



# Post-Collection Case Study: Public Landfill Owners

High Diversion Rates & Compensation  
Workshop  
October 9, 2013



# Overview

- Disposal-based funding dilemma
- Disposal/diversion trends statewide
- Traditional price/volume solutions
- Diversify business model
- Deleverage disposal rates
  - Source and use mapping
  - Deleveraging analysis
- Legal/regulatory considerations
- Survey of solutions

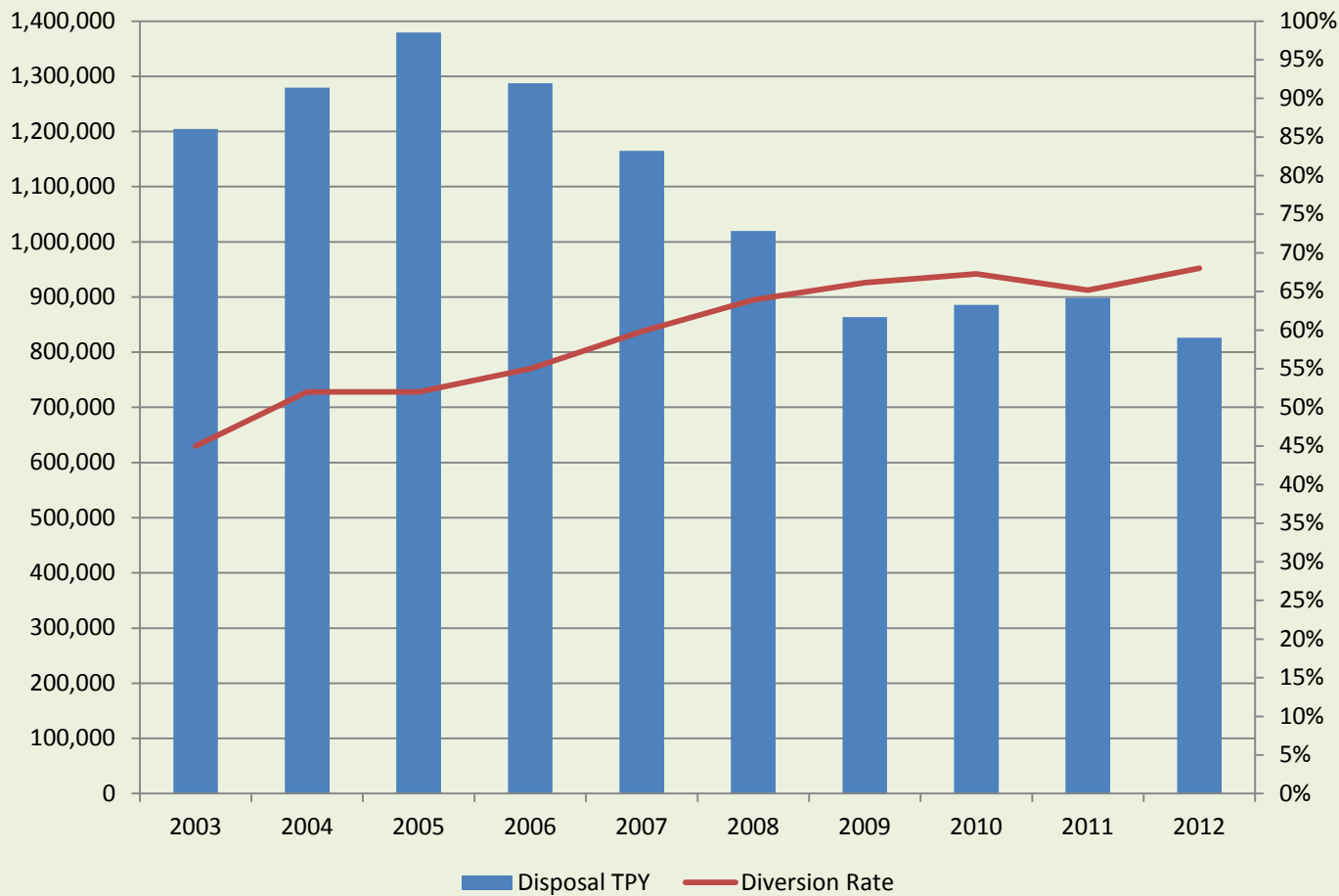


# Landfills: The Next "Buggywhip"

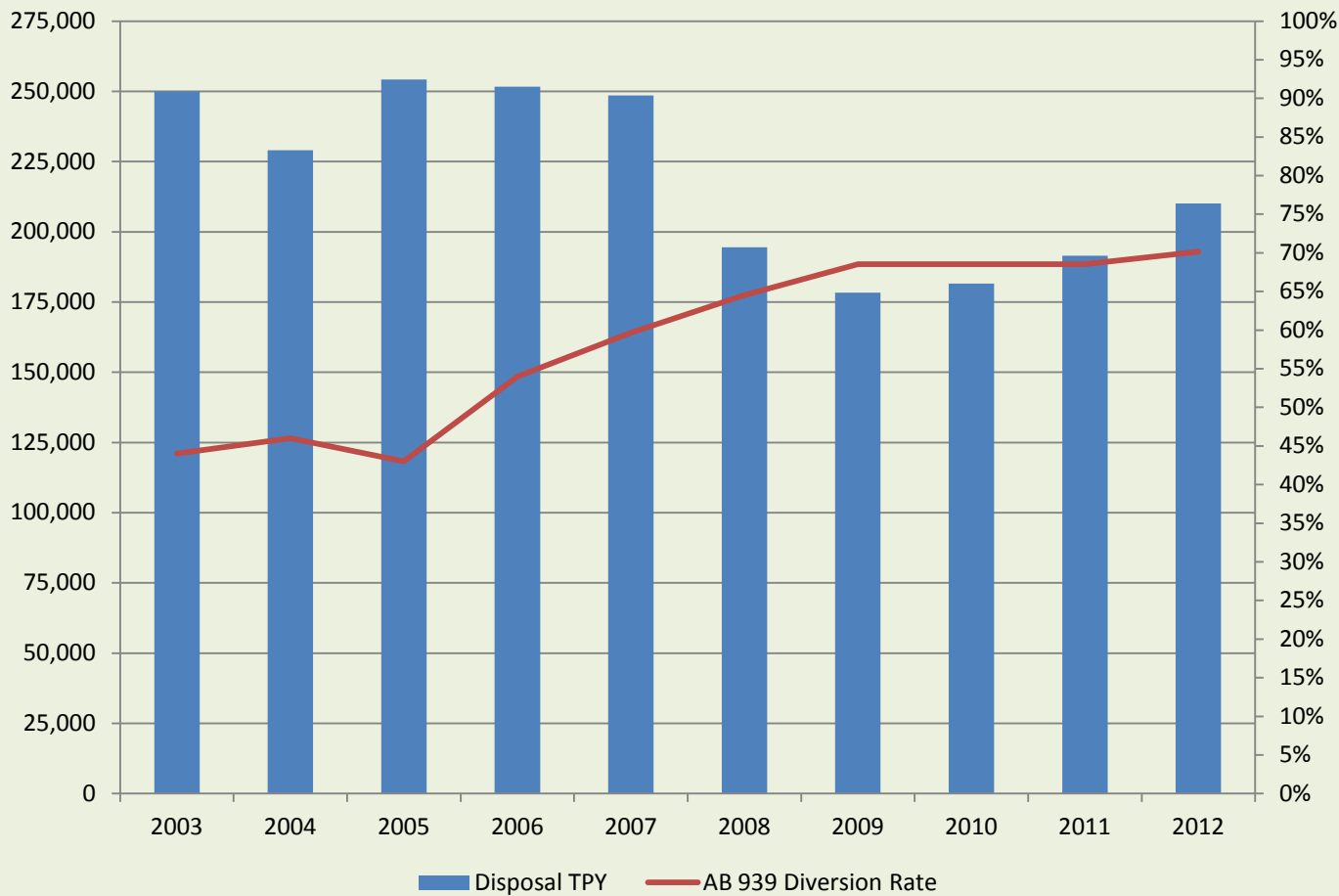
- Increased supply, reduced demand
- Revenue model focused on disposal
- Public wants convenient recovery
- Regulatory requirements:
  - Waste exclusion
  - Financial assurance
  - Recycling program availability
- Highly competitive market



