

Solid Waste Management Enterprise Funds - Consolidated

DESCRIPTION OF MAJOR SERVICES

Operations Fund is responsible for the operation and management of the County's solid waste disposal system, which consists of six regional landfills, nine transfer stations, and thirty-three closed landfills or disposal sites. The Solid Waste Management Division also administers the County's solid waste franchise program which authorizes and regulates trash collection by private haulers in the County unincorporated area, and state mandated waste diversion and recycling programs. This is the only fund that has staffing associated with it.

Budget at a Glance

Requirements Less Reimbursements*	\$89,707,923
Sources/Reimbursements	\$81,314,776
Net Budget	(\$8,393,147)
Estimated Unrestricted Net Assets	(\$80,513,062)
Use of Unrestricted Net Assets	\$8,393,147
Total Staff	82
*Includes Contingencies	

Note: While the Solid Waste Management Division has approximately \$109 million in short-term assets such as cash that is used to support the operations of the system, the Division is estimating its Unrestricted Net Assets to be in deficit by \$80.5 million at June 30, 2014 due to the inclusion of approximately \$192.8 million of long term landfill liabilities for pollution remediation obligations, future closure construction, and post-closure maintenance. These liabilities do not come due within the current year budget and represent future costs that will be funded with future revenue. For 2014-15, the Division will be using approximately \$8.4 million of its short term assets to balance the budget.

Site Closure and Maintenance Fund provides for the closure of landfills and for post-closure maintenance (e.g. fencing, storm damage, soil erosion, but excluding landfill gas and groundwater monitoring) required by Titles 14 and 27 of the California Code of Regulations. This budget unit accounts for the requirements and sources related to the planning, design, permitting, construction, and maintenance activities required for closure and post-closure maintenance of County landfills.

Site Enhancement, Expansion and Acquisition Fund provides for the construction of landfills and transfer stations, purchase of land, construction of ancillary facilities, and site enhancements, all of which are directly related to the increase of waste capacity. This budget unit accounts for the requirements and sources related to the planning, permitting, design, and construction activities required for the expansion and/or enhancement of County landfill and transfer station operations.

Environmental Fund provides environmental mitigation and monitoring activities (e.g., landfill gas systems operation, maintenance and monitoring, groundwater monitoring and remediation) at disposal sites and active and closed landfill sites for the health and safety of the public. This budget unit accounts for the requirements and sources related to these environmental mitigation/monitoring activities, and habitat mitigation.

Environmental Mitigation Fund (EMF) was established to provide separate accountability of that portion of the tipping fee designated as a resource for addressing solid waste facilities impacts on local communities. On July 10, 2001, the Board of Supervisors (Board) approved an Environmental Mitigation Fund Use Policy. In accordance with this policy, projects or programs must reduce, avoid, or otherwise mitigate impacts arising from the operations and management of a County owned landfill or transfer station to be eligible for use of EMF monies. Current programs funded through EMF monies are the Household Hazardous Waste Program in unincorporated County communities, ongoing since 1993; and the Host Cities Program. Sources collected in this fund are also used to make contractual payments to the seven host cities with a County landfill or transfer station within its boundary or sphere of influence. On March 30, 2004, the Board approved an amended EMF Use Policy that revised the eligibility criteria to include the County's portion of costs associated with debris cleanup in the aftermath of a locally declared disaster. Also, as of 2008-09 and forward, all uncovered load fees are transferred into this fund and used to finance the fund's activities.

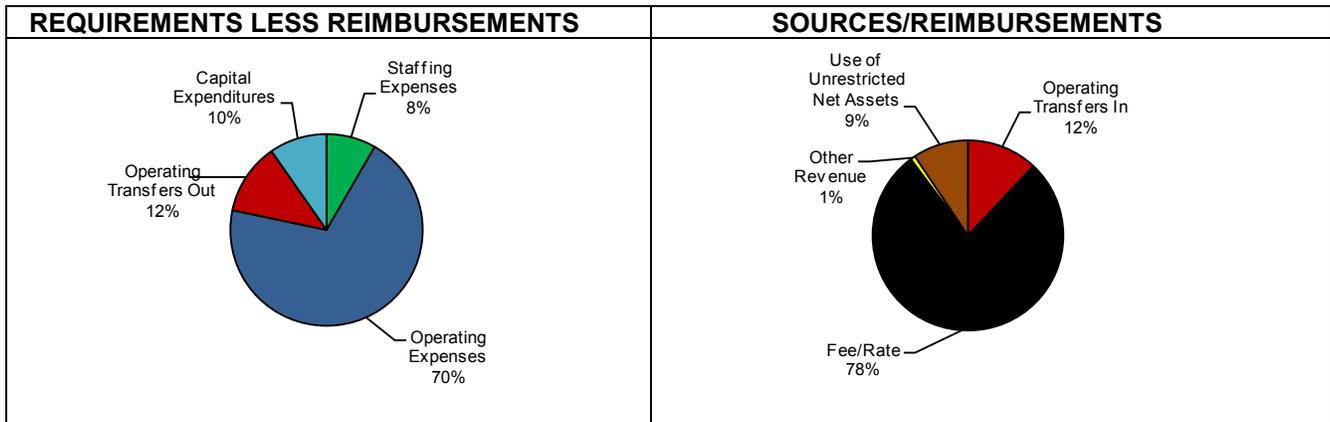
Closure and Post-Closure Maintenance Fund provides for the funding of landfill closure construction for those facilities that fall within the regulatory requirements of landfill facilities that were still actively receiving waste as of 1989. Deposits are made to this budget unit from the Solid Waste Operations budget unit, as needed, to provide proper funding, based upon the amount of waste deposited into the landfills each year. No expenditures are booked to this budget unit, only operating transfers out to the Site Closure and Maintenance budget unit and



