This agenda item is the first in a series of study sessions the Board requested to better understand the Clover Flat Landfill and inform future decisions regarding the landfill, such as the relocation of the Construction and Demolition Debris (C&D) facility, improvements to the gate area, and potential changes to the franchise agreement, including a possible extension of the agreement.

Topics for the meeting series are proposed as follows:

1. August:
   1. History of the Landfill;
   2. Value to the Community;
   3. Development of the C&D Line; and
   4. Over view of the Franchise agreement;
2. September (meeting at the landfill):
   1. How the landfill will change between now and 2047, e.g. new cells, what it will look like when closed and capped)
   2. The need to move the C&D Line—where is it now, where is it going
   3. Other possible front gate improvements (including costs if we have them)—what is proposed, and why
   4. Begin discussion of possible ways to pay for them if the Board is supportive of the concept
3. October or November: Where do we go from here?
   1. Is the Board interested in supporting the C&D line move and other gate improvements?
   2. Is the Board interested in a contract extension? If so, a medium length term (10 years?) or for the permitted life of the landfill?
   3. What would the Board/Company like in return?
   4. How do we pay for improvements discussed above?
      1. IOCR (Nexus to UVDS rate payers)
      2. Raise landfill rates above CPI (either a short time surcharge (like a 3-5 year bump), or longer term)
      3. Combination
      4. Other?
4. December: Implementation of Board direction

## HISTORY

The Clover Flat Landfill, located in northern Napa County off the Silverado Trail about three miles east of Calistoga, California. It lies in a steep canyon in the mountains east of the Napa Valley.  Operated by Clover Flat Landfill, Inc., the landfill serves the northwestern portion of Napa County (Napa County Solid *Waste Zone 3) and has been accepting solid wastes since 1963.*

The original owner of Clover Flat Landfill was the Tamagni Family. They entered into a lease agreement with Napa County in 1962 for 40 years. At that time there were 5 burning dumps in Napa County and the county’s goal was to consolidate these sites. Together with the American Canyon Landfill, this left a landfill at each end of Napa County. In 1962, Marvin Pestoni worked for the County and assisted in building the road into Clover Flat Landfill.

In 1963 the County put a franchise bid out for hauling waste in the unincorporated area of Napa County and another separate bid for operating the landfill. At this time Marvin quit his job with the County after he and Bob Pestoni were awarded a franchise for waste hauling. The Tamagni family operated the landfill until 1966 when they sold the landfill and surrounding 500 acres to Bob and Marvin Pestoni. A new operating agreement was created between Clover Flat Landfill and the County of Napa. The tip rate when Bob and Marvin took over was $1.75 per yard. The county kept the right to regulate the rate and flow of waste going into Clover Flat. In 1962, the landfill was predicted to close in 40 years, 2002. Because of aggressive recycling efforts and the addition of C&D processing added to the site in 2009, the landfill has capacity until 2047 and will likely continue to extend beyond that with more diversion of materials planned for the future.

Since 1966, the landfill has undergone 3 engineered cell constructions, 1981, 1995 and 2013. As regulation changed, the landfill cell site was lined, gas well fields were installed and the landfill was mandated to flare its gases through a controlled process. After several years of planning and implementation, 2014 was the year the landfill successfully entered into a power purchase agreement with PG&E for electricity generated onsite and 750KW is now being sent to the grid, providing enough power equivalent for 700 homes.

The properties within one‑mile of the landfill are designated for use as “Agriculture, Watershed and Open Space” and “Agricultural Resource” by the Napa County Conservation, Development, and Planning Department.  The land ownership of CFL was transferred to Vista Corporation on August 1, 2006. The operations remain with Clover Flat Landfill Inc. (CFL, Inc.). With the major modification to the Use Permit December 7, 2011, the name of the facility was officially changed to the Clover Flat Resource Recovery Park (CFRRP), though the CFL acronym is still used interchangeably. CFRRP may have the following operations described in there permit (known as the Joint Technical Document or (JTD):

* Landfill Disposal Site Operations (Landfill operations with recyclable storage)
* Material Recovery Facility Operations (Transfer/Processing operations)
* Composting Facility - food waste and yard waste (Composting operations)

The landfill portion of CFRRP is a Class III solid waste disposal site operating under Waste Discharge Requirements (WDR) contained in Order No. 91-160, adopted in November 1991 by the RWQCB, San Francisco Bay Region.  The site also operates under SWFP No. 28-AA-0002; state blanket WDR, Order 93-113, adopted in September 1993; and regulations of the Napa County Local Enforcement Agency (LEA) acting for the California Department of Resources Recycling and Recovery (CalRecycle).

