

# Final Report

## Sonoma County Waste Management Agency Funding Study



**Submitted to:**

**Sonoma County Waste  
Management Agency**

**Sonoma County  
Waste  
Management  
Agency**



**May 2010**



Consulting Group, Inc.  
Resources, Respect, Responsibility

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## Introduction

The Sonoma County Waste Management Agency (Agency) was created under a Joint Powers Agreement between the County of Sonoma (County) and the nine (9) incorporated jurisdictions within Sonoma County; the cities of Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma and the Town of Windsor (Member Agencies). The primary responsibility of the Agency is to develop programs to handle household hazardous waste, wood waste and yard waste generated in Sonoma County and to provide for public education for waste management issues pursuant to the requirements of AB 939, the Integrated Waste Management Act of 1989.

Since its inception, the funding source for the Agency has been an “Agency Surcharge” placed on the tipping fee collected at the County-owned transfer stations and the Central Disposal Site, or County landfill. The Agency Surcharge is transferred to the Agency to fund all Agency programs with the exception of wood and yard waste programs, which are separately funded by surcharges at the Agency-operated compost facility.

The Agency Surcharge has increased over time from \$1.00 per ton to \$5.40 per ton in FY 2009-10 (and is planned to increase to \$5.95 per ton in FY 2010-11) to fund Agency programs and adjust for decreasing tonnages entering the County’s disposal/transfer facilities. Decreased disposal tonnages are due to:

- Increased waste reduction and recycling efforts;
- Varying economic conditions; and
- Lack of direct flow control with the haulers to keep collected tonnage within the County system.

Because the Agency’s revenues are dependent on the disposed tonnage, the reduction in disposal has resulted in an unsustainable funding model.

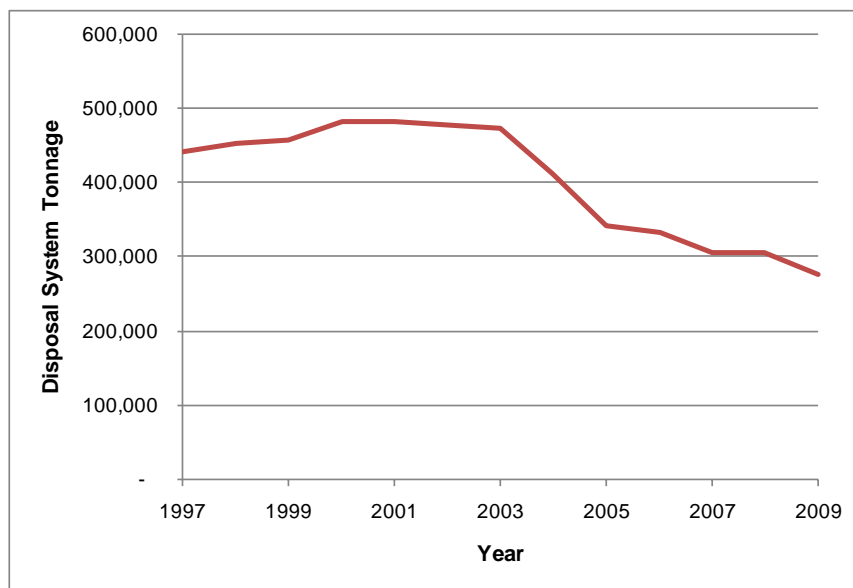
Figure 1 illustrates the tonnage reduction between 1997 and 2009. The Agency’s Board of Directors has authorized a study and recommendations to convert the current Agency Surcharge on landfill waste at the point of disposal to an Agency Fee based on the quantity of Solid Waste<sup>1</sup> set out for collection, or delivered to transfer, processing or disposal facilities located within Sonoma County.

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<sup>1</sup> For purposes of this report, “Solid Waste” is defined pursuant to California Public Resources Code Section 40191.

# Agency Fee Study

**Figure 1: Agency Surcharge Tonnage Basis (1997-2009)**



## Objectives

The major objectives of any changes from the current Agency Surcharge system to the proposed Agency Fee system include the following:

- Initially there will be no net change in the Agency revenues (i.e., revenue neutrality for the Agency) and the Fee will generate the FY 2007-08 Budget level of funding for the Agency (\$1,890,000);
- There will be no change in the customer rates paid by the residential or commercial franchise customers;
- The proposed Agency Fee will be consistent on a per ton basis countywide;
- The proposed Agency Fee will not place additional administrative requirements on the Member Agencies, including any requirements for the Member Agencies to collect monies;
- The proposed Agency Fee will provide incentives to promote diversion over disposal; and
- The proposed Agency Fee will provide a means for generating a stable funding source regardless of changes in disposal tonnages.

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## Guidelines

In addition to the objectives listed above, the following guidelines were used to develop, analyze and compare the various financing options that were considered:

- Proposed Agency Fee can be charged to franchise customers and collected by franchised haulers for Solid Waste generated within Sonoma County<sup>2</sup>; and
- Proposed Agency Fee can be charged on tons being delivered to Construction and Demolition (C&D) processing facilities.

## Methodology

R3 collected data on the total tonnage generated within Sonoma County for calendar year 2008 from various sources including:

- The Agency;
- Franchised haulers of the Member Agencies;
- Non-franchised debris box haulers (non-franchised haulers) collecting waste within the County; and
- The Sonoma County Department of Health Services, Environmental Health Division also known as the Local Enforcement Agency (LEA).

