



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: September 16, 2008
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Scott D. McGolpin, Director of Public Works Department
Director(s) 568-3010
Contact Info: Mark Schleich, Deputy Director of Public Works Department
882-3604

SUBJECT: **Approve Agreement for the Processing and Sharing of Revenues and Costs Associated with Commingled Recyclables Delivered to County Facilities Between the City and County of Santa Barbara**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

Approve attached Agreement for the Processing and Sharing of Revenues and Costs Associated with Commingled Recyclables Delivered to County Facilities Between the City and County of Santa Barbara

Summary Text:

The County of Santa Barbara currently provides a variety of solid waste program and facility-related services to the City of Santa Barbara. One service the County provides is the processing and marketing of recyclables collected under the commingled recycling collection program offered to area businesses and residents. Depending on the market conditions for the recyclable material collected, the curbside recyclables collection program results in costs or revenue. Most recently, there has been an increased value for the commingled recyclables collected from businesses and residents, and the County's regional partners have expressed an interest in sharing in the costs and revenues associated with this program.

County staff has worked with staff from the cities of Santa Barbara and Goleta to develop a means to quantify the costs and revenues associated with the recyclables collection program. The actual costs and revenues per ton associated with the management of the recyclables from the prior fiscal year will be multiplied by the tons of recyclables delivered to the South Coast Recycling & Transfer Station originating from the City of Santa Barbara. The net value of the recyclables will be provided to the City

of Santa Barbara annually in two equal installments. This is a two-year agreement and either party may terminate the agreement with a 12-month written termination notice.

Background:

The County has historically provided an array of solid waste management services to the City of Santa Barbara including community programs and waste management facility services. The County currently provides the community programs including several recycling and hazardous waste management services through an existing Agreement between the County and the City of Santa Barbara. Additionally, the County provides the following services at our facilities without a contractual arrangement between the two entities:

- Processing and marketing of green waste;
- Processing and marketing of commingled recyclables;
- Acceptance and use of alternative daily cover from an area construction and demolition debris processing facility; and
- Burial of municipal solid waste.

In recent years, both the market for scrap materials as well as the contribution made to jurisdictions by the California Department of Conservation associated with the Bottle Bill has increased the overall value of the recyclables collected in the curbside commingled recyclables programs. On the South Coast, commingled recyclables collected in the cities of Goleta and Santa Barbara as well as the unincorporated South Coast are delivered to the South Coast Recycling & Transfer Station where they are loaded and currently transported to a material recovery facility in Ventura to be processed into marketable products. The County's current arrangement with the processor results in a net return for each ton of recyclables delivered to their facility. The net return varies depending on the market and the funding provided by the state. Currently the revenues from the program are received and deposited in the Enterprise Fund for the Resource Recovery & Waste Management Division and used to offset costs for other more costly programs. Due to the increased value of the materials, the cities of Goleta and Santa Barbara have expressed an interest in receiving a portion of the revenue as an offset for their community program costs.

County staff has worked with staff from the City of Santa Barbara and Goleta to develop a means to quantify the costs and revenues associated with the recyclables collection program. The actual costs and revenues per ton associated with the management of the recyclables from the prior fiscal year will be multiplied by the tons of recyclables delivered to the South Coast Recycling & Transfer Station originating from the City of Santa Barbara. The net value of the recyclables will be provided to the City of Santa Barbara annually in two equal installments. For FY 08/09, the City of Santa Barbara will receive \$512,397 in commingled recyclables revenue based on FY 06/07 costs and revenues.

County staff felt that incorporating its regional partners into the costs and revenues associated with the commingled recyclables program due to the change in market conditions would provide an opportunity to lay the foundation for regional cooperation on future programs and facilities.

Performance Measure:

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Fees					
Other:		\$512,397		\$512,397	
Total	\$	512,397.00	\$	512,397.00	\$ -

Narrative: If the attached Agreement is approved, the County will provide \$512,397 in net revenue to the City of Santa Barbara for FY 08/09. In future years, the net value will be calculated each year and will include program costs, the market value of the recyclables, and the tonnage of recyclables received at the South Coast Recycling & Transfer Station originating from the City of Santa Barbara.

Staffing Impacts:

None

Special Instructions:

Please provide copies of the Minute Order, and one original Agreement to the Resource Recovery and Waste Management Division, attention Leslie Wells.

Attachments:

Agreement for the Processing and Sharing of Revenues and Costs Associated with Commingled Recyclables Delivered to County Facilities Between the City and County of Santa Barbara

Authored by:

Leslie Wells, Program Leader, 882-3611