



**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: March 13, 2018
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department
Director(s) Scott D. McGolpin, P.E. Director x3010
Contact Info: Mark A. Schleich, P.E. Deputy Director x3605

SUBJECT: Approval of Tajiguas Landfill tip fee for Fiscal Year 2018/19, First Second and Third Supervisorial District

County Counsel Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and establish an annual per-ton charge pursuant to section 4.3.A of the Materials Delivery Commitment & Processing Services Agreements between the County and the Cities of Santa Barbara, Goleta and Solvang for Fiscal Year 2019, beginning July 1, 2018, of one hundred two dollars (\$102) rather than one hundred ten dollars per ton (\$110) to be paid by the Cities pursuant to section 4.2.B.2 for disposal of waste at the Tajiguas Landfill.
- b) 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 pursuant to 14 CCR 15273(a)(1)(2)(3) & (4); and approve the filing of a Notice of Exemption on that basis.

Summary Text:

This item is on the agenda in order to approve and establish an annual per-ton charge pursuant to section 4.3.A of the Materials Delivery Commitment & Processing Services Agreements between the County and the Cities of Santa Barbara, Goleta and Solvang (and MarBorg Industries for the City of Buellton) for Fiscal Year 2019, beginning July 1, 2018, of one hundred two dollars (\$102) rather than one hundred

ten dollars per ton (\$110) as specified to be paid by the Cities pursuant to section 4.2.B.2 for disposal of waste at the Tajiguas Landfill.

Background:

The current Materials Delivery Commitment and Processing Services Agreements (Service Agreements) between the County and the cities of Goleta, Santa Barbara, and Solvang (and MarBorg Industries for the City of Buellton) stipulate that the per ton tipping fee for solid waste management services (waste disposal and processing of commingled recyclables) would be \$110 for Fiscal Year 18/19 (section 4.2.B.2 of Service Agreement). The tipping fees included in the contracts were tied to project construction and operational costs over a twenty year term. Construction on the Tajiguas Resource Recovery Project (TRRP) has been delayed and the specified tip fee will be reduced for Fiscal Year 18/19. Section 4.3.A of the Service Agreement allows an adjustment to the tip fee as long as the County costs and bond requirements are met. Bonds have not been issued for the TRRP and a draft update of the financial model for the project has not been completed to demonstrate the anticipated impact of this reduction on future project tip fees but it can be assumed that there will need to be an increase in future projected tip fees to cover the cost of the reduction for Fiscal Year 18/19.

A full set of proposed tipping fees and solid waste collection rates for Fiscal Year 18/19 will be presented to your Board for approval in June 2018.

Fiscal and Facilities Impacts:

The requested Fiscal Year 18/19 budget for the Resource Recovery & Waste Management Division Enterprise Fund has been adjusted to reflect a reduction in projected operating revenue of approximately \$1.6 million. As a result, the Division will need to use additional reserves to cover capital costs requested in Fiscal Year 18/19.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Remaining Cost Next FY:</u>
General Fund			
State			
Federal			
Fees			
Enterprise Fund			\$1,600,000.00
Total	\$ -	\$ -	\$ 1,600,000.00

Special Instructions:

Please send an executed copy of the Minute Order to the Resource Recovery & Waste Management Division of the Public Works Department, Attention: Sheila de la Guerra.

Authored by:

Mark Schleich, Deputy Director, Public Works Department, ext. 3603