



**SACRAMENTO REGIONAL  
SOLID WASTE AUTHORITY**

November 14, 2016

**SWA Financial Incentive Program 2017-01:  
Source Separated Recycling Franchise Fee Waiver Financial Incentive**

**Board of Directors**

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General Manager/Engineer

**A Financial Incentive Program implemented to promote the diversion of recyclable material and putrescible organic material.**

Pursuant to SWA Code 2.01.165, below, the following Financial Incentive Program, "Source Separated Recycling Franchise Fee Waiver", is established by the SWA General Manager/Engineer.

**1. SWA Code References.**

***"2.01.165 Financial Incentives***

*The GME is authorized to implement financial incentive programs to promote diversion programs additional to the diversion requirements of SWA Code. Incentive programs may include but are not limited to the following: (1) the waiving of franchise fees owed to the SWA; (2) providing credit towards the payment of future franchise fees to the SWA; and (3) the use of franchise fee revenues to subsidize development of infrastructure necessary to support additional diversion programs and/or offset costs associated with additional diversion programs. Financial incentive programs shall be effective on the thirtieth (30th) day following the filing of any such incentive programs with the Clerk of the Board. The funds for the incentive program, in the form of the waiving of, or providing credit towards, franchise fees, or use of franchise fee revenues, may not exceed the funds allocated for the incentive program by the Board by budget resolution."*

***"1.01.010 Definitions" [...]***

*"Recyclable Material" or "Recyclables" means materials that have been separated from the solid waste stream prior to disposal and returning them for use or for reuse in the form of raw materials for new, used or reconstituted products which meet the quality standard necessary to be used in the market place, and that are not landfilled, including, but not limited to, recyclable material designated by the GME pursuant to Section 4.01.060 of SWA Code. Unless otherwise indicated, Recyclable Material does not include Putrescible Organic Material. [...]*

*"Source Separate or Source Separated" means the keeping of recyclable materials independently containerized or clearly segregated from solid waste at the point of generation for the purpose of reuse or recycling and preventing them from being contaminated by solid waste. [...]*

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Phone: (916) 875-6789 Fax: (916) 875-6767

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*“Putrescible Organic Material” means food material, which may or may not be commingled with green material, and that is separated from the municipal solid waste stream and not intended for disposal. [...]*

## **2. Incentive**

The incentive is the waiver of Franchisee fees payable to the SWA for gross collection revenue solely from collecting, transporting, and recycling source-separated recyclable materials and from collecting, transporting, and recycling source-separated Putrescible Organic Material.

## **3. Eligibility**

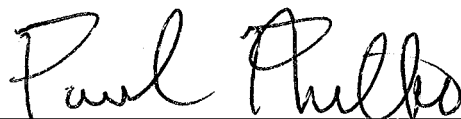
Recyclable material eligible for the fee waiver includes but is not limited to those materials designated by Administrative Rule 2007-01 (Single Stream Recyclables); Administrative Rule 2009-01 (C&D materials); and Administrative Rule 2009-03 (recyclables from multi-family residential properties). Source-separated Putrescible Organic Material, which by SWA Code definition is solid waste unless otherwise indicated, is eligible for the franchise fee waiver although it is defined as, and is otherwise regulated by the SWA as, solid waste. Loads described in Administrative Rule 2002-01 Section B, and further described in SWA Construction and Demolition Debris Clarification memorandum dated March 9, 2016, namely “mixed C&D debris”; “dry loads”; and “select loads”, are **not** eligible for the fee waiver.

## **4. Required Documentation**

To claim eligibility the Franchisee must adhere to SWA Code and Administrative Rules. Franchisees must submit monthly revenue reports; submit quarterly tonnage reports; and retain records and submit to audits in the manner prescribed by SWA Code.

Financial Incentive No. 2017-01 was received and filed by the Sacramento Regional Solid Waste Authority Clerk of the Board on November 17, 2016 and becomes effective January 1, 2017.

