



## Upper Valley Waste Management Agency Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Steven Lederer - Manager  
Upper Valley Waste Management Agency  
**REPORT BY:** Steven Lederer, DIR OF PUB WKS/DIST ENGINEER - 259-8228  
**SUBJECT:** Public Hearing: Upper Valley Disposal Service and Clover Flat Landfill Rates

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### 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 (Note: not needed as UVDS rates are not proposed to change).

### EXECUTIVE SUMMARY

After an extensive review an increase in rates of 2.18% for Clover Flat Landfill and no change for Upper Valley Disposal Service are being recommended. UVDS rate tables will remain unchanged.

### 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

This item is specifically exempt from the voting requirements of Article XIII C 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, 2013, in accordance with Agreement Number 95-06. CFL requested that rates at the landfill be increased by 2.18% with the exception of the Minimum (Refuse) Rate. CFL requested that the Minimum (Refuse) Rate remain at \$31. The Minimum Rate, Per Yard Rate and Per Ton for Trucks & Trailers over 10 yards includes a surcharge of \$4.75 per ton of refuse in accordance with the Board action taken on May 21, 2012. Of the surcharge amount collected, \$1 per ton is designated for the Household Hazardous Waste Program.

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 (2.45% increase for February 2013) 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 and the surcharge, a new rate of \$7 per uncovered load has been added to the rate schedule in accordance with the Board's discussion occurring on February 11, 2013. The new fee is expected to help mitigate litter on the side of the road. The effected rates have been highlighted in Attachment A.

**Recommendation:** The Auditor-Controller's Office recommends the increase of rates at CFL by 2.18% plus the new rate of \$7 for Loads not properly covered as set forth in Attachment A.

### **Upper Valley Disposal Services**

**Information:** Upper Valley Disposal Services (UVDS) submitted a rate package on May 1, 2013 in accordance with Agreement Number 95-09. UVDS requested that rates for the hauling operation be decreased by .42%. 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, and interest on debt. The changes resulted in a net decrease of .62%.

The rate decrease for UVDS is primarily a result of a reduction in depreciation and interest expense.

**Recommendation:** Given the small amount of the proposed decrease, and the cost of modifying the billing program, the Auditor-Controller's Office recommends the rates for UVDS remain unchanged for each jurisdiction.

### **Conclusion**

The Agency Manager considers this proposal to be fair and balanced for both the companies and the rate payer and recommends adoption of the rates as shown in Attachments A.

**SUPPORTING DOCUMENTS**

- A . CFL Proposed Rates
- B . CFL Rates Resolution

Recommendation: Approve  
Reviewed By: Steven Lederer