

# Report prepared by Diversion Strategies

## Central Coast Transfer Station Project Review and Recommendations.

### Observations and Comments:

1. Solid Wastes of Willits, Inc. (SWOW) agrees with Diversion Strategies (Consultant) that the City of Fort Bragg and the County of Mendocino pursue, through a Request for Proposal (RFP) process, of adding transfer station operations to the collection contract for both the City of Fort Bragg and the County of Mendocino (unincorporated area surrounding the City of Fort Bragg only).
2. SWOW makes the following assumptions. (1) The County's Refuse Collection Area No. 1, the areas surrounding the City of Fort Bragg and the City of Ukiah would be split into two separate County Franchises and any RFP would include only the unincorporated area surrounding the City of Fort Bragg. The County would issue a separate RFP for the inland valley portion of the current Franchise area. (2) On the coast, there will continue to be two separate franchise areas. City of Fort Bragg and the coastal County unincorporated area surrounding Fort Bragg.
3. The privately developed and owned transfer station must ensure the same tipping fee adjusted annually and adjusted in the same way by both Franchise agreements.
4. Question: Is it assumed that the private transfer station would be built and operated with the intent of accepting both franchise collection and self-haul materials. This would then result in the closure of the Caspar Transfer Station.
5. Through an RFP process, there should be allowed three options: Option 1. Provide for the construction and operation of a private transfer station for commercial trucks, self-haulers; Option 2. Provide for the construction and operation of a private transfer for commercial trucks only, keep Caspar open for self-haulers; Option 3. Continue with the status quo, no new transfer station, provide improvements to Caspar for efficiencies and choose a curbside hauler who can best provide the long-term solution for disposal and diversion.
6. Question: If the amortization of the private transfer could be up to 15-25 years, will the collection contracts have the same terms.
7. The Option Agreement provided to the City of Fort Bragg for the use of the Willits Transfer Station will expire December 3, 2024 and the County's Option Agreement for the use of the Willits Transfer Station expires February 23, 2030.
8. Operation of the Caspar Transfer Station by SWOW expires June 30, 2022.
9. Question: How will the Ratepayer be protected from a spike in rates in the future, if the RFP process does not require the transfer station developer/curbside hauler to demonstrate holding long term disposal and diversion contracts that ensure price controls for as long as the term of the curbside contract?

### Corrections and Clarifications to Report

1. Page 7, Caspar Transfer Station, the area adjacent to the closed landfill is 16 acres whereas the transfer station operates approximately 6 acres of the 16-acre site.
2. Page 7, The Caspar Transfer Station is jointly owned by the City of Fort Bragg and the County of Mendocino, not by the County alone.
3. SWOW began operation of the Caspar Transfer Station in January 2011.

4. Page 7, Beginning June 1, 2020, SWOW took over the hauling of refuse and single-stream recyclable materials at the Caspar Transfer Station from Fort Bragg Disposal. The same materials are transported to the Willits Transfer Station (refuse) and the Willits Material Recovery Facility (recyclables). For the past several years, SWOW has transported green waste and scrap metal collected from self-haulers using 45' trailers. Green waste is transported to Cold Creek Compost and scrap metal to Sim's Metal in the Bay Area.
5. The evaluation described on Page 7 to upgrade the facility to be more efficient only applies to self-haul waste and recyclables customers and would not allow the unloading of commercial franchise waste or recyclables packer (route) trucks. With the upgrade, self-haul refuse and recyclable materials will be transported using trailers rather than 50 cubic yard debris boxes. This will minimize truck traffic from the site, will bypass the Willits Transfer Station for refuse where it will be direct hauled to Potrero Hills Landfill. Using efficient trailers, will reduced truck trips by 60%, reducing traffic to and from the Caspar site since the debris box trucks currently in use carry smaller loads.
6. Page 8 raises concerns for the double backing of vehicle miles. It should be noted that the Caspar Transfer Station also accepts waste/recyclables from self-haulers in areas south of the site including the Town of Mendocino and the surrounding area.
7. Page 8 raises concerns regarding access to the Caspar site from Highway 1 onto County Road 409. Again, it should be noted that SWOW has transported/operated 45' trailers servicing the site with scrap metal and green waste and using the turn lane off Highway 1 onto Road 409 for several years without incident. Before this, Fort Bragg Disposal used the same access using their roll off trucks and trailers (Pods) which are in similar size to a 45' trailer. In addition, turning onto Road 409 or onto Highway 1, the visibility to the south allows ample time to make the turn or access onto Highway 1.
8. Page 12, Waste Management does not top-load its walking floor trailers because it is not permitted to put material on the ground at the Pudding Creek location. It loads material truck-to-truck which reduces the weight load possible in a walking floor trailer and is less efficient and more costly than top-loading.
9. Page 16 describes "Blue bin" recyclables, aka, single-stream recyclables, as materials transferred from the Willits Transfer Station to Waste Management's Recycle America facilities in Sacramento and San Jose. Single-stream recyclable materials collected from Fort Bragg Disposal are delivered to the Willits Material Processing Facility where they are sorted, processed, cleaned, and baled. The baled material is sold to broker's who provide shipping containers for transfer to buyers who will process the baled material either in the States or offshore. The processing fees charged to Fort Bragg Disposal (City and County) is \$70.00 per ton, which is a mid-range cost in today's market
10. Page 22, SB 1383 is not a problem since the City and County areas are already in compliance with the requirements of the law in the coastal area.

