

Fairy tale incinerator a costly reality

FLORIDA: LAKE COUNTY'S 528 TPD MASS-BURN OGDEN MARTIN INCINERATOR:

In a special lengthy report, *The Lake Sentinel* newspaper details a "Rumpelstilskin"-like (spinning straw into gold) incinerator proposal in 1984 to "what was offered free became Lake County's most expensive public endeavor. Construction costs have risen to \$79 million with millions more for operation...And those who cut the deal will make money, lots of money...'It was a classic bait-and-switch,' says former Assistant County Attorney Sandy Minkoff...The situation raised enough eyebrows to prompt state Sen. Richard Langley and state Rep. Stan Bainter, two Lake County Republicans to call for an investigation by the state attorney's office and the statewide prosecutor..."

The *Lake Sentinel's* report reveals that Lake County, Florida, shares the same active ingredients for nearly every incinerator project in the country: a handful of proponents, gullible officials, encouraging state regulatory agencies, consultants and lawyers who end up with lots of money, and a very determined incinerator firm. "No state burned more garbage last year than Florida. In 1982, the Sunshine State was home to two waste-to-energy incinerators. Now, there are nine, enough to burn 9,160 tons every day..."

- * "While the county will pay **Ogden Martin Systems** \$60 million to design and build the plant, the plant will be owned by **Ogden**, not the county."
- * "Lake County has agreed to pay the plant's property taxes - which will be about \$800,000 at current tax rates..."
- * "The county must provide at least 130,000 tons of garbage a year and it must burn well enough to keep the incinerator operating at its designated heat level. If it does not, the county will be charged a penalty. The county also is responsible for disposing the incinerator's ash."
- * "Lake County, in fact, delayed its recycling program so it can meet contractual obligations to provide garbage and keep the incinerator running near capacity."

Lake County's incinerator: 5 years in the making

Oct. 2, 1984: Leesburg attorney Dan Robuck presents county officials with privately-financed deal to turn trash into electricity. "It is a turnkey operation," Robuck says. "General Electric will design, build and operate the plant." Two entrepreneurs behind the deal, Jan Swiger and Walt Walters, have no assurance GE would fund it and no experience in the field.

Jan. 15, 1985: Lake County commissioners agree to pass \$6.50-a-ton landfill fees to incinerator operators. Estimated construction costs: \$19 million.

Oct. 22, 1986: Federal Tax Reform Act of 1986 signed into law, ending tax breaks for incinerator owners, but preserving them for deals under way. Scramble begins to protect tax breaks. New estimate: \$30 million.

November 1987: GE drops out of project, replaced by LGM, which also drops out. Robuck worries deal is dead.

Jan. 5, 1988: Lake County Attorney Chris Ford and Commissioner Tom Windram, returning from December bond closing in New York, meet David Sokol of Ogden Martin Systems, which

builds incinerators; so impressed, they distribute company literature to commission.

March 15, 1988: Windram steps down as liaison for project and accepts job for Robuck's lumber company. Jim Carson, a 20-year commissioner, replaces him.

May 19, 1988: Disclosed that Leesburg businessman F. Browne Gregg is negotiating to buy out Walters and Swiger and take over. Doubts surface about Gregg's ability to put together first incinerator project. He sells interest to Ogden Martin, retaining some involvement. Arrangement not disclosed.

July 25, 1988: County Commission votes to abandon deal with Ogden Martin. Vote later reversed unanimously after intense lobbying.

Nov. 8, 1988: Lake County Commission votes 3-2 to back bonds for incinerator. Commissioners Windram, Carson and Glenn Burhans support. Carson loses election and wins job with Ogden Martin.

January 1990: Construction of incinerator, off State Road 48 near Okahumpka, under way. Test scheduled for summer.

- * "The county would issue \$79 million in bond to be sold to investors, pledging trash dumping fees to repay them. By investing the \$79 million, Lake would have about \$85 million to spend. Construction costs - \$55 million; interest and reserves - \$21 million. That left \$9 million for the players in the deal, including:
- * **\$6 million** - "Gregg's company, whose private arrangement with **Ogden Martin** and the Lakeland entrepreneurs is not subject to public disclosure laws."
- * **\$300,000** - **R.W. Beck**, which doubled as an expert for both the bank and Lake County
- * **\$226,000** - **Piper & Marbury**, which simultaneously represented the bond holders and advised the county.
- * **\$225,000** - **County Attorney Ford**, \$125,000 in bonds and \$100,000 or more in hourly fees.
- * **\$120,000** - **Alex Brown & Sons**, the county's financial adviser.
- * **Almost \$1 million** - **Smith Barney** for selling the bonds.

The Lake Sentinel report published January 28, 1990, is available from **Waste Not** for \$1.50. This is a lengthy report and the \$1.50 covers printing and postage.

FLORIDA: LAKE COUNTY COMMISSIONERS CONSIDER IDLING OGDEN MARTIN INCINERATOR. RETIRED BANKER SAYS THE COUNTY WOULD SAVE MONEY BY NEVER USING THE INCINERATOR. "As Lake

County's garbage incinerator nears completion, two county commissioners are contemplating idling the \$79 million plant before the first ton of trash arrives. The idea is only in discussion now, but is just one of the alternatives arising as a new wave of incinerator opposition emerged this week and Lake County's most expensive project ever slipped into troubled waters. Commissioners Don Bailey and Richard Swartz are pressing to reconsider whether the incinerator should open at all...County staffers, meanwhile, are putting together figures showing the potential costs of the 'zero-ton option,' a plan to avoid firing up the incinerator at all. The figures are not complete yet... Critics point to figures prepared by Tavares resident Dan Eastwood, a retired banker who has made a hobby of picking through Lake's incinerator documents. **His preliminary figures show the county would save money by never using the incinerator, even if the plant is finished and the county paid off the bonds. The key would be avoiding the multimillion-dollar operating costs the county is obligated to pay.** That could mean breaching the contract with **Ogden Martin**, a scenario sure to land the county in court..." The Lake Sentinel, January 31, 1990.

ROY F. WESTON INC. PAYS \$750,000 TO SETTLE FRAUD SUIT. "Roy F. Weston, Inc., the West Chester environmental consulting firm, yesterday agreed to pay \$750,000 to settle charges by the U.S. government that **Weston** had defrauded the Environmental Protection Agency....**Weston**, in court, denied the government's allegations. **Weston's** agreement is part of a consent judgement filed simultaneously in U.S. District Court in Philadelphia yesterday with a suit by the federal government charging the company with submitting fraudulent claims for payment of contracts let under Superfund...In its suit, the

government alleged that **Weston Analytics**, a division of **Roy F. Weston Inc.**, failed to complete within a 10-day limit certain laboratory tests on samples taken from hazardous waste sites...The suit said that **Weston** concealed the failure by backdating analyses and then billing the EPA for the work...The test data the government said was backdated 'most probably' gave an inaccurate and unreliable picture of conditions at Superfund sites and may have caused the EPA not to address environmental hazards, the suit alleged. 'It shakes the foundation of EPA's responses at Superfund sites,' Catherine Votaw, assistant U.S. attorney, said yesterday. 'We have to rely on contractors' to provide reliable test information, Votaw said. 'If we can't, that's a big problem...' The Philadelphia Inquirer, February 6, 1990.

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