



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: 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 #10-03 setting rates for solid waste handling services at the Clover Flat Landfill; and
- | Agency resolution #10-04 setting rates for solid waste handling services by Upper Valley Disposal Service.

EXECUTIVE SUMMARY

After an extensive review the attached rates are being recommended for CFL and UVDS.

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

Please see attached memorandum from the Auditor-Controller's office which provides the proposed rates and a

summary of some of the more significant issues that were addressed as part of this rate review. The rate methodology indicates the need for a 5.76% increase in UVDS rates and a 1.6% increase in CFL rates. The increase in rates is primarily to make up for decreased revenue, which is a result of decreased waste generation and decreased reimbursement for recycled materials both due to the depressed economy .

The following statement is reproduced from your June 2009 staff report:

"While predicting the future is always perilous, the Board should be aware that several factors, including reduced "drop box" revenue from decreased construction activity, and reduced recycling revenue and possible reduced state funding of recycling programs may have a significant (10%?) impact on next year's rates."

Given where we stood last year at this time, we believe that where we ended up this year was reasonable.

The above percentage increases have been calculated assuming no change in the landfill surcharge fee. Staff has discussed with the Board the possibility of increasing the landfill surcharge fee from \$3.75 to \$4.75 in order to raise funds for a household hazardous waste (HHW) event. Should the Board choose to do this, the change to the CFL rates is as shown on the CFL rate sheet attached, and the impact on UVDS fees is an additional 0.14% increase (i.e 5.90% increase versus 5.76%). Using the residential 35 gallon can rate from St. Helena for comparison purposes, the monthly rate would go from the current \$21.72 to \$22.97 without the increased surcharge, or to \$23.00 with the increased surcharge. Staff has prepared rate tables with both scenarios, and seeks your direction on this decision.

Of further note:

1. There is no Intentionally Overcollected Revenue (IOCR) for Phase 2 of the C&D facility proposed in this budget. At some point in future years we will need to start establishing a fund to move the existing line (which was planned with a 5 year life expectancy in its present location). It is noted that the net costs of operating phase 1 of the C&D facility have been consistent with the estimated costs that were presented to this Board back in 2008.

2. The company proposes continued implementation of a program to collect and compost food waste, accepting waste from all commercial facilities and rolling out the program to residential customers as well. UVDS will offer expanded education on what can currently be mixed in with curbside green waste (essentially unprocessed garden materials), will offer a food waste drop off area at CFL, and will work with the LEA to expand their existing permit to allow pickup of all residential food waste curbside. The Agency Manager is in support of this program.

3. The company prepared 3 possible scenarios for collecting milk cartons as requested by the Board in a previous meeting (see attached). The agency manager is recommending option 3, which allows citizens to collect their cartons and deliver them to Napa Recycling and Waste Services (NRWS) in Napa. I have had conversations with NRWS and they are willing to accept these materials, and UVDS has no objection to losing these materials from the waste stream. While we recognize that this is not the most convenient process, it does seem to be the most costs effective.

The Agency Manager considers this proposal to be fair and balanced for both the company and the rate payer, continues to implement ongoing and new diversion programs, and recommends adoption as shown in the attachments.

SUPPORTING DOCUMENTS

- A . Memorandum from Auditor-Controller's Office
- B . Attachment A - CFL Rates
- C . Attachment B - UVDS Proposed vs Allowed

- D . Attachment C - UVDS proposed Rate Tables - No Surcharge
- E . Attachment D - UVDS proposed Rate Tables - With Surcharge
- F . UVDS Rates Resolution #10-04
- G . CFL Rates Resolution #10-03
- H . UVDS Milk Carton Analysis
- I . Comment Letters

Recommendation: Approve
Reviewed By: Steven Lederer