



Agenda Date: 8/21/2007
Agenda Placement: 8B
Set Time: 9:30 AM PUBLIC HEARING
Estimated Report Time: 20 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Britt Ferguson for Nancy Watt - County Executive Officer
County Executive Office
REPORT BY: Greg Pirie, Local Enforcement Agency Coord, 253-4144
SUBJECT: Rate Increase for Berryessa Garbage Service

RECOMMENDATION

County Executive Officer to discuss and request adoption of a resolution increasing rates by 17.89%, effective August 1, 2007, for the collection and disposal of garbage applicable to Garbage Zone Two located generally in the unincorporated area of Lake Berryessa in conformance with the approved Rate Methodology under Board Resolution 99-4.

EXECUTIVE SUMMARY

On June 12th, 2007, the County Executive Office received an application for a Rate Increase from Berryessa Garbage Service, Inc.(BGS), the current franchisee for Garbage Zone Two, located in the unincorporated area of Lake Berryessa. The Auditor-Controller's Office completed their review pursuant to the approved Methodology and Guidelines for Adjusting Rates. An increase of 17.89% for refuse and disposal service rates effective August 1st, 2007 is the result of the Auditor-Controller's review. It is important to note that this is the first rate application and resulting rate increase since August 2000.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

There is no Environmental Impact for this item.

BACKGROUND AND DISCUSSION

On June 12, 2007, the County Executive Office received an application for a rate increase from BGS, the current franchisee for Garbage Zone Two, located in unincorporated area of Lake Berryessa. The Auditor-Controller's Office completed their review pursuant to the approved Methodology and Guidelines for Adjusting Rates, including the County's adjustments of the financial documents submitted by BGS, requests an increase of 17.89% for refuse and disposal service rates effective August 1st, 2007. The adjustment in rates would increase the minimum residential totter from \$19.90 to \$23.50. It is important to note that this is the first rate application and resulting rate increase since August 2000. The increase in rates is essentially a cost of living increase based on the Consumer Price Index for most expense categories covering the last 7-years as identified in the Auditor-Controller's analysis in Exhibit 1 & 2 which is consistent with the Methodology.

In the Rate Application package, BGS also requested recovery of closure costs related to Steele Canyon Landfill that have not been recovered, recovery of post-closure monitoring costs, and extension of the the Franchise Agreement. Costs associated with landfill maintenance after the landfill's physical site closure work is complete is mandated for all landfills for 30-years after the site is closed pursuant to California Code of Regulations. The current Franchise Agreement Expires in July, 2009. In consultation with BGS, it was agreed that the requested recovery of closure and post-closure costs beyond what is approved in the current Methodology, and franchise extension, would be reviewed, analyzed, and a recommendation brought back to you in 3-4 months.

SUPPORTING DOCUMENTS

- A . Exhibit 1 - BGS Statement of Income
- B . Exhibit 2 - Explanation of Adjustments
- C . Memorandum - County Adjustments
- D . Resolution

CEO Recommendation: Approve

Reviewed By: Karen Gratton