhibit B (hereafter referred to as "residential electronic material").

## **Obligations of Client: Solid Waste Agency of Lake County**

### **A. General Requirements**

1. SWALCO shall separate all residential electronic material to be recycled, sorted on to Skid Pallets/Gaylord containers, and make necessary arrangements to store and receive packaging materials (Gaylord containers/Skid Pallets) to facilitate the collection of electronic material in accordance with industry standards and practices, and by mutual agreement by both parties. In no event will SWALCO knowingly place Hazardous Waste in or on such packaging materials. **(Hazardous waste is defined as any radioactive or pathogenic item, asbestos, or any item containing hazardous chemicals which pose a health risk to Dynamic's employees, other than those which are normally and routinely contained within the electronic devices to be recycled.)**
2. SWALCO shall be responsible for sorting residential electronics into three categories: 1) Cathode Ray Tube (CRT) televisions/ LCD televisions and CRT monitors/ LCD monitors, 2) all computers including laptops, desktops, and towers, and; 3) all other Covered Electronic Devices (CED's) and Eligible Electronic Devices (EED's) as defined by the Illinois Electronics Products Recycling and Reuse Act as acceptable and non-acceptable electronic material, and miscellaneous equipment.
3. SWALCO agrees to adhere to all of the terms and conditions of this agreement and to pay invoices for services applicable for the recycling of electronic material provided to Dynamic.
4. SWALCO agrees to properly label Skid Pallets/Gaylord containers for Dynamic to distinguish between Residential and Business electronics collected in Illinois, if Business electronics are knowingly collected.

## **Obligations of Recycler: Dynamic Recycling**

### **B. Handling of electronics**

1. Dynamic shall respond via email or phone to request(s) for pick-ups and/or load deliveries from SWALCO with-in 24 hours and provide confirmation of said pick-up schedule, if applicable, within 48 hours.
2. Dynamic shall inspect the shipment and delivery receipt upon acceptance of an electronic load to ensure that the receipt accurately reflects the shipment documentation created by SWALCO. Dynamic shall inspect any Skid Pallets/Gaylord containers, when applicable, to confirm that the correct recycling materials have been received, sorted, and not tampered with prior to its delivery to Dynamic's processing facility. Dynamic shall promptly advise SWALCO of any discrepancies via email or telephone.
3. Dynamic will provide detailed monthly reporting to SWALCO, of all items determined for end of life electronics recycling or asset reuse and recovery by Dynamic. Such reporting includes the following:
  - a. Certificate of data destruction and recycling.
  - b. Weight of all materials accepted for end of life recycling and asset reuse/recovery from each site and delineated by the reporting categories required by the Illinois Electronics Products Recycling and Reuse Act as amended.

### **C. Processing of Electronic Waste Loads:**

1. Dynamic agrees to provide a Certificate of Recycling and Data Destruction which will indicate the processing of each load by weight and electronic material received by the sorting

categories required by the Illinois Electronics Products Recycling and Reuse Act as amended. The certificate will indicate the date electronic material was delivered to Dynamic, the required sorting categories with weight in pounds, serialized asset tracking numbers, and any special notes on Dynamic's letterhead. Each Certificate of Recycling shall include a statement equal or comparable to: Dynamic certifies that the following shipment of materials was managed and recycled in accordance with all applicable Federal, State, Local Regulations and pursuant with the official written agreement between SWALCO and Dynamic. Statements and Certificate of Recycling will be mailed accordingly within 30 working days of delivery.

2. Dynamic assumes all responsibility for the destruction of data on all electronics devices. Dynamic hereby agrees to indemnify SWALCO after electronics are picked up for transportation, from that point forward, Dynamic assumes full responsibility of the electronics and data associated with units collected. Dynamic therefore holds SWALCO harmless from any claims, damages, losses, or expenses caused by or related to disclosures of SWALCO's own confidential information (or confidential information of others for which SWALCO has duty of care) or claims of third parties caused by or related to disclosures of such third party's confidential information. Dynamic must ensure information destruction will meet both NIST 800-88 and Department of Defense 5220.022-M standards.

