



**CITY OF FORT BRAGG**

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**JOINT COMMITTEE ITEM SUMMARY REPORT**

**MEETING DATE:** APRIL 7, 2021  
**TO:** CASPER TRANSFER STATION JOINT COORDINATING COMMITTEE  
**FROM:** TOM Z. VARGA, STAFF  
**AGENDA ITEM TITLE:** SWOW RATE ADJUSTMENT REQUEST FOR CASPAR TRANSFER STATION

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**BACKGROUND AND OVERVIEW:**

The Caspar Transfer Station Joint Coordinating Committee (Joint Committee) has received a proposal from Mr. Jerry Ward of Solid Waste of Willits (SWOW) to increase the solid waste disposal rate by \$0.96 per cubic yard (CY). At its meeting of March 25<sup>th</sup>, the Joint Committee asked staff to work with Mr. Ward to provide additional detail and background better describing the need for this rate increase.

**ANALYSIS:**

During the Joint Committee's March 25<sup>th</sup> meeting, Mr. Ward briefly reviewed the history of the Caspar Transfer Station with special attention paid to the uncertainty of its future fate as the Central Coast Solid Waste Transfer Station. The City of Fort Bragg and Mendocino County have for many years been considering moving the Central Coast Transfer Station to a different location. His note dated March 31, 2021 (attached) provides greater detail. Because of this uncertainty, various site improvements have been delayed because it was unclear if the Caspar Transfer Station site would continue to be the long term Central Coast Solid Waste Transfer Station. Long-term, capital improvements would not be economically appropriate if the transfer station location was to be imminently moved. During the meeting two conceptual phases of improvements were discussed. The first is to expend priority funding that will allow the transfer station to continue operating while the question of the location of long-term operations is resolved. The second phase would be improvements to the Caspar site should it become the long-term transfer station location. A preliminary estimate of \$400,000 to construct the necessary long-term site

improvements to the Caspar Transfer Station have been previously provided by Mr. Ward. However these improvements are not part of the short-term fix and are not part of the requested rate increase.

In comparing the 2017, 2018, and 2019 operating expenses for the Caspar Transfer Station, there has clearly seen a big drop in net income experienced. For his 2019 fiscal year, net income was only \$6,900 or about 0.7% of total revenue. It appears that the biggest increase in expense were due to: salaries, processing fees-recycle, contract transportation, insurance-workers' comp, disposal fees-solid waste, and disposal fees-wood waste. Preliminarily for 2020, Mr. Ward says that he is experiencing even higher transportation costs due to the on-going operational inefficiencies.

The calculation of the \$0.96/CY requested rate increase is can be found in Mr. Ward's note of March 31, 2021. On the 5<sup>th</sup> page is a section titled, "Operating the Site without the efficiency of using 'Possum Belly' trailers". The second set of calculations' "Using 115 cubic yard 'possum belly' trailers as Proposed" estimates the savings by switching to the "possum belly" trailers at about \$0.98/CY. The new "possum belly" trailers have not been purchased. Until, these savings can be implemented, Mr. Ward argues that he needs a rate increase of \$0.96/CY to cover the cost of the less efficient 50 CY boxes currently being used.

### **RECOMMENDATION:**

The Joint Committee should review the documents provided by Mr. Ward and consider any input during the meeting to establish the appropriateness of Mr. Ward's requested \$0.96/CY rate increase.

### **ATTACHMENTS:**

1. Annual Financial Reports for SWOW, 2017 and 2018
2. Note dated March 31, 2021 from Mr. Jerry Ward
3. 2019 Statements of Income and Operating Expenses for the Caspar Transfer Station