By:



DATE: 11-15-16

Paul Philleo  
Sacramento Regional Solid Waste Authority  
General Manager/Engineer



May 10, 2007

SACRAMENTO REGIONAL  
SOLID WASTE AUTHORITY

ADMINISTRATIVE RULES NO. 2007-01

The following Administrative Rule is promulgated by the SWA General Manager/Engineer for the administration of the SWA Business Recycling Ordinance, adopted by the SWA Board as Ordinance No. 17.

**Board of Directors**

**Lauren Hammond**  
Chair  
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*(County of Sacramento)*

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*(County of Sacramento)*

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*(County of Sacramento)*

**Susan Peters**  
*(County of Sacramento)*

**Sandy Sheedy**  
*(City of Sacramento)*

**Jimmie Yee**  
*(County of Sacramento)*

**Robert Shanks**  
Interim Administrator

**David A. Pelser**  
General Manager/Engineer

**Designated Recyclables**

The following recyclables are designated for source separation by businesses and non-residential properties, owners or generators from solid waste before collection, removal, transportation or disposal pursuant to Ordinance No. 17, section 4.01.150.

**Metals**

- Empty aluminum cans and beverage containers
- Empty steel and empty aerosol cans
- Other metals

**Glass bottles and jars**

- All colors of clean and empty glass food and beverage containers

**Plastics**

- All clean and empty plastic food and beverage containers numbered 1- 7 including water bottles

**Fiber Materials**

- Wood
- All clean and dry paper, whole or shredded, including:
 

Newspaper	Small boxes
Advertising mail	Paper milk/juice/egg cartons
Cardboard	Phone books
Magazines	Computer paper
Catalogs	

Administrative Rules No. 2007-01 was received and filed by the Sacramento Regional Solid Waste Authority Board at the May 10, 2007 meeting.

by:

David A. Pelser, PE, DEE  
Sacramento Regional Solid Waste Authority  
General Manager/Engineer

DATE: 5/10/07

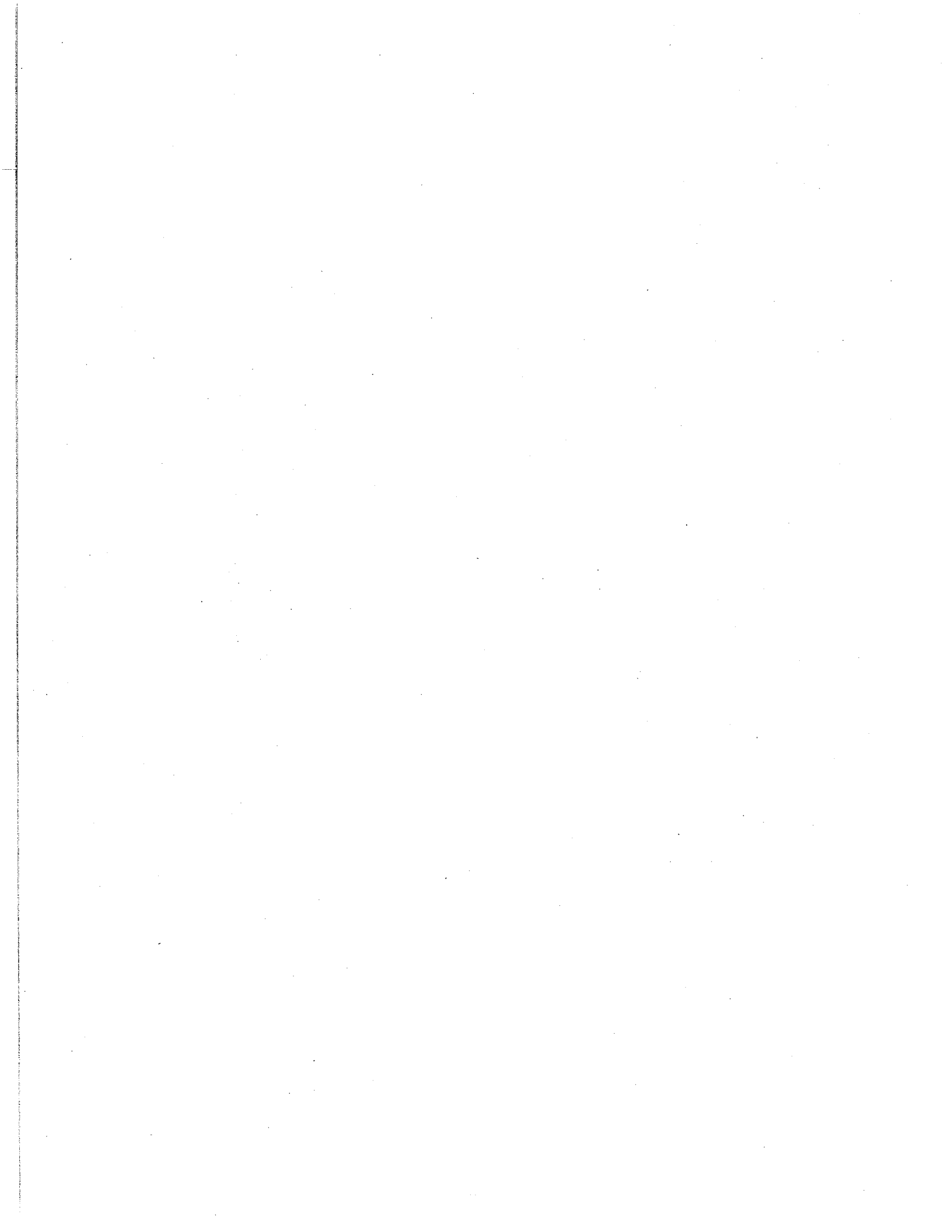
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May 18, 2009

