



**OFFICE OF INSPECTOR GENERAL  
PALM BEACH COUNTY  
AUDIT REPORT: 2013-A-0002  
SOLID WASTE AUTHORITY  
REPUBLIC SOURCE SEPARATED RECOVERED MATERIAL**

Sheryl G. Steckler  
Inspector General

*"Enhancing Public Trust in Government"*

**SUMMARY RESULTS AT A GLANCE**

The Solid Waste Authority (SWA) Managing Director contacted the Office of Inspector General (OIG) on May 16, 2012 stating that during a routine field audit they became aware that some waste which Republic Services, Inc. (Republic) was contractually required to deliver to an SWA Disposal Facility<sup>1</sup> in Palm Beach County was instead being delivered to EnviroCycle (EC) in Broward County, a subsidiary of Republic.

The OIG performed an audit of Republic and EC's records in order to determine the total amount (tons) of materials delivered to EC and the associated lost revenue based on SWA's \$42 per ton tipping fee<sup>2</sup>.

Our audit revealed the following:

1. The SWA lost \$111,811.14 in tipping fees as a result of Republic's delivering materials to

EC, in Broward County. (Identified cost<sup>3</sup>)

2. Commercial customers were charged more than the approved SWA disposal tipping fee rate of \$42 per ton resulting in overcharges totaling \$4,310.85. (Identified cost)
3. Commercial customers were charged more than the approved SWA collection fee for hauling resulting in overcharges totaling \$5,048.44. (Identified cost)
4. Additional procedures are needed to proactively monitor haulers to detect and prevent future losses.

We made the following recommendations; 1) recover lost tipping fee revenue, 2) reimburse customers for overcharges and 3) improve monitoring of haulers.

The SWA agreed with all of our recommendations. The SWA will request reimbursement from Republic Services, Inc. for lost tipping fees and require them to reimburse customer overcharges.

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<sup>1</sup> Solid Waste Authority Disposal facility shall mean place or places specifically managed or operated by the Solid Waste Authority of Palm Beach County, unless otherwise directed by the Contract Administrator in writing.

<sup>2</sup> Tipping fee is the charge levied upon a given quantity of waste received at a waste processing facility.

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<sup>3</sup> Identified cost includes both under collected (lost) revenue and costs incurred that have the potential of being returned to offset the taxpayers' burden.

Also, with regard to improving the monitoring of hauler franchise agreements, SWA has already implemented several procedures and is in the process of implementing additional steps as a result of our audit. We have summarized their response in the report and included it as Attachment 1.

We also provided Republic an opportunity to respond. They contend that the waste we identified as delivered to their EC facility is not subject to SWA tipping fees and that they have not overcharged certain commercial customers for disposal and hauling fees. We do not agree and affirm our recommendations that SWA pursue recoveries for lost tipping fees and customer overcharges. Republic's response is summarized on page 10 along with our OIG comment. Republic's response is included as Attachment 2.

**BACKGROUND**

The Solid Waste Authority (SWA) is the governmental agency responsible for providing an economical and environmentally sound solid waste management system for Palm Beach County. The SWA was established as an independent special taxing district under the Palm Beach County Solid Waste Act, Chapter 75-473, Laws of Florida, Special Acts in 1975 as amended and supplemented (Act). The Act was amended in 1991, converting the SWA to a dependent special district, with the County Commissioners of Palm Beach County serving as the governing Board of the SWA. In 2001, the Special Act was codified, incorporating all past amendments into a new "Special Act" abolishing all past acts such that the SWA is now operating under Chapter 2001-331 Laws of Florida.

The Act gives the SWA the power to construct and operate solid waste disposal facilities, including resource recovery facilities sufficient to effectively manage the solid waste generated in Palm Beach County. It also provides the SWA the jurisdiction to collect waste throughout unincorporated areas within the county through the use of private haulers under exclusive franchise agreements with the SWA.

The unincorporated area of the County is divided into eleven districts (service areas<sup>4</sup>), each of which is designated to one of the haulers that have an exclusive right to provide collection service in their respective areas. In addition, the SWA has interlocal agreements with the municipalities to deliver residential solid waste, recyclable materials, and commercial solid waste to facilities designated by the SWA.

Four franchise haulers have responsibility to provide solid waste and recycling service to the eleven (11) unincorporated service areas of the County pursuant to exclusive franchise agreements.

The Solid Waste and Recycling Collection Franchise Agreement (Agreement) between the SWA and Republic Services became effective October 1, 2008 and will expire on September 30, 2013. The Agreement outlines the terms and conditions the hauler and SWA must uphold.

Section 3 of the Agreement explains the services provided by the contractor. For commercial solid waste services, the contractor is responsible for the billing and collection of commercial solid waste collection services and disposal costs not being billed or collected by the SWA or its designee. Additionally, the contractor is required to provide commercial recycling collection services in the service area upon request of the customer or SWA, or through the solicitation efforts of the contractor as discussed in Section 5C titled "Commercial Recycling Collection Service."

More specifically Section 33, "Title to Waste" states in part that "The Authority shall, at all times, hold title and ownership to all Commercial and Residential Solid Waste, Trash,

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<sup>4</sup> Service area shall mean that portion of the unincorporated area of the County as described in Exhibit I of the franchise agreement, for which Contractor has been granted an exclusive contract.

Recyclable Material and all other waste collected by the Contractor pursuant to this Agreement and the Contractor shall have no right to take, keep, process, alter, remove or otherwise dispose of any such materials without specific written authorization from the Contract Administrator.”

## OBJECTIVES, SCOPE AND METHODOLOGY

Our objectives were to:

1. Determine the total tonnage and dollar amount owed to SWA as a result of materials delivered to EC from commercial customers serviced by Republic Services for the period of February 2011 to May 2012.
2. Determine the dollar amount owed to commercial customers as a result of being overcharged for disposal fees.
3. Determine the dollar amount owed to commercial customers as a result of being overcharged for hauling fees.
4. Determine the adequacy of SWA’s existing controls to detect and prevent diversions.

To accomplish our objectives, we 1) interviewed staff from SWA management, Republic and EC; 2) participated in a walkthrough of the EC facility in Broward County; 3) reviewed reports produced by Republic; and, 4) reviewed and compared EC disposal tickets to Republic computer reports.

The audit focused on confirming the timeframe and the tonnage of materials delivered to EC as well as overcharges for disposal and hauling. Prior to our testing, we performed several steps in order to validate the integrity of the data.

We reviewed twenty (20) months of disposal tickets for Republic and EC between October 2010 and May 2012. We performed testing of the disposal tickets to ensure data was valid and entry was accurate. Certain other procedures and transactions outside of the above-mentioned period were reviewed to understand and verify information related to the audit period.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the work to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on our audit objectives.

