



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: June 8, 2010 REPORT NO: 10-84
ATTENTION: Natural Resources and Culture Committee
Agenda of June 16, 2010
SUBJECT: Miramar Landfill Fee Adjustments
REFERENCES: Report to the City Council No. 07-170, dated October 19, 2007

SUMMARY:

THIS IS AN INFORMATIONAL ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE OR CITY COUNCIL.

BACKGROUND:

The Environmental Services Department will be adjusting fees at the Miramar Landfill beginning July 1, 2010 for self-haul (flat-rate) customers, special handling and administrative transactions and for commodities sold at the Miramar Greenery.

CPI for Self-Haul and Special Handling and Administrative Fees

The fee adjustments will result in a \$1 - \$2 increase for self-haul users of the landfill and for special handling and administrative transactions. The adjustments are based on an approval given by City Council on November 20, 2007 (Resolution #R-303201) to provide for automatic annual CPI adjustments to these transactions.

Flat rate customers are those that bring refuse to the landfill in cars, pickups and trailers and comprise approximately 241,000 transactions per year. Special handling fees are applied to very large items or those that are difficult to handle at the landfill and include large stumps, tires, non-friable asbestos, etc. Administrative transactions include manifest handling, the use of city personnel to oversee disposal of sensitive wastes, assisting customers in searching for lost items, etc.

Greenery Commodity Price Adjustments

The adjustments for the Miramar Greenery commodities, last adjusted January 1, 2008, will result in \$2 - \$7 increases in the price per cubic yard and commodities will be more closely aligned with market rates for these products. Under the same resolution noted above (Resolution #R-303201), the San Diego City Council delegated authority to the Mayor to adjust and post prices for the sale of greenery commodities, effective January 1, 2008.

Since 2000, the Miramar Greenery has offered two cubic yards of self-loaded compost free to residents of San Diego, without any restrictions on the days of the week or number of times per

day residents may come self-load the material. Additionally, mulch has been provided free of charge to City residents since the Greenery's opening. Last year, over 14,000 cubic yards of compost and mulch were given away to City residents. Compost, mulch, and woodchips are also available for sale to the public, and prices include tax and loading. Currently, all products except compost are the same price for City residents, non-residents, and businesses. City residents have received a 50% discounted rate for the first two cubic yards of compost purchased and loaded by the City.

Current and proposed pricing is described in detail in Table 1 (below). Greenery product prices were last revised January 1, 2008.

Table 1: Current and Proposed Product Pricing

Product	Current Price	Price Effective 7/1/10
Compost	\$10/yd ³	\$12/yd ³
Compost (City Resident; 2 yd ³ ; Loaded)	\$5/yd ³	N/A
Compost (City Resident; 2 yd ³ ; Self-Loaded)	Free	Free
Mulch (Non-City Resident; Commercial; Loaded)	\$3/yd ³	\$5/yd ³
Mulch (City Resident; Self-Loaded)	Free	Free
3" Mulch (All; Loaded)	\$4/yd ³	\$8/yd ³
Plain/Natural Woodchips (All; Loaded)	\$10/yd ³	\$15/yd ³
Colored Woodchips (All; Loaded)	\$18/yd ³	\$25/yd ³

DISCUSSION:

CPI for Self-Haul and Special Handling and Administrative Fees

The automatic annual CPI adjustments authorize increases for Flat Rate Disposal Fees, Special Handling Fees, and Administrative Fees, based on the annual change in the Consumer Price Index (CPI) rounded up to the next \$1.00, to be applied automatically each July 1, commencing July 1, 2010, in accordance with the following formula:

$$\text{Flat Rate Disposal Fee} \times \text{Consumer Price Index Change} = \text{New Flat Rate Disposal Fee}$$

$$\text{Special Handling Fee} \times \text{Consumer Price Index Change} = \text{New Special Handling Fee}$$

$$\text{Administrative Fee} \times \text{Consumer Price Index Change} = \text{New Administrative Fee}$$

(See the attachment for individual fee increases).

Greenery Commodity Price Adjustments

The sale of commodities produced at the Miramar Greenery influences the market for landscaping products in the San Diego region. The viability of the market is crucial to the ongoing success of the Miramar Greenery and the Curbside Greenery Collection Program. As a seller of commodities, ESD has a responsibility to manufacture quality materials and understand changes in market pricing due to supply and demand and other factors. If the City's prices are set too low, private sector market participants may be adversely impacted. However, if the City's prices are set too high, the commodities would not be effectively marketed and might have to be landfilled.

