



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: January 7, 2009

REPORT NO. 09-003

ATTENTION: Council President and City Council
Docket of January 12, 2009

SUBJECT: Disposal Fee Schedule for the Miramar Landfill

REFERENCE: Manager's Report No. 07-170, dated October 19, 2007

REQUESTED ACTION:

Adopt the resolution ratifying the Environmental Services Department (ESD) revised Fee Schedule and Regulations for the Miramar Landfill, attached hereto as Exhibit "A," effective retroactive to January 1, 2009.

STAFF RECOMMENDATIONS:

Approve the revised Fee Schedule and Regulations for the Miramar Landfill effective retroactive to January 1, 2009 to include (1) revisions to and clarification of language pertaining to assessment of waste disposal fees and regulations, including procedures for assessing fees on residue delivered directly to Miramar Landfill from a City Certified Mixed Construction and Demolition (C&D) Processing Facility; (2) a pass-through provision which authorizes the periodic adjustment of Standard Disposal Fees to incorporate all new fees and increases to existing fees imposed by federal, state, and local regulatory agencies on waste disposed to Miramar Landfill (government-mandated fees); and (3) a reduction in the disposal rates for waste delivered to Miramar Landfill by City Forces; all as set forth in more detail in said Exhibit "A" attached hereto.

SUMMARY:

San Diego Municipal Code section 66.0129(d) provides that the Mayor shall periodically establish a schedule of refuse disposal fees for the types of vehicles using City waste management facilities which will be ratified by resolution of the City Council. The last revision to the fee schedule was adopted on November 20, 2007.

The proposed Fee Schedule and Regulations for the Miramar Landfill includes revisions to and clarification of waste disposal guidelines and procedures, a procedure for assessing fees on C&D residue from City Certified Mixed C&D Processing Facilities, changes to definitions of waste categories to be consistent with State definitions and City policies, authorization to periodically adjust Standard Disposal Fees to incorporate new or increased government-mandated fees on waste disposed to Miramar Landfill, and a reduction in the disposal rates for waste delivered to Miramar Landfill by City Forces. All landfill customers impacted by these fee schedule changes shall be notified at least 30 calendar days in advance of the effective date of the fee adjustment, via website and public notices.

BACKGROUND

The City of San Diego's Miramar Landfill manages approximately 1.2 million tons of disposed waste per year, and contributes to San Diego's quality of life and environment by

Municipal Code section 66.0129(e), which provides that: "The Manager shall establish such discounts and/or exemptions from the standard disposal fee as may be necessary to operate the landfill in an efficient manner, and to encourage the precompaction, recycling and/or diversion of waste materials. All discounts and/or exemptions shall be established or disestablished by Council resolution in the approved schedule of refuse disposal fees." The City itself is the Miramar Landfill's largest customer in terms of tons disposed annually. Virtually all City-collected residential and small business refuse and City-Department generated waste is disposed to Miramar [collectively "City Forces waste"]. City Forces waste amounts to about 30% of the tonnage disposed to the Landfill. Overall waste tonnage delivered to the Miramar Landfill has decreased this year and is projected to decrease next fiscal year. The Department has determined that it would be beneficial to allow for an adjusted Standard Disposal Fee for City Forces waste delivered to the landfill. This adjustment would result in a reduced Standard Disposal Fee that also would reduce disposal costs to the City's General Fund.

FISCAL CONSIDERATIONS:

There is no fiscal impact associated with the revisions to the Miramar Fee Schedule language.

It is currently anticipated that there will be no fiscal impact in FY 2009 from the pass-through of mandated fees. At this time it is impossible to discern the existence, extent, or timing of pass-through fiscal impacts in subsequent fiscal years.

The reduced rate for waste disposed of at Miramar Landfill by City Forces is anticipated to reduce the City's refuse disposal costs by approximately \$740,000 per year. Of this amount, approximately \$700,000 per year will be General Fund savings with the remaining savings realized in various Enterprise Funds. This reduction is consistent with past, similar discounts given to franchised haulers in exchange for delivery commitments of significantly less waste tonnage.

The reduced rate for this waste stream will decrease the Refuse Disposal Enterprise Fund tipping fee revenues by approximately \$740,000 per year. In the short term, the reduced revenues will not impact operations.

The Department intends to present the City Council with a comprehensive report regarding the City's long term resource management plan in early calendar year 2009. This report will address, among other things, the Refuse Disposal Fund's fiscal health and future fiscal requirements.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Fee Schedule and Regulations for the Miramar Landfill was last amended and ratified by Council on November 20, 2007, with a slight modification related to the C&D surcharge approved by Council on December 18, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Notices of the changes to the Fee Schedule and Regulations will be distributed to all applicable customers and stakeholders. Information regarding all changes will also be available on the Environmental Services Department's web page.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

City and Non-City Residents and Businesses; Franchised Haulers; and General, Refuse Disposal Enterprise and Recycling Enterprise Funds.



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Environmental Services Department
Director



David Jarrell
Deputy Chief of Public Works

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