



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Public Works  
**Department No.:** 054  
**For Agenda Of:** 06/4/2019  
**Placement:** Departmental  
**Estimated Tme:** 15 minutes  
**Continued Item:** Yes  
**If Yes, date from:** 5/14/2019  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Director(s) Scott D. McGolpin, P.E. Director, (805) 568-3010  
Contact Info: Leslie Wells, Deputy Director, (805) 882-3605

**SUBJECT:** Solid Waste Tipping Fees, Collection Rates and Parcel Fees for FY 2019/20 - All Supervisorial Districts

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** N/A

As to form:

**Recommended Actions:**

That the Board of Supervisors:

- a) Adopt a resolution to be effective July 1, 2019, setting the fee schedules for solid waste handling and disposal fees at County solid waste facilities for Fiscal Year 2019/20;
- b) Adopt a resolution to be effective July 1, 2019, setting the Parcel Fee Schedule for the Cuyama Valley for Fiscal Year 2019/20;
- c) Adopt a resolution to be effective July 1, 2019, setting the fee schedule for solid waste collection rates and decreasing the solid waste program fee to 11% charged by the County on solid waste collection rates to cover solid waste management program costs in the unincorporated Zones 1, 2, 3, 4 & 5 service areas for Fiscal Year 2019/20; and
- d) Find that the proposed action is for the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of meeting operating expenses; that the proposed action is therefore exempt from California Environmental Quality Act pursuant to guidelines 14 CCR 15273(a) (1), (2), (4) and approve the filing of the attached Notice of Exemption on that basis.

**Summary Text:**

This item is on the agenda in order to consider the following recommendations for setting fees and rates for solid waste management services for Fiscal Year 2019/20. Each year, your Board approves fees charged at County-operated solid waste management facilities, parcel fees for New Cuyama, and rates charged by the franchised service providers to collect waste materials from residential and commercial customers.

**Background:**

This Board Letter provides each of the proposed fee and rate schedules for FY 19/20 for County-operated solid waste management facilities, parcel fees for New Cuyama, and rates charged by the franchised solid waste service providers. Detail associated with the proposed rate changes is provided below.

**Tipping Fees at County Facilities**

Typically, tipping fees at County solid waste facilities are set each year based on the actual cost of providing the service the prior fiscal year as well as complying with the Resource Recovery & Waste Management Division's long-term financial plan for funding of capital, regulatory compliance, and closure/post-closure requirements associated with its solid waste management system.

This year, in addition to the typical factors affecting rates, the tipping fee for trash disposal and commingled recyclable processing is proposed to increase from \$102 to \$150 per ton at County-operated facilities. This rate is set in the regional agreements between the County and the participating jurisdictions and in the financing documents for the construction and operation of the ReSource Center (formerly known as the Tajiguas Resource Recovery Project) at the Tajiguas Landfill. The ReSource Center is under construction and will be responsible for the management of the region's recyclables, organics, and waste materials over the next twenty years. The use of the Center will ensure the region's compliance with AB 1826 and SB 1383, which require the recovery of organics from landfilling and the development of facilities capable of processing organic waste from the municipal waste stream in an effort to reduce the statewide generation of carbon emissions. Locally, the increased recovery of organics and recyclables from our region's waste will reduce greenhouse gas emissions equivalent to removing 28,700 vehicles off of the road annually.

The full proposed fee schedule for waste handled at County facilities is included as Attachment A to this Board Letter.

**Parcel Fees in New Cuyama**

The Cuyama Valley is served by two County-operated transfer stations built in 1996, which replaced the local landfills upon their closure. In accordance with Section 25830 of the California Government Code, property owners in the Cuyama Valley pay for solid waste disposal services through parcel fees according to a schedule that was established with the adoption of a resolution by the Board of Supervisors in 1982 (Resolution Number 82-360). The current single-family occupied dwelling rate is \$77.00 per year. Other parcel fees are based on a waste generation factor, comparing the single family dwelling rate to that of waste generated by other land uses.

The fee schedule was originally established to generate revenue to pay for solid waste disposal services in the Cuyama Valley; however the fees currently collected do not cover the full cost to operate the transfer stations and properly manage the waste material. In recent years, operational changes have been made to decrease but not eliminate this shortfall.

The Department is proposing no increase in the Cuyama Valley parcel fees for FY 19/20. Public Works requests that the Treasurer-Tax Collector continue to bill and collect the current fees as part of the regular County property tax system. The entire proposed parcel fee schedule for waste handled at the Cuyama Valley transfer stations is included as Attachment B to this Board Letter.

#### Residential and Commercial Collection Rates

Annually, your Board sets the rates charged to residential and commercial customers by the franchised solid waste collection service providers in the unincorporated areas of the County. Factors affecting these rates include: 1) cost to collect (which can vary depending on the location of the property being serviced), 2) changes in landfill disposal costs and recycling and organics processing fees in each service area, and 3) fees charged by the County for solid waste management programs.

