

Solid Waste System Rate Analysis

State of Colorado



P.O. Box 20000
Grand Junction, CO 81502-5060

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Operational Consultants
1102 Twenty-Fourth Street
Alamogordo, NM 88310
(575) 430-8989



Souder, Miller & Associates
8000 West Fourteenth Ave
Lakewood, CO 80214
(303) 239-9011

County of Mesa

Solid Waste System Rate Analysis

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Executive Summary

On behalf of Mesa County Solid Waste Management (MCSWM), Souder, Miller and Associates (SMA) is pleased to provide a Solid Waste System Rate Analysis (SWSRA) of the MCSWM services and operations. This task was authorized through the current service agreement between MCSWM and SMA.

The basic concept of the SWSRA is to review current MCSWM services and operations within the solid waste system and propose a five-year rate plan for the MCSWM's enterprise fund. The SWSRA did not include a study of the efficiency of the services and operations of MCSWM. Therefore, no operational audits were performed in the preparation of this SWSRA, other than what was accomplished through the review of the documents provided and interviewing of primary MCSWM staff.

SMA working with MCSWM staff gathered all the pertinent information to properly evaluate the current rate structure and operational costs. Financial and operational reports for years 2013 through September 30, 2016 were reviewed. MCSWM provided detailed reports for all components of the system that are addressed in the SWSRA. One component of significant note is that from 1998 to 2015, the County utilized a private contractor to handle issues related to the management of the solid waste and daily operations of the landfill, transfer stations and the Organic Materials Composting (OMC) facility. In 2016, the County completed these operations in-house.

MCSWM operations are primarily at the "Campus" more commonly called the landfill. At the Campus, MCSWM operates the landfill for the bulk of the operations. Landfilled waste includes, but is not limited to Municipal Solid Waste (MSW) and Construction & Demolition Debris (C&D), asbestos and contaminated soils. Other operations at the Campus include the OMC facility and the Household Hazardous Waste Materials (HHWM) facility. Along with the Campus, MCSWM operates four transfer stations throughout Mesa County for utilization by the citizens for disposal of various types of waste and limited recycling services.

The OMC facility entrance is adjacent to the landfill facility, with easy access for the public to utilize. MCSWM operates the OMC facility with in-house personnel and equipment. Currently, there is no charge to deliver yard/green waste to the OMC facility. Revenues generated at the OMC facility are from the products that are produced at the facility. MCSWM has successfully developed a market for each line of compost and mulch materials. It appears from the financial and activity reports that this portion of MCSWM does generate a positive cash flow for the operational costs but does not generate the funding required for capital outlay for construction projects or equipment replacement. MCSWM is to be commended for the financial success of this program.

Unlike the OMC facility, the Household Hazardous Waste Collections (HHWC) facility does not have a positive cash flow. This service never has a positive cash flow due to the type of materials collected and the high costs required to properly handle the materials. The HHWC facility is considered successful as a collection and diversion activity. Success of the HHWC is measured based on the large participation rate from the public and the subsequent volume of materials collected. Establishment of a fee that would cover all costs related to this operation is projected to negatively impact the diversion rate. Raising the fee would discourage participation

from the public, and instead of collection, the materials will be illegally landfilled or illegally dumped in another manner.

Like the HHWC facility the transfer stations are operating in a negative cash flow situation. Also similar to HHWC, this type of operation has the same concern with higher fees. If fees are raised, it is likely waste will cease to be delivered to the transfer station. Waste will instead be illegally dumped in other locations. The transfer stations are necessary to allow for the convenient disposal of solid waste and other materials for the citizens.

The primary concern of MCSWM is that operations have been operating in deficit spending at least since 2012 and maybe even longer. Unrestricted reserves have fallen from a positive \$555,308 in 2012 to the current negative balance of \$1,058,268 in 2016. The Unrestricted Reserve account is for the purchase of capital outlay needs along with the covering of any shortfall from the revenues for the operations.

Financial reports as of September 30, 2016 show that the change in 2016, to have in-house personnel provide management of daily operations, has had a very positive effect on the financial situation of MCSWM. MCSWM budgeted for zero net revenue for 2016, but shows a minimal positive net revenue within the 9 months of the year completed. Even with that positive note, there is a need to adjust some of the fees that are charged by MCSWM for the services.

The following is a summary the fees and the recommendations:

Fees Recommended to be Adjusted

1. Landfill Tipping Fees for Compacted/Loose Trash – The recommendation is to increase this fee 50% from \$20 to \$30 per ton.
2. Special Waste – Sludge – The recommendation is to increase this fee by ~41% to bring it in line with the other disposal fees, from \$13 to \$22 per ton.
3. Contaminated Soils – The recommendation is to increase this fee by 150%, from \$20 to \$50 per ton, based upon prevailing rates within other Western Slope disposal facilities, which range from \$53 to \$78 per ton.
4. Truck Tires – Standard tires fee should be adjusted from \$2 to \$3 per tire. A new fee of \$6 is recommended for each standard tire still with the rim in place. SMA also recommends establishing a separate rate for truck tires, increasing the truck tire disposal rate from \$2 to \$10 per tire. An additional fee of \$20 each for truck tires on rims is also recommended.

Fees Recommended for No Adjustment

1. Organic Materials Composting - Fees would remain the same. All revenues generated from the OMC facility are from the sale of the various types of products produced from the composting operations. Fees are set based on the cost of production and are driven by the available markets. No market study was completed for this rate analysis, therefore, there are no recommended changes for the sale of the materials at this time. SMA does recommend adding a new fee for the delivery and depositing of the organic materials at the facility. Even a minimal fee (per load) would generate thousands of dollars in new revenue for MCSWM, with no capital outlay dollars spent and minimal impact on the public.
2. Transfer Station Fees – No recommended changes for these fees at this time. The transfer station services are operating in a deficit, but the concern is that an increase in fees for this service historically can and will increase illegal dumping.

3. Household Hazardous Waste Collection - No recommended changes for these fees at this time. The HHWC facility is operating in a deficit, but the concern is that an increase in fees for this service historically can and will increase the landfilling of these materials or illegal dumping at other locations by individuals wanting to avoid these fees. MCSWM should complete a review of the operations to see if there are any adjustments in the expenditure side of the operations. This may be restricted by some types of materials.

Another recommendation is that MCSWM adopt an Automatic Annual Fee Adjustment. Many solid waste operations have adopted the policy of approving Automatic Annual Fee Adjustments for services. MCSWM would approve a 5 year rate adjustment percentage that is automatic; this insures that the fees stay in-line with inflation and rising costs. This does not mean that this rate adjustment percentage will always occur. During the budget process each year, MCSWM can determine if it is needed.

Tables 8.3-8 and 8.3-9 on page 52 provides a clear picture of the funding needs and results by implementing the recommendations. Instead of a break even budget with no funding for capital outlay, replenishing the reserves and repayment of the negative balance of the retained earnings, there will be a positive cash flow. With the adjustments, all capital outlay requirements and reserves are fully funded and provides an ending cash balance of \$204,317. This ending cash balance can be utilized for the repayment of the negative balance in retained earnings and/or building of additional capital outlay requirements for the future.

Conditions of solid waste operations in your community reflect the attitude of the community. Would you prefer to hire the grunge looking garbage truck going down the road, or the company that has the clean truck with the professional looking personnel for services? Many businesses looking to relocate want the professional operating company, not just to see clean equipment, but also to be reassured that the professional company knows how to properly handle the waste generated from their operations. Businesses are now elevating their exposure to lawsuits due to others' neglect or improperly handling of their waste. Also, many of these businesses have established goals and mandates on their waste stream to have as much as possible diverted away from landfills and into many of the programs that MCSWM has in place. MCSWM is an example of the type of professional operating company many businesses seek for service.

In summary, there is a need for the rate adjustments to allow MCSWM to continue to have the revenues necessary to not only pay for the services being provided, but also to replenish the needed reserve accounts for the capital outlay purchases. The change of operations by utilizing in-house employees had a major impact on the financial status of the organization, but it alone was not enough to bring MCSWM to financial stability.

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1.0 INTRODUCTION

1.1 Project Description

Souder, Miller & Associates (SMA) is pleased to present the Solid Waste System Rate Analysis for the Mesa County Landfill located in Grand Junction, Colorado. The Solid Waste System Rate Analysis was completed at the request of Mesa County Solid Waste Management (MCSWM). The Solid Waste System Rate Analysis consists of a comprehensive cost of service rate study and proposes a five-year rate plan for the MCSWM's enterprise fund. MCSWM provided SMA with the data necessary to evaluate existing cost of service and rates and structures, and assigned staff to work with SMA throughout the duration of the project.

1.1.1 Project Scope

The Solid Waste System Rate Analysis (Rate Analysis) is comprised of two facets: the comprehensive cost of service rate study and a five-year rate plan.

The comprehensive cost of service rate study includes the following scope of work which is presented herein:

- A. Determine the cost of service including recovery of all operating costs, satisfying obligations for closure/ post closure care, and future equipment and capital projects.
- B. Review financial history, including revenues and expenses, and current rate structure.
- C. Review proposed capital improvement plan and total projected project costs.
- D. Review current rate schedules and make recommendations to change/amend rate schedules when considering future enhancements and capital needs.
- E. Review rates and service levels of other western slope waste management divisions/organizations.
- F. Review and give guidance for possible new rate needs such as compost facility and/or residential hazardous waste drop off fees.
- G. Identify additional revenue sources that would require little to no additional infrastructure or personnel.

Also presented herein is the proposed five-year rate plan (hereafter referred to as The Plan). The plan balances the short term operating and equipment needs as well as prepares MCSWM for future capital and regulatory compliance requirements. The plan ensures that the rates reflect and cover the true cost of providing waste management services to MCSWM customers. The plan includes an implementation strategy for any proposed rate changes as well as an appropriate timeline for increases and future rate studies.

1.1.2 Presentation of Findings

SMA will provide MCSWM with three bound copies of the Solid Waste System Rate Analysis. SMA will also present their findings to the Mesa County Board of Commissioners at a regular scheduled County Commission meeting.

The report and presentation includes:

- A. Analysis and discussion of the impact of existing and future capital needs.
- B. Assessment of revenue needs for the next five-year planning period (2017–2022), and includes discussion regarding adequate coverage for operations, equipment, and capital projects, as well as closure/post closure requirements.
- C. Analysis of the existing rate and fee structure, and recommends alternatives.

D. Recommendation to the County on industry-accepted methodology for such plans.

1.2 Background

Mesa County is located on the western slope of Colorado. Approximately 149,000 people living primarily in seventeen communities call Mesa County home. The County encompasses 3,341 square miles of land. Mesa County, and particularly the County Seat, the City of Grand Junction, serves as a regional hub of economic activity between Denver, Colorado and Salt Lake City, Utah.

MCSWM operates as a business enterprise subset of Mesa County Public Works. Elements of MCSWM include a landfill, four waste transfer stations, household hazardous waste collection (HHWC) facility, organic materials composting (OMC) facility, and a recreational riverfront corridor.

MCSWM currently has four fee structures in place: Landfill fees, Transfer Station fees, HHWC facility fees, and OMC facility fees. Because MCSWM is operated as a business enterprise, all funding is provided by this fee structure. Funds generated from this fee structure that are not utilized in the current annual budget are saved in one of two funds: the restricted fund and the unrestricted fund. The restricted fund is set up to address all closure and post closure costs. The unrestricted fund is utilized for capital outlay requirements, such as landfill equipment, cell construction, facility maintenance and equipment maintenance, monitoring, and compliance requirements and other operational needs. All Capital purchases are done in accordance with the County purchasing policy.

From 1998 to 2015, the County utilized a private contractor to handle issues related to the management of the solid waste and daily operations of the landfill, transfer stations, and OMC facility. Herzog was the original contractor for the County from 1998 to 2012. Herzog then became a part of Green Group Holdings, LLC (GGH). GGH then provided services from 2013 to 2015 until the decision by the County to take operations in-house in 2015. The transfer from GGH was finalized on December 31, 2015. At the time of this transfer, MCSWM proposed increasing the tipping fees starting January 1, 2016. Mesa County elected not to increase rates in 2016. In July 2016, MCSWM requested SMA complete a Solid Waste System Rate Analysis.

MCSWM currently manages issues related to the daily operation and maintenance of the landfill, transfer stations, OMC facility, and HHWC facility. Collection of recyclables from the public is handled at a location adjacent to the HHWC facility. MCSWM staff transport the recyclables to the materials recovery facility (MRF) owned and operated by Waste Management, Inc. in Grand Junction for processing of the recyclables.

1.3 Data Collection Process

1.3.1 Staff Interviews

Data was provided to Jennie Heismann, SMA, by email and phone interviews with MCSWM staff, Amber Swasey, Operations Manager and Jennifer Richardson, Regulatory Compliance Manager and Hope Petrie, HHWC Manager.

