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Charlotte City Council

Environment Committee

Meeting Summary for April 9, 2014

COMMITTEE AGENDA TOPICS

I. **Subject:** **Solid Waste Services Review and Recommendation Briefing**
Action: None

II. **Subject:** **Coal Ash Due Diligence Review**
Action: None

COMMITTEE INFORMATION

Present: John Autry, Ed Driggs, Claire Fallon, David Howard, and Kenny Smith
Time: 9:05 a.m. to 10:20 a.m.

ATTACHMENTS

1. Agenda Package

DISCUSSION HIGHLIGHTS

Chairman Autry called the meeting to order and asked everyone in the room to introduce themselves. He then turned it over to Assistant City Manager Hyong Yi.

I. **Solid Waste Services Review and Recommendations Briefing**

Mr. Yi introduced Victoria Johnson and Michelle Moore from Solid Waste Services. Ms. Johnson said they are here today to do a presentation based on the consultant study and recommendations. Ms. Moore began reviewing the "Solid Waste Consultant Review and Recommendations" presentation (copy attached). Ms. Moore reviewed the Fast Facts slide and clarified that it is 320,000 residences served, not residents. She then discussed the current collection services and fees.

Fallon: How do you determine who gets service?

Moore: Through the City ordinance.

Johnson: You'll see the challenges we are trying to clear up as we go through this presentation. We are trying to come up with a more clarified method to provide the service that people actually pay for and nothing different.

Autry: Do the commercial businesses we serve participate in recycling?

Moore: We don't offer it, currently. If they get that they get it on their own through private companies.

Driggs: Is the weekly recycling and the Christmas tree recycling done by Republic?

Moore: Yes, they do all that.

Howard: What service do small businesses get?

Johnson: Garbage, up to 512 gallons a week.

Howard: Is that with a roll-out through Republic?

Johnson: City crews pick it up, via rear loading. They can be in bags. We don’t give them cans.

Howard: They pay nothing for the service and they don’t have to use containers?

Johnson: Correct.

Ms. Moore continued reviewing the presentation and discussed the current contracted services. She talked about the engagement with their consultant and reviewed the consultant’s recommendations.

Howard: So, if we went with the recommendation to eliminate multi-family dwellings of more than 4 units and small businesses outside of the Municipal Service Districts, this would clear legally?

Powers: We could be challenged, but based on my review of the law we should be able to defend that.

Howard: Why are they segregating out the 4 units or less instead of no multi-family?

Johnson: When you look at HUD [federal Department of Housing and Urban Development], 4 units is the maximum before it goes into multi-family definition. We looked at it for small scale waste generators.

Howard: That's the legal part that I'm wondering about if you use that assumption.

Powers: In regards to a small scale generator, 4 units or less would be your duplexes or triplexes on one parcel of land now in residential areas with other single family homes. I do believe we would be able to defend that. The law doesn't require any additional scrutiny. We have to have a rational basis for Council to make a decision, which we believe we have.

Johnson: The majority of municipalities in the country have 4 units or less as their cap. That is an industry standard.

Howard: Is it 4 units per building or 4 units per ownership?

Powers: That still needs to be looked at further by staff. The issue is a policy question of whether Council wants to say 4 per parcel or 4 per building.

Fallon: You have townhouses and condos. You have condos that don't own their own property they are owned by an association. How do you determine that? How do you determine developments of 500 houses?

Powers: One of the issues is some of these communities have private streets and Solid Waste Services is not providing service to them at all. If it’s a public street it will be a policy question for the Council on whether or not you want to provide services to condos, townhomes, patio homes, or other buildings that are conjoined.

Fallon: How do you discuss reducing the taxes that pay for this from their tax bill?

Johnson: That was one of the consultant’s recommendations. We have spoken with the Tax Assessor’s Office to find out how we can go about doing that.

Fallon: Do you realize what this will do to this community if you implement this at this time?

