



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: 06/16/2020
Placement: Departmental
Estimated Tme: 15 minutes
Continued Item: Yes
If Yes, date from: 5/19/2020
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, Collection Rates and Parcel Fees for FY 2020/21 - 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, 2020, setting the fee schedules for solid waste handling and disposal fees at County solid waste facilities for Fiscal Year 20/21;
- b) Adopt a resolution to be effective July 1, 2020, setting the Parcel Fee Schedule for the Cuyama Valley for Fiscal Year 20/21;
- c) Adopt a resolution to be effective July 1, 2020, setting the fee schedule for solid waste collection rates to cover solid waste management program costs in the unincorporated Zones 1, 2, 3, 4 & 5 service areas for Fiscal Year 20/21; and
- d) Find that the proposed action is for the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of meeting operating expenses; that the proposed action is therefore exempt from California Environmental Quality Act pursuant to guidelines 14 CCR 15273(a) (1), (2), (4) and approve the filing of the attached 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 20/21. 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.

Background:

This Board Letter provides each of the proposed fee and rate schedules for FY 20/21 for County-operated solid waste management facilities, parcel fees for New Cuyama, and rates charged by the franchised solid waste service providers.

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 ReSource Center (formerly known as the Tajiguas Resource Recovery Project) at the Tajiguas Landfill. Construction of the ReSource Center began in December 2018 and is approximately 70% completed. When operational, the Center will consist 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 energy will also be sold to SCE.

The use of the ReSource 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 20/21, the proposed rate will increase from \$150 to \$158 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 20/21. 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.

Residential and Commercial Collection Rates

Annually, your Board sets the rates charged to residential and commercial customers by the franchised solid waste collection service providers in the unincorporated areas of the County. Factors affecting these rates include: 1) cost to collect (which can vary depending on the location); 2) changes in landfill disposal costs, and recycling and organics processing fees; and 3) fees charged by the County for solid waste management programs.

Collection: 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 2019 to February 2020. For this time period, the CPI was 3.4%, which was applied to the collection portion of the proposed FY 20/21 rates uniformly in all zones.

Landfill tipping fees, and recyclables and organics processing fees: 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 for each zone and their associated tipping fees. As mentioned above, in FY 20/21, the County is changing the tipping fee for trash and commingled recyclables from \$150 to \$158 per ton in accordance with the financing documents and regional service agreements between the County and the participating cities for the development of the ReSource Center. The cost to process organics will increase from \$46 to \$47 per ton (per the CPI increase). The collection zones impacted by this change are South County zones 1, 2, and 3, and Zone 4 Santa Ynez.

For Zone 4 Lompoc and Zone 5 servicing Orcutt and other North County unincorporated areas, waste is delivered to either the City of Lompoc or the City of Santa Maria landfill, both of which are expected to maintain their existing landfill tipping fees. Waste Management, the County's franchised solid waste service provider in the North County, will be increasing their rate to process recyclables from \$68.12 to \$80.99 per ton, and the cost to process organics will go up by the CPI (3.4%) to \$42.46 per ton.

Considering all of these factors, proposed residential and commercial service rates will increase between 4-7% depending on the specific service area.

Attachment C to this Board Letter contains the proposed residential and commercial solid waste collection rates by collection zone.

Performance Measure:

County solid waste facilities and contracted waste collection service providers charge rates identified in the attached rate schedules. These rates are based on projected costs to provide the services. County staff conducts periodic billing audits to ensure that 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 provide revenue to the Solid Waste Enterprise Fund. Fees proposed in this Board Letter are included in the Division's budget for FY 20/21, which projects total revenue for the Division to be \$38,744,100. Fees charged to residential and commercial customers for collection services are billed by the service providers, who receive payments directly from their ratepayers, and are not included in the Division's budget.

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: Thomas Chiarodit.

Attachments:

Attachment A: Resolution of the Board of Supervisors regarding solid waste handling and disposal fees at County owned/operated facilities for FY 20/21

Attachment B: Resolution of the Board of Supervisors regarding parcel fees for waste disposal in New Cuyama Valley for FY 20/21

Attachment C: Resolution of the Board of Supervisors establishing solid waste collection rates for the unincorporated areas for FY 20/21

Attachment D: Notice of Exemption

Authored by:

Thomas Chiarodit, Senior Program Specialist, Resource Recovery & Waste Management, ext. 23624