1.3.2 Compile Required Information

The following list of documents and information was provided by MCSWM staff.

- Equipment list for landfill, composting, transfer stations, and other operations.
- Capital outlay needs for cell construction and other construction activities.
- Monitoring and regulatory costs.
- Budget information for multiple years with actuals versus budget.

- Revenues from all sources supporting the Solid Waste System.
- Expenditures for all operations related to the Solid Waste System.
- Personnel schedule with positions, and pay rates with any benefit costs.
- Equipment/construction reserves plan and funding account information.
- Tonnage and activity reports for each component that is part of the Solid Waste System.
- Other general knowledge information pertinent to the Solid Waste System Rate Analysis.

1.3.3 Site Visits

With Souder, Miller & Associates (formerly KRW Consulting, Inc.) familiarity due to their prior and current work history with MCSWM operations, no site visits were required in the preparation of this Solid Waste System Rate Analysis.

1.3.4 Review Process of the Solid Waste System Rate Analysis

The first draft of the Rate Analysis was prepared and provided to the MCSWM staff for their review. SMA and MCSWM staff then met to discuss the Rate Analysis and make any necessary adjustments.

The final draft of the Rate Analysis was presented to the MCSWM staff for their approval and was then submitted to Peter Baier, Public Works Director, and the Mesa County Commissioners. A presentation of the Rate Analysis was given by SMA at a scheduled County Commission meeting. SMA was present to answer questions of the Commissioners and the public in attendance. Upon completion of this process, SMA completed any necessary adjustments to the Rate Analysis. The fully executed Rate Analysis is considered the final document.

2.0 OPERATIONAL DESCRIPTIONS

The solid waste system evaluated in this Rate Analysis includes all solid waste services located at the landfill site (Household Hazardous Waste Collection facility, Organic Materials Composting facility, and Recycling Center), along with the four transfer stations. MCSWM utilizes a private facility for the processing of the collected recyclables located at the Grand Junction MRF owned and operated by Waste Management, Inc.

2.1 Landfill Disposal

Municipal solid waste (MSW), special waste, and construction & demolition (C&D) debris is accepted at the Mesa County Landfill. These materials are disposed in the landfill disposal cells. The County has separate disposal areas for smaller private users and for the larger commercial vehicles within the cell disposal area. Separate disposal areas are also provided based on waste type as necessary. This separation is implemented to insure public safety and to expedite the disposal process for the commercial vehicles. Materials disposed in landfill cells include offal, sludge, asbestos (friable & non-friable) and contaminated soils. Additional information on asbestos and contaminated soils is provided in Sections 2.1.1 and 2.1.2.

All disposal activities are in conformance with the currently approved Engineering Design and Operations Plan (EDOP), EMCON, 1996 and the Lateral and Vertical Expansion/Cap Design Study, Montgomery Watson, 1998 along with the Colorado Department of Public Health and Environment (CDPHE) Solid Waste Regulations 6 CCR 1007, Air Quality Control Commission Regulations 5 CCR 1001 and Water Quality Control Commission Regulations 5 CCR 1002.

The personnel working in this area are MCSWM employees. Regulatory compliance and reporting regarding waste collection is performed by the Compliance and Administrative Staff employed by MCSWM.

Municipal solid waste landfill disposal operations and capital outlay requirements are funded by landfill tipping fees.

2.1.1 Asbestos (friable & non-friable) Disposal

Friable and non-friable asbestos containing material (ACM) waste is accepted at the landfill. Friable ACM is directed to the designated Friable ACM Disposal Cell (FADC). The FADC is an area within the landfill but outside the working face. Non-friable ACM is directed to the landfill working face by MCSWM personnel.

The asbestos waste is handled in accordance with MCSWM's Special Waste Plan and in conformance with the CDPHE Solid Waste Regulations 6 CCR 1007 Asbestos Waste Management.

Asbestos disposal is funded by landfill tipping fees. Costs to handle this material are primarily the involvement of several MCSWM staffers, due to the acceptance and burial process required in accordance with the approved Plan for these materials. By utilizing a solid waste cell that is no longer in use, not another designated disposal cell, there are no capital outlay funding required.

Due to the handling procedures required, this material is not compacted in the same manner as municipal solid waste (MSW). With asbestos the primary concern is to insure that it does not be released to be airborne. As this material is not compacted it consumes a far greater amount of landfill airspace than typical MSW.

Currently, MCSWM is the only facility in the region that accepts friable and non-friable asbestos materials.

2.1.2 Contaminated Soils

Contaminated soils are accepted for disposal at the landfill provided they do not exhibit any hazardous characteristics as defined in 40 CFR 261/6 CCR 1007-3. Contaminated soil must meet the requirements of the special waste approval process outlined in the Special Waste Standard Operating Procedures. Contaminated soils are disposed at the active working face.

The contaminated soil waste is handled in accordance with MCSWM's Special Waste Plan and in conformance with the CDPHE Solid Waste Regulations 6 CCR 1007 and in conformance with the CDPHE Air Quality Control Commission Regulations 5 CCR 1001, Stationary Source Permitting and Air Pollutant Emission Notice Requirements, and Control of Ozone via Ozone Precursors and Control of Hydrocarbons via Oil and Gas Emissions.

These materials are managed by employees of MCSWM. Regulatory compliance and reporting regarding PCS collection is performed by the Compliance and Administrative Staff employed by Mesa County. Contaminated soil disposal is funded by landfill tipping fees. Costs to handle this material are minimal; by utilizing a cell that is no longer in use, there are no capital outlay funding requirements.

2.1.3 Tire Disposal

Tires are accepted and stored in the designated diversion area. Oversize tires are hauled to a tire processor for processing. Historically, MCSWM utilized tire baling system for the handling of tires, which includes a tire baler, de-rimmer and tire cutter. However, due to the lack of places in which bales are utilized, MCSWM is currently exploring alternative disposal options. One alternative disposal option is to hire a contractor to shred the tires for use as alternative daily cover.

Tire disposal is conducted in accordance with MCSWM's Special Waste Plan and in conformance with the CDPHE Solid Waste Regulations 6 CCR 1007 Waste Tires.

Tire processing is implemented by employees of MCSWM. Tire shredding would be conducted by a contractor. Regulatory compliance and reporting regarding tire acceptance is performed by the Compliance and Administrative Staff employed by Mesa County.

Tire processing is funded by landfill tipping fees. This service is low in Capital Outlay funding requirements, except when equipment needs replacement or renovation. This service is costly on the operational side, being labor intensive, requiring supplies/materials, and requiring equipment maintenance.

2.2 Organic Materials Compost (OMC) Facility

The MCSWM OMC is a Class I Composting Facility. The 11.3-acre facility is located just north of the landfill within an area delineated for solid waste management activities through the facility Certificate of Designation (CD). Within the composting site, areas have been set aside for feedstock receipt, feedstock processing, active composting, compost curing, final product storage, and sales.

The facility accepts compostable materials such as grass clippings, tree limbs, untreated wood waste, stall bedding and manure, hay and straw, and cull fruit. Organics composting is conducted by employees of Mesa County. Regulatory compliance and reporting regarding composting operations is performed by the Compliance and Administrative Staff employed by Mesa County. The OMC Facility is funded by the Campus and profits from compost sales.

All finished compost must meet the standards specified in 6 CCR-1007-2, Section 14.5.5, Table 1, prior to distribution. Mesa County staff have been trained and perform the required oversight and testing of materials to meet the required standards. Once standards are met, compost is sold by Mesa County to the public, government agencies, and commercial sources. Profits from compost sales are used to fund the composting operations.

The OMC Facility is primarily funded by compost sales. There are no feedstock disposal fees. Any additional funding requirements would be provided by the unrestricted fund, only if the revenue from fees raised that year is not sufficient to cover the funding needs of the facility. Any drop-off fee implemented would be utilized for facility expansion.

2.3 Household Hazardous Waste Collection (HHWC) Facility

MCSWM operates a HHWC Facility on site. The HHWC Facility accepts household hazardous wastes from Mesa County residents as well as hazardous waste from conditionally exempt small quantity generators. Hazardous wastes are processed and packaged at the HHWC Facility by personnel employed by MCSWM for shipment to a hazardous waste disposal site. The Facility is prohibited from accepting DOT Hazard Class 1 (with the exception of Class C fireworks), DOT Hazard Class 7, oxygen and acetylene tanks, water reactive waste, and biohazard/medical waste (aside from sharps or syringes).

Regulatory compliance and reporting regarding HHWC operations is performed by the HHWC supervisor employed by MCSWM. The HHWC facility is ideally staffed by five employees and one manager. Historically, interns and volunteers have been utilized to provide for staffing needs at the HHWC facility. However, medical monitoring and training costs with other administrative changes, it has become more difficult to support interns and volunteers.

The HHWC facility operates in accordance with the Mesa County Standard Operating Procedures for Hazardous Waste Collection Facility and in conformance with the CDPHE Solid Waste Regulations 6 CCR 1007.

The HHWC Facility is primarily funded by landfill tipping fees. This funding is supplemented by a fee charged to conditionally exempt small quantity generators and fees collected for electronic waste recycling. However, due to fee increases in the electronic waste industry, revenue from electronic waste disposal is expected to decrease. All hazardous waste that is appropriate for reuse is free of charge to County residents, except for 5-gallon buckets of recycled paint that are re-bulked. All recycling activities are funded by landfill tipping fees. Capital outlay needed during the five year plan period include the purchase of the current rented office trailer of design/build of a new office space.

2.3.1 Recycling Services

Recyclable materials collected are located adjacent to the HHWC Facility. HHWC personnel oversee the recycling area and provide assistance to public users. Three separate bins house cardboard, paper, and comingled recyclables and are set up at the HHWC facility. All recyclable material roll-off containers are then transported by Mesa County personnel and trucks to the Grand Junction Waste Management MRF. Recycling of these materials is low cost, while currently requires no capital outlay needs in Year 2016, the facility will require infrastructure and equipment upgrades in the upcoming years.

2.3.2 Electronic Waste Collection

Electronic Waste is stored and packaged at the HHWC facility, primarily by an alternative sentencing jail crew for shipment to a contracted de-manufacturer. The HHWC Facility is funded by the Campus and revenues from hazardous waste collection. Recycling of these materials continues to rise. The electronics recycling currently requires no annual capital outlay funding.

2.4 Transfer Stations

MCSWM also operates a transfer station system throughout rural Mesa County for residential users. The four transfer stations were identified as a part of the 1994 Solid Waste Management Plan. Less than 1% of the waste stream from Mesa County is directed through these transfer stations located in De Beque, Fruita, Gateway, and Molina.

The transfer stations are permitted independently of the MCSWM Campus. Regulatory compliance and reporting regarding operations of the transfer stations is performed by the Compliance and Administrative Staff employed by MCSWM. There is a fee structure for use of the transfer station. Disposal at the transfer stations is paid by the user at \$15 per load. Due to the low use of these facilities, the transfer stations are highly subsidized by the landfill tipping fees for both operations and capital outlay needs. The operations and capital outlay required for these services are funded by the landfill tipping fees and the unrestricted fund.

The following tables provide the basic information on the Mesa County transfer station system.

