

# NORTHERN UTAH ENVIRONMENTAL RESOURCE AGENCY

## Information Sheet – Bayview Landfill Project

**Logan City  
Environmental  
Department**  
153 North 1400 West  
Building A  
Logan, Utah 84321  
(435) 716-9755  
loganutah.org

**North Pointe  
Solid Waste  
Special Service  
District**  
2000 West 200 South  
Lindon, Utah 84042  
(801) 225-8538  
utahcountygarbage.org

**South Utah Valley  
Solid Waste District**  
P.O. Box 507  
Springville, Utah 84663  
(801) 489-3027  
suvswd.org

**Trans-Jordan Cities**  
P.O. Box 95610  
South Jordan, Utah  
84095  
(801) 569-8994  
transjordan.org

**Wasatch Integrated  
Waste Management  
District**  
P.O. Box 900  
Layton, Utah 84041  
(801) 614-5600  
wasatchintegrated.org

**Weber County  
Solid Waste**  
867 West Wilson Lane  
Ogden, Utah 84401  
(801) 399-8358  
co.weber.ut.us

### What is NUERA?

The Northern Utah Environmental Resource Agency (NUERA) was created as an interlocal cooperation entity under Utah Code Ann. § 11-13-101 et seq., by an agreement dated October 28, 2014. The members of NUERA are the City of Logan, Weber County, Wasatch Integrated Waste Management District, Trans-Jordan Cities, North Pointe Solid Waste Special Service District, and South Utah Valley Solid Waste District. NUERA is governed by a 12-member board consisting of two board members appointed by each of the six member entities. The Operations and Management (O&M) Committee of NUERA has six members consisting of the solid waste managers of each of the member entities. NUERA currently has no paid employees.

The Mission Statement of NUERA: To provide environmentally sound, cost effective solid waste disposal services for the communities of northern Utah while encouraging source reduction and recycling.

### Who is on the Board of NUERA?

Bob Stevenson – NUERA Chair, Representing Wasatch Integrated Waste Management District  
Dave Newton – NUERA Vice-Chair, Representing Trans-Jordan Cities  
Kane Loader – NUERA Secretary-Treasurer, Representing Trans-Jordan Cities  
Craig Peterson, Representing Logan City  
Darrell Gibbons, Representing Logan City  
Dale Goodman, Representing North Pointe Solid Waste Special Service District  
Tim Irwin, Representing North Pointe Solid Waste Special Service District  
Brandon Gordon, Representing South Utah Valley Solid Waste District  
Wayne Parker, Representing South Utah Valley Solid Waste District  
John Petroff, Representing Wasatch Integrated Waste Management District  
Kerry Gibson, Representing Weber County  
Matthew Bell, Representing Weber County

### Who are the Operations and Management Committee Members?

Terry Ficklin – Chair, South Utah Valley Solid Waste District,  
tficklin@suvswd.org  
Rodger Harper – Vice Chair, North Pointe Solid Waste Special Service District,  
rodger.np@gmail.com  
Nathan Rich – Secretary, Wasatch Integrated Waste Management District,  
nathanr@wiwmd.org  
Issa Hamud, Logan City, issa.hamud@loganutah.org  
Mark Hooyer, Trans-Jordan Cities, markhooyer@transjordan.org  
Kevin McLeod, Weber County, kmcleod@co.weber.ut.us

## **Bayview Landfill Project Overview**

When the municipally-owned landfills in Davis and Salt Lake Counties reach the end their useful lives, the municipal solid waste will likely need to be transferred (put in large trailers and hauled by trucks) to a regional landfill. Both Weber County and North Pointe Solid Waste District no longer operate their own landfills, and currently transfer solid waste to a privately owned landfill in Tooele County. South Utah Valley Solid Waste Management District (SUVSWD) owns the Bayview Landfill, a large, fully-permitted landfill that is currently underutilized. NUERA has formed a Project that will allow NUERA members to purchase the Bayview Landfill from the SUVSWD. The negotiated purchase price of the Bayview Landfill by NUERA is \$5,750,000.

Bringing additional waste into the Bayview Landfill from participating NUERA members will substantially reduce operating costs at that facility saving businesses and citizens of the SUVSWD service area millions of dollars over time by lowering the landfill operating costs. Allowing NUERA Members to jointly share ownership of the facility provides long term assurance (80+ years) to the other participating member communities that they will have a place to take their waste at reasonable rates that will be controlled directly by participating members. This project is a win-win partnership and a great example of local governments working together to provide a shared solution to a common challenge. The project will benefit our member cities, their citizens, and local business for years to come.