Data collected from the various sources were compiled into a Material Flowchart (Appendix A) in order to:

- Establish a clear picture of the current Agency Surcharge;
- Identify tons and payments ascribed to the City of Petaluma and adjust calculations accordingly;
- Calculate a proposed Agency Fee to fund Agency services;
- Develop and evaluate Fee Scenarios for the Agency to pursue; and

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<sup>2</sup> In addition to the Agency's authority pursuant to the Joint Exercise of Powers Act (California Government Code Sections 6500 et seq.), and the Joint Powers Agreement, the Agency, through the authority of a Regional Agency, also has direct statutory authority pursuant to California Public Resources Code Section 41901 to adopt fees. This section of the Public Resources Code provides that fees may be imposed in an amount sufficient to pay the costs of preparing, adopting and implementing a countywide integrated waste management plan. The fees must be based on the types or amounts of the Solid Waste and must be used to pay the actual costs incurred in preparing, adopting and implementing the plan, as well as in setting and collecting the local fees.

# Agency Fee Study

- Make recommendations that best fit the Agency's objectives.

The Material Flowchart distinguishes landfill waste, recyclables and C&D materials from one another. Because green waste and wood waste fall under a different Agency program, tonnage data from both these materials were excluded from calculations to develop the proposed Agency Fee.

It is important to note that this study only covers tonnage and revenue associated with the proposed Agency Fee, and not from other programs administered by the Agency.

## Limitations

Over the course of collecting tonnage data, it became apparent that some data sources provided information that may be incomplete. In addition, several of the non-franchised haulers, which haul the majority of C&D materials within the County, refused to provide information. As a result, R3 elected to use data for C&D materials delivered to the in-County C&D processing facilities (provided by the LEA) instead of the limited data provided by the C&D haulers themselves.

The Agency provided R3 with financial and tonnage data for calendar years 2006 to 2008. The data provided by the Agency, however, did not match the data provided by the haulers in some cases. For franchised hauler waste and non-franchised hauler waste, R3 elected to use data provided by the haulers rather than from the Agency because the hauler data included materials taken out-of-County. Data provided by the Agency were used exclusively for documenting self-haul tons and debris box tons disposed at County facilities<sup>3</sup>. R3 used the data provided by the LEA for C&D tons delivered to C&D processing facilities located within the County.

As discussed above, there may be an incomplete picture of the amount of material generated in the County due to the inability to obtain data from certain sources and inconsistencies in some of the data provided. Those limitations do not, however, materially impact the general analysis or viability of the various funding scenarios considered.

## Assessment of Current Agency Surcharge

The Agency currently receives its revenue from the Agency Surcharge based on disposal tonnage delivered at in-County

<sup>3</sup> The County classifies disposed tonnage as "self-haul" waste, "franchised" waste, and "debris box" waste.

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disposal facilities. In addition, Petaluma pays a surcharge equivalent to the Agency based on the tonnage of waste disposed by Petaluma's franchised waste hauler that is taken to an out-of-County disposal facility. Table 1 illustrates the FY 2007-08 Budget estimated Agency Surcharge by revenue source (\$5.40/ton).

**TABLE 1**  
**Estimated Sources of Agency Surcharge Revenue (2008)**

Source	Tons Disposed	Agency Surcharge	Percent of Total
Petaluma	29,375	\$153,756	8.1%
Franchise Disposed Waste	235,784	\$1,273,235	67.5%
Self-Haul Disposed Waste	69,895	\$377,433	20.0%
Non-Franchise Disposed Waste	15,411	\$83,219	4.4%
<b>TOTAL</b>	<b>350,465</b>	<b>\$1,887,643</b>	<b>100.0%</b>

As shown in Table 1 above, the 2007-08 Agency Budget estimated capturing approximately 350,500 tons, which are proportioned in the following four waste streams:

- Disposed waste delivered to the County landfill system (excluding that from Petaluma) by franchised haulers (235,784 tons applied to Agency Surcharge yielding \$1,273,235 in revenue);
- Disposed waste delivered by Petaluma's franchised hauler to disposal facilities in-County and out-of-County (167 tons in-County and 29,208 tons out-of-County applied the agreed upon Agency Surcharge yielding \$153,756);
- Disposed waste delivered to the County landfill system by self-haulers (69,895 tons applied to Agency Surcharge yielding \$377,433); and
- Disposed waste delivered to the County landfill system by non-exclusive debris box haulers (15,411 tons applied to Agency Surcharge yielding \$83,219).

All four of the waste streams captured by the Agency Surcharge (identified above) are decreasing and are expected to result in unsustainable funding for the Agency. According to County tonnage reports, franchised and self-hauled materials taken to County-owned facilities decreased 10 percent from 2008 to 2009. The FY 2007-08 Agency Budget was chosen as a baseline because that budget funded programs and projects that have since been eliminated or scaled back due to insufficient revenue. Reestablishing revenues to the FY 2007-08 levels would allow the Agency to reinstate currently inactive diversion programs and projects.

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## Agency Fee Scenarios

As seen in Table 1 above, the baseline revenue amount is based on approximately 350,500 tons of landfill waste disposed, and as indicated in Figure 1, disposal tonnage is decreasing. In order to maintain an Agency Budget of \$1,890,000, increasing the per ton amount to offset decreasing disposal tonnage is not sustainable and necessitates incorporating additional waste streams to develop a stable basis for the Agency Surcharge (i.e., generation based vs. disposal based).

The additional waste streams that were identified during the data collection process that are not currently under the Agency Surcharge (or any other Agency revenue source) include the following:

- C&D debris delivered to C&D processing facilities by non-franchised haulers (50,409 tons);
- Recyclable materials collected by franchised haulers (105,344 tons); and
- Landfill waste delivered by franchised haulers to disposal facilities out-of-County (16,271 tons excluding that from Petaluma).

The sum of the three additional uncaptured sources listed above was 172,024 tons in calendar year 2008. Table 2 provides a summary of the current and additional tonnage that could be used to develop the proposed Agency Fee based on total Solid Waste generation (recyclables, landfill waste, C&D).