Johnson: It is a challenge, but as the Solid Waste Services Director I’m trying to clean up something that makes no sense now. We have to decide what we are going to do to get everyone on the same playing field. We have a hodge-podge of services right now. Some people are paying for it and aren’t getting service and then we have some that aren’t paying for it and are getting service. It needs to be streamlined. I should be able to give the citizens a clear definition. If this was easy it would have been done a long time ago.

Fallon: I understand, but you are going to rile the public. You are going to take away something that has always been given.

Johnson: We wouldn’t just cut off someone’s service. They will be educated and the timeline is 2016. We would have citizen meetings and group meetings to get everyone aware.

Powers: Let me clarify that property tax rates are not being brought forth at this time. That is separate and distinct and staff is focusing on the disposal fee.

Driggs: Are we addressing a revenue issue here?

Johnson: We are not asking for an increase. On slide 9 you can see the potential savings to the City laid out.

Driggs: I just think we need to be very clear on if we are talking about increasing the total cost to the public of the same services they were getting regardless of whether we continue to provide them or not, or whether we are just rationalizing to have an alignment. There are two different issues; do people that get the service pay for it properly and the other is if we get $600,000 in financial relief for this then it takes on a different significance in the eyes of the public.

Johnson: When I talk about $600,000, those people are paying $24 annually but should be paying at the $47 per year rate because we are picking up the carts. I'm looking at people paying for the service they get. Could it be a cost to multifamily? Yes it could. But at the same time, what would we do with the additional savings? I can't tell you that right now. If you all decide you want to continue to do multifamily then that's fine, we will just have to clean up the billing.

Howard: When this conversation started it was around the lawsuit, and the more we dug into it the more we saw the discrepancies. The study was supposed to help correct the unfairness to some and some people being subsidized by others. How this shakes out with savings and more costs was not even a consideration when this started. If we stuck with multifamily, I want to make sure we are requiring the right number of dumpsters to deal with not having supplemental at all

Johnson: We did a study regarding that and found out that when we eliminated supplemental at the second pick up that it did not cause illegal dumping because they already had the capacity there, they just weren't using it properly.

Powers: The issue that Solid Waste is bringing forth is individuals that are paying a fee and not receiving service, and individuals not paying a fee that are receiving service. That is why we are here. This hodge-podge policy could serve as a legal issue for the City and that is why this needs to be looked at.

Fallon: Can you get me a figure for what a private contract would be if they have to pay for their own service?

Johnson: We can get you a general range because it's proprietary.

Mrs. Johnson continued reviewing the presentation and read through staff's short term recommendations, as well as future considerations they will look at.

Howard: Going back to the policy, how would we make sure apartment complexes won't get gouged? Would we have to regulate the industry?

Johnson: We would have to issue an RFP and we would have to approve the rate structure that is

submitted, like a franchise fee.

Howard: How is that different from the lawsuit? You set something special for one company (Republic) that others couldn't do.

Powers: The issue was not Republic's first pick up. Their issue was the supplemental service. In our ordinance we guarantee disposal of all garbage picked up by the City so they said we were treating multifamily properties that were receiving first pick-up different than ones that received it from a different company. We did away with the supplemental services provision and there issue went away. If we went with the franchise fee type model, if you put it out for bid there are methods that we could create a pricing model and service provisions that haulers could opt in to. That way we wouldn't be forcing anyone to do something. They can opt in our model if they choose.

Fallon: Do we run into home rule with this?

Powers: North Carolina is not a home rule state.

Autry: If we have any more questions lets email them to staff to follow-up so we can get to our next item.

II. Coal Ash

Mr. Yi began reviewing the "Coal Ash Diligence Review Project" presentation (copy attached). He discussed the project charge, the approach to the due diligence review, the different areas of review with the environment, public safety, transportation, etc., and mentioned that the FAA could be a show stopper to this project. Mr. Yi pointed out the due diligence questions that staff has created based on the Catawba Riverkeeper's questions. He also reviewed the timeline for this project and what activities have taken place to date.

