



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: August 28, 2007
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

Revised 08/22/07

TO: Board of Supervisors

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

SUBJECT: Cuyama Valley Solid Waste Services

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: Select_Concurrence

Recommended Actions:

Receive a report from the Resource Recovery & Waste Management Division on Cuyama Valley Solid Waste Services.

Summary Text:

At the June 26, 2007 Board Hearing, questions arose regarding the County's current practice of providing solid waste collection and disposal services for the Cuyama Valley. This issue is raised each year and staff was asked to provide detailed information regarding how the area is currently serviced. The following provides this detail. Also, please see attached staff report that was on the Administrative Agenda in May of 2006 providing similar information.

Background:

Cuyama Valley is a remote area of Santa Barbara County. Historically, the curbside collection of waste was offered through a variety of service providers at a monthly charge paid by the ratepayer. In addition, the County maintained two small unmanned landfills in the New Cuyama and Ventucopa areas. Residents and businesses were assessed a parcel fee which generated approximately \$31,360 annually to cover the minimal cost of servicing the landfills. In 1997, due to new federal regulations, the two landfills were closed and replaced with transfer stations that must be manned and the material collected has to be hauled for disposal. The cost for providing this disposal service has increased over the years and there is a significant gap between the revenue from the parcel fee and the cost of the service. In FY 06/07, the County's site and labor costs for both transfer stations was \$92,684, not including administrative overhead, and the cost for MarBorg to service the transfer stations was \$131,781 for a

total cost of \$224,465. Compared to the annual revenue of \$31,360, there was a shortfall of \$193,105 for FY 06/07. This shortfall is paid by the program fees collected from North County customers. If service levels did not change, a 600% increase to the parcel fee would be required to cover current expenses. County Counsel has advised that this type of increase would be subject to Proposition 218 requirements including a two-thirds vote of approval from area residents.

In the late 1980's, Westside Waste Management based in Taft offered the curbside collection of waste in the Cuyama Valley to Health Sanitation Services (HSS) citing the high cost of servicing Cuyama from Taft. HSS provided service until the early 1990's at which time they notified the County they no longer wanted to service the area due to the high cost. County staff approached MarBorg Industries to purchase a vehicle so that they could provide the collection service in Cuyama and MarBorg indicated they would like to service the area. Several years later, County staff issued an RFP for the servicing of the new transfer stations in Cuyama and MarBorg and Suburban Rubbish were the only respondents. Because MarBorg was able to decrease total costs by combining servicing the curbside customers and the transfer stations, they were the lowest bidder and were awarded the contract. A short time later, County staff was negotiating new franchise agreements with the private hauling companies for the collection of waste, green waste, and recyclables in the unincorporated areas. Because MarBorg Industries was already providing curbside collection services to the area and was chosen to service the transfer stations, these services were incorporated into their franchise agreement.

The area is currently serviced by the following: MarBorg begins at their yard in Santa Barbara and drives to Ventucopa and New Cuyama through Ventura twice a week to service the curbside customers and the bins located at the transfer stations. They return westerly via 101 at Santa Maria heading south, thereby passing the Tajiguas Landfill where the material is disposed. On an on-call basis, they service roll-off containers at the transfer stations that collect larger bulky items via the same route. In order to service the area, MarBorg uses two types of trucks to accommodate the different services.

The issues that have continually been raised at Board meetings regarding the current service to New Cuyama are related to cost: 1) can a more local service provider be able to service the area at a decreased cost, and 2) can another landfill be used to reduce total costs, and 3) do we have to maintain this high level of service?

As explained earlier, through an open bid process, MarBorg was the most cost-effective and willing service provider available in the mid-1990's. As such, servicing both the curbside customers and the transfer stations is included in their current franchise agreement, which subject to their compliance with specific performance provisions, will not expire until 2019. As such, the County does not have the legal right to assign a portion of any collection zone to another hauler, including itself, unless the current hauler is no longer able to provide the service.

If following the same route for servicing the area makes the most operational sense, the Tajiguas Landfill is the best disposal site for this material. It is directly on the route and the tipping fee is less than that charged at the City of Santa Maria Landfill as well as the Santa Maria Transfer Station located in Nipomo, which was proposed by one of the speakers at the hearing. If the County were to use one of the other landfills, disposal costs would increase, not decrease as illustrated in the table below.

Tajiguas Landfill	City of Santa Maria Landfill	Santa Maria Transfer Station
\$55.50 per ton	\$69.89 per ton	\$58.00 per ton

This is equally true if the County were to direct waste to the Taft Landfill as this would be an additional 56 miles roundtrip for the hauler to travel.

Without significant changes in service level such as closing the transfer stations, transportation costs are the largest component of operational costs. Staff will evaluate with the current service provider how to decrease current costs to transport the material collected from the area. Staff will report the results of this evaluation to the County Executive Office.

Fiscal and Facilities Impacts:

Budgeted: Select_Budgeted

Fiscal Analysis:

Narrative: This is a report to the Board and does not impact costs of providing services. Options to decrease the current transportation costs to service the Cuyama Valley will be evaluated and results will be presented to your Board.

Staffing Impacts:

Legal Positions:
0

FTEs:
0

Special Instructions:

None

Attachments:

Attachment A: Board Letter for May 9, 2006 Administrative Item Entitled "Cuyama Valley Solid Waste Services."