## FINDINGS AND RECOMMENDATIONS

As a result of a routine field audit the SWA became aware that some waste which was contractually required to be delivered to an SWA Disposal Facility in Palm Beach County was instead being delivered to EC. Upon SWA management contacting Republic management, it was acknowledged that material was delivered to EC. The initial decision by Republic to deliver materials to EC arose out of a bid award from Home Depot. Home Depot required that the majority of their material be recycled or recovered. Once Republic implemented this new program with Home Depot, the company expanded it to a few other roll-off<sup>5</sup> compactor customer accounts generating the same type of materials. Republic began delivering to EC, instead of SWA in February 2011 and stopped delivering in May 2012. The SWA acknowledged that these deliveries were in violation of their Franchise Agreement.

Our specific findings and corresponding recommendations are noted below.

### **FINDING (1): SWA LOST \$111,811.14 IN TIPPING FEE REVENUE AS A RESULT OF REPUBLIC'S DELIVERING MATERIALS TO EC IN BROWARD COUNTY**

The franchise agreement between Republic and the SWA clearly states in Section 33 titled "Title To Waste" ... "that a Contractor shall have no right to take, keep, process, alter, remove or otherwise dispose of any such materials without specific written authorization from the contract administrator" (SWA). Republic did not request or receive such written authorization from SWA and should have delivered the materials to an SWA facility and paid the required tipping fee. The SWA approved tipping fee for Fiscal Year (FY) 2011 and 2012 was \$42 per ton.

From the Master Report<sup>6</sup> received from Republic we reviewed all transactions with a disposal code EC which represents all waste delivered to EC in Broward County for the period February 2011 through May 2012. The results of our review revealed that 2,662.17 tons of waste from nine (9) commercial customers representing sixteen (16) locations was delivered to EC. Lost tipping fee revenue totaled \$111,811.14.

In order to validate that Republic was not delivering materials to EC prior to February 2011, we requested Republic retrieve the disposal tickets for the months October 2010 through January 2011. We physically reviewed tickets for each day within those months and determined there were **no disposal tickets for EC**.

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<sup>5</sup> Roll-off compactors are open top containers or compactors ranging from 10 cubic yards (CY) to 40CY serviced by a roll-off truck.

<sup>6</sup> Master Report includes all compactor customer activity from Palm Beach County to all disposal sites. Home Depot report includes compactor customer activity from only Home Depot customers.

During an interview with Republic's management we determined that EC did not generate any billing or computer generated reports. EC management indicated that the actual disposal tickets which are generated by EC at the time of disposal are brought to Republic's dispatch office by the driver where they are input into Republic's computer system. A balancing procedure is performed by Republic's dispatcher to ensure the accuracy of the tonnage input. Since Republic has control of the disposal tickets it was necessary to verify the integrity of the data. Therefore, we performed several tests to validate the data entry and generated reports that we would then rely on. We verified 106 of 345 transactions (30.72%) selected from the Home Depot report that showed deliveries to EC and traced them to the actual ticket beginning with the month of February 2011. We verified the tonnage, ticket numbers, etc., on the ticket to the report for accuracy and **no exceptions** were noted.

We also verified 260 out of 932 transactions (27.90%) from the Master Report which included all compactors<sup>7</sup> serviced by Republic in Palm Beach County to the actual ticket for accuracy (tonnage, ticket numbers, etc.) and **no exceptions** were noted.

We cross-checked transactions from the Home Depot report to the Master Report and noted 21 transactions were not included on the Master Report. We provided these 21 transactions to the General Manager (GM) at Republic for further research. The GM indicated the transactions should have been on the Master Report and explained that the Master Report was a combination of two reports from different systems that were combined for the audit by a Republic staff member. The GM indicated that the 21 transactions in question were included in the total tonnage delivered to EC. We verified that these transactions were included in the total tonnage delivered reports and **no exceptions** were noted.

We selected 26 compactor customers from the Roll-Off Compactor List that would have similar types of materials as those under review and obtained the activity reports from Republic to ensure the disposal site was not EC. We found one transaction for Ross Store #494 was delivered to EC on 1/28/12, however, the transaction was on the Master Report and **no exceptions** were noted.

Lastly, we selected 11 compactor customers and obtained the SWA Internal Activity reports for those customers. The transactions on the activity reports are listed by the SWA decal number that is on the compactor. We reviewed the SWA Internal Activity reports for gaps in service in order to determine if during those periods disposals went to EC. Based on our analysis of the dates and gaps, it appeared that the period of time in question was February 2011 to May 2012, which agreed to the timeframe that Republic stated to the SWA.

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<sup>7</sup> Compactor shall mean any container which has compaction mechanism(s), whether stationary, mobile, all inclusive.

Below is a summary list of the commercial customers by location and the total tonnage amount of materials that were delivered to EC without the Contract Administrator's (SWA) approval.

**Tonnage Delivered to EC by Customer and Location**

	Customer	Location	Tons Diverted	Tip Fee	Dollars
1	Home Depot	1550 Palm Beach Lakes Blvd, WPB	367.18	\$42	\$15,421.56
2	Home Depot	9820 Glades Road, Boca Raton	337.41	\$42	14,171.22
3	Home Depot	6800 Okeechobee Blvd., WPB	318.51	\$42	13,377.42
4	Home Depot	220 S State Rd 7, WPB	488.67	\$42	20,524.14
5	Home Depot	5750 Jog Rd, Lake Worth	390.71	\$42	16,409.82
6	Home Depot	4241 Lake Worth Rd, Lake Worth	508.02	\$42	21,336.84
7	Michael's	521 US 441 Royal Palm Beach	42.03	\$42	1,765.26
8	Best Buy	20540 State Rd 7, Boca Raton	22.48	\$42	944.16
9	Palm Beach Gardens Medical	3360 Burns Rd, PBG	0.30	\$42	12.60
10	HH Gregg	1901 N Military Trail, WPB	3.07	\$42	128.94
11	HH Gregg	20841 State Rd 7, Boca Raton	8.84	\$42	371.28
12	Ross	9082 Glades Rd, Boca Raton	5.12	\$42	215.04
13	Goodwill	1837 N Military Trail, WPB	9.04	\$42	379.68
14	Goodwill	9920 Belvedere Rd, WPB	24.69	\$42	1,036.98
15	Home Goods	8140 Glades Rd, Boca Raton	109.66	\$42	4,605.72
16	Bed Bath Beyond	540 US 441, Royal Palm Beach	<u>26.44</u>	\$42	<u>1,110.48</u>
	<b>Total</b>		<b>2,662.17</b>		<b>\$111,811.14</b>

**Recommendations:**

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- (1) Request Republic to reimburse the SWA for lost tipping fee revenue. The Tipping Fee for FY 2011 and 2012 was \$42 per ton. It was determined that 2,662.17 tons of materials were delivered to EC in Broward County, a subsidiary of Republic. Total identified costs are \$111,811.14.

