Trash Importation Approvals Will Assure Final Debt Repayment

Unanimous city approvals of agreements to allow continued acceptance of out-of-county trash through 2025 at local landfills will provide the revenue needed to fully repay the remaining creditors from the County’s 1994 bankruptcy. The Board of Supervisors unanimously approved the pact on Tuesday.

The County retired one bankruptcy bond issue in June 2015, with the other to be repaid in the coming fiscal year. Combined principal and interest payments on both bonds total $1.585 billion.

However, another $33.3 million is owed to the so-called “Plan B” participants—internal county accounts plus a handful of cities and special districts—that elected not to be repaid out of bond proceeds. Even though there is no legal repayment obligation, the County will set aside incoming landfill proceeds as a means to officially close the books on the bankruptcy.

“We want everyone to understand clearly that the County of Orange makes good on our debts,” said Board of Supervisors Chairwoman Lisa Bartlett, Fifth District. “The County is better off today financially for the discipline we’ve put into place and the sacrifices we’ve made to make everyone whole.”

The out-of-county trash revenue also helps offset the cost of landfill operations. “These agreements mean lower, stable, long-term disposal rates for homeowners and businesses,” said Vice Chair Michelle Steel, Second District.

"Orange County paid off this bankruptcy debt by imposing fiscal discipline in our budget decisions," said Supervisor Andrew Do, First District. "I intend to work with my colleagues to continue our fiscal responsibility in the years to come as we invest in Orange County’s future."

Cities and sanitary districts will split an initial payment of more than $5 million based on a three-year average of waste they delivered to the system. Through the term of the contract, surplus revenues beyond that are estimated between $5 million to $8 million annually after the Plan B participants are paid off.

“This is a win for our cities, particularly those who bear the burden of hosting landfills within their boundaries,” said Supervisor Shawn Nelson, whose Fourth District includes host city Brea.

“I was elected in 1996 to ensure that the County would pay off bankruptcy debt and change policies to prevent financial disasters from happening again,” said Supervisor Todd Spitzer, Third District. “The County has a duty to ensure that fiscal irresponsibility never happens again and I will continue to fight for policies that ensure financial solvency.”

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