

**TO:** James L. App, City Manager  
**FROM:** Doug Monn, Public Works Director  
**SUBJECT:** Landfill Tipping Fees  
**DATE:** November 5, 2013

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**NEEDS:** For the City Council to consider an increase in landfill tipping fees.

**FACTS:**

1. The City owns a Class III municipal solid waste landfill located near the intersection of Union Road and Highway 46; the landfill has been in operation since 1970.
2. The City established landfill tipping fees that haulers and members of the public pay to deposit waste at the landfill.
3. Revenue from tipping fees cover the cost of landfill operations, regulatory compliance, and other related solid waste management activities. Additionally, a portion gets deposited into the State-required fund for future landfill closure costs.
4. The current tipping fees were adopted by the City Council in May 2002.
5. A combination of decreased tonnage associated with recycling and slower construction activity and increasing operational costs resulted in a decline in overall tipping fee revenue from more than \$2.2 million in Fiscal Year 2006 to less than \$1.6 million in Fiscal Year 2012.
6. The City's share of landfill operations revenue has declined from \$990,000 to \$222,000 over that same period. Unless tipping fees are adjusted, landfill operations will require subsidies by as early as 2015.

A reallocation of costs between the City and Pacific Waste Services, Inc., its landfill operator, combined with a proposed tipping fee increase is proposed to cover the City's costs associated with solid waste management.

**ANALYSIS AND  
CONCLUSION:**

Tipping fees have not been adjusted in more than a decade and incoming tonnage is just over half of what it was 7 years ago. A tipping fee increase, proposed to be phased in over a 5-year period, combined with lower operating costs is needed to adequately fund municipal solid waste services.

Increased disposal costs to our franchise hauler are expected to result in a request for curbside rate increases. That anticipated request would be considered by City Council as a future agenda item.

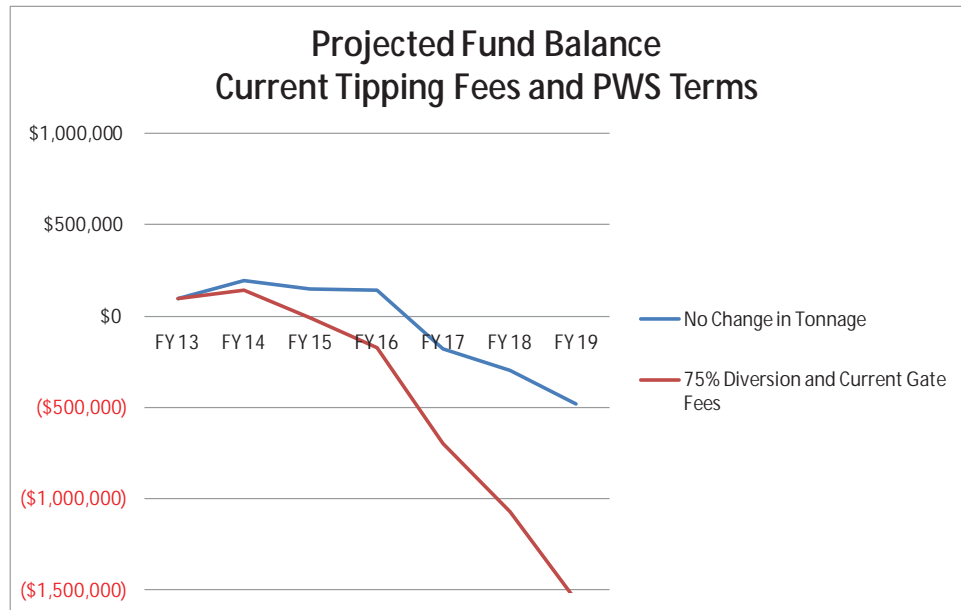
See **Exhibit A** of the accompanying resolution for a comparison of existing and proposed tipping fees.

**POLICY**

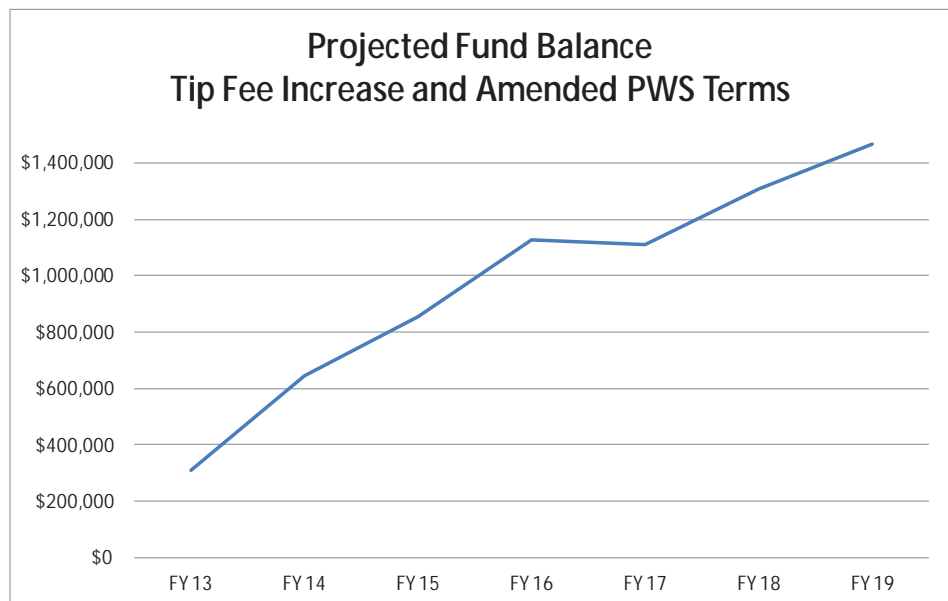
**REFERENCE:** Economic Strategy; 2009 Landfill Master Plan; 2011 Solid Waste Franchise Contracts Financial and Operational Audit.

