



Agenda Date: 6/27/2016  
Agenda Placement: 7A

## Upper Valley Waste Management Agency Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Steven Lederer - Manager  
Upper Valley Waste Management Agency  
**REPORT BY:** Alice Ramirez, Senior Office Asstistant - 259-6716  
**SUBJECT:** Franchises' Status

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### **RECOMMENDATION**

#### **FRANCHISES' STATUS**

**DISCUSSION AND POSSIBLE ACTION:** Manager to provide an update concerning the implementation of franchises' activities.

### **EXECUTIVE SUMMARY**

The current monthly CFL report(s) attached.

Other information about company activities is included in the background section below.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

**ENVIRONMENTAL DETERMINATION:** The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

The Company has signed on with the Mattress Recycling Council, meaning they can now accept mattresses at Clover Flat for no charge for recycling. The Rate Table the Board is considering today has been adjusted

accordingly.

Other information that is not part of the rate package, but could be of interest to the Board, is also provided herein:

- | Analysis of the CFL Minimum Rate, and comparison to the rate charged at the Devlin Road Transfer Station (DRTS): Over the year's the Company has had the option to increase the minimum rate charged at CFL based on the CPI based rate methodology. They have chosen not to do so most years, which has benefited rate payers who choose to self haul (and also benefited UVA by increasing business to CFL by remaining competitive with the fees charged at DRTS).
- | Franchise Fee Calculations: Some Board members have inquired as to the revenue that could be raised from implementing a Franchise Fee. As we have discussed, whether or not to do so is not a decision of the UVA Board, but is solely up to each individual member. Calistoga presently has a 6% Franchise Fee in place, the other members do not. For convenience, staff has calculated the revenue each member could generate if they choose to implement a 1% Franchise Fee. Higher percentages can be found by multiplying the chosen percentage time the 1% amount. Jurisdictions can implement a Franchise Fee at anytime during the fiscal year, effective with the next quarterly billing cycle.
- | Summary of Free Service Owed: A current summary of service credits owed to each member is provided for your information. If UVDS Amendment No. 8 is passed as proposed this table will be updated.
- | Rate Change vs. Truck Depreciation: The Company produced a simple graph showing the impact of currently planned capital purchases and depreciation on future rates. This is an interesting exercise, though it can't possibly account for the many future unknowns such as changes in the workforce, gas prices, regulation changes, revenue changes, etc. It does show that depreciation bumps up over the next few years (the result of several recent truck purchases), and then drops off in the 2019 time frame.

In other Company business, Christy Abreu may provide an update on:

- | The Use Permit process for Whitehall Lane facility;
- | The Summer Newsletter

### **SUPPORTING DOCUMENTS**

- A . CFL Report-May 2016
- B . Analysis of the CFL Minimum Rate, and Comparison to DRTS
- C . Franchise Fee Calculations (Theoretical)
- D . Summary of Free Service owed to each Jurisdiction
- E . Rate Change vs. Truck Depreciation Schedule

Recommendation: Approve

Reviewed By: Alice Ramirez