

**COUNTY OF MADERA
BUDGET UNIT EXPENDITURE DETAIL
BUDGET FOR THE FISCAL YEAR 2016-17**

Department: **RMA -
ENGINEERING (11100)**
Function: **Liner Fund**
Activity: **Refuse**
Fund: **Enterprise Fund**

<u>ACCOUNT CLASSIFICATION</u>	ACTUAL EXPENDITURES <u>2014-15</u>	BOARD APPROVED EXPENDITURES <u>2015-16</u>	DEPARTMENT REQUEST <u>2016-17</u>	CAO RECOMMENDED <u>2016-17</u>
BEGINNING FUND BALANCE	2,229,427	350,000	0 *	0
REVENUES				
640101 Interest on Cash	14,490	18,000	2,500	2,500
640300 Rents & Concessions	22,310	20,400	20,400	20,400
662100 Sanitation/Landfill Surcharge	3,199,258	4,136,512	4,450,602	4,450,602
662101 Landfill Surcharges	377,818	355,459	237,932	237,932
672003 Sale of Surplus	81,251	0	0	0
680350 Cash Flow Loan	0	1,500,000	0	0
TOTAL REVENUES	5,924,554	6,380,371	4,711,434	4,711,434
EXPENSES				
710400 Workers' Compensation Insurance	266	0	0	0
720200 Clothing and Personal Supplies	3,306	1,000	1,000	1,000
720300 Communications	19,295	12,000	12,000	12,000
720600 Insurance	15,582	15,570	28,309	28,309
720601 General Insurance	24,215	24,000	24,000	24,000
720800 Maintenance of Equipment	1,718	10,000	5,000	5,000
721100 Memberships	6,569	7,250	7,250	7,250
721300 Office Expense	13,957	7,000	7,000	7,000
721314 Computer Equipment	2,217	1,500	1,500	1,500
721400 Professional & Specialized Services	3,226,519	3,661,549	3,592,549	3,592,549
721426 Software Maintenance	0	15,000	8,000	8,000
721433 Outside Attorneys & Other Experts	240,542	500,000	25,000	25,000
721500 Publications & Legal Notices	200	1,000	500	500
721600 Rents & Leases - Equipment	3,302	4,950	4,000	4,000
721800 Small Tools & Instruments	627	3,000	1,500	1,500
721900 Special Departmental Expense	314,503	363,344	403,000	403,000
722000 Transportation & Travel	9,796	10,000	10,000	10,000
722100 Utilities	25,754	26,403	36,000	36,000
731400 Interfund Expense	0	342,766	391,000	391,000
740100 Land	40	150,000	0	0
EXPENSES (continued)				

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<u>ACCOUNT CLASSIFICATION</u>	ACTUAL	BOARD	DEPARTMENT	CAO
	EXPENDITURES	APPROVED	REQUEST	RECOMMENDED
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2016-17</u>
740200 Buildings and Improvements	2,394,379	1,027,000	97,842	97,842
750106 Operating Transfers Out-Spec Rev	237,952	55,984	55,984	55,984
780100 Appropriation for Contingency	0	141,055	0	0
TOTAL EXPENSES	6,540,739	6,380,371	4,711,434	4,711,434
NET TOTAL (REVENUES - EXPENSES)	-616,185	0	0	0

* Represents the Estimated Fund Balance as of June 30,2016, the balance is subject to change due to expenses or revenue that may be accrued to June 30, 2016, which have not yet been processed.

COMMENTS

The County of Madera has a contractual agreement with Red Rock Environmental Group, effective November 1, 2012, for the purpose of operating the County's sanitary landfill at Fairmead (Landfill). The Landfill is kept open to the public six days per week, 8:00 A.M. to 5:00 P.M., except for Holidays. The County also has a contractual agreement with Red Rock Environmental Group for the combined operation of the North Fork Transfer Station, inclusive of hauling waste from the transfer station to the Landfill. During 2007-08, a Household Hazardous Waste (HHW) facility was constructed and placed into operation at the Landfill in an effort to divert HHW from being deposited into the Landfill. The HHW facility is open on Saturdays from 9:00 AM to 1:00 PM at no cost to County residents to dispose of household hazardous waste. Madera County has two franchise haulers: Red Rock Environmental Group is the franchisee for waste collected from areas below the 1,000 ft elevation and Emadco Disposal is the franchisee for waste collected from areas above the 1,000 ft elevation.

