



**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY**

Agenda Date: 6/2/2011
Agenda Placement: 7C

Napa-Vallejo Waste Management Authority Board Agenda Letter

TO: Board of Directors
FROM: Luthy, Richard - Executive Director
Napa-Vallejo Waste Management Authority
REPORT BY: Richard Luthy, Executive Director, Napa-Vallejo Waste Management - 707-299-1314
SUBJECT: Public Hearing: Devlin Road Transfer Station Disposal Fees

RECOMMENDATION

9:15 A.M. PUBLIC HEARING: RATES

REQUESTED ACTION: Approval of Authority Resolution #2011-08, setting disposal rates for the Devlin Road Transfer Station.

EXECUTIVE SUMMARY

Approval of Resolution #2011-08 will adopt increased fees for disposal of waste at the Devlin Road Transfer Station. Non-franchise fees would be effective July 5, 2011 (to allow 30-day customer notification) and Franchise rates would be effective October 1, 2011 (to coincide with City franchise hauler agreements.) The recommended increases are projected to provide sufficient revenues to insure that the Authority meets the debt coverage ratios required by its bond covenants, and has sufficient funds to complete necessary repairs and rehabilitation of the Devlin Road Transfer Station.

Four rate increase options are presented for Board discussion and consideration.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Napa-Vallejo Waste Management Authority

Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	If the resolution is not adopted the Authority will be unable to meet its bond covenants and may spend down its reserves to an unsafe level.
Is the general fund affected?	Yes
Future fiscal impact:	The proposed resolution would result in additional revenues to the Authority in the current fiscal year and beyond.
Consequences if not approved:	If not approved, the Authority may not be able to cover its expenses and meet its debt service ratio requirement.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is exempt from CEQA per State CEQA Guidelines Section 15273 (Rates, Tolls, Fares and Charges) because the proposed fee increases would recover the operating costs associated with providing services.

BACKGROUND AND DISCUSSION

Based on discussions held during the April and May Authority Board meetings, Resolution 2011-08 has been drafted increasing non-franchise and franchise rates; effective July 5, 2011 and October 1, 2011, respectively. Approval of the recommended rate increases will ensure that the Debt Service Coverage Ratio is met, a requirement of the Indenture of Trust for repayment of the Bonds issued by the Authority for the construction of the Transfer facility.

Four alternative rate increase options are attached for Board consideration.

PROCEDURAL REQUIREMENTS

1. Open Public Hearing
2. Staff report
3. Close Public Hearing
4. Motion, second, discussion and vote on recommended rates

Note: This item is specifically exempt from the voting requirements of Article XIIC of the California Constitution because it is a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the Authority for providing the service or product. (User fees, public records copy fees, DUI emergency response fees, emergency medical and ambulance transport service fees, recreation classes, weed abatement fees charged to an individual.)

SUPPORTING DOCUMENTS

- A . Option A
- B . Option B

C . Option C

D . Option D

Executive Director: Approve

Reviewed By: Martha Burdick