TABLE 2 Countywide Tonnage Summary		
Tonnage Source	Material Type	Tonnage Generated
Franchised	Landfill Waste	281,430
	Recyclables	105,344
Non Franchised	Landfill Waste	15,411
	C&D	50,409
Self-Haul	Landfill Waste	69,895
Total Tons Generated		522,489

The Scenarios developed for this study incorporate various components to help alter the basis for revenue the Agency receives through the Agency Surcharge. These components include:

- Applying an Agency Fee on C&D debris delivered to C&D processing facilities; and

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- Charging franchised customers through their haulers (instead of at the landfill or transfer station).

### Agency Fee Scenarios

Based on project objectives and associated guidelines, available data, meetings with Agency staff and analysis to reestablish revenue at FY 2007-08 levels, R3 has developed the following three Agency Fee Scenarios (Scenarios) for consideration:

- **Scenario 1 – In-County Tons Disposed (Status Quo):**
  - Continue with the current Agency Surcharge on landfill waste delivered to in-County disposal facilities by self-haul and non-franchised customers;
  - Continue to assess an Agency Surcharge on all tons of landfill waste disposed by customers of franchised haulers and delivered to in-County disposal facilities; and
  - Continue to assess an Agency Surcharge on customers of Petaluma's franchised hauler based on landfill waste disposed.
- **Scenario 2 – Total Tons Disposed and C&D materials:**
  - Assess an Agency Fee (current Agency Surcharge) on landfill waste delivered to in-County disposal facilities by self-haul, franchised, and non-franchised customers;
  - Assess an Agency Fee (current Agency Surcharge) on customers of Petaluma's franchised hauler based on landfill waste disposed; and
  - Assess an Agency Fee on all tons of C&D generated in Sonoma County.
- **Scenario 3 – Tons Generated and C&D Materials:**
  - Assess an Agency Fee (current Agency Surcharge) on landfill waste delivered to in-County disposal facilities by self-haul and non-franchised customers;
  - Assess an Agency Fee on all tons of Solid Waste generated by customers of franchised haulers; and
  - Assess an Agency Fee on all tons of C&D generated in Sonoma County.

Table 3 below summarizes the three Scenarios. Following Table 3 is an analysis of the potential impact of each Scenario as well as the steps that need to be taken to implement the Scenarios.

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**TABLE 3**  
**Comparison of Scenarios**

Scenario Description		Analysis		
		Factor	Pros	Cons
<b>SCENARIO 1:</b>	<b>In-County Tons Disposed (Status Quo)</b>			
<b>Method for Assessing Surcharge</b>	Collect surcharge at point of disposal at in-County disposal facilities.  Collect surcharge equivalent from Petaluma franchised material disposed through an annual agreement between the Agency and the City of Petaluma.	<b>Tonnage Base / Sustainability</b>	No change in Member Agency or Hauler requirements.	Does not capture recyclables and C&D debris.  Does not capture Solid Waste (or other) tons delivered directly to out-of-County facilities.  Decreasing disposal tonnages would continue to destabilize Agency revenues unless the per ton surcharge is increased.
<b>Applicable Tonnages</b>	Landfill Waste delivered to County facilities.	<b>Revenue Neutrality</b>	Maintains Agency Revenue Neutrality.	
<b>Surcharge Amount</b>	Maintain current Agency Surcharge.	<b>Diversion Incentive</b>	Maintains Current Level of Diversion Incentive.	
<b>SCENARIO 2:</b>	<b>Total Tons Disposed and C&amp;D materials (Assess an Agency Fee on: All Tons of Landfill Waste disposed by Self-haul, Franchised, and Non-franchised Customers at In-county Disposal Facilities; and All Tons Received at In-County C&amp;D Facilities)</b>			
<b>Method for Assessing Surcharge</b>	Collect Fee at point of disposal for self-haul, franchised, and non-franchised customers.  Collect Fee from Petaluma franchised material disposed through an annual agreement between the Agency and the City of Petaluma.  Collect Fee at in-County C&D processing facilities.	<b>Tonnage Base / Sustainability</b>	Captures C&D tons delivered to in-County facilities.  Provides more sustainable funding base than Scenario 1 with a Fee captured on C&D tons.	Does not capture all landfill waste (or other) tons delivered directly to out-of-County facilities.  Will require developing and enacting an ordinance to impose a fee on C&D tons.  Variable nature of C&D and Self-haul tonnage may result in insufficient Agency funding.
<b>Applicable Tonnages</b>	Landfill Waste delivered to County facilities.  C&D materials delivered to in-County facilities.	<b>Revenue Neutrality</b>	Provides for lower per ton Fee than Scenario 1 due to expanded SW tonnage base but increases the total tonnage the surcharge is assessed on.	
<b>Fee Amount</b>	Adjust Agency Fee to \$4.72 to reflect additional revenue from C&D.	<b>Diversion Incentive</b>	Maintains significant differential between tip fees for landfill disposal, C&D processing and MRFs.	Reduces current diversion incentive by an amount equal to the Fee amount.

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**TABLE 3**  
**Comparison of Scenarios**

Scenario Description		Analysis		
		Factor	Pros	Cons
<b>SCENARIO 3:</b>	<b>Total Tons Generated</b> (Assess an Agency Fee on: All Tons of Landfill Waste Disposed by Self-haul and Non-franchised Customers at In-County Disposal Facilities; All Tons of Solid Waste Generated by Customers of Franchised Haulers; and All C&D Tons Generated in Sonoma County)			
<b>Method for Assessing Surcharge</b>	Continue to collect Fee on landfill waste at point of disposal for self-haul and non-franchised customers.  Collect Fee at in-County C&D processing facilities.  Franchised haulers remit Fee payments on all Solid Waste generated by their customers in Sonoma County directly to Agency.	<b>Tonnage Base / Sustainability</b>	Captures franchise collected recyclables and C&D tons generated within Sonoma County.  Captures Solid Waste tons delivered to out-of-County facilities by franchised haulers.  Provides a broader basis of tonnage to establish the Fee on and more sustainable funding source than Scenarios 1 and 2.	Does not capture all Solid Waste tons delivered directly out-of-County.  Variable nature of C&D and Self-haul tonnage may result in insufficient Agency funding.
<b>Applicable Tonnages</b>	Self-haul and non-franchised landfill waste delivered to In-County disposal facilities.  C&D Debris delivered to in-County facilities.  All Solid Waste collected by franchised haulers.	<b>Revenue Neutrality</b>	Does not increase Agency revenue.	
<b>Fee Amount</b>	Adjust Agency Fee to \$3.62 to reflect additional revenue from Solid Waste (recyclables, landfill waste) and C&D.	<b>Diversion Incentive</b>	Maintains significant differential between tip fees for landfill disposal, C&D processing and MRFs.	Reduces current diversion incentive by an amount equal to the Fee amount.

