

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **JULY 22, 2008**

From:  **JAMES DURFEE / WILL DICKINSON**

Subject: **FUNDING OF SOLID WASTE SERVICES IN EASTERN PLACER COUNTY**

ACTION REQUESTED / RECOMMENDATION: No action requested. This item is presented for informational purposes only.

BACKGROUND: During a discussion regarding garbage collection service fees at your June 10th meeting, your Board requested information regarding funding of solid waste operations in eastern Placer County. In particular, your Board wished to better understand the relationship between funding of solid waste management programs and the biomass and fuel reduction programs. This presentation is intended to fulfill that request.

There are two County budget units utilized to support solid waste operations in eastern Placer County: Eastern Regional Landfill ("ERL") and Solid Waste Management ("SWM").

The ERL budget is funded primarily through the County's share of the tipping fees charged at the Eastern Regional Materials Recovery Facility (ERMRF). For FY 2007/08, the ERL budget will receive approximately \$1.5 million in revenue from ERMRF tipping fees. These revenues are used to monitor and maintain the closed Eastern Regional Landfill, administer the Eastern Regional MRF operations contract, and repay bonds issued to finance the closure of the Landfill. In addition, the County is contributing a portion of the tipping fee revenue to reserves for the future purchase of buildings and equipment owned by Tahoe Truckee Disposal. The County must raise approximately \$9.4 million by 2015 for this purchase. To date, the County has \$7.0 million of that amount in reserves.

The SWM budget is funded through franchise fees, which are a component of the cost for garbage collection. The County collects an 8% Franchise Fee in Areas 1 and 4 (service provided by Auburn Placer Disposal Service), and a 5% Franchise Fee in Areas 2 and 3 (service provided by Tahoe Truckee Disposal). In FY 2007/08 the SWM budget expects to receive approximately \$1.4 million in revenue from franchise fees. These revenues are used to monitor and maintain closed landfills in Foresthill, Meadow Vista and Loomis, administer the two collection service contracts, and support education and public outreach programs.

While the County Budgets related to solid waste programs do not directly contribute to biomass or fuel reduction programs, our solid waste handling contracts do provide services directly related to these two programs. Specifically, Tahoe Truckee Disposal provides a special debris box service for chipped wood wastes. They also provide a reduced tipping fee at the ERMRF for source separated wood. Much of the wood waste that they collect is transported to a biomass facility for use as fuel. TTD is responsible for marketing wood and other recyclable materials, and retain 100% of any revenue from the sale of these materials. This revenue is used to offset a portion of their processing and marketing costs.

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