Driggs: The FAA didn't have an issue in Asheville.

Autry: Seems like the difference there is they aren't intending to build a runway over it.

Yi: Also, they aren't the 8th largest airport. Asheville went through the regional FAA office in Atlanta. We would go through the national office in Washington, DC where the scrutiny is higher.

Fallon: Is that because there is more activity in our airport?

Yi: Yes.

Howard: I want to know about Riverbend. The state said they have to do something with it. We need to understand exactly what coal ash is.

Smith: Who set the 60 day due diligence?

Yi: Us.

Fallon: I don't see the vapor in these questions. What is the effect over time as it vaporizes? Does it vaporize and how does it affect the public?

Yi: We will add that to our questions.

Driggs: I'm wondering what authority the City has to control what happens. We can agree to or not agree to the airport. If they decide to move it somewhere else outside of our jurisdiction do we have any control over how it's done?

Weatherly: Not unless they violate a state or federal law.

Driggs: So this is an up or down decision on the airport proposal?

Yi: Yes, but in terms of all this right now it's the airport that gives us the leverage of how it gets moved.

Driggs: We do if they start digging it up. We need to focus on the things in our control.

Howard: Why spend energy on this if we don't know if the FAA is going to let us do it? They are the top of the decision tree.

Phocas: There are two things we really see as showstoppers. One is the FAA questions and Brent Cagle is taking the lead on that. We hope that we can get a response from the FAA soon. The second is the long term liability indemnification. In terms of decision tree, because there is our 60 day timeframe but also a state mandate for them (Duke) to get this done quickly, we want to keep the train moving but we are pressing to get those answered quickly.

Howard: Regarding the FAA approval, I just want to make sure we aren't just putting the coal ash out there with no purpose and just creating extra land. That doesn't make sense.

Yi: It matters to what end we put the coal ash out there; it has to be repurposed.

Autry: Great work, we appreciate everything.

Meeting adjourned at 3:00 p.m.

Environment Committee

Wednesday, April 9, 2:00 – 3:00 p.m.
Charlotte-Mecklenburg Government Center
Room CH-14

Committee Members:	John Autry, Chair Ed Driggs, Vice Chair David Howard Claire Fallon Kenny Smith
Staff Resource:	Hyong Yi, Assistant City Manager

AGENDA

I. <u>Solid Waste Services Review and Recommendation Briefing</u>

Staff Resources: Victoria Johnson, Solid Waste Services

Staff will review the recent Solid Waste Management Consultant Study and staff recommendations.

Action: None requested.

<u>Attachment:</u> 1. Solid Waste Consultant Review.ppt

II. <u>Coal Ash Due Diligence Review</u>

Staff Resources: Hyong Yi, City Manager's Office and Rob Phocas, Neighborhood & Business Services

Staff will brief the Committee on the proposed due diligence process seeking input from the Committee. The content of this discussion is dependent on the results of the March 24 Council Dinner Briefing.

Action: None requested.

<u>Attachment:</u> 2. Coal Ash Project Team Matrix.pdf
3. Due Diligence Questions.pdf

<u>Next Meeting</u>

Wednesday, May 14 at 2:00 p.m., Room CH-14

Distribution:	City Council	Ron Carlee, City Manager	Executive Team
	Bob Hagemann	Stephanie Kelly	Environmental Cabinet

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SOLID WASTE SERVICES

Solid Waste Consultant Review and Recommendations

Environment Committee

April 9, 2014

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Presentation Summary

- Review of Current State
- Consultant review and recommendations
- Staff recommendations
- Future considerations
- Next steps

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Fast Facts

- 320K residences served weekly
- SWS consistently ranks below the state average in collection costs and complaints
- Collected in FY2013
  - **.5 billion** lbs of garbage
  - **96 million** lbs of recycling
  - **98 million** lbs of yard waste

Current Collection Services

Single-family - curbside rollout carts
(includes multi-family < 30 units in complex)
- Weekly garbage, bulk waste and yard waste (City crews)
- Bi-weekly recycling (Inland Waste Solutions)
- Includes more than 16,000 units in 475 complexes

