

**SOLID WASTE TRANSFER STATIONS**

Willits, Potter Valley, Boonville, Laytonville, Covelo,  
South Coast, Westport, Caspar, & Albion

**SOLID WASTE RECYCLING CENTERS**

Willits, Laytonville, Anderson Valley,  
Westport, & Gualala

**Solid Waste Services**  
**Solid Wastes of Willits, Inc.**

P.O. Box 1425 • Willits, CA 95490

May 9, 2019

Tabatha Miller  
City Manager  
City of Fort Bragg  
416 N. Franklin Street  
Fort Bragg, CA 95437

Re: Central Coast Transfer Station

Dear Tabatha:

Thank you for the notification of the upcoming Fort Bragg City Council meeting this Monday, May 13, 2019. The item under discussion is to **"Receive Report and Consider Approval of Scope of Work for Request for Proposals (RFP) for Consulting Services to Assist the City and County in Evaluating the Viability of a Central Coast Transfer Station project."**

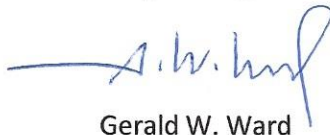
In reviewing the attachments to Agenda Item No. 8G, our **"Provide alternative solutions to developing the designated Central Coast Transfer Station located on Highway 20"** is not included as an attachment to the Agenda. If this has been provided to the Council members previously, thank you. I believe it is important that the Council, staff and the public have an opportunity to review the alternative solutions as Agenda item 8G specifically calls for an evaluation. I have provided a copy of the alternative solutions for review by the public and for a chosen consulting firm successful in the RFP process.

In addition to the alternative solutions provided, the Council should know since the beginning of operations of the Caspar Transfer Station by Solid Wastes of Willits, Inc. in 2011, SWOW has collected and paid to the Mendocino Solid Waste Management Authority through April 2019 \$499,301 as a rent payment of \$3.00 per cubic yard. Currently held in the MSWMA Caspar JPA fund is \$127,289. Therefore, \$372,012 of the collected rent payments from self-haulers using the Caspar site has been spent by the City and County on the project to date, of which most has been expended on the Revised Final Environmental Impact Report (EIR).

I welcome an evaluation of the viability of the Central Coast Transfer Station and determine an expected tipping fee for the proposed project that would include the cost of any property that will be in trade and the \$372,012 used for the EIR. If a fair analysis is performed on the evaluation and viability of all costs is determined, we believe the other alternatives will be much more favorable and will provide the best option for the ratepayer.

These are just a few of the issues that I believe the policymakers should evaluate for the benefit of the ratepayers and all of those involved with the project. I plan to attend the Council meeting on Monday and will be available to answer any questions.

Respectfully,

A handwritten signature in blue ink, appearing to read "G. W. Ward", with a long horizontal line extending to the left.

Gerald W. Ward

Enclosures



**MENDOCINO SOLID WASTE MANAGEMENT AUTHORITY  
CENTRAL COAST TRANSFER STATION**

Objective #1:

**Provide alternative solutions to developing the designated Central Coast Transfer Station located on Highway 20.**

History and Issues:

As you are aware, the genesis of constructing and operating a Central Coast Transfer Station on Highway 20 was to improve the efficiency of solid waste disposal in the Fort Bragg and Mendocino County coastal areas by consolidating the transportation of waste to larger truck loads for direct hauling to a destination landfill. At this point in time, we believe that the underlying assumptions of constructing and operating a new Central Coast Transfer Station on Highway 20 to achieve such cost-effectiveness should be reexamined.

The main concern is that the facility's capital cost estimates are likely no longer realistic. The capital costs for this project were first estimated back in 2012 at \$4.8 million, but due to delays, additional EIR costs, litigation, and the hidden fair market value of the County's property in Caspar used to offset the impacts of clearing 4-acres of Bishop Pine and 0.6-acres of transitional Pygmy at the new site, capital costs will likely exceed \$5 million (\$8 million with interest) before even considering the value of the County property in trade. At a minimum, the County and City should create a new cost estimate that factors in the likely additional costs of the Draft EIR, the potential litigation, projected increases in construction costs, and the lost value of the County's transfer of a 28-acre Caspar Pygmy Forest Preserve. In addition, if a new site is to be considered through a three-way swap between parties, additional EIR costs will be anticipated.

The 25-year debt amortization period envisioned for these escalating capital costs should also be of great concern to the ratepayer. A 25-year amortization period is being considered in order to spread these capital costs over a longer period of time in an attempt to represent to the ratepayer that the initial tipping fee will be reasonable, when in fact it only spreads out these costs paid for by the ratepayer over a longer period of time. The 14,000 tons of annual coastal waste cannot support a 15-year amortization of over \$5 million at a reasonable tipping fee. The amortization period in Mendocino County for transfer stations of this kind has been 15-years, not 25 and they were built with capital cost discipline.

