



Agenda Date: 9/18/2007
Agenda Placement: 8B
Set Time: 10:30 AM PUBLIC HEARING
Estimated Report Time: 20 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Britt Ferguson for Watt, Nancy - County Executive Officer
Local Enforcement Program

REPORT BY: Greg Pirie, Local Enforcement Agency Coord, 253-4144

SUBJECT: Public hearing to consider adoption of resolutions establishing a franchise fee and a rate surcharge fee, and rates for collection of solid waste, recyclables and green waste for the Unincorporated Area of Garbage Zone One.

RECOMMENDATION

County Executive Officer requests discussion and adoption of the following two resolutions concerning fees and rates for the collection of solid waste, recyclables and green waste for the Unincorporated Area of Garbage Zone One:

1. Resolution extending the rate surcharge fee of 4.5% for one (1) additional year charged to the Zone One solid waste collection franchisee for County costs of franchise management; and
2. Resolution increasing rates by 4.5% for the collection of solid waste, recycling and green waste services applicable in Garbage Zone One, effective October 1, 2007.

EXECUTIVE SUMMARY

On October 1, 2005, the County began a new franchise agreement with Napa County Recycling and Waste Services (NCRWS) for the collection of solid waste, recyclables and green waste for the Unincorporated Area of Garbage Zone One. Prior to starting the new franchise, the Board also established rates for service, and also a 10% franchise fee and a 4.5% rate surcharge for management of the franchise by County Staff. The rate surcharge was for two years. Due to unresolved final accounting with the previous franchise holder, Waste Management, Inc. (dba Napa Valley Disposal Service), the first resolution proposed would allow one (1) additional year of the rate surcharge fee to reimburse and offset costs for contract accounting services.

On June 1st, 2007, the County Executive Office received an application for Adjustment of Rates from NCRWS. The Auditor-Controller's Office completed their review pursuant to the approved Franchise Agreement and made no adjustments. The second resolution proposes a rate increase of 4.5% for the increase in costs driven by CPI, pursuant to the franchise agreement, for the collection of solid waste, recycling, and green waste, and for the continuation of the rate surcharge for one additional year.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Surcharge Fee
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The recommended extension of the rate surcharge of 4.5 % of revenue for one additional year of the franchise will reimburse and offset costs associated with final accounting of the previous franchisee.
Is the general fund affected?	Yes
Future fiscal impact:	The estimated revenue from the rate surcharge is approximately \$155,000 for one additional year.
Consequences if not approved:	Without the rate surcharge, costs for accounting services would be a General Fund expense.
Additional Information:	

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

On October 1, 2005, the County began a new franchise agreement with Napa County Recycling and Waste Services (NCRWS) for the collection of solid waste, recyclables and green waste for the Unincorporated Area of Garbage Zone One. Prior to starting the new franchise, the Board also established rates for service, and also a 10% franchise fee and a 4.5% rate surcharge for management of the franchise by County Staff. The rate surcharge was for two years. Due to unresolved final accounting with the previous franchise holder, Waste Management, Inc. (dba Napa Valley Disposal Service), the first resolution proposed would allow one (1) additional year of the rate surcharge fee to reimburse and offset costs for contract accounting services. The estimated surcharge for the third year of the contract is \$155,000.

On June 1st, 2007, the County Executive Office received an application for Adjustment of Rates from NCRWS. The Auditor-Controller's Office completed their review pursuant to the approved Franchise Agreement and made no adjustments. The second resolution proposes a rate increase of 4.5% for the increase in costs driven by CPI, pursuant to the franchise agreement, for the collection of solid waste, recycling, and green waste, and for the continuation of the rate surcharge for one additional year. The adjustments in rates would increase the residential totter cost for the 32, 65, and 96-gallon totter from \$15.88, \$23.82, and \$35.73 to \$16.40, \$24.60, and \$36.89, respectively.

SUPPORTING DOCUMENTS

A . Resolution - Rate Surcharge Fee

B . Resolution - Approving Rates for the Collection of Solid Waste and Recyclables

CEO Recommendation: Approve

Reviewed By: Maiko Klieman