A regional market survey was conducted in September, 2009 comparing the Greenery product prices to prices charged by local competitors and other equivalent facilities. Since the Greenery is so unique in its size and product diversity, ESD felt it appropriate to conduct a state-wide market survey (See Table 2). In addition, ESD engaged in discussions with local vendors

regarding products and pricing. Both the state-wide survey and input from local vendors support the recommended price increases. The proposed product pricing increases will become effective July 1, 2010 and will bring our product pricing more in-line with private companies located locally and throughout the state, with the additional benefit of the Greenery becoming closer to a fully cost recoverable operation.

Table 2: 2009 Product Pricing Market Analysis

Operation	Location	Compost (\$/yd₃)	Mulch (\$/yd₃)	Woodchips (\$/yd₃)	Colored Woodchips (\$/yd₃)
A-1 Soils-Hanson Aggregates	San Diego	\$28.00	\$25.00	\$22.00	N/A
Agri Service: Coachella Valley	Coachella	\$15.00	\$9.00	N/A	N/A
Agri Service: El Corazon	Vista	\$10.00	\$15.00	\$20.00	N/A
Aguinaga Green	San Diego	\$10.00	\$8.00	\$10.00	\$29.00
California Biomass	Thermal	\$17.00	N/A	N/A	N/A
City Farmers	San Diego	\$44.00	N/A	N/A	\$68.00
Evergreen Nursery	San Diego	N/A	N/A	\$19.50	\$39.00
Feather River Organics	Marysville	\$20.00	N/A	N/A	N/A
Inland Pacific	Lakeside	\$14.00	\$14.00	\$14.00	\$39.00
Jepson Prairie	Dixon	\$22.50	N/A	N/A	N/A
Miramar Greenery (Current)	San Diego	\$10.00	\$3.00	\$10.00	\$18.00
Miramar Greenery (Proposed for 7/1/10)	San Diego	\$12.00	\$5.00	\$15.00	\$25.00
Miramar Wholesale	San Diego	\$32.00	\$25.00	N/A	N/A
Sonoma Compost	Sonoma	\$18.50	\$11.00	N/A	N/A
South Valley	Gilroy	\$20.00	N/A	N/A	N/A
Tierra Verde	Irvine	\$22.00	\$15.50	\$12.00	\$36.00
Terra Bella Nursery	San Diego	\$29.00	N/A	\$24.00	\$70.00
Zanker Recycling	Gilroy	\$14.00	N/A	\$16.00	\$36.00

FISCAL CONSIDERATIONS:

The CPI adjustments to the self haul disposal fees are expected to increase revenue in the Refuse Disposal Enterprise Fund by approximately \$103,000 in FY 2011. The special handling and administrative fee charges are anticipated to generate an additional \$2,000 during this time frame.

The changes to Greenery commodity pricing as described in Table 1 (above) will result in an estimated increase of \$153,000 in revenue in FY 2011 to the Refuse Disposal Enterprise Fund as

described in Table 3 (below). As stated above, these price adjustments will bring our pricing more in line with local private businesses.

Table 3: Outgoing Revenue Comparisons

Product	FY 10 Revenue (estimated)	FY 11 Revenue (estimated)
Compost	\$107,000	\$110,000
Mulch	\$44,000	\$120,000
Plain/Natural Woodchips	\$138,000	\$180,000
Colored Woodchips	\$148,000	\$180,000
	\$437,000	\$590,000

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On November 20, 2007 (Resolution #R-303201), the San Diego City Council approved changes to Greenery commodity prices and delegated authority to the Mayor to adjust and post prices for the sale of greenery commodities, effective January 1, 2008.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Notices of the changes to fees will be posted in advance at the Miramar Landfill (Fee Booth Operations, and Greenery Section) and on the Environmental Services web page.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

City Residents, Non-City Residents and City and Non-City Businesses purchasing Greenery commodities.



