



Butte County Board of Supervisors Agenda Transmittal

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Agenda Item:

5.02

Subject: Strategic Plan - Neal Road Recycling and Waste Facility

Department: Public Works

Meeting Date Requested: August 28, 2012

Contact: M. Crump, B. Mannel **Phone:** 538-7681, 879-2350

Regular Agenda

Consent Agenda

Department Summary: *(Information provided in this section will be included on the agenda. Attach explanatory memorandum and other background information as necessary).*

Effective management of the County's Neal Road Recycling and Waste Facility (NRRWF) and waste management programs requires careful long-term planning including a strategy for funding capital projects and heavy equipment purchases. Butte County's waste management programs and the NRRWF are funded by the Neal Road Recycling and Waste Facility Enterprise Fund, primarily through NRRWF gate fees; there is no County General Fund contribution. Staff has developed a proposed Strategic Plan for NRRWF which includes an analysis of the impact of large capital projects and equipment replacement on the NRRWF Enterprise Fund balance and potential options for developing a sustainable revenue model to ensure that an adequate fund balance is maintained to provide for day-to-day operations of the facility, financial assurance for closure and post-closure maintenance, household hazardous waste collection disposal, and other County obligations under local, state and federal law.

Staff will present short, mid and long-term objectives, issues and challenges, and opportunities for increasing revenue required to fund capital projects and heavy equipment replacement.

Fiscal Impact:

None with the acceptance of the Strategic Plan. There could be fiscal impacts as the Board approves specific recommendations in the future.

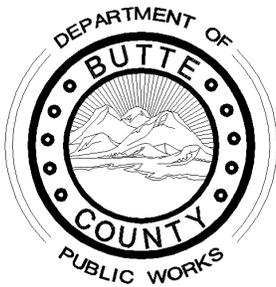
Personnel Impact:

Does not apply.

Action Requested:

Accept as information and provide direction to staff.

Administrative Office Review: Sang Kim, Deputy Chief Administrative Officer



Department of Public Works

County of Butte

J. Michael Crump, *Director*
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Date: August 28, 2012
To: Butte County Board of Supervisors
From: Mike Crump, Director
Bill Mannel, Manager, Waste Management Division
Subject: Strategic Planning – Waste Management Division

EXECUTIVE SUMMARY

Effective management of the County's Neal Road Recycling and Waste Facility (NRRWF) and the waste management programs requires careful long-term planning including a strategy for the funding and purchasing of capital projects and equipment. Butte County's waste management programs and the NRRWF are funded by the Neal Road Recycling and Waste Facility Enterprise Fund, primarily through gate fees; there is no County General Fund contribution. Staff has developed a proposed Strategic Plan for NRRWF's large capital projects and equipment replacement program, which includes the timing of such and an analysis of necessary funding.

Objectives:

Short-term (less than 1 year):

- Develop a plan for a more sustainable revenue model
- Install additional landfill gas collection wells
- Update technical and planning documents
- Replace groundwater monitoring wells

Mid-term (1-3 years):

- Develop landfill heavy equipment replacement plan
- Complete next waste cell module
- Construct Phase 1 of scale relocation/transfer station infrastructure project

Longer-term (3+ years):

- Find a suitable alternative for on-site septage ponds
- Develop a permanent Household Hazardous Waste Facility
- Construct Phase 2 of transfer station project

On-going:

- Develop staff for succession plan
- Develop solutions for storm water discharge based on sampling, monitoring, science and feasibility

Issues/Challenges/Opportunities:

Gate fees currently support the day to day operation of the NRRWF and associated waste management programs, i.e. household hazardous waste, illegal dumping, etc. For the last five years there has been a decrease in waste tons received at the NRRWF. Reduction in tons results in a reduction in revenue. The NRRWF does not currently generate sufficient revenue from gate fees to fund large Capital Improvement Projects and the facility's equipment replacement program. Since 2006, proceeds from the sale of the Certificate of Participation (COP) have funded the larger capital projects which included development of waste cell Module 4, installation of monitoring wells and landfill gas collection wells and additional storm water system improvements. Proceeds from the COP will be expended over the new few years, requiring the identification of additional sources of funds for upcoming capital projects and equipment replacement. Going forward, the NRRWF must determine and pursue opportunities for increasing revenue to ensure adequate funding to develop additional landfill capacity and meet statutory requirements.