Table 2.4-1 Transfer Station Details – General Information

DESCRIPTION	De Beque	Fruita	Gateway	Molina
Average Weekly Operating Hours	10 hours/ month	24 hours/ week	10 hours/ month	24 hours/ week
Average Annual Solid Waste Tonnage	37.06 tons 120 vehicles	733.06 tons 2558 vehicles	11.39 tons 52 vehicles	532.44 tons 1233 vehicles
Average Annual Recycling Tonnage	2.25 tons	27.66 tons	0 tons(no bins in 2015)	5.22 tons
Number of Personnel at Site	1	1	1	1
Estimated Population Service Area	500	12,572	~139	~1,000

Table 2.4-2 Transfer Station Details – Solid Waste Services

DESCRIPTION	De Beque	Fruita	Gateway	Molina
Municipal Solid Waste	Yes	Yes	Yes	Yes
Construction & Demolition Debris	No	No	No	No
Green/Yard Waste	Yes (Landfilled)	Yes (Landfilled)	Yes (Landfilled)	Yes (Landfilled)
Asbestos (friable & non-friable)	No	No	No	No
Petroleum Contaminated Soils	No	No	No	No
Exploration & Production Waste	No	No	No	No

Table 2.4-3 Transfer Station Details – Recycling/Reuse

DESCRIPTION	De Beque	Fruita	Gateway	Molina
Corrugated Cardboard (OCC)	Not Accepted at any Transfer Stations			
Mixed Paper (including newsprint)	Recyclable materials are accepted at all transfer stations; however, these materials are not separated into categories.			
Plastics #1 & #2				
Aluminum				
Glass Containers				
Scrap Metal/White Goods/Tin Cans	Scrap metal accepted at Transfer Stations is landfilled, except tin cans which can be placed in the recycling container			
Household Hazardous Waste	Not Accepted at any Transfer Stations			
Electronic Waste	Not Accepted at any Transfer Stations			
Scrap Tires	Not Accepted at any Transfer Stations			

Table 2.4-4 Transfer Station – Revenues vs. Expenditures (Projected Year 2016)

TRANSFER STATION	Revenues	%	Expenditures	%	Net Revenues
De Beque	\$ 1,800	3%	\$ 4,377	3%	\$ (2,577)
Fruita	38,370	67%	80,235	55%	(41,865)
Gateway	795	1%	1,459	1%	(664)
Molina	17,205	29%	59,812	41%	(42,607)
TOTALS	\$ 58,170	100%	\$ 145,883	100%	\$ (87,713)

3.0 REVENUES

Generally, MCSWM is funded from user fees, grants, and interest earned. There are two primary revenue account tracking numbers within MCSWM, Landfill Administration (30201) and Landfill Hazardous Material (30203) as they are identified in the County financial reports. There are two additional account tracking numbers for Education (30203) and “Regulatory Compliance” (30204), but no revenues are generated in these accounting centers. Solid Waste Capital (30205) is an account where all MCSWM’s large purchases for infrastructure (and construction contracts for infrastructure) and equipment are accounted for. These items are then capitalized and depreciated over their useful life.

3.1 Revenue History

The following charts provide a comparison for the 2013 through 2015 actual revenues and 2016 projected budget. Over the four-year period analyzed, there has been minimal fluctuation in the revenues received for the disposal services.

Table 3.1-1 Revenue History Comparison

DESCRIPTION	2016 Budget ¹	2015 Actual	2014 Actual	2013 Actual
Landfill Administration (30201)				
State Grants	\$ 0	\$ 0	\$ 0	\$ 15,547
Landfill User Fees	3,782,354	3,715,366	3,679,252	3,779,874
Sales Tax Commission	300	354	287	279
Interest on Deposits	100	27	17	34
Designated Interest Earnings	100	32	21	27
Interest on Investments	26,000	13,685	14,368	31,427
Other Interest Earnings	1,500	3,233	2,033	2,644
Interest Allocation for Investments	0	1,601	1,601	3,010
Recycling Sales	0	19,393	19,786	0
Miscellaneous ²	125,850	99	0	71
Total Landfill Admin. Revenues	\$ 3,936,204	\$ 3,753,790	\$ 3,717,365	\$ 3,832,913
Landfill Hazardous Material (30203)				
General Fees ³	\$ 50,000	\$ 116,114	\$ 89,010	\$ 78,510
Interdepartmental Sales & Services	3,500	3,456	2,622	4,399
Miscellaneous Revenue	10,000	4,045	2,485	969
Total Hazardous Material Revenues	63,500	123,615	94,117	83,878
Total Revenues	\$ 3,999,704	\$ 3,877,405	\$ 3,811,482	\$ 3,916,791

- Notes:**
1. 2016 Budget column has the approved budget for 2016. Based upon the financial report as of September 30, 2016 (9 months, 75%), Landfill Administration revenues at 76%, Hazardous Material revenues at 203% with total revenues at 78%, it is anticipated that the budgeted amount for revenues will be attained.
 2. 2016 Budget identifies under Miscellaneous - \$125,850. This amount is for the sale of surplus equipment, not a recurring revenue source.
 3. As of September 30, 2016, revenues for Landfill Hazardous Material – General Users fees are at \$119,952, exceeding the budget amount of \$50,000.

3.2 Landfill Users Fee

Landfill User Fee is the line item that covers all revenues received, other than those generated from the Landfill Hazardous Materials facility. Landfill user fees are not just for the disposal of solid waste in the landfill disposal cells (buried waste). These fees include revenues from:

- Municipal Solid Waste
- Transfer station Fees
- Contaminated Soils
- Recycling Sales
- C & D Debris
- Sludge
- Scrap Tires
- Late Fees
- Asbestos
- Compost Sales
- Offal

The numbers presented in this section for 2016 are for only 9 months of this year (January 1 to September 30, 2016). The following is a breakdown of the 2016 revenue sources that encompass the Landfill User Fee total.

Table 3.2-1 Landfill Users Fee Revenue Breakdown - 2016

DESCRIPTION	AMOUNT	%
Cell Disposal Fees	\$ 2,526,645	82.2%
Transfer Station Fees	39,606	1.29%
Sludge	127,315	4.15%
Asbestos	21,768	.71%
Composting/Mulch	325,457	10.58%
Tire	12,560	.4%
Offal	4,598	.15%
Contaminated Soils	13	--
Late Fees	16,146	.52%
TOTAL	\$ 3,074,108	100%

The transfer stations generate revenue from the users of the facilities. Disposal at the transfer stations is paid by users at \$15 per load. The transfer stations are restricted to residential users only.

Table 3.2-2 Transfer Station User Fees Revenue

YEAR	De Beque	Fruita	Gateway	Molina	TOTAL
2016	\$ 1,350	\$ 23,880	\$ 525	\$ 13,851	\$ 39,606
2015	\$ 1,800	\$ 38,370	\$ 795	\$ 17,205	\$ 58,170
2014	\$ 1,440	\$ 36,840	\$ 945	\$ 20,583	\$ 59,808
2013	\$ 1,170	\$ 32,355	\$ 1,020	\$ 38,974	\$ 73,519

MCSWM generates revenues from the compost operations. Materials are accepted from the general public and commercial generators. MCSWM processes the materials into products for resale to customers. The material is sold in two primary forms: loose yards and bagged materials.

Table 3.2-3 Compost Material Sales - Revenues

YEAR	Material	Cubic Yards	Yards Sold	Bags Sold	Total Revenue
2016 Through 9/30/2016	Tree/Shrub	11,253	8,939	12,248	\$ 325,457
	Leaves	2,068			
2015	Tree/Shrub	48,213	7,925	12,066	\$ 314,640
	Leaves	6,350			
2014	Tree/Shrub	47,271	7,489	10,687	\$ 280,050
	Leaves	9,379			
2013	Tree/Shrub	31,644	5,678	12,599	\$ 314,432
	Leaves	6,766			

3.3 Capital Outlay Fund

Solid Waste Capital (30205) is an account for all infrastructure and equipment purchases and is funded from the landfill tipping fees. This account also generates revenue in the form of interest earned on the balance in the accounts. If landfill tipping fees and earned income do not cover the amount required, then the balance would be transferred from the Unrestricted Fund account. Capital outlay needs are identified by MCSWM staff and are presented to the County Commission for approval. Once approved the funds are transferred from the appropriate reserve account. All Capital purchases are done in accordance with the County purchasing policy.

4.0 EXPENDITURES

Expenditures are tracked under six primary account numbers, Support Services (10900), Landfill Administration (30201), Education (30202), Landfill – Hazardous Materials (30203), Regulatory Compliance (30204), and Solid Waste Capital (30205).

4.1 Expenditure History

The following are comparisons from the four-year period. The 2016 numbers are for the 9-month period (January 1 to September 30, 2016). The primary difference is 2016, when all services were performed with County employees, no longer utilizing a private contractor.

Table 4.1-1 Expenditure History Comparison: Landfill Administration (30201)

Landfill Administration (30201)				
DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
PERSONNEL SERVICES				
Compensation Permanent	\$ 814,549	\$ 186,471	\$ 169,881	\$ 167,045
Compensation Temporary	0	0	0	5,676
Overtime Permanent	30,000	968	49	146
Vacation	0	8,200	6,524	9,596
Sick Leave	0	1,106	898	451
Bonus Plan	0	325	0	3,519
FICA Taxes	61,504	14,196	12,731	13,404
Retirement Contributions	24,436	5,873	5,319	5,313
Health Benefits	139,044	28,252	20,292	19,836
Dental Insurance	120	144	120	120
Life Insurance	495	89	79	79
Employee Assistance Program	512	80	77	73
Workman's' Compensation Premium	4,899	2,816	2,020	2,041
Accidental Death & Dismemberment	94	16	14	14
Long-term Disability	2,641	640	576	576
Compensated Absences	0	1,081	1,745	(1,879)
TOTAL PERSONNEL SERVICES	\$ 1,078,294	\$ 250,258	\$ 220,327	\$ 226,011
OPERATING EXPENSE				
Supplies				
Office Supplies	\$ 4,000	\$ 2,242	\$ 2,054	\$ 2,126
Small Equipment	0	0	360	910
Food	500	54	55	476
Clothing	500	0	170	351
Other Operating Supplies	250,000	146,531	117,081	66,790
Gas and Diesel	300,000	153,368	283,654	269,667
Signs & Sign Materials	500	0	0	0
Books	500	0	0	0
Total Supplies	\$ 556,000	\$ 302,194	\$ 403,374	\$ 340,320
Purchased Services				
Postage	\$ 4,000	\$ 983	\$ 1,368	\$ 1,157
Telephone	8,500	3,055	2,140	1,860
Fleet Maintenance Service	30,000	14,107	22,393	19,382

Landfill Administration (30201)				
DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
Printing	\$ 500	\$ 0	\$ 264	\$ 51
Photocopies	200	0	0	67
Advertising	1,000	0	0	260
Registrations & Seminars	15,248	1,861	1,618	4,802
Memberships	3,000	2,104	1,885	1,724
Electricity	21,000	5,982	5,037	4,781
Water	13,000	11,723	4,462	7,359
Sewer	9,000	0	0	1,005
Trash Removal	1,000	11	0	334
Testing Services	6,000	2,588	1,713	1,943
Accounting Services	2,000	0	0	0
Administrative Indirect Charges	136,182	84,585	86,757	95,427
Consultant Services	18,000	13,721	24,502	38,642
R&M Heavy Equipment	50,000	11,735	3,055	4,962
R&M Buildings	13,000	0	98	0
R&M Grounds	10,000	0	0	2,308
Bank Fees	100	0	0	0
Credit Card 3 rd Party Process Fee	7,500	9,030	6,140	604
Contract Labor	30,000	1,764,547	1,919,433	1,812,848
Other Purchased Service	2,500	50,554	15,275	1,190
Total Purchase Services	\$ 381,730	\$ 1,976,586	\$..2,096,140	\$ 2,000,707
Travel and Subsistence				
Staff Mileage	\$ 2,500	\$ 164	\$ 319	\$ 1,046
Lodging	10,000	1,246	1,876	3,610
Air Fare	1,000	0	0	696
Car Rental	2,500	727	546	0
Meals	4,500	848	1,342	1,720
Other Travel	2,000	22	0	96
Total Travel and Subsistence	\$ 22,500	\$ 3,007	\$ 4,083	\$ 7,168
Fixed Charges				
Other Insurance	\$ 1,000	\$ 0	\$ 0	\$ 0
Land Rental	10	10	10	10
Equipment Rental	10,000	0	0	297
Depreciation	600,000	532,000	511,436	485,694
Licenses and Permits	5,000	16	36,949	64,850
Total Fixed Costs	\$ 616,010	\$ 532,026	\$ 548,395	\$ 550,852
TOTAL OPERATING EXPENSE	\$ 1,576,240	\$ 2,813,812	\$ 3,051,993	\$ 2,899,046
GRANTS, CONTRIBUTIONS, INDEMNITY & OTHER				
Grants or Donations	\$ 7,500	\$ 0	\$ 250	\$ 500
Landfill Closure Costs		388,919	338,027	323,384
TOTAL GRANTS, CONTRIBUTIONS, INDEMNITY & OTHER	\$ 7,500	\$ 388,919	\$ 338,277	\$ 323,884

Landfill Administration (30201)				
DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
CAPITAL OUTLAY				
Office Equipment	\$ 1,000	\$ 0	\$ 0	\$ 0
Other Equipment	1,000	4,626	0	0
TOTAL CAPITAL OUTLAY	2,000	4,626	0	0
TOTAL LANDFILL ADMINISTRATION	\$ 2,664,034	\$ 3,457,615	\$ 3,610,597	\$ 3,448,941

Table 4.1-2 Expenditure History Comparison: Education (30202)