Chris Gonaver
Environmental Services Director



David Jarrell
Deputy Chief of Public Works

Attachment: Special Handling/Administrative Fees/Self-Haul Flat Rate Fees

SPECIAL HANDLING/ADMINISTRATIVE FEES

ANNUAL CPI ADJUSTMENTS EFFECTIVE JULY 1, 2010

Fee Description	Current Rate	New Rate
Special Handling Fees:		
Tree Stumps > 8'	\$31	\$32
Large Item Rate < 75 cubic ft.(CF)	\$62	\$63
Large Item Rate plus fee for each additional cu/ft over 75 cu/ft	\$2	\$3
Large Poles Pipes and Materials > 10' long or 12" in diameter	\$19	\$20
Dead Animals (250 - 500 lbs)	\$62	\$63
Dead Animals (> 500 lbs)	\$124	\$126
Dead Animals (individual animal) (> 500lbs)	\$124	\$126
Hard to Handle Material (> 10 cubic yards)	\$54/ton+\$50 Handling Fee	\$55/ton+\$51 Handling Fee
Tires (standard 16.5" diameter)	\$10	\$11
Tires (> 16.5" diameter)	\$10	\$11
Tire Manifest Fee	\$50	\$51
Containerized Solid Industrial Waste (< 55 gallon container)	\$6	\$7
Containerized Solid Industrial Waste (>= 55 gallon container)	\$12	\$13
Non-Containerized Solid Industrial Waste (>= 10 cubic yards with minimum 50% solids)	\$149	\$152
Non-Friable Asbestos Waste	\$62	\$63
Administrative Fees:		
City Personnel to Oversee Disposal	\$62	\$63
Vehicles Unloading after 5:00 pm	\$135	\$137
Authorizing Customer Search for Lost Items	\$62	\$63
Manifest Handling	\$62	\$63
Metallic Discard	\$32	\$33
Return Check Charge	\$25	\$26
Clean-up Fee	\$62	\$63

SELF-HAUL FLAT RATE FEES

2009 FLAT RATE DISPOSAL FEES (Current / New)

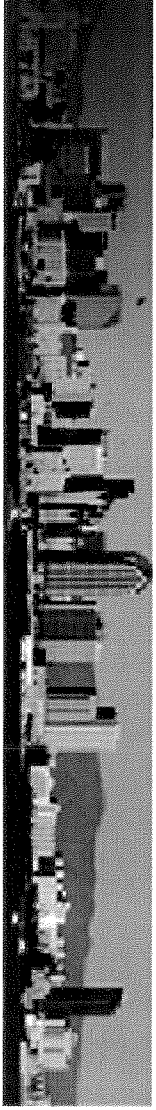
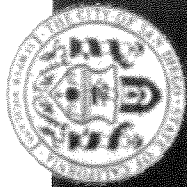
Fee Description	Current Fee	New Fee July 1, 2010	Greens/Wood Current Fee	Greens/Wood New Fee July 1, 2010
CITY				
Pickup Truck	\$34	\$35	\$11	\$12
Trailer 8'L x5'Wx4'H	\$33	\$34	\$11	\$12
Trailer Double Axle	\$54	\$55	\$11	\$12
Pickup /Trailer Combo	\$66	\$67	\$22	\$23
Car or Station Wagon	\$18	\$19	\$3	\$4
SUV or Mini Van	\$27	\$28	\$7	\$8
NON-CITY				
Pickup Truck	\$44	\$45	\$13	\$14
Trailer 8'L x5'Wx4'H	\$43	\$44	\$13	\$14
Trailer Double Axle	\$64	\$65	\$12	\$13
Pickup /Trailer Combo	\$86	\$87	\$26	\$27
Car or Station Wagon	\$28	\$29	\$3	\$4
SUV or Mini Van	\$37	\$38	\$8	\$9

NOTE: ANNUAL CPI ADJUSTMENT EFFECTIVE JULY 1, 2010

2009 CONSTRUCTION & DEMOLITION (C&D) FLAT RATE DISPOSAL FEES (Current / New)

Fee Description	Current Fee	New Fee July 1, 2010
CITY		
Pickup Truck	\$48	\$50
Trailer 8'L x5'Wx4'H	\$47	\$49
Trailer Double Axle	\$78	\$79
Pickup /Trailer Combo	\$94	\$95
Car or Station Wagon	\$27	\$28
SUV or Mini Van	\$39	\$40
NON-CITY		
Pickup Truck	\$58	\$60
Trailer 8'L x5'Wx4'H	\$57	\$59
Trailer Double Axle	\$88	\$89
Pickup /Trailer Combo	\$104	\$105
Car or Station Wagon	\$37	\$38
SUV or Mini Van	\$49	\$50

