

Response to Questions on the FY 2012 Budget

Request By: Supervisor Foust

Question: The Carryover package indicates that the FY 2012 ending balance in Fund 114, I-95 Refuse Disposal, will be \$35.2 million. Are any General funds being expended in FY 2012 for costs that could be paid from this reserve? Can any portion of this reserve be transferred to the General Fund? What is the proposed use of this reserve?

Response: Fund 114, I-95 Refuse Disposal, funds the County's I-95 Sanitary Ashfill which has served the solid waste disposal needs of the residents of the participating jurisdictions utilizing the facility. In accordance with a memorandum of understanding with the other participating jurisdictions, this special revenue fund was established to maintain the revenues and expenses of the landfill separate from other County funds. Since December 1995, the facility has accepted only ash material for land burial. The I-95 Sanitary Ashfill continues to operate as a model facility - meeting permit requirements, inspection criteria, and availability requirements for the participating jurisdictions and customers of the facility. The \$15.50 per ton fee is set at the level necessary to accommodate operational requirements and provide sufficient reserve funding for capital projects and post closure care. As a result, there are no available funds in these reserves that could be used to cover General Fund expenditure requirements.

There are five major reserves in this fund – the largest of which is the Post-Closure Reserve. This reserve is required for a 30-year period after the ashfill closes and is mandated by federal and state regulations. The FY 2012 projected reserve of \$26.0 million represents approximately 56 percent of the estimated requirement of \$46,320,930 and is thus not sufficient to cover all identified costs. It will be necessary to identify and set aside additional funds in future years for this purpose.

Other reserves in this fund include the Active Cell Closure Liability Reserve (\$2.7 million) which is necessary for the closure of active disposal cells of the Ashfill and is necessary for ashfilling activities to progress in accord with state requirements. The Environmental Reserve (\$5.0 million) is a contingency fund, assuring that the County has funds to implement, or at least start to implement, unplanned actions to protect the environment or meet regulatory requirements. Specific examples of future environmental projects are likely to include: Landfill Gas Control Projects, Stormwater Management, Wastewater (Leachate) Management, and Groundwater protective measures.

In addition, the Capital Equipment Reserve (\$1.1 million) is designed to provide funds for the timely replacement of equipment required to operate the I-95 Ashfill once they meet established replacement criteria. Finally, the Construction Reserve (\$0.4 million) provides funds for drainage and road projects related to the operation of the I-95 Ashfill.