Education (30202)				
DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
PERSONNEL SERVICES				
Compensation Permanent	\$ 52,068	\$ 38,945	\$ 44,786	\$ 44,425
Compensation Temporary	0	0	0	1,943
Vacation	0	815	1,879	8,740
Sick Leave	0	12,300	1,736	2,156
Bonus Plan	0	0	0	514
FICA Taxes	3,769	3,723	3,491	4,237
Retirement Contributions	1,562	1,562	1,452	1,403
Health Benefits	8,232	9,021	6,565	5,300
Dental Insurance	60	60	60	50
Life Insurance	26	26	26	22
Employee Assistance Program	27	27	26	24
Workman's Compensation Premium	234	235	218	219
Accidental Death & Dismemberment	5	5	5	4
Long-term Disability	169	164	157	140
TOTAL PERSONNEL SERVICES	\$ 66,152	\$ 66,880	\$ 60,400	\$ 69,179
OPERATING EXPENSE				
Supplies				
Office Supplies	\$ 500	\$ 9	\$ 0	\$ 181
Computer Supplies	200	0	0	0
Small Equipment	500	0	0	527
Food	1,000	0	0	310
Other Operating Supplies	1,000	129	595	350
Books	500	0	0	0
Total Supplies	\$ 3,700	\$ 138	\$ 595	\$ 1,368
Purchased Services				
Postage	\$ 1,000	\$ 0	\$ 0	\$ 23
Telephone	500	420	420	0
Printing	2,500	0	2,524	3,737
Advertising	50,000	43,096	55,111	40,077
Registrations & Seminars	1,000	0	0	0
Membership	200	0	0	195
Contract Labor	6,000	5,462	2,471	3,244
Total Purchased Services	\$ 61,200	\$ 48,978	\$ 60,525	\$ 47,276
Travel and Subsistence				
Lodging	\$ 500	\$ 0	\$ 0	\$ 0
Meals	500	0	0	0
Total Travel and Subsistence	\$ 1,000	\$ 0	\$ 0	\$ 0
TOTAL OPERATING EXPENSE	\$ 65,900	\$ 49,115	\$ 61,120	\$ 48,644
CAPITAL OUTLAY				

Education (30202)				
DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
Other Equipment	\$ 1,000	\$ 0	\$ 0	\$ 0
TOTAL CAPITAL OUTLAY	1,000	0	0	0
TOTAL EDUCATION	\$ 133,052	\$ 115,995	\$ 121,521	\$ 117,823

Table 4.1-3 Expenditure History Comparison: Landfill – Hazardous Material (30203)

Landfill – Hazardous Material (30203)				
DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
PERSONNEL SERVICES				
Compensation Permanent	\$ 140,582	\$ 126,702	\$ 115,144	\$ 111,940
Compensation Temporary	0	41,609	17,626	19,388
Overtime Permanent	0	0	0	238
Vacation	0	6,823	3,910	4,298
Sick Leave	0	6,381	14,978	4,890
Bonus Plan	0	325	325	2,572
FICA Taxes	9,670	12,833	10,212	9,860
Retirement Contributions	4,218	4,197	4,021	3,634
Health Benefits	28,176	27,974	21,354	18,489
Dental Insurance	120	127	120	102
Life Insurance	79	77	79	71
Employee Assistance Program	80	80	77	73
Workman's Compensation Premium	633	2,232	935	632
Accidental Death & Dismemberment	14	14	14	13
Long-term Disability	456	443	436	395
TOTAL PERSONNEL SERVICES	\$ 184,028	\$ 229,816	\$ 189,232	\$ 176,593
OPERATING EXPENSE				
Supplies				
Office Supplies	2,000	455	779	1,230
Computer Supplies	2,000	564	0	0
Small Equipment	0	0	0	872
Site Supplies	90,000	62,671	51,652	62,690
Food	500	0	248	0
Clothing	2,000	2,016	486	1,599
Safety Equipment & Supplies	2,000	140	428	1,222
Other Operating Supplies	1,300	450	966	3,956
Books	500	151	162	397
Total Supplies	\$ 100,300	\$ 66,448	\$ 54,722	\$ 71,964
Purchased Services				
Postage	\$ 1,200	\$ 645	\$ 558	\$ 673
Telephone	1,500	1,438	1,242	1,140
Freight	1,000	1,353	57	79
Fleet Maintenance	4,000	5,830	2,549	949
Advertising	0	0	(231)	0
Registrations & Seminars	10,000	2,247	3,620	2,457
Membership	800	742	588	570
Electricity	7,000	4,093	2,719	2,664
Water	600	141	0	0
Sewer	3,500	1,785	2,485	2,800
Hazardous Waste Disposal	300,000	190,522	164,804	170,959
Recycled Materials	5,000	5,639	2,955	1,400

Landfill – Hazardous Material (30203)				
DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
Trash Removal	\$ 3,000	\$ 0	\$ 0	\$ 0
Medical Services	25,000	2,131	6,464	2,800
Testing Services	1,500	650	299	176
R&M Building	15,000	16,308	3,419	2,217
Credit Card 3 rd Party Processing Fee	0	63	0	0
Contract Labor	15,000	6,517	2991	0
Total Purchased Services	\$ 394,100	\$ 240,104	\$ 194,519	\$ 188,883
Travel and Subsistence				
Staff Mileage	\$ 800	\$ 308	\$ 149	\$ 280
Lodging	6,000	749	1,266	254
Air Fare	6,000	0	0	50
Car Rental	500	374	242	534
Meals	3,000	468	385	348
Other Travel	0	40	0	0
Total Travel and Subsistence	\$ 16,300	\$ 1,939	\$ 2,042	\$ 1,466
Fixed Charges				
License and Permits	1,050	160	0	0
Total Fixed Charges	\$ 1,050	\$ 160	\$ 0	\$ 0
TOTAL OPERATING EXPENSE	\$ 511,750	\$ 308,652	\$ 251,283	\$ 262,313
CAPITAL OUTLAY				
Capital Outlay	0	0	0	0
TOTAL CAPITAL OUTLAY	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL LF – HAZARDOUS MATERIAL	\$ 695,778	\$ 538,468	\$ 440,515	\$ 438,906

Table 4.1-4 Expenditure History Comparison: Regulatory Compliance (30204)

DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
Operating Expense				
Purchased Services				
Consultant Services	\$ 121,000	\$ 167,402	\$ 116,564	\$ 158,288
Total Purchased Services	121,000	167,402	116,564	158,288
Fixed Charges				
Licenses and Permits	175,000	196,001	155,387	107,360
Total Fixed Charges	175,000	196,001	155,387	107,360
Total Regulatory Compliance	\$ 296,000	\$ 363,403	\$ 271,951	\$ 265,648

Table 4.1-5 Expenditure History Comparison: Solid Waste Capital (30205)

DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
OPERATING EXPENSE				
Supplies				
Computer Supplies	\$ 2,500	\$ 0	\$ 0	\$ 0
Other Operating Supplies	0	0	1,634	0
Total Supplies	2,500	0	1,634	0
Purchased Services				
R&M Grounds	25,000	0	3,398	7,139
Contract Labor	0	5,184	0	0
Total Purchased Services	25,000	5,184	3,398	7,139
TOTAL OPERATING EXPENSE	27,500	5,184	5,032	7,139
CAPITAL OUTLAY				
Office Equipment	2,500	0	0	0
Other Equipment	109,740	0	(7,728)	7,728
Construction Contracts	0	97,597	0	0
TOTAL CAPITAL OUTLAY	112,240	97,597	(7,728)	7,728
TOTAL SOLID WASTE CAPITAL	\$ 139,740	\$ 102,781	\$ (2,696)	\$ 14,867

Table 4.1-6 Expenditure History Comparison: Support Services (10900)

DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
Risk Management (10907)				
Fixed Charges				
Other Insurance	\$ 1,000	\$ 452	\$ 464	\$ 509
Total Fixed Charges	1,000	452	464	509
Other Budgeted Insurance (10961)				
Purchased Services				
3rd Party Administrator Charges	100	0	0	0
Total Purchased Services	100	0	0	0
Fixed Charges				
Property Insurance	7,500	6,671	6,954	6,154
General Liability Insurance	4,000	2,871	2,879	2,612
Errors & Omissions Insurance	7,000	6,108	5,943	5,577
Other Insurance	50,500	359	0	0
Total Fixed Charges	\$ 69,000	\$ 16,009	\$ 15,776	\$ 14,343
Grants, Contributions, Indemnity & Other				
Insurance Claims	1,000	0	0	11,516
Total Grants, Contributions., Indemnity, & Other	1,000	0	0	11,516
Total Other Budgeted Insurance	\$ 70,100	\$ 16,009	\$ 15,776	\$ 25,859
Total Support Services	\$ 71,100	\$ 16,461	\$ 16,240	\$ 26,368

Table 4.1-7 Expenditure History Comparison: Summary by Category

DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
Personnel Services	\$ 1,328,474	\$ 546,954	\$ 469,959	\$ 471,783
Operating Expense	2,477,390	3,540,166	3,641,380	3,482,790
Grants, Contributions, Indemnity, & Other	7,500	388,919	338,277	323,884
Capital Outlay	115,240	102,223	(7,728)	7,728
Risk Management	1,000	452	464	509
Other Budget Insurance	70,100	16,009	15,776	25,859
GRAND TOTAL	\$ 3,999,704	\$ 4,594,723	\$ 4,458,128	\$ 4,312,552

Table 4.1-8 Expenditure History Comparison: Summary by Department

DESCRIPTION	2016 Budget	2015 Actual	2014 Actual	2013 Actual
Landfill Administration (30201)				
Personnel Services	\$ 1,078,294	\$ 250,258	\$ 220,327	\$ 226,011
Operating Expense	1,576,240	2,813,812	3,051,993	2,899,046
Grants, Contr., Indemnity & Other	7,500	388,919	338,277	323,884
Capital Outlay	2,000	4,626	0	0
Total Landfill Administration	\$ 2,664,034	\$ 3,457,615	\$ 3,610,597	\$ 3,448,941
Education (30202)				
Personnel Services	66,152	66,880	60,400	69,179
Operating Expense	65,900	49,115	61,120	48,644
Capital Outlay	1,000	0	0	0
Total Education	\$ 133,052	\$ 115,995	\$ 121,521	\$ 117,823
Landfill – Hazardous Material (30203)				
Personnel Services	184,028	229,816	189,232	176,593
Operating Expense	511,750	308,652	251,283	262,313
Capital Outlay	0	0	0	0
Total Landfill - Hazardous Materials	\$ 695,778	\$ 538,468	\$ 440,515	\$ 438,906
Regulatory Compliance (30204)				
Operating Expense	296,000	363,403	271,951	265,648
Total Regulatory Compliance	\$ 296,000	\$ 363,403	\$ 271,951	\$ 265,648
Solid Waste Capital (30205)				
Operating Expense	27,500	5,184	5,032	7,139
Capital Outlay	112,240	97,597	(7,728)	7,728
Total Solid Waste Capital	\$ 139,740	\$ 102,781	\$ (2,696)	\$ 14,867
Support Services (10900)				
Risk Management (10907)	1,000	452	464	509
Other Budget Insurance (10961)	70,100	16,009	15,776	25,859
Total Support Services	\$ 71,100	\$ 16,461	\$ 16,240	\$ 26,368
GRAND TOTAL	\$ 3,999,704	\$ 4,594,723	\$ 4,458,128	\$ 4,312,552

4.2 Expenditure Observations

SMA reviewed actual expenditures from years 2013, 2014, and 2015 financial reports, as provided by MCSWM staff. There was no audit of the actual amounts identified in the financial reports. For the 2016 year, comparison of the approved budget versus the 9 months of actual expenditures was reviewed. A major change in the operations occurred in 2016, when MCSWM moved the operations in-house, utilizing County employees instead of a private contractor.

4.2.1 Years 2013, 2014, and 2015 Observations

During 2013 through 2015, MCSWM utilized a private contractor to provide personnel for the day to day operations, with MCSWM providing the administrative/regulatory oversight, the majority of the equipment purchases, and the majority of expenses (such as fuel and operating supplies). The following table provides a quick view of the major financial components for those years.

Table 4.2.1-1 Years 2013, 2014, and 2015 Expenditure Comparisons

DESCRIPTION	Year 2015	Year 2014	Year 2013
Landfill Administration (30201)	\$ 3,457,615	\$ 3,610,597	\$ 3,448,941
Education (30202)	115,995	121,521	117,823
Landfill – Hazardous Material (30203)	538,468	440,515	438,906
Regulatory Compliance (30204)	363,403	271,591	265,648
Solid Waste Capital (30205)	102,781	(2,696)	14,867
Support Services (10900)	16,461	16,240	26,368
GRAND TOTALS	\$ 4,594,723	\$ 4,458,128	\$ 4,312,552

As shown on Table 4.2.1-1, the overall budget did not vary more than 6% from 2013 to 2015.

4.2.2 Year 2016 Observations

A major change in the operations occurred in 2016, when MCSWM moved the operations in-house, utilizing County employees instead of a private contractor. At the time of this analysis, only 9 months of the current year was available for review. The following Table provides the approved budget with actuals for the first 9 months of 2016 and a 12-month projection of expenditures for the remaining portion of 2016.