**Summary of Management Response:**

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- (1) The SWA concurs with the finding and will notify Republic that this amount must be paid to the SWA as part of the settlement agreement.

**FINDING (2): COMMERCIAL CUSTOMERS WERE CHARGED MORE THAN THE APPROVED SWA DISPOSAL TIPPING FEE RATE OF \$42 PER TON RESULTING IN OVERCHARGES TOTALING \$4,310.85**

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We obtained reports from Republic that provided commercial customer billing history for disposals in order to determine if any commercial customers were charged more than

the SWA approved tipping fee. We reviewed the reports and sorted them by the disposal code "DSP" for disposal. We obtained the Solid Waste Authority of Palm Beach County Tipping Fee Rate Schedule Effective Date: 10/01/2010 and the Solid Waste Authority of Palm Beach County Tipping Fee Rate Schedule Effective Date: 10/01/2011 which reflects the approved tipping fee rates. Since we used the Master Report which excluded 21 transactions as stated in Finding 1, those transactions were included our testing.

The results of our testing revealed that between February 2, 2011 and June 16, 2012, three (3) commercial customers representing eight (8) locations were charged in excess of the approved SWA tipping fee rate of \$42 resulting in overcharges totaling \$4,310.85. The tipping fee exceeded the \$42 approved fee by \$3 per ton to \$8 per ton for each disposal transaction. Individual customer overcharges ranged from \$10.61 to \$71.12 per disposal transaction. The summary list below reflects the customer, location and total amount overcharged for the period mentioned above.

**Disposal Fee Overcharges by Customer and Location**

	<b>Customer</b>	<b>Location</b>	<b>Total Amount Overcharged</b>
1	Home Depot	1550 Palm Beach Lakes Blvd, WPB	\$1,229.83
2	Home Depot	9820 Glades Road, Boca Raton	489.47
3	Home Depot	6800 Okeechobee Blvd., WPB	353.08
4	Home Depot	220 S State Rd 7, WPB	967.80
5	Home Depot	5750 Jog Rd, WPB	494.55
6	Home Depot	4241 Lake Worth Rd, Lake Worth	513.86
7	Michael's	2021 Okeechobee Blvd.	259.86
8	Palm Beach Gardens Medical	3360 Burns Rd, PBG	<u>2.40</u>
	<b>Total</b>		<b>\$4,310.85</b>

**Recommendations:**

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- (2) We recommend that the SWA require Republic to notify each customer in writing the reason they were overcharged and provide them the option of a refund or credit for the amount due. In addition, Republic should also provide copies of the notification and support document to SWA proving the customer received their refund/credit.

**Summary of Management Response:**

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- (2) The SWA concurs with this finding and will require that Republic notify the affected customers and offer them either a refund or credit. The SWA will also require Republic to document their effort and provide evidence of complete compliance.



### **FINDING (3): COMMERCIAL CUSTOMERS WERE CHARGED MORE THAN THE APPROVED SWA COLLECTION FEE FOR HAULING RESULTING IN OVERCHARGES TOTALING \$5,048.44**

In order to determine if any commercial customers were charged more than the approved SWA hauling (collection) rates, we sorted the Master Report using the code "REG" for hauling. We included certain service areas (districts) 3, 4, and 7 which represent geographic areas for commercial customers serviced by Republic. Since the Master Report excluded 21 transactions as stated in Finding 1, those transactions were included in our testing. The hauling rates vary by service area (district) and are established each fiscal year.

The results of our testing revealed that between October 6, 2010 and April 4, 2012, eight (8) commercial customers representing twelve (12) locations were charged in excess of the approved SWA hauling fee rate as specified in the Solid Waste Authority Adopted Rates Schedule resulting in overcharges totaling \$5,048.44. Individual customer overcharges ranged from \$0.65 to \$43.49 for each transaction.

The summary list below reflects the customer, location and total amount overcharged for the period mentioned above.

**Hauling Fee Overcharges by Customer and Location**

	<b>Customer</b>	<b>Location</b>	<b>Total Amount Overcharged</b>
1	Home Depot	9820 Glades Road, Boca Raton	\$1,566.98
2	Home Depot	6800 Okeechobee Blvd., WPB	460.24
3	Home Depot	220 S State Rd 7, WPB	1,186.35
4	Home Depot	5750 Jog Rd, WPB	570.30
5	Home Depot	4241 Lake Worth Rd, Lake Worth	652.63
6	Ross	9082 Glades Rd, Boca Raton	35.33
7	Best Buy	20540 State Rd 7, Boca Raton	39.54
8	Home Goods	8140 Glades Rd, Boca Raton	69.36
9	Office Max	20455 US 441, Boca Raton	73.13
10	Michael's	8903 Glades Rd, Boca Raton	290.54
11	Stein Mart	9831 Glades Rd, Boca Raton	34.68
12	Lowes	21870 US 441, Boca Raton	<u>69.36</u>
	<b>Total</b>		<b>\$5,048.44</b>

### **Recommendations:**

- (3) We recommend that the SWA require Republic to notify each customer in writing the reason they were overcharged and provide them the option of a refund or credit for the amount due. In addition, Republic should also provide copies of the notification and support document proving the customer received their refund/credit.

**Summary of Management Response:**

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- (3) The SWA concurs with this finding and will require that Republic notify the affected customers and offer them either a refund or credit. The SWA will also require Republic to document their effort and provide evidence of complete compliance.

**FINDING (4): ADDITIONAL PROCEDURES ARE NEEDED TO PROACTIVELY MONITOR HAULERS TO DETECT AND PREVENT FUTURE LOSSES**

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During our testing, we noted that in some cases where the unique decal number on the compactor becomes damaged or unreadable the decal is replaced. However, we found that when the damaged decal is replaced on the compactor, there is no process to electronically link the new decal number to the previous decal number on the SWA system. This can make it difficult for SWA to analyze activity reports to identify patterns of gaps in delivery of compactor pickups to SWA. Such gaps might be an indicator of pickups being diverted to other facilities. Once the SWA implements a procedure whereby they link the decal numbers, SWA activity reports generated by the current decal number will include all customer activity related to all previous decal numbers.

As a result of recent waste diversions and during the course of this audit, the SWA implemented several new procedures in an effort to identify and eliminate the practice of a hauler diverting waste generated in Palm Beach County to a facility other than an SWA designated disposal facility. As a further deterrent the SWA has added additional terms to the franchise agreement(s).

