

VENTURA REGIONAL SANITATION DISTRICT

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June 24, 2010

Board of Directors
Ventura Regional Sanitation District
Ventura, California

VRSD ORDINANCE NO. VRSD-107 – FEES AND CHARGES FOR THE TOLAND ROAD LANDFILL

SUMMARY

Based on modeling and analysis of the most current operational factors and costs of the Toland Road Landfill staff recommends adoption of Ordinance No. VRSD-107 (VRSD-107). In addition to updating and establishing disposal fees for refuse disposed at the site, the ordinance identifies and establishes handling charges for alternative daily cover and erosion control material accepted at the site. If adopted by the VRSD Board on July 1, 2010, VRSD-107 will become effective on September 1, 2010, and will repeal Ordinance No. VRSD-105.

The first reading of Ordinance No. VRSD-107 was conducted on June 17, 2010. Legal notices regarding the ordinance and notification of public hearing were published in the Ventura County Star on June 11 and June 25, 2010.

BACKGROUND

Ventura Regional Sanitation District (VRSD) Board of Directors considered the Toland Road Landfill 2010 Fee Discussion (Report) at its regularly scheduled February 18, 2010 meeting. The Report detailed important solid waste disposal trends that affect the fees charged at the Toland Road Landfill (Toland).

In the solid waste industry, landfill operators recover the cost of their operations through disposal or “tipping fees”. A tipping fee is the *per ton* charge to dispose of refuse. The current average tipping fee for refuse received at Toland is \$29.55 per ton. The \$29.55 tipping fee was based on a fiscal analysis conducted in late 2007 - early 2008. The fee was adopted by the VRSD Board for implementation in two steps – on July 2008 and on July 2009. An important *assumption* made in the fiscal analysis supporting the \$29.55 tipping fee was the projection that Toland would receive at least 374,000 tons of refuse on an annual basis.

The District received 335,857 tons of refuse at Toland in FY09 and has projected receipt of 314,000 tons of refuse at Toland in FY10. As a direct result of this drop in tonnage and despite the adoption of a number of expense reduction measures, the District experienced operating losses over the last two years. Staff has revisited the Toland tipping fee forecast and funding assumptions in light of the current *downward trend* of solid waste disposal.

Staff has reported to the VRSD Board that the newly forecasted tonnage estimate (approximately 300,000 tons) for FY11 would result in a significant increase in fees depending on a number of assumptions including tonnage and phasing of fee increases. Staff utilizes a tipping fee model to develop rates for

Toland that incorporate all operational costs and to ensure that the landfill is operated as a "revenue neutral" enterprise (revenues equal expenses). Assumptions in the tipping fee model take into account all operational costs including salaries and wages, depreciation, supplies and services, equipment usage, debt service, and required closure and postclosure reserve funding.

At its March 4, 2010 meeting, the VRSD Board directed staff to initiate proceedings to consider the following proposed increases:

	FY10 (Current)	FY11 (10% increase)	\$/Ton Increase
Direct Haul	\$35.99 per ton	\$39.60 per ton	\$3.61 per ton
Direct Haul (Contract)	\$35.40 per ton	\$38.94 per ton	\$3.54 per ton
Transfer (Contract)	\$28.18 per ton	\$31.00 per ton	\$2.82 per ton

The 10% increase is a compromise approach aimed at reducing operational deficits at Toland while recognizing the impact that rate increases have on our customers. The estimated impact on a typical household from the proposed increase is approximately thirty cents per month. Looking ahead, similar increases may be required in future fiscal years if disposal tonnage remains at current levels.

On May 6, 2010 the VRSD Board approved the contract direct haul (\$38.94/ton) and contract transfer (\$31.00/ton) tipping fees and directed staff to initiate corresponding rate increases through the ordinance process to adjust non-contract fees. The resulting Ordinance No. VRSD-107 incorporates the tipping fee adjustments as directed by the Board as well as updating "minimum fee" and "hard to handle" categories. VRSD-107 also identifies handling charges for Alternative Daily Cover (ADC) and Erosion Control (EC) Material.

The VRSD Board conducted the first reading of the Ordinance No. VRSD-107 at its regularly scheduled June 17, 2010 meeting.

RECOMMENDATION

It is recommended the Board:

- a. Conduct a public hearing regarding the proposed fees and charges for Fees and Charges for the Toland Road Landfill, Ordinance No. VRSD-107:
 - 1) Call to order.
 - 2) Receive staff report and recommendations.
 - 3) Report of written communications received by Clerk of the Board.
 - 4) Public comment.
 - 5) Close public hearing.
 - 6) Discussion by Board of Directors.
- b. Conduct the second reading, by title only, of Ordinance No. VRSD-107, Regulating Fees and Charges for the Toland Road Landfill;
- c. Adopt Ordinance No. VRSD-107 for Fees and Charges for the Toland Road Landfill to become effective September 1, 2010.