Table 4.2.2-1 Year 2016 Expenditure Comparisons

DESCRIPTION	Budget	9 Months Actuals	% of Budget	Comments
Landfill Administration (30201)	\$2,664,034	\$1,220,210	46%	Personnel cost is at 69%. Fuel costs lower than projected and depreciation not factored into the financial report.
Education (30202)	133,052	86,866	65%	Personnel cost is at 77%. Other expenditures are at 54%.
Landfill – Hazardous Material (30203)	695,778	382,140	58%	Personnel cost is at 94%. Other expenditures are at 41%.
Regulatory Compliance (30204)	296,000	236,157	80%	All projects on schedule
Solid Waste Capital (30205)	139,740	593,438	425%	Budget exceedance due to special approved project and equipment purchase
Support Services (10900)	71,100	25,666	36%	Additional insurance payments still to be paid.
GRAND TOTALS	\$3,999,704	\$2,554,477	65%	At 9 months, percentage of budget should be at or below 75%.

5.0 REVENUES VS. EXPENDITURES

The Table 5.1-1 provides a comparison of the actual revenues versus expenditures for 2013, 2014, and 2015. The amounts for 2016 are from the approved budget for that year. Net revenues for 2013, 2014, and 2015 were in the negative. For 2016, the projected budget has net revenues at zero. Further discussion on this issue is provided in Section 8 of this Solid Waste System Rate Analysis.

Table 5.1-1 Revenues vs. Expenditure Comparisons

DESCRIPTION	Revenue	Expenditures	Net Revenues
2013 Actuals			
Landfill Administration (30201)	\$ 3,832,913	\$ (3,448,941)	\$ 383,973
Education (30202)	0	(117,823)	(117,823)
Landfill – Hazardous Material (30203)	83,878	(438,906)	(355,028)
Regulatory Compliance (consultants) (30204)	0	(265,648)	(265,648)
Solid Waste Capital (30205)	0	(14,867)	(14,867)
Support Services (10900)	0	(26,368)	(26,368)
2013 Actual Totals	\$ 3,916,791	\$ (4,312,552)	\$ (395,761)
2014 Actuals			
Landfill Administration (30201)	\$ 3,717,365	\$ (3,610,597)	\$ 106,769
Education (30202)	0	(121,521)	(121,521)
Landfill – Hazardous Material (30203)	94,117	(440,515)	(346,398)
Regulatory Compliance (consultants) (30204)	0	(271,591)	(271,591)
Solid Waste Capital (30205)	0	2,696	2,696
Support Services (10900)	0	(16,240)	(16,240)
2014 Actual Totals	\$ 3,811,482	\$ (4,458,128)	\$ (646,646)
2015 Actuals			
Landfill Administration (30201)	\$ 3,753,790	\$ (3,457,615)	\$ 296,175
Education (30202)	0	(115,995)	(115,995)
Landfill – Hazardous Material (30203)	123,615	(538,468)	(414,853)
Regulatory Compliance (consultants) (30204)	0	(363,403)	(363,403)
Solid Waste Capital (30205)	0	(102,781)	(102,781)
Support Services (10900)	0	(16,461)	(16,461)
2015 Actual Totals	\$ 3,877,405	\$ (4,594,723)	\$ (717,318)
2016 Budget			
Landfill Administration (30201)	\$ 3,936,204	\$ (2,664,034)	\$ 1,272,170
Education (30202)	0	(133,052)	(133,052)
Landfill – Hazardous Material (30203)	63,500	(695,778)	(632,278)
Regulatory Compliance (consultants) (30204)	0	(296,000)	(296,000)
Solid Waste Capital (30205)	0	(139,740)	(139,740)
Support Services (10900)	0	(71,100)	(71,100)
2016 Budget Totals	\$ 3,999,704	\$ (3,999,704)	\$ 0

6.0 CAPITAL OUTLAY REQUIREMENTS

There are two primary areas that require Capital Outlay funding: 1) replacement and acquisition of equipment and 2) construction for new development of landfill operations (such as liners, cell caps, ponds, gas systems, etc.). These items are capitalized and depreciated over their useful life. The Unrestricted Fund account is used for all expenditure requirements that exceed the annual revenue.

6.1 Capital Outlay – Construction

MCSWM has provided SMA the current proposed capital outlay requirements through the year 2021 for construction of various projects at the Solid Waste Disposal facility (Table 6.1-1). With the exception of Landfill Cap Construction and Cap Labor/ Equipment, all of these projects are being funded by the fees/revenues of MCSWM.

Table 6.1-1 Capital Outlay - Construction

DESCRIPTION	Funding Year 2017	Funding Year 2018	Funding Year 2019	Funding Year 2020	Funding Year 2021
Landfill					
Liner Construction	--	--	\$ 614,000	--	--
Cap Construction	--	--	--	\$ 250,000	--
Cap Labor/Equipment	--	--	--	\$ 500,000	--
Collection Ponds	--	\$ 500,000	--	--	--
Design/Engineering	\$ 200,000	--	--	--	--
Above Ground Scale	\$ 200,000	--	--	--	\$ 200,000
Shop Wash Area	--	\$ 60,000	--	--	--
Storage Container	--	\$ 5,000	--	\$ 170,000	--
Bull Fences	\$ 20,000	--	--	--	--
Hazardous Waste					
Office Building	\$ 25,000	--	--	--	\$ 225,000
Composting					
Site Expansion	--	--	\$ 100,000	--	--
Transfer Stations					
Molina Compactor	--	\$ 100,000	--	--	--
TOTALS	\$ 445,000	\$ 665,000	\$ 714,000	\$ 920,000	\$ 425,000

6.2 Capital Outlay – Equipment

The following Table provides a current inventory of equipment being utilized by MCSWM in the Solid Waste System. MCSWM staff have compiled a worksheet with average life and projected replacement of each piece of equipment. Due to budget constraints, the majority of the equipment is not replaced on a regular basis. The column labeled “#” in the following Table does not represent an assigned number by MCSWM, it is added by the consultant to identify equipment items clearly in this report.

Table 6.2-1 Current Equipment Inventory

#	DESCRIPTION	Year Acquired	Purchase Price	Current Hours/Miles
	Landfill			
1	Waste Compactor	2016	\$ 358,170	600
2	Waste Compactor	2011	527,537	8,598
3	Scraper	2009	731,875	5,855
4	Grader	1993	35,000	7,171
5	Bulldozer	1997	85,000	14,356
6	Water Truck	1996	16,000	4,191
7	Tarp-O-Matic	Unknown	25,000	3,433
8	Tire Baler	Unknown	8,000	---
9	River Pump	2008	72,000	---
10	Semi-Tractor (Mack)	2002	52,000	140,670
11	Semi-Tractor (International)	2009	95,050	2,202
12	Trailer 1	1998	22,700	---
13	Trailer 2	1998	22,700	---
14	Trailer 3	2008	68,040	---
15	Trailer 4	2017	Unknown	---
16	Roll-off Trailer 1	2002	40,000	---
17	Roll-off Trailer 2	2009	50,000	---
18	Conveyor Trailer	2008	80,000	---
19	Service Truck	2007	91,300	---
20	Hydro Mulcher	Unknown	5,000	2,002
21	Backhoe	2002	47,570	---

#	DESCRIPTION	Year Acquired	Purchase Price	Current Hours/Miles
	Composting			
22	Tractor (7320-Sales)	2005	\$ 56,923	8,011
23	Tractor (6150R- 4-wheel drive)	2013	114,644	881
24	Tractor (7330 – 2-wheel drive)	2009	71,550	1,580
25	Turner	2004	58,500	9,177
26	Water Wagon	2000	13,120	---
27	Loader 928	2011	149,730	5,994
28	Loader 928	2011	151,798	6,066
29	Grinder (Tub) Unit Sold 8/2016	2003	196,498	---
30	Grinder (Horizontal)	2014	498,500	1,000
31	Trommel Screen	2001	116,000	2,469
	Hazardous Waste			
32	Skid Loader	2002	\$ 31,000	2,047
33	Forklift	1995	10,800	3,516
34	Light Bulb Crusher	2016	5,728	---
35	Paint Can Crusher	2011	25,000	---
	Transfer Stations			
36	Fruita Backhoe	1999	\$ 51,880	3,124
37	Molina Skid Loader	2001	17,714	1,800
	Other			
38	Administration Truck (F250)	2008	\$ 27,471	36,054
39	Administration SUV	2003	17,383	122,311
40	Landfill Truck (F250)	2008	27,471	126,285
41	Landfill Truck (2500)	2006	27,471	122,820
42	Landfill Truck (Sierra)	2008	30,100	113,129
43	Landfill Truck (Colorado)	2004	11,735	158,933
44	HWCF Truck (F250)	1997	16,947	66,818

7.0 RESERVE REQUIREMENTS

MCSWM has multiple reserve accounts for closure/post-closure requirements, and revenue shortfalls. Each reserve account is dedicated for specific needs. Expenditures from a few of these reserve accounts is subject to approval of either the County Commission or CDPHE. Due to past revenue shortfalls, MCSWM has had to draw on the reserve accounts to supplement operations revenues for operations over the last 5 years. With operational changes that occurred in 2016, this need to subsidize operations revenues from the reserves may not be necessary.

7.1 Reserve for Encumbrances - Unrestricted

This Reserve account does not have a separate account holding funds. In the financial report it is simple a tool to identify funds allocated to the approved purchases or activities. MCSWM utilizes this reserve for the purchase of equipment or construction projects. This reserve balance is established during the annual budget approval period. MCSWM submits the requested items requiring funding for that budget year to the County Commission. The Commission then approves, or makes changes to the annual budget request. All purchases over \$25,000 require special, additional approval from the Commission.

7.2 Landfill Replacement Reserve – Restricted

The County has decided to be pro-active in the funding of a separate Restricted Reserve account that is for the replacement of the current landfill once it reaches its capacity. These funds are not a requirement of CDPHE.

7.3 Closure Reserves - Restricted

These reserves are required by the State to cover potential closure/post-closure costs of the permitted solid waste disposal facility. These reserves are regulatory mandated financial assurance funds and are restricted for use without prior approval of CDPHE. Funding balances are the amounts in each reserve at the close of each year, except for Year 2016; these balances are as of August 2, 2016.

7.3.1 Landfill Closure/Post-Closure Reserve

This fund is maintained for post-closure care requirements of the solid waste disposal and hazardous waste collection areas as well as the removal of all improvements and structures. Calculations of the funding requirements are reviewed and updated every five years by a consulting engineering firm and MCSWM to insure the fund has adequate revenues to perform all required tasks for the 30-year post-closure care period. Post-closure care includes maintaining the cap cover across the waste disposal area and all monitoring requirements.

7.3.2 Compost Closure Reserve

As with the Landfill Closure Reserve, this reserve is for closure/post-closure care specific to the requirements at the composting operations facility on the landfill property.

7.3.3 Biosolids Closure Reserve – Animal Mortalities

As with the Landfill Closure Reserve, this reserve is for post-closure care specific to the requirements at the Biosolids and animal mortalities operations facility on the landfill property.

7.4 Retained Earnings - Unrestricted

This reserve fund can be utilized for various reasons, including purchase of capital needs and operational shortfalls, with approval of the County Commission. As of September 30, 2016, this reserve fund has a negative balance of \$1,058,268.

The following table (Table 7.4.1) provides a summary of the funding balance amounts in reserve at the close of each of the past four years; except for Year 2016 (2016 balances are as of September 30, 2016). Since 3013 to the 2016, the total reserve balance has gone from \$9,494,386 to a project balance of \$8,189,381, a reduction of \$1,305,005.

Table 7.4-1 Reserve Balance History Comparison

DESCRIPTION	Funding Year 2016	Funding Year 2015	Funding Year 2014	Funding Year 2013
Restricted by County				
Reserve for Encumbrances	\$ 58,960	\$ 0	\$ 0	\$ 5689
Retained Earnings	(1,058,268)	(1,058,268)	(323,976)	333,417
Sub-totals	(999,308)	(1,058,268)	(323,976)	339,106
Landfill Replacement	1,811,287	1,811,287	1,808,058	1,806,027
Landfill Closure	7,309,671	7,309,671	7,295,986	7,281,618
Compost Closure	50,008	50,008	49,981	49,964
Biosolids Closure	17,723	17,723	17,692	17,671
Sub-totals	\$ 9,188,689	\$ 9,188,689	\$ 9,171,717	\$ 9,155,280
GRAND TOTALS	\$ 8,189,381	\$ 8,130,421	\$ 8,847,741	\$ 9,494,386

The following table (Table 7.4.2) provides the current fund balances addressing post closure care cost estimates for each component of the MCSWM operations. Based upon the information provided, there is an excess in the Landfill Closure account with shortfalls in the other two required reserves. Overall there is an excess of \$862,248 in the Closure reserve funds.