One of the new procedures provides that if the SWA suspects a diversion SWA staff will visit the commercial establishment and obtain their unique SWA decal number which is affixed to the compactor. This unique decal number will then be used to track actual compactor disposal activity in the SWA database. The SWA would then contact the customer and request access to their actual monthly billing invoices received from their service provider. The SWA would then compare the activity from the SWA Activity Report to the invoices to determine the disposal facility. If the final disposal facility was not the SWA, a follow up would be performed by the SWA.

Another procedure consists of an unannounced visit to the hauler's facility. All prior day route sheets with the disposal tickets attached would be requested. A review of the disposal tickets would be performed to ensure that an SWA disposal ticket is attached. If the disposal ticket is other than an SWA ticket, SWA staff would determine if the material type listed on the disposal ticket meets the criteria to have it delivered to an approved, designated, permitted SWA recovered material facility (i.e., recovered materials, construction and demolition debris (C&D) and/or yard waste).

We were informed by the SWA that Broward County has their own inspectors that inspect all Broward disposal facilities. The SWA has made contact with a Broward inspector making him aware of this activity and he has agreed to immediately notify the

SWA if he observes any Palm Beach County collection vehicles delivering material to a Broward facility.

Lastly, to raise the level of awareness in municipalities, the SWA staff has met with city managers making them aware of diversion activity and the financial impact it has on all residential and commercial customers in the county. The SWA has provided contract language for the cities to use in collection contracts. The SWA will also be starting a new recovered material collection permit program.

### Recommendations:

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- (4) We recommend that SWA management implement additional procedures including linking new decal numbers with prior decal numbers to enhance their ability to proactively identify future possible diversion of waste.

### Summary of Management Response:

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- (4) The SWA concurs with this finding and is in the process of making additional modifications to their procedures for issuing replacement decals; making it easier to test for unusual activity in the future. SWA expects to have the modification completed and in place within 30 days.

## SUMMARY OF REPUBLIC SERVICES RESPONSE

In its response Republic disagrees that the waste identified in our audit as delivered to its facility in Broward County (EC) was subject to the SWA tipping fee. Republic states that the materials in question are “recovered material” which is not subject to the SWA Agreement. Further, Republic contends that sections 403.713(2) and 403.7046(3), Florida Statutes, prohibit a local government from interfering with the disposition of “recovered materials.” Republic also states that the fees charged to their commercial customers for collecting and disposing of these recovered materials are not subject to the SWA approved rates stipulated in the Agreement.

### OIG Comment:

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We disagree. This is a matter governed by a contractual agreement freely entered into by Republic, in exchange for valuable rights it receives. The agreement specifically provides that all materials Republic collects, including materials which come within the statutory definition of “recovered materials,” will be the property of the SWA. The agreement also limits the rates that Republic can charge its commercial customers for collection and disposal of these materials. Both statutes cited by Republic impose some limitations on a local government’s ability to direct the disposition of “recovered materials” through an ordinance. But this matter involves no ordinance. Section 403.7046(3), F.S. also limits the authority of local governments to dictate to commercial enterprises that generate “recovered materials” who they must contract with for hauling,

sale, or other disposition. However, this does not apply to Republic which is the collector, not the generator, of these materials.

### IDENTIFIED COST AND COST AVOIDANCE<sup>8</sup>

**Identified Costs:** \$121,170

**Cost Avoidance:** \$305,098

### ATTACHMENTS

Attachment 1 - Solid Waste Authority Management Response  
Attachment 2 - Republic Services Response

### ACKNOWLEDGEMENT

The Inspector General's audit staff would like to extend our appreciation to the Solid Waste Authority management as well as Republic Services, Inc staff for the cooperation and courtesies extended to us during this audit.

*This report is available on the OIG website at: <http://www.pbcgov.com/OIG>. Project conducted by E. Lisansky, Auditor III. Please address inquiries regarding this report to D. Schindel, Director of Auditing, by email at [inspector@pbcgov.org](mailto:inspector@pbcgov.org) or by telephone at (561)233-2350.*

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<sup>8</sup> Please see [www.pbcgov.com/OIG](http://www.pbcgov.com/OIG) for description

## ATTACHMENT 1 – Solid Waste Authority Management Response



November 8, 2012

Mr. Dennis Schindel, Director of Audit  
Office of Inspector General, Palm Beach County  
P.O. Box 16568  
West Palm Beach, FL 33416

**RE: Republic Source Separated Recovered Material**

Dear Mr. Schindel,

We received your audit report regarding Republic Source Separated Recovered Material. We appreciate the time and effort your office expended to determine the extent of the monetary issues, and we are in agreement with suggestions for improvements to our internal controls.

We concur with each of your findings and will take the following actions regarding each one:

- **Finding (1): SWA lost \$111,811.14 tipping fee revenue as a result of Republic's delivering materials to EC in Broward County**

We concur with this finding and will notify Republic that this amount must be paid to the Authority as a part of the settlement agreement to close out this issue.

- **Finding (2): Commercial customers were charged more than the approved SWA disposal tipping fee rate of \$42 per ton resulting in overcharges totaling \$4,310.85**

We concur with this finding and will require Republic to notify the effected customers, offer them either a refund or credit and to document their effort providing evidence of complete compliance.

- **Finding (3): Commercial customers were charged more than the approved SWA collection fee for hauling resulting in overcharges totaling \$5,048.44**

We concur with this finding and will require Republic to notify the effected customers, offer them either a refund or credit and to document their effort providing evidence of complete compliance.

7501 North Jog Road, West Palm Beach, Florida 33412 (561) 640-4000 FAX (561) 640-3400

Recycled Paper

## ATTACHMENT 1 (Continued)

Dennis Schindel  
RE: Republic Services  
November 8, 2012  
Page 2

- **Finding (4): Additional procedures are needed to proactively monitor haulers to detect possible future diversions**

We concur with this finding and appreciate your review and agreement with the additional procedures and controls implemented by SWA staff and are in the process of making the additional modification to our procedures for issuing replacement decals making it easier to test for unusual activity in the future. The change to this process is relatively simple and we expect to have it completed and in place within 30 days.

In closing we would like to commend you and your staff for the professional and courteous handling of this matter which has provided us and the community we serve with further assurance that the Authority and the resources it has available to it will make every effort to ensure that our customers are treated fairly and that we will defend them whenever possible if they are not.

