

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Department of Environmental Resources *SKL*

BOARD AGENDA # 9:15 a.m.

Urgent Routine

AGENDA DATE July 22, 2008

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Public Hearing to Consider Adjustments to Stanislaus County Franchise Maximum Rates for Solid Waste Collection Services including the Bulky-Item Curbside Collection Program

STAFF RECOMMENDATIONS:

Approve the proposed adjustments to Stanislaus County Franchise Maximum Rates for Solid Waste Collection Services including the Bulky-Item Curbside Collection Program.

FISCAL IMPACT:

If the Board of Supervisors approves staff recommendations, some maximum collection charges in the unincorporated areas of Stanislaus County will increase, some will decrease, and others will be unchanged.

Changes to the cost for residential basic service, i.e., 1-90 gallon cart, curbside recycling and the Bulky-Item Program, range from a 4.5% increase to a 12.3% decrease. About three-quarters (78%) of residential customers may see a 0.3% to 4.5% increase in their monthly charges, and about one-quarter (CONTINUED ON NEXT PAGE)

BOARD ACTION AS FOLLOWS:

No. 2008-546

On motion of Supervisor DeMartini, Seconded by Supervisor Grover
and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST:

Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT: (Continued)

(22%) of residential customers may see a 9.2% to 12.3% decrease in their monthly charges.

Commercial bin rate adjustments range from a 2.4% increase to a 5% decrease. The majority of commercial bin customers may see their rates remain unchanged or decrease 3.4% to 5%.

Franchise drop-box haul charges are proposed to increase 10%.

If the proposed residential rate adjustments are approved, a \$0.55 monthly charge for the Bulky-Item Curbside Collection Program is included in those rates. All residential subscribers to weekly solid waste collection by the franchise companies would be subject to this fee through July 31, 2009, whether or not they utilize the Bulky-Item Program. This recommended \$0.55 monthly charge is a decrease from the current charge of \$1.50 monthly.

In addition to the above, individuals and businesses in the unincorporated area remain subject to a diesel fuel surcharge (credit) that could become effective January 1, 2009, pursuant to the policy adopted June 27, 2006, by the Board of Supervisors.

DISCUSSION:

2008-2009 Collection Rate Calculations

The Board of Supervisors is required to approve all rate changes. The Department of Environmental Resources received solid waste collection rate adjustment applications from Bertolotti Disposal, Gilton Solid Waste Management, Turlock Scavenger and Waste Management. Department staff and the consulting firm of Hilton, Farnkopf & Hobson, LLC (HF&H), analyzed the applications. The analysis consisted of a thorough review of each company's reported revenues and expenses per the Stanislaus County Rate Adjustment Policy adopted by the Board on October 28, 1997.

The following is a brief summary of the proposed adjustments to solid waste collection rates:

- Residential basic service, i.e., 1-90 gallon cart, curbside recycling and the Bulky-Item Program, ranges from a 4.5% increase to a 12.3% decrease. About three-quarters (78%) of residential customers may see a 0.3% to 4.5% increase in their monthly charges, and about one-quarter (22%) of residential customers may see a 9.2% to 12.3% decrease in their monthly charges.
- Commercial bin rate adjustments range from a 2.4% increase to a 5% decrease. The majority of commercial bin customers may see their rates remain unchanged or decrease 3.4% to 5%.
- Franchise drop-box haul charges are proposed to increase 10%.

Attachment "A" shows the proposed adjustments to the maximum rates for franchise solid waste collection services. Please note, however, that Attachment "A" as included in the report to

request this Public Hearing contained an error. On page 5 of 6 of Attachment "A," revised rates were proposed for Turlock Scavenger's one and one and a half yard commercial bin customers when the intent was to leave these rates unchanged. Presently, Turlock Scavenger has no customers in these two service groups. The Attachment "A" included with this report has been corrected.