Board of Directors
June 24, 2010
Page 3



DOUG ANDERS – PRINCIPAL ANALYST

Enc.

APPROVED FOR JULY 1, 2010 AGENDA



Mark Lawler – General Manager

**VENTURA REGIONAL SANITATION DISTRICT
ORDINANCE NO. VRSD-107**

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE VENTURA REGIONAL SANITATION DISTRICT
PRESCRIBING FEES AND CHARGES
FOR THE TOLAND ROAD LANDFILL**

WHEREAS, Ventura Regional Sanitation District ("VRSD") is a county sanitation district created pursuant to California Health & Safety Code §4700 et seq.; and

WHEREAS, VRSD is authorized to provide public services related to the acquisition, construction, replacement, maintenance and operation of disposal systems and facilities; and

WHEREAS, VRSD operates a solid waste disposal facility known as Toland Road Landfill ("Landfill") located at 3500 North Toland Road in the unincorporated area of the County of Ventura; and

WHEREAS, California Health & Safety Code Sections 4741.7 and 5471 provide that VRSD may prescribe and collect fees in connection with its refuse disposal systems and facilities pursuant to an ordinance adopted by a two-thirds vote of the governing body; and

WHEREAS, VRSD periodically evaluates VRSD's refuse disposal systems and facilities which includes an evaluation of 1) current users, demands and capacity, 2) regulatory requirements, 3) costs of the existing and future operations and facilities, and 4) alternative methodologies for establishing fair and equitable charges. The planning, engineering, and financial studies associated with these evaluations are utilized during the development of VRSD's Fiscal Year Final Budget, which is adopted by the Board of Directors annually; and

WHEREAS, VRSD's periodic adjustment of refuse disposal fees ensures adequate revenues to finance the improvements and programs necessary to implement the mandated disposal regulations, maintain and improve facilities, and retire any debt incurred to finance such improvements in a reasonable manner; and

WHEREAS, VRSD maintains budgets, operations plans, capital improvement programs, reserve studies and financial and engineering reports (collectively referred to as the "Landfill Record") which have been made available to the public, both prior to and subsequent to their public review, at noticed public meetings; and

WHEREAS, the financial requirements of VRSD, as shown in the Landfill Record, including VRSD's most recently approved Budget, are based on current, reliable information and data relating to use projections, regulatory requirements, total system and facility operation, construction, maintenance and replacement costs, general administrative costs, including legal, accounting and other professional service costs, and capital costs; and

WHEREAS, the revenues derived under the provisions of this Ordinance will be used by VRSD for the construction, reconstruction, maintenance and operation of VRSD

disposal system facilities, repayments of principal and interest on debt instruments issued for the construction and reconstruction of VRSD facilities, recovery of costs associated with general administrative costs, and provision of necessary reserves; and

WHEREAS, the fees for disposal of refuse and related services at Toland Road Landfill set forth in this Ordinance do not exceed the cost of providing the disposal systems and facilities and related services for which the fees are imposed; and

WHEREAS, the VRSD Board of Directors finds the foregoing fees and charges are for the purpose of: 1) meeting operating expenses, including employee wage rates and fringe benefits; 2) purchasing or leasing supplies, equipment, or materials; 3) meeting financial reserve needs and requirements; or 4) obtaining capital funding for solid waste facilities (including development, closure and post closure projects) necessary to maintain service within existing service areas. Accordingly, the adoption of this Ordinance is statutorily exempt under the California Environmental Quality Act pursuant to the provisions of Public Resources Code Section 21080(b)(8) and California Code of Regulations Section 15273(a); and

WHEREAS, the fees and charges established by this Ordinance have been approved by the VRSD's Board of Directors at a noticed public meeting in accordance with all legal notice requirements.

NOW, THEREFORE, the Ventura Regional Sanitation District Board of Directors ordains as follows:

Section 1. Short Title. This Ordinance shall be known as the "Toland Road Landfill Fees & Charges Ordinance" and may be cited as such.

Section 2. Purpose. The purpose of this Ordinance is to establish fees and charges for the Toland Road Landfill.

