



City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: October 23, 2007

SUBJECT: Yolo County Landfill Management and Disposal Fee Update

Report in Brief

Yolo County has initiated conversations with the City regarding “Solid Waste Stream Agreements”. This type of agreement between the City and the County would guarantee that a specified amount of solid waste from Woodland be disposed of at the Yolo County Landfill and would set a disposal fee for the term of the agreement. Additional key information was requested from the County in order for staff to make a recommendation to the Solid Waste Committee on this issue. Concurrently, Yolo County is negotiating a new contract with “Recycle America” a subsidiary of Waste Management to operate the green waste processing facility at the landfill. These negotiations could result in a green waste disposal fee increase which could affect green waste rates for City of Woodland residents.

The purpose of this report is to provide the City Council with an update on the City/County discussions regarding the Solid Waste Stream Agreements. Staff will be returning to Council in the future as the issues discussed herein are clarified with the County.

Background

Waste Management, the City’s franchise waste hauler, collects and transports solid waste and green waste from Woodland to the Yolo County Landfill (items to be recycled are taken elsewhere).

Solid Waste

The solid waste disposal fee (tipping fees) has been \$36.00 per ton for over ten years. The County does not have any formal agreements with Yolo County jurisdictions to require the waste from each jurisdiction to be disposed of at the Yolo County Landfill. Yolo County would like to enter into formal agreements with Woodland, Davis, Winters, West Sacramento, and UC Davis to guarantee that specified amounts of solid waste from each jurisdiction be brought to the landfill. The County initially raised the concept of forming a Joint Powers Authority to operate the landfill or having Waste Stream Agreements in August 2006 at a 2x2 meeting. County staff was later directed by the County Board of Supervisors to discuss these issues with management staff from each city. Meetings between the County and cities to discuss these issues began in August 2007. Woodland staff met with the County on August 30, 2007. The County has since met with West Sacramento and Davis.

The County has raised the following draft concepts regarding Waste Stream Agreements:

- Possible five year term
- Set tipping fee for the term of the agreement
- Those that do not enter into an agreement would be subject to increases in the tipping fee
- The County anticipates that the tipping fee could increase in 3-4 years. However, it was also stated that the tipping fee could increase sooner so that a smaller increase would occur (instead of waiting for a longer period of time and having to increase the fee more)
- The County is preparing an RFP for importing waste from outside the County. The benefit of importing waste would be that jurisdictions could realize an annual disposal fee savings (approx. \$118-229k depending on the tipping fee reduction)
- The imported tonnage money that is provided back to the cities could offset any tipping fee increase
- Those that do not enter into an agreement could risk not being able to take their waste to the landfill (if the County commits the maximum permitted tons per day of material that can be disposed of at the Landfill to others that have entered into a Waste Stream Agreement there would not be space at the landfill for others to dispose of their waste).

The County has also previously stated that each jurisdiction is responsible for an “unfunded liability” for eventual closure of the landfill. County staff has stated that Woodland’s portion of the more than \$12,000,000 liability is \$3,920,400. This unfunded liability is based on estimated tons of solid waste disposed of at the landfill from Woodland between 1975 and 1989 when closure and post-closure landfill costs were not included in the tipping fee. City staff has not confirmed or agreed that Woodland is responsible for this unfunded liability. The County has also indicated that the unfunded liabilities would decrease over time and that the Waste Stream Agreements would satisfy the unfunded liabilities.

It should be noted that discussion of a formation of a Joint Powers Authority has not been formally ruled out but the conversations regarding landfill management seem to be focusing on formal Waste Stream Agreements.

Green Waste

In 2006, 18,900 tons of green waste from Woodland was taken to the Yolo County Landfill (this is 2/3 of the amount of green waste collected at the landfill). The County is currently negotiating with “Recycle America” a subsidiary of Waste Management to operate the green waste processing facility at the landfill. The green waste tipping fee is currently \$23.50 a ton.

Current contract negotiations between the County and Recycle America could result in increased green waste tipping fees. Staff was initially informed that tipping fees could increase by as much as \$10 per ton, some of the increase would be to offset County administration charges (County oversight of the contract, billing, and scale house staff). County staff contacted the City to determine how increases would affect the City. The County was informed that any increase in tipping fees could result in rate increases for the residents as our contract with Waste Management allows for a direct pass through of these types of increases to the Waste Management customers (while taking into account annual Consumer Price Index adjustments). An increase in the tipping fees to begin in January 2008 was initially discussed; the entire increase would be to offset County administration costs. City staff informed the County that any increase in January 2008 would be unacceptable as the new green waste container program will be initiated and residents could attribute the rate increase to the new program and not the actual increase in tipping fees at the landfill. County staff did not have an update on the proposed rates at the time this report was being prepared. The County did indicate that they would also like to enter into "Green Waste Stream Agreements" as a means of minimizing any green waste tipping fee increases and that increases may be phased over the next several years.

Discussion

Staff does not have enough information from the County to determine if it would be prudent for the City to enter into Waste Stream Agreements for solid waste and green waste. In order to receive the information necessary to provide appropriate analysis, staff has requested the following items from the County as it relates to solid waste:

- Landfill business plan, as it relates to Waste Stream Agreements
- Proposed Landfill budget, as a result of Waste Stream Agreements
- Draft terms of Waste Stream Agreement
- Draft concept of Joint Powers Authority

Staff has also requested that the County provide the following information as it relates to green waste:

- County administration costs for operating the green waste processing facilities and methodology for determining such costs.
- County portion of each rate increase
- Draft terms of a Waste Stream Agreement for green waste

Benefits of entering into Waste Stream Agreements include the establishment of disposal fees that are set for a fixed period of time. Set disposal fees are beneficial if disposal fees are increasing in other areas. However, set disposal fees and a contract to bring waste to the County could also be a disadvantage if waste could be taken to another location for less cost.

Fiscal Impact

Increases in disposal fees at the Yolo County Landfill could result in increased solid waste bills for Woodland residents and businesses. Proposed solid waste disposal fee increases are unknown at this time.

Increases in green waste disposal fees could also result in increased solid waste rates for Woodland residents and businesses that participate in the program. The extent of the impact is unknown at this time as the County is in the process of negotiating the contract with Recycle America.

Public Contact

Posting of the City Council agenda.

Council Committee Recommendation

This has not yet been addressed with the Solid Waste Committee. As new information is available, a recommendation will be brought forward to the Solid Waste Committee.

Recommendation for Action

The purpose of this report is to provide the City Council with an update on the City/County discussions regarding the Solid Waste Stream Agreements. Staff will be returning to Council in the future as the issues discussed herein are clarified with the County.

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