Bulky-Item Curbside Collection Program

The Bulky-Item Curbside Collection Program began in August 2007 with a \$1.50 per month charge to residential accounts. On May 20, 2008, the Board of Supervisors approved the continuation of the Bulky-Item Curbside Collection Program through July 31, 2009, and a reduction in the monthly charge from \$1.50 to \$0.55 per household. The proposed residential collection rates in Attachment "A" include the \$0.55 per month program charge.

Rate Adjustment Methodology

On February 12, 2008, the Board of Supervisors approved an amendment to an existing agreement with HF&H to assist Department staff in developing an alternative methodology for determining maximum solid waste collection charges.

Department staff has been meeting with representatives of the franchise holders about every two weeks since early March and is making good progress in developing an index-based methodology. This approach would only require an in-depth review of operational revenues and expenses every three to five years; a process that is currently done annually. During the intervening years, adjustments would be determined by a pre-selected combination of consumer or commodity price indices (i.e., index-based methodology). This approach could reduce information collection and document preparation expenses for the franchise holders, reduce staff time commitments, and increase the transparency of the process during the intervening years. The base year analysis, which would still take place every three to five years, would likely be just as demanding and complex as the current process but would be necessary to "true up" base rates for the next three- to five-year cycle.

The Department expects to return to the Board of Supervisors in September 2008 to request consideration of this alternative rate adjustment methodology.

Conclusion

The Department recommends that the Board of Supervisors adopt, by resolution, the maximum solid waste collection rates for residential, commercial, and drop-box services. These rates are shown in Attachment "A." If approved, the changes in rates would become effective August 1, 2008.

On June 27, 2008, a notice of the proposed adjustments was mailed to all the Mobile Home Parks in the unincorporated area of Stanislaus County, and a notice of the proposed adjustments was published in the Modesto Bee on July 12, 2008 and July 18, 2008.

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POLICY ISSUE:

The Board of Supervisors is required to set a public hearing prior to adjusting the maximum rates for solid waste collection services. After the public hearing, the rates can be changed. The Board of Supervisors should determine if adjusting the maximum rates for solid waste collection rates including a Bulky-Item Curbside Collection Program are consistent with its priorities of a safe community, a healthy community and a well-planned infrastructure system.

STAFFING IMPACTS:

There are no staffing impacts associated with this request.

**PROPOSED MAXIMUM RESIDENTIAL SOLID WASTE COLLECTION
RATES PLUS \$.55 FOR THE BULKY-ITEM PROGRAM**

BERTOLOTTI DISPOSAL

Service	Current Base Rate	Current BIP fee	Current Rate	Proposed Base Rate	2008-2009 BIP fee	Proposed Rate
1 can	\$13.20	\$1.50	\$14.70	\$14.21	\$.55	\$14.76
2 cans	\$19.92	\$1.50	\$21.42	\$21.45	\$.55	\$22.00
Addl. can	\$9.96	N/A	\$9.96	\$10.72	N/A	\$10.72
60 gal. cart	\$13.20	\$1.50	\$14.70	\$14.21	\$.55	\$14.76
90 gal. cart	\$19.92	\$1.50	\$21.42	\$21.45	\$.55	\$22.00
Addl. cart	\$12.15	N/A	\$12.15	\$13.08	N/A	\$13.08

GILTON SOLID WASTE MANAGEMENT

Service	Current Base Rate	Current BIP fee	Current Rate	Proposed Base Rate	2008-2009 BIP fee	Proposed Rate
1 can	\$10.55	\$1.50	\$12.05	\$10.02	\$.55	\$10.57
2 cans	\$19.33	\$1.50	\$20.83	\$18.36	\$.55	\$18.91
Addl. can	\$9.66	N/A	\$9.66	\$9.18	N/A	\$9.18
30 gal. cart	\$13.03	\$1.50	\$14.53	\$12.38	\$.55	\$12.93
60 gal. cart	\$14.75	\$1.50	\$16.25	\$14.01	\$.55	\$14.56
90 gal. cart	\$19.33	\$1.50	\$20.83	\$18.36	\$.55	\$18.91
Addl. cart	\$11.79	N/A	\$11.79	\$11.20	N/A	\$11.20

MODESTO DISPOSAL / WASTE MANAGEMENT, INC.