Section 3. Fees and Charges. The following fees and charges are hereby prescribed for the Toland Road Landfill:

DISPOSAL FEE CATEGORY	Fee/Ton	Minimum Fee
Refuse ¹	\$39.60	\$30.00 per vehicle
Transfer Loads ²	\$34.54	
Hard-to-handle ³	\$110	\$110 per vehicle

¹ "Refuse" is solid waste material legally permitted for disposal at the Landfill.

² "Transfer Loads" are residual refuse transported by transfer trucks routed from transfer/materials recovery facilities.

³ Hard to handle fees apply to materials requiring special handling as determined by the Solid Waste Site Superintendent including difficult to handle items, biohazards (red bags, etc.), materials with potential health risks (non-friable asbestos, etc.), and materials with a highly offensive odor. Final determination of whether the fee applies is at the discretion of the Site Superintendent. The following are determined to be hard to handle materials:

- Concrete blocks larger than 2 feet in diameter
- Tree stumps greater than 2 feet in diameter

ADDITIONAL FEES AND SURCHARGES (IN ADDITION TO DISPOSAL FEES)

Freon extraction	\$5.00 each
Special pull-offs	\$30.00 each
Tires: Outside diameter	
Less than 36 inches	\$100.00/ton; \$5.00 each
36 inches to 60 inches	\$30.00 each
Over 60 inches	\$200.00 each

ALTERNATIVE DAILY COVER HANDLING CHARGES

Green Waste ADC ⁴	\$3.00 per ton
Other Approved ADC ⁴	\$12.00 per ton

EROSION CONTROL MATERIAL HANDLING CHARGES

Green Waste EC ⁵	\$3.00 per ton
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Section 4. Transportation Restriction. Waste transported to the Landfill shall be carried by transfer trucks routed from transfer/materials recovery facilities pursuant to contracts with VRSD, except for waste generated in the cities of Santa Paula and Fillmore and the unincorporated areas of Santa Clara River Valley. All refuse, ADC and EC haulers shall comply with the traffic control instructions adopted by VRSD’s General Manager.

Section 5. Accounts. All commercial refuse, ADC and EC customers shall establish VRSD Disposal Accounts and shall comply with all conditions and requirements of VRSD’s Disposal Account Agreement.

Section 6. Hours of Operation. Normal Landfill hours of operation for the general public and hours of operation for commercial accounts shall be established by Resolution of the Board of Directors.

Section 7. Effective Date. This Ordinance shall become effective September 1, 2010.

- Trees greater than 1 foot in diameter and 8 feet long
- Power/telephone poles greater than 8 feet long
- Asbestos pipe
- Wire, rope and fence netting
- Agricultural plastic film and tape
- Irrigation tubing
- Biohazard waste (red bags)
- Wastewater treatment plant grit

⁴ “ADC” is alternative daily cover approved by the regulatory agencies with jurisdiction over the Landfill. Green Waste ADC shall be uncontaminated recycled wood and/or green waste processed to the size and moisture specified by VRSD’s General Manager. All ADC load deliveries shall be made pursuant to written VRSD Agreement.

⁵ “EC” is erosion control material. Green Waste EC shall be uncontaminated recycled wood and/or green waste processed to the size and moisture specified by VRSD’s General Manager. All EC load deliveries shall be made pursuant to written VRSD Agreement.

11-6

Section 8. Repeal. Ordinance No. VRSD-105 is hereby repealed as of the effective date specified in Section 7 above.

Section 9. Severability. If any term, condition, or provision of this Ordinance is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.

Section 11. Administrative Record. All of the above Recitals are true and are hereby incorporated by reference herein. Each and all of the findings and determinations contained herein are based on the competent and the substantial evidence, both oral and written, contained in the entire Administrative Record relating to the proposed Project, which includes, but is not limited to: (a) the Landfill Record described in the Recitals above and all technical reports and other documentation referenced in the Landfill Record, (b) the taped transcripts of the presentations to the VRSD Board regarding this Ordinance, Landfill fees and the VRSD Budget and all documents submitted therewith, (c) all completed Landfill reports, all completed Landfill correspondence, and all finished Landfill data and documents located in VRSD's official files, and (d) all documents referenced in or relied upon in any of the above listed records. These findings and determinations constitute the independent findings and determinations of the District Board in all respects and are fully completely supported by the substantial evidence in the record as a whole.

Adopted by the Ventura Regional Sanitation District Board of Directors on July 1, 2010 by the following vote:

AYES:

NAYS:

ABSENT:

VENTURA REGIONAL SANITATION
DISTRICT

Charlotte Craven
Chairman, Board of Directors

ATTEST:

Josie Guzman
Clerk of the Board