Compounding the decrease in tons received at NRRWF over the past several years is the competition for waste generated within Butte County. Over 30,000 tons of waste generated in the incorporated areas of the County is presently being exported to a landfill in an adjacent county as allowed by city franchise/permit provisions.

Also, within the last year, developers of a proposed waste to energy project in Glenn County solicited City and County officials to send waste to their proposed facility. Loss of any substantial amount of waste currently received at the NRRWF would compromise the ability to operation the facility and County waste related programs, i.e. household hazardous waste collection and disposal, illegal dumping investigation, and etc. It would also compromise the County's ability to fund the statutory Closure and Post-closure Maintenance Fund, Corrective Action Fund and other financial assurance requirements and could potentially have a negative impact on the County's General Fund.

Analysis of Enterprise Fund Balance:

An analysis of the NRRWF Enterprise Fund revenues and reserves was developed to determine the impact of large capital projects and equipment replacement expenditures over a ten-year term. An analysis through Fiscal Year 2020/2021 was used as that is the year in which the 2006 COP debt will be repaid. Beginning balance shown on the chart is the available Enterprise Fund balance plus remaining balance of COP proceeds designated for qualifying capital projects. Each major expense item is shown on the bottom of the chart.

As part of the analysis, four scenarios for revenue were considered;

1. no increase in gate fee,
2. increasing revenue by increasing the gate fee \$1 per ton per year for five years,
3. increasing revenue by securing more waste tons to the facility,
4. increasing revenue by increasing the gate fee and securing more waste tons to the facility.

Each scenario is shown on the graph [**Exhibit A**].

Only one scenario results in a positive fund balance in Fiscal Year 2018/2019. Scenario #4 which considers additional tons and increasing gate fees \$1 per year for 5 years results in a minimum fund balance of \$2 million during the analysis period.

Opportunities for Increasing Revenue:

There are two means to increase revenue for the County’s waste management program; increase waste tons received at the NRRWF and/or increase gate fees. There are presently two opportunities to increase waste tons to the Neal Road Recycling and Waste Facility. The first opportunity is to capture waste generated in Butte County that is currently being exported out of the County. A consultant has been engaged to evaluate hauling company data and draft potential franchise zones in the County. Through contractual agreements with haulers the County may be able to secure an additional 20,000 tons of waste generated within Butte County for the Neal Road Recycling and Waste Facility. The second opportunity could be to import waste from other counties. Though this may be a limited opportunity, there are counties in the local area that may be exporting waste in the future and Neal Road Recycling and Waste Facility could be considered.

Increasing gate fees would also provide additional revenue. The Neal Road Recycling and Waste Facility has the lowest gate fees north of Sacramento. Even with a gate fee increase, the facility would have the lowest gate fees of the facilities noted, with the exception of a private landfill in Anderson. It should be noted that private landfills do not fund public programs such as household hazardous waste or illegal dumping cleanup as county landfills do.

