

## MEMORANDUM

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**To:** Honorable Board of Supervisors

**From:** Roger E. Heroux, MPA  
Director, Public Health Department

**Date:** December 2, 2004

**Subject:** Environmental Health Services Fee Adjustment - Solid Waste Program  
(Continued from November 2, 2004)

On November 2, 2004 your Board continued consideration of revised solid waste enforcement program fees. The purposes of the continuance were to obtain clarification of the consensus achieved among the facility operators with respect to the methodology used to calculate the fees and also to provide a Board hearing in the North County.

### **BACKGROUND:**

#### **Board Hearing, May 25, 2004**

On May 25, 2004 your Board heard recommendations for realigned Environmental Health fees, based on the results of a comprehensive fee study which calculated the actual costs of providing services. All program fees were approved with the exception of the Solid Waste program. The proposed Solid Waste program fees included diversion facilities for the first time, based on new State mandates. Following comments from diversion facility operators, your Board asked the Public Health Department to meet with all of the solid waste facility operators to obtain consensus on a revised fee structure.

#### **Action**

- Roundtable meeting on July 15, 2004 with all but one diversion facility operator in attendance
- Consensus to recalculate fees: eliminate tonnage fee to diversion operators, use a combination of hourly and annual fees with landfills picking up a calculated benefit
- Consensus that no subsequent roundtable meetings were needed
- August 2, 2004, sent revised calculation to affected businesses with request for response and comments (Attachment A)
- All but one response were favorable
- Board Letter and fee resolution distributed to operators during the week of October 4, 2004

## **Board Hearing, November 2, 2004**

At the November 2<sup>nd</sup> Board meeting, the only comment was from one facility operator who took the position that their composting facility should be exempt from paying any costs of the program, including the \$360 annual fee. Your Board asked the Public Health Department to return with a list of operators noting their approval of the fees.

### **Action**

- Sent consensus operators a survey by e-mail on November 15, 2004
- Sent a 2<sup>nd</sup> copy on November 24, 2004
- Called those who did not respond to the survey, November 30, 2004
- Prepared summary of roundtable attendance and operator comments (Attachment B)

In conclusion, diversion facilities are now an ongoing part of the solid waste infrastructure, subject to permitting and inspection requirements promulgated by the California Integrated Waste Management Board. As with many State mandates, funding is not provided on the basis that local agencies are expected to charge fees to pay their costs of providing services. The use of user fees is also in line with past direction from the Board of Supervisors. Although no one likes to pay fees, the solid waste and diversion facility operators have demonstrated great cooperation and understanding in working together and with County staff to craft a fee package that everyone can live with and is reasonable and fair.

August 2, 2004

To: Workshop Group Attendees  
EHS Staff  
PHD Fiscal Staff

From : Stacy Covarrubias, PHD Cost Analyst

Regarding: Report and Recalculations for Environmental Health Services Solid Waste  
Program Fees

On July 15, 2004, the Environmental Health Services (EHS) Solid Waste Program hosted a fee workshop. Many concerns were voiced and suggestions were made. Specifically:

- Tons versus Time
- Hourly for face to face inspection, difference to the Landfill operators
- Flat annual fee
- Diversion operations are a valuable service to county residents
- Public versus Private operators
- Work with contractors to collect fees

The revised fee proposal takes into account the first four in the list above. Public vs. Private operators was not analyzed, and working with contractors was discussed briefly, but seemed like a long-term approach rather than an immediate discussion topic.

**Tons vs. Time** - I heard everyone's concern loud and clear. Only the Landfill operators will continue with the cents-per-ton fee.

**Hourly for on-site inspections** - Hourly invoices will be sent to all facility operators (except landfills) based on time spent at the site.

**Flat annual fee** - An annual, nominal, fee will be sent to all facility operators (except landfills) based on estimated office time per type of permit: Notification, Registration, or Full.