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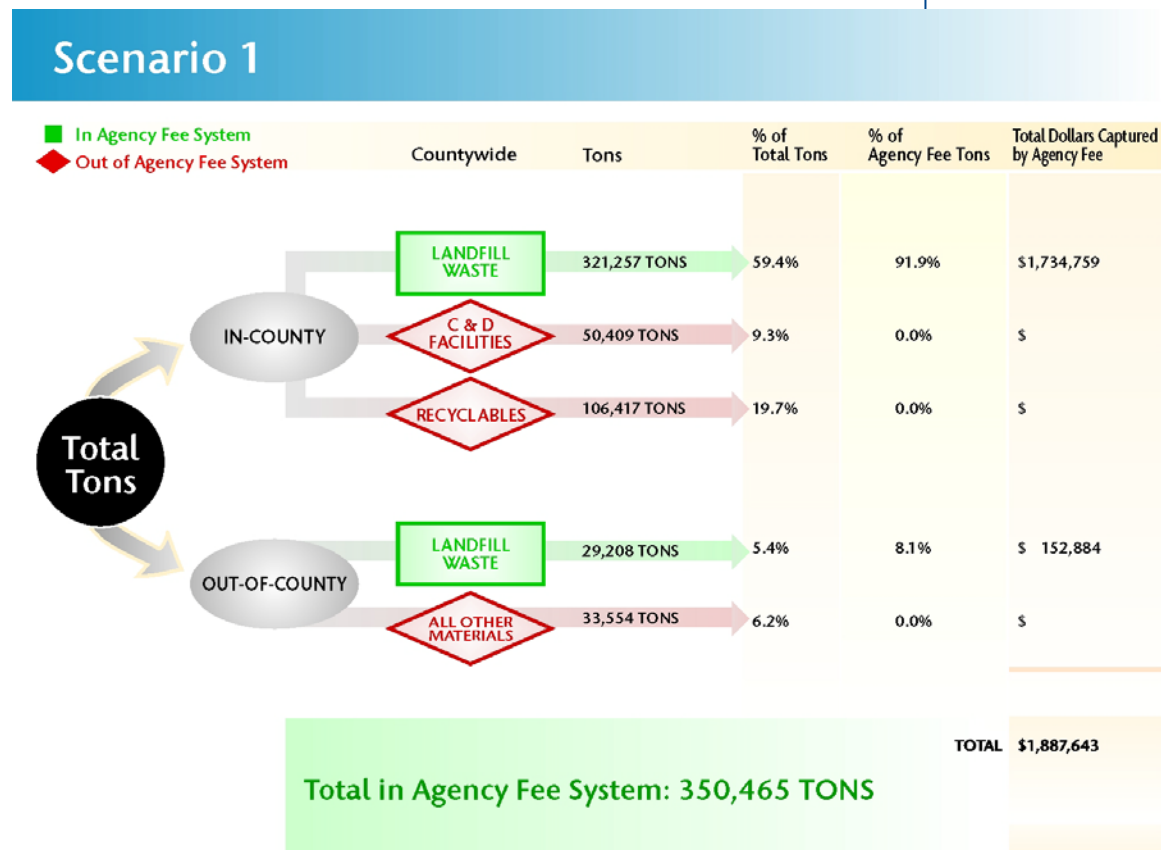
## Scenario 1: Continue With Current Agency Surcharge

Scenario 1 entails that the Agency maintain the status quo. This means applying the Agency Surcharge exclusively on:

- Landfill waste delivered to in-County disposal facilities by self-haulers (69,895 tons);
- Landfill waste delivered to in-County disposal facilities by non-franchised haulers (15,411 tons);
- Landfill waste delivered to in-County disposal facilities by franchised haulers (235,784 tons); and
- Landfill waste delivered by Petaluma's franchised hauler to disposal facilities in-County and out-of-County (167 tons in-County and 29,208 tons out-of-County applied to the agreed upon surcharge).

Figure 2 below shows the material flow of tons and revenue associated with the current Agency Surcharge system.

**Figure 2: Scenario 1 Material Flow Chart**



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Table 4 summarizes the financial impacts of Scenario 1. Appendix B provides the detailed breakdown of Table 4.

<b>TABLE 4</b> <b>Scenario 1: In-County Tons Disposed</b> <b>(Status Quo)</b>			
<b>Tonnage Source</b>	<b>Surcharge</b>	<b>Tons</b>	<b>Amount</b>
Franchised Customers	Agency Surcharge \$5.40/ton	235,784	\$1,273,235
Petaluma Franchised Customers	Agency Surcharge \$153,756 <sup>4</sup>	29,375	\$153,756
Self-Haul	Agency Surcharge \$5.40/ton	69,895	\$377,433
Non-Franchise Customers	Agency Surcharge \$5.40/ton	15,411	\$83,219
<b>TOTAL</b>		<b>350,465</b>	<b>\$1,887,643</b>

Scenario 1 results in total Agency revenue of approximately \$1,887,650 based on the 2007-08 Agency Budget data (including Petaluma's surcharge, Footnote 4). However, as stated above, the Agency has recognized a trend of falling disposal and rising diversion in the County, which threatens the Agency's revenue stream under the current Agency Surcharge. Maintaining the status quo does nothing to mitigate this threat. Programs that are currently unfunded will continue to go unfunded.