## **Background Information on the Solid Waste Industry along the Wasatch Front**

Landfills are a high fixed-cost business because of the large capital expenditure required to open and maintain a landfill and the high cost of equipment used at landfills. Unit operating costs at a landfill can be substantially lowered by taking advantage of economies of scale. Landfills become very efficient at about 300,000 tons per year, and unit costs continue to decline up to about 500,000 tons per year. Individually, none of the participating entities in this project handles enough waste to reach these economies of scale. However, together, participating entities can deliver enough waste to a jointly owned landfill to drive unit costs very low, which benefits the ratepayers of all participating entities.

Utah currently has some of the lowest landfill dumping (“tipping”) fees in the nation. Tipping fees along the Wasatch front currently range from \$29/ton to \$35/ton at the municipally operated landfills and transfer stations. Nationally, landfill tipping fees average around \$45/ton and are commonly as high as \$80/ton. Why are tipping fees in Utah so low? Because of the existence of municipally owned landfills with publicly posted disposal rates.

Solid waste disposal has historically been the responsibility of local government in Utah and across the Nation. Over the past 20 years, as many smaller County and City owned landfills have closed, the industry has shifted toward fewer and larger regional landfills, many owned by private companies. This shift has some benefits as larger landfills are more efficient to operate (lower cost) and also tend to employ the latest in environmental protections. However, in some markets when municipally owned landfills have been closed and replaced by only one or two privately owned landfills, tipping fees have soared. The Wasatch Front faces this potential problem as municipally owned landfills which began operation in the 1950’s and 1960’s are one by one running out of space.

Are privately owned and operated landfills bad? Of course not. They often provide valuable services at competitive pricing and should always be considered as an option. But we need to

remember that landfills owned by for-profit corporations are built and operated to generate profit for their shareholders or owners, as they should be. There is nothing wrong with a profit motive, we just need to be aware how it impacts the local market. Tipping fees at privately owned landfills are almost always negotiable, vary for each hauling customer and are typically not publically posted. A privately owned landfill can be used to create a vertically integrated hauling and disposal business, which may not accept waste from competing hauling companies.

The existence of at least one municipally owned landfill in a market with a publically posted, non-negotiable tipping fee, set by a board of elected or appointed officials who are directly accountable to the public, guarantees a competitive private sector hauling market. When no municipally owned landfill or transfer station is available in a market, the competitive independent haulers who do not own their own disposal capacity will cease to exist. NUERA's proposed Bayview Landfill Project will ensure a long term competitive market in the waste hauling sector. The cost of collection and hauling typically represents 60% of the total cost of solid waste disposal.

Are landfills operated by municipalities, counties, or special service districts bad? Of course not. Landfills are operated by public entities to provide services desired by their constituents under direct control of elected officials, and are highly regulated by the State and Federal Governments with transparency for the rate payer. Municipally-owned and operated landfills also typically provide a suite of services not provided by private landfills including; allowing residents and self-haul customers to deliver waste, providing recycling opportunities, providing green waste recycling and composting programs, accepting and properly disposing of Household Hazardous Waste, providing extended operating hours, providing education and outreach to schools and communities about waste and recycling issues, and operating renewable energy projects. These types of activities bring value to a solid waste management system, but may not provide the profits that a privately owned landfill requires.

## **Frequently Asked Questions (FAQ's)**

### **1. How did the Bayview Project Evolve?**

SUVSWD's Bayview Landfill currently handles 131,000 tons of waste per year, and operates at a cost per ton of \$18.23. SUVSWD has been looking for ways to reduce the overall cost of their system, and released a request for proposals (RFP) in 2015 inviting proposals for privatization of the SUVSWD transfer station and/or the Bayview Landfill. Based upon a previously prepared Landfill Valuation Report completed by Cornerstone Environmental (January 2015), SUVSWD knew that one way to reduce unit costs was to increase tonnage received by the landfill.

SUVSWD received proposals from five private companies with interest in operating the Bayview Landfill. SUVSWD determined that none of the were in the best interests of the district, and postponed action on the private sector proposals received. NUERA and SUVSWD then began a conversation to determine if a mutually beneficial project could be developed. The project was developed using the financial evaluation provided by SUVSWD (the Cornerstone Report).

### **2. Has an independent financial analysis of the project been performed?**

Yes, the NUERA Board approved funding for an independent analysis of anticipated project operating costs. This analysis was conducted by an independent solid waste engineering firm (IGES). IGES reviewed Cornerstone's assessments and projections and found them to be correct,

and perhaps overly-conservative. IGES also conducted their own independent financial analysis, the results of which were similar to those reached by the Cornerstone report. These results indicate that if the municipalities work together and bring sufficient waste to the Bayview Landfill, the participating entities can collectively enjoy substantially lower landfill tipping fees while also obtaining an ownership interest which provides for long-term security and control over future pricing. That evaluation has been extended to include evaluation of likely hauling costs for each of the participating entities.