Multi-family - dumpster or compactor
(>=30 units in complex)
- Weekly garbage, bulk waste, no yard waste (Republic)
- Weekly recycling and annual Christmas tree collection

Small businesses - curbside rollout carts
(up to 512 gallons of garbage per week)
- Weekly (or more frequent) garbage

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Current Fees

Solid Waste Fee (Residential Solid Waste Disposal Fee)

City levies the following amounts through County Tax Assessor:

Single Family ($47/year)
Multi-Family ($24/year)
Small Business ($0/year)

Solid Waste Fees fund 25% of total SWS budget, and General Fund provides 75% of total SWS budget.

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Current Contracted Services

Multi-family collections - Republic Services

- Weekly garbage - dumpster or compactor
- Recycling, bulk waste and Christmas trees
- Contract expires June 30, 2015
  - no optional one-year extensions

Single-family bi-weekly recycling collections - Inland Waste Solutions

- Contract expires June 30, 2015
  - two optional one-year extensions

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GBB Consultant Engagement

To provide consulting services including:

- Analysis of the cost and fee structure of the City solid waste management program
- Analysis of the multi-family collection program
- Provide recommendations on cost allocation methodology, fee structure, and billing and collections

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Consultant Recommendations

1. Eliminate collection for multi-family dwellings of more than four units and small businesses outside the Municipal Service District No. 1 (uptown - inside 277 loop)
2. Revise the City Code to define four property classifications
   a) Single Family dwelling
   b) Multi-family dwelling (five units or more)
   c) Non-residential units
   d) Municipal Service District No. 1
3. Develop a new fee structure to be assessed on all improved properties to recover fully allocated costs of services (collection and disposal)

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Staff Short Term (FY16) Recommendations

A. Short Term Recommendations

1. **Multi-family**
   a) **Approve revised multi-family definition (5 units or more) & stop providing City rollout service to them**
      i. Benefits
         – Potential annual City savings of $600K ($340K if units move to dumpster/compactor contract)
         – Uniformity of locations streamlines operations and simplifies administration
         – City serves only small-scale waste generators (rollout carts)
      ii. Drawbacks
         – Elimination of City-provided rollout service for 16,000+ units and 475 complexes
         – Increased costs may be passed on to residents
         – Possible reduction of City staff

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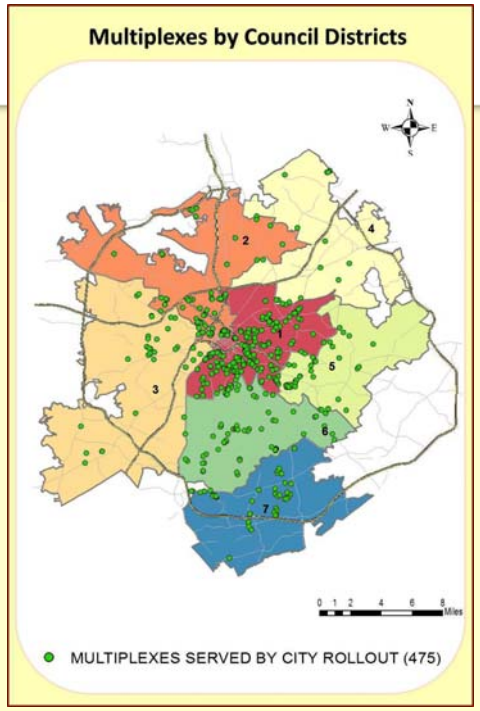
Multiplexes > 4 units currently served on City rollout service