## Scenario 2: Tons Disposed and In-County C&D Facilities

Scenario 2 maintains the Agency's funding level and is similar to Scenario 1 with the incorporation of the Agency Fee on C&D debris delivered to in-County C&D facilities (50,409 tons).

### Scenario 2 entails that the Agency:

- Adjust the Agency Fee on landfill waste collected and taken to disposal facilities by self-haul, franchised, and non-franchised customers to \$4.72/ton; and
- Charge the generator of each ton of C&D debris delivered to in-County C&D facilities an Agency Fee of \$4.72/ton.

Figure 3 shows the material flow of tons and revenue associated with Scenario 2.

<sup>4</sup> Calculation based on \$5.40/ton at prior year's reported disposal.

Figure 3: Scenario 2 Material Flow Chart

## Scenario 2

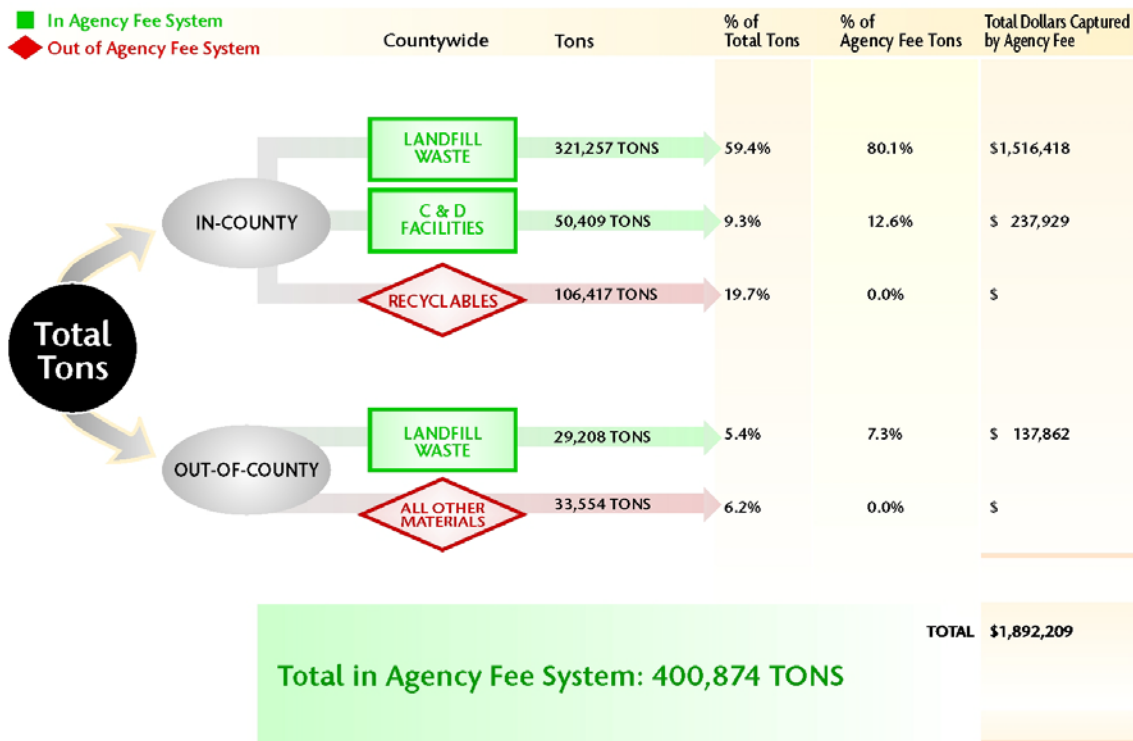


Table 5 below summarizes the financial impacts of Scenario 2. Appendix C provides the detailed breakdown of Table 5.

<b>TABLE 5</b> <b>Scenario 2: Total Tons Disposed and C&amp;D Materials</b> (Assess an Agency Fee on: All Tons of Landfill Waste disposed by Self-haul and Non-franchised Customers at In-county Disposal Facilities; All Tons of Landfill Waste Disposed by Customers of Franchised Haulers; and All Tons Received at In-County C&D Facilities)			
Tonnage Source	Surcharge	Tons	Amount
Franchised Customers	Agency Fee \$4.72/ton	265,159	\$1,251,636
Self-Haul	Agency Fee \$4.72/ton	69,895	\$329,904
Non-Franchise Customers	Agency Fee \$4.72/ton	15,411	\$72,740
C&D Facility	Agency Fee \$4.72/ton	50,409	\$237,929
<b>TOTAL</b>		<b>417,145</b>	<b>\$1,892,209</b>

Scenario 2 would result in total Agency revenue of approximately \$1,892,200 based on 2008 tonnage data. Based on the Agency FY 2007-08 Budget revenue of \$1,890,000 Scenario 2 would generate reserves of approximately \$2,200. These reserves

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# Agency Fee Study

would be held in contingency accounts by the Agency according to Agency reserve policies.

## Requirements for implementation of Scenario 2:

- Develop and implement an ordinance to impose the Agency Fee on C&D generators utilizing in-County transfer, processing or disposal facilities; and
- Develop a mechanism for collecting Agency Fee for C&D debris delivered to in-County facilities.

