



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, Director, Public Works - 259-8228
SUBJECT: PUBLIC HEARING: Clover Flat Landfill Rates

RECOMMENDATION

PUBLIC HEARING: CLOVER FLAT LANDFILL RATES

REQUESTED ACTION: Approval and authorization for the Chair to sign:

- I Agency Resolution #19-03 setting rates for solid waste handling and disposal services at the Clover Flat Landfill

EXECUTIVE SUMMARY

Clover Flat Landfill: After a review of the proposed rates, a proposed increase in rates of 6.276% and a \$2.75 per ton increase of surcharge is recommended. The increase of 6.276% is a result of the Consumer Price Index (CPI) increase of 3.138%, which is doubled because the adoption is occurring 6 months into the fiscal year. The increase in the surcharge was approved by the Board as part of the adoption of the agency budget in June of 2019, but was delayed to coincide with the annual change of rates at CFL. This addition will bring the total surcharge to \$7.50/ton, which is needed to balance the agency's budget in future years.

For the Board's information, the Company has not requested a change to the UVDS rates for this fiscal year.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Upper Valley Waste Management Agency
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Increase from \$4.75 to \$7.50 would be utilized to offset the increase in

	the cost of administrative salaries, household hazardous waste events, and other operational costs as a result of the increase in the cost-of-living.
Is the general fund affected?	No
Future fiscal impact:	Additional revenue will be utilized to offset costs and protect the financial health of the Agency.
Consequences if not approved:	Hazardous waste events and operational costs will need to be reduced.
County Strategic Plan pillar addressed:	Not applicable for the Agency.
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

This item is specifically exempt from the voting requirements of Article XIIC of the California Constitution (Proposition 26) because the fees are imposed for a specific government service provided directly to the payor 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.

Clover Flat Landfill

Information: Clover Flat Landfill (CFL) submitted a rate package on Wednesday, November 6, 2019. With the exception of the fee for Improperly Covered Loads, CFL requested that rates at the landfill be increased approximately 12.75% to cover increased costs and the recovery of cost for "regulatory changes". CFL requested that the Improperly Covered Load fee remain at \$7 and the Minimum (Refuse) Rate increase from \$37 to \$42. The Per Ton for Trucks & Trailers over 10 yards includes a surcharge of \$4.75 per ton of refuse in accordance with the Board action taken on May 21, 2012. Based on Board action in June 2019, the Agency requested CFL to increase the surcharge to \$7.50 per ton. In addition, the Minimum Rate and Per Yard Rate include a prorated share of the surcharge at \$1.00 per load or yard. One dollar (\$1) of the surcharge amount collected per ton as well as the additional amount for the Minimum Rate and Per Yard Rate is designated for the Household Hazardous Waste Program. The remainder funds are for administrative activities of the Agency.

In accordance with the Agreement Number 95-06 (Agreement), CFL is allowed to request an adjustment of rates annually by 89% of the Consumer Price Index (CPI) for San Francisco-Oakland-San Jose, CA (3.138% increase for February 2019) over the previous twelve (12) months from February. The CPI increase request was approved. In addition, the Agency Manager and Auditor-Controller's Office performed a review on the rate package submitted by CFL for regulatory changes. It was determined that the request for reimbursement of regulatory changes did not meet the requirements outlined in the Agreement, and thus these charges were not included.

Recommendation: The Auditor-Controller's Office recommends an increase of rates at CFL by 6.276% (\$3.138% doubled since the charge is being implemented 6 months into the fiscal year) plus the additional surcharge of

\$2.75 per ton (to \$7.50/ton total) and increase the Minimum (Refuse) Rate from \$37 to \$39 as set forth in **Attachment A**. The surcharge amount of \$7.50 will be increased by the CPI index in all future years.

Conclusion

The Agency Manager considers this proposal to be fair and balanced for both the company and the rate payer and recommends adoption of the rates as shown in Attachment A.

SUPPORTING DOCUMENTS

A . CFL Rates effective 1-1-20

B . Resolution #19-03 CFL Rates

Recommendation: Approve

Reviewed By: Steven Lederer