**ADMINISTRATIVE RULE No. 2009-01**

The following administrative Rule is promulgated by the SWA General Manager / Engineer for the administration of the Certification Program for Construction and Demolition Debris Sorting Facilities, adopted by the SWA Board as Ordinance 19.

**Board of Directors**

**Sandy Sheedy**

Chair

*(City of Sacramento)*

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Vice Chair

*(County of Sacramento)*

**Roger Dickinson**

*(County of Sacramento)*

**Lauren Hammond**

*(City of Sacramento)*

**Roberta MacGlashan**

*(County of Sacramento)*

**Don Nottoli**

*(County of Sacramento)*

**Robbie Waters**

*(City of Sacramento)*

**Jimmie Yee**

*(County of Sacramento)*

**Paul J. Hahn**

Administrator

**Paul Philleo**

General Manager/Engineer

**Designated Recyclables**

The following recyclables are designated for extraction from mixed construction and demolition debris by SWA-certified C&D sorting facilities, pursuant to SWA Ordinance No. 19, section 3.01.110 (B).

1. Inert material
2. Wooden pallets
3. Clean wood waste (unpainted, untreated lumber and plywood)
4. Scrap metal
5. Corrugated cardboard

Administrative Rule 2009-01 was received and filed by the Sacramento Regional Solid Waste Authority Board at the May 18, 2009 meeting.

By:

Paul Philleo, PE

Sacramento Regional Solid Waste Authority  
General Manager/Engineer

DATE: 5-18-09

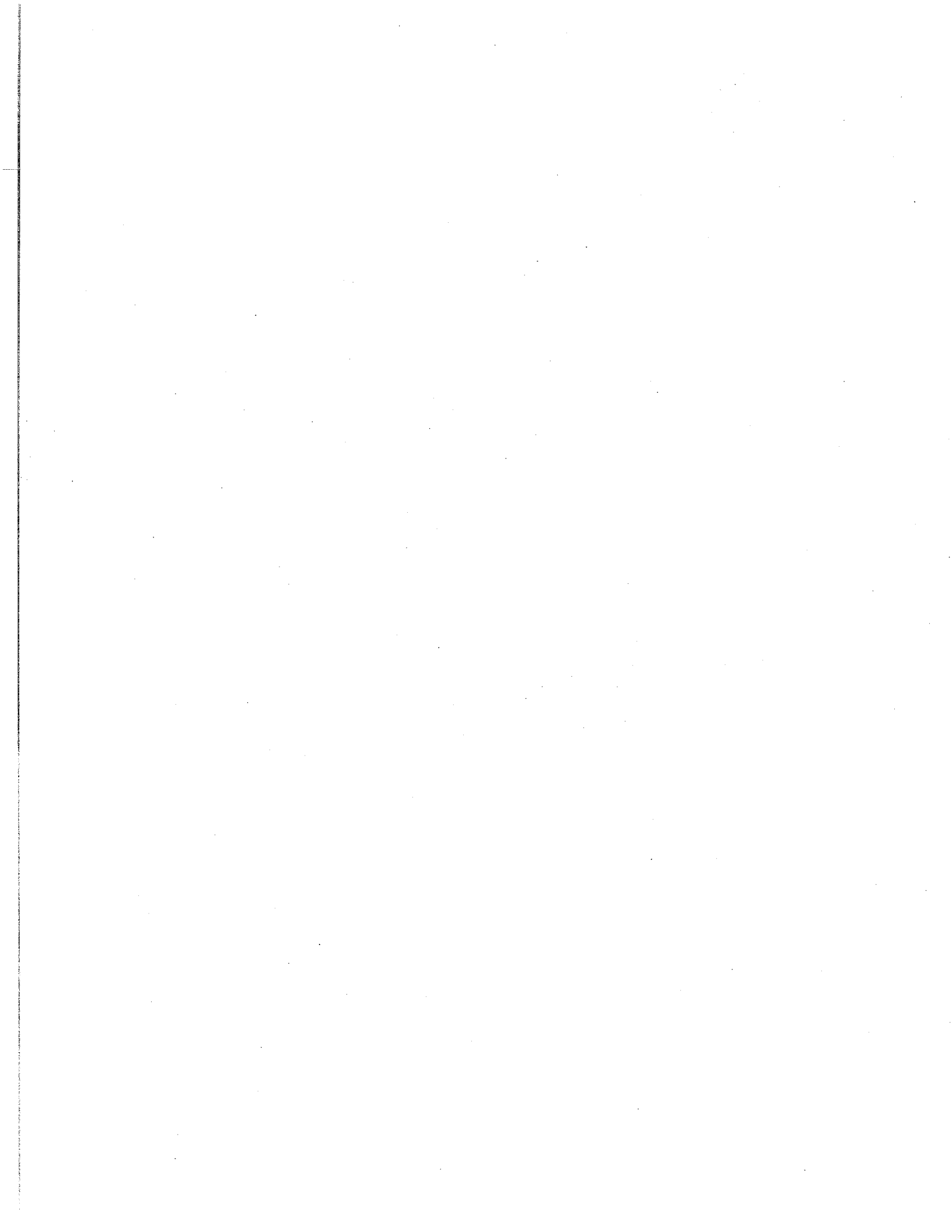
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Administrative Rules No. 2009-03 was received and filed by the Clerk of Sacramento Regional Solid Waste Authority Board on June 19<sup>th</sup>, 2009.

by:

Paul Philleo

Paul Philleo  
Sacramento Regional Solid Waste Authority  
General Manager/Engineer

DATE: 6/19/09







## **SACRAMENTO REGIONAL SOLID WASTE AUTHORITY (SWA)**

February 14, 2002

### **Franchisee Administrative Rules No. 2002-1**

The following are administrative rules promulgated by the Sacramento County Department of Waste Management & Recycling for administration of SWA Ordinance No. 8. These sections are added to Franchisee Administrative Rules No. 2001-1 for franchisees operating under SWA regulation.

#### **Section A: Franchise System Requirements**

##### **A.8) Franchisee Charges and Fees to Customers**

Gross collection revenue includes charges and fees to customers, including but not limited to, the following:

- 1) Collection of liquidated damages by a Franchisee due to early contract termination by customers;
- 2) Fees charged by a Franchisee to a customer for bin rentals or other bin service charges; or
- 3) Surcharges to customers for fuels.

All fees to customers are considered a component of gross collection revenue and are therefore subject to the franchise fee.

The franchise fee should be paid to the SWA for the month in which any fee payment is received.