**Value of Diversion operations** - One reasonable method was used to try and estimate the value of diversion operations to the landfills, monetarily. I will try to explain. The

last time fees were increased was 1997, and at that time, the program recovered full cost. The annual tonnage collected by the landfills in FY 1997-1998 was 442,594. The County population during that same time was 398,000. The population now, according to the Department of Justice's January 1, 2004 report, is 414,796. This is a population increase of 16,796, or 4.2%.

If there were no diversion activities, a reasonable statement would be that tonnage to landfills could have increased by 4.2%. So, 442,594 tons plus 18,182 (4.2% increase) = 461,182 tons. In the EHS fee proposal, the estimated annual tonnage to be collected by landfills for FY 2004-2005 is 395,000. The difference between 461,182 and 395,000 is an estimated reduction in tons of 66,182. This amount of tons, multiplied by the current cents-per-ton, is the value I am placing on diversion operations activities benefiting the county residents.  $66,182 * .64 \text{ cents-per-ton} = \$42,356$ . (Note: Landfills are charged .67 cents-per-ton of which .64 is for the EHS Solid Waste Program's operations. The .03 cents-per-ton is deposited directly into a trust fund for professional and independent legal services).

Using this valuation method as a yardstick to measure a reasonable shift in cost to the landfill operators, and calculating a flat, annual, nominal fee for diversion operators, with hourly invoices for site inspections, I offer the following two attachments.

### **Attachment 1**

At the July 19, 2004 workshop, a hand out titled "Environmental Health, Solid Waste Program" was discussed. It showed the recoverable program cost, by category, indicating the four new categories with an \*. The amount of these four new categories was \$63,031.

Attachment 1 is an updated version of that hand out.

- It regroups the new categories by permit type (Notification, Registration, Full) rather than waste type (Composting/Green Waste, Process/Transfer Station, CDI).
- It adds an Hourly category with the amount anticipated for the site visit invoicing.
- It shifts costs to the landfills.
- It continues with an Application fee for new permits.

This attachment shows costs for type of activity. It does not show the fee. The Solid Waste cost recovery for the program was stated at \$359,810. Attachment 1 totals \$360,355, a difference of \$545. This insignificant amount is due to the landfill cents-per-ton rounding. The proposal is rounded to whole cents.

### **Attachment 2**

This attachment further delineates the category costs to annual fee estimates per facility. At the July 19, 2004 workshop, a list of facilities and tonnage was handed out. Lisa Sloan and Michael Schmaeling compiled this list last winter at my request. Since that time, three sites have dropped off and two new permits are currently under review.

Attachment 2 is using the updated facility count and type of permit. This attachment shows:

- Type of waste the facility diverts, type of permit and inspection frequency based on the type of permit.
- Estimated annual on site inspection hours.
- The annual nominal fee of either \$360 for Notification Permits and \$1,090 for Registration and Full Permits.
- Estimated hourly amount using on site hours multiplied by \$100 per hour.
- For landfill operators, it states the annual estimated tonnage to be collected for FY 2004-2005.
- The current fee to landfills for EHS operational cost recovery is .64 cents-per-ton. This proposal shows landfill fees using .75 cents-per-ton for EHS Solid Waste operations, an .11-cent, or 17.2% increase. The full current assessed fee is .67 cents-per-ton and the full proposed fee is .78 cent-per-ton, for the continuation of the professional and independent legal counsel fund. It is still an .11-cent, or 16.4% increase.

This worksheet should give an idea of the estimated total annual fees by facility based on the criteria I explained on the first page. It does not take into account any additional hours that Lisa and Michael may spend on 5-year permit reviews, etc.

In closing, I'd like to restate that I understood the concerns presented and used many of the suggestions discussed. Only landfill operators will be assessed a fee based on tonnage.

