



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 of Environmental Management - 253-4471
SUBJECT: Manager's Report

RECOMMENDATION

MANAGER'S REPORT

DISCUSSION AND POSSIBLE ACTION: Manager to provide an update on the status of current activities.

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

The Manager will provide an update on:

AB 2139 (Chesbro)--Broad EPR bill--Suspense file

AB 1998 Brownley--Single use bags
AB 2176 Blumenfeld--Lighting --most likely going to suspense
AB 2398 Perez--Carpet --Suspense file
SB 1100 Corbet--Batteries --Going to a Senate Floor Vote on May 20
AB1343 Huffman--Paint --Won't go anywhere until August at earliest

CalRecycle is continuing development of regulations leading to mandatory commercial recycling. They intend to have regulations adopted late this year, which will become effective in 2012. It is not expected that these regulations will have a large impact on our operations, although they may help us force the few commercial or multifamily units that don't currently take recycling service to accept this service. CalRecycle will be conducting a public outreach on the regulation June 16th in Sacramento.

Protection of Customer Information

Recent Federal legislation requires companies that maintain customer account information adopt policies and practices to ensure that information is kept safe. This is the so called "Red Flags" rule. UVDS has stated that they are working on conformance with this federal requirement.

Monthly Financial Reports

The most recent financial reports are attached. The Manager will provide an analysis of these reports for the Board. The Manager is projecting that we will complete the year with operating revenues and expenses balanced. Though landfill revenues will be about \$15,000 below the budget, expenses have been reduced by an equivalent amount. If the \$25,000 DOC funding arrives in late June as the State has promised, we will end up with \$25,000 in surplus revenue which will carryover and be spent next year.

CFL Use Permit Modification

We will provide a status update on the progress of this application.

Draft 2010-2011 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 the final budget. Some key points to note:

Revenue:

Landfill revenue is budgeted at \$110,000 (\$15,000 less than last year;s budget, but consistent with last year's actual)

Expenses:

We will likely have the benefit of spending both last year's and this year's DOC funding (\$50,000).

Other operating expenses are budgeted to match revenue, which continue our ongoing programs, but does not include an HHW event.

Fund Balance:

The budget if executed will leave the agency with the Board approved fund balance reserve of \$35,000.

Should the Board like to consider additional programs (such as the HHW event), the only practical way to achieve this would be to increase the landfill surcharge from it's current \$3.75/ton to \$4.50/ton. This \$0.75/ton increase would result in \$22,500 additional revenue to the Agency, based on 30,000 tons of annual disposal and would have about a 3% increase on current collection rates, on top of whatever increase the company is ultimately awarded. This change would require a revision of Franchise Agreement. In the interest of holding down any rate increase to the minimum practical, the Manager is not recommending this approach, but seeks Board guidance on this issue.

SUPPORTING DOCUMENTS

- A . 2009-2010 Financials
- B . Draft 2010-2011 Budget

Recommendation: Approve
Reviewed By: Steven Lederer