
MEMORANDUM

DATE: April 29, 2005

TO: City Council Members

FROM: Sylvia Jones

SUBJECT: Response to Council Members' questions regarding the Salt Lake Valley Solid Waste Management Facility

CC: Rocky Fluhart, Rick Graham

Council Members,

As a follow up to the last quarterly update from the Salt Lake Valley Solid Waste Management Facility, the Council raised a number of questions and requested a briefing from Landfill Management.

The Administration has provided the attached transmittal in response to Council Members' questions, and the briefing is scheduled for the May 3rd Work Session. Landfill Management will attend the Work Session in order to respond to any additional questions. (Please note that Council staff has also attached the Landfill's statistical report and major goals update for the quarter ending March 31, 2005.)

Council Members may wish to ask Landfill Management to consider the following questions:

1. Given the potential reduction in landfill waste of 30-40%, has Landfill Management estimated the annual decrease in revenue?
2. Is it likely that the Landfill will be able to maintain operations with reduced revenue flows? For how long?
3. How many full time positions would be lost under this scenario?
4. How much of the Landfill's fund balance of \$41.5 million is currently earmarked for equipment replacement, environmental liability, personal injury, property insurance, closure and postclosure reserves, restoration and end use, and future facility/property acquisitions (as mentioned in question #14 in the attachment)?

COUNCIL TRANSMITTAL

TO: Rocky J. Fluhart
Chief Administrative Officer

DATE: April 26, 2005

FROM: Rick Graham, Director *RJG*
Public Services Department

SUBJECT: Briefing Report and response to City Council Landfill operation questions.
(This report is to replace a similar report dated April 13, 2005)

STAFF CONTACT: Romney Stewart, Executive Director SLWSWMF
974-6920
Stewart Palmer, Finance Officer SLWSMF
974-6920

DOCUMENT TYPE: Briefing paper.

RECOMMENDATION: No action required.

BUDGET IMPACT: None

BACKGROUND/DISCUSSION: Salt Lake City and Salt Lake County are co-owners, under an Interlocal Agreement, of the Salt Lake Valley Solid Waste Management Facility (SLSWMF). The City Council asked the Landfill managers to provide a written response to a series of questions it has relative to the Landfill operation. Attached, is the response as prepared by the Landfill management team. The City Council originally scheduled a briefing for April 19, 2005, but delayed it until Tuesday, May 3, 2005 so that it could receive a response for an addition set of questions.

PUBLIC PROCESS: No process required.

1. Pros and cons of potential reduction in waste of 30-40% to the landfill

a. Pros

1. Extends life of landfill an additional 8-10 years beyond the current life expectancy of 23 years.*
2. Delay of major capital projects, including module construction
3. Reduction in equipment usage/purchases

b. Cons

1. Loss of operating revenue to landfill
2. Reduction of owners dividends to SLCity and SLCounty
3. Loss of jobs. We are keeping full time positions vacant and filling with temporary employees.
4. Possible reduction in other services to the residents – compost, HHW, citizens unloading facility, recycling education.
5. Reduction of future methane gas sales

***NOTE:** The Updated Landfill Master Plan has changed the design of the slope, height, and footprint that will increase the capacity an additional 13 years.

2. Budgets and running an efficient operation

- a. No fee increase since 1997
- b. Flat budgets have been submitted the past 3 years through the City and County process
- c. Honored hiring freezes as imposed/requested
- d. Internal performance audits are performed as well as the outside independent annual financial audit
- e. Use of temporary employees as well as SOS to meet seasonal fluctuations in business and to help minimize overtime
- f. Provide a safe operation for citizens, customers and employees
- g. Open 6 days a week, 11 hours per day
- h. Provide other services, 102,000 citizens per year, compost, HHW, recycling (tours and presentations)
- i. Diverted tons used beneficially

1) Clean fill	138,000 tons
2) Soil amendment project	50,000 tons
3) Yard waste (clean green)	32,000 tons
4) Salvage (metal, cardboard, batteries, carpet pad)	3,000 tons

3. With approval of two landfills in Tooele (BFI and Ace/Metro), what does the Landfill management recommend?

- a. Landfill management recommends retaining waste flow from SLCity and SLCounty to maintain a viable operation for many years.