Table 7.4-2 Landfill Closure Funding Requirements

DESCRIPTION	Balance in Fund	Required Amount	Excess or (Shortfall)
Landfill Closure	\$ 7,309,671	\$ 6,151,340	\$ 1,158,331
Compost Closure	50,008	227,797	(177,789)
Biosolids Closure	17,723	55,510	(37,787)
TOTALS	\$ 7,377,402	\$ 6,551,154	\$ 862,248

8.0 FEE CALCULATIONS/EXPLANATION

Provided in this Section are comparisons to other landfill/solid waste system facilities in the Western Slope region of Colorado. In this comparison, there are no operations comparable to MCSWM in size and in solid waste services being provided. This information does provide a view of the service provided by other facilities, but in most cases does not assist with the establishment of the correct rates for MCSWM.

The calculations provided for MCSWM factor in all services based upon information provided by MCSWM staff. There was substantial data provided to assist with these recommendations. Due to the accounting process utilized by MCSWM, estimates were utilized in calculating some of the various operational costs for each service. Most service revenues are lumped into one line item in the financial reporting "Landfill Users Fee" (30201).

8.1 Solid Waste Rate/Services Comparison

Simply comparing a specific rate does not provide a clear picture of the actual costs to provide those services. Each component of an operation must be evaluated based upon volumes of materials, services provided, materials accepted, other funding subsidies, and regulatory requirements.

Table 8.1-1 provides most of the components that affect fees and rates.

8.2 Analysis of Operations

MCSWM has provided all requested data necessary to prepare this Rate Analysis. The components discussed in this report section are the primary concerns in determining adequate disposal rates necessary to fund operations, to ensure that the facility is not operating in a deficit.

Operational changes made by MCSWM in 2016 (providing disposal services utilizing County employees versus the utilization of a private contractor) has had a positive impact on the cash flow of the operations. For the three years prior to the changeover, MCSWM was operating in a deficit as clearly shown in Table 8.2-1. For years 2013 through 2015 there was a deficit of \$1,759,725 (including depreciation). Net cash, not including depreciation, was a loss of \$226,595 for years 2013 through 2015. On Table 8.2-1, the year 2016 budget was prepared as a break-even balance, with zero net revenues.

Based upon the financial reports provided by MCSWM for the first 9 months of 2016 (January 1 through September 30, 2016), it appears that MCSWM will have a cash surplus in the operating accounts at the end of 2016. Table 4.2.2-1, provides an examination of expenditures for the nine-month period. MCSWM has expended 65% of budget, that is, below 75%, for this 2016 nine-month budget period. Revenues for this same period are at approximately 78% of the budgeted revenues (see Note # 1 below Table 3.1-1). The following table (Table 8.2-1) shows the budget for 2016, not the actual revenues and expenditures for this period, but actual revenues and expenditures for years 2013 through 2015.

Table 8.1-1 Western Slope Landfill Tipping Fees and Services

DESCRIPTION	Mesa County	South Canyon	Pitkin County	Summit County	Montezuma County	Garfield County	Delta County	Montrose County
Tipping Fee - In County	\$20/ton		\$64/ton		\$39.43/ton	\$42/ton	\$28/ton	\$47.37
Commercial Compacted		\$40/ton	\$53.50	\$60/ton				
Uncompacted Vehicle		0.02/pound		\$10-35 min/vehicle				
Late Entrance Fee				Double after close	\$25/half hour			
Tipping Fee - Out of County						\$84/ton	Tip Fee + 75%	Tip Fee + 15%
Minimum Fee	\$5	\$8	\$12.50	\$20 car, \$35 truck	\$8.93	\$5	\$10	\$5.26
C&D		\$48/ton	\$64/ton		\$35.39		\$28/ton	\$47.37/ton
Contaminated Soil	\$20/ton	\$53/ton	\$64/ton	\$78/ton	\$9.45	\$42/ton	\$35/ton	
Tires - Passenger	\$2	\$5-10	\$6-12.50	\$10	\$9.20	\$3	\$3	\$4.24
Tires - Large Truck	\$2	\$10-20		\$40	\$18.90	\$15-20		\$4.24
Tires - Equipment	\$200/ton	\$30-40	\$26.50	\$40	\$0.20/lb	\$30		\$8.50
Sludge	\$13/ton	\$45/cubic yard	\$30/ton	\$31/ton		\$0.15-0.30/gal		
Transfer Station Fee	\$15 load						\$10 load	
Other Funding Utilized	Yes	No	No	Yes	No	No	No	

DESCRIPTION	Mesa County	South Canyon	Pitkin County	Summit County	Montezuma County	Garfield County	Delta County	Montrose County
Tipping Fee - In County	\$20/ton		\$64/ton		\$39.43/ton	\$42/ton	\$28/ton	\$47.37
Commercial Compacted		\$40/ton	\$53.50	\$60/ton				
Uncompacted Vehicle		0.02/pound		\$10-35 min/vehicle				
Services								
Asbestos	•							
Non-Friable	•	•	•		•		•	
Friable	•							
Education	•		•					
E&P Waste	•							
Organics Compost	•	•	•	•	•			
Food Waste	•		•	•				
Compost Sales	•	•	•	•	•			
HHW Collection	•		•	•				
Recycling	•		•		•			
Electronic Waste	•	•	•	•	•	•		
Regulatory Compliance								
Engineered Liner	•	•	•	•	•		•	•
Groundwater Sampling	•	•	•	•	•	•	•	•
LFG Collection System	•							

Table 8.2-1 Net Cash from Operations

Year	Revenue	Expenditures	Net Revenues	Depreciation	Net Cash
2013	\$ 3,916,791	\$ (4,312,552)	\$ (395,761)	\$ 485,694	\$ 89,933
2014	3,811,482	(4,458,128)	(646,646)	511,436	(135,210)
2015	3,877,405	(4,594,723)	(717,318)	532,000	(181,318)
2016	3,999,704	(3,999,704)	0	600,000	600,000
TOTALS	\$15,605,382	\$(17,365,107)	\$(1,759,725)	\$ 2,129,130	\$ 369,405

Funding necessary to cover the deficits was transferred from unrestricted reserve account as needed in 2013 through 2015. It does not currently appear this will be necessary for 2016.

Table 8.2-2 presents the tipping fees, product sales fees, and acceptance policies for all services provided by MCSWM.

Table 8.2-2 Current Rate Schedule

DESCRIPTION	Unit	Fee per Unit	Comments
Landfill Tipping Fees			
Compacted/Loose Trash	Per Ton	\$ 20.00	All loads must be tarped and secured or fees will be doubled.
Minimum Fee	Fixed	\$ 5.00	
Special Waste Items			
Sludge	Per Ton	\$ 13.00	
Clean Soil	Per Ton	\$ 8.00	
Contaminated Soil	Per Ton	\$ 20.00	
Asbestos Non- Friable	Per Ton	\$ 20.00	All Asbestos must be approved by Special Waste Program & Special Burial Fees apply.
Asbestos Friable	Per Yard	\$ 60.00	
Special Burial Fees			
Minimum Fee	Per Day	\$ 50.00	
10-20 yards	Per Day	\$100.00	
20+ yards	Per Day	\$200.00	
Tires			
Standard	Each	\$ 2.00	1-9 tires – no paperwork / 10+ tires - state manifest required
Bulk Tire Delivery	Per Ton	\$200.00	

DESCRIPTION	Unit	Fee per Unit	Comments
Compost Facility Fees			
Drop-off Fee	N/A	No Fee	Currently no fee
Mesa Magic Compost			
1-9 Yards	Per Yard	\$ 33.66	Tax applied when applicable
10+ Yards	Per Yard	\$ 25.00	Tax applied when applicable
Ultra Fine Compost			
1-9 Yards	Per Yard	\$ 33.66	Tax applied when applicable
10+ Yards	Per Yard	\$ 25.00	Tax applied when applicable
Dark Mulch			
1-9 Yards	Per Yard	\$ 14.30	Tax applied when applicable
10+ Yards	Per Yard	\$ 10.00	Tax applied when applicable
Bagged Compost			
1.25 Cubic Foot Bag	Per Bag	\$ 3.82	Tax applied when applicable
Commercial Pallet	Pallet	\$75.00	25 bags per pallet Tax applied when applicable
Transfer Station Fees			
All Locations			
³ / ₄ ton or smaller	Per Load	\$15.00	
Trailers/Larger Trucks	Per Load	\$15.00	Limited to trailers/trucks with less than 9 feet of bed length.
Special Waste	N/A	N/A	Not accepted - Bulk tires/soil/sludge, etc.
Const. & Demo. Debris	N/A	N/A	Not accepted

8.3 Rate Calculations

Contained in this section are rate calculations, along with the recommended changes to the facility fee structure and explanations for fee adjustments. Table 8.3-1 provides more detail to the expenditures by service activities for budget year 2016. The MCSWM budget has 6 primary funding accounts as indicated in Table 8.3-1. Landfill Administration (30201) expenditures account for more than just the disposal of solid waste in the landfill disposal cells. Specifically, this account has been divided (utilizing percentages provide by MCSWM staff) into the other components under that account; landfill disposal, composting, transfer stations and depreciation.

Table 8.3-1 Expenditure Detailed Breakdown Year 2016

DESCRIPTION	%	Expenditures
Landfill Administration (30201)		
Landfill Disposal	39%	\$ 1,563,025
Composting	9%	375,126
Transfer Stations	4%	145,883
Depreciation	15%	600,000
Education (30202)	4%	133,052
Landfill Hazardous Material (30203)	16%	675,778
Regulatory Compliance (30204) Consultants/Engineers	7%	296,000
Solid Waste Capital (30205)	4%	139,740
Support Services (10900)	2%	71,100
TOTAL	100%	\$ 3,999,704

Utilizing expenditure values from Table 8.3-1, Table 8.3-2 provides an analysis of the current budget for 2016. There was no liner or cap construction funding utilized in Year 2016. The budget for this year is a net zero revenue; that is, a “break even” budget.

Table 8.3-2 Revenues vs. Expenditures Detailed Breakdown for Year 2016

DESCRIPTION	Budget Revenues	Projected Expenditures	Difference
Landfill Users Fee (30201)			
Landfill Disposal	\$ 2,509,095	\$ (1,563,025)	\$ 946,070
Sludge	156,968	Included in Landfill Disposal	156,968
Asbestos	26,855	Included in Landfill Disposal	26,855
Tires	15,129	Included in Landfill Disposal	15,129
Offal	5,674	Included in Landfill Disposal	5,674
Contaminated Soils	---	Included in Landfill Disposal	---
Depreciation	600,000	(600,000)	0
Sub-Total Landfill Disposal	\$ 3,313,721	\$ (2,163,025)	\$ 1,150,696
Composting	\$ 400,173	(375,126)	\$ 25,047
Transfer Stations	48,792	(145,883)	(97,091)
Late Fees	19,668	0	19,668
Interest on Investments	26,000	0	26,000
Other interest/Commission	2,000	0	2,000
Miscellaneous	125,850	0	125,850
Total Landfill Users Fee	\$ 3,936,204	\$ (2,684,034)	\$ 1,252,170
Education (30202)	\$ 0	\$ (133,052)	\$ (133,052)

DESCRIPTION	Budget Revenues	Projected Expenditures	Difference
Landfill Hazardous Materials (30203)			
General Fees	\$ 50,000	\$ (675,778)	\$ (625,778)
Interdepartmental Sales & Services	3,500	Included in Under Gen. Fees	3,500
Miscellaneous Revenues	10,000	Included in Under Gen. Fees	10,000
Total Landfill Hazardous Materials	63,500	(675,778)	(612,278)
Regulatory Compliance (30204) Cons./Engineering	0	(296,000)	(296,000)
Solid Waste Capital (30205)	0	(139,740)	(139,740)
Support Services (10900)	0	(71,100)	(71,100)
GRAND TOTALS	\$ 3,999,740	\$ (3,999,740)	\$ 0

The following Tables provide projections for capital outlay needs for construction projects (Table 8.3-3) and equipment replacement (Table 8.3-4) needs for the years of 2017 through 2040. SMA working with MCSWM staff has identified all known costs that will arise in this time period. The estimated year of the purchase with an estimated cost for the item required is provided. Equipment is based upon number of years of useful life projections. This life projection can be adjusted based upon actual condition at the time of replacement.

Projected Expenditures with Capital Outlay Plan (Table 8.3-5) provides a projection of expenditures, including capital outlay and reserve requirements. Table 8.3-5 provides a breakdown of the needs by each major component of the MCSWM operations.