National Average for landfill gate fees:

2008 - \$42.50 per ton

2012 - \$49.27 per ton

Source: *Waste & Recycling News, July 9, 2012*

Local Landfills

Source: *County facility websites*

Landfill	MSW fee	Const. & Demo fee	Green Waste fee	Concrete	Minimum Charge
Glenn Co.	\$70.00	\$70.00	\$60.00		
Nevada Co. T/S	\$70.00		\$10.75		
Tehama Co.	\$44.80	\$44.80	\$40.48	Free	\$7.17 (car)
West Central – Shasta Co.	\$41.25	\$48.75		\$48.75	\$12.75
Anderson – (private 2009 fees) Shasta Co.	\$38.00*	\$45.25			\$18.70
NRRWF	\$37.61	\$37.61	\$12.00	Free	\$10.00
Ostrom Rd. (private) Sutter Co.	Not published				

**Note: gate fees at private landfills typically do not support county waste management programs, i.e. household hazardous waste, illegal dumping, etc.*

Impact of gate fee increase

Impact on Residential Customers

- Typical households with trash service by hauling company generates 64 gallons of trash per week [(2)-32 gallon trash cans – or (1) -64 gal cart]
- Local studies have shown the average weight for a 32 gal can of trash to be approximately 22 pounds. Therefore, the typical household generates approximately 1.14 tons per household per year (2 cans/wk x 22 lbs x 52 weeks/yr/2000lbs).
- **For every \$1 increase in landfill gate fee increase, the impact to the typical household is \$1.14 per year, or \$0.095 per month, round to 10 cents per month.**

Impact on Commercial Customers

- Commercial accounts vary widely in the amount of trash service they receive. For this example, 2 cubic yards per week will be used.
- Local studies have shown the average weight for 1 cubic yard of trash to be approximately 100 pounds. Therefore, for this example the commercial account would generate approximately 5.2 tons per year (2 cy/wk x 100 lbs x 52 weeks/yr/2000lbs).
- For every \$1 increase in landfill gate fee increase, the impact for this commercial account would be \$5.20 per year, or **43 cents per month**. Commercial accounts generating greater amounts of trash would have a greater impact, i.e. commercial account with 4 cubic yards per week would see approximately a 86 cents per month.

Staff believes that a combination of these two actions, such as increasing gate fees to cover NRRWF operations and program costs and the pursuit of securing additional waste tons to fund capital projects, provides the best opportunity for sustainable revenue.