Sincerely,



Mark Hammond  
Executive Director

MH:sjb

## ATTACHMENT 2

**Matthew E. Morrall, P.A.**

2850 North Andrews Avenue  
Fort Lauderdale, Florida 33311-2514  
Telephone (954) 563-4005

Matthew E. Morrall, Esquire

Facsimile: (954) 566-7754  
E-mail: [morrall@bellsouth.net](mailto:morrall@bellsouth.net)

November 27, 2012

VIA HAND DELIVERY  
VIA E-MAIL – [inspector@pbccgov.org](mailto:inspector@pbccgov.org)  
Mr. Dennis Schindel, Director of Audit  
Office of Inspector General, Palm Beach County  
100 Australian Avenue, 4th Floor  
West Palm Beach, Florida 33406

RE: Office of Inspector General, Palm Beach County Audit Report 2012-A Solid Waste  
Authority Republic Source Separated Recovered Material

Dear Mr. Schindel:

I represent Republic Services of Florida, Limited Partnership d/b/a Republic Services of Palm Beach (“Republic”). This letter constitutes Republic’s response to the November 6, 2012 draft report prepared by the Office of Inspector General (“OIG”) entitled “Republic Source Separated Recovered Material” (hereinafter “Draft Report,” and attached as Exhibit A). Republic, which has fully cooperated in your investigation to date, believes certain issues need to be discussed and reviewed further.

The Draft Report appears to contain some general inconsistencies between the Inspector General’s findings, the State definitions regarding solid waste, recovered material, recyclables, and the responsibilities of Republic as required by law and its contract with the Solid Waste Authority (“SWA”). Specifically, the Draft Report’s summary (page 1) states that “Republic Services was delivering waste to Envirocycle, (“EC”) in Broward County instead of an approved SWA Disposal Facility.” This is inconsistent both with the title of the Draft Report and the discussions regarding the materials that were delivered to Envirocycle, Inc. (“Envirocycle”) as these materials were recovered materials, recyclables, and a de minimis amount of solid waste. These items were discussed at length in the meeting with the OIG and SWA on July 18, 2012. In summary, in reviewing the accounts in question, the relevant state statutes, Republic’s Palm Beach County Franchise Agreement, Palm Beach County Ordinances and the SWA Rules, Regulations and Operational Plan, Republic does not understand the OIG’s and SWA’s position regarding these materials. Specifically, a majority, if not all of the recyclable materials are defined as recovered materials that by state statute are not defined as solid waste, and these recovered materials were delivered to be recycled at Envirocycle. Further Florida law prohibits the franchising of recovered material from commercial establishments (see Florida Statute 403.7046 and 403.713 (2), attached as Exhibits B and C). In addition, the SWA Operational Plan and Republic’s Franchise Agreement (as well as Palm Beach County Ordinances) define Recyclable Material and Recycling as follows:

## ATTACHMENT 2 (Continued)

November 27, 2012  
Page 2 of 4

“Recyclable material means those materials which are capable of being recycled and which would otherwise be processed or disposed of as solid waste.”

“Recycling means any process by which solid waste, or materials which would otherwise become solid waste, are collected, separated or processed and reused or returned to use in the form of raw materials or products.”

Republic believes that further discussion should be had regarding the nature of the recovered materials recycled versus the title rights of SWA for solid waste and recyclables to ensure that the parties are in agreement regarding the characterization of the materials, as this directly affects the amounts claimed and duties owed. Republic has, in response to SWA’s notice, discontinued providing these recycling services to the identified customers and as a result, SWA and Palm Beach County are not receiving the Recycling Credit from these accounts. This is contrary to the State’s recycling goals and the recycling public policy established by the County and SWA.

#### **I. Republic’s Response to Finding (1) of the Draft Report**

Finding (1) of the Draft Report states: “SWA lost \$111,811.64 tipping fee revenue as a result of Republic’s delivering materials to EC in Broward County.” Republic contends that this statement is incorrect because Republic was following state law by recycling source separated recovered material from commercial establishments. These materials were recycled, not disposed of by Republic, and thus not subject to tipping fees. In essence, these items are commodities, not solid waste, that have value as recognized by the State Statute where recovered materials were originally defined in 1988, when the definitions for recovered materials was created under 403.703(26) (see attached Ex. D). The legislature exempted recovered material from the definition of solid waste and also removed the ability of a governmental entity to franchise recovered materials from a commercial establishment (see Florida Statutes 403.713 (2) Ex. C and 403.7046 (3) attached as Ex. B). The definition of recovered material allows a “de minimus” amount of solid waste and recycled materials to be commingled with the recovered materials and the accounts identified by your report contained “de minimus” amounts of wood waste, vegetative waste, and soil that were also recycled pursuant to state law and the contract definitions and the residue either became solid waste or recyclables at the location they were the recovered materials processed. If SWA contends that these residue materials should have been returned to Palm Beach County for disposal, Republic believes that this is an issue for discussion. (Technically, residue only becomes solid waste or recyclables when separated and processed in Broward County.) In any collection process certain loads may be contaminated and contain more than a “de minimus” amount of recyclable and or waste material. If SWA’s position is that these contaminated loads were supposed to be returned to SWA for disposal (versus the greener alternative of recycling the material as done by Envirocycle), Republic believes that this is an issue for further discussion. In any event, the majority of the materials were recovered material and recycled as contemplated by state law and as such should not be part of the calculation for disposal costs. As stated above, Republic would like to discuss the residue and contaminated load issue and how to address the process with SWA on a go forward basis, as well as payment for identifiable contaminated loads as mutually agreed between the



**ATTACHMENT 2 (Continued)**

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parties.

**II. Republic's Response to Finding (2) of the Draft Report**

Finding (2) of the Draft Report states: "Commercial customers were charged more than the approved SWA disposal tipping fee rate of \$42 per ton resulting in overcharges totaling \$4,310.85." Republic contends that this is a mischaracterization of the services provided to its commercial recycling customers and the agreements reached between Republic and those customers. Specifically, Republic has entered into contracts with its customers, including a nationwide contract with Home Depot, that sets forth recycling and disposal rates (for the entire country for nationwide contracts). As such, its customers have agreed to a rate for collection, recycling, disposal and processing services combined and Republic has provided these services to its customers. As a practical matter, the customer is being charged for these services and is receiving said services at all of their stores as allowed by contract. The customers are in essence paying for the contracted rate and spreading the costs among its stores. In certain areas, the cost of recycling and the disposal of the residue, if any, may be more than the tipping fee. In other areas, the costs may be less than the tipping fee, but because additional services (such as processing and other services) are included, the rate is for all of these services. The Franchise Agreement does not limit additional services provided by Republic (e.g., if Republic also provided port-a-potties or parking lot paving/cleaning services, Republic would be allowed to charge for these services and these charges would not be characterized as Republic charging more than the approved SWA disposal tipping fee rate). If in the future, the SWA wishes certain fees to be separately billed for additional contract fee services, Republic would consider doing so. In any case, Republic denies any overcharging of tipping or collection fees.

**III. Republic's Response to Finding (3) of the Draft Report**

Finding (3) of the Draft Report states: "Commercial customers were charged more than the approved SWA collection fee for hauling resulting in overcharges totaling \$5,048.44." Please see Republic's responses to Statements 1 and 2 above. Also, please note that these accounts were serviced for recovered materials and are not subject to the Franchise Agreement per state law. If in the future, the SWA wishes certain fees to be separately billed for additional contract fee services, Republic would consider doing so.

