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County of San Diego
Board of Supervisors

National & State Boards:

National Association of Counties

County Supervisors Association of California

Southern California Hazardous Waste Management Authority

Southern California Regional Association of Counties

Regional Boards:

Metropolitan Transit Development Board

San Diego Regional Water Reclamation Agency

City/County Reinvestment Task Force

Regional Task Force on The Homeless

LEON L. WILLIAMS
SUPERVISOR
FOURTH DISTRICT

March 26, 1992

Mr. Jim Madaffer
11597 Camino Playa Catalina
San Diego, CA 92124

Dear Mr. Madaffer:

Thank you for your recent letter expressing concern about the proposed County Policy which would establish that solid waste facilities be publicly owned.

Deloitte & Touche completed the task of comparing our public accounting system cost data to private sector accounting formats. While it may have been difficult, it was complete. The public sector costs included the Solid Waste Enterprise Fund's share for County Counsel, the County's self funded liability plan, vehicle maintenance and executive staff costs. I refer you to Appendix A of the Report in which fixed costs and variable costs include the costs charged to the Enterprise Fund for all of the items listed above as well as others.

Regarding the issue of taxes, corporate taxes are a function of the company's business ventures statewide and nationally, and are difficult to estimate when evaluating their cost benefit or effect on local projects. Property taxes on private facilities which receive their revenues from public fees such as landfills, are typically passed through to the public, producing no net benefit.

We have information from other sources that your comment regarding "the revelations that public-sector facilities underinvest in maintenance and environmental mitigation" is subject to debate. As mentioned above, public sector liability and maintenance costs, as well as post-closure monitoring costs, were reflected in the Privatization Study.

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I believe the Deloitte & Touche Study to have accurately concluded that solid waste facilities are an exception to the rule that the private sector can provide a service for less. As you pointed out in your letter, Deloitte & Touche, a private firm, arrived at this conclusion. The County does take advantage of private sector efficiencies, as displayed in our contracting the operations of our landfills. Furthermore, the Policy will provide an exception for solid waste facilities which use alternative technologies, which represent a higher financial and technological risk than a traditional solid waste facility.

The Board of Supervisors is scheduled to consider the Board Policy on April 7, 1992. I appreciate your input, and will take your remarks and those of the others who have contacted me into consideration. If my office can provide other information, please contact Colleen Carnevale of my staff(531-5862), or Granville M. Bowman of the Department of Public Works (694-2233).

Sincerely,

Leon L. Williams
Supervisor, Fourth District

cc: Department of Public Works