

**COUNTY OF MADERA
BUDGET UNIT EXPENDITURE DETAIL
BUDGET FOR THE FISCAL YEAR 2017-18**

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

<u>ACCOUNT CLASSIFICATION</u>	ACTUAL EXPENDITURES 2015-16	BOARD APPROVED EXPENDITURES 2016-17	DEPARTMENT REQUEST 2017-18	CAO RECOMMENDED 2017-18
BEGINNING FUND BALANCE	350,000	0	0 *	0
REVENUES				
640101 Interest on Cash	18,000	2,500	2,500	2,500
640300 Rents & Concessions	20,400	20,400	20,400	20,400
662100 Sanitation/Landfill Surcharge	4,136,512	4,450,602	5,699,051	5,699,051
662101 Landfill Surcharges	355,459	237,932	342,283	342,283
672003 Sale of Surplus	0	0	0	0
680350 Cash Flow Loan	1,500,000	0	0	0
TOTAL REVENUES	6,380,371	4,711,434	6,064,234	6,064,234
EXPENSES				
SERVICES & SUPPLIES				
710400 Workers' Compensation Insurance	0	0	0	0
720200 Clothing and Personal Supplies	1,000	1,000	1,000	1,000
720300 Communications	12,000	12,000	0	0
720600 Insurance	15,570	28,309	28,309	28,309
720601 General Insurance	24,000	24,000	24,000	24,000
720800 Maintenance of Equipment	10,000	5,000	5,000	5,000
721100 Memberships	7,250	7,250	0	0
721300 Office Expense	7,000	7,000	0	0
721314 Computer Equipment	1,500	1,500	0	0
721400 Professional & Specialized Services	3,661,549	3,592,549	3,592,549	3,592,549
721426 Software Maintenance	15,000	8,000	8,000	8,000
721433 Outside Attorneys & Other Experts	500,000	25,000	0	0
721500 Publications & Legal Notices	1,000	500	0	0
721600 Rents & Leases - Equipment	4,950	4,000	4,000	4,000
721800 Small Tools & Instruments	3,000	1,500	1,500	1,500
721900 Special Departmental Expense	363,344	403,000	403,000	403,000
722000 Transportation & Travel	10,000	10,000	0	0
722100 Utilities	26,403	36,000	36,000	36,000
TOTAL SERVICES & SUPPLIES	4,663,566	4,166,608	4,103,358	4,103,358

**COUNTY OF MADERA
BUDGET UNIT EXPENDITURE DETAIL
BUDGET FOR THE FISCAL YEAR 2017-18**

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

<u>ACCOUNT CLASSIFICATION</u> <u>ACCOUNT CLASSIFICATION</u>	ACTUAL EXPENDITURES <u>2015-16</u>	BOARD APPROVED EXPENDITURES <u>2016-17</u>	DEPARTMENT REQUEST <u>2017-18</u>	CAO RECOMMENDED <u>2017-18</u>
OTHER CHARGES				
731400 Interfund Expense	342,766	391,000	408,526	408,526
TOTAL OTHER CHARGES	342,766	391,000	408,526	408,526
FIXED ASSETS				
740200 Buildings and Improvements	1,027,000	97,842	714,158	714,158
TOTAL FIXED ASSETS	1,027,000	97,842	714,158	714,158
750106 Operating Transfers Out-Spec Rev	55,984	55,984	55,984	55,984
Payment of Loans	0	0	761,484	761,484
TOTAL	55,984	55,984	817,468	817,468
780100 Appropriation for Contingency	141,055	0	20,724	20,724
TOTAL EXPENSES	6,230,371	4,711,434	6,064,234	6,064,234
NET TOTAL (REVENUES - EXPENSES)	150,000	0	0	0

* Represents the Estimated Fund Balance as of June 30,2017, the balance is subject to change due to expenses that may be accrued to May 1, 2017, 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 2017-18 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). On December 6, 2016 the Board of Supervisors increased the tipping fee for Franchise Haulers to \$40 per ton at Fairmead Landfill and for non-contract hauler to \$67.12 at North fork Transfer Station. The projected tipping fees for 2017-2018 are \$45.58/ton for MSW, \$20.26/ton for Yard Waste and \$30.39/ton for Wood Waste.

**RMA - 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 25% of costs incurred in 2014-15 and 75% of costs to be 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 to be incurred in fiscal year 2015-16. By doing so, it is necessary to obtain a cash-flow loan in order to fund the improvements as needed (the full amount of the loan is reflected on the appropriation request; however, it may not be necessary to utilize the full amount if revenues exceed what is projected). The actual amount borrowed will be repaid over five years, beginning in fiscal year 2016-17, utilizing additional revenues generated through the flow control agreement with Mid Valley Disposal, an increase in tipping fees, and from partial collection which commenced October 1, 2015.

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.
- 720600** **Insurance** (\$28,309) is recommended unchanged to reflect 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 unchanged to provide for maintenance of the security systems, telephone lines, scales, and fire pump house.

**RMA - REFUSE DISPOSAL
Liner Fund**

EXPENSES (continued)

- 721400** **Professional & Specialized Services** (\$3,592,549) is recommended unchanged 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.
 - \$92,000 Disposal Cost of HHW Facility and Sharp Kiosks.
 - \$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).
 - \$340,000 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.)
 - \$31,000 Professional services related to implementing partial mandatory waste collection.
- 721426** **Software Maintenance** (\$8,000) is recommended unchanged to provide for licenses and maintenance of scale house software.PC Scale and Blue Pay credit card service.
- 721600** **Rents & Leases - Equipment** (\$4,000) is recommended unchanged 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 unchanged for landfill gas monitoring devices.
- 721900** **Special Departmental Expense** (\$403,000) is recommended unchanged for the following regulatory and departmental expenses:

EXPENSES (continued)

721900 **Special Departmental Expense** (continued)

- \$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.

722100 **Utilities** (\$36,000) is recommended unchanged for payment of PG&E, internet, telephone, water, sewer, and garbage associated with the old Engineering Building and the scale house, the flare (component of the gas extraction system), fire alarm and scale maintenance at the scale house.

731401 **Interfund Expense Staffing** (\$370,276) is recommended for the use of Public Works staff.

731401 **Interfund Expense Expenses** (\$38,250) is recommended to reimburse the Public Works Department (01300) for administrative expenses.

740200 **Buildings and Improvements** (\$714,158) is recommended for payment of infrastructure costs:

- \$714,158 Landfill gas collection system expansion and upgrades and annual non-routine repairs, as needed to comply with regulatory requirements.

NOTE: The revenue in the Refuse disposal budget is not adequate to cover all essential improvements. The project 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

EXPENSES (continued)

Buildings and Improvements (continued)

- Well Extentions - \$74,000
- Aerial Mapping - \$13,000
- Permitting support / Fill Sequencing Plans - \$50,000
- Non-routine emergency funding - \$175,000

750106 **Operaing Transfer Out – Special Revenue** (\$55,984)

00000 **Payment of Loans** (\$761,484) is recommended to pay back a cash flow loan from the General Fund.

780100 **Appropriation for Contingency** (\$20,724) is the recommended appropriation for contingencies.