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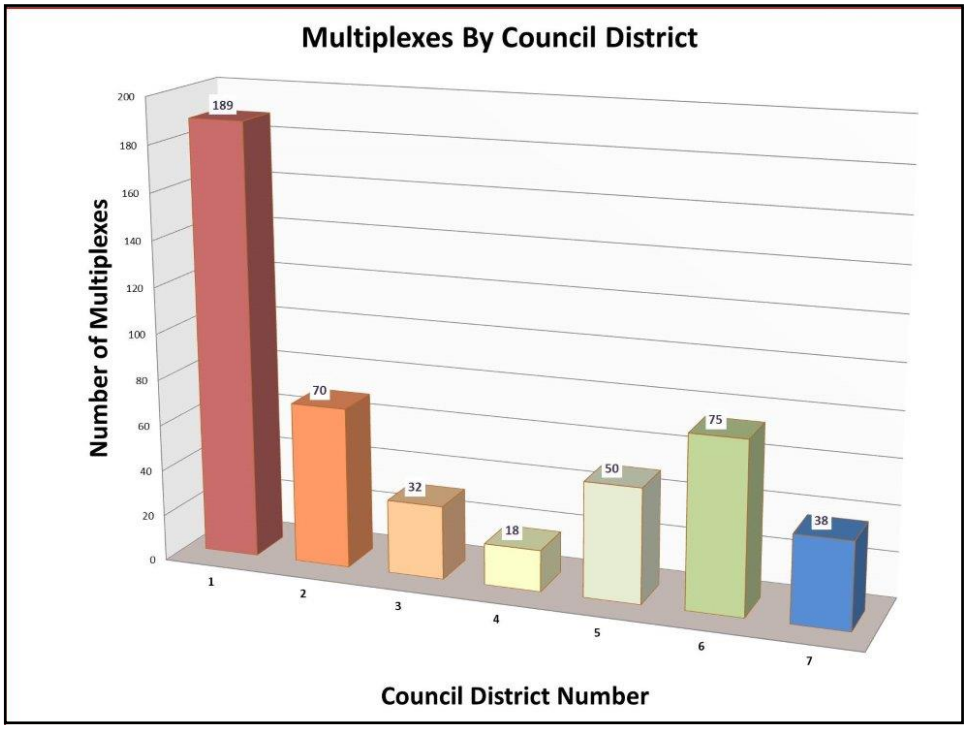

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Staff Short Term (FY16) Recommendations

1. Multi-family

b) Stop City-funded dumpster and compactor service for multi-family complexes; franchise the service (at least two different haulers)

i) Benefits
- Potential City annual savings of $1.5M
- Franchising mitigates risks of price escalation and performance issues
- City serves only small-scale waste generators (rollout carts)

ii) Drawbacks
- Impacts more than 750 complexes and 111,000 units

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Staff Short Term Recommendations (FY16)

2. **Small business**
   Continue City service, add recycling collection and assess a Solid Waste Fee on small businesses
   i) Benefits
      - Supports clean neighborhoods by serving businesses in residential dwellings on thoroughfares
      - Incentives for small business recycling
      - City serves only small-scale waste generators
   ii) Drawbacks
      - Not a standard best practice per consultant

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Staff Short Term Recommendations

3. **Modify the City Code**
   a) Modify the City Code according to policy changes for:
      i. Designate rollout service for single family homes and dwellings of four units or less
      ii. Change description of multi-family service from city contractor to franchise
      iii. Change definition of the Solid Waste Fee to include collection costs
      iv. Modification of the Solid Waste Fee ordinance to assign responsibility for assessing properties for Solid Waste Fee to Solid Waste Services Director

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Future Considerations

1. Alternate Collection Methods
   a) Pay as You Throw
   b) Bi-weekly garbage, weekly recycling
   c) Other options

2. Solid Waste Funding/Fee Structure
   a) Collection costs
   b) Capital equipment

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Next Steps

- Review implementation strategies with the Privatization / Competition Advisory Committee (PCAC)

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Summary of FY16 Recommendations

1. Change provision of multi-family service
   (a) Approve revised definition for **multi-family** (5 units or more) and stop providing City rollout service to them
   (b) Stop City-funded dumpster and compactor service for **multi-family** complexes; franchise the service (at least two different haulers)

2. Continue City service to **small businesses**, add recycling collection and assess a Solid Waste Fee on small businesses

3. Modify the **City Code** to support policy changes

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Questions

Questions?