#### **D. Indemnification**

1. Contractor shall, to the extent permitted by law, at its sole cost and expense indemnify, defend, keep and save harmless the Agency, the Members who participate in the Agreement, participating Lake County Townships, and officials, employees, agents and consultants of the Agency, the participating Members, and any participating Lake County Township (individually, an "Indemnified Party" and collectively, the "Indemnified Parties") against (i) all injuries, death, loss, damages, claims, patent claims, suits, liabilities, judgments, costs and expenses, which may in any way accrue against any such Indemnified Party (collectively referred to as the "Loss") in consequence of this Contract or the performance thereof, to the extent alleged or determined to be caused through the misconduct, negligence or omission of Contractor or any agent or employee, or any subcontractor or their respective employees or agents, or (ii) any Loss arising out of or in connection with the operation of the Facility. Contractor shall, at its sole cost and expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising there from or incurred in connection therewith, regardless of the merit of such claim. If any judgment shall be rendered against such Indemnified Party in any such action. Contractor shall, at its sole cost and expense, satisfy and discharge the same. Contractor expressly understands and agrees that insurance required by this Contract or otherwise provided by Contractor or such Indemnified Party shall in no way limit the responsibility to indemnify, keep and save harmless and defend the Indemnified Parties as herein provided.
2. The Indemnification obligations set forth in this section shall include indemnification for Losses resulting from claims made by third parties against any Indemnified Party. The provisions of this section shall not apply to a Loss which arises solely out of intentional misconduct on the part of the Indemnified Party seeking indemnification, or to a Loss or portion thereof, which arises, in whole or in part, out of negligence on the part of such Indemnified Party, but only to the extent that such Indemnified Party's negligence contributed to the Loss, or that the Loss is attributable to such Indemnified Party's negligence.
3. Nothing in this section shall apply to suits or actions which are barred by the applicable statute of limitations.
4. The Agency agrees, to the extent permitted by law, that it shall protect, indemnify, and hold harmless the Contractor and its affiliates (including subsidiaries), and their respective officers, members, employees and agents (the "Contractor Indemnified Parties") from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits, or actions and reasonable attorneys' fees, and shall defend the Contractor Indemnified Parties in any suit, including appeals, for personal injury to, or death of, any person or persons, or for loss

or damage to property arising out of the acts or omissions of the Agency including its officers, employees and agents in the performance (or nonperformance) of the Agency's obligations under this Agreement. The Agency is not, however, required to protect, indemnify or hold harmless any Contractor Indemnified Party for loss or claim resulting from performance (or nonperformance) of the Contractor's obligations under this Agreement or the negligence or willful misconduct of any Contractor Indemnified Party. The Agency's aforesaid indemnity is for the exclusive benefit of the Contractor Indemnified Parties, and in no event shall such indemnity inure to the benefit of any third Person.

5. This Section shall survive termination of this Agreement.

#### **E. Insurance, Licenses, and Permits**

1. Dynamic is responsible for and will abide by all federal, state, local laws and will maintain all necessary licenses and permits. Dynamic will maintain, at a minimum, all insurance and proof of financial responsibility at levels applicable to industry standards, including (without limitation) pursuant to the Illinois Electronic Products Recycling and Reuse Act (415 ILCS 150/1).
2. Dynamic will keep in affect a pollution liability policy of not less than \$5 million aggregate and \$2 million per occurrence.
3. During the term of this agreement, Dynamic will keep an irrevocable letter of credit guaranteeing the funds for their executed closure plan. Both documents are on file and can be provided per SWALCO's request.
4. Dynamic shall, after execution of the agreement, provide proof of Responsible Recycling © (R2) Rev. 10/2008 and International Organization for Standardization (ISO) 14001:2004 certification upon request of SWALCO. Dynamic shall continue to achieve all R2 and ISO 14001 standards and provide, at the request of SWALCO, documentation or right to audit Dynamic records, to assure continued conformance with any provisions of R2 or ISO 14001 certification. Per request, Dynamic shall provide results of annual R2 audit to SWALCO.

