



Agenda Date: 3/3/2005

Agenda Placement: 6A

**NAPA-VALLEJO WASTE  
MANAGEMENT AUTHORITY**

**Napa-Vallejo Waste Management Authority  
Board Agenda Letter**

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**TO:** Board of Directors  
**FROM:** Jill Pahl for Trent Cave - Director  
Environmental Management  
**REPORT BY:** Jill Pahl, Asst Dir of Environmental Management, 253-4410  
**SUBJECT:** Rates.

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**RECOMMENDATION**

**RATES.**

The Authority Manager recommends a fee increase to improve cash flow and increase fiscal security of the Authority as follows;

1. The Authority member's franchise haulers who have committed to using the Authority facilities – no increase
2. Self haul users - \$56 per ton effective 4/21/05, an additional \$1 effective 10/01/05, and an addition \$1 effective 7/1/06
3. Material selected for C&D diversion- \$54 per ton

**EXECUTIVE SUMMARY**

Although the Authority should have sufficient funds to stabilize the rate until 2007, the Manager recommends a fee increase to improve cash flow and increase fiscal security of the Authority as follows:

1. The Authority member's franchise haulers who have committed to using the Authority facilities – no increase.
2. Self haul users - \$56 per ton effective 4/21/05, an additional \$1 effective 10/01/05, and an addition \$1 effective 7/1/06.
3. Material selected for C&D diversion- \$54 per ton.

The rate increase proposed will increase revenues in the current fiscal year by approximately \$60,000 and next fiscal year by approximately \$317,000.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	It is additional revenues.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	To increase revenues.
Is the general fund affected?	Yes
Future fiscal impact:	See the executive summary.
Consequences if not approved:	Increase in revenues will not be realized.
Additional Information:	None

### **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**

Since the opening of the Devlin Road Transfer Station (DRTS) opening in 1995, the Napa-Vallejo Waste Management Authority has use a combination of surplus funds, cost savings, and other revenues to stabilize the tipping fees at the DRTS. The beginning tip fee was established at \$60.27 per ton. In 2000 the Authority was able to reduce the fee to \$54 based on a new contract with Allied waste for the operation of DRTS and the disposal of Authority waste. The service fee for Allied Waste's services in 2000 was \$47.25 per ton. Today the service fee is \$50.36, an increase of \$3.11. The Authority expects to have a reduction in service fee when the current contract expires in July of 2007 and the Authority can seek competitive rates through negotiations and/or a competitive bidding process.

At the end of Fiscal Year 2000 the Authority had approximately 20 Million Dollars in cash, accounts receivable, and restricted cash accounts. By end of fiscal year 2005 the Authority may have less than 4 million in cash, accounts receivable, and restricted cash accounts. Resulting in a reduction of 17 million dollars in cash, accounts receivable, and restricted cash accounts. Much of that reduction has resulted in reduced liability has the American Canyon Sanitary Landfill moved closer to final closure and other improvements to the Authority's overall operations.

The rate increase proposed increases revenues in the current fiscal year by approximately \$60,000 and next year by approximately \$317,000.

**SUPPORTING DOCUMENTS**

A . Table I - Preliminary Budget and Projected Fee Increase

Manager: Approve

Reviewed By: Jill Pahl