



LOS ANGELES COUNTY
SOLID WASTE MANAGEMENT COMMITTEE/
INTEGRATED WASTE MANAGEMENT TASK FORCE
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DONALD L. WOLFE
CHAIRMAN

April 19, 2007

The Honorable Fabian Nunez
State Capitol Room 219
Sacramento, CA 94249-0046

Dear Assembly Speaker Nunez:

**ASSEMBLY BILL 1610 (INTRODUCED FEBRUARY 23, 2007)
INCREASING THE INTEGRATED WASTE MANAGEMENT FEE TO \$2 PER TON**

The Los Angeles County Solid Waste Management Committee/Integrated Waste Management Task Force (Task Force) **opposes** Assembly Bill 1610 (AB 1610), which would allow the California Integrated Waste Management Board to increase the Integrated Waste Management Fee (Fee) from \$1.40 up to \$2 per ton (effective July 1, 2007) unless the Bill is modified to:

- Solicit stakeholder input prior to any Fee increase; and,
- Require a portion of any new revenues which result from a Fee increase, be (a) returned to local governments in the form of per capita recycling block grants, and (b) spent towards research and development of conversion technology facilities.

Pursuant to Chapter 3.67 of the Los Angeles County Code and the California Integrated Waste Management Act of 1989 (AB 939, as amended), the Task Force is responsible for coordinating the development of all major solid waste planning documents prepared for the County of Los Angeles and its 88 cities in Los Angeles County with a combined population

in excess of 10 million. Consistent with these responsibilities, and to ensure a coordinated and cost-effective and environmentally-sound solid waste management system in Los Angeles County, the Task Force also addresses issues impacting the system on a Countywide basis. The Task Force membership includes representatives of the League of California Cities-Los Angeles County Division, the County of Los Angeles Board of Supervisors, the City of Los Angeles, the waste management industry, environmental groups, the public, and a number of other governmental agencies.

Currently, the California Integrated Waste Management Board's yearly budget is \$200 million. The Waste Board utilizes this money to fund various waste reduction and recycling programs, regulate solid waste facilities, and oversee the cleanup of abandoned solid waste sites. Collectively, the residents of Los Angeles County pay approximately one-third of this amount (\$68 million) through a variety of State surcharges, including paying the Fee. Under the Fee, the Waste Board levies \$1.40 on each ton of solid waste disposed at landfills.

AB 1610, if enacted, would allow the Waste Board to increase the Fee up to \$2 per ton, resulting in a financial impact on Los Angeles County of approximately \$7 million per year.

First, it's unclear whether a financial planning model forecasting revenues and expenditures and forecasting the need for Fee adjustments has been conducted to justify the need to allow the Waste Board to increase the Fee up to \$2 per ton. The Task Force respectfully requests that prior to any Fee increase, the Waste Board should conduct workshops in both Southern and Northern California to solicit input from affected stakeholders on the following topics:

- The economic impact of the potential increase, and
- The earliest practical effective date of any Fee increase. The effective date is important for local governments because in order to pass along the increased cost increases to ratepayers, a number of Statutory procedures must be followed, including compliance with Proposition 218 requirements. Compounding this dilemma, for those local governments collecting solid waste service fees through the property tax bill, the earliest possible date for recouping any cost increases is Fiscal Year 2008-09 (Section 5471 and 5473 of the California Health and Safety Code).

Second, at a time when local governments are facing budgetary constraints, we believe the State could provide additional financial resources to local governments to implement new or enhance existing waste reduction and recycling programs. Thus, the Task Force respectfully requests that if the Waste Board is allowed to increase the Fee up to \$2 per ton, the Waste Board should develop a funding mechanism to disburse a portion of the new revenues in the following manner:

- Issue per-capita recycling block grants to local governments. This ensures that the funds are equitably distributed, minimizes unnecessary paperwork and ensures funds are spent directly on waste reduction and recycling programs – the underpinning of AB 939. This concept is currently practiced by the State Department of Conservation (under the California Beverage Container Recycling and Litter Reduction Act) which annually provides \$10.5 million to local governments on a per capita basis to enhance beverage container recycling and litter prevention activities. This program has proven to be highly popular with local governments for the reasons cited above.
- To fund the promotion and development of conversion technology facilities which convert biomass or residual post-recycled municipal solid waste into useful products, green fuels and renewable energy. Recognizing the pivotal benefits of conversion technologies, it is imperative that the State provide funding to accelerate the research and development of these facilities in order to compete with other beneficial resource management options on a level playing field while protecting public health and safety and the environment. With national attention focusing on the need to reduce our dependence on fossil oil, and California's aggressive efforts to reduce green house gas emissions (including complying with AB 32 [2006 Statutes] which you co-authored) and reduce our dependence on landfilling, we have the opportunity to demonstrate leadership in utilizing new technologies to meet our future needs in a sustainable and environmentally preferable manner.

Therefore, the Task Force **opposes** AB 1610, unless the Bill is modified to solicit stakeholder input prior to any Fee increase; and, a portion of any new revenues which result from a Fee increase, should be (a) returned to local governments in the form of per capita recycling block grants, and (b) spent towards research and development of conversion technology facilities. We believe this request can be accommodated since the Waste Board's current \$200 million budget is sufficient in size to continue carrying out its primary roles and responsibilities.

Honorable Fabian Nunez
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If you have any questions, please contact Mr. Mike Mohajer of the Task Force at (909) 592-1147.

Sincerely,

Margaret Clark

Margaret Clark, Vice-Chair
Los Angeles County Solid Waste Management Committee/
Integrated Waste Management Task Force and
Council Member, City of Rosemead

CS:

cc: Senate President Pro Tem Don Perata
Each Member of the Assembly Natural Resources Committee
Each Member of the Los Angeles County Legislative Delegation
California Integrated Waste Management Board
Each Member of the County of Los Angeles Board of Supervisors
Each City Mayor in the County of Los Angeles
California State Association of Counties
League of California Cities
League of California Cities, Los Angeles County Division
Southern California Association of Governments
San Gabriel Valley Council of Governments
Solid Waste Association of North America
South Bay Cities Council of Governments
Each Member of the Los Angeles County Integrated Waste Management Task Force
Each City Recycling Coordinator in Los Angeles County