#### **Pro-forma Transfer Station**

1. A pro-forma transfer station developed by Consultant estimates the cost of capital improvements for every scenario described in the report will require an enclosed building with appropriate stormwater management systems in place and is estimated at \$1.9 million with land costs of \$250,000 included.

2. The assumption would be the pro-forma transfer station would include self-haul waste, recyclables, and traffic. The transfer station will also need to accept mattresses, used motor oil, batteries, e-waste, appliances, as well as scrap metal and green/food waste. Again, this assumes the Caspar Transfer Station would be closed.
3. We believe that \$1.9 million is too optimistic an amount to build and permit a full-service transfer station.
4. Questions: What is the exact period used to amortize the \$1.9 million cost of the Transfer Station in the Transfer Station Budget Summary, what would it be at \$2.2 million, \$2.5 million and at \$2.75 million? What is the assumed interest rate?

### **Transfer Station Budget Summary**

1. Annual inbound tonnage of refuse is 14,667 tons. From SWOW's 2019 Landfill report, Fort Bragg Disposal transported 10,690 tons of refuse from City and County collection contracts, Caspar Transfer Station collected 3,637 tons from self-haulers, and Albion Transfer Station collected 340 tons from self-haulers, all transported to the Willits Transfer Station by either trailers or 50 cubic yard boxes.
2. The Budget Summary presented for a full-service transfer station did not include the following operational costs that must be included to determine a realistic tip fee as a result, the \$107 per ton fee is unrealistic low.:
  - 3,648 tons of single-stream materials collected at curbside from Fort Bragg Disposal City and County contract delivered to Willits MRF by trailer, No transportation costs or processing fees.
  - xxxxx tons of green/food waste material collected at curbside from Fort Bragg Disposal City and County contract delivered to Cold Creek Compost by trailer. No transportation costs or tip fee from Cold Creek Compost.
  - 152 tons of single-stream materials collected at Caspar Transfer Station delivered to Willits MRF by 50 cubic yard boxes. No transportation or processing fees.
  - 753 tons of green waste material collected at Caspar Transfer Station delivered to Cold Creek Compost by trailer. No transportation or tip fees.
  - 1,859 tons of scrap metal material collected at Caspar Transfer Station delivered to Sim's Metal in the Bay Area by trailer. No transportation fees
  - 113 tons of single-stream materials collected at Albion Transfer Station delivered to Willits MRF by 50 cubic yard boxes. No transportation or processing fees.
  - No determination of the number of loads and transportation costs of recyclable materials transported to Willits MRF, Cold Creek Compost, and Sim's Metal.
  - The tipping fee charged by Cold Creek Compost for accepting green/food waste. (SWOW's rate is approximately \$38/ton)
  - The processing fee charged by Willits MRF for accepting single-stream recyclable material. (SWOW's rate is \$70/ton)
  - Average tip fee per ton will significantly increase due to the increase in diversion tipping/processing fees and transportation costs as described above.
  - Any landfill agreement entered into by a successful bidder will have a difficult time establishing a \$45 ton rate for a period up to 15 to 25 years. The bidder will have the

requirement to take in the refuse for 15 to 25 years but will not have a guarantee pricing for the full term.