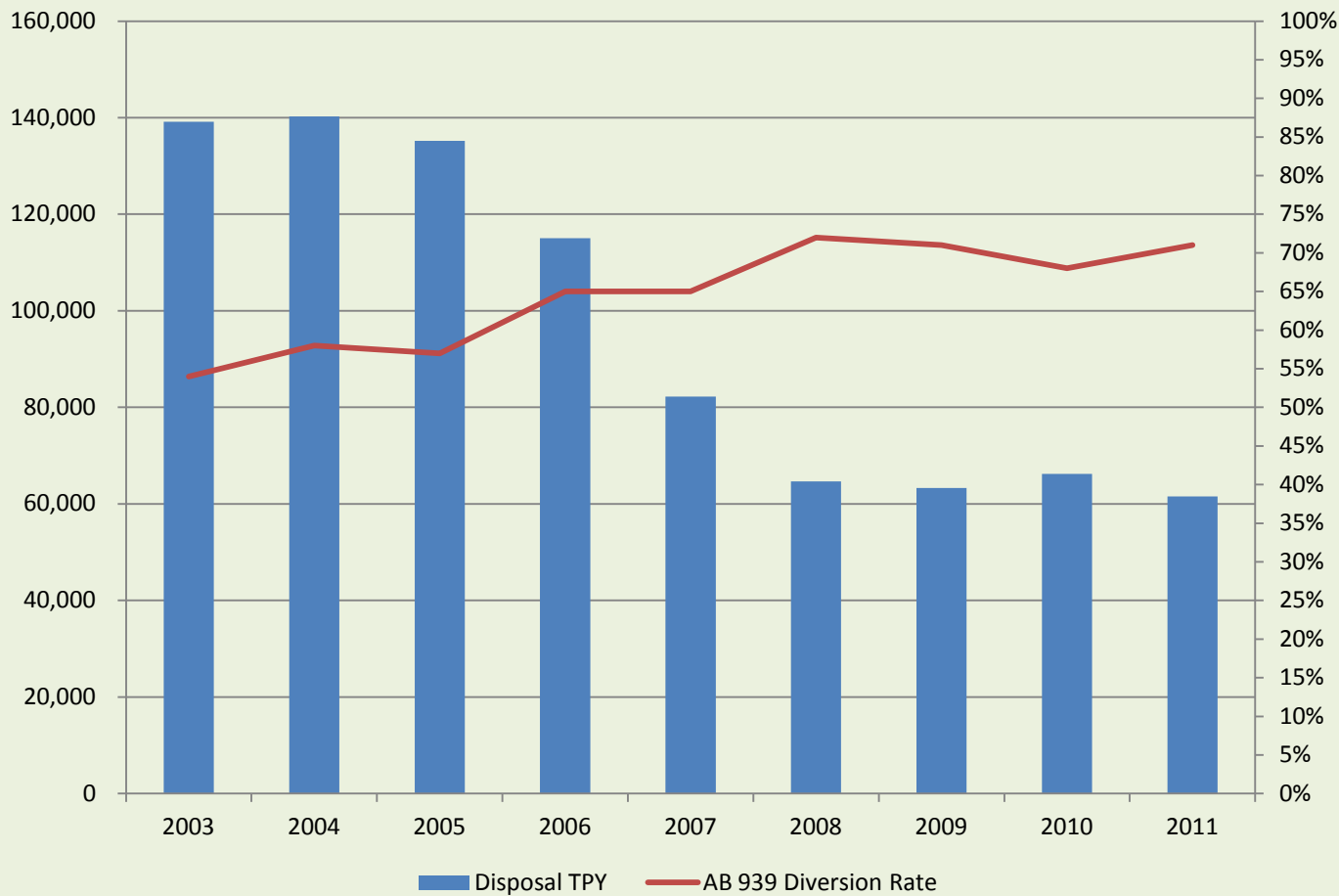
# City of San Diego Disposal and Diversion Trend