### **3. Why wasn't private industry asked to provide a solution?**

It was. South Utah Valley Solid Waste District received proposals for privatization of the SUVSWD transfer station and the Bayview Landfill. Five proposals were received and evaluated by SUVSWD and none were considered to be in the best interest of the District.

### **4. \$5,750,000 is a lot of money. Do we really need to purchase the landfill?**

The current purchase price of the landfill is \$5,750,000, and the project will also require an additional \$500,000 for initial operational requirements. Currently five members are considering participating in the landfill purchase, which makes the cost to each participating member \$1,250,000. Purchasing a landfill with more than 80 years of disposal capacity at a unit cost of less than \$0.20 per ton is an incredible opportunity. By comparison, there is a landfill currently under construction in Northern Utah that will provide approximately 80 years of capacity for a community of about 120,000 in population at a cost of approximately \$10-\$12 million. The risk of purchasing an existing, currently permitted and operating landfill like Bayview is very low, whereas attempting to site and build a new landfill would be far more expensive and perhaps not politically possible.

### **5. Compared to what a new landfill costs, why is SUVSWD willing to sell the Bayview Landfill so cheaply?**

SUVSWD realizes that they will save their citizen rate payers more money over time by sharing their landfill so that the operating costs can be substantially reduced for all participants, while yet preserving more-than-ample space for their own citizens for the next 80 years.

### **6. Has the public been left out of the process?**

NUERA and each of the member entities are subject to the Utah Open and Public Meetings Act. All meetings of these entities have been properly noticed, recorded, and open to the public as required by law. This particular project has been openly discussed in NUERA meetings for well over a year. Several closed meeting sessions have been held within the past month, as is appropriately allowed by Utah law, in order to finalize negotiations of the real estate contract. The participation of each entity will require approval of their respective governing boards in a properly noticed open meeting.

### **7. Does this project violate anti-trust laws?**

Anti-trust laws are designed to protect consumers from predatory business practices by ensuring that fair competition exists in the open-market. The same laws have long recognized that critical public infrastructure needs to be regulated to prevent private entities from developing monopolies which allow them to extract excess profits from public infrastructure without the benefit of a truly competitive market. This project does not prevent the private sector from building, owning, or

operating landfills in any way. The project does ensure protection to rate payers from the very-real threat of a privately-owned landfill monopoly.

**8. If the private sector can, and in some cases already is providing these services, why do taxpayers need to pay for the government to compete with private industry?**

Government has a duty to ensure that rate payers are getting the best value for the services that they request. Local government has always had the responsibility to provide environmentally sound and cost effective waste disposal, especially as solid waste is considered as critical local infrastructure. This project will lower waste disposal costs, including hauling costs, for the participating entities in the short term, and will provide direct control over rising costs in long term. By combining the waste streams of the member entities NUERA will be able to operate a very efficient landfill.

**9. The Utah Taxpayers Association Says...**

*“In the greater Denver area, trash and landfills are nearly all privately owned and operated without government intervention or competition. Rates in Denver are much cheaper for landfill use than they are currently along the Wasatch Front. Clearly, the free market is doing its job in Denver, keeping prices at the correct level instead of government over inflating the market and raising prices on taxpayers.”*

It is true that the greater Denver area is served by a number of privately owned landfills. The following pricing was obtained from the following facilities through a few quick phone calls:

- a) Buffalo Ridge Landfill: \$37.50 per ton. (Owned and operated by Waste Management).
- b) Denver Regional and Front Range Landfills: \$46 per ton. (Owned and operated by Republic Waste Services).
- c) North Weld Landfill: Minimum charge of \$100 for 2 tons, then \$38 per ton for additional tonnage. (Owned and operated by Republic Waste Services).

Based on this information, the statement given by the Utah Taxpayers appears to be false, and is misleading. Tipping fees in the greater Denver area appear to be about 25% higher than tipping fees along the Wasatch Front, not including transportation costs. Utah currently has only two competitive privately operated landfills. Local governments along the Wasatch Front have done a good job controlling waste disposal rates and protecting the interests of our citizen rate payers. Elected officials and citizen rate payers along the Wasatch Front should be pleased that local government is acting now to preserve a system that is already in-place locally, and that ensures that Utahns continue to pay some of the lowest waste disposal rates in the country far into the future.

**10. Why is the Utah Taxpayers Association Concerned?**

Why would the Utah Taxpayers Association choose to represent the interests of Republic Waste Services in this issue? Republic Waste Services is the second largest waste services company in the nation, which generated over \$6 Billion in revenues in 2014 and returned \$779 Million to shareholders during the same period. The Utah Taxpayers Association should be supporting the efforts of transparent government under local control to provide the best possible combination of service and cost.