

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:

Prepared on: 0603/05
Department: Public Works
Budget Unit: 054
Agenda Date: 06/21/05
Placement: Administrative
Estimate Time: 10 min.
Continued Item: No

TO: Board of Supervisors

FROM: Phillip M. Demery, Director
Public Works Department

STAFF CONTACT: Mark Schleich, 882-3603
Deputy Director – Resource Recovery & Waste Mgt.

SUBJECT: Establish Restricted Funds for Financial Assurance for
Corrective Action at Tajiguas, Foxen Canyon and New Cuyama
Landfills.

Recommendations:

That the Board of Supervisors:

Adopt the attached resolution authorizing the establishment of Financial Assurance for Corrective Action of the Tajiguas Landfill, Foxen Canyon Landfill and the New Cuyama Landfill via restricted funds in the Resource Recovery and Waste Management Enterprise Fund.

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with Goal No.1: An Efficient Government Able to Respond Effectively to the Needs of the Community.

Executive Summary and Discussion:

Title 27 of the California Code of Regulations require that operators of solid waste landfills demonstrate financial responsibility for financing corrective action. The Resource Recovery and Waste Management Division had been satisfying this financial assurance requirement through the use of its pollution liability insurance policy with Gulf Insurance Group. The Division has been notified by Driver Alliant Insurance Services (Insurance Broker) that pollution liability insurance carriers will no longer provide financial assurance filings with the California Integrated Waste Management Board (CIWMB). It is now necessary to

establish an alternative assurance mechanism. The Resource Recovery and Waste Mgt. Division staff is proposing that the most prudent and cost effective method would be to establish full funding within the Enterprise Fund.

The full funding requirement for Corrective Action Financial Assurance of each of the Division's landfills regulated by Title 27 as of May 1, 2005 are as follows:

Tajiguas Landfill	\$ 548,383
Foxen Canyon Landfill	\$ 235,379
New Cuyama Landfill	\$ 568,415
Total Requirement	\$ 1,352,177

These funds will be held in Restricted Cash in the Resource Recovery and Waste Mgt. Enterprise Fund and will be adjusted annually for inflation as directed by the CIWMB. An annual report will be submitted to the Waste Board stating the current balances in this fund in conjunction with its annual reporting requirement for Closure Postclosure.

Mandates and Service Levels:

Direction by the Board of Supervisors will not change the service levels.

Fiscal and Facilities Impacts:

Full funding of the financial assurance requirements for corrective action of all sited landfills is available in the Resource Recovery and Waste Mgt. cash balance. On April 5, 2005 The California Integrated Waste Management Board authorized the release of excess funding in the Closure Post Closure Restricted Cash Fund in the amount of \$1,209,598. These funds are now available for the Corrective Action Financial Assurances. The additional \$142,579 will be funded directly from the Fund's cash balance.

Fund No. 1930, Dept. No. 054

Special Instructions:

Please forward a copy of the Minute Order to the Public Works Department. Please retain a signed original and return a copy of this Resolution to the Public Works Department, Resource Recovery & Waste Mgt. Division Attention: Colleen Hankins (3610).

Concurrence:

County Counsel
Auditor-Controller

Attachments:

1. Resolution.