



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, DIR OF PUB WKS/DIST ENGINEER - 259-8228
SUBJECT: Public Hearing: Sixth Amendment to UVDS Franchise

RECOMMENDATION

PUBLIC HEARING: SIXTH AMENDMENT TO UVDS FRANCHISE AGREEMENT

Staff recommends Board grant approval and authorization for the Chair to sign the Sixth Amendment to Agency Agreement #95-09 (Upper Valley Disposal Service) to make changes to 1) rate methodology regarding fuel prices and; 2) services to be provided to each member agency.

EXECUTIVE SUMMARY

This amendment to the UVDS Franchise Agreement addresses two issues. The current rate methodology specifies that the fuel costs built into customer rates will be based on the OPIS Fuel Index from February of each year. Because fuel prices are so volatile, use of an index from a single month have introduced variances in customer rates, at times benefiting the company and at times benefiting the rate payer. In order to minimize these variances this amendment changes the rate methodology to use a 12 month rolling average as opposed to a single month's rate. This will flatten out some of the variabilities and thus make the rate setting process more accurate.

Secondly, the company and staff reviewed previously provided "free" services to each agency by UVDS, and have mutually agreed to provide additional services to each agency member in the sum of \$50,000 (plus any remaining balances in member accounts) during the remainder of agreement. Member balances are as follows:

Calistoga: \$50,000
Yountville: \$50,000
Napa County: \$65,359
St. Helena: \$90,024

The company and the Auditor are in agreement with this proposed amendment.

FISCAL IMPACT

Is there a Fiscal Impact? No

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

No additional information beyond the Executive Summary.

SUPPORTING DOCUMENTS

- A . 6th Amendment--tracked
- B . 6th Amendment--clean

Recommendation: Approve
Reviewed By: Steven Lederer