The permitted refuse area occupies 44 acres of a 78-acre facility on a 179.97-acre parcel. The permitted area was expanded by 1 acre to accommodate the relocated and expanded Recycling Area. The developed disposal area remains the same with approximately 36 acres and is expected to reach final capacity in 2047 at permitted disposal rates (actual disposal rate has been less, so the life of the landfill can likely be further extended).  The final landfill elevation will remain at 1000-feet above mean sea level.  Based on the site development plan, the landfill had a permitted site capacity of about 5.1 million cubic yards of material (reduced to 4.56 million cubic yards to accommodate the location of a possible biomass gasification unit, and the proposed 10 foot thick monolithic foundation layer as part of the revised closure plan).  As of July 1, 2011, 2.91 million cubic yards of airspace capacity remained, resulting in about 2.43 million cubic yards of refuse capacity remaining.

From 2006 to 2012, the landfill accepted an average of 37,500 tons per year, or 121 tons per day, six days per week.  Based on the estimated annual waste volume of 40,000 tons per year assumed to calculate site life, the site closure will be in 2047. Peak daily waste may be as much as 600 tons.  However, based on service area growth projections, waste diversion programs and experience, it is expected that any increase in peak daily tonnage will be the result of discrete loads resulting from specific projects rather than an increase in baseline traffic.  The site’s current complement of equipment and staff is sufficient to be able to handle the maximum anticipated daily tonnage.

The Facility operates year-round and is open to the public from 9:00 a.m. to 4:00 p.m., Tuesday through Saturday, and from 9:00 a.m. to 3:00 p.m. on Sunday.  An operator remains on-site from 7:00 a.m. to 6:00 p.m. on these same days.  The Facility is closed to the public on Mondays and legal holidays.

## REGULATORY BACKGROUND

## CFL, Inc. installed a new management team in 2009 with a new vision of how the facility can serve the community for years to come, having reached the state-mandated AB 939 recycling goals, and subsequently AB 341, mandated commercial recycling and a statewide 75% recycling goal. Working with the Upper Valley Waste Management Agency (UVWMA), a mixed construction and demolition processing facility was installed in 2008. Looking beyond the AB 939 recycling mandates and into greenhouse gas reduction strategies, a statewide recycling goal of 75% by 2020 has been adopted.

The Use Permit (UP) was modified in December 2011 to address their future challenges, and the Solid Waste Facility Permit (SWFP) was revised accordingly to:

* Extend the estimated closure date of the Landfill from 2021 to 2047, due to increased recycling, increased compaction, the use of synthetic tarps as alternative daily cover, and using an average annual disposal rate of 40,000 tons per year.
* Decrease the landfill capacity from 5.1 million cubic yards to 4.56 million cubic yards.
* Expand the gate operations area and the Recycling Operations area from 1.4 acres to 2.1 acres, increasing the permitted boundary of the SWFP by 1.01 acres.
* Apply for a Grading Permit for the proposed gate operations area which includes 70,000 cubic yards of cut material, and to create the proposed 2.1 acre Recycling Operations area.
* Add a 1 mega-watt biomass conversion facility that uses clean processed wood chips in a gasification unit.
* Add a Jenbacher engine to convert landfill gas into energy. (Project completed December, 2014)
* Increase the ability for commercial in-vessel food waste composting operations and food waste transfer and processing operations.
* Add covered residential co-collected green waste and food waste storage on a bio-filter and qualify it as composting.
* Increase the storage of recyclable materials.
* Add a series of commodity bunkers for wood chips, compost, top soil blends, aggregate materials, and landscape materials for the general public to purchase recyclable materials.
* Add a residential food waste drop-off at Recycling Operations area.(Complete)
* Allow new inert alternative daily cover (ADC) material. (In the process of amending the CFL JTD to allow C&D fines for ADC and other products).

