



**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: June 3, 2025
Placement: Departmental
Estimated Time: 30 Minutes
Continued Item: Yes
If Yes, date from: May 13, 2025 (Set Hearing)
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Chris Sneddon, P.E., Public Works Director, (805) 568-3010
Director(s)
Contact Info: Jeanette Gonzales-Knight, Deputy Director, (805) 882-3605

SUBJECT: Solid Waste Tipping Fees, Maximum Franchised Collection Rates, and New Cuyama Parcel Fees for FY 2025/26 - All Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors consider the following recommended actions:

- a) Adopt a resolution, to be effective July 1, 2025, setting the fee schedules for solid waste handling and disposal fees at County solid waste facilities for Fiscal Year 2025/26;
- b) Adopt a resolution, to be effective July 1, 2025, setting the Parcel Fee Schedule for the Cuyama Valley for Fiscal Year 2025/26;
- c) Adopt a resolution, to be effective July 1, 2025, setting the fee schedules for maximum franchised solid waste collection rates in the unincorporated Zones 1, 2, 3, 4 and 5 service areas for Fiscal Year 2025/26;
- d) Direct Resource Recovery and Waste Management Division staff to pursue restructuring of the fee schedule for maximum solid waste collection rates in Isla Vista within Zone 3 in order to provide additional services and clarify existing services for customers in that region; and

- e) Determine that the above-recommended actions are exempt from the provisions of the California Environmental Quality Act (CEQA) under State CEQA Guideline Section 15273(a) (1), (2), (3) and (4) because they are 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 and no expansion of services or facilities will result; and direct staff to file and post a Notice of Exemption on that basis.

Summary Text:

This item is on the agenda in order to consider recommendations for setting fees and rates for solid waste management services for Fiscal Year 2025/26. Each year, your Board approves the following:

- Tipping fees charged at County-operated solid waste facilities
- Parcel fees for New Cuyama property owners to support local waste services
- Maximum rates the franchised (private) waste hauler can charge customers

Additionally, this item seeks the Board's approval to pursue restructuring of the fee schedule for collection rates in Isla Vista in Zone 3 to allow for expanded service options and to clarify existing services with the goal of improving service flexibility for multi-family properties, reducing litter, and making waste storage easier.

Background:

This Board Letter provides each of the proposed fee and rate schedules for FY 2025/26 for County-operated solid waste management facilities, parcel fees for New Cuyama, and maximum rates charged by the franchised solid waste service provider.

Tipping Fees at County Facilities

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 (RRWMD) long-term financial proforma for funding of debt obligations, capital, regulatory compliance, and closure/post-closure requirements associated with its solid waste management system.

The Tajiguas Landfill, owned and operated by the RRWMD, has been in continuous operation since 1967 for disposal of the community's municipal solid waste. The ReSource Center, a state-of-the-art waste management facility also operates on the Tajiguas Landfill property for the purpose of processing municipal solid waste, recyclables, and source separated organic waste into marketable commodities and renewable energy. Municipal solid waste currently delivered to the Tajiguas Landfill and ReSource Center is generated by the City of Santa Barbara, City of Goleta, City of Solvang, and City of Buellton (collectively referred to as the Jurisdictional Partners), and the unincorporated areas of southern Santa Barbara County, and the Santa Ynez and Cuyama Valleys.

The Material Delivery Agreements between the County and the Jurisdictional Partners, along with the financing documents for the construction and operation of the ReSource Center, established the mechanism to set the franchise disposal rates charged at the County facilities. During FY 2025/26, the

proposed franchise disposal rates will increase 3.97% from \$189 to \$196.50 per ton. Most other rates for waste handled at County facilities are proposed to increase by an average rate of 7.28%. Specifically, the rates for the Community Hazardous Waste Center at UCSB are proposed to increase by an average of 3.14%. The full proposed fee schedule is included as Attachment A to this Board Letter.

Parcel Fees in New Cuyama

For FY 2025/26, the Department is not proposing any increases. Although service costs remain high, the Department has taken steps to reduce operational expenses and maintain affordability for property owners. The Cuyama Valley continues to be served by two County-operated transfer stations built in 1996. Property owners pay for solid waste services through parcel fees established by the Board of Supervisors in 1982 (Resolution Number 82-360), pursuant to California Government Code Section 25830.

- 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.

While efficiencies have been implemented to reduce costs, the fees collected do not fully cover the cost of transfer station operations. The resulting shortfall is subsidized by the RRWMD's Enterprise Fund; largely from the sale of commodities from commingled loads. A fee increase is under consideration for FY 2026/27.