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Coal Ash Strike Team													
Core Team													
City Manager's Office	Hyong Yi												
N&BS	Rob Phocas												
E&PM	David Wolfe												
	Steve Gucciardi												
Due Diligence Review Team		**Social Work Team**				**Economic Work Team**	**Environment Work Team**					**Legal**	
Department	**Name**	**Public Safety**	**Communication**	**Community Outreach**		**Quantify Benefits/Costs**	**Water Quality**	**Air Quality**	**Transportation**	**Land**	**Science & Enginnering**	**Regulatory**	**Contractual**
N&BS	Randy Harris												
	Katie Sparrow												
	Ashley Ford												
	Chae Pak												
E&PM	Jeb Blackwell						Y	Y	Y	Y	Y		
	Gina Hodges									Y			
Aviation	Jack Christine	Y	Y	Y		Y						Y	Y
	Jeff McSwain					Y	Y	Y	Y	Y	Y		
	Lee Davis		Y										
	Leilah Lahbabi											Y	Y
Utilities	Barry Gullet						Y						
	Barry Shearin						Y						
Legal	Bob Hagemann											Y	Y
	Karen Weatherly											Y	Y
	Cindy White											Y	Y
Planning	Shad Spencer		Y										
Community Relations	Willie Ratchford		Y	Y									
Risk Management	Dan Pliszka								Y		Y		Y
Corp. Comm	Keith Richardson		Y	Y									
	Cass Bonfiglio		Y	Y									
Police	Deputy Chief Eddie Levins	Y							Y				
Fire	Deputy Chief Rob Kinniburgh	Y							Y				
CDOT	Keith Hines	Y							Y				
Mecklenburg County	Leslie Johnson												
LUESA	Rusty Rozzelle						Y			Y			
LUESA	Dave Canaan						Y		Y				
LUESA	Corey Priddy									Y			
LUESA	David Caldwell						Y						
LUESA	Lisa Corbitt						Y						
LUESA	Jason Rayfield							Y					
LUESA	Leslie Rhodes							Y					
BSA - Public Information	Bill Carroll		Y										
Health Department	Dr. Plescia										Y		
Health Department	Dr. Keener										Y		

CAST –
Environmental
Work Team

Duke / Charah Charlotte Airport Coal Ash Proposal

Land / Water Quality

CMUD / Aviation / E&PM / Meck. County

a. Monitoring
b. Receptors/streams
c. Drinking Water Wells
d. NPDES Compliance
e. Erosion/Sediment control

Requirements:

Plans, Permits, additional City Requirements

Recommendations:

Questions:

- Sedimentation and erosion control
  - How many inches of rain will the sediment detention system be designed to handle?
  - How will run-off from partially constructed cells be handled?
  - Will there be pre-construction and post-construction measurement of sediment levels in receiving waters?
- Leachate collection
  - How will leachate and run-off be collected during construction? How will it be treated?
  - How will leachate be collected and treated after fill material is sealed?

- On-site treatment and discharge to creek?
- Municipal sewer?

- **Monitoring**
  - Scope of monitoring program?
    - Groundwater
      - Inorganics (e.g., metals associated with coal ash)
      - Organics (e.g., other chemicals dumped into ash ponds)
    - Surface water
    - Air
  - Frequency?
  - Duration of monitoring program?
  - Responsibility to do monitoring?
  - What happens if monitoring wells are damaged or eliminated due to new construction? Who is responsible for installing new wells?

- **Will the Riverbend Steam Station ash ponds and other disposal sites be cleaned up?**
  - What will be done to clean up contaminated soil under the ash ponds?
  - What will be done to clean up contaminated groundwater in and around the ash ponds?