Service	Current Base Rate	Current BIP fee	Current Rate	Proposed Base Rate	2008-2009 BIP fee	Proposed Rate
1 can	\$13.39	\$1.50	\$14.89	\$14.39	\$.55	\$14.94
2 cans	\$20.72	\$1.50	\$22.22	\$22.26	\$.55	\$22.81
Addl. can	\$10.36	N/A	\$10.36	\$11.13	N/A	\$11.13
60 gal. cart	\$14.64	\$1.50	\$16.14	\$15.73	\$.55	\$16.28
90 gal. cart	\$20.72	\$1.50	\$22.22	\$22.26	\$.55	\$22.81
Addl. cart	\$13.50	N/A	\$13.50	\$14.50	N/A	\$14.50

TURLOCK SCAVENGER

Service	Current Base Rate	Current BIP fee	Current Rate	Proposed Base Rate	2008-2009 BIP fee	Proposed Rate
1 can	\$13.44	\$1.50	\$14.94	\$14.73	\$.55	\$15.28
2 cans	\$19.86	\$1.50	\$21.36	\$21.77	\$.55	\$22.32
Addl. can	\$9.93	N/A	\$9.93	\$10.88	N/A	\$10.88
60 gal. cart	\$13.44	\$1.50	\$14.94	\$14.73	\$.55	\$15.28
90 gal. cart	\$19.86	\$1.50	\$21.36	\$21.77	\$.55	\$22.32
Addl. cart	\$12.11	N/A	\$12.11	\$13.28	N/A	\$13.28

**PROPOSED MAXIMUM COMMERCIAL BIN
SOLID WASTE COLLECTION RATES**

BERTOLOTTI DISPOSAL

Service Level	Current Rate	% Change	Proposed Rate
1 yd., 1 X week	\$48.95	0.0%	\$48.95
1 yd., 2 X week	\$97.89	0.0%	\$97.89
1 yd., 3 X week	\$146.84	0.0%	\$146.84
1 yd., 4 X week	\$195.78	0.0%	\$195.78
1 yd., 5 X week	\$244.73	0.0%	\$244.73
1 yd., 6 X week	\$293.67	0.0%	\$293.67
1 yd., 7 X week	\$342.62	0.0%	\$342.62
1.5 yd., 1 X week	\$61.79	0.0%	\$61.79
1.5 yd., 2 X week	\$123.57	0.0%	\$123.57
1.5 yd., 3 X week	\$185.36	0.0%	\$185.36
1.5 yd., 4 X week	\$247.13	0.0%	\$247.13
1.5 yd., 5 X week	\$308.92	0.0%	\$308.92
1.5 yd., 6 X week	\$370.71	0.0%	\$370.71
1.5 yd., 7 X week	\$432.50	0.0%	\$432.50
2 yd., 1 X week	\$72.17	0.0%	\$72.17
2 yd., 3 X week	\$144.33	0.0%	\$144.33
2 yd., 3 X week	\$216.50	0.0%	\$216.50
2 yd., 4 X week	\$288.65	0.0%	\$288.65
2 yd., 5 X week	\$360.82	0.0%	\$360.82
2 yd., 6 X week	\$432.99	0.0%	\$432.99
2 yd., 7 X week	\$505.15	0.0%	\$505.15
3 yd., 1 X week	\$84.77	0.0%	\$84.77
3 yd., 3 X week	\$169.54	0.0%	\$169.54
3 yd., 3 X week	\$254.30	0.0%	\$254.30
3 yd., 4 X week	\$339.07	0.0%	\$339.07
3 yd., 5 X week	\$423.84	0.0%	\$423.84
3 yd., 6 X week	\$508.61	0.0%	\$508.61
3 yd., 7 X week	\$593.38	0.0%	\$593.38
4 yd., 1 X week	\$105.09	0.0%	\$105.09
4 yd., 2 X week	\$210.17	0.0%	\$210.17
4 yd., 3 X week	\$315.25	0.0%	\$315.25
4 yd., 4 X week	\$420.33	0.0%	\$420.33
4 yd., 5 X week	\$525.42	0.0%	\$525.42
4 yd., 6 X week	\$630.50	0.0%	\$630.50
4 yd., 7 X week	\$735.60	0.0%	\$735.60
6 yd., 1 X week	\$145.71	0.0%	\$145.71
6 yd., 2 X week	\$291.43	0.0%	\$291.43
6 yd., 3 X week	\$437.14	0.0%	\$437.14
6 yd., 4 X week	\$582.86	0.0%	\$582.86
6 yd., 5 X week	\$728.57	0.0%	\$728.57
6 yd., 6 X week	\$874.29	0.0%	\$874.29
6 yd., 7 X week	\$1,020.00	0.0%	\$1,020.00

