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From:	Rose Radford, <i>Director</i>
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Subject:	San Benito County Permit Application Fee Nexus Study

Hauling Permit

San Benito County Resource Management Agency Integrated Waste Management Division is implementing a new permit system to replace the prior Non-Exclusive Hauling Franchise Agreement (NEFA) system. The new permits are designed to facilitate compliance with Senate Bill (SB) 1383 and other state reporting requirements. The new requirements include:

1. Requirement to provide recycling and organics service to regularly scheduled service for generators that subscribe to garbage service only; with an allowance for some waivers as appropriate & documented.
2. Introduction of container color and labeling standards.
3. Requirement to divert recycling and organics to appropriate facilities for diversion and not allow land application or disposal of such materials.
4. Introduction of certain customer education requirements, and the inclusion of web-based educational content for County customers.
5. Contamination monitoring requirements via route audits or waste evaluations.
6. Requirement to process all construction and demolition materials at an approved facility.
7. Reporting of vehicle inventory lists to the County every three years.
8. Additional regulation on overweight vehicles.
9. Introduction of liquidated damages.
10. Expansion of insurance requirements; and inclusion of performance bond.
11. Regular annual reporting of customer subscription data for CalRecycle and compliance monitoring generally; and submission of additional materials upon permit application, including customer rates.
12. Current monthly tonnage and revenue/fee reporting and payments are updated to quarterly periods, to reduce administrative overhead for the permitted haulers, as well as costs for IWM staff time (paid by all RA members).
13. Removal of the requirement to submit a Recycling Plan.

Permit Fee

In order to cover staff time that is required for administration of the new permits, IWM is proposing to adopt a permit application fee which would be paid by the permitted haulers annually. This fee would be in addition to the permit fees paid on the basis of gross revenue (5% for projects located in the County and Hollister, and 10% for residential customers and 15% commercial customers located in San Juan Bautista). Each hauler, regardless of size of business, would be required to pay this fee annually, and the fee is based upon reasonable estimates of staff time for oversight.

Anticipated staff time needs are as follows:

- **Receiving and Processing Permit Application.** IWM staff must receive permit applications, evaluate the adequacy of the applications, confirm fee payments were made, and finalize the permit. This fee estimate spreads out the administrative costs over a three-year period, as the fee is due annually.
- **Receiving and Evaluating Hauler Reports.** The new permits include substantially increased reporting requirements. Historically, IWM has not consistently received regular reporting from all active NEFA haulers and has lacked the resources to verify and fully track reporting. The new reports require haulers to report material hauled by type (curbside or roll-off garbage, commingled recycling, yard trimmings and food waste, and recycled construction and demolition debris), by jurisdiction, on a quarterly basis; and also requires reporting on compliance with the collection requirements of state law which requires a customer-by-customer evaluation of collection service levels for all customers with regular weekly service.

Receiving and compiling these new reports as required of San Benito under current and future state law will require additional staff time. We also expect that staff will need to engage directly with haulers that may be negligent in providing regular reports or require assistance in understanding what is needed.

- **State Compliance and Reporting.** IWM staff is required to compile data about all hauling activities in the County and report to the state.
- **Directing Complaints and Assisting Customer Inquiries.** SB 1383 regulations require provision of a complaint submission and resolution process; customers may also have complaints about mandatory recycling and organics collection, and possibly about the implementation of the new state law. IWM staff time will be required to address any such complaints.

The total fee based upon expected staff administrative time is \$2,640 per year.

Table 1: Staffing Costs

Staff Activity	Hours Per Year	Fully-Loaded Staffing Costs	Fee Per Year
Receiving and processing permit application; Assisting hauler inquiries	3	\$80	\$240
Receiving and evaluating hauler quarterly and annual reports	20	\$80	\$1,600
State compliance and reporting	5	\$80	\$400
Assisting or directing customer complaints and inquiries	5	\$80	\$400
Total	33	\$80	\$2,640