- b. Continue to operate in environmentally beneficial ways and provide current level of services in a cost effective manner.
 - c. Cost reductions as appropriate to adjust to changes/reductions in waste flow stream.
 - d. Look at long-term need to acquire additional land adjoining the landfill.
4. How much of landfill budget are fixed and variable costs?
- a. Fixed costs are \$5.4 million or 33% of the total budget of \$16.3 million
 - b. Variable costs are \$10.9 million
 - 1. Labor (equipment operators, traffic controllers, inspectors, scalehouse operators)
 - 2. Equipment and Operations (fuel, maintenance)
5. If the Landfill loses 30% of waste flow and revenue, what is the plan and are there attrition opportunities?
- a. Given there is a limited amount of waste in the SLValley, it is best to retain a good portion of the waste flow to maintain current levels of service.
 - b. Look to provide additional services – citizens at transfer station, recycling opportunities.
 - c. Interlocal cooperative agreements with Trans-Jordan, Weber County and North Point in Utah County.
 - d. The plan is to reduce costs in proportion to the loss in waste stream revenues.
 - e. Employee reduction – some have/will retire, others have found other employment; filling vacancies with temporary/SOS – no new hires.
 - f. Evaluate cash flow and cash balances with long-term legal obligations (closure/postclosure, environmental, end use...)
6. With recent legislation were Landfill tipping fees or regulatory fees increased?
- a. We have not increased tipping fees since 1997.
 - b. There was legislation (HB246) to increase regulatory fees, which failed.
7. Rick Graham is the only City Representative on the Landfill Council.
- a. Per Interlocal Agreement, SLCity, as a ‘governing body can review, ratify, modify, or veto any action submitted by the Solid Waste Council’
 - b. Per the Interlocal Agreement, the Landfill Council is comprised of:
 - 1. SLCity Mayor or designee (co-owner)
 - 2. SLCounty Mayor or designee (co-owner)
 - 3. SLValley Health Department
 - 4. COG – Currently West Valley City
 - 5. Professional – Professor from Utah State University

8. What are the costs associated with building a new module?

The construction of a new module (approximately 30-40 acres) involves:

- a. The excavation, dewatering of the base and handling of soils.
- b. The placement of geosynthetic clay liner ((GCL) and a 60-mil high-density polyethylene (HDPE) low-permeability composite liner (EPA designated protective liner);
- c. The installation of a leachate collection and removal system of perforated piping and drain rock.
- d. The cost of the last module construction in 2003 was \$4.5 million.
- e. After construction of the module and as a module is filled, a methane gas collection system is installed as required by DAQ and EPA.

9. How soon will the Landfill need another module?

It is anticipated the next module (#8) will begin construction in 6-8 years.

10. Has the Landfill 'maxed-out' the number of modules in that location?

- a. No, future construction of modules 8, 9, 10, and 11 will all be on the present landfill footprint.
- b. Some of the present services and operations will be relocated to the 90 acres on the east side of the landfill. The compost operation, citizens unloading facility and the soils regeneration operation will all be relocated for the future construction of modules.
- c. Kennecott Copper Corporation has told Landfill management that it has a 'first right of refusal' to purchase 130 acres of property adjacent to the landfill from additional module construction.

11. What are the costs associated with capping modules?

The operating permit from DEQ of the State of Utah requires:

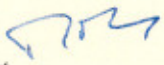
- a. A final cover of 30" of soil cover.
- b. A HDPE liner with a geonet cover (as required by EPA).
- c. A 12" layer of topsoil.
- d. Revegetation of the area.
- e. A drainage system to ensure compliance with the operating permit.
- f. The final capping costs are estimated to be similar to module construction costs.