In addition, it is unlikely that a 25-year landfill agreement can be secured, leaving the ratepayer exposed to uncontrollable, higher disposal costs during the very long 25-year period. Further, technology changes in the solid waste industry, and State mandates to further reduce the waste stream by up to 75%, make it difficult to assume the viability

of a 25-year amortization plan. Never the less, the debt will still have to be paid by the ratepayer, viable or not.

Alternative #1:

As an alternative to avoid excessive capital costs and an unrealistic 25-year debt commitment, one recommendation to the City and County is to analyze the overall benefits of allowing Fort Bragg Disposal (Waste Management, Inc.) to develop a transfer station facility on their Pudding Creek property to be used for the direct-haul of franchise waste to a designated landfill, while continuing to use the Caspar Transfer Station for self-haul waste operations. By top-loading WMI's existing trailers at Pudding Creek and direct haul to a landfill while making modest improvements at the Caspar self-haul site to transition to a trailer operation where self-haul waste can be delivered by a trailer directly to a landfill may save the ratepayer millions in capital costs, and results in lower tipping rates than trying to develop a new transfer station using a questionable business plan. Solid Wastes of Willits can provide those improvements to Caspar if the facility can be used for self-haul waste under a plan described below.

For the development of the Central Coast Transfer Station on Highway 20 we project a revised initial tipping fee of \$165.50 per ton (including the MSWMA surcharge) using up-to-date gate fee receipts, current estimated disposal and transportation expenses, general site operations and selected estimated expenses using the format provided by the previous Solid Waste Director and presented to Fort Bragg City Council and County Board of Supervisors back in March 2012. See Gate Fee Projection below. One important factor has changed since the 2012 projection was presented. In that projection in 2012, a significant haul credit (savings) of \$30.87 per ton was credited against the tipping rate, based upon an assumed savings to Fort Bragg Disposal from the redirection from the Willits Transfer Station to the Central Coast Transfer Station. At that time Fort Bragg Disposal was using the pod system, on which this assumed savings was based, to deliver waste to Willits. Today, Fort Bragg Disposal has shifted and purchased 45' "walking floor" trailers that provide more efficiency and reduce the overall annual vehicle miles and greenhouse gas emissions. That haul savings is more realistic to be \$22.65/ton. Besides, the haul credit of \$30.87 was never approved by Fort Bragg Disposal.

Therefore a net tipping fee of \$142.85 is the real comparative rate that should be used in comparing the proposed Central Coast Transfer Station to expanding the Pudding Creek property. The expansion on Pudding Creek, owned by WMI, would include erecting an enclosed metal building and top-loading the existing transfer trailers to a maximum weight of 22 tons and transport directly to a designated landfill, bypassing the Willits Transfer Station. The Central Coast Transfer Station on Highway 20 places a significantly higher burden on the ratepayer compared to other alternatives.



**Projected Gate Fee: Central Coast Transfer Station**

Income		Notes
Self-haul Receipts (Refuse, Recyclables)	\$ 838,331	Caspar TS 2017 Annual Results (3,940 tons)
Franchise Waste Receipts (\$165.50/ ton)	1,688,597	Willits TS 2017 Annual Landfill Report (10,203 tons)
Scrap Metal Sales	-	Caspar TS 2017 Annual Results (800 tons)
Single-stream Recyclable Sales	-	Willits MRF 2017 Annual Results (1,580 tons)
<b>Total Income</b>	<b>\$ 2,526,928</b>	
<b>Expense</b>		
Disposal Tip Fee Solid Waste	608,149	14,143 tons @ \$43/ton (Willits Transfer Station)
Disposal Tip Fee Green/Wood Waste	102,204	2839 tons @ \$36/ton
Transportation Solid Waste	693,360	642 trips @ 12 hours @ \$90/hour (22 tons/load)
Transportation Green/Wood Waste	63,855	129 trips @ 5.5 hours @ \$90/hour (22 tons/load)
Transportation Scrap Metal	24,300	54 trips @ \$450/each (15 tons/load)
Transportation Single-stream Recyclables	92,520	3851/tons 257 trips @ 4 hours @ \$90/hour (15 tons/load)
Single-stream Processing Fees	192,550	3851/tons @ \$50/ton
General Site Operations	283,264	See Schedule 1
MSWMA Surcharge	70,715	14,143 tons @ \$5/ton
Capital Costs-Principal	191,465	\$5 million @ 4% 25 years
Capital Costs-Interest	203,485	\$5 million @ 4% 25 years
<b>Total Expenses</b>	<b>\$ 2,525,867</b>	
<b>Net Income</b>	<b>\$ 1,061</b>	
Estimated Gate Fee from Operations	\$ 165.50	Per Ton
EWM Refuse Haul Savings from redirection frm Willits TS to new TS	\$ 231,120	642 trips @ 4 hours @\$90/hour
	(\$22.65)	\$209,520/8,162
Net Gate Fee for EWM	\$ 142.85	Projected Gate Fee per Ton
Gate Fee for Self-haul	\$ 29.75	Existing Gate Fee per Cubic Yard

