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**DEPARTMENT OF
PUBLIC WORKS**

OFFICE OF THE DIRECTOR

**CITY OF SACRAMENTO
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June 19, 1991

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: REPORT BACK -- BALING SOLID WASTE AT THE CITY LANDFILL

SUMMARY

This report responds to a June 5, 1991, City Council budget review request as to the feasibility and cost of baling solid waste at the City landfill. The report informs the Council that baling solid waste is both feasible and cost-effective.

BACKGROUND

As previously reported, the City landfill at 28th and A Streets is projected to be filled in late 1992. Once the City's landfill is depleted, the environmentally approved alternative is to directly haul municipal solid waste (MSW) to the County's Kiefer Boulevard landfill. The City can prolong its landfill depletion three years to late 1995 and reduce the quantity of MSW that would be directly hauled by implementing a baling process at the landfill to bale 300 tons-per-day (tpd) of its MSW.

Currently, City staff compresses waste that it places in the landfill to insert 1,000 pounds of waste in a cubic yard of landfill. This compression can be increased by 26% to 1,350 pounds per cubic yard with a baling system. The use of hydraulics allows for the added compaction, thus permitting the placing of more MSW in the remaining landfill space. Ancillary to the added compaction from a baler is another benefit of a need for less daily cover dirt.

FINANCIAL

The current landfill disposal (less in place CIP's) cost is \$5.65 per ton. Implementing a 300 tpd baler system would increase this cost to \$8 per ton. However, disposal at the County landfill, after direct haul, will cost \$42 per ton. Thus, the difference in \$8 per ton for baling versus \$42 per ton for County disposal is a \$34 per ton savings for each ton baled at 300 tpd. This represents a \$10,200 per day savings by baling. Hence, the baling system could pay for itself in the first year of operation.

Exhibit A summarizes the impacts of this proposal on the budget and on ratepayers. The program would begin January 1, 1991, and would have a net cost of \$628,000 during FY 1991/92, resulting in a \$0.52 per month cost to the typical ratepayer (a 3.6% increase). However, in FY 1992/93, the baling operation would result in a net savings of \$1,734,000, or \$1.45 per month for the typical ratepayer. This savings results from the avoided costs of direct haul to the County landfill.

It should be emphasized that the costs of direct haul have not yet been included in the proposed FY 1991/93 budget. Consequently, this savings in FY 1992/93 is a savings from what would otherwise be the increase in rates. It is not likely to result in a reduction from FY 1991/92 rates. It will result in lower rates than would occur without the baling operation.

Exhibit A shows the costs of the program through FY 1995/96 when City landfill capacity would be reached with the baling program. As can be seen, the baling operation, by extending the life of the landfill and delaying the need for direct haul to the County landfill, forestalls a substantial rate increase on results in a small savings over the next four years.

MBE/WBE

This report is for information only and has no MBE/WBE impact.

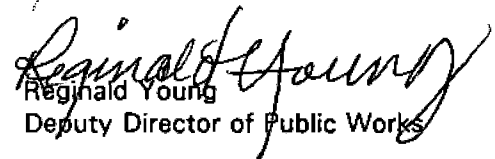
POLICY CONSIDERATIONS

Should the City Council prolong the life of the current City landfill and reduce the cost of direct haul to the County landfill by approving a baling system at the City landfill.

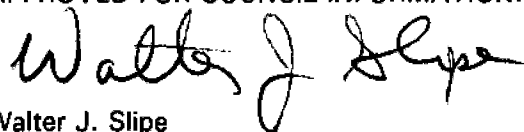
RECOMMENDATION

This report is for information only.

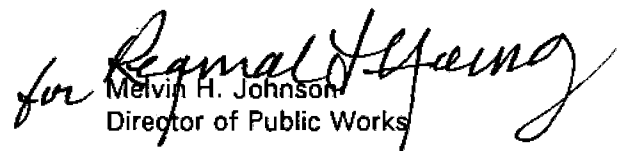
Respectfully submitted,


Reginald Young
Deputy Director of Public Works

APPROVED FOR COUNCIL INFORMATION:


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June 19, 1991
All Districts

Baling of Municipal Solid Waste

Fiscal Impact Analysis (in \$000)

	FY 91-92*		FY 92-93		FY 93-94		FY 94-95		FY 95-96	
	Added \$	Total \$	Added \$	Total \$	Added \$	Total \$	Added \$	Total \$	Added \$	Total \$
EXPENSES										
Labor 4 FTE + 1 Transfer	76	76	76	152	0	152	0	152	(114)	38
Services & Supplies	90	90	90	180	0	180	0	180	(135)	45
Landfill Disposal *	300	300	300	600	0	600	0	600	(150)	450
Debt Service	105	105	105	210	0	210	0	210	0	210
Contingencies	57	57	57	114	0	114	0	114	(40)	74
Total Expenses	(\$628)	(\$628)	(\$628)	(\$1,256)	\$0	(\$1,256)	\$0	(\$1,256)	\$439	(\$817)
AVOIDED COST										
- Direct Haul	\$0	\$0	\$2,363	\$2,363	\$788	\$3,151	\$0	3,151	(2,364)	787
NET SAVINGS (COST)	(\$628)	(\$628)	\$1,734	\$1,106	\$788	\$1,894	\$0	\$1,894	(\$1,925)	(\$31)
RATE INCREASE (\$)	\$0.52		(\$1.45)		(\$0.66)		\$0.00		\$1.60	
	3.6%									
PROGRAM COST / RATE PAYER (\$)	\$0.52			(\$0.92)		(\$1.58)		(\$1.58)		\$0.03

12-Jun-91

ASSUMPTIONS

- > Landfill life would be extended Fall 1992 to Fall 1995
- > Program to start 1/1/92 - given sole source authority
- > With 1/1/92 start, FY 91-92 includes only 6 months of annual program cost
- > Amounts are NOT adjusted for inflation