



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: 06/05/07
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

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

SUBJECT: Solid Waste Tipping Fees, Collection Rates and Parcel Fees for FY 2007/2008
All Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: Select_Concurrence

Recommended Actions:

That the Board of Supervisors:

Set a Public Hearing for June 26, 2007 for 20 minutes to consider the proposed solid waste disposal and collection fee schedules, as follows:

- a) Adopt a resolution (Exhibit 1), effective July 1, 2007, 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, 2007, setting the Parcel Fee Schedule for the Cuyama Valley for Fiscal Year 2007-08;
- c) Accept the Notice of Exemption pursuant to the County's California Environmental Quality Act Guidelines (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. The most noteworthy tip fee change associated with County facilities is a proposed increase for municipal solid waste charged at the Tajiguas Landfill and the Santa Ynez Valley Recycling & Transfer Station. The proposed increase is from \$52.50 to \$55.50 and is based on a multi-year cash flow evaluation conducted by the Division in concert with the Auditor-Controller and County Executive offices. 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. Based on the above cost increases, rates charged to residential and commercial customers will generally increase between 3-4% 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. The following provides detail associated with the proposed rate changes.

Disposal Fees – Landfill and Transfer Stations

After a review of facility costs and revenues, the Public Works Department is making the following recommendations for fee changes in order to cover regulatory compliance and capital project expenses. Dating back to FY 1999/2000, tip fee increases at county sites have risen an average of 3% per year, a rate slightly less than the CPI for the same time period. The entire proposed disposal fee schedule is included as Attachment A to this Board Letter.

Proposed Fee Changes	2006-07	2007-08
Tajiguas Landfill		
Municipal Solid Waste - Per Ton	\$ 52.50	\$ 55.50
Processed C&D Cover Material	\$ 9.00	\$ 14.00
Santa Ynez Valley Recycle & Transfer Station		
Municipal Solid Waste - Per Ton	\$ 52.50	\$ 55.50
Minimum Load - Solid Waste	\$ 15.00	\$ 16.00
Minimum Load - Clean Green Waste	\$ 8.50	\$ 9.00
Minimum Load - Clean Wood Waste	\$ 8.50	\$ 9.00

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 disposing/processing 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 that range from 60-75% of the total cost depending upon the service provided. The CPI that is used is the U.S. Department of Labor Los Angeles-Riverside CPI from February 2006 to February 2007 and was 3.4% over this time period.

Lastly, 25-40% of the rate charged to customers is due to processing or disposal costs. In FY 07/08, the County is proposing to raise its disposal rate from \$52.50 to \$55.50 per ton. The City of Lompoc is raising its disposal rate from \$66.10 to 68.18 per ton. The City of Santa Maria will be maintaining its

current rate of \$69.89 per ton. Waste Management is raising its tipping fee for green waste from \$32.29 to \$32.73 per ton. The impact to the residential and commercial rates due to these increases varies by location and service level.

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	2006-07	2007-08	% change
Zone 1 - Marborg			
Carpinteria, Summerland, Montecito			
High Density	\$ 37.65	\$ 38.93	0.03
Low Density	\$ 50.99	\$ 52.74	0.03
Zone 2 - BFI			
North of Hollister	\$ 29.23	\$ 30.27	0.04
Zone 3 - Marborg			
South of Hollister			
Goleta/Mission Canyon/IV	\$ 29.36	\$ 30.38	0.03
Hope Ranch	\$ 38.53	\$ 39.88	0.04
IV Multifamily	\$ 37.65	\$ 38.90	0.03
Zone 4 - HSS			
Lompoc Valley	\$ 31.07	\$ 32.13	0.03
Zone 5 - HSS			
Santa Ynez	\$ 29.48	\$ 30.58	0.04
Santa Maria	\$ 24.79	\$ 25.40	0.02

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	2006/2007	2007-08	% change
Zone 1 - Marborg	\$ 112.19	\$ 115.18	0.03
Zone 2 - BFI	\$ 97.53	\$ 101.41	0.04
Zone 3 - Marborg			
Regular	\$ 95.52	\$ 99.72	0.04
Isla Vista	\$ 102.62	\$ 106.91	0.04
Zone 4 - HSS	\$ 95.79	\$ 99.04	0.03
Zone 5 - HSS			
Santa Ynez	\$ 130.55	\$ 135.85	0.04
Santa Maria	\$ 106.70	\$ 108.93	0.02

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. The unreimbursed cost is covered through North County program fees and/or revenues realized from the sale of recyclables collected in North County. Last fiscal year, at the request of your Board, the Division reviewed the current arrangement to service the transfer stations including alternative service providers, and landfills and no other arrangement would be more cost-effective. This information was shared with your Board in May 2006.

The Department is proposing no increase in rates for FY 2007/08. Any increase to the tax assessment requires approval by Cuyama Valley voters, per Proposition 218. 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:

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 07/08 and additional revenue associated with the proposed increases totals \$800,000. 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.

Staffing Impacts:

Legal Positions:
0

FTEs:
0

Special Instructions:

Please direct the Clerk of the Board to publish a Notice of Public Hearing in the Santa Barbara News Press, Santa Maria Times, and the Bakersfield Californian five and ten days prior to the hearing, as per Government Code Section 6062a. 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 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 Manager, Resource Recovery & Waste Management (ext. 3611)