12. What are the Landfill's future needs?
 - a. Retain a 60-70% of the current waste stream flow to ensure continued service to the residents at an economy of scale.
 - b. Maintain ownership and operation of the Transfer Station
 - c. Convert the transfer station to a truck haul facility by acquisition of transfer trailer trucks.


13. What is the current fund balance and what are the plans for the funds?
 - a. As of 12/31/2004, the balance of the combined funds is \$41.5 million. On-going evaluations are made of the fund balance to meet the changing needs of the landfill and transfer station operations.
 - b. The separate funds meet ongoing and future needs of the landfill and for compliance with State and EPA regulatory requirements.
 - c. Designated funds were established in the early 1990's for equipment replacement, environmental liability, personal injury and property insurance, closure and postclosure reserves, restoration and end use and for future facility/property acquisitions.

14. What percentage of the Landfill's garbage comes from businesses and contracts outside of Salt Lake County?
 - a. None. In 1992 Salt Lake County adopted a Geographical Limitation Ordinance to limit the waste coming from Summit, Davis and other counties.
 - b. Management recommends consideration be given to exceptions to the geographic limitation ordinance for waste flow necessary for economies of scale.

COUNCIL TRANSMITTAL

TO: Rocky J. Fluhart 
Chief Administrative Officer

Date: April 27, 2005

FROM: Rick Graham, Director 
Public Services Department

SUBJECT: Salt Lake Valley Solid Waste Management Facility Quarterly Statistical Report and Major Goals Update

STAFF CONTACT: Romney Stewart, Executive Director 974-6920
Stewart Palmer, Finance Officer 974-6920

DOCUMENT TYPE: Information Only

RECOMMENDATION: No action to be taken.

BUDGET IMPACT: None

BACKGROUND/DISCUSSION: Each quarter of the calendar year the Landfill prepares a statistical summary report on landfill daily operations and a report updating progress made toward accomplishing the major goals and objectives set by Landfill Council. The attached statistical report and goal update was presented to the Landfill Council on April 19, 2005. These reports are submitted to the City Council for informational purposes only, and to keep it up to date on landfill operation activities. If the Council has specific questions relating to the material the landfill managers will gladly respond.

PUBLIC PROCESS: None required.

SALT LAKE VALLEY SOLID WASTE MANAGEMENT FACILITY
Statistical Summary
1st Quarter – January through March 2005

WASTE VOLUMES

	<u>2004</u>	<u>2005</u>	<u>Variance</u>
Tonnage Crossing Scales	232,647	204,414	- 28,233
Landfilled MSW Tons	135,697	132,993	- 2,704
Transfer Station MSW Tons	+30,022	+29,853	- 169
 Total Landfill and Transfer Station MSW Tons	165,719	162,846	- 2,873
Clean Fill Tons	28,621	6,539	- 22,082
Other Diverted Tonnage	38,308	35,209	- 3,099
Citizen Loads	19,376	16,381	- 2,995

Other diverted tonnage is material crossing the scales that is not landfilled in a cell but is used beneficially either on or offsite. It includes auto fluff, E.T. waste, yardwaste, broken concrete, metals, carpet pad, batteries and cardboard.

There was a 2% decrease in the amount of MSW landfilled. The decrease in the number of clean fill and citizen loads is related to the wet weather in January and March 2005.

REVENUES

Landfill Fee Payments received: \$3,158,071 or 22.1% of the 2005 budget. Historically, the 1st quarter revenues average 22% of the annual budget. Salvage sale revenue is 34% higher than 2004 and compost sale revenue is 43% higher than the 1st quarter of 2004.

