

**LOWELL TOWN COUNCIL
REGULAR MEETING
MARCH 10, 2008**

The regular meeting of the Lowell Town Council was called to order on Monday, March 10, 2008 at 7:00 P.M. by President Phillip Kuiper. The Pledge of Allegiance was recited and a moment of silence was observed. Council members answering roll call were Donald Huseman, Shane Tucker, John Alessia, and Phillip Kuiper. Councilman David Gard was absent. Also present were Town Attorney Greg Sobkowski, Director of Public Works Greg Shook, Town Administrator Sue Peterson, Director of Community Development Wilbur Cox, Police Chief John Shelhart, Park Superintendent Tom Sullivan, and seventeen interested citizens. No members of the media were present.

APPROVAL OF MINUTES

Councilman Huseman made a motion to approve the minutes from the February 25th regular meeting and executive session, seconded by Councilman Alessia. The motion carried by voice vote.

APPROVAL OF VOUCHERS

President Kuiper stated that he had reviewed White Vouchers #1220-1281, White Police Vouchers #4016-4028, Water Vouchers #2131-2155 and Waste Water Vouchers #3099-3122 and recommended them for approval. Councilman Tucker made a motion to approve the vouchers as listed, seconded by Councilman Huseman. The motion carried by voice vote.

PETITIONS, COMMUNICATIONS, REMONSTRANCES, PROCLAMATIONS

Proclamation - March - Developmental Disability Awareness Month - Arc Bridges - President Kuiper read a proclamation designating March as Developmental Disability Awareness Month. President Kuiper presented the proclamation to representatives from Arc Bridges, including Sue Crisman, Director of Public Relations & Recreation. Ms. Crisman thanked the Council, on behalf of Arc Bridges and the more than 750 individuals that they serve daily, Monday through Friday, for presenting the proclamation and for the support of the community.

Ethanol Plant - Lake County Solid Waste District - President Kuiper introduced Jeff Langbehn, Director of Lake County Solid Waste Board and Lake County Solid Waste Board attorney, Cliff Dugan. He stated that there have recently been several articles in the papers about the real possibility of garbage-to-ethanol plants coming to Lake County. Since there is also a possibility of a unanimous vote later in the month from the Lake County Solid Waste Board to move ahead on the venture, he invited Mr. Langbehn and Mr. Dugan to come to the Council meeting and make a presentation. Jeff Langbehn stated that the Lake County Solid Waste Board was approached about two years ago by a couple of individuals who wanted to come to Lake County and build a garbage-to-ethanol plant with their own money. At first blush, it seemed kind of too good to be true, but as they have moved through the due diligence, it has turned out to be quite an

interesting proposition. One vendor has actually turned into two vendors with very similar processes. He gave a brief description of the processes. The garbage will come in by route trucks from local sources and by rail from distant sources. It will go into a large, brand new industrial building that will produce negative pressure. He explained that negative pressure is where air is sucked in and any air that is expelled from inside the process will go through a filter system and you can literally stand right next to it and not smell anything. Both plants are similar on the front end. They are going to build a MRF, Material and Recovery Facility, where the system will sort and pull out recyclable material from the garbage and sell it back into the appropriate marketplace. From there, the two processes vary pretty dramatically. One system called Genohol Powers, will take the remaining non-recyclable materials, shred them and put them into a big boiler. Alcohol is distilled off the top and sold back into the marketplace. The residual that is then left, which amounts to about 10% of the waste that came in through the front door, still has to go into a landfill. This is a fairly basic process. The other process is quite a bit different. They still shred the remaining non-recyclable waste but their process has four 2,000 foot, double-walled, cement lined tubes that the waste is extracted both by gravity and hydraulic pressure. It is put under a vacuum that pulls the alcohol out of the remaining saccharides and is called a gravity pressure vessel. Both processes have a residual of about 10%. Neither one of them make any emissions nor have any smell. From a development standpoint, both processes cost about \$100 million, respectively and there is no cost to taxpayers. The developers are putting all their own money up front. There are no tax abatements of any kind being requested so they are going to pay taxes, build \$200 million worth of projects and hire Lake County citizens. At their peak, between the two processes, they will produce about 650 jobs in operations. Both of the vendors understand that they are going to build the facility and then deed the title to the district. That is the only way this will work and is completely and totally legal to do. What is required of the district and local municipalities is to form an inter-local agreement. A result of the Good Government Initiative study, that the Lake County Solid Waste District participated in, was that garbage throughout the county is all the same. It is a commodity that each municipality is buying and paying for. The majority of municipalities have contracts with Allied Waste for garbage pickup and the garbage is taken down to the Newton County landfill. Some have contracts with other waste haulers that are taking the waste as far away as Plymouth and Michigan. The inter-local agreement would go into effect and would obligate each municipality that they would agree, as current contracts expire, to direct their waste to the new facility. Allied Waste and both garbage-to-ethanol vendors responded to the RFP. Allied Waste proposed \$41 per ton. Genohol Powers proposed \$17.50 per ton. Indiana Ethanol proposed \$20 per ton. With both garbage-to-ethanol vendors, the cost proposed is a straight-ton cost and does not include transportation. The local municipality would still have to contract for local pick-up. Best estimates based on municipalities that are currently picking up their own waste are that the cost will be between \$7 and \$11 per ton. When added together, there is still about 25% less cost than what it would cost to go to a landfill. The benefits to municipalities are less cost, increased recycling by 90%, putting Lake County residents to work, \$200 million worth of construction projects to Lake County and unlike any other kind of proposal that has crossed his desk in fifteen years, there is no cost to the county or district. The Lake County Solid Waste Board has received verification from financial backers on both ventures. Last fall, the Lake County Solid Waste Board made the decision to retain the services of an independent engineer with no ties to Lake County. Mr. J.W. Spear has ranked Genohol Powers first because it is a very basic process. He