**IV. Republic's Response to Finding (4) of the Draft Report**

No response.

**V. Conclusion**

As set forth above, Republic requests that there be additional discussions regarding, amongst other things, the definitions of solid waste, the recycling of recovered materials, and how to properly characterize these items. In addition, Republic requests that the OIG clarify the "Lost Revenue and Cost Identified and Avoided" calculations as set forth on page 10, as

## ATTACHMENT 2 (Continued)

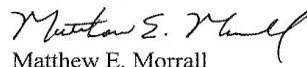
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Republic disagrees with the disposal cost amount as stated in Section I of this letter and that any amounts should be returned to its customers for the reasons set forth in Sections II and III of this letter.

Republic has fully cooperated and provided access to the OIG and SWA to review the Republic's billing and material recovery facility operations at Envirocycle. As part of the review of the operation, it was Republic's understanding that the OIG and SWA were comfortable that the recovered materials were being recycled as allowed by state law. Throughout the process, Republic has repeatedly stated that its goal was to cooperate and comply with all legal requirements while at the same time being a good corporate citizen and an environmental steward.

Thank you and I look forward to meeting with you and a representative of SWA.

Very truly yours,



Matthew E. Morrall

cc: Andy King, Area President  
Republic Services of Florida Limited Partnership

David Unversaw, General Manager  
Republic Services of Palm Beach County

Andrew Sweet, Deputy General Counsel  
Republic Services

MEM/cm

**ATTACHMENT 2 Exhibit A**

**EXHIBIT A: COPY OF DRAFT AUDIT REPORT**

## ATTACHMENT 2 Exhibit B

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## The 2012 Florida Statutes

[Title XXIX](#)[Chapter 403](#)[View Entire Chapter](#)

PUBLIC HEALTH

ENVIRONMENTAL CONTROL

**403.7046 Regulation of recovered materials.—**

(1) Any person who handles, purchases, receives, recovers, sells, or is an end user of recovered materials shall annually certify to the department on forms provided by the department. The department may by rule exempt from this requirement generators of recovered materials; persons who handle or sell recovered materials as an activity which is incidental to the normal primary business activities of that person; or persons who handle, purchase, receive, recover, sell, or are end users of recovered materials in small quantities as defined by the department. The department shall adopt rules for the certification of and reporting by such persons and shall establish criteria for revocation of such certification. Such rules shall be designed to elicit, at a minimum, the amount and types of recovered materials handled by registrants, and the amount and disposal site, or name of person with whom such disposal was arranged, of any solid waste generated by such facility. By February 1 of each year, registrants shall report all required information to the department and to all counties from which it received materials. Such rules may provide for the department to conduct periodic inspections. The department may charge a fee of up to \$50 for each registration, which shall be deposited into the Solid Waste Management Trust Fund for implementation of the program.

(2) Information reported pursuant to the requirements of this section or any rule adopted pursuant to this section which, if disclosed, would reveal a trade secret, as defined in s. 812.081(1)(c), is confidential and exempt from the provisions of s. 119.07(1). For reporting or information purposes, however, the department may provide this information in such form that the names of the persons reporting such information and the specific information reported are not revealed.

(3) Except as otherwise provided in this section or pursuant to a special act in effect on or before January 1, 1993, a local government may not require a commercial establishment that generates source-separated recovered materials to sell or otherwise convey its recovered materials to the local government or to a facility designated by the local government, nor may the local government restrict such a generator's right to sell or otherwise convey such recovered materials to any properly certified recovered materials dealer who has satisfied the requirements of this section. A local government may not enact any ordinance that prevents such a dealer from entering into a contract with a commercial establishment to purchase, collect, transport, process, or receive source-separated recovered materials.

(a) The local government may require that the recovered materials generated at the commercial establishment be source separated at the premises of the commercial establishment.

(b) Prior to engaging in business within the jurisdiction of the local government, a recovered materials dealer must provide the local government with a copy of the certification provided for in this section. In addition, the local government may establish a registration process whereby a recovered

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materials dealer must register with the local government prior to engaging in business within the jurisdiction of the local government. Such registration process is limited to requiring the dealer to register its name, including the owner or operator of the dealer, and, if the dealer is a business entity, its general or limited partners, its corporate officers and directors, its permanent place of business, evidence of its certification under this section, and a certification that the recovered materials will be processed at a recovered materials processing facility satisfying the requirements of this section. All counties, and municipalities whose population exceeds 35,000 according to the population estimates determined pursuant to s. ~~186.901~~, may establish a reporting process which shall be limited to the regulations, reporting format, and reporting frequency established by the department pursuant to this section, which shall, at a minimum, include requiring the dealer to identify the types and approximate amount of recovered materials collected, recycled, or reused during the reporting period; the approximate percentage of recovered materials reused, stored, or delivered to a recovered materials processing facility or disposed of in a solid waste disposal facility; and the locations where any recovered materials were disposed of as solid waste. Information reported under this subsection which, if disclosed, would reveal a trade secret, as defined in s. ~~812.081~~(1)(c), is confidential and exempt from the provisions of s. 24(a), Art. I of the State Constitution and s. ~~119.07~~(1). The local government may charge the dealer a registration fee commensurate with and no greater than the cost incurred by the local government in operating its registration program. Registration program costs are limited to those costs associated with the activities described in this paragraph. Any reporting or registration process established by a local government with regard to recovered materials shall be governed by the provisions of this section and department rules promulgated pursuant thereto.

(c) A local government may establish a process in which the local government may temporarily or permanently revoke the authority of a recovered materials dealer to do business within the local government if the local government finds the recovered materials dealer, after reasonable notice of the charges and an opportunity to be heard by an impartial party, has consistently and repeatedly violated state or local laws, ordinances, rules, and regulations.

(d) In addition to any other authority provided by law, a local government is hereby expressly authorized to prohibit a person or entity not certified under this section from doing business within the jurisdiction of the local government; to enter into a nonexclusive franchise or to otherwise provide for the collection, transportation, and processing of recovered materials at commercial establishments, provided that a local government may not require a certified recovered materials dealer to enter into such franchise agreement in order to enter into a contract with any commercial establishment located within the local government's jurisdiction to purchase, collect, transport, process, or receive source-separated recovered materials; and to enter into an exclusive franchise or to otherwise provide for the exclusive collection, transportation, and processing of recovered materials at single-family or multifamily residential properties.

(e) Nothing in this section shall prohibit a local government from enacting ordinances designed to protect the public's general health, safety, and welfare.

