



MONO COUNTY

DEPARTMENT OF PUBLIC WORKS

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Date: August 17, 2010
To: Honorable Chair and Members of the Board of Supervisors
From: Matt Carter, Solid Waste Superintendent
Subject: Solid Waste Workshop

Recommended Action:

None at this time.

Fiscal Impact:

None at this time.

Discussion:

As the Board is aware, the Solid Waste Enterprise Fund has experienced a decrease in revenues from gate fees due to a reduced waste stream emerging from the economic downturn. Gate fees are the primary source funding the Solid Waste Enterprise Fund. The waste stream in Mono County has reduced by 55 percent over the past five years. This trend can be seen across the Country and is by no means unique to Mono County. On October 1, 2009 a tipping fee increase went into effect, but with a steadily declining waste stream the increase showed little improvement to the Solid Waste Enterprise Fund budget. Public Works has taken continual measures to reduce expenses and increase revenues by means other than a tipping fee increase. The Solid Waste Enterprise Fund began FY09/10 with a negative cash balance. That negative cash balance has grown and the Solid Waste Division has begun FY10/11 with a negative cash balance of approximately \$1.2 Million. Public Works anticipates requesting a general fund loan in order to make up this shortfall.

Recent measures taken in order to reduce expenses incurred by the division have included renegotiation of contracts, operational changes, reduced staff, deferred projects, and more accurately allocating administrative time to the division budget. During FY09/10 an employee resignation left a vacant position at the Benton Crossing Landfill. That position was not filled, creating a salary and benefits savings of approximately \$75,000 over a twelve month period. A significant expense to the budget annually is the cost to operate the remote landfills and transfer stations. Through a financial hardship clause Public Works has been able to renegotiate that contract for a savings of approximately \$150,000 this fiscal year. The contract is up for renewal on June 30, 2010 where additional savings are expected. The Benton Crossing Landfill staff has taken on additional workload by handling the majority of site maintenance at the remote transfer stations which includes covering and compacting the C&D landfills at Walker and Pumice Valley quarterly. These tasks were previously done by the road crew in the landfill's respective district. The Benton Crossing Landfill's additional tasks will save approximately \$50,000 in cost applied coming from the Road Division. A time

allocation study was done in order to allocate hours worked by administrative staff appropriately. After reallocating some of the office staff's time a savings of approximately \$60,000 was discovered. Another \$60,000 was recently cut out of the budget due to the Bridgeport Landfill road project that has been deferred due to the current road being functional and safe without being paved. Lastly, a recent retirement of the sludge operator at the landfill, who was an independent contractor and paid by the Mammoth Community Water District, has opened the doors for the Benton Crossing Landfill staff to begin doing the maintaining the sludge under a contract with the water district. This will lead to revenue of approximately \$100,000 for this fiscal year.

More cost saving measures can be taken by the Solid Waste Division at the discretion of the Board. The Benton Crossing Landfill Employees are paid for ten holidays that they work whereas other County employees have a paid day off. By eliminating employees working on these holidays and closing the Benton Crossing Landfill the holiday pay received by the landfill crew and resources used to operate the landfill would be a cost savings of approximately \$25,000.

The Benton Crossing Landfill currently operates seven days a week. Many landfills operate on a six day a week schedule. The Benton Crossing Landfill received very little traffic on Sundays in comparison to the other days of the week. There can be savings of approximately \$10,000 in resources used to operate the landfill if the Board chose to close the regional landfill on Sunday. The majority of the cost savings if the Board reduced the Benton Crossing Landfill to a six day a week operation would come from the ability to operate with reduced staff. The reduction would be one Solid Waste Maintenance Worker. The reason to reduce staff in this classification rather than an Equipment Operator is due to Equipment Operators have the skill set to do a Maintenance Worker position but the same is not true for a Maintenance Worker doing an Equipment Operator's job. The elimination of the position would be a savings of approximately \$75,000 to the Enterprise Fund. With resignations and retirements in other Public Works divisions there may be a potential to transfer this employee if the Board wishes to do so.