Table 8.3-3 Capital Outlay – Construction – Years 2017 through 2040

DESCRIPTION	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
LANDFILL								
Liner Construction			\$ 614,000					
Landfill Soil Imbalance	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Cap Construction (closure/Post-closure Fund)				\$ 250,000				
Labor/Equipment (closure/Post-closure Fund)				\$ 100,000				
Collection Ponds		\$						
Design / Engineering	\$ 200,000							
Landfill Gas System								
Closed Skid	\$							
Condensate Management	\$							
Above Ground Scale	\$				\$ 200,000			
Shop Wash Area		\$ 150,000						
Storage Container		\$						
Wind Fence				\$ 170,000				
Small Equipment	\$ 1,500							
Bull Fences	\$ 20,000				\$ 25,000			
HAZARDOUS WASTE								
Office Building/Other	\$ 25,000				\$ 225,000			
COMPOSTING								
Site Expansion			\$					
Urea Storage Building			\$					
TRANSFER STATIONS								
Molina Compactor		\$						
Fruita TS Improvements		\$						
ADDITIONAL								
LF Buffer Property Purchase	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$	\$
Regulatory Compliance Site	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$	\$
Campus Site Improvement	\$	\$	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$	\$
TOTALS	\$	\$1,270,000	\$1,099,000	\$ 885,000	\$ 815,000	\$ 365,000	\$	\$

Table 8.3-3 cont. Capital Outlay – Construction – Years 2017 through 2040								
DESCRIPTION	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032
LANDFILL								
Liner Construction			\$750,000					
Landfill Soil Imbalance	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Cap Construction (closure/Post-closure Fund)				\$ 250,000				
Labor/Equipment (closure/Post-closure Fund)				\$ 100,000				
Collection Ponds		\$ 100,000						
Design / Engineering	\$ 200,000							
Landfill Gas System								
Closed Skid	\$ 50,000							
Condensate Management	\$ 50,000							
Above Ground Scale								
Shop Wash Area								
Storage Container								
Wind Fence				\$ 100,000				
Small Equipment	\$ 1,500							
Bull Fences	\$ 25,000				\$ 25,000			
HAZARDOUS WASTE								
Office Building/Other	\$ 50,000							
COMPOSTING								
Site Expansion			\$					
Urea Storage Building			\$					
TRANSFER STATIONS								
Molina Compactor		\$ 30,000						
Fruita TS Improvements		\$ 30,000						
ADDITIONAL								
LF Buffer Property Purchase	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Regulatory Compliance Site	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Campus Site Improvement	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
TOTALS	\$ 741,500	\$ 525,000	\$1,235,000	\$ 815,000	\$ 390,000	\$ 365,000	\$ 365,000	\$ 365,000

Table 8.3-3 cont. Capital Outlay – Construction – Years 2017 through 2040

DESCRIPTION	Year 2033	Year 2034	Year 2035	Year 2036	Year 2037	Year 2038	Year 2039	Year 2040
LANDFILL								
Liner Construction			\$850,000					
Landfill Soil Imbalance	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Cap Construction (closure/Post-closure Fund)				\$ 250,000				
Labor/Equipment (closure/Post-closure Fund)				\$ 100,000				
Collection Ponds		\$ 100,000						
Design / Engineering	\$ 200,000							
Landfill Gas System								
Closed Skid	\$ 50,000							
Condensate Management	\$ 50,000							
Above Ground Scale					\$ 200,000			
Shop Wash Area								
Storage Container								
Wind Fence				\$ 100,000				
Small Equipment	\$ 1,500							
Bull Fences	\$ 25,000				\$ 25,000			
HAZARDOUS WASTE								
Office Building/Other	\$ 50,000							
COMPOSTING								
Site Expansion			\$ 100,000					
Urea Storage Building			\$ 20,000					
TRANSFER STATIONS								
Molina Compactor		\$ 30,000						
Fruita TS Improvements		\$ 30,000						
ADDITIONAL								
LF Buffer Property Purchase	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Regulatory Compliance Site	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Campus Site Improvement	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
TOTALS	\$ 741,500	\$ 525,000	\$1,335,000	\$ 815,000	\$ 590,000	\$ 365,000	\$ 365,000	\$ 365,000

Table 8.3-4 Capital Outlay – Equipment – Years 2017 through 2040

Table 8.3-4 cont. Capital Outlay – Equipment – Years 2017 through 2040								
DESCRIPTION	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
LANDFILL								
Waste Compactor (5 year)					\$ 425,000			
Scraper (10 year)			\$ 725,000					
Dozer (20 year)				\$ 500,000				
Grader (20 year)		\$ 180,000						
Backhoe (15 year)	\$ 125,000							
Transport Semi-Tractor (7 year)			\$ 150,000					
Transport Trailers (7 year)	\$ 120,000							\$ 125,000
Service Truck (15 year)						\$ 100,000		
Other Misc. Equipment	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
HAZARDOUS WASTE								
Skid Loader (20 year)						\$ 40,000		
Other Misc. Equipment	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
COMPOSTING								
Tractors (10 year)							\$ 150,000	
Water Wagon (20 year)				\$ 25,000				
Loaders (10 year)					\$ 160,000			
Grinder (10 year)								\$ 550,000
Other Misc. Equipment	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TRANSFER STATIONS								
Backhoe (15 year)		\$ 125,000						
Skid Loader (20 year)					\$ 40,000			
Other Misc. Equipment	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
ADDITIONAL								
Administration Trucks	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Landfill Trucks	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Other Misc. Equipment	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
TOTALS	\$ 450,000	\$ 510,000	\$1,080,000	\$ 730,000	\$ 830,000	\$ 345,000	\$ 355,000	\$ 880,000

Table 8.3-4 cont. Capital Outlay – Equipment – Years 2017 through 2040									
DESCRIPTION	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2032
LANDFILL									
Waste Compactor (5 year)		\$ 475,000					\$ 525,000		
Scraper (10 year)					\$ 825,000				
Dozer (20 year)									
Grader (20 year)									
Backhoe (15 year)								\$ 125,000	
Transport Semi-Tractor (7 year)		\$ 150,000							
Transport Trailers (7 year)							\$ 130,000		
Service Truck (15 year)									
Other Misc. Equipment	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
HAZARDOUS WASTE									
Skid Loader (20 year)									
Other Misc. Equipment	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
COMPOSTING									
Tractors (10 year)									
Water Wagon (20 year)									
Loaders (10 year)							\$ 170,000		
Grinder (10 year)									
Other Misc. Equipment	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TRANSFER STATIONS									
Backhoe (15 year)									
Skid Loader (20 year)									
Other Misc. Equipment	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
ADDITIONAL									
Administration Trucks	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Landfill Trucks	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Other Misc. Equipment	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
TOTALS	\$ 205,000	\$ 830,000	\$ 205,000	\$ 205,000	\$ 1,030,000	\$ 205,000	\$ 1,030,000	\$ 205,000	\$ 330,000

Table 8.3-4 cont. Capital Outlay – Equipment – Years 2017 through 2040									
DESCRIPTION	Year 2033	Year 2034	Year 2035	Year 2036	Year 2037	Year 2038	Year 2039	Year 2040	
LANDFILL									
Waste Compactor (5 year)				\$ 550,000					
Scraper (10 year)							\$ 900,000		
Dozer (20 year)								\$ 600,000	
Grader (20 year)						\$ 200,000			
Backhoe (15 year)									
Transport Semi-Tractor (7 year)	\$ 150,000								
Transport Trailers (7 year)						\$ 135,000			
Service Truck (15 year)					\$ 120,000				
Other Misc. Equipment	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
HAZARDOUS WASTE									
Skid Loader (20 year)									
Other Misc. Equipment	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	
COMPOSTING									
Tractors (10 year)	\$ 160,000								
Water Wagon (20 year)								\$ 25,000	
Loaders (10 year)									
Grinder (10 year)		\$ 600,000							
Other Misc. Equipment	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
TRANSFER STATIONS									
Backhoe (15 year)	\$ 130,000								
Skid Loader (20 year)									
Other Misc. Equipment	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	
ADDITIONAL									
Administration Trucks	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	
Landfill Trucks	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	
Other Misc. Equipment	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	
TOTALS	\$ 645,000	\$ 805,000	\$ 205,000	\$ 755,000	\$ 325,000	\$ 250,000	\$ 1,030,000	\$ 830,000	

Table 8.3-5 Projected Expenditures with Capital Outlay Plan – Years 2017 through 2022

DESCRIPTION	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	6 Year Totals	Annual Average
LANDFILL (includes transfer stations)								
Operations	\$2,163,025	\$2,206,285	\$2,250,411	\$2,295,419	\$2,341,327	\$2,388,154	\$13,644,621	\$2,274,104
Adjustments	29,404	107,388	50,331	0	0	0	187,123	31,187
Capital Outlay - Construction	671,500	805,000	764,000	670,000	375,000	150,000	3,435,500	572,583
Capital Outlay - Equipment	345,000	280,000	975,000	600,000	525,000	200,000	2,925,000	487,500
Cleanup Mesa County Fund	15,000	15,000	15,000	15,000	15,000	15,000	90,000	15,000
Landfill Total	\$3,223,929	\$3,413,653	\$4,054,742	\$3,580,419	\$3,256,327	\$2,753,154	\$20,282,244	\$3,380,374
HAZARDOUS WASTE								
Operations	\$ 675,778	\$ 689,293	\$ 703,079	\$ 717,141	\$ 731,483	\$ 746,113	\$4,262,887	\$ 710,481
Capital Outlay - Construction	25,000	0	0	0	225,000	0	250,000	41,666
Capital Outlay - Equipment	20,000	0	0	0	0	40,000	60,000	10,000
Cleanup Mesa County Fund	10,000	10,000	10,000	10,000	10,000	10,000	60,000	10,000
Hazardous Waste Total	\$ 730,778	\$ 699,293	\$ 713,079	\$ 727,141	\$ 966,483	\$ 816,113	\$4,632,887	\$ 772,147
COMPOSTING								
Operations	\$ 375,126	\$ 382,628	\$ 390,281	\$ 398,086	\$ 406,048	\$ 414,169	\$2,366,338	\$ 394,389
Capital Outlay - Construction	0	0	120,000	0	0	0	120,000	20,000
Capital Outlay - Equipment	50,000	50,000	50,000	75,000	210,000	50,000	485,000	80,833
Composting Total	\$ 425,126	\$ 432,628	\$ 560,281	\$ 473,086	\$ 616,048	\$ 464,169	\$2,971,338	\$ 495,222
TRANSFER STATIONS								
Operations	\$ 145,883	\$ 148,800	\$ 151,776	\$ 154,812	\$ 157,908	\$ 161,066	\$ 920,245	\$ 153,374
Capital Outlay - Construction	0	250,000	0	0	0	0	250,000	41,666
Capital Outlay - Equipment	10,000	135,000	10,000	10,000	50,000	10,000	225,000	37,500
Transfer Station Total	\$ 155,883	\$ 533,800	\$ 161,776	\$ 164,812	\$ 207,908	\$ 171,066	\$1,395,245	\$ 232,540

Table 8.3-5 cont. Projected Expenditures with Capital Outlay Plan – Years 2017 through 2022

DESCRIPTION	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	6 Year Totals	Annual Average
REGULATORY COMPLIANCE								
Operations	\$ 296,000	\$ 296,000	\$ 296,000	\$ 296,000	\$ 296,000	\$ 296,000	\$1,776,000	\$ 296,000
Adjustments	25,000	25,000	25,000	25,000	25,000	25,000	150,000	25,000
Total Regulatory Compliance	\$ 321,000	\$ 321,000	\$ 321,000	\$ 321,000	\$ 321,000	\$ 321,000	\$1,926,000	\$ 321,000
EDUCATION								
	\$ 133,052	\$ 135,713	\$ 138,427	\$ 141,195	\$ 144,019	\$ 146,900	\$ 839,306	\$ 139,884
SUPPORT SERVICES								
	\$ 71,100	\$ 72,522	\$ 73,972	\$ 75,451	\$ 76,960	\$ 78,499	\$ 448,504	\$ 74,750
RESERVES								
Operations 6 Month Reserve	\$ 166,667	\$ 166,667	\$ 166,667	\$ 166,667	\$ 166,667	\$ 166,667	\$1,000,002	\$ 166,667
Landfill Replacement	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000	200,000
Landfill Closure	146,193	146,193	146,193	146,193	146,193	146,193	877,158	146,193
Compost Closure	1,000	1,000	1,000	1,000	1,000	1,000	6,000	1,000
Biosolids Closure	354	354	354	354	354	354	4,248	354
Reserves Total	\$ 514,214	\$ 514,214	\$ 514,214	\$ 514,214	\$ 514,214	\$ 514,214	\$3,087,408	\$ 514,214
GRAND TOTALS	\$5,575,082	\$6,122,843	\$6,858,491	\$5,997,318	\$6,102,959	\$5,265,115	\$35,582,932	\$5,930,131
CURRENT REVENUE BUDGET	\$3,999,740	\$3,999,740	\$3,999,740	\$3,999,740	\$3,999,740	\$3,999,740	\$23,998,440	\$3,999,740
SHORTFALL	\$(1,575,342)	\$(2,123,103)	\$(2,858,751)	\$(1,997,578)	\$(2,103,219)	\$(1,265,375)	\$(11,584,492)	\$(1,930,391)
PERCENTAGE OF INCREASE REQUIRED	40%	53%	72%	50%	53%	32%	49%	49%

Table 8.3-6 provides a comparison of current service fees to recommended service fees. Current recommendations are to only adjust a few of the fees.