**FISCAL**

**IMPACT:** If the current tipping fees and landfill operator agreement terms are not adjusted, the City would likely receive no revenues from landfill operations beginning as early as Fiscal Year 2017. Increased recycling could hasten that event.



The recommended tipping fee increase combined with proposed Amendment No. 4 to the landfill operator’s agreement will provide revenue to cover the City’s solid waste management costs.



Solid waste funds accumulated over time are needed for regulatory compliance, maintaining cell integrity and protecting groundwater, future repair/replacement of the gate house and other landfill features, methane gas collection and flaring, and future landfill closure costs, among other responsibilities. The tipping fee increase is intended to cover foreseeable solid waste program costs in the years ahead.

- OPTIONS:**
- a. Adopt Resolution No. 13-xxx thereby authorizing an increase in landfill tipping fees, effective July 1, 2014, and every July 1<sup>st</sup> thereafter through 2018.
  - b. Amend, modify, or reject the above option.

\* \* \*

**ATTACHMENT:** Resolution No. 13-XXX

RESOLUTION NO. 13-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
APPROVING REVISED LANDFILL TIPPING FEES

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WHEREAS, on May 7, 2002, the City Council of El Paso de Robles adopted Resolution 02-81 regarding landfill tipping fees, effective July 1, 2002; and

WHEREAS, a "Master Plan of Sustainable Opportunities at the Paso Robles Landfill" dated May 2010, was prepared in which it was recommended that tipping fees be increased; and

WHEREAS, a "Solid Waste Franchise Contracts Financial and Operational Audit for Pacific Waste Services" dated July 26, 2011, also recommended that tipping fees be increased; and

WHEREAS, the City has certain ongoing and significant cost and regulatory obligations associated with solid waste operations that must be covered; and

WHEREAS, the City's revenues from solid waste operations have steadily declined since 2007 such that, without certain adjustments to increase revenues, the City will likely not receive any revenue from solid waste operations beginning in Fiscal Year 2017; and

WHEREAS, increases in the tipping fees collected at the City's landfill will help ensure that the City will be able to meet its continuing solid waste operations costs;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso de Robles that the landfill tipping fees identified in Exhibit "A," attached hereto and incorporated herein by reference, are hereby approved effective July 1, 2014, with increases every July 1<sup>st</sup> thereafter through July 1, 2018.

PASSED AND ADOPTED, by the City Council of the City of El Paso de Robles at a regular meeting of said City Council held on the 5<sup>th</sup> day of November, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Duane Picanco, Mayor

ATTEST:

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Caryn Jackson, Deputy City Clerk

## Exhibit A

10/15/2013

<b>LANDFILL TIPPING FEES</b>							
Material Type	Current Rate per Reso 02-081	Proposed Rates, Effective July 1st					
	Effective 1/1/02	2014	2015	2016	2017	2018	
<b>Refuse - franchise or contract hauler</b>							
Compacted	\$ 38.85 per ton	\$ 43.50	\$ 45.00	\$ 47.00	\$ 49.00	\$ 51.00	per ton
Uncompacted	\$ 46.85 per ton	\$ 52.50	\$ 54.50	\$ 57.00	\$ 59.00	\$ 61.00	per ton
<b>Residential self-haul, non-franchise, contracted commercial haulers</b>							
Loads up to 1,000 lbs	\$ 20.00 flat rate	\$ 25.00	\$ 25.00	\$ 25.00	\$ 28.00	\$ 28.00	flat rate
Loads over 1,000 lbs	\$ 46.85 per ton	\$ 52.50	\$ 54.50	\$ 57.00	\$ 59.00	\$ 61.00	per ton
<b>Tires</b>							
Auto/Pickup Tires <sup>1</sup>	\$ 2.50 each	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.25	\$ 3.25	each
Commercial Truck Tires <sup>1</sup>	\$ 5.25 each	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.25	\$ 6.25	each
Tractor Tires <sup>1</sup>	N/A	\$ 50.00	\$ 50.00	\$ 50.00	\$ 55.00	\$ 55.00	each
<b>Bulky Items / Special Charge</b>							
Asphalt/Concrete suitable for road base (no wire, rebar, dirt, or trash) <sup>2</sup>	N/C	N/C	N/C	N/C	N/C	N/C	
Appliances with Freon	\$ 20.00 each	\$ 25.00	\$ 25.00	\$ 25.00	\$ 28.00	\$ 28.00	each
Other Appliances	\$ 12.00 each	\$ 14.00	\$ 14.00	\$ 14.00	\$ 15.00	\$ 15.00	each
Mattress / Box Springs / Sofas / Large Furniture	\$ 10.00 each	\$ 12.00	\$ 12.00	\$ 12.00	\$ 13.00	\$ 13.00	each
Oversize Items 3' x 3'	\$ 25.00 each	\$ 28.00	\$ 28.00	\$ 28.00	\$ 30.00	\$ 30.00	each
Oversize Items 5' x 5'	\$ 50.00 each	\$ 57.00	\$ 57.00	\$ 57.00	\$ 60.00	\$ 60.00	each
Over 5' x 5' and Tree Stump (plus tonnage fee)	\$ 75.00 each plus tonnage fee	\$ 85.00	\$ 85.00	\$ 85.00	\$ 90.00	\$ 90.00	each plus tonnage fee
Special Burial Charge/Untarped Loads	Double the Required Fee	Double the required fee					
Other Special Loads	At discretion of landfill staff	At discretion of landfill staff					

<sup>1</sup> Tires on rims accepted at double the stated fee

<sup>2</sup> Suitability up to discretion of landfill staff