

County of Santa Clara

Recycling and Waste Reduction Commission
Integrated Waste Management Division

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Recycling and Waste Reduction Commission

February 25, 2009

Action Item:

TO: Recycling and Waste Reduction Commission
FROM: Technical and Advisory Committee
SUBJECT: **Increase in Countywide Solid Waste Planning Fee**

RECOMMENDED ACTION

Forward a favorable recommendation to the Board of Supervisors for an increase of 22¢ per ton in the Solid Waste Planning Fee from the current 56¢ per ton for a total of 78¢ per ton.

FISCAL IMPLICATIONS

Though there will be no impact on the County General Fund, the additional funds are expected to increase revenue for Countywide programs by approximately \$286,000.

CONTRACT HISTORY

Countywide Solid Waste Planning Fee

Since 1984, the Solid Waste Planning Fee (SWPF) has funded the countywide cooperative programs administered by the Department of Agriculture and Environmental Management, Integrated Waste Management (IWM) Division. The Board of Supervisors has approved periodic increases in the level of the fee to meet funding needs and to offset revenue decreases resulting from decreases in tonnages disposed and downturns in the economy that also produce a decrease in disposed tonnage. The original Solid Waste Planning Fee was 22¢ per ton. The most recent increase from 50¢ to 56¢ per ton was approved by the Board of Supervisors in FY 2007-08. The SWPF is collected in accordance with Public Resources Code Section 41901, which grants authority to impose fees in amounts sufficient to pay the costs of preparing, adopting and implementing an integrated waste management plan. All proceeds of the SWPF must be used for those purposes.

BACKGROUND

The California Integrated Waste Management Act of 1989 (AB 939) and subsequent legislation required cities and counties to prepare, adopt, and implement plans to reduce their jurisdiction's waste disposed in landfills. Jurisdictions are required to maintain their mandated diversion level in subsequent years, to submit annual reports to document compliance with diversion mandates and implementation of their recycling/waste diversion plan, and to periodically update their adopted and state-approved plans.

Commissioners: Jamie McLeod, Chair; Ronit Bryant, Kansen Chu, Peter Drekmeier, Patrick Kwok, Evan Low, Cat Tucker, Kris Wang, Ken Yeager

Cities and counties are required to comply with all jurisdictional requirements and in addition, submit quarterly reports on specified landfill disposal and recycling data, submit annual reports on countywide compliance with state mandates, and prepare periodic reviews and updates on locally adopted and state-approved countywide plans and on the implementation of countywide plans. AB 939 provides for fines of up to \$10,000 per day for failure to develop or to implement mandated jurisdiction and countywide plans.

The Integrated Waste Management (IWM) Division within the Department of Agriculture and Environmental Management is responsible for meeting the countywide and unincorporated area mandated responsibilities under AB 939. IWM collects Solid Waste Planning Fees (SWPF) to fund programs and activities to comply with state mandates and related jurisdiction and/or County established goals. The SWPF is retained by the County and expended on mandated countywide planning and reporting activities, and on countywide cooperative programs and activities intended to assist in meeting state mandates.

