



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 #08-02 setting rates for solid waste handling services at the Clover Flat Landfill; and
- | Agency resolution #08-03 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 June 19, 2008 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 an approximate 5% increase in the rates, which staff considers quite reasonable given the current inflationary economic climate, the implementation of the CDP program, and proposed implementation of an increased plastics recycling program.

Of further note:

1. The last portion of Intentionally Overcollected Revenue (IOCR) to fund the capital costs of Phase 1 of the CDP program, (approximately \$466K plus taxes) is included.
2. Increased fuel prices, which are calculated as of February 1, are reflected in part the new rate, but may have an even larger impact next year if current trends continue.
3. Staff and the company wrestled with various issues associated with intercompany loans and interest. While this issue was "settled" for the purposes of completing the rate review for this year, both parties intend to meet to discuss this issue and create (as needed) guidelines for future reviews.
4. The company proposes implementation of a new program to increase the types of plastics that can be recycled, consistent with the program recently implemented in the south county area. The cost of this program is \$54K to fund two new employees on the sort line. The Agency Manager is in support of this program.

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 . Auditor-Controller June 19, 2008 Rate Summary Memo
- B . UVDS Rates Resolution
- C . CFL Rates Resolution

Recommendation: Approve
Reviewed By: Steven Lederer