Future Opportunities

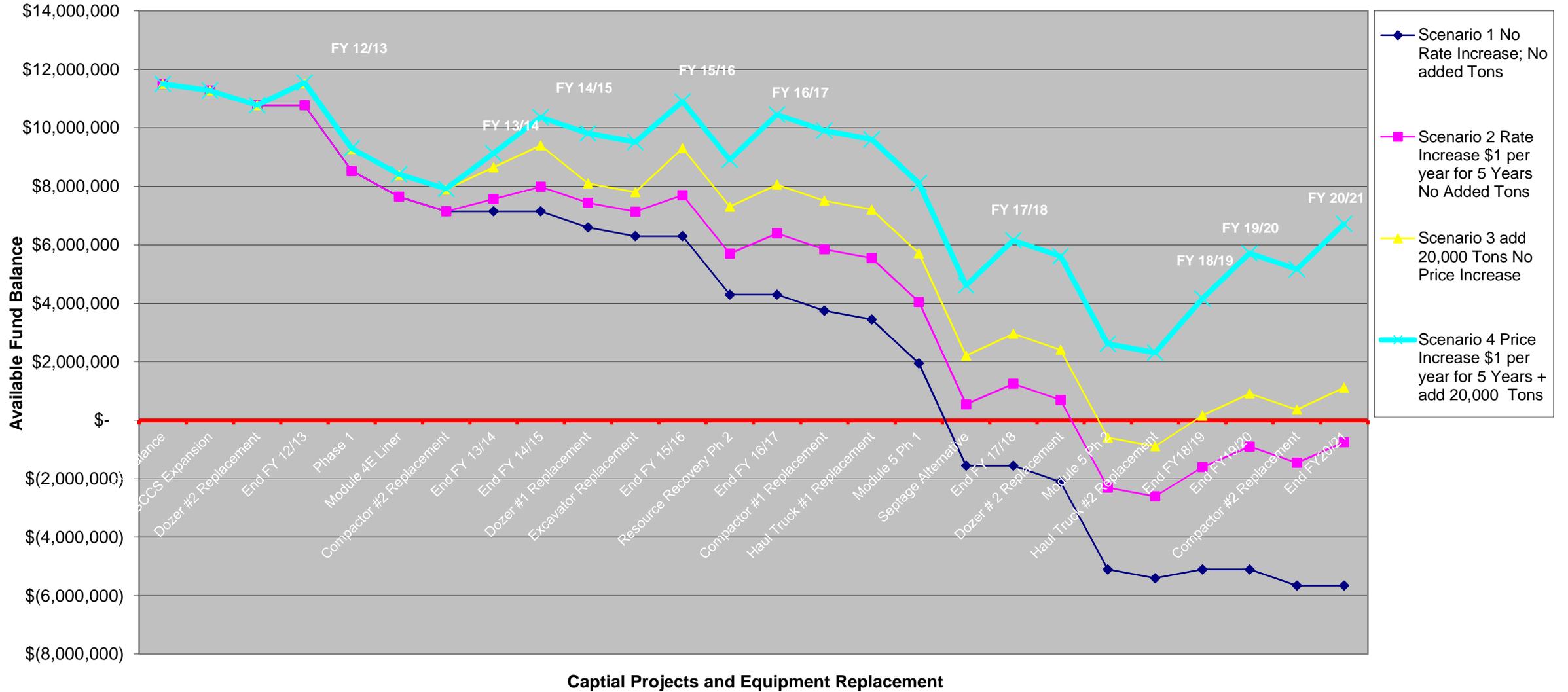
The Neal Road Recycling and Waste Facility is ideally located for future renewable energy projects and could possibly become a regional green energy producer. With the completion of a landfill gas to energy facility, a substation has been constructed to connect the energy plant to PG&E's grid. Additional energy projects could be developed and potentially use the substation infrastructure. Interconnect agreements with PG&E are not easily accomplished and with the Neal Road facility having already executed one, additional energy projects would have a significant hurdle removed.

Combined with good access to a major highway corridor, proper general plan designations, proper zoning and a landfill compatibility zone around the Neal Road facility, the Neal Road Recycling and Waste Facility has the infrastructure needed for additional renewable energy projects and economic development in the form of "green" research and development. The Board of Supervisors has recognized this and taken significant steps to implementing the Neal Road Recycling and Waste Facility's *Energy Farm* concept.

Recommendation

Accept for information and provide direction to staff

Exhibit A - Impact of Capital Improvement Projects and Equipment Replacement Program on Fund Balance Revenue Scenarios





Waste Management Division Neal Road Recycling and Waste Facility

STRATEGIC PLAN

MISSION STATEMENT

The Butte County Department of Public Works' Waste Management Division seeks to pro-actively manage County waste disposal facilities, educate, provide reasonably priced and environmentally acceptable methods for solid and hazardous waste reduction and disposal for County residents and businesses, be vigilant in enforcing illegal dumping codes, and pursue renewable/sustainable energy projects at the County's Neal Road Recycling and Waste Facility.

WHAT WE DO

The Waste Management Division provides for the management, planning, engineering and operation of the County's Neal Road Recycling and Waste Facility (NRRWF), manages the proper disposal of household hazardous and universal waste, provides oversight of performance standards of licensed trash collectors in the unincorporated Butte County, investigates illegal waste disposal and enforces applicable codes, provides for education of residents and businesses in the areas of waste reduction, manages facilities for the proper disposal of septage waste, and actively pursues renewable/sustainable energy projects utilizing NRRWF's resources.

The Waste Management Division is funded by the NRRWF Enterprise Fund and does not receive any funding from the County's General Fund.

