

# **Board of County Commissioners**

## **Agenda Request**

Date of Meeting: March 15, 2010

Date Submitted: March 10, 2010

To: Wakulla County Board of County Commissioners

From: Benjamin H. Pingree, County Administrator  
Timothy P. Barden, Assistant County Administrator  
Cleve Fleming, Public Works Director

Subject: Request Board Approval of the Critical Events Schedule (CES) of the Special Assessment for Solid Waste

---

### **Statement of Issue:**

This agenda item requests Board approval of the Critical Events Schedule (CES) of the special assessment for Solid Waste (Attachment #1).

### **Background:**

During the spring of 2007, the County requested a review of solid waste management alternatives to address future growth, meet regulatory criteria and increase operational efficiencies and safety. A feasibility study was completed and presented to the Board in September 2007. There were four alternatives evaluated and presented in the feasibility study for Board consideration is listed as follows:

1. Alternative 1 – No Change to Existing Operations
2. Alternative 2 – Modifications to Existing Transfer Station
3. Alternative 3 – Use Leon County Transfer Station
4. Alternative 4 – Build a New Transfer Station

In November 2007, the Board selected Alternative 4 – Build a New Transfer Station. At this Board meeting, the Board was also presented the option of pursuing funding for this project through the United States Department of Agriculture Rural Development (USDA-RD) as there is a possibility of grant funding that may be available to the County. Jones Edmunds & Associates, Inc. was selected to support the County with this effort. Per the Board's direction, Jones Edmunds & Associates, Inc. prepared and submitted a Preliminary Engineering Report (PER) and Environmental Assessment to the USDA Rural Development –RD.

Operationally, all collection will continue to be performed at the Lower Bridge Landfill. Commercial and residential customers will be directed by staff to the appropriate disposal area. Waste will be collected on the tipping floor where it will receive basic compaction against the push walls before being machine loaded into the waiting transport trailer.

At the August 4, 2009 Board Meeting, the Board authorized the Chairman to execute the Letter of Intent to Meet Conditions to move forward with the transfer station (Attachment #2). In addition, on December 8, 2009, the Board signed Resolution #09-57, a statutorily required Resolution expressing the County's intent to include this special assessment on the tax bill. Subsequently, during the January 25, 2010 Board Meeting, the Board approved Change Order #1 to Jones Edmunds for the relocation of the Solid Waste Transfer Station within the existing Lower Bridge Landfill facility.

**Analysis:**

For the last three years the County has been moving forward with the designing and constructing of a new transfer station in order to be able to meet the long term solid waste disposal needs of the citizens of Wakulla County. The re-occurring maintenance and repair costs that occur on a daily basis due to the current deteriorating transfer station, limits the ability of the Solid Waste Fund to balance revenue over expenditures. To meet those needs, the Board has given staff direction, over the last three years, to move forward with the construction of a new transfer station to be funded from the USDA-RD program. An application was submitted to the USDA and the Board was successful in securing funding in the form of a loan with a grant component from the USDA-RD program.

In the grant application, it was the County's intent to fund this project through the implementation of a special assessment that will be collected annually on the tax bill. The attached Critical Events Schedule (CES) provides a timeline for moving forward with the special assessment to not only fund this project, but also offset the increasing operations and maintenance costs, as well as partially fund closure of the Class III landfill.

**Special Assessment**

The Board has been moving forward with this project with a special assessment as the basis of funding for this project. The initial special assessment, per the Preliminary Engineering Report (PER), prepared by the County's consultants, Jones Edmunds & Associates, called for a residential assessment of \$112 per year with a tipping fee of \$97 per year. The following are some of the cost items initially outlined in the PER that will be included for funding with the special assessment. The assessment was designed to not only fund the cost of the new transfer station, but to partially fund the closure of the Class III landfill as well as off-set operational costs that outpace revenue generated by current landfill operations.