ranked Indiana Ethanol second, not because of any other reason than it is a different process than has been used for a lot of other applications. Neither of these processes have ever been done for this application in the country. There are some similar to this being done in other parts of the country. He gave examples of the Adolph Coors Brewing Company using the still process to process their residual waste and the Indiana Ethanol process being used in Amsterdam for the last nine years. He said he anticipates being able to recommend moving forward with both processes to the Lake County Solid Waste Board on March 20th. The reason for moving forward with both processes is that if one of them breaks, the other is still functioning. If they both break, the board will probably recommend that they move forward with the Allied proposal as well since it gives a way to take the waste where they are no worse off than they are currently. Mr. Langbehn explained that the Lake County Solid Waste District is a taxing district, just like the town is and receives property tax money. In addition to building the plants, the vendors have also agreed to pay the district \$2.50 per ton host community fee (tipping fee). Once the process plants reach peak use, which is estimated to be six years out, they estimate the potential revenue to the district to be between \$40,000 to \$45,000 per day. Chicago, Porter County, LaPorte County and St. Joe County have all expressed interest in sending their waste to Lake County by rail. The revenues coming in, if all of those parties come on board, they believe, will be far and enough to eliminate the district's property tax, continue to pay recycling grants and perhaps have a surplus to increase the recycling grants. Since Attorney Dugan had nothing to add, President Kuiper opened the discussion up to questions. Councilman Huseman asked about the rail connection. Mr. Langbehn explained that Norfolk & Southern Railroad is an integral part of the equation. They have specially designed cars that are airtight and that are taken off the rail car by a crane at the processing plant. They started out with nine proposed locations and have narrowed it down to four. Whichever location is chosen, it will have to be close to a Norfolk & Southern rail spur. Questions about the amount and types of waste were asked. Mr. Langbehn explained that the plants will be designed in modules that can be expanded to handle the volume of garbage coming in, but it is almost limitless as to how much can be handled. This is not going to be without its developmental problems. They will have to work out the formula for the mix, but anything that contains cellulose of any kind can be used in the plant to extract alcohol. That would include sewage sludge, wood lumber, grass and leaves. President Kuiper commented that it would be a benefit to the town in that it would free up two men from the leaf vac and two men from the branch chipper that would allow more in-house projects to be done. Concrete would contribute very little to the system, but with the front-loading MRF part of the process, concrete would be sorted out, broken down and sold back for road making and other uses. Mr. Langbehn said Allied Waste, Able Disposal and Waste Management all run good systems, but it is time that we begin to think more progressively. It has been estimated that bringing the waste in by rail could reduce the number of semi trucks on local roads by 1,000 per day. President Kuiper asked why this has not happened on the east coast before now. Mr. Langbehn explained that the answer is three-fold. Number one, this past year Indiana has grown to establish the dubious distinction of being the number one waste generation per capita in the nation. This is because of the large amount of waste that is hauled in from out of state. Number two, when the proposal first came before the board, it was one proposal and the principal was from Evansville, Indiana. He knew that Lake County was close to Chicago and had the most waste. Number three, there is a project very similar to this currently underway in New York. Kathleen White, 349 Gwens Cove Ct., commented on the large number of trucks coming from Illinois through Lowell. Mr. Langbehn

