

California Environmental Protection Agency
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD
8800 Cal Center Drive
Sacramento, CA 95826
(916) 255-2200

Tuesday, January 6, 1998
1:30 p.m.
meeting of the

ADMINISTRATION COMMITTEE

Daniel G. Pennington, Chairman
Janet Gotch, Member
Steven R. Jones, Member

AGENDA

Note:

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- *If written comments are submitted, please provide 15 two-sided copies in advance of the Committee meeting and include on the first page of the document the date, the name of the committee meeting, the agenda item number, and the name of the person submitting the document.*
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Some of the items listed below may be removed from the agenda prior to the Committee meeting. To verify whether an item will be heard, please call Marlene Kelly, Committee Secretary, at (916) 255-2151.

1. DISCUSSION OF A FUTURE BOARD WORKSHOP CONCERNING THE POINT OF COLLECTION OF THE INTEGRATED WASTE MANAGEMENT FEE
2. OPEN DISCUSSION
3. ADJOURNMENT

Notice:

The Board or the Committee may hold a closed session to discuss the following: confidential tax returns, trade secrets, or other confidential or proprietary information of which public disclosure is prohibited by law; the appointment or employment of a public employee; or litigation under authority of Government Code Sections 11126 (a)(1), (c)(3), (15), and (e), respectively.

For further information or copies of agenda items, please contact:

INTEGRATED WASTE MANAGEMENT
BOARD 8800 Cal Center Drive
Sacramento, CA 95826

Patti Bertram, (916) 255-2563
FAX (916) 255-2602

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California Integrated Waste Management Board

Administration Committee

January 6, 1998

AGENDA ITEM 1

ITEM:

DISCUSSION OF A FUTURE BOARD WORKSHOP CONCERNING THE POINT OF COLLECTION OF THE INTEGRATED WASTE MANAGEMENT FEE

I. SUMMARY

The primary purpose of this item is to provide an opportunity for the public to give feedback to the Committee in order to best define a future workshop focused on the issues related to the point and equity of collection of the Integrated Waste Management (IWM) Fee. Based on feedback received, the Board may schedule a workshop in the Spring of 1998. In addition, an update of the information previously provided to the Committee on the waste exported from California by local jurisdictions has been included. The attached table entitled "Waste Export Summary" details the twelve local jurisdictions currently exporting waste out-of-state, the percentage of their waste which is currently being exported, the reasons for export and the projected lost revenue. In addition, the attached table entitled "Summary of Grant and Loan Distribution" details the grant and loan funding given to each of the counties.

II. PREVIOUS COMMITTEE ACTION

This is the first time that the Committee has discussed the topic of a workshop centered around the point of collection of the IWM Fee. The Committee has had periodic updates on the topic of waste export over the last two years.

III. OPTIONS FOR THE BOARD OR COMMITTEE

This is a discussion item only. Committee members may wish to:

1. Direct staff to plan a workshop centered around the point of collection of the IWM Fee, taking into consideration information highlighted during this Committee meeting.
2. Direct staff to further examine the fee impacts of out-of-state waste export and to provide possible options to address the impacts of waste export at a future committee meeting or Board meeting; and to provide periodic updates on the amount of waste being exported out-of-state.

IV. STAFF RECOMMENDATION

This item has been prepared to obtain information from the public and to provide information to Board members as a basis for discussion. There is no staff recommendation.

V. ANALYSIS

Background:

Potential Impacts of Waste Export on the Integrated Waste Management Account (IWMA)

The IWMA is the largest of the Board's funding sources. It is funded by surcharges levied by the State Board of Equalization on each ton of solid waste received by the state's approximately 300 permitted solid waste landfills that accept at least five tons of solid waste per operating day. In 1996, this amounted to 33.7 million tons and \$45.2 million. Public Resources Code sections 48000-48008 set forth the collection and administration criteria for the IWMA. The fee itself is currently assessed at \$1.34 per ton, and is not allowed to exceed \$1.40 per ton by statute.