## Scenario 3: Tons Generated and C&D Materials

Scenario 3 maintains the Agency's funding level and builds on Scenario 2, but moves the Agency to a "generation" based Fee by incorporating recyclables materials into the tonnage calculations. This results in the Fee based on tons disposed (both in- and out-of-County), franchised tons recycled, and C&D tons generated in Sonoma County. The additional tonnage includes recyclables collected from customers of franchised haulers (105,344 tons). Identified, but not included in the Fee are the tonnages associated with drop-off recyclables (13,111 tons) and non-franchised Solid Waste hauled directly to out-of-County facilities (5,245 tons).

## Scenario 3 entails that the Agency:

- Charge customers through their franchised haulers an adjusted Agency Fee of \$3.62/ton of Solid Waste generated within Sonoma County. This maintains a large share (approximately 74.0% vs. current 75.6%) of the Agency revenue currently received;
- Charge the adjusted Agency Fee of \$3.62/ton of landfill waste at the gate of the County transfer stations to self-haulers and customers of non-franchised haulers. Franchised haulers will be exempted from paying the Agency Fee at the point of disposal on **franchised** tons; and
- Charge each ton of C&D debris entering in-County facilities an Agency Fee of \$3.62/ton.

Figure 4 shows the material flow of tons and revenue associated with Scenario 3.

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Figure 4: Scenario 3 Material Flow Chart

### Scenario 3

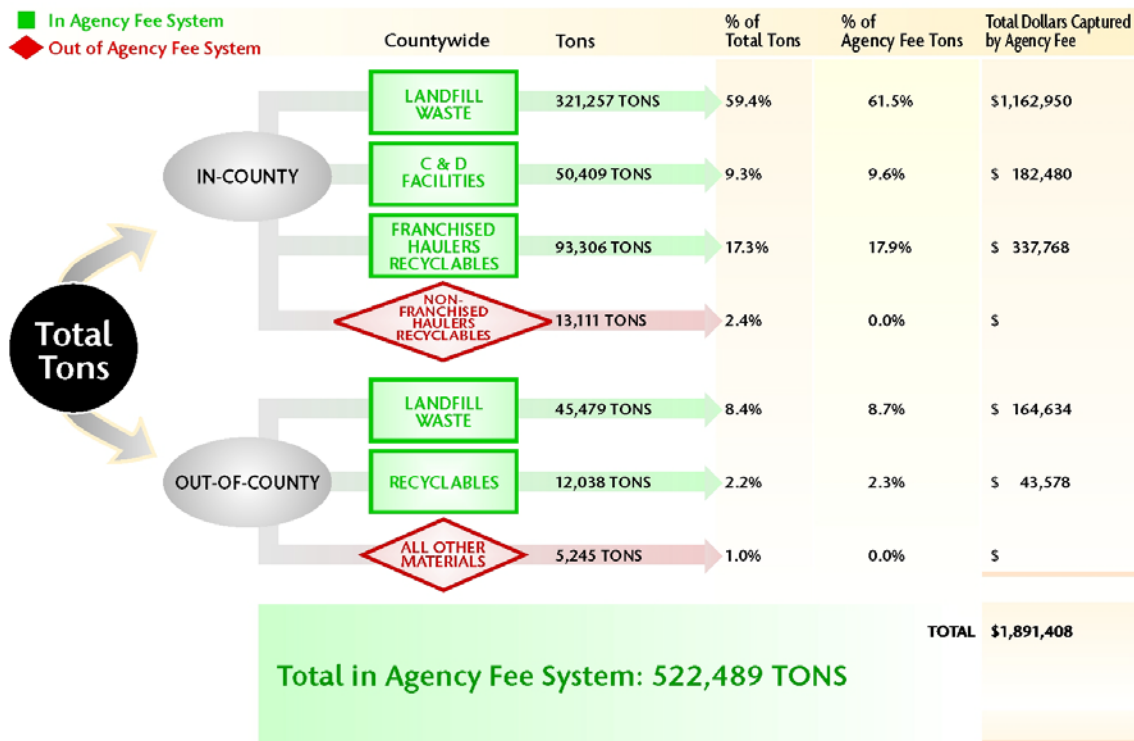


Table 6 below summarizes the amount each franchised hauler would need to collect from franchised customers, as well as the tons and dollar amounts collected from other tonnage sources. Appendix D provides the detailed breakdown of Table 6.

<b>TABLE 6</b> <b>Scenario 3: Total Tons Generated in Sonoma County</b> (Assess an Agency Fee on: All Tons of Landfill Waste Disposed by Self-haul and Non-franchised Customers at In-County Disposal Facilities; All Tons of Solid Waste Generated by Customers of Franchised Haulers; and C&D Tons Generated in Sonoma County)				
Tonnage Source		Surcharge	Tons	Amount
Landfill Waste	Franchise Customers	Agency Fee \$3.62/ton	281,430	\$1,018,776
	Self-Haul	Agency Fee \$3.62/ton	69,895	\$253,020
	Non-Franchise Customers	Agency Fee \$3.62/ton	15,411	\$55,788
C&D Debris	C&D Facility	Agency Fee \$3.62/ton	50,409	\$182,480
Recyclables	Franchised Haulers	Agency Fee \$3.62/ton	105,344	\$381,345
Total			522,489	\$1,891,409

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Scenario 3 would result in total Agency revenue of approximately \$1,891,400 based on 2008 tonnage data. Based on the Agency FY 2007-08 Budget revenue of \$1,890,000 Scenario 3 would generate reserves of approximately \$1,400. These reserves would be held in contingency accounts according to Agency reserve policies.

Scenario 2 and 3 both result in reduced Agency Fees, however, Scenario 3 will result in a more stable revenue source because customers of franchised haulers would be charged for all Solid Waste collected by franchised haulers and C&D debris generators would be charged instead of only landfill waste disposed of through the County's Solid Waste disposal system. Materials diverted from landfill disposal to recycling or C&D will no longer result in decreased Agency revenues.

## Requirements for implementation of Scenario 3:

- Develop and implement an ordinance to impose an Agency Fee on Solid Waste collected in Sonoma County; and
- Develop a mechanism for collecting Agency Fee for C&D debris delivered to in-County facilities.

