



April 4, 2024

Board of Directors  
Ventura Regional Sanitation District  
Ventura, California

**CONSIDERATION AND APPROVAL OF THE REALLOCATION OF THE SAVINGS FROM THE PURCHASE OF THE NEW CATERPILLAR 826K COMPACTOR TO SOLID WASTE OPERATIONS**

**RECOMMENDATION**

Approve the reallocation of the capital budget savings from the purchase of the new Caterpillar 826K Compactor \$864,438 to Solid Waste Operations.

**FISCAL IMPACT**

Increase of \$148,352 in the available fund balance for the Solid Waste Fund.

**BACKGROUND/ANALYSIS**

The District fleet typically includes two Caterpillar compactors used in disposal of the municipal solid waste at Toland Road Landfill. Before the start of the current fiscal year, this included an 826 Compactor and an 836 Compactor.

The adopted Fiscal Year 23/24 Budget includes \$2,048,363 for the purchase of a new Caterpillar 836 Compactor to replace the old 826 Compactor that VRSD has had in service for several years past its useful life. A purchase Order was issued to Quinn for \$2,048,363 in July 2023 to order the new 836 Compactor, which included over a year lead time.

In November 2023 the District's 836 Compactor had a complete engine failure causing staff to revert back to using the old 826 Compactor that we were replacing. Staff checked on the progress on the new 836 compactor and was informed that actual assembly had not even begun yet based on its position in the order queue. In December the 826 compactor experienced a hydraulic system failure and was not operable without first undergoing extensive, unjustifiably costly repairs. This left staff with having to use the less-than ideal D7 Dozer as the only form of compaction on the site.

Staff looked into renting a compactor to facilitate the compaction required for proper landfill airspace utilization, but the only unit available was located in Texas and would cost over \$375,000 to rent for the year needed. Alternatively, staff found a new 826K Compactor for sale at a Caterpillar dealer in Texas that would meet all of VRSD's needs for \$1,183,925.

Staff coordinated with our local Quinn dealer to cancel the existing order for the new 836 compactor and instead replace it with the new 826K compactor located in Texas. This change is expected to result in a savings to VRSD of \$864,438.00 in capital funding and allowed us to return to normal operation in less than a month.

In addition to the engine failure of the 836 compactor the 637 Scraper had a transmission failure and had to be sent out for repairs. It was the older one of the 2 scrapers that VRSD owns and relies on to move dirt from the stock pile to the active face for daily cover.

The FY 2023-24 Budget included \$17,956 for limited Toland Road Landfill condensate hauling and disposal services to an appropriate offsite treatment facility. At the September 7, 2023 Board meeting an additional appropriation of \$246,000 was approved. Since the completion of the new landfill gas flare is delayed, the District will need to continue to haul the condensate off-site for a longer period of time. Total additional appropriation is \$287,000 for six months of hauling.

The new LFGCS flare was put online March 6, 2024 and the testing protocol is under review by Ventura County Air Pollution Control District now. The tentative testing date has been scheduled for May 10, 2024.

## **PROPOSAL**

Staff is recommending that the savings of \$864,438 from the capital purchase of the Caterpillar 826K Compactor be re-allocated to Solid Waste Operations as follows:

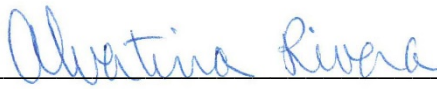
836 Compactor Repair	\$215,530
637 Scraper Repair	\$213,556
Condensate Hauling	\$287,000
Fund Balance	<u>\$148,352</u>
	<u>\$864,438</u>

This letter has been reviewed by Legal Counsel as to form.

If you should have any questions or need additional information, please contact me by phone at (805) 658-4657 or via email at RichardJones@vrzd.com.



RICHARD JONES, DIRECTOR OF OPERATIONS

APPROVED FOR FISCAL IMPACT:   
Alvertina Rivera, Director of Finance

APPROVED FOR AGENDA:   
Chris Theisen, General Manager

Attachments: None

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