#### **Additional Considerations**

1. Currently the City and the County do not have a single-stream diversion/processing contract to process single-stream material from the curbside or from Caspar/Albion Transfer stations, only month-to-month.
2. SWOW holds a landfill agreement with Potrero Hills Landfill until June 2039.
3. The \$1.9M cost of a transfer station to accept commercial waste (collection contracts), self-haul waste (closure of Caspar), green/food waste from collection contracts & self-haul, scrap metal from self-haul, as well as mattresses, motor oil, e-waste, and buy-back recyclable materials from the public will be problematic under Option 1. Cost of EIR, legal costs associated with challenges to EIR or Neg. Dec., cost of land and improvements. Continuing to keep Caspar Transfer Station open would minimize re-developing infrastructure, only the need for a commercial building to house collection materials only.
4. The Willits Transfer Station can be a “backup” facility if need be in case of an emergency.

*The Report does not recommend a location to site the Transfer Station, rather it gives reasons why a transfer station at each the three locations mentioned would be difficult or perhaps impossible to select. It essentially asks a potential franchise hauler to solve the problem of providing the transfer station services required. Further, it is questionable that \$1,9000,000 will be enough to cover the true cost of permitting and building a full service (Commercial and Self Haulers) transfer station.*

*For that reason, in order to encourage the largest number of haulers possible to consider offering solutions, we suggest that at least the following three (3) Options be included in any RFP:*

#### **Option 1. – Proposed Transfer Station to serve:**

- a.) Commercial Trucks
- b.) Self Haulers: solid waste, single stream, mixed organics, electronics, white goods, metal, wood, mattresses, oil, batteries.
- c.) CRV Buy Back Center option
- d.) Close Caspar Transfer Station

**Note:** Transfer Station Budget Summary needs to be updated for transportation out costs and diversion gate fees for both commercial and self-haul tonnage of single stream, mixed organics, electronics, white goods; and revenue and transportation costs of metal.

#### **Option 2. – Proposed Transfer Station to serve:**

- a.) Commercial Trucks
- b.) Self Haulers: No, Use Caspar
- c.) CRV Buy Back Center option

**Note:**

\* Renegotiate Caspar Transfer Station Lease Contract to allow improvements to service trailer loads of direct haul solid waste, single stream mixed organics. Reduce truck traffic by 60% (approximately 1 trailer load for 3 drop box truck loads).

\* No Commercial curbside trucks would use the site.

\* Trailers and double roll offs have been used safely for years to service the site for single stream and metal.

\* Use current Surcharge and balance of Coastal TS Fund held by MSWMA to finance Caspar improvements. Eliminate surcharge after approximately 30 months. See Attachment.

**Option 3. – Status Quo:**

The current system works. It could be made more price and operationally efficient through a competitive RFP process that would bring additional curbside haulers to the table who control local disposal and diversion facilities and long-term disposal and diversion contracts.

a.) Do not require building a Transfer Station

b.) Allow efficiency modifications of the current system.

c.) Choose Curbside Hauler who can provide best long-term solution for disposal and diversion to include: service, price, existing local MRF, existing local transfer station, long term disposal and diversion contracts, local business.

**Note:**

\* Renegotiate Caspar Transfer Station Lease Contract to allow trailer loads of direct haul solid waste, single stream mixed organics. Reduce truck traffic by 60% (approximately 1 trailer load for 3 drop box loads).

\* No Commercial curbside trucks would use the site.

\* Trailers and double roll-offs have been used safely for years to service the site for single stream and metal.

\* Use current Surcharge and balance of Coastal TS Fund held by MSWMA to finance. Eliminate surcharge after approximately 30 months. See Attachment.