## Recommendations

R3 believes that Scenario 3 is the best match with the Agency's primary objectives for the following reasons:

- Scenario 3 provides a stable revenue source for approximately seventy-four percent (74%) of the total Agency revenue by shifting to a system paid by customers of franchised haulers through their franchised haulers for Solid Waste tonnage collected. There should be no administrative burden on the Member Agencies and minimal administrative burden on the franchised haulers.
- Scenario 3 captures franchised tons being delivered out-of-County by the franchised haulers through adoption of a charge to franchise customers through their haulers remitted to the Agency.
- Scenario 3 **reduces the Agency Fee to \$3.62** per ton of Solid Waste and applies the same Agency Fee at the County transfer/disposal facilities for self-haulers. Because an Agency Surcharge is currently in use, there is no additional administrative burden of changing the Agency Fee.
- Scenario 3 **distributes the revenue base over more tons** by applying an Agency Fee to materials **generated** within Sonoma County rather than those **disposed** of through the

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County's Disposal System. Minimal administrative burden will be incurred for the Agency to redistribute the Agency Fee to customers of franchised haulers and in-County C&D facility customers.

Table 7 below shows total Agency revenue that could be generated through the Agency Fee equivalent amount paid by the franchised haulers, Agency Fee paid by self-haulers and non-franchised haulers, and the Agency Fee on the in-County C&D facilities.

TABLE 7 Summary of Agency Revenue Amounts				
Tonnage Source	Surcharge	Source of Surcharge	Revenue	Surcharge Point of Collection
Franchise Customers	Agency Fee \$3.62/ton	Landfill Waste	\$1,018,776	Franchise haulers
	Agency Fee \$3.62/ton	Recyclables	\$381,345	
Self-Haul Countywide	Agency Fee \$3.62/ton	Landfill Waste	\$253,020	County transfer / disposal facilities
Non-Franchise Customers	Agency Fee \$3.62/ton	Landfill Waste	\$55,788	County transfer / disposal facilities
Countywide	Agency Fee \$3.62/ton	C&D	\$182,480	C&D facility operators
<b>TOTAL</b>			<b>\$1,891,409</b>	

R3 also recommends the following:

- Require franchised haulers to report tonnage by point-of-origin and facilities used;
- Recalculate the Agency Fee based on the most current tonnage data at the time of ordinance adoption to ensure appropriate revenues;
- Request Member Agencies to address residual waste taken to out-of-County disposal facilities in their franchise agreements;
- Require non-franchised haulers to report tonnage data, point-of-origin data, and facilities used data;
- Consider increasing the Fee based on published inflation factors (CPI, PPI);
- Modify the current agreement with Petaluma for payment of the Agency Fee to be consistent with how the Agency Fee will be collected by the franchised haulers in the County; and
- Conduct an annual review of Agency Fee and tonnage data collected.