Solid Waste Planning Fee Increase

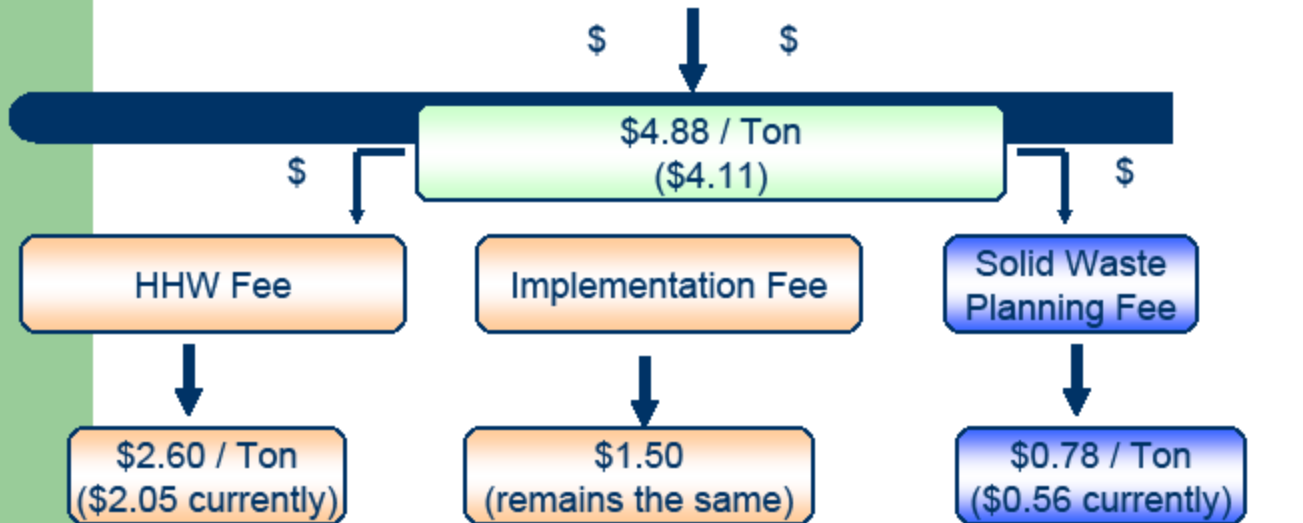
In August 2008, the Implementation Subcommittee of the Technical Advisory Committee (TAC) began meeting to discuss the next three year budget cycle and program projections and needs. The discussion included suggestions from Committee members regarding what the current countywide cooperative programs could do to increase diversion from the landfill and what programs could be added to increase diversion. SB1016 (Wiggins), which was recently passed, looks at status and efficacy of diversion programs rather than percent diverted. The Implementation Subcommittee also considered expected decreases in revenue due to successful diversion efforts and (currently) the downturn in the economy.

Additionally, SB 25 (Padilla) is proposing an increased diversion rate to 60% by an unspecified date and to 75% by a later unspecified date. The recommended 22¢ per ton increase will allow the countywide programs to continue to increase countywide diversion and help mitigate the anticipated loss of revenue due to decreased tonnage. The amount of the increase was calculated to leave the Solid Waste Planning Fee fund balance within the 15%-20% contingency range (agreed upon by the Technical Advisory Committee) at the end of the three year cycle.

At the February 12, 2009 TAC meeting the members voted and agreed (with a single dissenting vote) to recommend the 22¢ per ton increase on traditional municipal solid waste landfilled for one year. TAC then directed staff to examine the prospect of expanding the tonnage the fee is collected on to include waste taken to the landfill which is not subsequently transported out of the landfill for beneficial reuse, composting and/or recycling. This will require work with legislation, County Counsel, and others in order to redefine the characteristics of waste that the fee can be collected on. Should this not be accomplished at the end of one year, the SWPF will either remain at the rate of 78¢ per ton or a new recommendation will be made to adjust the rate further. It will not, in any event, return to the FY 2008-09 rate of 56¢ per ton.

The Solid Waste Planning Fee needs only the approval of the Board of Supervisors.

Landfills + Non Disposal Facilities



Funds are used to Support the Household Hazardous Waste Program

- Funds are divided among 15 cities and the unincorporated areas
- Allotment of funds is based on population and tonnage collected

SWPF is used to fund countywide diversion planning and programs

[Fees not based on expanded tonnage]

**Table 2
Countywide Budget**

| | Budgeted | Actuals | Budgeted | Actuals | Projections | Projections | Projections |
|--|------------------|------------------|------------------|------------|--------------------|--------------------|--------------------|
| | FY 2007-08 | FY 2007-08 | FY 2008-09 | FY 2008-09 | FY 2009-10 | FY 2010-11 | FY 2011-12 |
| Total Expenditures | \$995,708 | \$883,374 | \$968,994 | | \$1,247,804 | \$1,191,759 | \$1,230,661 |
| Actual Tons Disposed | | 1,406,351.47 | | | | | |
| Estimate of Tons Disposed | 1,403,000 | | 1,321,970 | | 1,321,970 | 1,335,190 | 1,348,542 |
| Solid Waste Planning Fee (SWPF) per ton | \$0.56 | \$0.56 | \$0.56 | | \$0.78 | \$0.78 | \$0.78 |
| Total Revenue | \$894,180 | \$913,582 | \$861,303 | | \$1,158,737 | \$1,170,428 | \$1,182,292 |
| Revenue/Expenditure difference | -\$101,528 | \$30,208 | -\$107,691 | | -\$89,067 | -\$21,331 | -\$48,369 |
| Prior Year Cumulative Balance | \$459,683 | \$459,683 | \$489,890 | | \$382,200 | \$293,132 | \$271,801 |
| Year End Cumulative Balance | \$358,155 | \$489,890 | \$382,200 | | \$293,132 | \$271,801 | \$223,432 |
| Contingency Range Values | | | | | | | |
| Low (15% FY Total Expenditures) | \$149,356 | \$132,506 | \$145,349 | | \$187,171 | \$178,764 | \$184,599 |
| High (20% FY Total Expenditures) | \$199,142 | \$176,675 | \$193,799 | | \$249,561 | \$238,352 | \$246,132 |