Airport Feasibility / Air Quality

Aviation / E&PM / Meck. County

a. Dust Control
b. Monitoring
C. Reporting d. Geotechnical e. Site Feasibility / Needs Analysis f. Shear Stress, liquefaction

Requirements:

Plans, Permits, additional City Requirements

Recommendations:

Questions:

- **What are the other options to the one proposed?**

- Does this use meet EPA Beneficial Reuse rules?
- What is our desired Schedule? How much flexibility?
- Final elevations would appear to be critical – (to avoid liner cuts in future)
- City CBI / Federal SBE / WBE / DBE requirements?
- Is Airport EIS affected by this action?

- **Where will coal ash waste be placed at the airport?**
    - Will the waste material be staged at any locations before final disposal?
        - How will discharges from the temporary staging locations be controlled?
    - Where will the waste material be placed at the airport for final disposal and what will be placed over the waste materials?
    - Proximity to:
        - Surface water?
        - Residences?

        - Surface water flows
        - Dust
        - Groundwater
    - Schools?
    - Day care facilities?
    - Other sensitive receptors?
    - Groundwater receptors (e.g., drinking water wells)?
    - Disruptions to normal groundwater flow (e.g., irrigation wells, geothermal heat pumps)?
    - Unloading vehicles, movement of ash, and drying of ash at the airport?
        - What will be done to control dust and ash emissions at the airport during unloading and movement of the ash?
        - If it is necessary to dry the ash, what will be done to dry the ash and how will dust be controlled during the drying process?
    - Other air emissions?
        - Will equipment and transport vehicles be "clean diesel"?
        - What can be done to reduce net emissions of fine and very fine particles?
- What will be placed on top of the coal ash waste?
    - Will there be settling over the earthen berms between cells?
    - What will be the impact of the static and dynamic loads on the waste material and landfill system? (Planes / earthquakes)

Transportation

CDOT / Fire / Police / E&PM /

a. Establish safe route
b. Incident response
c. Dust control during transport

Requirements:
Plans, Permits, additional City Requirements

Recommendations:

Questions:

- **How will ash be removed, transported and contained during transport & staging?**
  - Method of transportation? (Rail? Truck?)
  - How much traffic will be created by moving the ash (if using trucks, how many trips per day)?
  - What will be done to control dust and other air emissions?
    - Dust control during removal from ponds, drying and staging?
    - Wash vehicles before leaving Riverbend?
    - Burrito liners or just standard tarp over the ash?
    - Will vehicles be washed before leaving airport?
    - Will beds of vehicles be washed or covered before the return trip?
    - Speed of transport vehicles? Will the transport vehicles be allowed to travel on the highway?
    - Will operations be suspended during certain weather conditions or at certain wind speeds?

- Route of transport?
    - How will route of transport vehicles be determined?
    - Who is responsible for damage to roads?
    - Who is responsible for ash that accumulates on and around the route of transport?
    - Will the ash and dust along the route be monitored? If so, how often and by whom?

Science of Coal Ash

E&PM / Aviation

a. Properties of Coal Ash
b. Risks Liquid, Dry
c. Exposure to workers
d. Research liners

Requirements:
Plans, Permits, additional City Requirements

Recommendations:

Questions:

- How often do Sub D landfills fail?
- Is radiation a concern?
- **What are the characteristics of the waste material that will be disposed in a structural fill at the Charlotte airport?**
    - Is coal ash waste from any power plant other than Riverbend coming to the airport?
    - What wastes were disposed of in the ash ponds other than coal ash?
    - What are the chemical characteristics of those additional wastes?
    - Should the additional waste materials affect the design of the landfill?
    - Should chemicals in non-coal ash waste be added to the monitoring schedule?

What other uses has coal ash been used for?

Miscellaneous

- Can we partner with UNC-Charlotte?

- **Details of landfill / structural fill design**
    - Bottom Liners
        - Single or double liners?
        - Type of material?
        - Thickness of liners?
        - Method of joining different sections of liners?
    - Top liner (Cap)
        - Type and thickness of top liner?
- Cover material?