The Board is required by statute to expend the funds from the IWMA, upon appropriation by the Legislature, for: 1) the administration and implementation of the requirements of Division 30 of the Public Resources Code; and, 2) the State Water Board's and regional boards' implementation of Division 7 (commencing with section 13000) of the Water Code, which governs the water quality aspects of waste discharge to landfills.

For purposes of implementing Division 30 of the Public Resources Code, the IWMA is used to fund a broad range of activities. While revenue is derived from permitted solid waste disposal sites, these funds support a very comprehensive mandate, including disposal site management. All of the activities supported by programs provided for in Division 30 in some way contribute toward implementing the hierarchy of integrated waste management. Included in Division 30 are Countywide Integrated Waste Management Plan development and implementation requirements: the tool for characterizing and defining the means that local entities will undertake to reach the statutory 25% and 50% diversion mandates. Market development activities are promoted to use the portion of the waste stream that is diverted from disposal. Facility management (permitting and enforcement) programs assist in ensuring that waste diverted from disposal is managed in an environmentally sound manner while promoting the diversion benefit. Educational programs then assist local entities in bringing about behavioral changes in the population to realize success in meeting the mandates.

It is important to note that the most recent update to the "Out-of-State Waste Disposal" report, prepared by Board staff in April 1995, identified significant near-term and long-term out-of-state landfill capacity implications. Seventeen jurisdictions were identified as having a high potential for waste export, based upon a threshold cost per ton at which out-of-state disposal may become more economical. These seventeen jurisdictions have the potential for exporting 11.7 million tons annually, reflecting a possible loss of

revenue to the IWMA of \$15.8 million. This export is contingent upon: 1) the capacity of out-of-state landfills, 2) tipping fees outside of California, 3) transportation rates, 4) tipping fees within California, and 5) landfill closure schedules within California. Although the amount of waste exported out-of-state has increased each year, from just under 100,000 tons in 1994 to approximately 480,000 tons of waste exported for fiscal year 1996/1997, the large potential for waste export out-of-state as identified in this report has not materialized.

Legislative History

In previous years, two bills contained language to attach fees to solid waste which is exported. Neither of these bills were successfully passed with the waste export fee language included.

AB 688 This bill was introduced in the 1993/1994 legislative session. Language was added on August 8, 1994, which would have required each operator of a transfer station to pay a quarterly fee to the Board of Equalization (BOE), based upon the amount of solid waste handled at the transfer station that was to be disposed of outside the state. This bill specified that the fee bear a direct relationship to the reasonable and necessary cost of regulating the handling at the transfer station of the solid waste upon which the fee would have been imposed. This text was pulled from the bill on August 29, 1994. The Board supported this bill, however, it was passed and chaptered without the language outlined above.

SB 1023 This bill was introduced in the 1995 legislative session and would have required each operator of a transfer station to pay a quarterly fee to BOE, based upon the amount of solid waste handled at the transfer station that was to be disposed of outside the state. This bill specified that the fee bear a direct relationship to the reasonable and necessary cost of regulating the handling at the transfer station of the solid waste upon which the fee would have been imposed. This bill was not initiated by the Board and neither the Legislation and Public Education Committee nor the Board took a position on this bill. The bill died in committee.

Recently, there have also been quite a few federal bills introduced that may affect waste exported out-of-state. These bills include:

HR 942 *Interstate Transportation of Municipal Solid Waste Act of 1997; Municipal Solid Waste Flow Control Act of 1997.* This bill would amend the Solid Waste Disposal Act to provide authority for states to limit the interstate transportation of municipal solid waste.

HR 943 *Municipal Solid Waste Flow Control Act of 1997.* This bill would amend the Solid Waste Disposal Act to provide authority for states to control the movement of municipal solid waste to waste management facilities within the boundaries of the state or within the boundaries of political subdivisions of the state.