Table 8.3-6 Current and Proposed Service Fees

DESCRIPTION	Unit	Current Fee per Unit	Proposed Fee per Unit	Comments
Landfill Tipping Fees				
Compacted/Loose Trash	Per Ton	\$ 20.00	\$ 30.00	50%adjustment
Minimum Fee	Fixed	\$ 5.00	\$ 5.00	No Change
Special Waste Items				
Sludge	Per Ton	\$ 13.00	\$ 22.00	Nearly a 41% adjustment
Clean Soil	Per Ton	\$ 8.00	\$ 8.00	No Change
Contaminated Soil	Per Ton	\$ 20.00	\$ 50.00	150 % adjustment, more in line with other landfills in area
Asbestos Non- Friable	Per Ton	\$ 20.00	\$ 20.00	No Change
Asbestos Friable	Per Yard	\$ 60.00	\$ 60.00	No Change
Special Burial Fees				
Minimum Fee	Per Day	\$ 50.00	\$ 50.00	No Change
10-20 yards	Per Day	\$100.00	\$100.00	No Change
20+ yards	Per Day	\$200.00	\$200.00	No Change
Tires				
Standard	Each	\$ 2.00	\$ 3.00	33% adjustment
Standard on Rim	Each	No current fee	\$ 6.00	New fee
Truck Tires	Each	\$ 2.00	\$ 10.00	New fee, as handling truck tires is more costly.
Truck Tires on Rim	Each	No current fee	\$ 20.00	New fee
Bulk Tire Delivery	Per Ton	\$200.00	\$200.00	No Change
Compost Facility Fees				
Drop-off Fee	N/A	No Fee	No-Fee	See Section 8.4 for comments
Mesa Magic Compost				
1-9 Yards	Per Yard	\$ 33.66	\$ 33.66	No Change, market driven rates
10+ Yards	Per Yard	\$ 25.00	\$ 25.00	No Change, market driven rates
Ultra Fine Compost				
1-9 Yards	Per Yard	\$ 33.66	\$ 33.66	No Change, market driven rates
10+ Yards	Per Yard	\$ 25.00	\$ 25.00	No Change, market driven rates
Dark Mulch				
1-9 Yards	Per Yard	\$ 14.30	\$ 14.30	No Change, market driven rates
10+ Yards	Per Yard	\$ 10.00	\$ 10.00	No Change, market driven rates
Bagged Compost				
1.25 Cubic Foot Bag	Per Bag	\$ 3.82	\$ 3.82	No Change, market driven rates
Commercial Pallet	Pallet	\$ 75.00	\$ 75.00	No Change, market driven rates

DESCRIPTION	Unit	Current Fee per Unit	Proposed Fee per Unit	Comments
Transfer Station Fees				
All Locations				
¾ ton or smaller	Per Load	\$ 15.00	\$ 15.00	No change - increased rates would increase illegal dumping
Trailers/Larger Trucks	Per Load	\$ 15.00	\$ 15.00	No change - increased rates would increase illegal dumping
Special Waste	N/A	N/A	N/A	N/A
Const. & Demo. Debris	N/A	N/A	N/A	N/A

Fees Recommended to be Adjusted

1. Landfill Tipping Fees for Compacted/Loose Trash – The recommendation is to increase this fee 50% from \$20 to \$30 per ton.
2. Special Waste – Sludge – The recommendation is to increase this fee by ~41% to bring it in line with the other disposal fees, from \$13 to \$22 per ton.
3. Contaminated Soils – The recommendation is to increase this fee by 150%, from \$20 to \$50 per ton, based upon prevailing rates within other Western Slope disposal facilities, which range from \$53 to \$78 per ton.
4. Truck Tires – Standard tires fee should be adjusted from \$2 to \$3 per tire. A new fee of \$6 is recommended for each standard tire still with the rim in place. SMA also recommends establishing a separate rate for truck tires, increasing the truck tire disposal rate from \$2 to \$10 per tire. An additional fee of \$20 each for truck tires on rims is also recommended.

Fees Recommended for No Adjustment

1. Organic Materials Composting - Fees would remain the same. All revenues generated from the OMC facility are from the sale of the various types of products produced from the composting operations. Fees are set based on the cost of production and are driven by the available markets. No market study was completed for this rate analysis, therefore, there are no recommended changes for the sale of the materials at this time. SMA does recommend adding a new fee for the delivery and depositing of the organic materials at the facility. Even a minimal fee (per load) would generate thousands of dollars in new revenue for MCSWM, with no capital outlay dollars spent and minimal impact on the public.
2. Transfer Station Fees – No recommended changes for these fees at this time. The transfer station services are operating in a deficit, but the concern is that an increase in fees for this service historically can and will increase illegal dumping.
3. Household Hazardous Waste Collection - No recommended changes for these fees at this time. The HHWC facility is operating in a deficit, but the concern is that an increase in fees for this service historically can and will increase the landfilling of these materials or illegal dumping at other locations by individuals wanting to avoid these fees. MCSWM should complete a review of the operations to see if there are any adjustments in the expenditure side of the operations. This may be restricted by some types of materials.

Table 8.3-7 Revenue Adjustment Calculations

DESCRIPTION	Current Budget Revenues	%	Proposed Budget Revenues	Current Projected Expenditure	Difference
Landfill Users Fee (30201)					
Landfill Disposal	\$ 2,509,095	50%	\$ 3,763,642	\$ (1,563,025)	\$ 2,200,617
Sludge	156,968	41%	221,325	Included in Landfill Disposal	221,325
Asbestos	26,855	0%	26,855	Included in Landfill Disposal	26,855
Tires	15,129	0%	15,129	Included in Landfill Disposal	15,129
Offal	5,674	10%	6,241	Included in Landfill Disposal	6,241
Contaminated Soils	---	40%	---	Included in Landfill Disposal	---
Depreciation	600,000	0%	600,000	(600,000)	0
Sub-Total LF Disposal:	3,313,721		4,633,192	(2,163,025)	2,470,167
Composting	400,173	0%	400,173	(375,126)	25,047
...Transfer Stations	48,792	0%	48,792	(145,883)	(97,091)
Late Fees	19,668	0%	19,668	0	19,668
Interest on Investments	26,000	0%	26,000	0	26,000
Other interest/Comm.	2,000	0%	2,000	0	2,000
Miscellaneous	125,850	---	125,850	0	125,850
Total Landfill Users Fee	\$ 3,936,204		\$ 5,255,675	\$ (2,684,034)	\$ 2,571,641
Education (30202)	\$ 0	---	\$ 0	\$ (133,052)	\$ (133,052)
Landfill Hazardous Materials (30203)					
General Fees	\$ 50,000	---	\$ 50,000	\$ (675,778)	\$ (625,778)
Interdepartmental Sales & Services	3,500	---	3,500	Included in Under Gen. Fees	3,500
Miscellaneous Revenues	10,000	---	10,000	Included in Under Gen. Fees	10,000
Total Landfill Hazardous Materials	\$ 63,500	---	\$ 63,500	\$ (675,778)	\$ (612,278)
Regulatory Compliance (30204) Cons./Engineering	0	---	0	(296,000)	(296,000)
Solid Waste Capital (30205)	0	---	0	(139,740)	(139,740)
Support Services (10900)	0	---	0	(71,100)	(71,100)
GRAND TOTALS	\$ 3,999,740		\$ 5,319,175	\$ (3,999,740)	\$ 1,319,435

Annual positive net revenue achieved with the recommended rate adjustments will assist with the funding of capital outlay and the funding of the reserve accounts needed for the future. Table 8.3-5 provides a 6-year projection of net revenues, capital outlay and reserve requirements for MCSWM. The capital outlay requirements are primarily related to construction projects and equipment replacement as identified by MCSWM staff. Implementation of recommended fee adjustments should insure funding for these construction projects (Table 8.3-3) and equipment needs (Table 8.3-4) in the future.

The following Tables 8.3-8 and 8.3-9 provide the projections with the rate adjustments implemented as recommended. Table 8.3-8 compares the current budget situation with the projection for Year 2017 with the recommended rate adjustment; this calculation does include the \$600,000 (non-cash item) in the "Total Expenditures".

Table 8.3-8 Net Revenues – Current & Proposed Budget

DESCRIPTION	Current Budget	Proposed Budget Year 2017
Total Revenues	\$ 3,999,740	\$ 5,319,175
Total Expenditures	(3,999,740)	(3,999,740)
Net Revenues - with depreciation	\$ 0	\$ 1,319,435

Table 8.3-9 provides a projection of the Net Revenues adding back in the depreciation budgeted of \$600,000 (non-cash item). This brings the "Net Revenues" (cash) up to \$1,919,435. Then calculating the issues that need to be funded; adjustments, capital outlay, cleanup fund, and reserves, the ending cash balance would be \$204,317 (4% of Gross Revenues) for Year 2017. None of these issues are funded in the Year 2016 budget.

Table 8.3-9 Ending Cash Balance from Operations

DESCRIPTION	Proposed Budget Year 2017
Net Revenues - with depreciation	\$ 1,319,435
Depreciation added in for Net Revenues	600,000
Net Revenues - without depreciation	\$ 1,919,435
Adjustments to Operations Budget	(54,404)
Capital Outlay - Construction	(696,500)
Capital Outlay - Equipment	(425,000)
Cleanup County Fund	(25,000)
Reserves - 6 month Operations	(166,667)
Landfill Replacement	(200,000)
Landfill Closure	(146,193)
Compost Closure	(1,000)
Biosolids Closure	(354)
Ending Cash Balance from Operations	\$ 204,317

8.4 Additional Observations

This section provides additional observations derived during our analysis of the MCSWM facilities fees and services.

8.4.1 Other Revenue Sources

This rate study includes the identification of other possible revenue sources that may be of consideration, with minimal or no capital outlay funding being utilized.

8.4.1.1 Yard Waste Minimum Disposal Fee

A potential revenue source to be considered is a disposal fee for yard/tree materials at the composting facility. Currently the composting facility accepts this material at no cost to the generator. The addition of a minimal disposal fee of \$5 per load (or some similar amount) for yard/tree waste, could potentially generate thousands of dollars of increased revenues for MCSWM. Also, there would be minimal capital outlay required for this change.

8.4.1.2 Other Waste Sources

MCSWM should evaluate the possibility of allowing other sources of solid waste generators to utilize the MCSWM facilities from outside the County's jurisdiction. Rates could be established for acceptance of out of county waste. Other entities, private and public, could negotiate and enter into an agreement to utilize the MCSWM facilities and services. MCSWM would have to not only evaluate the new revenue impact, but also the impact landfill life projections. Many factors need to be evaluated, but it is of value for MCSWM to consider this option.

8.4.2 Retained Earnings – Unrestricted Reserves

Based upon Trial Balance Reports, MCSWM has been operating in a deficit, placing the "Unrestricted Reserves" in a negative position of \$1,058,268, as of September 30, 2016.

End-Year Reserve Fund Balance

- Year 2012 \$ 555,308 Positive Balance
- Year 2013 \$ 333,417 Positive Balance
- Year 2014 \$ (323,976) Negative Balance
- Year 2015 \$ (1,058,268) Negative Balance

There are two identified options to assist with correcting this deficit.

The first is to implement the recommended rate adjustments identified in Section 8.3 of this report. This will provide repayment of the deficit as presented by utilizing the Ending Cash Balance of \$204,317, based upon the calculations provided in Table 8.3-9. Repayment of the deficit could be accomplished with a 5 year period.

The second is to receive authorization to transfer a portion of the "Landfill Closure Reserves" in the restricted account for that purpose. Table 7.4-2 provides the details of reserve funds for the closure/post-closure requirements. Because of the new financial assurance closure cost revisions there appears to be a surplus of \$862,248 in these reserve accounts.