PLANNING PERIOD

This Strategic Plan covers the planning period of 2012 - 2021

ISSUES AND CHALLENGES

Maintaining sufficient disposal capacity for the County's residents and businesses and operating the county asset in compliance with current law and ever-changing environmental regulations requires significant capital. An analysis of the NRRWF Enterprise Fund shows that without an increase in revenue, and if the major projects identified in this Strategic Plan were to be completed according to schedule, the Enterprise Fund would be depleted in Fiscal Year 2017-2018. This Strategic Plan addresses the funding needs required to fulfill the division's mission statement.

The major issues and challenges impacting the management of the County's solid waste program and statutory financial assurance obligations for the Neal Road Recycling and Waste Facility are as follows (in no particular order):

- Charging reasonable gate fees for landfill services and ensuring sufficient revenues to meet current and future obligations
- Guarding against off-site migration of landfill gas, ground and surface water contamination, and maintenance of state of the art environmental controls
- Implementing engineering controls and practices to comply with ever-changing environmental regulations
- Developing cost effective and environmentally safe methods of solid waste, septage and hazardous waste reduction and disposal
- Dealing with competing interests for wastes generated in Butte County

GENERAL GOALS

The following represents the broad accomplishments the division would like to achieve over the next several years (not in any particular order):

- To secure and ensure that solid waste generated in Butte County is delivered to the County's NRRWF in order to develop sustainable revenue for the long-term operation of the NRRWF and County's associated waste related programs
- To meet local, state and federal standards for water quality and landfill gas control
- To improve skills of landfill staff that will result in increased efficiencies and lower operations costs
- To continue to research innovative methods of solid waste handling and renewable energy projects
- To build public awareness and education of the benefits of recycling and reuse versus disposal of hazardous and nonhazardous waste
- To reduce illegal disposal of solid and hazardous waste in the county
- To develop staff for eventual succession planning

OBJECTIVES

Objectives include developing a sustainable revenue model to fund day-to-day NRRWF operations, waste related program, equipment replacement and short to long term Capital Improvement Projects. Projects are typically large in scale and require significant capital for fixed assets land improvements, buildings and/or structures.

Revenue:

1) Develop Sustainable Revenue Model:

Neal Road Recycling and Waste Facility capital projects are large in scale and require significant funds to complete. Existing facility gate fees support the operation of the facility, some capital improvements, HHW programs, Illegal Dumping programs and community educations and recycling programs. As noted earlier, since 2006 all large capital improvement projects at the facility have been funded using proceeds from the sale of Certificates of Participation (COP). Going forward, projects will be funded from either utilizing Enterprise Fund reserves or generating new revenue.

The sale of another COP may be a viable option, but will require additional revenue to support annual repayment (debt service) of the note. Payments on the 2006 COP exceed \$1 million per year and will be

paid off in 2021. Generating increased revenue at NRRWF will require more waste tons delivered to the facility or an increase in gate fees.

Increasing revenue by generating more waste tons to facility – There are two opportunities to increase waste tons to the Neal Road Recycling and Waste Facility. The first is to capture waste created in Butte County that is currently exported out of the County. Under the Board’s direction, staff is pursuing developing solid waste franchises with the County’s major licensed waste collectors. If franchise agreements are approved by the Board, a major portion of the waste currently being exported to an out of county landfill will be delivered to the County’s NRRWF. This would generate approximately \$750,000 annually of additional revenue.

The other opportunity would be to consider importing waste from other counties. Recently, staff was approached by interested parties bidding on the Nevada County solid waste franchise regarding bringing waste to the Neal Road facility. The potential new revenue would have been around \$1 million per year. While the opportunity to import waste from an adjacent county is slim, it nevertheless is still a possibility. For example, Glenn County’s landfill may be closing in the next few years and may require exporting waste.

The NRRWF has sufficient capacity to receive additional waste for decades without significantly impacting the remaining life of the landfill.

Increasing revenue through higher gate fees – Increasing gate fees immediately enhances revenue. Last fiscal year, gate fees did not change. In previous years, fees were increased to keep pace with cost of living and to partially offset diminished revenues resulting from a decrease in waste tons received. For each \$1 per ton increase in landfill gate fees, approximately \$140,000 annually of additional revenue is generated.