explained that the single largest landfill in the Midwest is in Newton County. Once the processing plants are built, Lowell's garbage would go up to the north end since that is where the rail lines are located. Ms. White asked how large an area the processing plant would need. Mr. Langbehn said about 100 acres. Council members stated it was not going to be built in Lowell. Mr. Langbehn stated that the four locations under consideration are in Gary, Hammond and East Chicago since there is no rail line that would make it work and the population density would not allow it to be built in the Lowell area. There may be a transfer station built in Lowell if that is what is desired.

MONTHLY REPORTS

Councilman Tucker made a motion to approve the monthly reports from February, 2008 as submitted, seconded by Councilman Huseman. The motion carried by voice vote.

ORDINANCES & RESOLUTIONS

1st Reading - Ordinance #2008-05 - vacating of public right-of-way - 173rd Avenue - Public Hearing - Community Development Director Cox explained this was overlooked that needed to be included for Mark Langen. President Kuiper read Ordinance #2008-05, an Ordinance Vacating Public Right-of-Way. Councilman Tucker made a motion to hold over for second reading Ordinance #2008-05 an Ordinance Vacating Public Right-of-Way by name and title only, seconded by Councilman Huseman and carried. President Kuiper opened a public hearing regarding Ordinance #2008-05. There being no public comments for or against, President Kuiper closed the public hearing. Councilman Huseman made a motion to set the rules aside, seconded by Councilman Tucker. The motion carried by voice vote. Councilman Tucker made a motion to adopt Ordinance #2008-05, an Ordinance Vacating Public Right-of-Way by name and title only, seconded by Councilman Alessia. Roll call vote carried with four ayes. Councilman Huseman made a motion to set the rules back in order, seconded by Councilman Tucker. The motion carried by voice vote.

1st Reading - Ordinance #2008-06 amend Chapter 35.01 Membership - President Kuiper read a list of memberships that will be added to amend Chapter 35.01. They include the International Association of Electrical Inspectors, the American Association of Code Enforcement, the Alliance of Indiana Rural Water Association, the Indiana Street Commissioners Association, the American Public Works Association and the Indiana American Public Works Association. Councilman Alessia made a motion to hold over Ordinance #2008-06 for second reading, seconded by Councilman Huseman. The motion carried by voice vote.

Resolution #2008-04 - temporary loan to General Fund - President Kuiper read Resolution #2008-04 to make a temporary loan from the Cumulative Sewer Fund to the General Fund in the amount of \$100,000. Councilman Huseman made a motion to adopt Resolution #2008-04, seconded by Councilman Tucker. The motion carried by voice vote.

Resolution #2008-05 - transfer of funds - General-Police - President Kuiper read Resolution #2008-05 to transfer \$5,000 within the General-Police budget to the professional services line

item. Councilman Huseman made a motion to adopt Resolution #2008-05, seconded by Councilman Alessia. The motion carried by voice vote.

UNFINISHED BUSINESS

Lowell Utilities Update - Nothing was reported for any of the following items: WWTP JMOB Requests; WWTP Phase II Project; Water Infrastructure Improvement Plan; Storm Sewers/Lift Station, East Side Sewer Project. Northwest Water Improvement Project - Director Shook reported that the engineering specifications have been completed and they should be sitting down with the developer before long to select a contractor. Hilltop Drainage - Director Shook reported that the engineers sent up some surveyors last week. He should have cost estimates and the rest of the engineering for the project by the next meeting.

Accept 2007 Water Annual Report and forward to Rural Development - Councilman Alessia made a motion to accept the 2007 Water Annual Report and forward it to Rural Development, seconded by Councilman Huseman. The total 2007 report has an operating income of \$1,691,523, a total operating expenses of \$1,858,018 and non-operating income of \$100,816. The motion carried by voice vote.

Tabled from previous meetings:

12/10/07 - Paving of street in Meadowbrook Subdivision

ANNOUNCEMENTS

President Kuiper announced the next regular meeting will be held on Monday, March 24, 2008 at 7:00 P.M. There being no questions or comments from the public and no further business or discussion, Councilman Huseman made a motion to adjourn, seconded by Councilman Tucker at 7:45 P.M.

Phillip Kuiper, President
Lowell Town Council

ATTEST:

Judith Walters, Clerk-Treasurer