R3

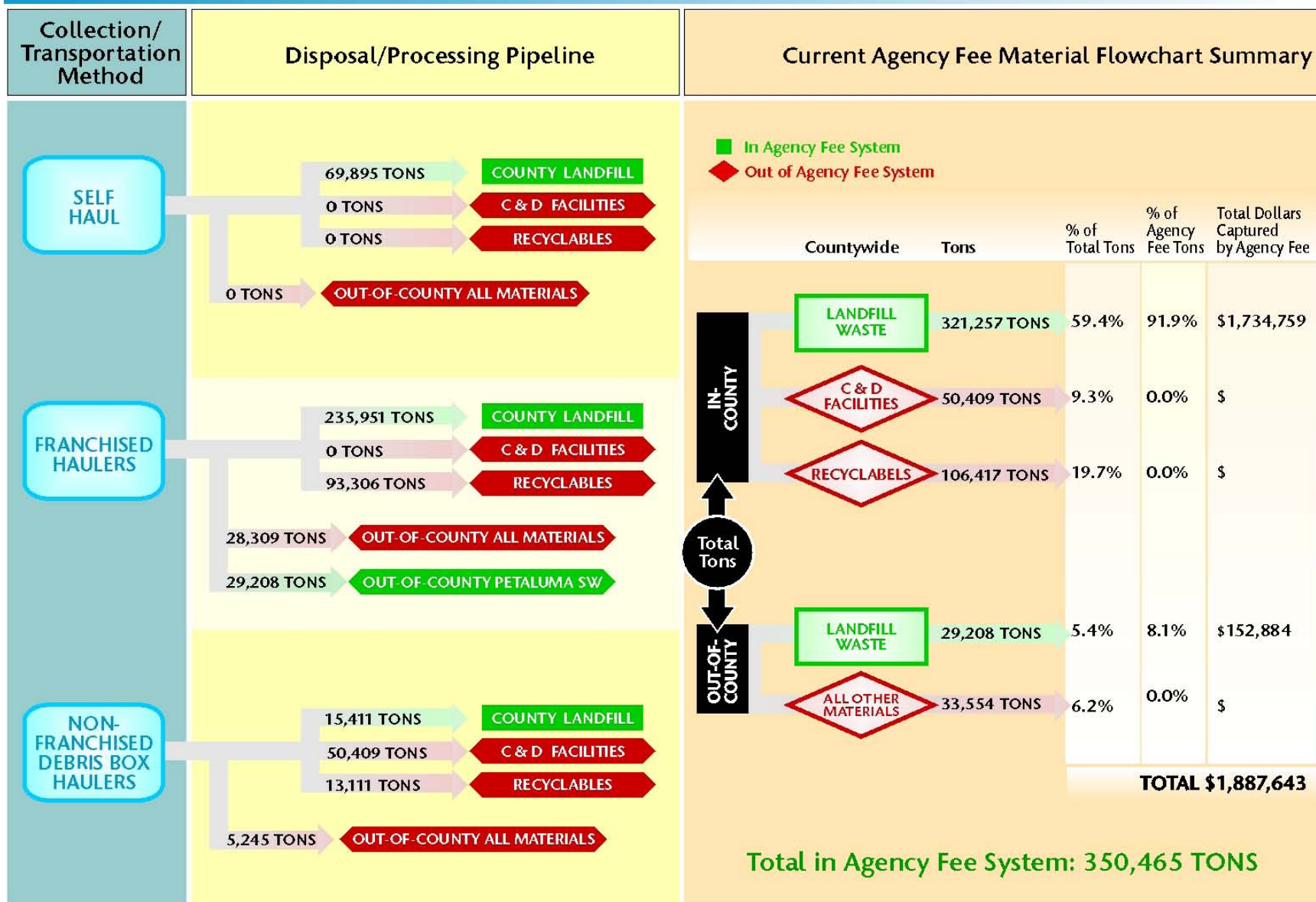
# Appendix A

## Material Flow Chart

## Appendix A

## Material Flowchart

## Appendix A MATERIAL FLOWCHART



# Appendix B

Scenario 1

## Appendix B

SCENARIO 1					
Jurisdiction	Destination	Tons Available (A)	Current TFS Agency Revenue (\$5.40/ton x A)	Tons Captured in Scenario 1 (B)	Scenario 1 Agency Revenue (\$5.40/ton x B)
Countywide	In County	235,951	\$ 1,274,107	235,951	\$ 1,274,107
Franchised Haulers	Out of County	45,479	\$ 152,884	29,208	\$ 152,884
Countywide	In County	69,895	\$ 377,433	69,895	\$ 377,433
Self-Haul	Out of County	0	\$ -	0	\$ -
Countywide	In County	15,411	\$ 83,219	15,411	\$ 83,219
Non-Franchised Hauler	Out of County	2,713	\$ -	0	\$ -
Countywide	In County	50,409	\$ -	0	\$ -
C&D	Out of County	0	\$ -	0	\$ -
Franchised Haulers	In County	93,306	\$ -	0	\$ -
Recyclables	Out of County	12,038	\$ -	0	\$ -
TOTAL	In County	464,972	\$ 1,734,759	321,257	\$ 1,734,759
	Out of County	60,230	\$ 152,884	29,208	\$ 152,884
	Grand Total	525,202	\$ 1,887,643	350,465	\$ 1,887,643

FY 2007-2008 Agency Budget	\$ 1,890,000
Excess (Deficit)	\$ (2,357)

# Appendix C

Scenario 2



## Appendix C

<b>SCENARIO 2</b>					
<b>Jurisdiction</b>	<b>Destination</b>	<b>Tons Available (A)</b>	<b>Current TFS Agency Revenue (\$5.40/ton x A)</b>	<b>Tons Captured Scenario 2 (B)</b>	<b>Scenarios 2 Agency Revenue (\$4.72/ton x B)</b>
Countywide Franchised Haulers	In County	235,951	\$ 1,274,107	235,951	\$ 1,113,774
	Out of County	45,479	\$ 152,884	29,208	\$ 137,862
Countywide Self-Haul	In County	69,895	\$ 377,433	69,895	\$ 329,904
	Out of County	0	\$ -	0	\$ -
Countywide Non-Franchised Hauler	In County	15,411	\$ 83,219	15,411	\$ 72,740
	Out of County	2,713	\$ -	0	\$ -
Countywide C&D	In County	50,409	\$ -	50,409	\$ 237,929
	Out of County	0	\$ -	0	\$ -
Franchised Haulers Recyclables	In County	93,306	\$ -	0	\$ -
	Out of County	12,038	\$ -	0	\$ -
<b>TOTAL</b>	<b>In County</b>	<b>464,972</b>	<b>\$ 1,734,759</b>	<b>371,666</b>	<b>\$ 1,754,347</b>
	<b>Out of County</b>	<b>60,230</b>	<b>\$ 152,884</b>	<b>29,208</b>	<b>\$ 137,862</b>
	<b>Grand Total</b>	<b>525,202</b>	<b>\$ 1,887,643</b>	<b>400,874</b>	<b>\$ 1,892,209</b>

<b>FY 2008-2009 Agency Budget</b>	\$ 1,890,000
<b>Excess (Deficit) <sup>(1)</sup></b>	\$ 2,209

# Appendix D

Scenario 3

## Appendix D

SCENARIO 3					
Jurisdiction	Destination	Tons Available (A)	Current TFS Agency Revenue (\$5.40/ton x A)	Tons Captured Scenario 3 (B)	Scenarios 3 Agency Revenue (\$3.62/ton x B)
Countywide Franchised Haulers	In County	235,951	\$ 1,414,538	235,951	\$ 854,142
	Out of County	45,479	\$ 12,453	45,479	\$ 164,634
Countywide Self-Haul	In County	69,895	\$ 377,433	69,895	\$ 253,020
	Out of County	0	\$ -	0	\$ -
Countywide Non-Franchised Hauler	In County	15,411	\$ 83,219	15,411	\$ 55,788
	Out of County	2,713	\$ -	0	\$ -
Countywide C&D	In County	50,409	\$ -	50,409	\$ 182,480
	Out of County	0	\$ -	0	\$ -
Franchised Haulers Recyclables	In County	93,306	\$ -	93,306	\$ 337,768
	Out of County	12,038	\$ -	12,038	\$ 43,578
TOTAL	In County	464,972	\$ 1,875,190	464,972	\$ 1,683,197
	Out of County	60,230	\$ 12,453	57,517	\$ 208,212
	Grand Total	525,202	\$ 1,887,643	522,489	\$ 1,891,408

FY 2007-2008 Agency Budget	\$ 1,890,000
Excess (Deficit) (1)	\$ 1,408