***USDA Loan***

The loan component of the USDA-RD program will provide \$1,495,000 in funding for the construction of the transfer station. The proposed loan of \$1,495,000, at interest rate of 3.50% and a 38-year amortization period, produces an annual debt service of \$71,745. Since there is no pre-payment penalty for this loan, the County has the option to pay down this loan sooner than the 38-year schedule. Currently, staff and the consultants are working to draft an amortization schedule that will fall within the anticipated 20 year useful life of this project. In the PER submitted with our application to the USDA-RD,

the loan repayment was based on the implementation of a special assessment. Should the assessment not be in place to support the debt payments, the County would have to provide the USDA-RD another “dedicated” source of revenue for debt repayment. The only other source funding available to secure this loan funding for repayment is the General Fund. It should be noted that if the portion of the General Fund used to secure this loan is the ad valorem tax, this would require a referendum approved by the voters.

The USDA/RD grant was obtained based on the assumption that the residential assessment would be in place. If this revenue source were to be eliminated, the terms for the USDA grant may be violated. Further discussions are on-going with USDA to determine their opinion on this matter. Staff has been in contact with the USDA-RD and is awaiting their determination.

#### *Solid Waste Operations*

The Solid Waste Fund on an annual basis does not support operations. The cash collections at the landfill do not keep pace with the cost of operations and maintenance (O&M). Contributing factors to the increase costs experienced at the landfill are directly related to the transfer station. A large portion of the operational budget for the landfill is utilized for the repair and maintenance of the transfer station equipment. This includes the compactor, vehicles, as well as the cost of policing litter and leachate due to the lack of viable structure for containment.

In the last couple of years, the County has made great strides to increase efficiency and cash collections at the landfill as well as reduce disposal transportation costs by utilizing Leon County’s Landfill. However, prior to these improved efficiencies, there was deficit spending in this fund that required annual support from the General Fund. Currently, the fund still operates in a deficit, however, staff and the Clerk’s Office are working on a mechanism to reduce this deficit and stabilize the fund. Should the assessment not be imposed, one option to sure up this fund would be an annual General Fund subsidy to coincide with an increase in tipping fees and per bag rates over the current rates. Additionally, if the assessment is not imposed, an *annual* revenue source in the amount of approximately \$1,340,400 (2009 dollars) would need to be secured to support repayment of the USDA loan and partial closure costs of the Class III landfill.

#### *Class III Landfill Close-out*

The Lower Bridge Class III Landfill has not been accepting waste for several years. FDEP permit regulations, Section 62-701.600 Landfill Final Closure of the Florida Administrative Code (FAC), require that a landfill be closed within one year after waste is no longer collected. Closure of this landfill is well past this requirement.

The total cost of the landfill closure is \$950,000. Currently, Wakulla County has \$299,000 in escrow to fund this closure. The balance of the estimated closure costs was included as part of the special assessment in the PER. The County has also received warning letters from the Florida Department of Environmental Protection (FDEP) regarding its operation. This letter listed “failure to properly maintain leachate collection”

and “allowing litter to collect and blow off of the compactor floor”. It also listed four Florida Statutes that may have been or are being violated. At this time, these violations have been temporarily remedied, but FDEP is expecting a long term solution for the County to remain compliant.

#### *Solid Waste Grant*

Since as far back as 1988, the County has received solid waste grants from the Florida Legislature to fund operations at the landfill. Last year, the Legislature decreased the level of funding for this grant by 2/3 from \$262,000 to \$78,000. This is a significant decrease that added an additional burden on the Solid Waste Fund to support operations. It is anticipated that this funding will not be increased for the coming fiscal year and could be eliminated altogether. A decrease or elimination of this funding increases the strain on the revenue generated from landfill operations.

#### **Summary**

For the last 3 years the Board has been moving forward in the direction of construction of a transfer station to improve operations and be in compliance with Florida Statutes. The implementation of a special assessment has been the primary source of funding to achieve both of these objectives. The Critical Events Schedule (CES) outlines the process to implement the special assessment. The Board has approved a Resolution to include this assessment on the annual tax bill. The construction documents for the transfer station are near completion. It is anticipated that a contract for construction will be complete within the next 90 days. Staff recommends Board approval of the critical events schedule for the solid waste special assessment and seeks direction regarding any additional workshops or public input the Board deems appropriate.

#### **Options:**

1. Approve the Critical Events Schedule (CES) for Solid Waste Assessment.
2. Do not approve the Critical Events Schedule (CES) for Solid Waste Assessment.
3. Board Direction.

#### **Recommendation:**

Option #1

#### **Attachment(s):**

1. Critical Events Schedule for the Solid Waste Assessment
2. August 4, 2009 Agenda Item