The Clover Flat Landfill is operated under the terms of:

* SWFP No. 28-AA-0002, issued April 3, 2001; and reviewed on May, 24, 2011;
* Waste Discharge Requirements (WDR) contained in Order No. 91-160, adopted in November 1991 by the California Regional Water Quality Control Board (RWQCB), San Francisco Region;
* The state blanket WDR contained in Order No. 93-113, adopted September 1993 by the RWQCB;
* Plant Number 11247 as permitted by the Bay Area Air Quality Management District updated annually; and
* Napa County Department of Conservation, Development & Planning Use Permit #U-438889 (June 20, 1990), modifications 94333-MOD (January 17, 1996),  modification 99081-MOD (February 2, 2000), modification #P10-00328 (November 29, 2010); and Major modification # P09-00511-MOD (December 7, 2011).

## Why do we Care?

* It is an irreplaceable resource;
* It ensures we have a place to dispose of our waste even if other landfills close, and gives us some control over the cost of disposal. Communities without their own landfill are at the mercy of the market;
* It eliminates traffic (thousands of truck trips) that would be needed to haul our waste to another facility if CFL didn’t exist;
* It provides a convenience to the self haul community (both residential and commercial);
* If it were to go away, a transfer station or something similar would have to be constructed, at significant cost and regulatory peril;
* Restricts Importation to 5%
* Sets rates for all self-haul materials not just franchised controlled waste
* Controls rate through a comparison with Devlin Road Transfer Station
* It is providing renewable power to our community
* It is an irreplaceable resource;

## FRANCHISE AGREEMENT

* The Franchise Agreement originated in 1995. Its stated goal, in conjunction with the UVDS agreement was to “To obtain uniform rate making process….” for both waste hauling and disposal.
* Rates set annually, primarily by CPI (exceptions for Agency requested programs, regulatory changes, etc.) for franchise and non-franchise controlled materials.
* Rates must be no greater than 15% of other Napa County transfer stations or disposal facilities
* All “waste or recyclables” which require a charge to be removed, disposed and or processed and is collected by a third party hauler from the service area must go to CFL. Customers may “self- haul”, “waste or recyclables” to another location or entity. Customers may sell “recyclables” to a third party who may in turn take the material to another location or entity.
* Agency has right to renew at 10 year intervals by giving notice at least 36 months before contract extends (2025)
* The operator is an Independent contractor (i.e. we do not manage their day to day activities)
* Compliance—responsibility of contractor to remain in compliance (as verified by Local Enforcement Agency (LEA))—in our case Greg Pirie in PBES
* May only accept a limited amount of out of county waste without agency approval
* Contractor is required to establish a post-closure fund (using money collected from franchise and self-haul customers through tip fees)

## Construction and Demolition Debris Facility

In 2008 UVA was faced with two significant decisions:

* The rate model indicated the need for a roughly 6% decrease in rates based on the rate model for that year; and
* While we were meeting our state mandated diversion requirement of 50%, it was clear that the next large component of the waste stream we needed to tackle was construction and demolition (C&D) debris.

After significant discussion and analysis, the Board and the Company came to the following agreement, which was ratified in an amendment to the UVDS (not the CFL) agreement:

* The concept of IOCR, or Intentionally Over Collected Revenue, was introduced for the situation where the Board could approve a rate higher than allowed under the annual rate methodology in order to capture funds for capital projects.
* It was agreed that the C&D facility benefited both the UVDS and CFL rate payers, and that the relative benefit was 75% UVDS and 25% CFL. Instead of reducing UVDS rates 6% as allowed, the rates were instead held steady. This IOCR went to paying UVDS’s 75% share of the C&D facility. CFL rate payers paid 25%, and the company made up the difference
* The C&D facility was built in the only spot available, a small portion of the landfill on the right side as you enter from the main entrance road. It was understood that the facility would need to move at some time in the future since it is located in an area that will be filled with waste in the future. It was agreed that the Board would help fund (up to 75%) that move, to the front gate area through future UVDS rate payer IOCR.

Front gate Improvements

* In addition to moving the C&D facility, the Company has proposed making other improvements to the front gate area, which would facilitate improved CFL operational efficiency, customer experience, allowance to improve recycling rates, as well as to make room for the C&D line. No funding has been identified for these improvements.

## Coming Next:

September Board meeting at the Landfill:

* How the landfill will change between now and 2047, e.g. new cells, what it will look like when closed and capped)
* The need to move the C&D Line—where is it now, where is it going
* The other possible front gate improvements (including costs if we have them)—what is proposed, and why
* Begin discussion of possible ways to pay for them if the Board is supportive of the concept