

**Achieving Revenue Stability:**  
A Regional JPA Aims to  
Wean Off Per-Ton Landfill Fees  
In An Era of Declining Waste

or...

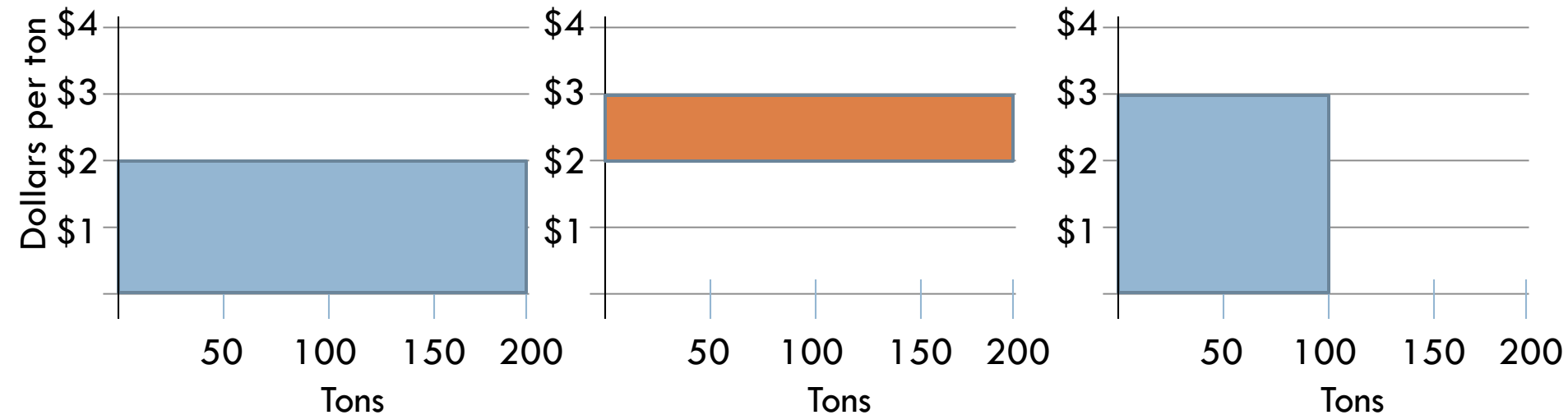


**Learning Where To Cut**

# Topics

- ❑ Fee revenue “Death Spiral” – What is it?
- ❑ ACWMA’s historic revenues
- ❑ Revenue Stabilization/Diversification
- ❑ Strategic Focus, paring core budget
- ❑ Member Agency Revenue Models
- ❑ Lessons Learned

# Tip Fee “Death Spiral”



Occurs where there are disposal alternatives

# ACWMA's Historic Fee Revenues

- **All have been per-ton disposal fees:**
  - ▣ **“Measure D”** – Voter-approved per-ton fee at landfills in unincorporated Alameda County. Currently \$8.23 per ton. Not easily changed.
  - ▣ **Waste Import Mitigation Fee** – Primarily collected on San Francisco wastes – contractually set; contract due to end in next few years
  - ▣ **Facility Fee (AB 939 Fee)** - \$1.50 per ton for many years, raised to \$2.00/ton in 2009 and to \$4.34/ton in 2010. When raised to \$4.34, also broadened to apply to “other waste” for 3 years
  - ▣ **HHW Fee (AB 939 Fee)** - \$1.25 per ton for many years, raised to \$2.15/ton in 2001; new revenue mechanism under consideration

# Revenue Stabilization

- Facility Fee: Broadened to apply to all solid wastes deposited above the liner and below the final cover of a landfill, for which the landfill charges a tip fee. Fee on “other waste” sunset as of 1/1/2013 as part of settlement agreements.
- Collect fee on tons previously “leaking” from system

# Revenue Diversification

- Investigated Advance Disposal Fees (ADF's) locally for HHW funding
  - ▣ State pre-emption on some products
  - ▣ Expensive to implement locally – marginal net revenues
  - ▣ Confusing messaging to consumers
  - ▣ Legal considerations – Prop. 26
- Considering residential parcel fee for HHW funding – Prop. 218 protest vote
- Benchmark Information Fee – a “per refuse account” fee - \$1.81/year for most residential accounts – not tied to volumes
- Pursuit of State/Federal/Utility Grant Funding – Energy Council, Use Reusables ; Prop. 84

# Strategic Focus – Cutting Core Budget

- Over four fiscal years since our Strategic Workplan was adopted in 2010, our “core budget” has declined 17.5% (minus RLF, external grant funds, reserve funds, pass through funding)
- Any proposed revenue increases must be within context of belt-tightening



# Member Agency Revenue Models

- “Conservation Rates” – Diversion programs subsidized by garbage rates; incentives to divert more
- “Cost of Service Rates” – Less financial incentive to reduce landfilling
- Big Picture – Total Revenues Cover System Costs

# Lessons Learned

- Know the landscape of your market: “elasticity of demand”
- Budget for enforcement, where applicable
- Engage stakeholders up front, think through potential issues
- Persuasively present your case
- “Tighten your belt, do your homework, communicate clearly”

# Contact Information

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