**CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD**
**Permitting and Enforcement Committee Meeting**

May 13, 1997

AGENDA ITEM 9

**ITEM:** CONSIDERATION OF REALLOCATION OF FY 96/97 SOLID WASTE DISPOSAL AND CODISPOSAL SITE CLEANUP PROGRAM FUNDS (AB 2136)

## I. SUMMARY

This item is for consideration of reallocating fiscal year 1996/1997 Solid Waste Disposal and Codisposal Site Cleanup Trust Fund money from the grants and loans funding mechanism into the Board-managed contract mechanism. Of the $5 million available every fiscal year, $300,000 is allocated pursuant to statute for administration of the program. Pro rata for this fiscal year was $139,257. In October 1996, the Board approved placing the remaining $4,560,743 ($5,000,000 minus $300,000 and $139,257) into a loans and grants fund and a Board contract fund as shown in Table 1.

**TABLE 1**
**FY 96/97 ALLOCATION**

| FUNDING MECHANISM | AMOUNT |
|---|---|
| Loans, Matching Grants, and LEA Grants | $2,500,000 |
| Board Contracts | $2,060,743 |
| Total | $4,560,743 |

## II. ANALYSIS AND PAST HISTORY

This analysis is a recap of the October 1996 Board item which presented the FY 96/97 cleanup program allocation of funds for Board consideration.

**January 1994 Funds**
The Solid Waste Disposal and Codisposal Cleanup Program was initially implemented with $8 million at the February 1994 Board meeting. Of that money, $6.385 million was encumbered in

contracts to support the program and the remaining $1.615 million funded two of the first sites approved by the Board.

After the initial funding, the law provides $5 million annually after the Governor signs the budget at the beginning of each fiscal year.

**July 1, 1994 Funds**

All fiscal year 1994/1995 money was spent on loans, matching grants and LEA grants per Board policy (no formal allocations). No money was added to the contracts.

**July 1, 1995 Funds**

Fiscal year 1995/1996 money was allocated as follows:

**TABLE 2**
**FY 95/96 ALLOCATION**

| FUNDING MECHANISM | AMOUNT OF FUNDS |
|---|---|
| Loan Program | $1.0 million |
| Matching Grant Program | $1.0 million |
| LEA Grant Program | $0.9 million |
| Board contracts | $1.8 million |
| Program Administration | $0.3 million |

The four funding programs listed above were all reduced by distributing the $270,304 of pro rata proportionately.

**July 1, 1996 Funds**

Current fiscal year funds were allocated as mentioned in Table 1 of the Summary, above. This fiscal year the Board has approved 8 Board-managed cleanups depleting this year's fund for these types of projects ($2,060,743). The $2,500,000 set aside for loans and grants has not been encumbered at the time of writing this item. San Mateo County LEA has submitted an LEA grant application for $435,000 for the Redwood Creek project. The application is incomplete and program staff are working with the LEA to make a complete application. Therefore, in June staff will probably bring this application to the Board for consideration of funding. This will make the amount available for reallocation into Board contracts $2,065,000 ($2,500,000 minus $435,000), providing the requested amount for the LEA grant does not change during the review process.

## III. OPTIONS FOR THE COMMITTEE

Committee members may decide to:

1. Concur with staff's recommended reallocation of Trust Fund money for FY 96/97.

2. Change staff's recommended funding reallocation, change only part of the reallocation, or direct staff to provide additional information and bring the item back to a future meeting of the Permitting and Enforcement Committee and the Board.

## IV. ANALYSIS

This analysis is a recap of the analysis in the October 1996 Board item for allocation of FY 96/97 funds and is updated to reflect more current information. From fiscal year 93/94 through fiscal year 95/96 expenditures by funding type were as follows:

**TABLE 3**

| FUNDING MECHANISM | PERCENTAGE OF TOTAL TRUST FUND |
|---|---|
| Loans | 11% |
| Matching Grants | 30% |
| LEA Grants | 13% |
| Board Contracts | 46% |

**LOANS**

To date the Board has approved three loans under this program. However, only two loans to San Diego County have been finalized. The 11% figure above reflects only the two San Diego loans. The application for the third loan to the city of Chico was rescinded in June 1996.

The loan to City of Chico was approved by the Board on May 24, 1995, but the applicant refused to enter into the agreement. On May 13, 1996, staff requested the signed loan agreement be returned to this agency for processing. On June 12, 1996, staff received a response from the City of Chico declining the loan because they will obtain a loan from the Chico Urban Area

Redevelopment Agency at a lower interest rate than the Surplus Money Investment Fund rate, currently at 5.572%.

Staff has been notified that a loan package will be submitted for the Phillips Ranch site in Pomona, California. There is no anticipated date for this loan application. As of the writing of this item, no loan application has been received.

**MATCHING GRANTS**

Ten matching grant applications were received since the beginning of the program. Of these, seven were approved by the Board. Of the three rejected, one did not meet statutory criteria (i.e., not a landfill), one applicant did not provide requested documentation and no further action was taken by staff, and the third application was for funding for ground water remediation, which does not meet program criteria. At this time staff is only aware of one potential matching grant application, for the Jamestown Landfill in Tuolomne County. A letter was received regarding this site but no formal application has been received.

**LEA GRANTS**

Six LEA grant applications were received and all have been approved for funding. A seventh application was recently received from San Mateo County and staff is working on this application with the LEA getting it ready for the June Board meeting.

**BOARD-MANAGED PROJECTS**

Since the beginning of the program, the Board has approved 31 projects for remediation using the Board's contractors. At the time of writing this item, 6 additional sites were on the Board's consent calendar for the May Board meeting. If these sites are approved, the Board will have approved 39 sites for remediation using the Board's contractors. That is 39 sites out of 57 total projects approved by the Board during the lifetime of this program.

## V. Staff Recommendation

Staff recommends reallocating the $2,500,000 set aside for the loan and grant funding mechanism to Board contracts in order to encumber this year's program money. The $2,500,000 amount may be

reduced by the amount of the LEA grant from San Mateo County. Table 4 below shows how staff recommend the money be encumbered:

**TABLE 4**

**OPTION 1**
$2,500,000 less $435,000 for San Mateo County LEA grant ($2,065,000):

$200,000 for the existing engineering services contract (CH2M Hill)
$500,000 for the new engineering services contract
$1,365,000 for the new construction cleanup contract

**OPTION 2**

$2,500,000 total (if the LEA grant application is not complete for presentation to the Board in June):

$200,000 for the existing engineering services contract (CHM Hill)
$500,000 for the new engineering services contract
$1,800,000 for the new construction cleanup contract

By the time of the May Board meeting, staff will be able to tell the Board which option is more appropriate.

**VI. FUNDING INFORMATION**

**Amount Requested in Item:** $2,500,000 (internal redirection of funds

**Fund Source:**

___ Used Oil Recycling Fund
___ Tire Recycling Management Fund
___ Recycling Market Development Revolving Loan Account
___ Integrated Waste Management Account
_X_ Other Solid Waste Disposal and Codisposal Cleanup Trust Fund

**Approved From Line Item:**

_X_ Consulting & Professional Services
___ Training
___ Data Processing
___ Other _____

**Redirection:**

If Redirection of Funds: Informal $2,500,000 redirection within Solid Waste Disposal Site Trust Fund from loan and grant mechanism to contract mechanism.

Fund Source: Solid Waste Disposal Site Trust Fund

Line Item: _____

## VII. ATTACHMENTS

1. Resolution

## VIII. APPROVALS

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|---|---|---|---|
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