



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: 06/3/14
Placement: Departmental
Estimated Tme:
Continued Item: Yes
If Yes, date from: May 6, 2014
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Scott D. McGolpin, P.E. Director, x3010
Director(s)
Contact Info: Mark Schleich, P.E., Deputy Director, x3603

SUBJECT: Solid Waste Tipping Fees, Collection Rates, and Parcel Fees for FY 2014-15
All Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: No

Recommended Actions:

That the Board of Supervisors consider the following recommendations for setting fees and rates for solid waste management services for Fiscal Year 2014/15:

- A) Adopt a resolution (Exhibit 1), effective July 1, 2014, setting the fee schedules for solid waste handling and disposal fees at County facilities For Fiscal Year 2014/15;
- B) Adopt a resolution (Exhibit 2), effective July 1, 2014, setting the Parcel Fee Schedule for the Cuyama Valley for Fiscal Year 2014/15;
- C) Adopt a resolution (Exhibit 3), effective July 1, 2014, setting the fee schedule for solid waste collection rates in the unincorporated areas in Zones 1, 2, 3, 4 & 5 for Fiscal Year 2014/15; and
- D) 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)(2)(3) & (4); and approve the filing of a Notice of Exemption on that basis (Exhibit 4).

Summary Text:

Each year, your Board approves 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. Lastly, your Board approves 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 14/15.

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.

Tipping Fees at County Facilities

No changes are being proposed for rates charged at County solid waste management facilities for FY 2014/15. The current rate for municipal solid waste is \$82 per ton and includes \$2.45 per ton to pay for the environmental review of the Resource Recovery Project that is currently underway. This surcharge is due to be removed in FY 2016/17 provided that the costs of the environmental review have been covered by that time. The rate schedule is consistent with the long-term financial plan for funding of capital, regulatory compliance, and closure/post-closure requirements. The entire proposed fee schedule for waste handled at County facilities is included as Attachment A of Exhibit 1 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 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 three years ago 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 2014/2015. 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. The entire proposed parcel fee schedule for waste handled at the Cuyama Valley transfer stations is included in Exhibit 2 to this Board Letter.

Residential and Commercial Collection Rates

Annually, your Board sets the rates charged to residential and commercial customers in the unincorporated areas of the County by the solid waste collection service providers. These rates are affected by the cost of collection and processing or disposing of waste material.

Pursuant to the County's franchise agreements with the service providers, a CPI adjustment is required on the collection portion of each rate to reimburse the service providers for their operational costs of collection. The CPI adjustment is based on the index for "All Urban Consumers" according to the U.S. Department of Labor Los Angeles-Riverside CPI from February 2013 to February 2014. For this time period, the CPI is .55%, which was applied to the collection portion of the proposed FY 14/15 rates in all collection zones.

The second component of the rate charged to customers is the cost to process or dispose of waste. In FY 14/15, as mentioned above, the County is not changing the tipping fees at the Tajiguas landfill. The City of Santa Maria is not changing tipping fees at their landfill at this time. The City of Lompoc is holding a public hearing on June 3, 2014 to consider the staff recommendation to raise their landfill tipping fee from \$74.18 to \$76.34 per ton. The attached rates for "Zone 4 – Lompoc" are based on the assumption that the rate increase will be approved. The Board is being asked to approve the "Zone 4 – Lompoc" rates on a conditional, not-to-exceed basis. If the City of Lompoc does not raise their landfill tipping fee or raises it by an amount less than the staff recommendation, County Staff will recalculate the rates the haulers are allowed to charge for FY 2014/15 and we will not bring those rates back to the Board. In the unlikely event that Lompoc raises rates more than the proposed amount, the haulers will be allowed to charge according to the attached rate schedule and will be compensated through a rate schedule adjustment to be brought to the Board at a later time.

The CPI is especially low this year, and coupled with the fact that most disposal fees are not changing, the rate impacts across all zones will be less than .5%, with the exception of Zone 4 – Lompoc, where the increase will be slightly more than 1%. Examples of the rate percentage changes are provided below.

Service Area	Ave % Change in Rate
Zone 1 (Montecito, Summerland)	
Residential	Increase of .4%
Commercial	Increase of .4%
Zone 2 (Goleta Valley N of Hollister)	
Residential	Increase of .3%
Commercial	Increase of .4%
Zone 3 (Goleta Valley S of Hollister, Mission Canyon, IV, Hope Ranch)	
Residential	Increase of .4%
Commercial	Increase of .3%
Zone 4 (Santa Ynez Valley)	
Residential	Increase of .4%
Commercial	Increase of .3%
Zone 4 (Lompoc Valley)	
Residential	Increase of 1.1%
Commercial	Increase of 1.2%
Zone 5 (Santa Maria Valley)	
Residential	Increase of .4%
Commercial	Increase of .3%

Performance Measure:

County solid waste facilities and contracted waste collection service providers charge rates identified in the attached rate schedules.

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 14/15 and total \$18,431,341. 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 at County owned/operated facilities for FY 14/15
- 2) Exhibit 2: Resolution of the Board of Supervisors regarding parcel fees for waste disposal in New Cuyama Valley for FY 14/15
- 3) Exhibit 3: Resolution of the Board of Supervisors establishing solid waste collection rates for the unincorporated areas, for FY 14/15
- 4) Exhibit 4: Notice of Exemption

Authored by:

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