At \$37.61 per ton, the gate fees at NRRWF are the lowest published rates north of Sacramento. A private landfill in Anderson had the next lowest gate fees at \$38 per ton, however it should be noted that private landfills do not need to fund public programs like household hazardous waste collection facilities as counties are required under state law. Shasta County Landfill and Tehama County Landfill were \$41.25 and \$44.80 respectively. Glenn County Landfill gate fees were \$70 per ton.

Timing: 2012

Revenue Impact: Potentially \$140,000 - \$890,000 per year additional revenue depending on which options may be implemented.

Funding Plan

- **Day-to-day operations and waste related programs** – NRRWF operations and waste related programs have many fixed costs and require sustainable revenue. Day-to-day operations of the facility and waste related programs are funded by the NRRWF gate fees. Financial Assurance is required by law in the form of restricted fund accounts for closure of the landfill, long-term post-closure maintenance and corrective action. Environmental monitoring is required by multiple regulatory agencies. Heavy equipment must be purchased and maintained. These are part of the fixed costs that do not change when the amount of incoming waste tons and resultant revenue fluctuate.

- ❖ *At a future Board meeting, staff will be providing information supporting an increase in gate fees as part of the NRRWF budget. An increase will be requested to offset rising costs of fuel, professional contracts and services, equipment maintenance, and supplies essential to operating the NRRWF in compliance with local, state and federal regulations.*
 - **Capital Projects and equipment replacement** - Most of the projects discussed in this Strategic Plan are not typical day-to-day operations expenses and must be funded through designated sources of funds or accruals for the projects. Increased revenue associated with increasing the number of waste tons to the facility, or additional rate increases, are required to satisfy this long-term requirement.
 - ❖ *Staff continues to pursue development of franchise areas with the County's licensed waste collectors. A consultant has been hired and is currently evaluating customer data of the waste hauling companies in order to draft proposed waste collection franchise areas to be presented to the Board of Supervisors.*
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Projects/Capital Improvement Projects

Short-term (1 year):

1) Installation of additional landfill gas collection wells – California's AB32 Landfill Methane Rule requires that landfill gas collection wells be installed in waste cells that contain waste that has been deposited for greater than two years. This threshold is much more aggressive than previous standards set under federal regulations. The impact to the County is significant both in the cost of installing and maintaining gas collection wells much earlier than previously required, but also in the cost of landfill operations having work around active gas collection wells. The NRRWF will have to install seven to nine wells in active waste cells by the end of 2012 to comply with AB32. There is a benefit to installing additional wells however. Additional gas collection wells will generate additional landfill gas to provide a predictable and stable amount of landfill gas for the gas to energy facility, ensuring royalties to the County on energy sales.

Timing: 2012

Cost: approximately \$225,000

Source of Funding: Enterprise Fund reserves

2) Update facility technical documents – California regulations require a facility to update its Joint Technical Document (JTD) (operations, closure/post-closure maintenance plans, financial assurance demonstration and other planning documents) whenever the facility's Solid Waste Facility Permit is reviewed or upon change in California regulations pertaining to those documents. Recent changes in California regulations require a facility to revise its JTD to include corrective cost estimates for various scenarios that have the potential to cause significant damage to the landfill, and develop a financial assurance instrument to cover those estimated costs.

The last time the facility's JTD was substantially revised was in fiscal year 1999-2001 as part of the County's application to expand the landfill. Since that time, the County has assumed the operation of the landfill and staff has determined that the fill sequencing plan and available disposal capacity designed in

the late 1990's needs to be revised to reflect the closed portion of the landfill, current disposal rates, and current permitted disposal footprint. Accurate calculation of disposal capacity and a well engineered fill sequencing plan are extremely important to determining the life of the landfill and determining the adequacy of the facility's financial assurance demonstration (County is required to have 100% of the estimated closure costs accrued and available at time of closure).

