



Agenda Date: 9/21/2015
Agenda Placement: 6B

Upper Valley Waste Management Agency Board Agenda Letter

TO: Board of Directors
FROM: Steven Lederer - Manager
Upper Valley Waste Management Agency
REPORT BY: Steven Lederer, DIR OF PUB WKS/DIST ENGINEER - 259-8228
SUBJECT: Public Hearing: Upper Valley Disposal Service Rates

RECOMMENDATION

PUBLIC HEARING: UPPER VALLEY DISPOSAL SERVICE RATES

REQUESTED ACTION: Approval and authorization for the Chair to sign Agency Resolution #15-02 (Attachment G) setting rates for solid waste hauling services by Upper Valley Disposal Service.

EXECUTIVE SUMMARY

At the June 2015 Board meeting, UVDS and UVA delayed adopting a rate increase pending evaluation of a proposed contract extension. An increase of 1.21% for Upper Valley Disposal Service would have been supportable and adoptable if the Board had chosen to act at that time. Subsequent to the meeting, the Company choose to withdraw the extension proposal, rendering the waiting moot. As such, staff recommends the Board adopt the subject resolution, resulting in a 1.61% rate increase for the remaining three quarters of this fiscal year.

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

This item is specifically exempt from the voting requirements of Article XIII C of the California Constitution (Proposition 26) because the fees are imposed for a specific government service provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs for providing the services; and is exempt from Proposition 218 because service is not mandatory.

Upper Valley Disposal Services

Information: Upper Valley Disposal Services (UVDS) submitted a rate package on May 5, 2015 in accordance with Agreement Number 95-09 proposing a 4.54% increase of rates for each jurisdiction.

The Auditor-Controller's Office performed a review of the rate package. Specific attention was given to the Major Allowable and Major Recoverable Expense Categories. The Major Allowable category encompasses Wages, Related Wage Benefits, Depreciation and similar expenses for the Construction and Demolition Program. The Major Recoverable category encompasses Landfill fees, Interest Expense on Debt and similar expenses for the Construction and Demolition Program.

Adjustments were made primarily to projected costs for Wages and Benefits, Fixed Assets/Depreciation and Landfill Expense. Detail explanations of all adjustments can be found in Attachment A.

Recommendation: After extensive review performed by the Auditor-Controller's Office, a 1.61% increase of rates for each jurisdiction is recommended. (This is the equivalent of a 1.21% annual increase, collected over the three remaining quarters of the fiscal year).

Recommended rate tables can be found as follows:

Attachment B - Calistoga

Attachment C - County Unincorporated Area

Attachment D - Pope Valley

Attachment E - St. Helena

Attachment F - Yountville

Conclusion

The Agency Manager considers this proposal to be fair and balanced for both the companies and the rate payer and recommends adoption of the rates as shown in Attachments B through F.

SUPPORTING DOCUMENTS

- A . Attachment A - Recommended Changes as of 8-26-15
- B . Attachment B - Calistoga Rates effective 10-1-15
- C . Attachment C - County Rates effective 10-1-15
- D . Attachment D - Pope Valley Rates effective 10-1-15

- E . Attachment E - St. Helena Rates effective 10-1-15
- F . Attachment F - Yountville Rates effective 10-1-15
- G . UVDS Rates Resolution

Recommendation: Approve
Reviewed By: Steven Lederer