**SALT LAKE VALLEY SOLID WASTE MANAGEMENT FACILITY
MAJOR GOALS AND PROGRAMS FOR 2005**

1ST QUARTER UPDATE

Institutional and Administrative:

- 1. Staff shall monthly assess market related waste trends and their potential impact on the Long Term Strategic Plan. Steps will be initiated to adjust expenditures based on incoming tonnage revenue. The Council shall quarterly evaluate organizational structure and program budget categories to ensure that we are in line with market conditions.**
Waste volumes during the first three months are very consistent with previous years except for clean fill that is not charged a fee.
- 2. Updating the Salt Lake Valley Landfill Master Plan will enable us to professionally renew our DEQ permit in March 2005, ensure ongoing regulatory compliance, maximize landfill life capacity, follow the preferable sequence for module excavation and landfilling, and phase the development of a beneficial end use plan. The master plan will provide a valuable data base to determine the impact of increasing/decreasing the amount of tonnage landfilled or exported through the transfer station.**
The updated master plan has been submitted to DEQ for their review and the contract with EMCON/OWT has been extended to address some additional items. Three preliminary alternative landfill end use plans have been submitted to us and they have been forwarded to Salt Lake City and Salt Lake County Parks for their input.
- 3. Re-evaluate our designated reserve funds. Review fund objectives, cap amounts, and annual contribution amounts based on projected tonnage inflow and the updated landfill master plan. Consider fund adjustments if there is substantial loss of commercial waste at the Salt Lake Valley Landfill and the use of fund resources to purchase additional property to extend life of the landfill.** The funding amounts required for the Closure and Post-Closure reserve funds are going up substantially. There has been extensive review and lengthy discussions about the designated reserve funds. We should allow the market to stabilize before commitments are made to reduce and/or reallocate reserve funds in behalf of Salt Lake City and Salt Lake County.

4. **To retain our customer base and waste flow at a preferable level for Salt Lake City and Salt Lake County consider measures such as reducing & adjusting tipping fees, entering into contracts with commercial haulers, and/or modifying the Geographical Limitation Ordinance.** The Metro/Ace transfer station is still under construction. Our tipping fees should be evaluated and adjusted if necessary when this facility opens up in a month or two.

5. **Continually assess the future impact of anticipated decreases in tonnage to be landfilled, calculate the financial impacts of revenues and expenditures, determine the pros and cons of various options and then determine the next step to take in order to keep our landfill a viable disposal operation.** Numerous scenarios and options have been prepared, presented, and discussed. A decision has yet to be made.

Environmental, Technical & Construction Services:

1. **Ensure compliance with the updated Landfill Master Plan as tonnages change due to the export or loss of incoming waste to newly developed regional landfills.** The updated Landfill Master Plan is still in the process of being completed. The landfill permit renewal has been submitted to DEQ with the necessary changes to ensure permit compliance to the master plan.

2. **Jointly work with DTE Energy Biomass in a cooperative and aggressive manner to accommodate installing the reciprocating engines in a timely manner and to consistently maximize the collection and sale of our landfill methane gas.** We have successfully worked with DTE to amend our contract for electricity instead of direct methane gas usage.

3. **Monitor closely the soils regeneration contractor's ongoing odor reduction and relocation efforts so that inbound waste assessment, soil processing, and soil amendment delivery arrangements are mutually beneficial.** E.T. Technologies, the soils regeneration site contractor, has been successful in reducing odors from their operation. The regenerated topsoil and revenue from their operation is beneficial to the landfill.

4. **Insure the proper design and timely completion of capital improvement and maintenance projects especially the installation of perforated methane gas lines in Module 6.** The capital improvement and maintenance projects are in the designing stage. The projects are on-track for completion this year with the exception of the rail extension at the transfer station.
5. **Obtain the necessary permits for the continued operation of the Salt Lake Valley Landfill and the Salt Lake Valley Transfer Station.** All permits for the operation of the landfill and transfer station are current. Re-application for the permits are made prior to the expiration dates.
6. **Evaluate more efficient and environmental beneficial methods for leachate treatment, storage, and disposal. Determine the pros & cons of each.** Recommendations for different methods of leachate processing will be included in the updated master plan.
7. **Complete a written preventative maintenance plan for the Solid Waste Facilities. Finalize and implement the maintenance plan for the remaining facility equipment.** Additional work on the preventative maintenance plan will continue next quarter.

