



KENAI PENINSULA BOROUGH

Solid Waste Department

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Blaine Gilman, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Mayor *MN*

FROM: Jack Maryott, Solid Waste Director. *JM*
Craig Chapman, Finance Director *C Chapman*
Valentina Sustaita, Acting Purchasing and Contracting Director *V. Sustaita*

DATE: March 24, 2016

SUBJECT: Ordinance 2015-19-28, An Ordinance Appropriating \$400,000 in the Solid Waste Capital Projects Fund for Design and Development Costs Associated with Cell #3 at Central Peninsula Landfill (Mayor)

The ordinance would appropriate \$400,000 for designing a new cell at the Central Peninsula Landfill (CPL).

Background

In FY2002, ordinance 2002-26 authorized the placement of a bond ballot proposition before borough voters at the October 1, 2002, borough election requesting \$12,000,000 in capital funds for planning, design, construction and equipping the Central Peninsula Landfill. This ballot proposition was approved by the borough voters.

The bond funds were authorized to be used for long-term planning and construction of two lined landfill cells, leachate collection and treatment system, gas collection and treatment, landfill equipment and related improvements at the Central Peninsula Landfill to meet federal and state requirements. It should be noted that each landfill cell is designed to have a useable life of approximately five years. The bonds were sold through two separate sales based upon the expected lives of the cells.

As part of the project, cell 1 was constructed in 2004 and cell 2 design and construction started in 2010. Cell 2 is expected to be full in 2019.

We are now at a point that additional funds are needed to design and develop a new cell at CPL, allowing for waste to be accepted after cell 2 is full.

Planned Improvements

The development and operations of one main landfill is the most efficient and cost effective method for waste management. CPL will continue to be developed to manage waste generated on the Kenai Peninsula. It should be noted that with the closure of the Homer Landfill to municipal waste, CPL accepts approximately 98 percent of the waste that is generated in the borough. The remaining 2 percent is served by rural/remote landfills located across Cook Inlet and Kachemak Bay.

Planned improvements needed at CPL include the design of additional cells, construction of lined cells and equipment to operate the landfill. The necessary improvements would be funded through general obligation bonds. The estimated 10 year capital cost for designing, construction of two lined landfill cells and equipping CPL, not including equipment provided by the equipment replacement fund, is estimated at \$10,600,000.

An ordinance will be submitted to the assembly in May 2016, requesting approval to place a \$10,600,000 Solid Waste General Obligation Bond proposition before borough voters at the October 4, 2016 election. Similar to ordinance 2002-26, this ordinance would request that bond funding be provided for design, construction of two lined landfill cells and equipping the CPL. If approved, it is anticipated that the bond funds would be generated through two separate sales and would coincide with the life of each cell, approximately every five years. The first bond sale is expected to take place in late 2016 or early 2017 and is expected to be between \$5,000,000 and \$5,300,000.

This ordinance is needed to appropriate the initial design funds for cell 3 at CPL and is needed prior to the issuance of the proposed bonds to ensure the project construction can begin in the spring of 2017. It is the administration's intent that the funds being requested for the initial design for cell 3 would be reimbursed from the bond proceeds.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	411.00000.00000.27910
Amount	\$400,000
By: <i>C. Chagn</i>	Date: 3/22/2016