Solid Waste Flow Control Agreement

On February 5, 2013, the County and the City of Chowchilla entered into a new Solid Waste Flow Control Agreement. The initial term of the agreement is for five years, expiring on December 31, 2017, with an option for an extension of an additional five years. The agreement contains provisions which ensure all of the City of Chowchilla's solid waste is delivered to Fairmead, and allows the City diversion credits to comply with AB 939, which mandated diversion goals of 50%. The agreement allows for a reduced contractual tipping fee and allows for annual adjustments based on CPI. The projected tipping fees for 2016-17 are \$22.28/ton for Municipal Solid Waste (MSW), \$14.63/ton for Yard Waste and \$16.14/ton for Wood Waste.

In 2012, the City of Madera entered into a contract with a new solid waste vendor (Sunset Disposal), with a contract provision allowing the vendor to haul the City's waste to a landfill of its choosing. Mid Valley Disposal (MVD) has since acquired Sunset Disposal and is now the franchise hauler for the City of Madera. MVD requested that the County consider a flow control agreement and began bringing waste to Fairmead as of January 19, 2015. A formal agreement between Madera County and MVD to bring a minimum of 20,000 tons per year to the Fairmead Landfill was approved by the Board of Supervisors.

Public Tipping Fee Rates

On February 26, 2013, the Board of Supervisors approved a public tipping fee of \$45.00/ton for MSW, \$20.00/ton for Yard Waste and \$30.00/ton for Wood Waste and allows for annual adjustments based on CPI (Resolution 2013-033). The projected tipping fees for 2016-2017 are \$45.58/ton for MSW, \$20.26/ton for Yard Waste and \$30.39/ton for Wood Waste.

**PW - REFUSE DISPOSAL
Liner Fund**

REVENUE

This budget is funded by landfill surcharges based on the current tipping fees and rents received. The Valley Collection Franchise agreement with Redrock Environmental Group and the Mountain Franchise Agreement with Emadco Disposal have a franchise fee of 6% of gross billings. (Revenues for this budget are reflected on the appropriation request.)

NOTE: During the 2014-15 fiscal year, the County amended MCC# 10125-C-2014 with Tetra Tech-BAS (MCC# 10125A-C-2014) for Capital Improvements at the Fairmead Landfill. Once work began on Phase 1 (budgeted) of the Landfill Gas System Upgrades as part of the Capital Improvements, it became necessary to immediately implement Phase 2 (unanticipated work/expenditure due to surface emissions issues) and Phase 3 (flare station for which 25% of costs were incurred in 2014-15 and 75% of costs were incurred in 2015-16). This resulted in incurring approximately half of the costs of the three-year capital improvement project in fiscal year 2014-15 and the balance incurred in fiscal year 2015-16. By doing so, it was necessary to obtain cash-flow loans in 2015-16 (\$400,000 from Road Mitigation Fund in November 2015 and \$900,000 from Reserve for Future Budgetary Issues in June 2016) in order to fund the improvements for which funds budgeted for operating expenses were utilized. The loans will be repaid with a release of funds from the Landfill Closure Fund once approval of the alternative closure estimate is approved by CalRecycle is obtained by the County (as presented to your Board in the Solid Waste Workshop on May 31, 2016 and in a board item on June 21, 2016). In addition, staff and the County's landfill operations consultant will return to the Board in August/September 2016 with options to improve revenues to effectively fund the landfill operations and improvements and obtain Board direction.

EXPENSES

- 720200** **Clothing and Personal Supplies** (\$1,000) is recommended unchanged to provide rain gear, goggles, hard hats, and vests for protection during landfill inspections and site visits as per OSHA regulations.
- 720300** **Communications** (\$12,000) is recommended unchanged to provide for cell phone services, phone (landline) and internet services at the scale house, and remote video camera monitoring services.
- 720600** **Insurance** reflects the Department's contribution to the County's Self-Insured Liability Program.
- 720601** **General Insurance** (\$24,000) is recommended unchanged to provide for the landfill pollution insurance required for the State permit.
- 720800** **Maintenance of Equipment** (\$5,000) is recommended reduced \$5,000 to provide for maintenance of the security systems, telephone lines, scales, and fire pump house.

**PW - REFUSE DISPOSAL
Liner Fund**

EXPENSES (continued)