- HR 1346 *State and Local Government Interstate Waste Control Act of 1997.* This bill would amend the Solid Waste Disposal Act to provide congressional authorization for restrictions on receipt of out-of-state municipal solid waste, and for other purposes.
- HR 1358 *Interstate Transportation of Municipal Solid Waste Act of 1997.* This bill would amend the Solid Waste Disposal Act to permit a governor to limit the disposal of out-of-state solid waste in the governor's state, and for other purposes.
- S 384 *Solid Waste Disposal Act, Amendment.* This bill would amend the Solid Waste Disposal Act to allow states to regulate the disposal of municipal solid waste generated outside the state.
- S 443 *State and Local Government Interstate Waste Control Act of 1997.* This bill would amend the Solid Waste Disposal Act to provide congressional authorization for restrictions on receipt of out-of-state municipal solid waste and for state control over transportation of municipal solid waste.
- S 448 *Solid Waste Disposal Act, Amendment.* This bill would amend the Solid Waste Disposal Act to authorize local governments and governors to restrict receipt of out-of-state municipal solid waste.
- S 463 *Solid Waste Disposal Act, Amendment.* This bill would amend the Solid Waste Disposal Act to permit a governor to limit the disposal of out-of-state solid waste in the governor's state.

There has been no activity on these bills since the last update in June, 1997.

Key Issues:

- Several counties have chosen to export a portion or all of their waste out-of-state (see Attachment 1). Consequently, tipping fees are not paid at the full contribution level to the IWMA for this waste.
- The Committee would like to receive input from the public about what they would like to see addressed in a future workshop on the point of collection of the IWM Fee. Topics may include the following:
 - Potential impacts of waste export;
 - Competitive advantage or disadvantage issues with regard to the IWM Fee;
 - Technical and legal implications of fee structure revision;
 - Alternative methods to collect the fee; and
 - Methods used by other states to collect fees.

Fiscal Impacts:

Attachment 1, "Waste Export Summary" summarizes the percentage of waste which is currently being exported, the reasons for export and the projected lost revenue for counties which have chosen to export some or all of their solid waste out-of-state.

Findings:

Since this item was last researched in April, 1997, there has been one change in the local jurisdictions' export of waste out-of-state, and in the subsequent fees that are paid for waste landfilled within California, as follows:

- Amador County has stopped exporting waste. They were previously exporting approximately 32 percent.

There are currently eleven counties that export a portion or all of their waste out-of-state. These counties collectively exported approximately 480,000 tons of waste out-of-state for fiscal year 1996-1997, which amounts to a loss of revenue of approximately \$643,500. This export is approximately 1.4% of the non-recovered waste generated by California in fiscal year 1996-1997.

VI. FUNDING INFORMATION

No funding needed for this item.

VII. ATTACHMENTS

1. Waste Export Summary
2. Summary of Grant and Loan Distribution

VIII. APPROVALS

Prepared By:	<u>Maureen Goodall</u> <i>M. Goodall</i>	Phone:	<u>255-2422</u>
Reviewed By:	<u>Rubia Packard</u> <i>R. Packard</i>	Phone:	<u>255-2650</u>
Reviewed By:	<u>Karin Fish</u> <i>K. Fish</i>	Phone:	<u>255-2269</u>
Legal Review:	<u><i>Stephen Hauer</i></u>	Date/Time:	<u>12/29/97</u>