#### **F. Service Agreement Term**

1. The term of this Agreement shall commence on Thursday, January 1<sup>st</sup>, 2015 and may continue until Friday, December 31<sup>st</sup>, 2016. After the first 600,000 pounds of residential electronic material is collected, both SWALCO and Dynamic Recycling will review the status of the program, if the pricing/terms of the contract are acceptable to both parties, and determine whether to continue collecting additional pounds of residential electronic material and under what pricing/terms. In order for this Agreement to extend beyond the collection of the first 600,000 pounds both parties shall mutually agree to extend the term of this Agreement. This Agreement will renew on January 1<sup>st</sup>, 2016 for a period of 12 months, upon the mutual consent of both SWALCO and Dynamic, which shall be agreed to no less than ninety (90) days prior to December 31, 2016.

#### **G. Pricing**

1. SWALCO shall pay based on the pricing schedule outlined in exhibit A for the first 600,000 pounds of residential electronic material shipped to Dynamic, and then transition to the pricing schedule in Exhibit B or an alternative pricing schedule as mutually agreed to by the parties for the remainder of the weight during the program year, if the parties mutually agree to extend the term of this Agreement in accordance with Section F.1. In total, the costs incurred by SWALCO pursuant to this Agreement shall not exceed \$200,000 for the 2015 calendar year, without the written consent of SWALCO.
2. Dynamic guarantees SWALCO a minimum of \$25,000 OEM credits for the duration of the 2015 calendar year. This will be paid at \$.041/per pound on the first 600,000 pounds of CED's and

EED's SWALCO collects. In the event that Dynamic Recycling is awarded additional IL OEM Credits, Dynamic will apply the additional IL OEM Credits to the remaining balance of residential electronic material collected in the 2015 calendar year.

3. In the event that OEM credits exceed the costs assessed by Dynamic, it shall be mutually agreed upon that Dynamic will provide per pound payment to SWALCO.
4. SWALCO shall pay the sum of \$1,050.00 each time a trailer is removed from a SWALCO collection site and transported to Dynamic's facility in La Crosse WI.
5. Dynamic Recycling will apply a \$75 Charge (one-time fee per semi) for any smoke detectors, Universal or Hazardous Waste. SWALCO would be responsible for either transporting the material back to its facility or picking up the material at Dynamic Recycling HQ. SWALCO would also take back full ownership of the material and would be responsible for costs associated with the proper disposal of such materials. Dynamic Recycling will not charge SWALCO if there are less than 20 smoke detectors, Universal Waste or Hazardous Waste objects per load.

**H. Special Notations and Qualifications:**

All statements for Dynamic will be sent out upon completion of contracted recycling service requests and shall be due thirty (30) days from the date of said invoice. All payments shall be made pursuant to the Local Government Prompt Payment Act (50 ILCS 505/1 *et seq.*)

**I. Termination:**

This Agreement may be terminated by the mutual consent of both parties or by a party if the other has failed in any material respect to satisfy the terms and conditions of this Agreement. The contract shall not terminate for a period of one hundred twenty (120) days, after receipt of written notice, unless such termination is for cause.

**J. Assignment:**

No assignment by either party of any rights or the delegation of any duties under this Agreement shall be binding upon the other party unless the other party's written consent has been obtained.

**K. Notices:**

All notices which are required to be given or which may be given pursuant to the terms of this Agreement, shall be in writing and shall be sufficient in all respects if delivered, or mailed by registered or certified mail, postage pre-paid or sent by commercial expedited delivery services as follows:

If to Dynamic:

Attn: Curt Greeno  
President  
Dynamic Recycling

If to SWALCO:

Attn: Larry T. Mount	and	Executive Director
SWALCO Chairman		SWALCO
1311 N. Estes St.		1311 N. Estes St.
Gurnee, IL 60031		Gurnee, IL 60031

**L. Waiver:**

Except as expressly provided in this Agreement, waiver by either party, or failure by either to claim a breach of any provision of this Agreement, shall not be a waiver of any breach or subsequent breach of the same or a similar provision.

**M. Binding Effect:**

This Agreement shall be binding upon and adhere to the benefit of the parties hereto and their respective heirs, executors, legal representatives, successors and permitted assigns.

**N. Severability:**

If any provision of this Agreement shall be held to be illegal, invalid, or unenforceable, that provision shall be enforced to the greatest extent permissible so as to affect the intent of the parties hereto, and the legality, validity, and enforceability of the remaining provisions shall in no manner be affected or impaired thereby. If necessary to affect the intent of parties, the parties will negotiate in good faith to amend this Agreement to replace the illegal, invalid or unenforceable provision with a legal, valid and enforceable provision which, as closely as possible, will reflect such intent.

