



Agenda Date: 6/19/2006

Agenda Placement: 6C

Continued From: 4/17/2006 regular meeting

## Upper Valley Waste Management Agency Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Jill Pahl - Manager  
Upper Valley Waste Management Agency  
**REPORT BY:** Jill Pahl, Acting Director , 253-4410  
**SUBJECT:** Request for Proposals

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### **RECOMMENDATION**

#### **RATE METHODOLOGIES AGREEMENT**

**REQUESTED ACTION:** Approval and authorization for the Chair to sign Agency Agreement #06-03 to develop alternative rate methodologies for Upper Valley Disposal Service and Clover Flat Landfill.

### **EXECUTIVE SUMMARY**

In December the franchisee agreed to develop alternative rate methodologies by July 1. Almost 2 years was spent to agree on the rates that were set in December. One of the main purposes of the existing rate methodologies was to make the rate reviews simpler. This has not been the case. The changing nature of the services provided as well as disagreement on the interpretation of the rate methodology, contributed to the prolonged rate review process.

In late March staff received a proposal from the franchisee on how to revise UVDS's rate methodology. Simply put the proposal looks at five allowable expenses, on which the franchisee receives an operating ratio, and four recoverable expenses, for which no operating ratio is received, these items will be treated the same as the current methodology. Everything else falls into a category of fees that will simply have a percentage of consumer's price index applied to it.

At the April meeting the Board directed staff to proceed with the development of an request for proposals (RFP) to develop new rate methodologies and to evaluate the proposal from UVDS. Staff was given the authority to continue discussions with UVDS on their proposal. The RFP was approved for release at the May meeting.

Two proposals were received. Due to the diversity of the proposals, they were provided to the Agency Board for review to determine the best candidate.

**FISCAL 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:	To improve the rate methodologies.
Is the general fund affected?	Yes
Future fiscal impact:	This should be completed by the Fall. Costs will be in the current and next fiscal years.
Consequences if not approved:	Continue to use the existing methodologies.
Additional Information:	None

**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**

None.

**SUPPORTING DOCUMENTS**

None

Recommendation: Approve

Reviewed By: Jill Pahl