Waste Export Summary

Attachment 1

County	Population as of 1/97*	Est. Tip Fees Paid FY 1996/97	Approx. Tons To Disposal FY 1996/97	Exporting as of 12/97	Estimated Tons Exported FY 1996/97	Estimated Lost Revenue FY 1996/1997	Reasons for Export
Rural**							
Alpine	1,180	\$900	1,200	15%	500	\$700	No Solid Waste landfill; proximity; geography.
Amador	33,750	\$18,800	18,300	0%	4,200	\$5,700	Eastern portion of county exports due to cost and proximity.
El Dorado	142,200	\$51,300	111,200	90%	73,000	\$97,700	Cost; proximity, geography; safest route.
Modoc	10,150	\$0	5,800	100%	5,800	\$7,800	Cost; proximity.
Napa	120,800	\$10,144	79,200	90%	71,700	\$96,000	Quality; cost.
Nevada	86,600	\$1,200	51,000	98%	50,100	\$67,100	Cost.
Piutes	20,350	\$2,000	16,900	91%	15,400	\$20,700	Cost; regional Solid Waste landfill is in Nevada.
Tuolumne	52,100	\$0	27,100	100%	27,100	\$36,900	Can't site new Solid Waste landfill; cost.
Urban							
Placer	209,700	\$212,500	187,000	15%	28,400	\$38,100	Closed landfill; proximity; cots.
San Bernardino	1,587,400	\$1,895,700	1,421,000	<1%	6,300	\$8,500	Proximity; 8-10 miles to Arizona landfill.
San Diego	2,724,400	\$3,432,900	2,680,900	4%	119,000	\$159,500	Cost.
Solano	375,400	\$488,700	442,700	18%	78,000	\$104,500	Vallejo is part of Napa JPA which exports.
TOTAL	5,364,030	\$6,114,144	5,042,300		479,500	\$643,200	

*Population figures from Department of Finance, Demographic Research Unit

**Rural defined as counties with populations less than 200,000

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All figures are approximate and, unless otherwise stated, as of December 1997.

Summary of Grant and Loan Distribution

County	IWMA FUNDED GRANTS						GRANT TOTAL BY FUND						
	RMDZ Loans to date	HHW Grants		EA Grants		AB 2136		IWMA		Used Oil		Tire	
			95/96	96/97	95/96	96/97	95/96	96/97	95/96	96/97	95/96	96/97	95/96
Rural*													
Alpine**		\$19,924	\$54,705	\$15,633	\$15,570			\$35,557	\$70,275			\$10,000	
Amador**				\$16,460	\$16,986			\$16,460	\$16,986	\$4,224		\$35,000	
El Dorado**		\$89,721		\$17,405				\$107,126	\$0	\$308,427		\$53,560	
Modoc**		\$112,185		\$21,385	\$18,438			\$133,570	\$18,438			\$15,000	
Napa**		\$98,073	\$103,000	\$17,756	\$18,912			\$115,829	\$121,912	\$37,401		\$54,396	
Nevada**		\$32,047		\$17,486	\$17,480			\$49,533	\$17,480	\$27,742		\$37,585	
Plumas**		\$84,595		\$20,339	\$19,090			\$104,934	\$19,090	\$704		\$15,000	
Tuolumne**			\$102,000	\$17,784				\$17,784	\$102,000	\$16,520		\$22,269	
Urban													
Placer**			\$63,667	\$20,701	\$20,848			\$20,701	\$84,515	\$237,976		\$62,602	
San Bernardino**	\$1,225,000	\$75,890		\$45,306	\$46,507			\$121,196	\$46,507	\$918,980		\$568,431	\$212,744
San Diego**	\$772,000	\$203,142	\$106,101	\$49,650	\$53,749	\$615,000		\$867,792	\$159,850	\$1,219,425	\$1,241,855	\$18,181	\$6,286
Solano**		\$71,614	\$233,600	\$20,484	\$20,730			\$92,098	\$254,330	\$107,942		\$139,921	\$56,867
Totals	\$1,997,000	\$787,190	\$663,073	\$280,389	\$248,310	\$615,000	\$0	\$1,682,579	\$911,383	\$2,879,342	\$2,255,619	\$230,925	\$80,153

*Rural defined as counties with populations less than 200,000

**These counties received one or more regional grants. Funding shown reflects the county's proportion