**PROPOSED MAXIMUM COMMERCIAL BIN
SOLID WASTE COLLECTION RATES**

GILTON SOLID WASTE MANAGEMENT

Service Level	Current Rate	% Change	Proposed Rate
1 yd., 1 X week	\$55.57	0.0%	\$55.57
1 yd., 2 X week	\$111.14	0.0%	\$111.14
1 yd., 3 X week	\$166.71	0.0%	\$166.71
1 yd., 4 X week	\$222.28	0.0%	\$222.28
1 yd., 5 X week	\$277.85	0.0%	\$277.85
1 yd., 6 X week	\$333.41	0.0%	\$333.41
1 yd., 7 X week	\$388.98	0.0%	\$388.98
1.5 yd., 1 X week	\$63.06	0.0%	\$63.06
1.5 yd., 2 X week	\$126.14	0.0%	\$126.14
1.5 yd., 3 X week	\$189.20	0.0%	\$189.20
1.5 yd., 4 X week	\$252.24	0.0%	\$252.24
1.5 yd., 5 X week	\$315.32	0.0%	\$315.32
1.5 yd., 6 X week	\$378.38	0.0%	\$378.38
1.5 yd., 7 X week	\$441.45	0.0%	\$441.45
2 yd., 1 X week	\$69.00	2.41%	\$70.66
2 yd., 3 X week	\$138.00	2.41%	\$141.33
2 yd., 3 X week	\$207.00	2.41%	\$211.99
2 yd., 4 X week	\$276.00	2.41%	\$282.65
2 yd., 5 X week	\$345.01	2.41%	\$353.32
2 yd., 6 X week	\$414.00	2.41%	\$423.98
2 yd., 7 X week	\$483.00	2.41%	\$494.64
3 yd., 1 X week	\$72.54	2.41%	\$74.29
3 yd., 3 X week	\$145.06	2.41%	\$148.56
3 yd., 3 X week	\$217.61	2.41%	\$222.85
3 yd., 4 X week	\$290.14	2.41%	\$297.13
3 yd., 5 X week	\$362.68	2.41%	\$371.42
3 yd., 6 X week	\$435.20	2.41%	\$445.69
3 yd., 7 X week	\$507.75	2.41%	\$519.99
4 yd., 1 X week	\$80.14	2.41%	\$82.07
4 yd., 2 X week	\$160.27	2.41%	\$164.13
4 yd., 3 X week	\$240.42	2.41%	\$246.21
4 yd., 4 X week	\$320.57	2.41%	\$328.30
4 yd., 5 X week	\$400.70	2.41%	\$410.36
4 yd., 6 X week	\$480.84	2.41%	\$492.43
4 yd., 7 X week	\$560.98	2.41%	\$574.50
6 yd., 1 X week	\$96.90	2.41%	\$99.24
6 yd., 2 X week	\$193.77	2.41%	\$198.44
6 yd., 3 X week	\$290.67	2.41%	\$297.68
6 yd., 4 X week	\$387.55	2.41%	\$396.89
6 yd., 5 X week	\$484.44	2.41%	\$496.12
6 yd., 6 X week	\$581.32	2.41%	\$595.33
6 yd., 7 X week	\$678.22	2.41%	\$694.57