Respectfully submitted,

Stacy Covarrubias

The proposed fee schedule reallocates costs to categories as follows:

State SW Grant		\$ 22,000
Landfills		296,250
New Application (est 1/year)		760
<u>Non-Disposal Facilities</u>		
Annual Notification Permit (all sites)	2,520	
Annual Registration Permit (all sites)	5,450	
Annual Full Permit (all sites)	<u>3,270</u>	
		11,240
Hourly (time spent at facility)		16,000
Hourly (Illegal/Abandoned Landfills)		<u>14,105</u>
		<b><u>\$ 360,355</u></b>

Cost to provide service based on workload and timecard data is **\$359,810**.

Note: The additional 3 cents-per-ton will continue to be added on to the Landfill cents-per-ton to be put in a trust for Professional and Independent Legal services.

**Environmental Health, Solid Waste  
Estimated Annual Fees, by Operator**
**SBC, Public Health Department  
7/22/2004**

<u>Facility Name</u>	<u>Type Waste</u>	<u>Type of Permit</u>	<u>Inspection Frequency</u>	<u>Estimated On-Site Hrs</u>	<u>Annual Fee</u>	<u>Estimated Hourly</u>	<u>Estimated Tons</u>	<u>Cents per ton 0.75</u>	<u>Est. Annual Total per Site</u>	<u>Additional 0.03</u>
E & G	Comp/Green	Registration	Monthly	12	\$ 1,090	\$ 1,200			\$ 2,290	
VCT	Comp/Green	Notification	Quarterly	4	360	400			760	
HSS	Comp/Green	Notification	Quarterly	4	360	400			760	
Marborg (New)	Comp/Green	Notification	Quarterly	4	360	400			760	
SCRTS	Trans/Process	Full	Monthly	24	1,090	2,400			3,490	
SYVRTS	Trans/Process	Full	Monthly	24	1,090	2,400			3,490	
Marborg	Trans/Process	Full	Monthly	24	1,090	2,400			3,490	
New Cuy	Trans/Process	Registration	Monthly	12	1,090	1,200			2,290	
Ventucopa	Trans/Process	Registration	Monthly	12	1,090	1,200			2,290	
HSS	Trans/Process	Registration	Monthly	12	1,090	1,200			2,290	
Bedford	CDI	Registration	Monthly	12	1,090	1,200			2,290	
SB Sand &	CDI	Notification	Quarterly	4	360	400			760	
Granite	CDI	Notification	Quarterly	4	360	400			760	
API	CDI	Notification	Quarterly	4	360	400			760	
Marborg (New)	CDI	Notification	Quarterly	4	360	400			760	
SB County Public Works Landfill							214,000	160,500	160,500	6,420
Santa Maria City Landfill							130,000	97,500	97,500	3,900
Lompic City Landfill							44,000	33,000	33,000	1,320
VAFB Landfill							<u>7,000</u>	<u>5,250</u>	5,250	210
Grant							<u>395,000</u>	<u>\$ 296,250</u>	22,000	
Application Fee									760	
Illegal/Abandoned Landfills						14,105			14,105	
									<u>\$ 360,355</u>	<u>\$ 11,850</u> annual increase to Trust

**Environmental Health, Solid Waste Fees  
Summary of Workshop and Surveys**
**SBC, Public Health Department**

<b>Facility Name</b>	<b>Attended July 15, 2004 Workshop</b>	<b>July 21, 2004 Recalculation</b>	<b>Survey Nov 2004</b>
Engel & Gray	Yes	Supported	Supported
Valley Compost & Topsoil	Yes	Opposed	Opposed
Health Sanitation Services	Yes	No Response	Opposed
Marborg	No	No Response	No Response
Bedford Enterprises Inc	Yes	Supported	Supported
Santa Barbara Sand and Gravel	Yes	No Response	No Response
Granite Construction Co	Yes	No Response	No Response
Atlas Performance Industries, Inc	Yes	No Response	Supported
SB County Public Works	Yes	Supported	Supported
Santa Maria City Landfill	Yes	Supported	Supported
Lompoc City Landfill	Yes	Supported	Supported
VAFB Landfill	Yes	No Position	No Position