Therefore, the Department requests that the Treasurer-Tax Collector continue to bill and collect the current fees as part of the regular County property tax system for FY 2025/26. The current parcel fee schedule is included as Attachment B to this Board Letter.

Maximum Residential and Commercial Franchised Collection Rates

Annually, the Board of Supervisors sets the maximum rates charged to residential and commercial customers by the franchised solid waste collection service provider(s) in the unincorporated areas of the County. Factors affecting these rates include: 1) the franchised hauler's cost to collect waste (which vary depending on the location); 2) changes in landfill disposal, recycling and organics processing fees; and 3) fees charged by the County for solid waste management programs.

Collection costs: Pursuant to the County's solid waste franchise agreements, a consumer price index (CPI) adjustment is applied to the collection portion of each rate to reimburse the service provider 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, for Calendar Year 2024. For this time period, the CPI was 3.3%, which was applied to the collection portion of the proposed FY 25/26 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 by facility and zone. For FY 2025/26, the County proposes the following changes:

- South County Zones 1, 2, and 3 - the tipping fee for trash, commingled recyclables, and source-separated food waste will increase from \$189 to \$196.50 per ton (a 3.97% increase). The trash and source-separated food waste tipping fee increases also apply to Zone 4-Santa Ynez.
- South County Zones 1, 2, and 3 - the cost to process green waste will increase from \$56 to \$58 per ton (a 3.57% increase).
- For Zone 4-Lompoc and Zone 5-Santa Maria Valley trash, tipping fees vary based on local landfills:
 - The Lompoc Landfill will increase the per-ton tip fee from \$105 to \$110 on July 1, 2025 (an 4.76% increase), and again from \$110 to \$115 on July 1, 2026.
 - The City of Santa Maria Landfill increased the per-ton tip fee from \$90 to \$100 on January 1, 2025 (an 11.1% increase). However, because the FY 2024/25 rate incorporated a blended \$95 per-ton tip fee, the effective increase for FY 2025/26 is 5.26%.
- Commingled recyclables from Zone 4-Santa Ynez, Zone 4-Lompoc, and Zone 5-Santa Maria Valley are processed at the ReSource Center, where the spot market, commingle rate is proposed to increase from \$120 to \$124 per ton (a 3.33% increase).
- For Zone 4-Santa Ynez, Zone 4-Lompoc, and Zone 5-Santa Maria Valley organic waste, tipping fees at Engel & Gray (Santa Maria) will also see changes:
 - Zone 4-Lompoc and Zone 5-Santa Maria Valley mixed organics tip fee will increase from \$61.58 to \$63.69 per ton (a 3.43% increase).
 - Zone 4-Santa Ynez yard waste tip fee will increase from \$49.16 to \$50.84 per ton (a 3.42% increase).

Solid waste program fee: The Department is not proposing any change to the current 11% solid waste program fee. This fee is used by the County to support a range of State-mandated solid waste management programs provided to the community such as hazardous waste management, code enforcement, State-required reporting, recycling and organics diversion, edible food recovery, and public outreach and education. In accordance with State law, the County Code, and the franchise agreements, the County may assess a fee on solid waste collection rates to fund these activities based on the costs of administering the franchise agreements and complying with various State laws such as AB 939, AB 341, AB 1826, AB 901, AB 827, and SB 1383. The fee also reflects the value of the exclusive rights granted only to the franchise hauler to use roads, streets, and right of ways for collection services.

Changes in franchise services: The County is proposing four service-specific rate adjustments under the franchise agreement's provision for Adjustments for Change in Law or Franchise Services (Exhibit 13.02B(b)). These adjustments align rate with current service practices, regulatory requirements, and

policy goals, including waste diversion and rate equity. With the franchised hauler's (MarBorg's) support, the proposed changes include:

1. Freezing manure container rates for FY 2025/26 to incentivize organics diversion over trash disposal, with lower manure rates continuing for the remainder of the franchise term.
2. Reducing recycling rates for 1.5-yard and 2-yard bins in Zone 4-Lompoc to ensure recycling is more affordable than trash services in all five collection zones.
3. Replacing food waste-only rates with mixed organics rates in Zone 4-Lompoc and Zone 5, reflecting the intended practice of commingling food and yard waste.
4. Removing cardboard-only service rates in Zones 1, 2, and 3, as this service is no longer offered. Affected customers (18 commercial customers) will shift to the higher commingled recycling rate, with an average increase of 151%.