# Tulare County (CWMA) Disposal and Diversion Trend



# Santa Cruz County Disposal and Diversion Trend



# Just Raise Rates...Right?



# Diversify Business Model

- Landfills/transfer stations as recovery parks
  - C&D Sorting
  - Recycling drop-off and/or MRF
  - Re-use store
  - Composting and/or Anaerobic Digestion
  - LFG/AD to fuel/energy
  - CNG fueling stations for collection fleets
  - Vehicle yard/offices for collection fleets
  - Solar/wind energy generation
  - GET CREATIVE!
- Multi-facility systems particularly vulnerable
- Small landfills may no longer be economic





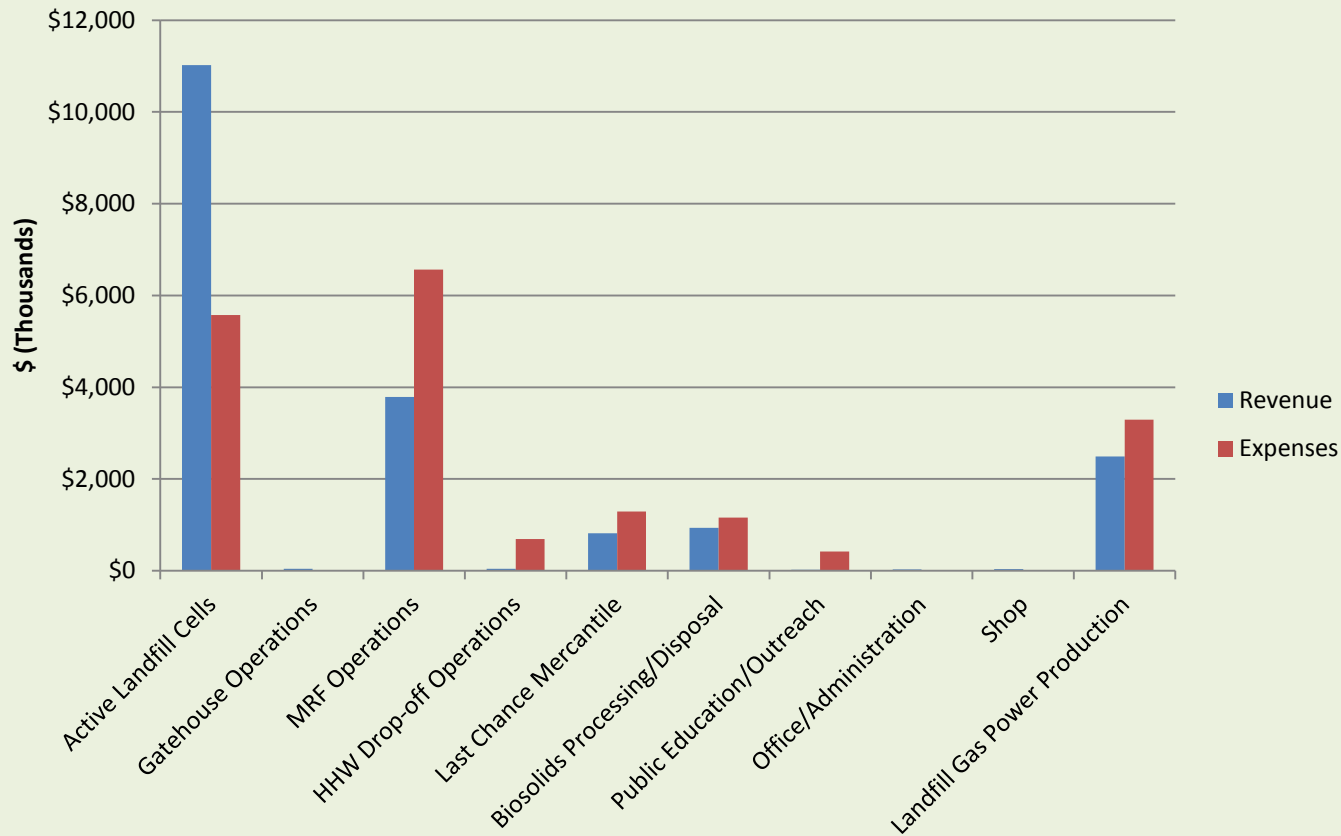
# Deleverage Disposal Rates

- Map sources and uses of funds:
  - What do people think they pay for?
  - What do you spend money on?
- Cut spending BEFORE you ask to change or add, demonstrate it while you are asking
- Identify replacement funding for under-funded activities
  - Largest gaps first
  - Identify users/beneficiaries of activity
  - Analyze tipping fee relief vs. affordability of direct charges, goal of net zero impact to customer/payee
  - Assess charges on the broadest defensible basis (i.e. per user > per gallon)



# Example Source & Use Map

**MRWMD - Revenues & Expenses by Activity Area**



# Example Deleveraging Analysis

Example Calculation of Household Hazardous Waste Fee		