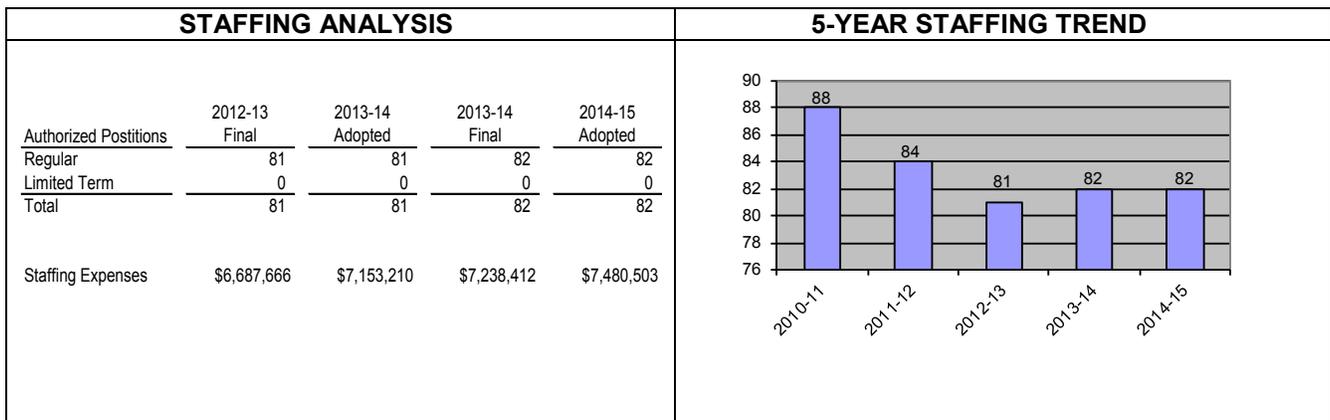
operating transfers in for financial assurance deposits, when required. Operating transfers out to the Site Closure and Maintenance budget unit can only be done when Solid Waste Management Division receives written approval from CalRecycle for the release of funds.

Solid Waste Management Earned Leave Fund provides for the funding of employee compensated absences which are the accumulated vacation, holiday benefits, sick pay, and compensatory time recorded as an expense and non-current liability as benefits are earned. In the event of retirement or termination, an employee is paid 100% of accumulated vacation, holiday and compensatory time. This fund was newly created in 2011-12.

2014-15 ADOPTED BUDGET



BUDGETED STAFFING



ANALYSIS OF 2014-15 ADOPTED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Public Works - Solid Waste Management
 FUND: Solid Waste Enterprise Funds Consolidated