Three of the four proposed adjustments will reduce customer costs, and one will result in higher rates for a limited group. Full details by zone are included in Attachment C to this Board Letter.

Restructuring Isla Vista Franchised Collection Rates

The Department proposes restructuring residential franchised collection rates in Isla Vista to address longstanding service and clarity issues. The current rate structure has not been altered since July 1, 1999, and does not reflect the unique challenges in Isla Vista or align with current service needs. Isla Vista's high-density, student-based population (leading to high turnover of residents and their belongings), limited parking and curb access, and lack of sidewalks create operational difficulties. The Department seeks to:

- Restructure residential Isla Vista maximum franchised collection rates and clarify which rates pertain to single-unit or multiple-unit residences as referenced in County Code Chapter 17-7.
- Define whether backyard service is included in specific rates.
- Establish new rates for multi-family dwellings for cart service.
- Clarify eligibility for special Isla Vista services, including free weekly bulky item pick-ups.

With the Board's approval, staff will negotiate updated, competitive rates with the franchised hauler (MarBorg Industries) and return with a franchise agreement amendment if consensus is reached.

CEQA Review

Pursuant to CEQA Guidelines Section 15273(a) (1), (2), (3) and (4), CEQA does not apply to 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, purchasing or leasing supplies, equipment, or materials, meeting financial reserve needs and requirements, and obtaining funds for capital projects, necessary to maintain service within existing service areas. Rate increases to fund capital projects for the expansion of a system remain subject to CEQA. The rates proposed for approval support the ongoing provision of solid waste collection,

management, and disposal for the communities served by the County, do not expand services and are therefore statutorily exempt from CEQA.

The Tajiguas Landfill Capacity Increase Project, a capital project necessary for the ongoing provision of solid waste disposal, is currently under construction and projected to begin receiving waste in spring 2026. Construction and operation of the Tajiguas Landfill Capacity Increase Project was analyzed in Subsequent Environmental Impact Report (SEIR) 23EIR-00001 certified by the Board on March 19, 2024.

Construction and operation of the ReSource Center was analyzed in SEIR12EIR-00000-00002 (SCH #20122041068) and revision letter certified by the Board of Supervisors on July 12, 2016, and SEIR Addendum dated August 2017 (revised October 26, 2017), considered by the Board of Supervisors on November 14, 2017. Additional modifications to the ReSource Center have been reviewed in an Addendum dated August 15, 2023, considered by the Board on October 3 and November 7, 2023, an Addendum dated August 12, 2024, considered by the Board on September 10, 2024, and other 15162 determinations available for review at RRWMD. Construction of this project was completed in prior years, and the proposed rates support the ongoing operating expenses.

The environmental documents for the ReSource Center and Capacity Increase projects are available at <https://www.countyofsb.org/1165/Environmental-Documents>.

Performance Measure:

County solid waste facilities charge rates identified in the attached rate schedules, and the contracted waste collection service provider(s) charges rates no greater than those included in the attached rate schedules. These rates are based on projected costs to provide the services. County staff conducts periodic billing audits to ensure that its service provider(s) is charging the Board-approved rates.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Narrative: Tipping fees charged at County-operated solid waste management facilities provide revenue to the Resource Recovery and Waste Management Enterprise Fund. Fees proposed in this Board Letter are included in the RRWMD's Recommended budget for FY 2025/26, which projects total revenue for the Division to be \$48,355,300. Fees charged to residential and commercial customers for franchised collection services are billed by the service provider(s), who receives payments directly from the ratepayers, and are not included in the RRWMD's budget.

Special Instructions:

Please return a copy of the signed Resolutions to the Public Works Department, RRWMD at 130 E. Victoria Street, Suite 100, Santa Barbara, CA 93101 - Attention: Mackenzie Forgey.

If approved on June 3, 2025, please have the Clerk of the Board date stamp and post the Notice of Exemption (Attachment D) and return a stamped copy to the Public Works Department, RRWMD at 130 E. Victoria Street, Suite 100, Santa Barbara, CA 93101 - Attention: Mackenzie Forgey and 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 2025/26

Attachment B: Resolution of the Board of Supervisors regarding parcel fees for waste disposal in New Cuyama Valley for FY 2025/26

Attachment C: Resolution of the Board of Supervisors establishing maximum solid waste franchised collection rates for the unincorporated areas for FY 2025/26

Attachment D: Notice of Exemption

Authored by:

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