**Schedule 1: Other Site Operation Costs**

3 employees Salary	\$ 112,320	\$18/hour, 2040/hours/year
Site Manager Salary + Benefits	29,000	See Note Below
Payroll Taxes	18,372	
Health Insurance	24,000	
Workers Compensation Insurance	12,000	
Repairs & Maintenance	12,000	
General Liability Insurance	15,000	
Office Expense & Bookkeeping	12,000	
Depreciation Expense (Loader, trailers)	28,572	Loader-\$65,000 3 trailers-\$135,000
Loader Operating Expense	10,000	
Miscellaneous	10,000	
<b>Total</b>	<b>\$ 283,264</b>	

Note: Assumes Sites Manager, Office & Bookkeeper share functions with Contractor's other Operations.

The expansion on Pudding Creek, by erecting an enclosed metal building and top-loading the existing transfer trailers to a maximum weight of 22 tons and transport

directly to a landfill, bypassing the Willits Transfer Station would decrease the estimated gate fee to \$126.95, a reduction of \$15.90 per ton. See calculation below.

**Projected Gate Fee: Pudding Creek Transfer Station (Commercial Waste Only)**

Expense		Notes
Disposal Tip Fee Solid Waste	438,729	10,203 tons @ \$43/ton
Disposal Tip Fee Green/Wood Waste	73,728	1,632 tons @ \$36/ton
Transportation Solid Waste	501,120	464 trips @ 12 hours @ \$90/hour
Transportation Green/Wood Waste	36,630	74 trips @ 5.5 hours @ \$90/hour
Transportation Single-stream Recyclables	92,520	3851/tons 257 trips @ 4 hours @ \$90/hour
Single-stream Processing Fees	192,550	3851/tons @ \$50/ton
General Site Operations	108,136	See Schedule 1
MSWMA Surcharge	51,015	10,203 tons @ \$5/ton
Capital Costs-Principal	20,000	\$500,000 @ 4% 25 years
Capital Costs-Interest	11,670	\$500,000 @ 4% 25 years
<b>Total Expenses</b>	<b>\$ 1,526,098</b>	
Estimated Gate Fee from Operations	\$ 149.60	Per Ton
EWM Refuse Haul Savings from	\$ 231,120	642 trips @ 4 hours @ \$90/hour
redirection frm Willits TS to new TS	(\$22.65)	\$209,520/8,162
<b>Net Gate Fee for EWM</b>	<b>\$ 126.95</b>	<b>Projected Gate Fee per Ton</b>

**Schedule 1: Other Site Operation Costs**

1 employees Salary	\$ 37,440	\$18/hour, 2040/hours/year
Site Manager Salary + Benefits	-	See Note Below
Payroll Taxes	6,124	
Health Insurance	8,000	
Workers Compensation Insurance	4,000	
Repairs & Maintenance	4,000	
General Liability Insurance	-	
Office Expense & Bookkeeping	-	
Depreciation Expense (Loader, trailers)	28,572	Loader-\$65,000 3 trailers-\$135,000
Loader Operating Expense	10,000	
Miscellaneous	10,000	
<b>Total</b>	<b>\$ 108,136</b>	

Note: Assumes Sites Manager, Office & Bookkeeper share functions with Contractor's other Operations.

**Alternative #2:**

**Transportation and disposal of waste to the Willits Transfer Station would remain the same.**

The commercial waste collected by Fort Bragg Disposal from the City and County franchise areas would continue to be transported and disposed of at the Willits Transfer Station. The tipping fee, effective January 1, 2019, at the Willits Transfer Station will be



\$76.76 per ton. The additional costs of transporting the waste using the existing 45' "walking floor" trailers would increase the tipping fee by \$22.65 per ton for a total gate rate of \$99.41. This alternative would be the best alternative compared to the Alternatives above. See calculation below. Extensions to the Option Agreements for the use of the Willits Transfer Station can be exercised by Solid Wastes of Willits, Inc.

Estimated Gate Fee Willits Transfer Station	\$ 76.76	Per Ton Effective January 1, 2019
EWM Refuse Haul Costs from Fort Bragg to Willits TS (Existing Operation)	\$ 22.65	642 trips @ 4 hours @\$90/hour
Net Gate Fee for EWM	\$ 99.41	Projected Gate Fee per Ton
Gate Fee for Self-haul	\$ 29.75	Existing Gate Fee per Cubic Yard

These are just a few of the issues that I believe the policymakers should evaluate for the benefit of the ratepayers and all of those involved with the project.