(f) As used in this section:

1. "Commercial establishment" means a property or properties zoned or used for commercial or industrial uses, or used by an entity exempt from taxation under s. 501(c)(3) of the Internal Revenue Code, and excludes property or properties zoned or used for single-family residential or multifamily residential uses.
2. "Local government" means a county or municipality.
3. "Certified recovered materials dealer" means a dealer certified under this section.

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History.—s. 12, ch. 93-207; s. 5, ch. 95-311; s. 2, ch. 95-366; s. 240, ch. 96-406; s. 17, ch. 2000-211; s. 5, ch. 2000-304; s. 4, ch. 2010-143.

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## The 2012 Florida Statutes

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PUBLIC HEALTH

ENVIRONMENTAL CONTROL

**403.713 Ownership and control of solid waste and recovered materials.—**

(1) Nothing in this act or in any local act or ordinance shall be construed to limit the free flow of solid waste across municipal or county boundaries provided such solid waste is transported or disposed of pursuant to the provisions of this part. However, any local government that undertakes resource recovery from solid waste pursuant to general law or special act may control the collection and disposal of solid waste, as defined by general law or such special act, which is generated within the territorial boundaries of such local government and other local governments which enter into interlocal agreements for the disposal of solid waste with the local government sponsoring the resource recovery facility.

(2) Any local government which undertakes resource recovery from solid waste pursuant to general law or special act may institute a flow control ordinance for the purpose of ensuring that the resource recovery facility receives an adequate quantity of solid waste from solid waste generated within its jurisdiction. Such authority shall not extend to recovered materials, whether separated at the point of generation or after collection, that are intended to be held for purposes of recycling pursuant to requirements of this part; however, the handling of such materials shall be subject to applicable state and local public health and safety laws.

**History.—**s. 1, ch. 74-342; s. 1, ch. 83-293; s. 20, ch. 88-130; s. 23, ch. 93-207.

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## PUBLIC HEALTH

## ENVIRONMENTAL CONTROL

**403.703 Definitions.**—As used in this part, the term:

(1) “Ash residue” has the same meaning as in the department rule governing solid waste combustors which defines the term.

(2) “Biomedical waste” means any solid waste or liquid waste that may present a threat of infection to humans. The term includes, but is not limited to, nonliquid human tissue and body parts; laboratory and veterinary waste that contains human-disease-causing agents; discarded disposable sharps; human blood and human blood products and body fluids; and other materials that in the opinion of the Department of Health represent a significant risk of infection to persons outside the generating facility. The term does not include human remains that are disposed of by persons licensed under chapter 497.

(3) “Biological waste” means solid waste that causes or has the capability of causing disease or infection and includes, but is not limited to, biomedical waste, diseased or dead animals, and other wastes capable of transmitting pathogens to humans or animals. The term does not include human remains that are disposed of by persons licensed under chapter 497.

(4) “Clean debris” means any solid waste that is virtually inert, that is not a pollution threat to groundwater or surface waters, that is not a fire hazard, and that is likely to retain its physical and chemical structure under expected conditions of disposal or use. The term includes uncontaminated concrete, including embedded pipe or steel, brick, glass, ceramics, and other wastes designated by the department.

(5) “Closure” means the cessation of operation of a solid waste management facility and the act of securing such facility so that it will pose no significant threat to human health or the environment and includes long-term monitoring and maintenance of a facility if required by department rule.

(6) “Construction and demolition debris” means discarded materials generally considered to be not water-soluble and nonhazardous in nature, including, but not limited to, steel, glass, brick, concrete, asphalt roofing material, pipe, gypsum wallboard, and lumber, from the construction or destruction of a structure as part of a construction or demolition project or from the renovation of a structure, and includes rocks, soils, tree remains, trees, and other vegetative matter that normally results from land clearing or land development operations for a construction project, including such debris from construction of structures at a site remote from the construction or demolition project site. Mixing of construction and demolition debris with other types of solid waste will cause the resulting mixture to be classified as other than construction and demolition debris. The term also includes:

(a) Clean cardboard, paper, plastic, wood, and metal scraps from a construction project;

(b) Except as provided in s. [403.707\(9\)\(j\)](#), yard trash and unpainted, nontreated wood scraps and wood pallets from sources other than construction or demolition projects;

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(c) Scrap from manufacturing facilities which is the type of material generally used in construction projects and which would meet the definition of construction and demolition debris if it were generated as part of a construction or demolition project. This includes debris from the construction of manufactured homes and scrap shingles, wallboard, siding concrete, and similar materials from industrial or commercial facilities; and

(d) De minimis amounts of other nonhazardous wastes that are generated at construction or destruction projects, provided such amounts are consistent with best management practices of the industry.

(7) "County," or any like term, means a political subdivision of the state established pursuant to s. 1, Art. VIII of the State Constitution and, when s. 403.706(19) applies, means a special district or other entity.

(8) "Department" means the Department of Environmental Protection or any successor agency performing a like function.

(9) "Disposal" means the discharge, deposit, injection, dumping, spilling, leaking, or placing of any solid waste or hazardous waste into or upon any land or water so that such solid waste or hazardous waste or any constituent thereof may enter other lands or be emitted into the air or discharged into any waters, including groundwaters, or otherwise enter the environment.

(10) "Generation" means the act or process of producing solid or hazardous waste.

(11) "Guarantor" means any person, other than the owner or operator, who provides evidence of financial responsibility for an owner or operator under this part.

(12) "Hazardous substance" means any substance that is defined as a hazardous substance in the United States Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 94 Stat. 2767.

(13) "Hazardous waste" means solid waste, or a combination of solid wastes, which, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible or incapacitating reversible illness or may pose a substantial present or potential hazard to human health or the environment when improperly transported, disposed of, stored, treated, or otherwise managed. The term does not include human remains that are disposed of by persons licensed under chapter 497.

(14) "Hazardous waste facility" means any building, site, structure, or equipment at or by which hazardous waste is disposed of, stored, or treated.

(15) "Hazardous waste management" means the systematic control of the collection, source separation, storage, transportation, processing, treatment, recovery, recycling, and disposal of hazardous waste.

(16) "Land disposal" means any placement of hazardous waste in or on the land and includes, but is not limited to, placement in a landfill, surface impoundment, waste pile, injection well, land treatment facility, salt bed formation, salt dome formation, or underground mine or cave, or placement in a concrete vault or bunker intended for disposal purposes.

(17) "Landfill" means any solid waste land disposal area for which a permit, other than a general permit, is required by s. 403.707 and which receives solid waste for disposal in or upon land. The term does not include a land-spreading site, an injection well, a surface impoundment, or a facility for the disposal of construction and demolition debris.

(18) "Manifest" means the recordkeeping system used for identifying the concentration, quantity, composition, origin, routing, and destination of hazardous waste during its transportation from the point of generation to the point of disposal, storage, or treatment.