Operations:

1. **Continue to landfill in Module 7 to complete the bottom layer and then start a second layer on Module 7. Stockpile all gravel products on Modules 3,4,& 5.** The bottom layer on Module 7 is completed and we are now working on the second layer. Incoming gravel products are being stockpiled on Modules 3,4,&5.
2. **Maintain a good driving surface at the tipping face for customers, keep the incoming roads at the landfill in good visual appearance, and insure proper drainage throughout the year.** An on-going process.
3. **Increase the recycling tonnage recovered from the landfill tipping face, citizen unloading station, and the transfer station over the amount in 2004. Evaluate new recycling opportunities and continually have premium compost available for sale.** At the end of the first quarter steel recycling is down 15% from last year because the price for metals is high and fewer citizens are brings metal to the landfill. The recycling of electronics is increasing. There is a very large inventory of compost available.

4. **Continue to work closely with Salt Lake City, Salt Lake County, and West Valley City's residential bulky waste and weekly collection services.** Bulky waste collection begins in May and we are weekly coordinating with local governments doing residential collection.

5. **Purchase all budgeted operational equipment in a timely manner and consistently conduct preventative maintenance on all equipment.** All budgeted items are in the bidding process and preventative maintenance is going well.

6. **Continue to maintain a good neighborly working relationship with landfill (Brashers Auto & Legacy Subdivision) and transfer station neighbors (Quikrete, Golf in the Round, and Central Valley Water Reclamation).** Quikrete is reviewing a license agreement for use of the transfer station road to access their work site.

7. **Keep the landfill office area and the transfer station free of weeds and litter. Also add new garden grade mulch to landscaped areas and keep the interior of the transfer station building clean.** Litter collection is being done daily. The weeds are a spring, summer, and fall project.

8. **Assess the value and cost of a GPS system to track disposal locations and purchase an appropriate system to track disposal locations.** Staff has met with a vendor and is evaluating options. Hand held instruments have been purchased.

Public Information and Recycling Office:

- 1. Promote and market Solid Waste Facility services and products, HHW, compost, woodchips, recycling drop-off center, wildlife overlook to the public.** The 2005 Recycling Guide was distributed in the Salt Lake Tribune, Morning Deseret News and libraries throughout Salt Lake County. The guide provides information on recycling drop-off locations, green waste, and HHW. A new website has been created to be more interactive and give out more information on recycling services.
- 2. Improve and update the content of tours and presentation for groups and publicize the services and programs of the Recycling Information Office.** The education building has been updated with a new message and display. This quarter we have interacted with 1,865 students. Flyers were distributed to schools promoting recycling, waste reduction, tours and presentations.
- 3. Encourage and support valley-wide recycling activities, e.g. America Recycles Day, Christmas Tree Recycling, and Earth Day.** Plans are in the process for Earth Day on April 23rd.
- 4. Continue developing programs with local government entities and increase the frequency of events to reduce the amount of electronic waste e.g. computers, monitors, televisions, etc. coming to the landfill for disposal.** On January 9th we held a computer-recycling event in Salt Lake City; 167 items were collected including 21 TV's and 24 monitors. Electronic waste will now be collected at a designated location at the Landfill and Transfer Station free of charge to the public.
- 5. Educate businesses on the advantages of recycling and alternatives to disposing of recyclable materials in the landfill.** We distribute handouts with recycling options and a list of recycling companies to businesses who inquire about recycling and waste reduction.
- 6. Evaluate more efficient ways to save space in the landfill and implement new and updated recycling programs for the landfill, citizen unloading facility and break room.** Plans will be implemented in upcoming months.