



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: 06/07/11
Placement: Departmental
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Scott D. McGolpin, Director of Public Works, 568-3010
Director(s)
Contact Info: Mark Schleich, Deputy Director of Public Works, 882-3603

SUBJECT: Solid Waste Tipping Fees, Collection Rates, Solid Waste Program Fees and Parcel Fees
for FY 2011/12
All Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: No

Recommended Actions:

That the Board of Supervisors:

- a) Adopt a resolution (Exhibit 1), effective July 1, 2011, setting the fee schedules for:
 1. Solid waste handling and disposal fees at County facilities (Attachment A),
 2. Solid waste collection rates in the unincorporated area (Attachment B), and
 3. Solid waste program fee of 12% charged by the County to cover solid waste management program costs.
- b) Adopt a resolution (Exhibit 2), effective July 1, 2011, setting the Parcel Fee Schedule for the Cuyama Valley for Fiscal Year 2011/12;
- c) Determine that the project is exempt from the California Environmental Quality Act pursuant to Public Resource Code Section 21080(b)(8) and CEQA Guidelines Section 15273 (a)(1)-(4) (Exhibit 3).

Summary Text:

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. These fees are developed and approved in accordance with Chapter 17 of the Santa Barbara County Code. Additionally, Chapter 17 indicates that your Board shall set the level of a solid waste program fee associated with the collection of solid waste materials to cover the cost of community programs that do not generate revenues such as the management of franchise agreements, household hazardous waste, and code enforcement. Lastly, your Board adopts the schedule of fees to be assessed through parcel fees in New Cuyama for costs to collect and transport waste from this area. This Board Letter provides each of these proposed fee and rate schedules for FY 11/12.

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. These fees are developed and approved in accordance with Chapter 17 of the Santa Barbara County Code. Additionally, Chapter 17 indicates that your Board shall set the level of a solid waste program fee associated with the collection of solid waste materials to cover the cost of community programs that do not generate revenues such as the management of household hazardous waste, public education, and code enforcement. Detail associated with the proposed rate changes is provided below.

Disposal Fees – Landfill and Transfer Stations

Few changes are being proposed for rates charged at County solid waste management facilities for FY 2011/12. The most significant rate revision being proposed is an increase in the tipping fee charged at the Tajiguas Landfill for municipal solid waste. The current rate is \$67.50/ton and the proposal is to increase the rate by \$4.75 per ton to \$72.25 per ton. This increase is consistent with the Reserve Policy for the Solid Waste Enterprise Fund that was adopted by your Board in June 2007. For comparison purposes, the City of Lompoc will be increasing its tipping fee from \$72.18 to \$73.18 and the City of Santa Maria will retain its tipping fee of \$69.89 per ton. The entire proposed fee schedule for waste handled at County facilities is included as Attachment A of Exhibit 1 to this Board Letter.

Collection Rates

As your Board is aware, the County has five exclusive franchise service areas for solid waste collection. The agreements for three of the five service areas (zones 2, 4 & 5) expire June 30, 2011. As a result, the County conducted a competitive procurement which resulted in enhanced services and rate reductions in each of the three zones. The amount of each reduction depends on a customer's service level and the service location.

The remaining two service areas (zones 1 & 3) will continue to be serviced by MarBorg who was deemed to be eligible for a 4-year extension to its service agreements. Services in these two zones will be enhanced to match those offered in the other zones, and the collection portion of the rates in these areas will be increased by CPI (2.3% for this time period) as well as incorporate the increased tipping fee at Tajiguas.

An important caveat to Zone 3 is that 3,178 out of the 5,312 residential customers in Zone 3 will receive automated collection service beginning in November 2011 as a result of the negotiations for Zone 2, which will result in a rate reduction for an additional 60% of the customers in Zone 3 beginning November 1, 2011. The remaining residential customers in Zone 3 will not receive automated service (and the associated rate reduction) due to the challenges of serving some areas such as Mission Canyon, Hope Ranch and Isla Vista.

Lastly, the County has the ability under state law, the County Code, and the franchise agreements to assess a fee on the gross revenues of the solid waste collectors to fund solid waste activities such as the management of the franchise agreements, household hazardous waste management, code enforcement, and support for remote facilities. The County currently has a solid waste program fee of 10% which goes to the Solid Waste Enterprise Fund to cover the cost of these community programs. Due to the procurement process and subsequent reduction in rates and gross revenues, it is necessary to increase the program fee by 2% to a total of 12% to maintain the same level of program funding.

Overall, 80% of residential customers will see a rate decrease and 20% of residential customers will receive a rate increase in FY 11/12. All residential customers will receive service enhancements. Approximately half of commercial customers will receive a reduction in rates and half of commercial customers will see an increase. Accounting for each of the above factors, the following table provides an overview of the proposed collection rate changes by zone.

Service Area	% Change in Rate	Factors Affecting Rate
Zone 1 (Montecito, Summerland)		
Residential	Ave increase of 4%	CPI, tipping fee inc, sw program fee inc.
Commercial	Ave increase of 6%	CPI, tipping fee inc, sw program fee inc.
Zone 2 (Goleta Valley N of Hollister)		
Residential	Ave decrease of 15%	Bid proposal, tipping fee inc, sw program fee inc.
Commercial	Ave increase of 1%	Bid proposal, tipping fee inc, sw program fee inc.
Zone 3 (Goleta Valley S of Hollister, Mission Canyon, IV, Hope Ranch)		
Residential - nonautomated	Ave increase of 4%	CPI, tipping fee inc, sw program fee inc.
Residential - automated	Ave decrease of 11%	Benefited from Zone 2 bid proposal, tipping fee inc, sw program fee inc.
Commercial	Ave increase of 6%	CPI, tipping fee inc, sw program fee inc.
Zone 4 (Santa Ynez Valley)		
Residential	Ave decrease of 22%	Bid proposal, tipping fee inc, sw program fee inc.
Commercial	Ave decrease of 22%	Bid proposal, tipping fee inc, sw program fee inc.
Zone 4 (Lompoc Valley)		
Residential	Ave decrease of 29%	Bid proposal, tipping fee inc, sw program fee inc.
Commercial	Ave decrease of 12%	Bid proposal, tipping fee inc, sw program fee inc.
Zone 5 (Santa Maria Valley)		
Residential	Ave decrease of 17%	Bid proposal, sw program fee inc.
Commercial	Ave decrease of 32%	Bid proposal, sw program fee inc.

Other Rates and Fees – Cuyama Valley Parcel Fees

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 single-family occupied dwelling rate is \$77.00 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 established to generate revenue to offset the operation and maintenance costs for solid waste disposal services in Cuyama Valley, however the fees collected do not cover the cost to operate the transfer stations. Changes were made last fiscal year to the methods used to collect and transport the waste from this area that helped to decrease this shortfall. The Department is proposing no increase in New Cuyama's parcel fees for FY 2011/2012. The Public Works Department requests that the Treasurer-Tax Collector continue to bill and collect the current fee as part of the regular County property tax system.

Performance Measure: None

Fiscal and Facilities Impacts: Budgeted: Yes

Fiscal Analysis:

Narrative: 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 11/12 and total \$14,914,400. 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.

Staffing Impacts: None

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 and Waste Management Division of the Public Works Department, attn: Joddi Leipner.

Attachments:

- 1) Exhibit 1: Resolution of the Board of Supervisors regarding solid waste handling and disposal fees (Attachment A), and solid waste collection rates charged by franchisees (Attachment B)
- 2) Exhibit 2: Resolution of the Board of Supervisors regarding fees for waste disposal in New Cuyama Valley
- 3) Exhibit 3: Notice of Exemption

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