



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 - 253-4471

SUBJECT: Public Hearing: Upper Valley Disposal Service and Clover Flat Landfill Rates

RECOMMENDATION

PUBLIC HEARING: UPPER VALLEY DISPOSAL SERVICE AND CLOVER FLAT LANDFILL RATES

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

- Agency Resolution #12-03 setting rates for solid waste handling services at the Clover Flat Landfill; and
- Agency Resolution #12-04 setting rates for solid waste handling services by Upper Valley Disposal Service.

EXECUTIVE SUMMARY

After an extensive review an increase in rates of 2.67% Clover Flat Landfill and 1.20% for Upper Valley Disposal Service are being recommended. The attached rate tables are a result of the recommended increases. This agenda item also includes approval to increase the landfill surcharge on waste and C&D at Clover Flat Landfill from \$3.75 to \$4.75 in order to better fund the Agency's operations.

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?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	The increased surcharge will better enable the agency to perform its mission, including the conduct of household hazardous waste (HHW) events for paying

subscribers of the service.

Consequences if not approved: The surcharge will remain at \$3.75 and it will not be practical to conduct annual HHW events.

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 being charged directly benefit the rate payers and exempt from Proposition 218 because service is not mandatory.

Clover Flat Landfill Information

Clover Flat Landfill (CFL) submitted a rate package on May 1, 2012, in accordance with Agreement Number 95-06. CFL requested that rates at the landfill be increased by 2.67% with the exception of the Minimum (Refuse) Rate. CFL requested that the Minimum (Refuse) Rate remain at \$30. In accordance with the Agreement, CFL is allowed to adjust rates annually by 89% of the Consumer Price Index (CPI) for San Francisco-Oakland-San Jose, CA (3% increase for February 2012) over the previous twelve (12) months from February. The Auditor-Controller's Office performed a review on the rate package submitted by CFL and determined that the package was in compliance with the Agreement.

In addition to the adjustment for CPI, the refuse rates have been increased by a surcharge of \$1 in accordance with the Board's action taken on May 21, 2012. The surcharges collected by CFL are passed to the Upper Valley Waste Management Agency for oversight of the franchise and for special events. Effective July 1, 2012, the surcharge will increase from \$3.75 to \$4.75 per ton of refuse. The effected rates have been highlighted in Attachment A.

Recommendation: The Agency Manager and Auditor-Controller's Office recommends the increase of rates at CFL by 2.67% plus an additional \$1 on the refuse rates as set forth in *Attachment A*.

Upper Valley Disposal Services Information

Upper Valley Disposal Services (UVDS) submitted a rate package on May 1, 2012 in accordance with Agreement Number 95-09. UVDS requested that rates for the hauling operation be increased by 1.17%. In accordance with the Agreement, UVDS is allowed to adjust rates annually in accordance with Exhibit B of the Agreement. The Auditor-Controller's Office performed a review of the rate package. Specific attention was given to the Major Allowable and Recoverable Expense Categories. The Major Allowable category encompasses Wages, Related Wage Benefits, Depreciation and similar expenses for the Construction and Demolition Program. The Major Recoverable category encompasses Landfill fees, Interest Expense on Debt and similar expenses for the Construction and

Demolition Program.

During the review, adjustments were made to wages, depreciation, landfill fees and interest on debt. The changes resulted in a net increase of .03%. The rate increase for UVDS is primarily a result of wages increasing to accommodate the cost of living, fuel cost increasing, a reduction in depreciation, a reduction in interest expense and an increase in landfill cost from a combination of the CPI and surcharge increase at CFL.

Recommendation: The Agency Manager and Auditor-Controller's Office recommends the increase of rates for UVDS by 1.20% for each jurisdiction as set forth in *Attachment B through Attachment F*.

Yountville Surcharge

This agenda item also authorizes the UVDS to commence collecting a surcharge in the amount as established by the Yountville Town Council in order to fund a Town Cleanup Event as specified in the attached resolution. Collection shall commence following development of a memorandum of understanding between the Town and UVDS as to what procedures shall be used to conduct the collection. Such agreement will contain (but shall not be limited to) details such as timing, invoicing, accounting, responsibilities for delinquent collections, compliance with proposition 26, etc.). The Agency Manager is able to work with the parties to assist in developing said agreement.

Conclusion

In conclusion the Agency Manager considers this proposal to be fair and balanced for both the companies and the rate payers and recommends adoption of the rates as shown in *Attachments A to F*.

SUPPORTING DOCUMENTS

- A . Clover Flat Landfill
- B . Calistoga
- C . County
- D . Pope Valley
- E . St. Helena
- F . Yountville
- G . Town of Yountville Surcharge Resolution
- H . CFL Rates Resolution
- I . UVDS Rates Resolution

Recommendation: Approve

Reviewed By: Steven Lederer