



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: 06/19/12
Placement: Departmental
Estimated Tme: 15 minutes
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 and Parcel Fees for FY 2012/13
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, 2012, setting the fee schedules for solid waste handling and disposal fees at County facilities (Attachment A) and solid waste collection rates in the unincorporated area (Attachment B);
- b) Adopt a resolution (Exhibit 2), effective July 1, 2012, setting the Parcel Fee Schedule for the Cuyama Valley for Fiscal Year 2012/13;
- c) 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 (CEQA) pursuant to 14 CCR 15273(a)(1); and approve the filing of a Notice of Exemption on that basis.

Auditor-Controller Concurrence

As to form: Yes

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. The tip fee changes proposed this year are consistent with the multi-year cash flow evaluation conducted by the Division with assistance from the Auditor-Controller and County Executive offices, and your Board's previously adopted reserve policies for Enterprise Funds.

Current franchise agreements with the solid waste collectors require the County to increase the collection portion of the rates each year by the Consumer Price Index (CPI), as well as incorporate any increases in tipping or handling fees associated with the material collected by the service providers. The CPI for the recently bid Zones 2, 4 & 5 is calculated by a formula that calls for a 1.3% increase in the collection portion of the rates. The formula for the older franchises in Zones 1 & 3 yields a 2.1% increase. Incorporating the changes discussed above, rates charged to residential and commercial customers will increase between a low of 1.3% to highs of 4% depending on the customer's location and service level.

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. Detail associated with the proposed rate changes is provided below.

Disposal Fees – Landfill and Transfer Stations

The current disposal rate at Tajiguas Landfill is \$72.25 per ton and the proposal is to increase the rate by \$4.75 per ton to \$77 per ton. This increase in revenue is consistent with the multi-year cash flow evaluation conducted by the Division and reviewed by the Auditor-Controller and County Executive offices as well as the Reserve Policy for the Solid Waste Enterprise Fund that was adopted by your Board in June 2007.

There are several factors affecting the proposed tip fee increase including capital improvements associated with expansion, regulatory compliance, and decreased disposal tons. Landfill tonnage has dropped 20% in the last 5 years (217,000 tons in 2007 to 173,000 tons in 2011), owing to the economic downturn and diversion programs. Consequently all of our fixed costs have to be covered by less tons. In the past few years we have reduced operating hours, decreased the use of outside contractors and implemented other cost saving measures in order to keep the need for more revenue at a minimum.

The entire proposed fee schedule for waste handled at County facilities is included as Attachment A to this Board Letter.

Collection Rates

Annually, your Board sets the rates charged by the solid waste collectors to residential and commercial customers in the unincorporated areas of the county. These rates are affected by the increased cost of collecting and processing or disposing of waste material. Pursuant to the County’s franchise agreements with the solid waste collectors, a CPI adjustment is required on the collection portion of the rate which reimburses the haulers for their operational costs of collection. The CPI that is used is All Urban Consumers, the U.S. Department of Labor Los Angeles-Riverside CPI from February 2011 to February 2012. The recently bid franchises in Zones 2, 4 & 5 calculate the average monthly change in CPI which was 1.3%. The older franchises in Zones 1 & 3 calculate the difference between February 2011 and February 2012, which was 2.1%.

The second component of the rate charged to customers is the cost to process or dispose of waste. In FY 12/13, as mentioned above, the County is proposing to raise its disposal rate at Tajiguas from \$72.25 to \$77 per ton. The City of Lompoc is increasing its disposal rate from \$73.18 to \$74.18 per ton and the City of Santa Maria is increasing from \$69.89 per ton to \$71 per ton.

Based on the above cost adjustments, rates charged to residential and commercial customers will increase between a low of 1.3% to a high of 4% depending on the customer’s location and service level. Examples of the specific rates are provided below.

Rate Examples

Proposed residential and commercial rates are shown in Attachment B. The following table provides an example of the monthly rate increases for residential customers, including the rate modifications discussed above, using a standard service level consisting of 60 gallons of trash and/or green waste service and up to 90 gallons of recyclables collected for each zone.

Residential Monthly Rates	2011/12	2012/13	% change
MarBorg			
Carpinteria, Summerland, Montecito			
High Density	\$ 43.28	\$ 44.25	2.24%
Low Density	\$ 58.31	\$ 59.60	2.21%
Goleta	\$ 28.64	\$ 29.12	1.68%
Mission Canyon	\$ 34.02	\$ 34.83	2.38%
Hope Ranch	\$ 44.37	\$ 45.39	2.30%
Waste Management			
Lompoc Valley	\$ 23.70	\$ 24.02	1.35%
Santa Ynez	\$ 25.36	\$ 26.03	2.64%
Santa Maria	\$ 21.56	\$ 21.92	1.67%

The following table provides an example of the proposed monthly rate increases using a 2 cubic yard commercial container serviced once per week in the different service areas. Again, the percent increase includes the rate modifications discussed above.

Commercial Monthly Rates	2011/12	2012/13	% change
MarBorg			
Carpinteria, Summerland, Montecito	\$ 164.21	\$ 169.10	2.98%
Goleta	\$ 144.41	\$ 148.75	2.98%
Mission Canyon	\$ 145.68	\$ 150.78	3.50%
Hope Ranch	\$ 152.69	\$ 157.88	3.40%
Waste Management			
Lompoc Valley	\$ 104.73	\$ 106.21	1.41%
Santa Ynez	\$ 130.14	\$ 135.07	3.79%
Santa Maria	\$ 90.27	\$ 91.55	1.42%

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 have been made in recent years to the methods used to collect and transport the waste collected in this area that have decreased this shortfall. The Department is proposing no increase in rates for FY 2012/13. 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 2012/13 and total \$15,481,500. 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:

Legal Positions:

0

FTEs:

0

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)