



## Upper Valley Waste Management Agency Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Lederer, Steven - Manager  
Upper Valley Waste Management Agency  
**REPORT BY:** Steven Lederer, Director of Environmental Management - 253-4471  
**SUBJECT:** Manager's Report

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### **RECOMMENDATION**

#### **MANAGER'S REPORT**

**DISCUSSION AND POSSIBLE ACTION:** Manager to provide an update on the status of current activities and obtain Board direction where applicable on the items within.

### **EXECUTIVE SUMMARY**

Manager to provide an update on the status of current activities.

### **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**

#### **Extended Producer Responsibility (EPR) and other Legislative Activities**

Last year the Governor signed AB 2398 (Perez)--EPR for carpet and AB-1343--EPR for paint. Both are in the process of being implemented. The EPR bill which is most likely to succeed this year is for batteries,

SB 515 (Corbett). There may also be bills on fluorescent lamps and sharps or pharmaceuticals, but these bills appear to have less chance of success.

Over 2000 other new bills have been submitted by the legislature this year. Once it becomes clear which of these have relevance the manager will provide an update.

#### Monthly Financial Reports

Current reports are attached. Of note, landfill surcharge revenue is on track to exceed budgeted revenues by about \$20,000, but HHW expenses are also exceeding the current budget by about \$10,000. As such the Agency as a whole is on track to conclude the year well within the allotted budget.

#### Draft 2011-2012 Budget

A draft budget is attached for the Board's review, and any guidance the Board has would be appreciated prior to returning in June with a final budget. Some key points to note:

##### **Revenue:**

Landfill revenue is budgeted at \$130,000 (\$20,000 more than last year's budget, but consistent with last year's actual)

##### **Expenses:**

Increased expenses for HHW disposal consistent with this year's actuals and increased funds available for recycling programs from \$5,000 to \$10,000.

##### **Fund Balance:**

As proposed we will likely start the year with a fund balance of approximately \$45,000 and complete the year with a fund balance of \$50,000.

#### Preview of Rate Package

**Rate Changes:** UVDS has submitted its rate proposal for the coming fiscal year. This proposal includes a 6.56% increase in rates, driven by increased expenses (primarily labor and fuel) and essentially unchanged revenue. The proposed increase at CFL is approximately 1% (based on CPI), from \$64.16 to \$65.13 per ton.

**Gate and Distance Charges:** 1) The rate package proposes an improved table of distance charges (these primarily affect county customers due to their long access drives). The Board may remember that last year staff identified the lack of Board approved rates for many of the longer driveways. This submittal resolves that issue. 2) Staff and the company also investigated areas where the rate tables seemed to be inconsistent from one jurisdiction to another, items such as gate opening charges. While making these consistent between jurisdictions was one of our goals for this year, we have not been able to do so. It appears that in reviewing past rate approvals, various jurisdictions have chosen to move certain revenues and expenses around to emphasize revenue collection in one area or another. As such, attempting what seems to be a relatively simple process of trying to average all the existing gate charges and making them the same, ends up resulting in unintended (and frankly difficult to figure out) impacts in other areas of the rate table. The Board is aware that many of our fees were established many years ago, and have largely been carried forward by "cost of living" adjustments over the years. At some time in the future the Board may want to consider a complete rate review to ensure the revenue balance between specific services has been properly maintained over the years.

**New programs:** There are no new programs proposed in the rate package.

**SUPPORTING DOCUMENTS**

- A . Proposed 2011-2012 Budget Draft
- B . Financial Report
- C . County Letter of Support for SB 515

Recommendation: Approve  
Reviewed By: Steven Lederer