The reduction of staff in other Solid Waste Division funded positions has been contemplated. One of these positions includes the FTS II position that is fully funded by the Enterprise Fund. Public Works did not fill the office support FTS position so the workload for the other office administration would be too vast. The Solid Waste Division FTS II position handles data entry, receivables, invoicing, and assistance in quarterly reporting in the Solid Waste Division and functions within the Cemetery and Road Division as well. Removing the Landfill Supervisor position and moving the responsibilities to a lead worker in the field and the Solid Waste Superintendent has been analyzed as well. The increased wages for a lead worker would not show the savings necessary to justify such a change. The current Landfill Supervisor also has the skill set to accomplish all tasks of that of a maintenance worker or operator. Lastly, the Solid Waste Superintendent position was evaluated as a potential cost savings. At this time, the Public Works Department does not have the expertise in-house to complete many of the regulatory, reporting, and management tasks necessary to eliminate this position. Utilizing the services of consultants has been found to be too costly due to the amount of time necessary to oversee the various aspects of the position. The Solid Waste Superintendent position has taken over many functions accomplished previously by

consultants in order to cut expenses. Each position will be scrutinized on an ongoing basis to assure an efficient organizational structure.

The Solid Waste Enterprise Fund received revenues from various sources. These sources include: tipping fees, parcel fees, non-participant surcharges, sludge contract, capacity fee, franchise fee, recyclables, and operator's assistance charges. Some municipalities charge a tax or mandatory quarterly user fee in order to assist their system's revenue stream. Mono County's most feasible opportunity to increase revenue in order to offset expenses is the tipping fee. The tipping fee for household waste and C&D was increased at each of the seven disposal facilities within Mono County last October from \$44.00 per ton to \$50.00 per ton. As mentioned previously, with the continual decline of waste coming into the sites, the tipping fee increase has fallen short of expected revenue.

Public Works has surveyed the tipping fees of five rural counties that have been historically used due to the comparable nature to Mono County. The five counties surveyed include Colusa, Inyo, Mariposa, Plumas, and Trinity. The two tipping fees Public Works chose to focus on are that of a 55 gallon can and a per ton cost to dispose of waste at a site. Public Works has found that these two fees are most recognizable and easily quantified by self haulers and contractors. Each County has their particular nuance regarding their tipping fee schedule so a multiplier was created using the difference between the Mono County fee for a 55 gallon can and a per ton cost and applied to two county's cost per ton. Mono County charges the least amount for the disposal of waste amongst all of the counties if disposing a 55 gallon can. Mono County ranks fifth out of the six counties in price per ton. The county with the lowest cost is Inyo, which has a \$2.00 fee for any amount of waste brought by a self hauler. This county is able to offer such competitive gate fees due to an additional revenue generated by a tax. The results of the survey are displayed below.

55 Gallon Trash Can

1.	Plumas	\$7.53
2.	Mariposa	\$6.00
3.	Trinity	\$3.60
4.	Colusa	\$2.00
5.	Inyo	\$2.00
6.	Mono	\$1.75

Per Ton

1.	Plumas	\$215.13
2.	Mariposa	\$121.00
3.	Trinity	\$135.00
4.	Colusa	\$71.49
5.	Mono	\$50.00
6.	Inyo	\$2.00

The cost to manage waste is dramatically increasing, especially in rural Counties where distances to haul waste are greater and tonnages are smaller. It is necessary for the Solid Waste Enterprise Fund to increase revenues by establishing a tipping fee that can support the ongoing operating costs that come with properly managing a solid waste system. Operating costs will be more stable over the next few years but the waste stream is projected to remain stagnant or decline due to no sign of an increase in construction debris and talk of mandatory recycling regulations which could reduce the C&D waste stream by 50 percent or more. It is important to maintain a surplus in the Solid Waste Enterprise Fund in order to cope with unforeseeable regulatory compliance projects, costly equipment repairs, and future solid waste system planning.

Public Works anticipates proposing a tipping fee increase that would increase the fee to \$96.00 per ton with a \$3.50 minimum. These fees will give the Solid Waste Enterprise a budget surplus that can be used to pay the General Fund loan previously mentioned. The loan will be paid off in two years and the loan payoff funds can begin to be allocated for future planning of the Mono County solid waste system. A three percent increase for inflation has been taken into account by Public Works when projecting future expenses. The same has been done for future revenues. In order to increase revenue by three percent, an annual tipping fee increase of three percent will be presented to the Board. If the Board finds the Solid Waste Enterprise Fund to be sufficiently funded, an increase in tipping fees will not occur.

The Benton Crossing Landfill currently has thirteen years left before closure. At that point, or prior, Public Works will have begun utilizing an alternate site for the disposal of Mono County's waste. The site used has not been determined at this point. A consultant is currently working on a report to show Mono County its options. The consultant will have a recommendation for a long term plan for Mono County's solid waste system. County staff will evaluate its options and present findings to the Board.

If you have any questions regarding this item, please contact me at 760.932.5453.

Respectfully submitted,



Matt Carter
Solid Waste Superintendent