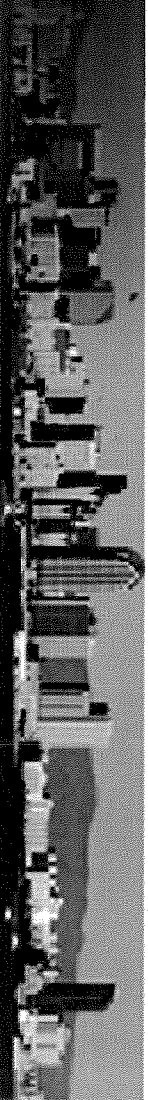
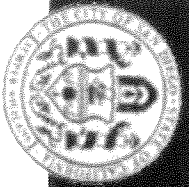
NOTE: ANNUAL CPI ADJUSTMENT EFFECTIVE JULY 1, 2010



Mirammar Landfill & Greenery Fee Adjustments

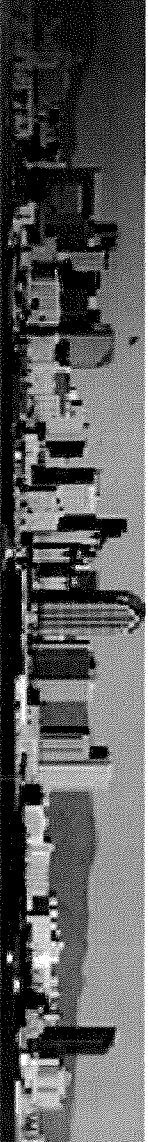
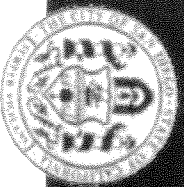
Natural Resources and Culture
Committee Meeting

June 16, 2010



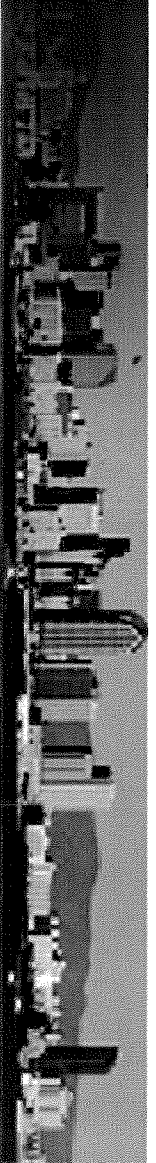
Previous Council and/or Committee Action:

- November 20, 2007 Council approved Resolution #R-303201
 - Delegated authority to Mayor to adjust & post prices for sale of Greenery commodities (effective January 1, 2008)
 - Authorized annual CPI fee increases for flat rate (small vehicles), administrative (oversight by city personnel) and special handling (large, difficult to handle items) transactions



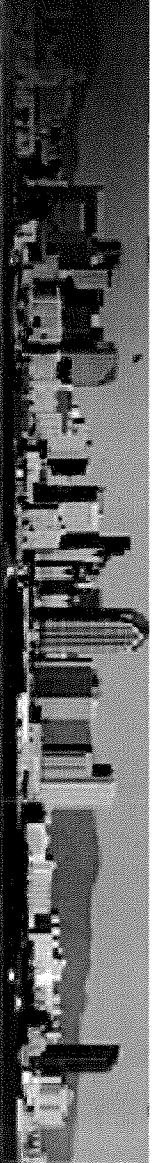
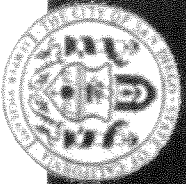
CPI Fee Adjustments:

- Self-haul user fees will increase \$1-\$2
 - Comprise 241,000 transactions/year
 - Charged a flat rate for hauling refuse in cars, pickups and trailers
- Administrative transaction & Special Handling fees will increase \$1-\$2
 - Applied to difficult to handle items or transactions requiring oversight by City personnel



Greenery Commodity Price Adjustments:

- Increase of \$2-\$7/ cubic yard
 - Aligns with market rates for similar products sold by private companies
 - Residents may self-load 2 cubic yards compost or mulch for free
 - Regional market stability is important for on-going diversion of yard trimmings
 - Last pricing adjustments were in 2007
- Pricing notification underway



Fiscal Impact: Refuse Disposal Fund

- **CPI Adjustments:**
 - Increased Revenues (FY11): \$103,000
- **Commodity Pricing:**
 - Increased Revenues (FY11): \$153,000