Of equal importance is the determination when the septage ponds need to be removed to allow a future waste cell to be constructed. This date will drive the timeframe for which an alternative facility for receiving and processing septage must be completed. Alternatives to the NRRWF'S septage ponds are discussed in more detail later in this report.

Staff will release an RFP for updating the NRRWF technical documents this year.

Timing: Summer 2012

Cost: Estimated \$150,000

Source of Funding: NRRWF Budget

3) Replace Groundwater Monitoring Wells – Over the past several years, there has been a decline in the groundwater elevation under the landfill. During the last year, the most up-gradient and down-gradient monitoring wells have been dry, thus, samples cannot be taken. The facility's Waste Discharge Requirements (Regional Water Quality Control Board [RWQCB] permit) requires the facility to replace these wells if groundwater samples cannot be obtained. In addition, a lysimeter (well that allows sampling of moisture below the landfill, but above the groundwater, has become non-functional and requires repair or replacement. Replacement of the monitoring wells requires RWQCB's approval of a work plan developed by the NRRWF's geologist consultant.

Timing: Summer 2012

Cost: estimated \$97,000 - \$111,000

Source of Funding: NRRWF Budget

Mid-term (1 – 3 years):

1) Landfill Equipment Replacement Plan – When the County assumed operations of the landfill in 2003, the County leased the requisite heavy equipment. Since that time, staff has replaced a dozer and a compactor. Landfill equipment is configured to work in the trash and is very specialized. The first line dozer and compactor average 6,925 hours. The backup units average 10,242 hours. The manufacturer recommends trading in the units at 7,000 hours to maximize trade-in value towards the cost of a new unit. For the past couple of years, replacing these units was postponed to conserve capital during a period of significant decrease in gate fees. As anticipated, operating costs per hour are increasing with expensive repairs becoming more frequent. In the next fiscal year, a dozer will need to be replaced, and the next fiscal year a compactor needs to be replaced. The expected cost with trade-in is anticipated to be about \$500,000 each. The average age for the support equipment (excavator, haul trucks, etc) is 7,094 hours. The cost to replace each of these units will average \$300,000 with trade-in and must be scheduled for the following fiscal years.

An increase in annual revenue will be required to fund a heavy equipment replacement plan.

Timing: 2012 and each year for 5 years

Cost: \$500,000 per year for the first 2 years, \$250,000 - \$300,000 per year thereafter.
Source of Funding: NRRWF Budget/Enterprise Fund Reserves. Additional and sustainable Enterprise Fund revenue is required.

2) Develop next waste cell module – In 2013 the next phase of developing the waste cell Module 4 (4E) will commence, consisting of lining the upper slopes of the module and resulting in approximately an additional 4 years of capacity. The initial design is complete; however, due to availability of capital, staff is evaluating this project in two phases consisting of lining the middle slopes in phase 1 and upper slopes in phase 2. If the engineer's estimate supports a cost benefit in phasing the project, staff will choose that option to conserve working capital.

Timing: Spring – Fall 2013
Cost: \$450,000 - \$880,000
Source of Funding: Enterprise Fund Reserves or remaining COP proceeds

3) Phase 1 of scale house relocation and resource recovery facility infrastructure – Design and specifications are generally complete for this project to include relocating the entrance to the facility and scale house in order to mitigate traffic concerns on Neal Road (when the number of vehicles utilizing the facility return to historical levels). Funding for this project remains a concern as Enterprise Fund reserves may be needed to be used for other projects to ensure disposal capacity and operation of the landfill, i.e. need to construct waste cell and replace heavy landfill equipment.

Project is slated as a mid-term project should funding be available.

