

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: March 8, 2006
Department: Public Works
Department No.: 054
Agenda Date: May 9, 2006
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Phillip M. Demery, Director, ext. 3010
Public Works Department

STAFF CONTACT: Mark Schleich, Deputy Director, ext. 3604

SUBJECT: Cuyama Valley Solid Waste Services
Fifth Supervisorial District

Recommendations:

That the Board of Supervisors:

- 1.) Receive a report from the Resource Recovery and Waste Management Division on Cuyama Valley Solid Waste Services

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goal number one, an efficient government able to respond effectively to the needs of the community.

Executive Summary:

Background

At the June 7, 2005 Board meeting, public testimony during the Administrative hearing of the proposed Solid Waste Tipping Fees, Collection Rates and Parcel Fees for Fiscal Year 2005/2006 raised the issue of solid waste service in the Cuyama Valley. Specifically, the informal Board policy against exporting trash out of Santa Barbara County was questioned, as well as the significant gap that exists between the revenue raised from Cuyama Valley property tax assessments that pay for solid waste services, and the actual cost of providing those services. At the June 28, 2005 Board meeting, Public Works staff indicated to your Board that solid waste services in the Cuyama Valley would be reviewed, and possible alternatives developed for your further consideration.

Like many other remote, rural areas, providing solid waste collection services in the Cuyama Valley and Ventucopa area is challenging due to the low population density and the relatively long transportation distances involved. As is often the case with the provision of government mandated services to remote, rural areas, those services must often be subsidized by other sectors of the economy. In addition, the fact that remote, rural areas traditionally see a greater incidence of illegal dumping, for a variety of reasons, than do more developed, urban areas, should be taken into account when establishing and/or changing solid waste services in these areas.

There are two distinct components to solid waste services in the Cuyama Valley; curbside collection of residential and commercial solid waste that is conducted by a private hauling company, and servicing the New Cuyama and Ventucopa Transfer Stations, also conducted by a private hauling company. Both will be discussed in detail below.

Historically, solid waste generated in the Cuyama Valley and Ventucopa areas was disposed of in two County-owned and operated landfills, one located in New Cuyama, the other in Ventucopa. Because the County does not have a mandatory trash service ordinance, residents either self-hauled their solid waste to one of these two facilities, or a private service provider collected solid waste from those residents and businesses that subscribed to the service. In the 1980s, solid waste collection service in the Cuyama Valley was provided by two Cuyama area firemen who used their own stake-bed truck to collect solid waste and transport it to one of the two area landfills.

In the late 1980s, solid waste collection services were assumed by Westside Waste Management based in Taft. Sometime soon thereafter, Westside asked Health Sanitation Service (HSS), based in Santa Maria, to take over collection services, citing the high cost of operating out of Taft. Then, in the early 1990s, HSS sent the County a 30-day notice to stop service, as neither they nor the County could find any legal description that placed the Cuyama Valley within HSS's collection zone, and they were no longer interested in servicing the area. The County then approached MarBorg Industries to see if it had an old collection truck the County could purchase in order to provide collection service to the Cuyama Valley and Ventucopa areas. At that time, MarBorg agreed to provide collection service to the handful of residential and commercial accounts that HSS was servicing.

In 1996, the County closed the Cuyama Valley Landfill and replaced it with the New Cuyama Valley Transfer Station to continue providing disposal options for self-haulers. Similarly, the Ventucopa Landfill was closed in 1997, and replaced by the Ventucopa Transfer Station. The solid waste received at both the New Cuyama and Ventucopa Transfer Stations required transport to a disposal facility. In anticipation of this need, the County solicited bids from private hauling companies to provide bin and roll-off service to both the New Cuyama and Ventucopa Transfer Stations. Two proposals, one from Suburban Rubbish the other from MarBorg Industries were submitted, and MarBorg was ultimately chosen to provide the service. MarBorg saw the benefit of combining the curbside collection routes they were already servicing with the servicing of the Transfer Stations.

Cuyama Valley Solid Waste Services

Fifth Supervisory District

Agenda Date: May 9, 2006

Page - 3 -

During this same period, the County was in the process of negotiating comprehensive Franchise Agreements with the private hauling companies that were providing solid waste services to the unincorporated County. Because MarBorg Industries was already providing curbside collection services to the Cuyama Valley, and was chosen to service the New Cuyama and Ventucopa Transfer Stations, as part of those negotiations the Cuyama Valley and Ventucopa were also officially included within MarBorg's Collection Zone 3.

