

Central Services
Joan Araujo, Director

Engineering Services
Christopher Cooper, Director

Roads & Transportation
Christopher Kurgan, Director

Water & Sanitation
Joseph Pope, Director

Watershed Protection
Glenn Shephard, Director

July 26, 2022

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 from the Current Rate of \$3.45 per Ton to the Proposed Rate of \$3.63 per Ton of Solid Waste, Effective January 1, 2023; Supervisorial District No. 4. (Simi Valley)

Recommendations:

Approve an adjustment to the County's surcharge fee at the Simi Valley Landfill from the current rate of \$ 3.45 per ton to the proposed rate of \$ 3.63 per ton of solid waste, effective January 1, 2023.

Fiscal/Mandates Impact:

Mandatory:	Yes – Existing Agreement
Source of Funding:	County Surcharge Fee
Funding Match Required:	None
Impact on Other Department(s):	None

Summary of Revenue and Total Costs:

		<u>FY 2022-23</u>		<u>FY 2023-24</u>
Revenue:	\$	123,300	\$	246,600
Costs:				
Direct	\$	0	\$	0
Indirect – Agency/Dept.		0		0
Indirect – County CAP		0		0
Total Costs	\$	0	\$	0
Net Costs	\$	0	\$	0
Recovered Indirect Costs	\$	0	\$	0

This fiscal impact for fiscal year (FY) 2022-23 reflects the incremental increase of \$123,300 (est.) between the calendar year (CY) 2022 and CY 2023 County surcharge fee $[(\$3.63 - \$3.45) * 685,000 \text{ tons (est.)}]$ for one half of the year. The fiscal impact for FY 2023-24 reflects the incremental increase of the proposed rate for a full year.

Current Fiscal Year (FY) Budget Projections:

Current FY 2021-22 Budget Projection for General Purpose (Indirect) Revenue - Unit 1070				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$ 0	\$ 0	\$ 0	\$ 0
Revenue	\$ 464,822,100	\$ 464,822,100	\$ 464,822,100	\$ 0
Net Cost	\$ (464,822,100)	\$ (464,822,100)	\$ (464,822,100)	\$ 0

Based upon a projected total of 1,370,000 tons of solid waste at the Simi Valley Landfill subject to the surcharge fee in FY 2022-23, after adoption of this proposed fee increase, surcharge revenue will generate approximately \$4,849,800 in general purpose revenue (i.e., 685,000 tons (est.) at the current rate of \$3.45 per ton of disposed solid waste for the first half of FY 2022-23, and 685,000 tons (est.) of solid waste at the proposed increased rate of \$3.63 per ton for second half of FY 2022-23). Sufficient appropriations are available in the FY 2022-23 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. (WMC). This Agreement complies with Ventura County Ordinance Code 4590 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 WMC'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 WMC to the County.

More specifically, the Agreement (i) includes the methodology by which the maximum gate rate at the Simi Valley Landfill 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, (ii) provides authorization for the County to impose a surcharge fee on each ton of solid waste, as well as certain recovered



materials, disposed of or processed at the Simi Valley Landfill, and (iii) 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 2023, the maximum proposed County surcharge fee was calculated as follows:

2022 Mean Market Posted Gate Rate = \$72.52

Maximum County Surcharge Fee (5%) = \$ 3.63

As determined by the attached 2022 MARS (Exhibit 1), the mean market posted gate rate at the 27 regional landfills is \$72.52 per ton. Consequently, for CY 2023, the proposed County surcharge fee will increase from \$3.45 per ton to \$3.63 per ton.

The Agreement also requires the County to provide notification of any County surcharge fee adjustment to WMC by August 15, 2022 in order to allow adequate time for WMC to prepare its Simi Valley Landfill and Recycling Center Annual Report (Report), which is due to the County by September 1, 2022. Upon receipt of this Report and the proposed service rate adjustments from WMC, IWMD staff will review and verify the information in the Report. If the review confirms that the adjustment request by WMC to its posted gate rate is appropriate, IWMD staff will transmit a rate approval letter to WMC by October 15, 2022, stating the maximum and posted gate rates for CY 2023. 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, 2023. Although the Agreement allows WMC to charge less than the maximum gate rate, approval of posted gate rates for 2023 would not change the County surcharge fee rate approved by your Board.

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) 378-3005, or Bruce Belluschi, Manager, IWMD at (805) 658-4311.



Joseph C. Pope, P.E.
Director, Water and Sanitation



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Attachment:

Exhibit 1 - 2022 Market Area Rate Study