*Collection:* Pursuant to the County's franchise agreements with the service providers, a consumer price index (CPI) adjustment is applied to the collection portion of each rate to reimburse the service providers for their operational costs of collection. The CPI adjustment is based on the U.S. Department of Labor index for "All Urban Consumers," in the Los Angeles-Long Beach-Anaheim area, from February 2018 to February 2019. For this time period, the CPI was 2.5%, which was applied to the collection portion of the proposed FY 19/20 rates uniformly in all zones.

*Landfill tipping fees and recyclables and organics processing fees:* The second component of the rate charged to customers is the cost to process or dispose of waste, which varies depending on the facilities that are used for each zone and their associated tipping fees. As mentioned above, in FY 19/20, the County is changing the tipping fee for trash and commingled recyclables from \$102 to \$150 per ton in accordance with the financing documents and regional service agreements between the County and the participating cities for the development of the ReSource Center. The cost to process organics will increase from \$45 to \$46 per ton (CPI increase). The collection zones impacted by this change are South County zones 1, 2, 3, and Zone 4 Santa Ynez.

For Zone 4 Lompoc and Zone 5 (servicing Orcutt and other North County unincorporated areas) waste is delivered to either the City of Lompoc or the City of Santa Maria landfills, which are expected to maintain their existing landfill tipping fees. Waste Management will be increasing their rate to process recyclables from \$23 to \$69 per ton and cost to process organics from \$40 to \$41 per ton.

*Solid waste program fee:* The third component of the rate charged to customers are the fees charged by the County for solid waste management programs provided to the community such as hazardous waste management, code enforcement, state required reporting, and diversion programs such as backyard composting, and school education. The County has the ability under state law, the County Code, and the franchise agreements to assess a fee on solid waste collection rates to fund these activities. Due to the increase in rates related to disposal and processing cost increases, staff is recommending a reduction in the program fee from 12% to 11% to ensure consistency between the program fee charged and the cost to provide services.

Considering all of these factors, on the South Coast and Santa Ynez, proposed residential rates will increase between 11-18% (or on average \$6 per month) and commercial rates will rise between 13-20% depending on the specific service area. These proposed increases are in line with those rates proposed by the cities of Goleta and Santa Barbara, which are affected by the same tipping fee changes. These are higher than typical rate increases due to the required shift statewide in the handling of organic waste (SB 1383 requires recovery of 50% of all organic waste in 2020 and 75% recovery by 2025). Santa Barbara

County will benefit from the construction and operation of the ReSource Center that will ensure compliance with these mandates over the next 20 years. It is important to note that while tipping fees will increase significantly in FY 19/20, the Division multi-year pro forma predicts more typical tipping fee increases of 3.5% each year moving forward.

In the North County service areas, the overall impact of these rate adjustment factors is an increase of 4 - 6% to residential rates and less than 1% for commercial rates (the CPI increase on the collection portion of the rate is offset by the reduction in the County solid waste program fee).

Attachment C to this Board Letter contains the proposed residential and commercial solid waste collection rates by collection zone.

**Performance Measure:**

County solid waste facilities and contracted waste collection service providers charge rates identified in the attached rate schedules and are based on projected costs to provide those services. County staff conducts periodic billing audits to ensure service providers are charging the Board approved rates.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

Narrative: Tipping fees charged at County-operated solid waste management facilities are revenue to the Solid Waste Enterprise Fund. Fees proposed in this Board Letter are included in the Division's budget for FY 19/20 which projects total revenue for the Division to be \$35,600,200. Rates charged to residential and commercial customers for collection services are charged by the service providers who receive payments directly from their ratepayers. These costs are not included in the budget of the Resource Recovery & Waste Management Division.

**Special Instructions:**

Please send an executed copy of the Resolutions and a Minute Order to the Resource Recovery & Waste Management Division of the Public Works Department, Attn: Thomas Chiarodit.

Following Board approval, Clerk of the Board to please post the Notice of Exemption and forward a stamped copy to the Resource Recovery & Waste Management Division of the Public Works Department, Attn: Joddi Leipner.

**Attachments:**

**Attachment A:** Resolution of the Board of Supervisors regarding solid waste handling and disposal fees at County owned/operated facilities for FY 19/20

**Attachment B:** Resolution of the Board of Supervisors regarding parcel fees for waste disposal in New Cuyama Valley for FY 19/20

**Attachment C:** Resolution of the Board of Supervisors establishing solid waste collection rates for the unincorporated areas for FY 19/20

**Attachment D:** Notice of Exemption

Subject: Solid Waste Tipping Fees, Collection Rates and Parcel Fees for FY 2019/20

Agenda Date: June 4, 2019

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**Authored by:**

Thomas Chiarodit, Senior Program Specialist, Resource Recovery & Waste Management (ext. 3624).