



ELOY

"Right in the Heart of Arizona's Future"

City of Eloy

Options to Improve Solid Waste Operations
at City Owned and Operated Landfill

Background - Eloy Landfill

- ▶ Been in operation for nearly 80 years
- ▶ Operates under “grandfathered” status regarding EPA Subtitle D regulations, meaning it does not meet current regulations but is considered compliant with the regulations at the time it was permitted by ADEQ
- ▶ Serves Eloy and Pinal County residents, Eloy residents get the first ½ ton free, then pay \$25 per ton thereafter and Pinal County residents and contractors pay \$45 per ton.
- ▶ Averages 19.4 tons per day it operates, approximately 5,000 tons per year.



Economics

- ▶ Landfills have high fixed costs due to fleets of very expensive heavy equipment required to operate in compliance with current regulations.
- ▶ Small landfills with less than 100 tons per day are expensive to operate.
- ▶ The current landfill operation is costly, mainly due to low volumes.
- ▶ The landfill gate receipts (revenue) is approximately \$60,000 per year and does not cover the estimated costs to operate the landfill.
- ▶ Estimated costs are currently \$73.46 per ton, approximately \$370,000 per year.





Opportunities to Improve

- ▶ Economically, to make the facility operate on a break even standpoint, there are two options:
 - ▶ Increase volumes and rates
 - ▶ Increased volume will also increase traffic associated with this option
 - ▶ Increased rates will help some, but not enough
 - ▶ Eliminate different rates for residents vs non-residents
 - ▶ Decrease costs
 - ▶ The site operating team has already done a great job of decreasing costs based on current regulations and operating constraints
 - ▶ No additional measures are available to reduce costs based on current operation
 - ▶ Changing the current operation and rates is the only option for further decreasing costs

The following options for the landfill operation

Option I - Fill and Close

- ▶ Continue operating landfill per current practice
- ▶ Fill remaining airspace and close the landfill when capacity is reached
- ▶ Use gate receipts to fund the closure costs
- ▶ Sell the equipment at the time of closure
- ▶ After closure, create a transfer station to maintain local service for residents



Option II - Mothball and Transfer Station

- ▶ Retain remaining airspace and keep all permits active
- ▶ Sell equipment to fund conversion to transfer station
- ▶ Permits would remain active indefinitely and the site could be re-opened in the future
- ▶ Convert to transfer station to manage current volume at a lower operating cost
- ▶ There are multiple options for disposal at large regional landfills at competitive rates.
- ▶ Transfer and disposal costs will be far lower than operating a landfill with low volumes.



Option III - Expand the Landfill

- ▶ Revise the current design to meet current EPA guidelines and enter the disposal market in Central Arizona.
- ▶ Utilizes the existing 160 acres site to create more volume by going deeper and higher
- ▶ Provides long-term disposal capacity for the City and partners
- ▶ Provides long term revenue to the City
- ▶ Costs to expand the landfill, engineering, permitting is approximately \$1.6M





Option IV - Partner with a private organization

- ▶ Partner with a private company by forming a Pollution Control Corporation (PCC) similar to the one formed by Buckeye and Republic.
- ▶ Private entity would fund the expansion and pay the City a lease/royalty payment
- ▶ The City would turn over operations to a private company
- ▶ Would also require expansion similar to Option 3
- ▶ Potential upfront cost to the City approximately \$500,000



Conclusion

- ▶ Landfills with small volumes are very expensive to operate, the high fixed costs of rolling stock drive up unit costs
- ▶ The Capital Costs to modernize and expand the facility are high.
- ▶ Current rates do not cover direct costs.
- ▶ Due to low volumes, the current operation and rate structure needs to be modified to operate the landfill economically.
- ▶ Recommend Option II - Mothball and create Transfer Station
- ▶ The City can realize cost savings by mothballing the landfill, preserving the permits, and delaying the closure costs. The current transfer station can be economically modified to serve the Eloy and County residents as well as 3rd party haulers.
- ▶ The rate structure should be increased to cover the costs of operation and to reflect market conditions.



Recommended Rate Increases

Recommended Rate Structure			
	Rates		Notes
All Residential up to 1,000 lbs *	\$25.00		previous rate was free
Residential after 1,000 lbs	\$50.00		per ton, 60% increase
Mattresses (each)	\$10.00		
Tires - Passenger (per tire)	\$5.00		
Tires - Commercial and Off-Road (per tire)	\$15.00		
Commercial Hauler	\$60.00		per ton, 22% increase

*Except Tires and Mattresses

Additional regional rates for reference:

http://webcms.pima.gov/UserFiles/Servers/Server_6/File/Government/Environmental%20Quality/Waste%20and%20Recycling/Fee_Schedule_Ordinance_for_Landfills_and_Transfer_Stations.pdf



Questions/Comments