#### Objective #2:

**In addition to Alternative #1 or Alternative #2 above, make improvements to the Caspar Transfer Station for the short-term and if necessary, the long-term.**

The equipment used at the Caspar Transfer Station is beyond its useful life. Either the closure of the site or site improvements need to be made. Capital improvements do not make sense if the facility will be scheduled to close down in 2-3 years, due to the construction and operation of a Central Coast Transfer Station. However, if the Caspar Transfer Station were to remain open in the long-term due to improvements to the Pudding Creek property and direct hauling commercial waste to the landfill or the transportation and disposal system to Willits remains the same, then capital improvements to accommodate a trailer operation and direct haul the self-haul waste to a designated landfill makes sense. This same type of operation exists at the South Coast Transfer Station where self-haul waste is transported directly to the landfill by 45' possum belly trailers.

From the Google Earth map, enclosed, improvements would consist of a combination of lowering the base of the existing ramp where currently bulky waste containers are placed and adding fill material to raise the ramp, cover the fill material with a concrete slab, and erect a 30' by 70' three-sided building structure over the concrete slab and below ground trailer. There will be a new concrete floor placed where the trailer will be staged. The clear height of the structure will be 20' above grade. The edge of the roof would overhang the loading area at the top of the ramp by 12' and have a clear height above the bumper wall/curb of 12'. See map for location. Increasing the height of the ramp area and/or lower the base of the ramp wall is needed in order that a trailer can be stored below grade. Self-haul waste from the public would be dumped onto the concrete slab and pushed with the onsite bucket loader into a 45' possum belly trailer that when full will be switched out by an empty and hauled directly to the designated

landfill. Self-haul waste dumped onto the concrete slab will be covered by the roof structure in order to eliminate storm water penetrating the waste.

The current roof structure on the site used to store self-haul household waste would be repurposed to house the single-stream recyclable material dropped off by the public. Storage of scrap metal and green/wood waste would remain as located.

Based on the construction being removable chattel the project will not require prevailing wage.

The short-term project improvements is estimated at \$400,000. See calculation below. Using funds from the Caspar Rent Account held by MSWMA, currently at \$112,000, and SWOW using the future rent income of \$3.00/yard for an additional 30 months and continue with the Caspar Retro-fit reimbursement of a \$1.93/yard to SWOW that was used to reimburse the costs of retro-fitting the ramp into the roof structure on site to store self-haul household waste for an additional 30 months, the project costs can be completed without increasing the existing gate. At the end of 30 months the gate fee per cubic yard would decrease by \$4.93.

**Projected Improvements to Caspar Transfer Station (Short Term)**

Expansion/Increase height of ramp area	20,000	
Cover ramp area with 6' of concrete	100,000	
Trailer storage floor, concrete	10,000	
Roof Structure over trailer/ramp area	200,000	
Storm Water and drainage collection system	25,000	
3 - 45' possum belly trailers	45,000	
	<u>400,000</u>	

**Projected Revenue to Pay for Short Term Improvements**

Transfer Funds from Caspar Rent Account, approximately	\$ 112,000	
Continue Caspar Rent, \$3/yard for additional 30 months	174,060	\$3/yard x 1934/yards/month x 30
Continue Caspar Retro-fit revenue for additional 30 months	<u>111,979</u>	<u>\$1.93/yard x 1934/yards/month x 30</u>
	<u>\$ 398,039</u>	


**Long-term Improvements to the Caspar site.** If necessary, long-term improvements to the site could include paving the active area of the site and constructing a three-sided structure to house the scrap metal. Long-term site improvement costs can be provide if requested.

We look forward in discussing these alternatives with Board of Commissioners.



# Improvements to Caspar

## Legend

 Caspar Transfer Station







000010



## SPEAKER CARD

- ☐ I would like to speak to the Council on Agenda Item No. 8G
- ☐ I would like to speak to the Council under "Public Comments on Non-Agenda, Consent Calendar & Closed Session Items"
- ☒ I do not wish to speak but want to submit the following comments to the Council

NAME: John Fremont

COMMENTS (ONLY IF YOU DO NOT PLAN TO SPEAK): Re: transfer station. There are 3  
transfer stations now = Pudding Creek, Caspar + Albion. If one closes  
I recommend not opening a new one with associated costs.  
Instead, use the \$ to fix train problems, fixing tunnels and transporting  
garbage by rail. The skunk train is an asset. Exploit  
the SKUNK + let Jason Paoli enrich the city

This information is retained as a Public Record, and as such, may be shared with others upon request. Please do not provide any information that you do not wish to be disclosed to others.

Completion of this document is voluntary; all persons may attend the meeting regardless of whether a person completes this document (Government Code §54953.3)