**O. Force Majeure:**

Notwithstanding any other provision contained in this Agreement, if either party is delayed or prevented from performing its obligations under this Agreement by any cause beyond its reasonable control including, but not limited to, acts of God, war or other public disorder, any effect of unusual natural elements including fire, earthquakes, floods, tornados, or unusually severe storms, governmental laws or orders, strikes or labor disturbances, the unavailability of labor or fuel, or other failure or delays of transportation which by exercise of due diligence, either party could not be expected to avoid. In such instances, then that party's performance shall be suspended or excused without damages, cost or penalties while such cause exists. The party who performance is affected by any of these occurrences shall use its best efforts to overcome the event and shall have a reasonable time after cessation of the event to reinstitute its performance.

**P. Governing Law:**

This Agreement construed and enforced in accordance with the state of Illinois.

***By signing the document below, both parties agree to the terms set forth above.***

---

Jason Schott  
E-Recycling Division Leader  
Dynamic Recycling

Date

---

Larry T. Mount  
Chairman  
SOLID WASTE AGENCY OF LAKE COUNTY, IL

Date

---

Secretary, SWALCO

Date

### Exhibit A

<u>Illinois Program</u>	<u>Description of Services</u>	<u>Pricing</u>
<p style="text-align: center;"><b>-Electronics Recycling-</b></p> <p style="text-align: center;"><b>Electronics Collected From IL Residents</b></p> <p style="text-align: center;"><b>Solid Waste Agency of Lake County (SWALCO)</b></p>	<p><b>Televisions (All Types)</b></p> <p><b>Monitors (CRT's &amp; LCD – damaged only)</b></p> <p><b>Laptops (separated)</b></p> <p><b>Miscellaneous Equipment (bottom price FREE, will adjust with market)</b></p> <p><b>Miscellaneous Non-CED ((bottom price FREE, will adjust with market)</b></p> <p><b>CPU's</b></p>	<p><b>Charge \$0.13/lb.</b></p> <p><b>Charge \$0.11/lb.</b></p> <p><b>Credit \$1.00/lb.</b></p> <p><b>No Charge</b></p> <p><b>No Charge</b></p> <p><b>Credit \$0.25/lb.</b></p>
<p style="text-align: center;"><b>-Supplies-</b></p>	<p><b>Provide requested pallets, shrink wrap &amp; Gaylord boxes as needed by customer.</b></p>	<p><b>FREE</b></p>
<p style="text-align: center;"><b>-Transportation-</b></p>	<p><b>Transport electronics from SWALCO to Dynamic Recycling's processing location in La Crosse, Wisconsin.</b></p>	<p><b>\$1050 per trailer to be paid by SWALCO.</b></p>

### Exhibit B

<u>Illinois Program</u>	<u>Description of Services</u>	<u>Pricing</u>
<p style="text-align: center;"><b>-Electronics Recycling-</b></p> <p style="text-align: center;"><b>Electronics Collected From IL Residents</b></p> <p style="text-align: center;"><b>Solid Waste Agency of Lake County</b></p> <p style="text-align: center;"><b>(SWALCO)</b></p>	<p>Televisions (All Types)</p> <p>Monitors (CRT's &amp; LCD – damaged only)</p> <p>Laptops (separated)</p> <p>Miscellaneous Equipment (bottom price FREE, will adjust with market)</p> <p>Miscellaneous Non-CED ((bottom price FREE, will adjust with market)</p> <p>CPU's</p>	<p>Charge \$0.115/lb.</p> <p>Charge \$0.10/lb.</p> <p>Credit \$1.00/lb.</p> <p>No Charge</p> <p>No Charge</p> <p>Credit \$0.25/lb.</p>
<p style="text-align: center;"><b>-Supplies-</b></p>	<p>Provide requested pallets, shrink wrap &amp; Gaylord boxes as needed by customer.</p>	<p>FREE</p>
<p style="text-align: center;"><b>-Transportation-</b></p>	<p>Transport electronics from SWALCO to Dynamic Recycling's processing location in La Crosse, Wisconsin.</p>	<p>\$1050 per trailer to be paid by SWALCO.</p>