

Dear City of Santa Barbara Councilmembers,

As experienced solid waste professionals who have been involved in the planning efforts of dozens of other jurisdictions throughout California and elsewhere, we have been tracking the County of Santa Barbara's proposed strategy for dealing with its waste with increasing concern.

Between us we have over 200 years of experience with all varieties of waste management and recycling solutions, and have particular knowledge about the type of waste streams generated in cities of Santa Barbara's size, statewide laws and upcoming legal requirements, and the array of technology and programs available for California municipalities.

At the request of local environmental groups but under no paid agreement with them, we have reviewed the proposed Tajiguas Resource Recovery Project, or TRRP, and are familiar with the technologies proposed, the site, and the community. It is our consensus conclusion that the TRRP is not an appropriate or advisable project, and we believe that the participating cities, ratepayers and the County should pull back from what we believe will be a costly mistake.

The basis for our conclusion that this project is not suitable as proposed include:

High cost for little reward

This project is estimated to cost South Coast ratepayers \$120M plus interest -- and from our understanding is the largest non-transportation infrastructure investment in the region in decades. Depending on when it were to become operational, the project could add 8 to 10 years to the landfill's current 9-year expected lifespan. We believe that a \$120M investment should be providing the community with much more than an 8 to 10 year fix. The community should be getting waste management infrastructure and education programs that provide a much longer term benefit.

Waste reduction should come first

As with any resource -- such as water or energy -- the cheapest way to manage it is to reduce its use. This is why forward-thinking communities like Santa Barbara prioritize water conservation and water-saving technologies before large infrastructure solutions like the desalination plant. Our experience shows that starting with conservation works: Santa Barbara residents have been so successful in bringing down water use that those reductions have stuck even when drought restrictions have lifted. The same should be true for waste, with "reduce" and "reuse" coming before "recycle" and "landfill." Residential and commercial outreach and educational programs have been effective in communities to increase separation of waste streams at the source to meet diversion goals and avoid the need for expensive facilities.

Changes to markets for recycled materials undermine the project's financial viability

A significant portion of the revenue needed to finance the TRRP's operations is expected to come from the sale of recycled materials, including recyclables separated from the trash stream in the "dirty" Materials Recovery Facility, or MRF. China recently adopted a policy called "National Sword" and informed the World Trade Organization of their unwillingness to accept dirty or contaminated recyclables that did not meet international trading specifications. It may not make sense to invest \$50M in a MRF at this time when the recyclable market situation has become so unstable.

"Put or Pay" agreement removes flexibility in a changing market

The "put or pay" agreement with the County obligates the City to pay up no matter what market conditions and changing policy and regulatory priorities bring forth. (In fact, put-or-pay agreements require payments even if the project never provides the services called for in the agreement.) This type of agreement is particularly troubling as California's waste management landscape is nearly constantly in flux, and the state is undergoing a significant paradigm shift in how (and why) it manages discards. Such agreements have doomed participating local governments to sometimes catastrophic financial obligations, such as happened in San Diego County in the 1990s.

A bad deal for the City of Santa Barbara

In order to be financially viable, the TRRP requires a minimum of 75,000 tons of mixed solid waste, recyclables and food scraps each year from the City of Santa Barbara -- about 98% of the amount that the City currently generates. In other words, even if the City were to implement strong waste-reduction programs, there is no financial incentive to do so. The put-or-pay agreement would lock the City into putting virtually all of its current tonnage through the TRRP and would commit the City to continuing to throw away as much waste as they currently do -- very much in conflict with the state's current waste management hierarchy, which promotes waste reduction above all other means of recycling.

Misses an opportunity with food scraps and yard waste

Many communities are now meeting state requirements to keep organic material out of landfills by turning food scraps and yard waste into high quality compost -- often providing this material to local farmers and ranchers to increase the nutrient value and water-holding capacity of their soil. The cleaner the food scraps (not co-mingled with trash or otherwise contaminated), the higher quality the compost. For an agricultural region such as Santa Barbara County, this can also be a powerful climate change strategy. The City was the first in the region to provide voluntary food scrap collection to restaurants and grocery stores -- sending this material to a facility where it is made into compost. Under the agreement with the County, in order to meet the put-or-pay minimum requirements, the

City would almost certainly send its commercial food scraps instead to the TRRP. Generating a nominal amount of electricity is far from the highest and best use of this resource, which could yield substantially greater carbon benefits from a change in technology and/or location. We're also troubled by the lack of source-separated food scrap collection from homes.

With a rapidly evolving regulatory landscape and rapid improvements to waste technologies, more communities are embracing the idea that the cheapest ton of waste to manage is the ton that is never created.

We recommend that the City of Santa Barbara:

1. Direct staff to evaluate an alternative lower-cost path to the TRRP that provides more flexibility and control to the City. This path might include taking a new look at:
 - more robust waste reduction programs;
 - enhanced separation of waste streams at the source (ie food diversion at restaurants and sorting residential food scrap collections);
 - some combination of existing composting facilities in Oxnard and Santa Maria, or new in-vessel composting facilities on the South Coast, and/or use of existing anaerobic digesters at the City's wastewater treatment plant or other location;
 - the expertise of a strong community-based waste hauler, MarBorg Industries;
 - use of a newly approved, state-of-the-art landfill in northern Santa Barbara County in lieu of the Tajiguas Landfill.

2. Set a clear timeline for evaluating the expansion of source-separated commercial food scrap collection, as well as the establishment of residential food scrap collection.

We firmly believe that there options for the management of the South Coast's solid waste streams that avoid the TRRP's risks, reduce its impacts, and cost no more -- and potentially much less. We base that position on our collective knowledge, involvement and review of dozens of different municipalities' and counties' solid waste management programs, and familiarity with the laws and regulatory requirements. There are several potential alternative approaches for Santa Barbara's South Coast that will yield better carbon cycle outcomes, less burden on ratepayers, and more effective diversion and reuse of solid wastes.

Sincerely,

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