- 721100** **Memberships** (\$7,250) is recommended unchanged for memberships in the Solid Waste Association of North America (\$750) and the Environmental Services Joint Powers Authority (\$6,500).
- 721300** **Office Expense** (\$7,000) is recommended unchanged to provide technical manuals, reproduction, office furniture, and miscellaneous office supplies to operate the scale house.
- 721314** **Computer Equipment** (\$1,500) is recommended unchanged to provide computers, monitors, printers, and computer related supplies to operate the scale house.
- 721400** **Professional & Specialized Services** (\$3,592,549) is recommended reduced \$69,000 to provide for the following:
- \$2,692,813 Operation and services of the Fairmead Landfill by Redrock Environmental Group (\$2,592,813), and compaction incentives (\$100,000).
 - \$402,720 Operation and services of the North Fork Transfer Station by Redrock Environmental Group.
 - \$52,000 Disposal Cost of HHW Events (\$45,040) and 4 Sharp Kiosks (\$6,960)
 - \$34,016 Paleontology monitoring services at the Landfill. The County contracts with California State University, Fresno for Paleontology cataloging services (\$10,000). The County contracts with the Paleontology Foundation for Paleontological monitoring services, requirements in accordance with the Paleontological Recovery and Monitoring Plan (PRMP), and lease of the Fossil Discover Center Facility (\$80,000, less the fifth payment of five to repay the tobacco Financing Phase II Pool Fund, as budgeted under Operating Transfers Out, for construction costs of the Paleontology Center – MCC# 9756-C-2012).
 - \$361,000 Professional Services for Operation, maintenance, monitoring and reporting of the flare, leachate and landfill gas collection system. These are for routine tasks with Tetra Tech-BAS (TTBAS). (\$20,000 is for Cen Cal for drinking water sampling and regulatory compliance.)
 - \$50,000 Professional services related to implementing partial mandatory waste collection.
- 721426** **Software Maintenance** (\$8,000) is recommended reduced \$7,000 to provide for licenses and maintenance of scale house software, PC Scale, and Blue Pay credit card service.
- 721433** **Outside Attorneys & Other Experts** (\$25,000) is recommended reduced \$475,000 to provide for outside attorney services.

EXPENSES (continued)

- 721500** **Publications & Legal Notices** (\$500) is recommended reduced \$500 for publishing Notice to Bidders for well installation and soil borings, notice of increase in tipping fees, notices of public hearings, etc.
- 721600** **Rents & Leases - Equipment** (\$4,000) is recommended reduced \$950 for equipment rental cost for anticipated erosion control work at the closed North Fork and Ripperdan dump sites (\$250), and for use of vehicles from the Central Garage (\$2,750) and for copy machine lease agreement.
- 721800** **Small Tools & Instruments** (\$1,500) is recommended reduced \$1,500 for landfill gas monitoring devices.
- 721900** **Special Departmental Expense** (\$403,000) is recommended increased \$39,656 for the following regulatory and departmental expenses:
- \$70,000 Local Enforcement Agency (County Environmental Health Department) fees related to the State-mandated oversight of landfill operations; and reimbursements for costs incurred by County Environmental Health Department.
 - \$265,000 Department of Resources Recycling and Recovery, CalRecycle (formerly the California Integrated Waste Management Board) for administrative and regulatory oversight fees. Fees are currently assessed at \$1.40 per buried ton.
 - \$60,000 State Regional Water Quality Control Board (RWCQB) for administrative and regulatory oversight fees.
 - \$8,000 San Joaquin Valley Air Pollution Control District Permit.
- 722000** **Transportation & Travel** (\$10,000) is recommended unchanged for staff to attend meetings, workshops, and trainings regarding operation of scale house, landfill gas system, ground water monitoring system, solid waste operations and State-mandated programs.
- 722100** **Utilities** (\$36,000) is recommended increased \$9,597 based on current and projected costs for utilities associated with the old Engineering Building, the scale house, and the flare (component of the gas extraction system).

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Liner Fund**

EXPENSES (continued)

731401 **Interfund Expense** (\$391,000) is recommended increased \$48,234 for reimbursement to Department of Public Works for professional services to operate the scalehouse, reporting, billing, perform maintenance and operations of the ground water monitoring system, landfill gas extraction, and HHW facility. (This expense was previously budgeted under Professional and Specialized Services).

740200 **Buildings and Improvements** (\$97,842) is recommended reduced \$929,158 for payment of infrastructure costs:

 \$97,842 Landfill gas collection system expansion and upgrades and annual non-routine repairs, as needed, to comply with regulatory requirements.

SPECIAL NOTE: The revenue in the Refuse disposal budget is not adequate to cover all essential improvements. The projects listed below are vital, and if not completed, large fines and penalties will ensue for non compliance and safety. Staff will bring these projects back for Board direction at another point in time to discuss funding options.

- Landfill gas collection system expansion and upgrades - \$402,158
- Well Extensions -\$74,000
- Aerial Mapping - \$13,000
- Permitting support/Fill Sequencing Plans - \$50,000
- DMP Evaluations (RWQCB Requirements) - \$303,000
- Non-Routine emergency Funding - \$175,000

750106 **Operating Transfer Out – Special Revenue** (\$55,984) is recommended as the fifth payment of five to repay the Tobacco Financing Phase II Pool fund for construction costs of the Paleontology Center – MCC# 9756-C-2012.

780100 **Appropriation for Contingency** (\$0) is not recommended as revenues are not projected to be in excess of budgeted expenditures.