\$ 2,559,980	A	Annual Franchised Disposal Revenue
\$ 534,202	B	HHW Program Shortfall
21%	$C=B/A$	Shortfall as Percent of Revenue
\$ 67.00	D	Franchise Disposal Tipping Fee (per ton)
<b>\$ 13.98</b>	<b><math>E=D*C</math></b>	<b>Franchise Tipping Fee Reduction (Res &amp; Comm)</b>
\$ 534,202	B	HHW Program Shortfall
37,472	F	Assumed Dwelling Units (Res Accts)
\$ 14.26	$G=B/F$	Annual HHW Fee per Dwelling Unit
<b>\$ 1.19</b>	<b><math>H=G/12</math></b>	<b>Monthly HHW Fee per Dwelling Unit</b>

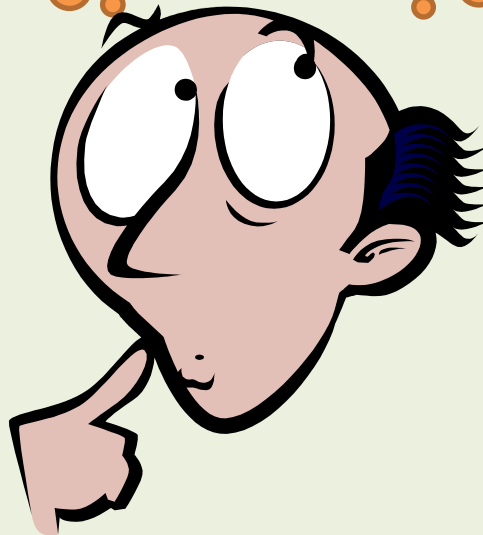


# Legal/Regulatory Constraints

Proposition 13:  
Property Taxes

Proposition 218:  
Property-Related  
Charges

Proposition 26:  
Regulatory Fees



# Survey of Solutions

- Increase Tipping Fee
- Revised Tipping Fee Structure
- Exclusive Agreements/ Multi-Material Put-or-Pay Commitments
- Volume-Based Portion of Collection Rates
- Flow Control Ordinance/Contract
- Parcel/Land Use Fee
- Local Take-Back Model
- Recycling Commodity Revenue
- Regionalization/ Import (creates economies of scale)
- Facility Utilization Fee
- Privatization
  - Full Sale
  - Private Operator
  - Public/Private Partnerships
- Collection-Based Funding:
  - AB 939/341 Fees (per account)
  - HHW Fee (per account)
  - Administrative Fee (per year)
  - Legacy Management Fee (per year)



# DISCUSSION

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