Timing: TBD
Cost: Engineer's estimate \$2.2 million
Source of Funding: COP Proceeds/Enterprise Fund Reserves

Longer-term (3+ years):

1) Septage Management Plan (alternative to on-site disposal of septage) – In 2007 the Board approved the *Butte County Septage Management Plan* that considered alternatives to the disposal of septage at the Neal Road Recycling and Waste Facility. The septage ponds are located in an area that will need to be developed as a waste cell module in coming years. Staff has discussed options with the Town of Paradise and City of Chico to determine if there is interest in some type of joint project for receiving septage as part of their current and/or proposed waste water treatment infrastructure. Discussions are on-going. Staff is also researching the opportunity for a public/private project that would include a septage receiving station and dewatering facilities. Staff is in the process of assessing potential areas for suitability of siting such a facility.

The first determination to be made is the time frame for which the septage ponds must be removed. This determination will be part of the scope of work for updating the facility's technical documents discussed earlier. Based on this determination, project milestones will be developed. The current landfill development sequence plan calls for the septage ponds to be removed in less than five years. Staff believes that an engineering alternative may result in changing the waste cell development sequence and may provide additional years before the septage ponds may ultimately have to be removed.

Timing: Summer 2012 – TBD

Cost: TDB depending on alternative selected

Source of Funding: Enterprise Fund Reserves. Preferred Alternative selected by Board was approximately \$3 million. Actual cost will depend on the scope of the project as opportunities may exist that were not previously anticipated by the author of the septage management plan.

2) Household Hazardous Waste Facility – As discussed earlier, the County is at the end of its initial 10-year contract for the operation of the Butte County Household Hazardous Waste Facility. The County does not own the facility and contracts with NRC, a local hazardous waste contractor, for its operation including disposal of the household hazardous waste. The County has limited options for contracting with a household hazardous waste facility contractor due to lack of available permitted facilities. There are stringent permitting requirements for this type of facility. One option staff is considering is constructing a permanent household hazardous waste facility at the Neal Road Recycling and Waste Facility. A county owned facility would provide flexibility to seek competitive bids to operate the facility and determine if it would be more cost effective for county staff or contractor to operate.

Initial cost estimates to construct a permanent facility are estimated to be \$551,800. Funding for this project is an issue at the present time. Staff will continue to research in order to determine if this option will be a lower-cost option for the future.

Timing: On-going

Cost: Construction and Start-up (estimated) \$551,800

Annual Operation: (estimated) \$450,000

Source of Funding: Construction – possible California HHW grant and Enterprise Fund Reserves
Annual Operation – NRRWF Budget

3) Phase 2 of Resource Recovery Facility Project – Phase 2 of the project consists of construction of the resource recovery building and permanent facility offices. Additional funding is required for this project. Only after securing a funding source for the project would staff request approval from the Board to commence project design.

In general, the resource recovery facility would provide additional opportunities for the public to recycle material at the Neal Road Recycling and Waste Facility and allow staff to recover recyclable materials from co-mingled loads. It is anticipated that the State will place additional diversion requirements on local government in the future and this facility would provide an opportunity for the County to meet a potentially higher mandated threshold of diversion. With an opportunity to increase diversion of materials, less landfill capacity is consumed, resulting in a longer life for the landfill.

Like many of the proposed large facility projects, funding is an issue.

Timing: TBD

Cost: TBD

Source of Funding: Undetermined, increased annual revenue is needed to fund project.

4) Develop Waste Cell Module 5 – Module 5 will need to be designed, bid and construction started in approximately 4 years to provide additional disposal capacity once Module 4 reaches its designed interim capacity. This project will start with excavation followed by liner installation and take approximately 2 years to complete. Project timing will be concurrent with decommissioning the septage ponds discussed in the item Longer Term - #1 above.

Timing: 4 – 6 years

Cost: Approximately \$4.5 million

Source of Funding: increased revenue will be required for this project, either to accrue funds for the project, or to satisfy repayment of a financing mechanism similar to the COP used to fund earlier waste cell development.