



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: 06/5/2018
Placement: Departmental
Estimated Tme: 30 minutes
Continued Item: Yes
If Yes, date from: 5/15/2018
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Scott D. McGolpin, P.E. Director, x3010
Director(s)
Contact Info: Mark Schleich, P.E., Deputy Director, x3603

**SUBJECT: Solid Waste Tipping Fees, Collection Rates and Parcel Fees for FY 2018/19
All Supervisorial Districts**

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, 2018, setting the fee schedules for solid waste handling and disposal fees at County solid waste facilities for Fiscal Year 2018/19;
- b) Adopt a resolution to be effective July 1, 2018, setting the Parcel Fee Schedule for the Cuyama Valley for Fiscal Year 2018/19;
- c) Adopt a resolution to be effective July 1, 2018, setting the fee schedule for solid waste collection rates in the unincorporated areas in Zones 1, 2, 3, 4 & 5 for Fiscal Year 2018/19; and
- d) Find that the proposed action is for the establishment of rates to meet operating expenses and financial reserve needs and requirements, and that the action is therefore exempt from the California Environmental Quality Act pursuant to 14 CCR Section 15273. Approve the Notice of Exemption, adopting the findings contained therein, and approve the filing of the 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 2018/19. 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. This Board Letter provides each of these proposed fee and rate schedules for FY 18/19.

Background:

Each year, your Board adopts fees charged at County-operated solid waste management facilities as well as parcel fees for New Cuyama, and rates charged by the franchised service providers to collect waste from residential and commercial customers. 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 (Division) long-term financial plan for funding of capital, regulatory compliance, and closure/post-closure requirements associated with its solid waste management system.

It should be noted that on March 13, 2018, the Board approved a per-ton rate of \$102 for waste disposal at the Tajiguas Landfill and the processing of commingled recyclables collected on the South Coast for FY 2018/19. It was necessary to bring this rate modification for Board consideration prior to this rate package because the proposed \$102 per ton rate was less than the \$110 per ton rate prescribed in the current Materials Delivery Commitment and Processing Services Agreements with our partner cities and to allow the cities of Goleta and Santa Barbara to meet their Proposition 218 noticing requirements for solid waste collection rates. Proposition 218 noticing is not required for County unincorporated rates as solid waste collection services are not mandatory.

Significant changes are not being proposed for tipping fees and other services provided at County-operated facilities. The entire 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 last adjustment to the parcel fees was made in FY 92/93.

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

The Department is proposing no increase in the Cuyama Valley parcel fees for FY 18/19. The Public Works Department 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 in the unincorporated areas of the County by the solid waste collection service providers. These rates are affected by the cost of collection and processing or disposing of waste material.

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 2017 to February 2018. For this time period, the CPI was 3.6%, which was applied to the collection portion of the proposed FY 18/19 rates uniformly in all zones.

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 to manage waste for each zone and their associated tipping fees. In FY 18/19, as described earlier, the County is changing the tipping fee for trash and commingled recyclables from \$99 to \$102 per ton. As mentioned earlier, this increase is related to the multi-year pro forma prepared for the development of the Tajiguas Resource Recovery Project. The City of Santa Maria will keep its landfill tipping fee at \$71 per ton, and the City of Lompoc is expected to raise their landfill tipping fee from \$82.34 to \$84.34 per ton.

The overall effect of these rate adjustment factors is 3-3.5% for the majority of residential customers, 2.4 – 3.5% for North County commercial customers, and 3.3 – 6.5% for South Coast commercial customers. The impact on the rates varies depending on the location of the property being serviced which affects the costs for collection, the amount and types of material, and changes in landfill disposal costs and recycling processing fees for each zone.

Attachment C to this Board Letter contains the proposed solid waste collection rates by collection zone for the scope of services that are provided.

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 18/19 which projects total revenue for the Division to be \$28,632,500. 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: Leslie Wells.

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 18/19

Attachment B: Resolution of the Board of Supervisors regarding parcel fees for waste disposal in New Cuyama Valley for FY 18/19

Attachment C: Resolution of the Board of Supervisors establishing solid waste collection rates for the unincorporated areas for FY 18/19

Attachment D: Notice of Exemption

Authored by:

Leslie Wells, Program Leader, Resource Recovery & Waste Management (ext. 3611)