BUDGET UNIT: Various
 FUNCTION: Health and Sanitation
 ACTIVITY: Sanitation

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2013-14 Final Budget	2014-15 Adopted Budget	Change From 2013-14 Final Budget
Requirements							
Staffing Expenses	6,973,106	6,779,486	6,486,789	6,989,496	7,238,412	7,480,503	242,091
Operating Expenses	54,488,633	49,429,697	85,597,992	50,256,405	56,935,468	62,772,402	5,836,934
Capital Expenditures	1,565,790	6,957,075	1,079,216	4,678,879	8,135,536	8,697,964	562,428
Contingencies	0	0	0	0	50,000	0	(50,000)
Total Exp Authority	63,027,529	63,166,258	93,163,997	61,924,780	72,359,416	78,950,869	6,591,453
Reimbursements	0	(1,822)	(43,474)	(69,931)	(48,700)	(81,000)	(32,300)
Total Appropriation	63,027,529	63,164,436	93,120,523	61,854,849	72,310,716	78,869,869	6,559,153
Operating Transfers Out	15,200,656	6,993,468	34,002,942	10,467,120	17,950,000	10,757,054	(7,192,946)
Total Requirements	78,228,185	70,157,904	127,123,465	72,321,969	90,260,716	89,626,923	(633,793)
Sources							
Taxes	171,276	187,231	220,863	247,413	230,000	239,000	9,000
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	32,530	928,264	1,750,845	671,436	70,000	(157,125)	(227,125)
Fee/Rate	57,011,260	55,248,472	57,782,418	59,544,160	65,688,387	69,636,747	3,948,360
Other Revenue	1,666,896	1,270,846	2,419,018	8,280,920	4,971,197	758,100	(4,213,097)
Total Revenue	58,881,962	57,634,813	62,173,144	68,743,929	70,959,584	70,476,722	(482,862)
Operating Transfers In	15,200,656	6,794,391	32,003,142	10,550,000	17,950,000	10,757,054	(7,192,946)
Total Sources	74,082,618	64,429,204	94,176,286	79,293,929	88,909,584	81,233,776	(7,675,808)
Net Budget*	(4,145,567)	(5,728,700)	(32,947,179)	6,971,960	(1,351,132)	(8,393,147)	(7,042,015)
				Budgeted Staffing	82	82	0

*Net Budget reflects Total Sources less Total Requirements for Internal Service and Enterprise funds. When Net Budget is negative, it means that the department will be using assets that have been carried over from the prior year.

DETAIL OF 2014-15 ADOPTED BUDGET

	2014-15			
	Requirements	Sources	Net Budget	Staffing
Enterprise Funds				
Operations Fund (Fund EAA)	61,033,728	60,122,498	(911,230)	82
Site Closure and Maintenance Fund (Fund EAB)	3,391,000	618,580	(2,772,420)	0
Site Enhancement, Expansion & Acquisition Fund (Fund EAC)	6,845,390	3,469,532	(3,375,858)	0
Environmental Fund (Fund EAL)	11,791,805	9,760,084	(2,031,721)	0
Environmental Mitigation Fund (Fund EWD)	6,565,000	7,212,482	647,482	0
Closure and Post-Closure Maintenance Fund (fund EAN)	0	0	0	0
Earned Leave Fund (Fund IDA)	0	50,600	50,600	0
Total Enterprise Funds	89,626,923	81,233,776	(8,393,147)	82

Operations Fund has requirements of \$61.0 million for operation of the County's solid waste disposal system, which primarily includes: \$7.5 million of staffing expenses that fund 82 budgeted positions; operating expenses of \$43.1 million which primarily consists of services and supplies of \$38.8 million, including the landfill operations contracts and other professional services needed to maintain the County's disposal sites, transfers of \$410,416, central services of \$323,002, and other charges of \$3.5 million which includes \$2.1 million for payments to the Board of Equalization based on a per ton of landfill waste and \$1.3 million set aside for potential legal settlements; \$3.1 million for capital expenditures; reimbursements of \$81,000 from other departments; and \$7.5 million in operating transfers out to the Environmental Fund for operations, maintenance and monitoring of landfill environmental control systems. Sources of \$60.1 million includes funds generated from landfill gate fees, special land use assessments, solid waste franchise fees, royalty agreements, land leases, interest earned on fund balance, and a small state grant for beverage container recycling education and outreach program.



Sources received in this budget unit also fund the activities of other solid waste budget units and is reflected as operating transfers out.

Site Closure and Maintenance Fund includes requirements of \$3.4 million for partial final closure of the Mid-Valley Landfill Unit 1's south and west slopes. Sources of \$618,580 include allocated special assessments, landfill gate fees that support closure activities, and interest earnings.

Site Enhancement, Expansion and Acquisition Fund includes requirements of \$6.8 million of which \$2.4 million is for the Mid-Valley Unit 3 Liner project, \$400,000 for Barstow Perimeter Fencing, \$700,000 for San Timoteo lateral expansion project, and \$3.3 million in operating transfers out to the Environmental Fund for capital projects and annual maintenance/monitoring of existing landfill gas, air, and groundwater systems. Sources of \$3.5 million are from allocated landfill gate fees that support expansion activities and interest earnings.