MarBorg maintains 27 three cubic yard bins at the New Cuyama Transfer Station, serviced twice weekly, and 13 three cubic yard bins at the Ventucopa Transfer Station, serviced once weekly. MarBorg also maintains Roll-off boxes at the two facilities for bulky items that cannot be placed in the bins and services them as needed. MarBorg has also built up the number of curbside residential and commercial accounts and now provides curbside collection services to approximately 70 residential can accounts serviced one day a week, and 40 commercial bin accounts serviced another day of the week. The routing schedule was designed to maximize the collection capacity of each truck trip and to limit the number of trips taken to service these areas by servicing the Transfer Stations and the curbside accounts on the same day. The solid waste MarBorg transfers out of the Cuyama and Ventucopa Transfer Stations is disposed of at the Tajiguas Landfill, on the return trip to Santa Barbara.

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 fee schedule was established to generate revenue to offset the operation and maintenance costs for solid waste disposal services in Cuyama Valley. The single-family occupied dwelling rate is currently \$77.00 annually. Other fees are based on a waste generation factor, established in 1982, comparing the single family dwelling rate to that of waste generated by other land uses. This fee schedule generates approximately \$31,444 in revenue from the 594 parcels in the district, and covered the costs of operating the Cuyama and Ventucopa Landfills prior to their closure and replacement with the New Cuyama and Ventucopa Transfer stations. However, this amount does not cover the current annual costs to service the New Cuyama and Ventucopa Transfer Stations, estimated at \$160,600, due to the higher operation and transfer expenses. The unreimbursed cost is covered through north county Solid Waste Program Fees.

The primary reason for the gap between the cost to provide service and the revenue generated are the requirements of Proposition 218, passed by the voters in 1996. County Counsel has advised the Division that increasing the property tax assessment in the Cuyama Valley would require the approval of two-thirds of the residents, which does not appear to be likely.

Alternatives for Cuyama Valley solid waste collection services

Alternatives for future provision of Cuyama Valley solid waste collection services include maintenance of the current system, increasing the Cuyama Valley tax assessment, a change in the private hauling company providing curbside and Transfer Station collection, or a change in disposal sites.

1. Maintain the current system. While MarBorg provides excellent service to the Cuyama Valley, this option does not address the gap between revenue and expenses. As mentioned above, the unreimbursed costs to the County are paid by the North County Solid Waste Program Fee.
2. Increase the Cuyama Valley tax assessment to bring those revenues more into line with actual expenses. Proposition 218 requires a two-thirds approval of the affected citizens to raise the tax assessment. Recovering the full cost to operate the New Cuyama and Ventucopa Transfer Stations would require a 400 percent increase over the current assessment amount. The cost to conduct such an election is unknown at this time.
3. MarBorg Industries transports Cuyama Valley waste to the Taft Landfill, Santa Maria Transfer Station, or the Santa Maria Landfill, instead of the Tajiguas Landfill.

The Taft Landfill is located approximately 38-miles one way from New Cuyama. Seven miles of this distance consists of a steep grade (Grocer Grade at 6.5%) that raises operational safety concerns with driving a solid waste truck on that roadway. If MarBorg were to deliver the waste to a Kern County Landfill, the additional cost for transportation would be incurred. Preliminary contact with the Kern County Waste Management Department suggests that it would be possible to negotiate an agreement allowing Cuyama Valley residential waste to be disposed of at the Taft Landfill. Kern County has agreements with San Bernardino and Inyo Counties to accept a small amount of their residential waste, coming primarily from remote rural areas where inter-county cooperation makes sense. Kern County does not accept out of County commercial waste. Residents of Kern County pay for their trash service through a property tax assessment, and Santa Barbara County would likely be charged an annual disposal fee that mirrors what their resident's pay. Any negotiated agreement whereby Kern County would accept Cuyama Valley waste at a Kern County landfill would require the approval of the Kern County Board of Supervisors.

The MarBorg trucks that currently service the Cuyama Valley and Ventucopa areas operate out of Santa Barbara where MarBorg is based. While this involves a relatively long distance haul, the fact that the waste is disposed of at the Tajiguas Landfill on the return journey avoids additional transportation distance associated with hauling to Taft Landfill. MarBorg could reduce its transportation costs were it to station a minimum of two collection vehicles (a rear-loader for residential collection and a front-loader for commercial bins) in the Cuyama Valley, and have its truck operator drive up to the Cuyama Valley in a smaller vehicle. However this savings would be partially offset by having to transport the waste the 76-mile round trip to the Taft Landfill. In addition, the two trucks stationed in Cuyama would be idle most of the week, and unavailable for service in other areas, which would be an additional cost to MarBorg.