##### **A.9) Late Fee Penalty**

Except where a 2% per month penalty fee is allowed by Ordinance or franchise agreement, a late fee of 1.5% per month will be assessed for failure to make timely payment on all SWA fees, including incentive fees, audit fees, late reporting penalty fees, etc.

## **Section B: Diversion Rules**

### **B.12) Recyclables Exempt from Franchise Fee**

For SWA solid waste collection franchisees, recyclable material set out for separate collection for the purposes of recycling and that is not landfilled, is exempt from the franchise fee only when:

- 1) A customer is billed for separate collection of recyclable materials on a separate invoice from that used for garbage service; or
- 2) The fee for separate collection of recyclable material is identified as a separate line item on an invoice that also includes garbage service.

Collection revenue from any service account that receives a single bill for garbage and recycling service and is billed for all services on the same bill (without line item costs for each service type) is subject to the franchise fee.

The franchise fee applies to any materials recovery or processing activities (see Franchisee Administrative Rules No. 2001-1, Section A.1 – Franchise Fee Collection). To be considered recyclable material set out for separate collection for the purposes of recycling and thus fee-exempt, material may only be minimally "cleaned" to improve marketability.

The following are not considered recyclable material set out for separate collection for the purposes of recycling and thus are not fee-exempt:

- 1) Mixed construction or mixed demolition debris; and
- 2) Commercial accounts or loads that have a high degree of recyclables but require sorting or processing to separate recyclables from refuse (e.g., "select loads" or "dry loads").

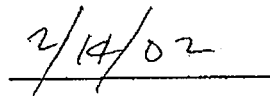
Administrative Rules 2002-1 received and filed by the Sacramento Regional Solid Waste Authority Board at its February 14, 2002 meeting.

by:



David A. Pelsner, PE, DEE  
Sacramento Regional Solid Waste Authority  
General Manager/Engineer

DATE:





SACRAMENTO REGIONAL  
SOLID WASTE AUTHORITY

March 16, 2009

TO: All SWA Franchisees, local solid waste facility operators

SUBJECT: Construction and Demolition Debris Clarifications

Board of Directors

Sandy Sheedy  
Chair

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Vice chair

(County of Sacramento)

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Don Nottoli  
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Robbie Waters  
(City of Sacramento)

Jimmie Yee  
(County of Sacramento)

Paul J. Hahn  
Administrator

Paul Philleo  
General Manager/Engineer

This letter provides clarification to SWA Code and Administrative Rules in response to two recent inquiries about the applicability of franchise fees to C&D debris:

SWA Franchise Administrative Rule No. 2002-01 (dated February 14, 2002) states:

"The following are not considered recyclable material set out for separate collection for the purposes of recycling and thus are not fee-exempt:

- 1) Mixed construction or mixed demolition debris; and
- 2) Commercial accounts or loads that have a high degree of recyclables but require sorting or processing to separate recyclables from refuse (e.g., "select loads" or "dry loads")

Some commercial customers who order temporary service at their construction or demolition jobsite may seek to comply with C&D ordinances by placing two bins on their jobsite, one for mixed *unrecyclable* C&D debris, one for mixed *recyclable* C&D debris (e.g. mixed wood, metal, and cardboard.) The mixed recyclable C&D load is a "select load"; therefore it is **not fee-exempt**. Revenue from collecting "select loads" is part of gross collection revenue on which franchise fees must be paid.

For the SWA, City, and County C&D ordinances to be successful in improving diversion and controlling illegal dumping, **illegal hauling must be marginalized**. The collection of mixed *unrecyclable* C&D debris and the collection of mixed *recyclable* C&D debris are activities that require a valid SWA franchise.

Regarding the second inquiry, any franchisee that contracts to provide bins and/or load moving services to a SWA-Certified C&D Sorting Facility will **not be required to pay franchise fees** on loads of material hauled as a normal part of the processing operation at that facility, for example hauling residual material from the end of a sorting line to disposal elsewhere at the facility.

Please contact Dave Ghirardelli at 875-4557 if you have any further questions regarding these clarifications.

Respectfully,

A handwritten signature in black ink that reads "Paul Philleo". The signature is written in a cursive, flowing style.

Paul Philleo  
General Manager/Engineer

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