Environmental Fund includes requirements of \$11.8 million for the following list of projects related to the construction, operation, maintenance, and monitoring (OM&M) of environmental control systems to protect groundwater, air, soil and habitat mitigation per Title 5 and Title 27 regulations:

- \$4.0 million - Countywide - Landfill Gas Extraction System OM&M
- \$2.4 million - Countywide - Water Quality Response Program OM&M
- \$847,000 - Barstow Landfill – Landfill Gas Extraction System
- \$400,000 - Big Bear Landfill - Landfill Gas Extraction System
- \$154,057 - Heaps Peak Disposal Site - Leachate Treatment System OM&M
- \$1.5 million - Heaps Peak Disposal Site - East Slope Stabilization/Southern Rubber Boa Habitat Mitigation
- \$250,000 – Lenwood-Hinkley – Bioenhancement Pilot Study
- \$1.0 million - Mid-Valley Landfill – Perchlorate – Groundwater Monitoring and Reporting
- \$434,000 - Mid-Valley Landfill – Water Replacement Order Implementation Agreement and Standby Water Rights
- \$132,037 – Mid-Valley Landfill – Corrective Action Plan - Groundwater Routine OM&M
- \$5,464 - Milliken Landfill - Easement Agreements – Edison
- \$541,000 - Yucaipa Disposal Site - Groundwater Treatment System
- \$125,203 – Tools, Equipment, Utilities, General Equipment Maintenance

Sources of \$9.8 million consist primarily of operating transfers in from the Operations Fund of \$7.4 million and allocated landfill gate fees of \$2.4 million.

Environmental Mitigation Fund includes requirements of \$6.6 million for that portion of the tipping fee designated as a resource for addressing solid waste facilities impacts on local communities as payments to seven host cities with a landfill or transfer station in their sphere of influence or within incorporated city limits. Sources of \$7.2 million are from allocated special assessments and landfill gate fees.

Closure and Post-Closure Maintenance Fund is not expected to have any required Financial Assurance activity for the period 2014-15.

Solid Waste Management - Earned Leave Fund has sources of \$50,600, of which \$600 represents interest earned and \$50,000 that represents an operating transfer in from the Operations Fund for approximately one-twentieth of the unfunded liability of employees' earned leave balances.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are decreasing by \$633,793. Significant changes include a net increase in operating expenses of \$5.8 million, primarily due to an increase of \$2.3 million for Contractor related costs of operating the County Landfills, including additional import tonnage required by contract, and \$2.2 million increase in professional services for new capital improvement projects; and various repairs and maintenance at County disposal sites,



utilities, and computer software and hardware purchases, and a net increase in capital improvements of \$562,428. These increases were offset by a decrease in operating transfers in of \$7.2 million since the Environmental Mitigation Fund has sufficient operating cash.

Sources are decreasing by \$7.7 million, primarily due to a decrease in operating transfers in of \$7.2 million; and a net decrease of \$482,862 in total revenue from an increase of \$3.9 million in gate fees, primarily due to increased import tonnage, offset by a net decrease of \$4.4 million in residual equity transfers in, interest earnings, FEMA revenue, and litigation settlement revenue.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing expenses of \$7.5 million fund 82 budgeted regular positions. The reclassification of one Staff Analyst I to a Staff Analyst II is included in the budget due to higher level budget and fee analysis work now required of departments.

2014-15 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Administration	6	0	6	6	0	0	6
Special Projects	5	0	5	5	0	0	5
Operations and Scales	37	0	37	34	3	0	37
Engineering	19	0	19	18	1	0	19
Administrative Services	12	0	12	11	1	0	12
Information Technology Services	3	0	3	2	1	0	3
Total	82	0	82	76	6	0	82

Administration		Special Projects		Operations and Scales	
Classification		Classification		Classification	
1	Chief Public Works Engineer	1	Solid Waste Program Administrator	1	Public Works Operations Supt.
1	Solid Waste Analyst	1	Staff Analyst II	1	Public Works Operations Supvr.
1	Staff Aide	1	Recycling Specialist	1	Maintenance & Const. Supervisor I
1	Secretary II	1	Secretary I	4	Landfill Operations Inspector
2	Office Assistant III	1	Office Assistant II	1	Engineering Technician III
6	Total	5	Total	1	Scale Operations Supervisor II
				2	Scale Operations Supervisor I
				25	Scale Operator
				1	Fiscal Assistant
				37	Total
Engineering		Administrative Services		Information Technology Services	
Classification		Classification		Classification	
1	Public Works Engineer IV	1	Administrative Supervisor II	1	Automated Systems Analyst II
3	Public Works Engineer III	1	Accountant III	1	Automated Systems Analyst I
4	Public Works Engineer II	2	Accountant II	1	Automated Systems Technician
1	Engineering Tech V	2	Staff Analyst II	3	Total
4	Engineering Tech IV	1	Supervising Accounting Tech.		
3	Engineering Tech III	5	Fiscal Assistant		
1	Engineering Tech II	12	Total		
1	Staff Analyst I				
1	Secretary I				
19	Total				