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(19) "Materials recovery facility" means a solid waste management facility that provides for the extraction from solid waste of recyclable materials, materials suitable for use as a fuel or soil amendment, or any combination of such materials.

(20) "Municipality," or any like term, means a municipality created pursuant to general or special law authorized or recognized pursuant to s. 2 or s. 6, Art. VIII of the State Constitution and, when s. 403.706(19) applies, means a special district or other entity.

(21) "Operation," with respect to any solid waste management facility, means the disposal, storage, or processing of solid waste at and by the facility.

(22) "Person" means any and all persons, natural or artificial, including any individual, firm, or association; any municipal or private corporation organized or existing under the laws of this state or any other state; any county of this state; and any governmental agency of this state or the Federal Government.

(23) "Processing" means any technique designed to change the physical, chemical, or biological character or composition of any solid waste so as to render it safe for transport; amenable to recovery, storage, or recycling; safe for disposal; or reduced in volume or concentration.

(24) "Recovered materials" means metal, paper, glass, plastic, textile, or rubber materials that have known recycling potential, can be feasibly recycled, and have been diverted and source separated or have been removed from the solid waste stream for sale, use, or reuse as raw materials, whether or not the materials require subsequent processing or separation from each other, but the term does not include materials destined for any use that constitutes disposal. Recovered materials as described in this subsection are not solid waste.

(25) "Recovered materials processing facility" means a facility engaged solely in the storage, processing, resale, or reuse of recovered materials. Such a facility is not a solid waste management facility if it meets the conditions of s. 403.7045(1)(e).

(26) "Recyclable material" means those materials that are capable of being recycled and that would otherwise be processed or disposed of as solid waste.

(27) "Recycling" means any process by which solid waste, or materials that would otherwise become solid waste, are collected, separated, or processed and reused or returned to use in the form of raw materials or products.

(28) "Resource recovery" means the process of recovering materials or energy from solid waste, excluding those materials or solid waste under the control of the Nuclear Regulatory Commission.

(29) "Resource recovery equipment" means equipment or machinery exclusively and integrally used in the actual process of recovering material or energy resources from solid waste.

(30) "Sludge" includes the accumulated solids, residues, and precipitates generated as a result of waste treatment or processing, including wastewater treatment, water supply treatment, or operation of an air pollution control facility, and mixed liquids and solids pumped from septic tanks, grease traps, privies, or similar waste disposal appurtenances.

(31) "Special wastes" means solid wastes that can require special handling and management, including, but not limited to, white goods, waste tires, used oil, lead-acid batteries, construction and demolition debris, ash residue, yard trash, and biological wastes.

(32) "Solid waste" means sludge unregulated under the federal Clean Water Act or Clean Air Act, sludge from a waste treatment works, water supply treatment plant, or air pollution control facility, or garbage, rubbish, refuse, special waste, or other discarded material, including solid, liquid, semisolid, or contained gaseous material resulting from domestic, industrial, commercial, mining, agricultural, or governmental operations. Recovered materials as defined in subsection (24) are not solid waste.

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(33) "Solid waste disposal facility" means any solid waste management facility that is the final resting place for solid waste, including landfills and incineration facilities that produce ash from the process of incinerating municipal solid waste.

(34) "Solid waste management" means the process by which solid waste is collected, transported, stored, separated, processed, or disposed of in any other way according to an orderly, purposeful, and planned program, which includes closure.

(35) "Solid waste management facility" means any solid waste disposal area, volume reduction plant, transfer station, materials recovery facility, or other facility, the purpose of which is resource recovery or the disposal, recycling, processing, or storage of solid waste. The term does not include recovered materials processing facilities that meet the requirements of s. [403.7046](#), except the portion of such facilities, if any, which is used for the management of solid waste.

(36) "Source separated" means that the recovered materials are separated from solid waste at the location where the recovered materials and solid waste are generated. The term does not require that various types of recovered materials be separated from each other, and recognizes de minimis solid waste, in accordance with industry standards and practices, may be included in the recovered materials. Materials are not considered source separated when two or more types of recovered materials are deposited in combination with each other in a commercial collection container located where the materials are generated and when such materials contain more than 10 percent solid waste by volume or weight. For purposes of this subsection, the term "various types of recovered materials" means metals, paper, glass, plastic, textiles, and rubber.

(37) "Storage" means the containment or holding of a hazardous waste, either on a temporary basis or for a period of years, in such a manner as not to constitute disposal of such hazardous waste.

(38) "Transfer station" means a site the primary purpose of which is to store or hold solid waste for transport to a processing or disposal facility.

(39) "Transport" means the movement of hazardous waste from the point of generation or point of entry into the state to any offsite intermediate points and to the point of offsite ultimate disposal, storage, treatment, or exit from the state.

(40) "Treatment," when used in connection with hazardous waste, means any method, technique, or process, including neutralization, which is designed to change the physical, chemical, or biological character or composition of any hazardous waste so as to neutralize it or render it nonhazardous, safe for transport, amenable to recovery, amenable to storage or disposal, or reduced in volume or concentration. The term includes any activity or processing that is designed to change the physical form or chemical composition of hazardous waste so as to render it nonhazardous.

(41) "Volume reduction plant" includes incinerators, pulverizers, compactors, shredding and baling plants, composting plants, and other plants that accept and process solid waste for recycling or disposal.

(42) "White goods" includes discarded air conditioners, heaters, refrigerators, ranges, water heaters, freezers, and other similar domestic and commercial large appliances.

(43) "Yard trash" means vegetative matter resulting from landscaping maintenance and land clearing operations and includes associated rocks and soils.

History.—s. 1, ch. 74-342; s. 2, ch. 78-329; s. 1, ch. 78-387; s. 84, ch. 79-65; s. 4, ch. 80-302; s. 1, ch. 81-45; s. 267, ch. 81-259; s. 31, ch. 83-310; s. 33, ch. 84-338; s. 31, ch. 86-186; s. 3, ch. 88-130; s. 67, ch. 90-331; s. 2, ch. 92-104; s. 8, ch. 93-207; s. 394, ch. 94-356; s. 1, ch. 96-381; s. 54, ch. 97-237; s. 160, ch. 99-8; s. 30, ch. 2000-153; s. 18, ch. 2000-211; s. 1, ch. 2000-221; s. 2, ch. 2002-291; s. 139, ch. 2004-301; s. 6, ch. 2007-184.

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PUBLIC HEALTH	ENVIRONMENTAL CONTROL	

**403.7031** **Limitations on definitions adopted by local ordinance.**—A county or a municipality shall not adopt by ordinance any definition that is inconsistent with the definitions in s. [403.703](#).  
**History.**—s. 9, ch. 93-207.

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