



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: 06/28/2022
Placement: Departmental
Estimated Tme: 15 minutes
Continued Item: Yes
If Yes, date from: 5/24/2022
Vote Required: Majority

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, and Parcel Fees for FY 2022-23 - All Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form:

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Adopt a resolution to be effective July 1, 2022, setting the fee schedules for solid waste handling and disposal fees at County solid waste facilities for Fiscal Year 22-23; and
- b) Adopt a resolution to be effective July 1, 2022, setting the Parcel Fee Schedule for the Cuyama Valley for Fiscal Year 22-23; and
- c) Approve the proposed adjusted Per Ton Processing Rate of \$36.18 to be paid by the County to MSB Investors, LLC for the processing of municipal solid waste, source separated recyclables and source separated organics at the ReSource Center; and
- d) Determine that the proposed actions are for the establishment of solid waste handling and disposal fees charged by the County which are for the purpose of meeting operating expenses and financial reserves; that no expansion of services or facilities will result; that the proposed action is therefore exempt from the California Environmental Quality Act pursuant to 14 CCR 15273(a) (1) (2) (3) and (4); and approve the filing of 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 22/23. 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 from residential and commercial customers. The rates for the collection of waste are being considered separately this year as negotiations for new franchise agreements (including new rates) have concluded and were presented to your Board on May 24, 2022.

Background:

This Board Letter provides each of the proposed fee and rate schedules for FY 22-23 for County-operated solid waste management facilities, and parcel fees for New Cuyama. It also provides the proposed increase to the Per Ton Processing Rate paid by the County for waste material processed by the ReSource Center (Center), formerly known as the Tajiguas Resource Recovery Project, pursuant to the Third Amendment to the Amended Contract Between the County of Santa Barbara And MSB Investors, LLC for Development and Operation of the Tajiguas Resource Recovery Project. Construction and operation of the Center was analyzed in Subsequent Environmental Impact Report (SEIR) 12EIR-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.

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 long-term financial pro forma for funding of capital, regulatory compliance, and closure/post-closure requirements associated with its solid waste management system.

Beginning in FY 17-18, rates were increased in association with the procurement and construction of the Center at the Tajiguas Landfill. Construction of the Center began in December 2018 and is currently transitioning from the commissioning to operational phase. The Center consists of a materials recovery facility to recover and process recyclables, an anaerobic digester to process organic materials, and an energy system that will convert the site's landfill gas and the biogas generated by the anaerobic digester into energy to power the Center. Excess renewable energy will be sold to SCE.

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, in addition to conserving valuable landfill disposal capacity.

The mechanism to set the rate charged at the Tajiguas Landfill is established in the regional agreements between the County and the participating jurisdictions and in the financing documents for the construction and operation of the Center. During FY 22-23, the proposed rate will increase from \$164 to \$170 per ton. Most other rates for waste handled at County facilities are proposed to increase by 3%. The full proposed fee schedule 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 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 this shortfall, which continues to be funded by other revenues in the Division's Enterprise Fund.

The Department is proposing no increase in the Cuyama Valley parcel fees for FY 22-23. 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.

Per Ton Processing Rate

The agreement between the County and MSB, LLC to design, develop and operate the ReSource Center contains provisions that set forth how to calculate the Per Ton Processing Rate to be paid by the County to MSB for each ton of waste material delivered to and processed by the ReSource Center. Section 10.3.A.3 of the Third Amendment to the agreement stipulates the index and method for calculating an annual CPI adjustment, as well as identifying a multi-year phased increase to the Repair and Maintenance budget for the facility. These two factors increased the current Per Ton Processing Rate of \$32.74 to \$36.18 for FY 22-23.

Performance Measure:

County solid waste facilities charge rates identified in the attached rate schedule. These rates are based on projected costs to provide the services.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Narrative: Tipping fees charged at County-operated solid waste management facilities provide revenue to the Solid Waste Enterprise Fund. Fees proposed in this Board Letter are included in the Division's budget for FY 22-23, which projects total revenue for the Division to be \$40,942,200. Expenses related to the Per Ton Processing Rate are included in the Division's budget for FY 22-23.

Special Instructions:

Please return a copy of the signed Resolutions to the Public Works Department, Resource Recovery and Waste Management Division, attention: Gloria Alvarez.

Attachments:

Attachment A: Resolution of the Board of Supervisors regarding solid waste handling and disposal fees at County owned/operated facilities for FY 22-23

Attachment B: Resolution of the Board of Supervisors regarding parcel fees for waste disposal in New Cuyama Valley for FY 2-23

Attachment C: Notice of Exemption

Authored by:

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