The Santa Maria Transfer Station (SMTS), a privately owned and operated facility located in San Luis Obispo County just north of the Santa Maria River is another possible alternative disposal option for Cuyama Valley waste. Solid waste received at the SMTS is transferred to the Chicago

Grade Landfill in San Luis Obispo, also privately owned and operated. The tipping fee for residential and commercial solid waste at the SMTS is \$58.00 per ton.

An additional consideration is that exercising either of these options would increase the County's liability exposure associated with using an out-of-county landfill. Under the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980 the generators of waste may be held liable, as Potentially Responsible Parties (PRPs), for the cost of cleaning sites that are deemed hazardous. When the Casmalia Hazardous Waste facility was identified as a CERCLA site, the County was identified as a PRP, and was ultimately held financially liable for a share of the clean up costs, based on the tonnage of Santa Barbara county materials disposed of there.

Although County solid waste from the Orcutt area is currently disposed of at the Santa Maria Landfill, thereby avoiding the issue of increased liability, the Santa Maria Landfill's current tipping fee of \$69.89 per ton is prohibitively expensive and would not likely result in a decrease in the cost of providing solid waste services to the Cuyama Valley.

4. Cuyama Valley solid waste collection services are assumed by another service provider, hauling to the Taft Landfill, Santa Maria Landfill, or the Santa Maria Transfer Station, instead of the Tajiguas Landfill.

Currently, the Cuyama Valley is included in Collection Zone 3, assigned to MarBorg through its Exclusive Franchise Agreement with the County. Although the Agreement and Chapter 17 of the County Code specify under which conditions the County may terminate the agreement, or exercise its right to Perform Solid Waste Services, the cost of service is not one of them, and the County does not have a legal right to assign a portion of any collection zone to another hauler. MarBorg may be willing to negotiate a change in service areas.

Staff made preliminary contact with Westside Waste Management, operating out of Taft, to see if it was potentially interested in servicing the Cuyama Valley. Westside's owner indicated that he was not interested in doing so, citing the poor economics, and noting that his operation does not currently own and operate front-loading packer trucks, required to service the Cuyama and Ventucopa Transfer Stations.

Although HSS (now a part of Waste Management) may be potentially interested in servicing the Cuyama Valley and Ventucopa areas, it withdrew from providing such services in the early 1990s, and did not submit a proposal to service the New Cuyama and Ventucopa Transfer Stations in 1996.

Finally, the County could choose to provide collection services to the Cuyama Valley and Ventucopa areas itself, by purchasing the appropriate collection vehicles and hiring additional staff. The County retains the Right to Perform Services under the Franchise Agreement, but only in specific situations, involving a haulers inability, due to uncontrollable circumstances, to service an area, or due to a Collector Event of Default, neither of which would apply in this particular case. However, MarBorg

might be willing to negotiate a transfer of this service to the County, but would likely seek some kind of equal value offset.

Unfortunately, there do not appear to be many viable alternatives to the solid waste services currently provided to residents of the Cuyama Valley and Ventucopa areas. The provision of curbside collection services and the servicing of the New Cuyama and Ventucopa Transfer Stations are efficiently accomplished when conducted by the same hauling company, and are really linked. The Cuyama Valley and Ventucopa areas are currently included within MarBorg's Collection Zone 3 through the Franchise Agreement between the County and MarBorg Industries, and cannot legally be unilaterally transferred into another Collection Zone. While Kern County may be willing to allow Santa Barbara County waste to be disposed of at the Taft Landfill, Westside Waste Management is not interested in providing collection services and lacks the necessary resources to do so, and having MarBorg transport Cuyama Valley waste to the Taft Landfill would only increase the transportation and disposal costs. Sending the waste to either the Santa Maria Transfer Station or the Santa Maria Landfill, would also increase the disposal costs. Because of these factors, staff recommends keeping the current system in place.

Mandates and Service Levels:

No change in programs or service levels would occur if Cuyama Valley waste were transported to a disposal site other than the Tajiguas Landfill using MarBorg as the hauler. The County, were it to negotiate with another hauling company for Cuyama Valley services, could require the new hauling company to maintain the same level of service currently provided to residents and businesses in the Cuyama Valley.

Fiscal and Facilities Impacts:

While diverting Cuyama Valley's waste from the Tajiguas Landfill would extend the current permitted life of the Tajiguas Landfill, the tonnage involved is so small that any gain in landfill life would essentially be negligible.

Special Instructions:

After Board action, please distribute as follows:

1. Minute Order Public Works; Resource Recovery & Waste Management, Attn: Everett King

Board letter authored by: Everett H. King, Senior Program Specialist