



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: 06/7/2016
Placement: Departmental
Estimated Tme: 30 minutes
Continued Item: Yes
If Yes, date from: 5/17/2016
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 2016/17
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 considers the following recommendations for setting fees and rates for solid waste management services for Fiscal Year 2016/17:

- a) Adopt a resolution, effective July 1, 2016, setting the fee schedules for solid waste handling and disposal fees at County facilities For Fiscal Year 2016/17;
- b) Adopt a resolution, effective July 1, 2016, setting the Parcel Fee Schedule for the Cuyama Valley for Fiscal Year 2016/17;
- c) Adopt a resolution, effective July 1, 2016, setting the fee schedule for solid waste collection rates in the unincorporated areas in Zones 1, 2, 3, 4 & 5 for Fiscal Year 2016/17; and
- d) Find that the proposed action is for the establishment of solid waste handling, disposal and collection fees and rates 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) & (4); and approve the filing of a Notice of Exemption on that basis.

Summary Text:

This item is on the agenda in order to gain Board approval for fees charged at County-operated solid waste management facilities, rates charged by the franchised service providers to collect waste materials from residential and commercial customers, and parcel fees for New Cuyama. This Board Letter provides each of these proposed fee and rate schedules for FY 16/17.

Background:

Each year, your Board adopts fees charged at County-operated solid waste management facilities as well as rates charged by the franchised service providers to collect waste materials from residential and commercial customers, and parcel fees for New Cuyama. Detail associated with the proposed rate changes is provided below.

Tipping Fees at County Facilities

Most fees for services at County-operated facilities will not be changing. The most notable proposed change is an increase in the processing charge for recyclables at the South Coast Recycling and Transfer Station from \$5 to \$30 per ton, affecting waste collection zones 1, 2, & 3, and the establishment of a recycling processing fee of \$23 per ton for waste collection zones 4 & 5. This change reflects a decline in the worldwide market for recyclable materials. Agreements with our recyclable material processors are being amended to reflect this value change. The agreements do acknowledge that if the value of the recyclables increases the charge to ratepayers will decrease. County staff will track these commodity values and any necessary changes will be made next fiscal year.

There is also a proposal to raise the rate for the disposal of municipal solid waste at the Tajiguas Landfill from \$84 per ton to \$87 per ton, as well as other increases to the facility rate schedules that are consistent with the long-term financial plan for funding of capital replacement, regulatory compliance, and closure/post-closure requirements. The entire proposed fee schedule for waste handled at County facilities is included in Attachment 1 attached 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 amount of the parcel fees have been adjusted by your Board over the years. The last adjustment to the parcel fees was made in FY 92/93. The current single-family occupied dwelling rate is \$77 per year. Other fees are based on a waste generation factor, comparing the single family dwelling rate to that of waste generated by other land uses.

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 transfer the waste material collected to be processed for recovery or disposed. Four years ago, changes were made to the methods used to collect and transport the waste from this area that helped to decrease this shortfall. Last year, the Division reviewed the list of Cuyama Valley Refuse Fee parcels. The review identified previously omitted parcels and other parcels with incorrect land use designation for the purpose of the refuse fee. The data base was corrected and resulted in an additional \$10,000 in revenues.

The Department is proposing no increase in the Cuyama Valley parcel fees for FY 16/17. 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 required on the collection portion of each rate to reimburse the service providers for their operational costs of collection. The CPI adjustment is based on the index for "All Urban Consumers" according to the U.S. Department of Labor Los Angeles-Riverside CPI from February 2015 to February 2016. For this time period, the CPI is 2.4%, which was applied to the collection portion of the proposed FY 16/17 rates in all collection zones.

The second component of the rate charged to customers is the cost to process or dispose of waste. In FY 16/17, the County is changing the tipping fee at the Tajiguas Landfill from \$84 to \$87 per ton. The City of Santa Maria will keep its tipping fee at \$71 per ton, and the City of Lompoc is expected to raise their landfill tipping fee from \$78.34 to \$80.34 per ton.

There is also a proposed increase in the processing charge for recyclables at the South Coast Recycling and Transfer Station from \$5 to \$30 per ton, and the establishment of a recycling processing fee of \$23 per ton for the North County.

The overall effect of these rate adjustment factors on residential and commercial rates are between 1% and 6%. The impact varies depending on the degree of landfill disposal change for each zone and how much of the rate is affected by the increased recycling processing fee.

Rate Impacts of Proposed Changes – FY 2016/17

Service Area	Avg. % Change in Rate
Zone 1 (Montecito, Summerland)	
Residential	5%
Commercial	3%
Zone 2 (Goleta Valley N of Hollister)	
Residential	6%
Commercial	4%
Zone 3 (Goleta Valley S of Hollister, Mission Canyon, IV, Hope Ranch)	
Residential	6%
Commercial	3%
Zone 4 (Santa Ynez Valley)	
Residential	5%
Commercial	3%

Zone 4 (Lompoc Valley)	
Residential	5%
Commercial	2%
Zone 5 (Santa Maria Valley)	
Residential	5%
Commercial	1%

Performance Measure:

County solid waste facilities and contracted waste collection service providers charge rates identified in the attached rate schedules.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

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 16/17 and total \$17,982,000. Rates charged to residential and commercial customers for the curbside collection of waste material 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 16/17

Attachment B: Resolution of the Board of Supervisors regarding parcel fees for waste disposal in New Cuyama Valley for FY 16/17

Attachment C: Resolution of the Board of Supervisors establishing solid waste collection rates for the unincorporated areas for FY 16/17

Attachment D: Notice of Exemption

Authored by:

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