

Central Services
Joan Araujo, Director

Engineering Services
Vacant, Director

Roads & Transportation
Anitha Balan, Director

Water & Sanitation
Vacant, Director

Watershed Protection
Jeff Palmer, Director

July 23, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Subject: **Approval of an Adjustment of the County's Surcharge Fee at the Simi Valley Landfill & Recycling Center (SVLRC) from the Current Rate of \$3.80 per Ton to the Proposed Rate of \$4.09 per Ton of Solid Waste, Effective January 1, 2025; Supervisorial District No. 4.**

Recommendation:

Approve an adjustment to the County's surcharge fee at the Simi Valley Landfill & Recycling Center (SVLRC) from the current rate of \$3.80 per ton to the proposed rate of \$4.09 per ton of solid waste, effective January 1, 2025; Supervisorial District No. 4.

Fiscal/Mandates Impact:

| | |
|------------------------------|--------------------------|
| Mandatory: | Yes – Existing Agreement |
| Source of Funding: | County Surcharge Fee |
| Funding Match Required: | None |
| Impact on Other Departments: | None |

Org 1070:

| | | |
|--------------------------------|-------------------|-------------------|
| Summary of Revenues and Costs: | FY 2024-25 | FY 2025-26 |
| Revenue: | \$6,454,020 | \$6,691,240 |
| Costs: | | |
| Direct | \$ | \$ |
| Indirect – Agency/Dept. | \$ | \$ |
| Indirect – County CAP | \$ | \$ |
| Total Costs | \$ | \$ |
| Net Costs | \$(6,454,020) | \$(6,691,240) |
| Recovered Indirect Costs | \$ | \$ |



Current Fiscal Year (FY) Budget Projection:

| Current FY 2024-25 Budget Projection for General Purpose (Indirect) Revenue – Org. 1070 | | | | |
|--|-------------------|--------------------|---------------------|--------------------------------|
| | Adopted Budget | Adjusted Budget | Projected Budget | Estimated Savings/(Deficit) |
| Appropriations | \$0 | \$0 | \$0 | \$0 |
| Revenue | \$544,929,936 | \$544,929,936 | \$544,929,936 | \$0 |
| Net Cost | \$544,929,936 | \$544,929,936 | \$544,929,936 | \$0 |

Based upon a projected total of 1,636,000 tons of solid waste at the SVLRC subject to the surcharge fee in FY 2024-25, after adoption of this proposed fee increase, surcharge revenue will generate approximately \$6,454,020 in general purpose revenue (i.e., 818,000 tons (est.) at the current rate of \$3.80 per ton of disposed solid waste for the first half of FY 2024-25, and 818,000 tons (est.) of solid waste at the proposed increased rate of \$4.09 per ton for second half of FY 2024-25). Sufficient appropriations are available in the FY 2024-25 Adopted Budget.

Discussion:

On March 20, 2012, your Board approved the Amended and Restated Agreement for the Operation and Closure of the Simi Valley Landfill and Recycling Center (Agreement) with Waste Management of California, Inc. (WM). This Agreement complies with Ventura County Ordinance Code section 4760-1, which requires disposal site operators to contract with the County to operate a solid waste facility in the unincorporated area. The Agreement, authorized pursuant to Public Resources Code section 40059, provides, among other things, for the County's regulation of WM's service rates and other operational parameters outside the purview of the County-issued land use permit for the facility and establishes the surcharge fees payable by WM to the County.

More specifically, the Agreement includes the methodology by which the maximum gate rate at the SVLRC shall be determined annually by the County's Integrated Waste Management Division (IWMD), based upon a Market Area Rate Study (MARS) of posted gate rates of regional landfills, provides authorization for the County to impose a surcharge fee on each ton of solid waste, as well as certain recovered materials, disposed or processed at the SVLRC, and outlines the methodology for calculating the County surcharge fee at the Simi Valley Landfill, which cannot exceed 5% of the mean market posted gate rate, as determined by the MARS.

For CY 2025, the maximum proposed County surcharge fee was calculated as follows:

2024 Mean Market Posted Gate Rate = \$81.82
Maximum County Surcharge Fee (5%) = \$ 4.09



As determined by the attached 2024 MARS (Exhibit 1), the mean market posted gate rate at the 27 regional landfills is \$81.82 per ton. Consequently, for CY 2024, the proposed County surcharge fee will increase from \$3.80 per ton to \$4.09 per ton.

The Agreement also requires the County to provide notification of any County surcharge fee adjustment to WM by August 15, 2024, to allow adequate time for WM to prepare its SVLRC Annual Report (Report), due to the County by September 1, 2024. Upon receipt of this Report and the proposed service rate adjustments from WM, IWMD staff will review and, if the review confirms that WM's requested gate rate adjustment is appropriate, IWMD staff will transmit a rate approval letter to WM by October 15, 2024, stating the maximum and posted gate rates for CY 2025. The posted gate rates will also include rates for out-of-County material pursuant to the Addendum Agreement for a Sustainability Fee at the Simi Valley Landfill and Recycling Center approved by your Board on July 19, 2011. Any adjustment to the maximum gate rate, along with the County surcharge fee (a component of the maximum gate rate), will become effective January 1, 2025. Although the Agreement allows WM to charge less than the maximum gate rate, approval of posted gate rates for 2025 would not change the County surcharge fee rate approved by your Board.

Strategic Plan:

This item contributes to the Board of Supervisors (Board's) 2024-2027 strategic priority to provide:

- I. Fiscal responsibility and economic vitality through
 1. Maintaining a transparent and balanced budget, while funding essential services and implementing cost-savings measures.

This item has been reviewed by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

If you have any questions concerning this item, please contact the undersigned at (805) 654-2373.

Sincerely,



David Fleisch, P.E.
Assistant Director



Attachments:

Exhibit 1 - 2024 Market Area Rate Study