**Table 2
Countywide Budget**

| | Budgeted | Actuals | Budgeted | Actuals | Projections | Projections | Projections |
|--|-------------------|------------------|-------------------|------------|--------------------|--------------------|--------------------|
| | FY 2007-08 | FY 2007-08 | FY 2008-09 | FY 2008-09 | FY 2009-10 (I) | FY 2010-11 (I) | FY 2011-12 (I) |
| Expenditures | | | | | | | |
| Salaries and Benefits (Object 1) (A) | \$563,691 | \$558,256 | \$572,866 | | \$667,847 | \$681,204 | \$694,828 |
| Services and Supplies (Object 2) (B, C, D,L) | \$432,017 | \$325,118 | \$396,128 | | \$579,957 | \$510,555 | \$535,833 |
| Total Expenditures | \$995,708 | \$883,374 | \$968,994 | | \$1,247,804 | \$1,191,759 | \$1,230,661 |
| Actual Tons Disposed | | 1,406,351.47 | | | | | |
| Estimate of Tons Disposed (E) | 1,403,000 | | 1,321,970 | | 1,321,970 | 1,335,190 | 1,348,542 |
| Solid Waste Planning Fee (SWPF) per ton | \$0.56 | \$0.56 | \$0.56 | | \$0.78 | \$0.78 | \$0.78 |
| Revenues | | | | | | | |
| SWPF Revenue | \$785,680 | \$787,557 | \$740,303 | | \$1,031,137 | \$1,041,448 | \$1,051,863 |
| Misc. Revenue & Reimbursements (F)(K) | \$8,500 | \$22,410 | \$21,000 | | \$27,600 | \$28,980 | \$30,429 |
| Green Business Revenue (G) | \$100,000 | \$103,615 | \$100,000 | | \$100,000 | \$100,000 | \$100,000 |
| Total Revenue | \$894,180 | \$913,582 | \$861,303 | | \$1,158,737 | \$1,170,428 | \$1,182,292 |
| Revenue/Expenditure difference | -\$101,528 | \$30,208 | -\$107,691 | | -\$89,067 | -\$21,331 | -\$48,369 |
| Prior Year Cumulative Balance (J) | \$459,683 | \$459,683 | \$489,890 | | \$382,200 | \$293,132 | \$271,801 |
| Year End Cumulative Balance | \$358,155 | \$489,890 | \$382,200 | | \$293,132 | \$271,801 | \$223,432 |
| Contingency Range Values (H) | | | | | | | |
| Low (15% FY Total Expenditures) | \$149,356 | \$132,506 | \$145,349 | | \$187,171 | \$178,764 | \$184,599 |
| High (20% FY Total Expenditures) | \$199,142 | \$176,675 | \$193,799 | | \$249,561 | \$238,352 | \$246,132 |

Notes:

- A Countywide Admin, Home Composting Education Program (HCEP) & Green Business Program staff costs included.
- B Countywide Admin, HCEP & Green Business Services and Supplies costs included. Includes office lease and overhead.
- C AEM overhead for Countywide Programs. Included in Object 2 for FY 2006-07.
- D IWM office lease included in Object 2.
- E Tonnage projections are estimates and are based on historical data.
- F Revenue from compost bin sales offsets bin costs.
- G Projections include SCVWD grant renewal at \$100,000 per year for three years. (current grant through FY 2008-09, GBP will seek renewal).
- H These lines reflect the 15-20% (of the fiscal years total expenditures) contingency range for the cumulative balance.
- I FY 2009-10 and 2010-11 are in the next three year budget cycle.
- J Includes Build-it-Green and Disaster Debris carry-over
- K Assumes purchase of Bio-Stacks beginning in FY 2009-10. (Additional \$30 per bin versus Earth Machine)
- L \$78,000 in one time charges for Bay Friendly (\$8,000), HCEP bin storage/moving company (\$21,000) and Disaster Debris Plan (\$70,000)