**PROPOSED MAXIMUM COMMERCIAL BIN
SOLID WASTE COLLECTION RATES**

MODESTO DISPOSAL / WMI

Service Level	Current Rate	% Change	Proposed Rate
1 yd., 1 X week	\$57.43	-5.0%	\$54.56
1 yd., 2 X week	\$114.84	-5.0%	\$109.10
1 yd., 3 X week	\$172.26	-5.0%	\$163.65
1 yd., 4 X week	\$229.68	-5.0%	\$218.20
1 yd., 5 X week	\$287.10	-5.0%	\$272.75
1 yd., 6 X week	\$344.52	-5.0%	\$327.29
1 yd., 7 X week	\$401.95	-5.0%	\$381.85
1.5 yd., 1 X week	\$69.82	-5.0%	\$66.33
1.5 yd., 2 X week	\$139.63	-5.0%	\$132.65
1.5 yd., 3 X week	\$209.45	-5.0%	\$198.98
1.5 yd., 4 X week	\$279.26	-5.0%	\$265.30
1.5 yd., 5 X week	\$349.08	-5.0%	\$331.63
1.5 yd., 6 X week	\$418.89	-5.0%	\$397.95
1.5 yd., 7 X week	\$488.71	-5.0%	\$464.27
2 yd., 1 X week	\$73.62	-5.0%	\$69.94
2 yd., 3 X week	\$147.20	-5.0%	\$139.84
2 yd., 3 X week	\$220.82	-5.0%	\$209.78
2 yd., 4 X week	\$294.42	-5.0%	\$279.70
2 yd., 5 X week	\$368.03	-5.0%	\$349.63
2 yd., 6 X week	\$441.63	-5.0%	\$419.55
2 yd., 7 X week	\$515.23	-5.0%	\$489.47
3 yd., 1 X week	\$82.92	-5.0%	\$78.77
3 yd., 3 X week	\$165.80	-5.0%	\$157.51
3 yd., 3 X week	\$248.72	-5.0%	\$236.28
3 yd., 4 X week	\$331.63	-5.0%	\$315.05
3 yd., 5 X week	\$414.53	-5.0%	\$393.80
3 yd., 6 X week	\$497.43	-5.0%	\$472.56
3 yd., 7 X week	\$580.34	-5.0%	\$551.32
4 yd., 1 X week	\$91.06	-5.0%	\$86.51
4 yd., 2 X week	\$182.12	-5.0%	\$173.01
4 yd., 3 X week	\$273.17	-5.0%	\$259.51
4 yd., 4 X week	\$363.95	-5.0%	\$345.75
4 yd., 5 X week	\$455.30	-5.0%	\$432.54
4 yd., 6 X week	\$546.35	-5.0%	\$519.03
4 yd., 7 X week	\$637.41	-5.0%	\$605.54
6 yd., 1 X week	\$98.19	-5.0%	\$93.28
6 yd., 2 X week	\$196.37	-5.0%	\$186.55
6 yd., 3 X week	\$294.57	-5.0%	\$279.84
6 yd., 4 X week	\$392.74	-5.0%	\$373.10
6 yd., 5 X week	\$490.93	-5.0%	\$466.38
6 yd., 6 X week	\$589.10	-5.0%	\$559.65
6 yd., 7 X week	\$687.30	-5.0%	\$652.94

**PROPOSED MAXIMUM COMMERCIAL BIN
SOLID WASTE COLLECTION RATES**

TURLOCK SCAVENGER

Service Level	Current Rate	% Change	Proposed Rate
1 yd., 1 X week	\$55.99	0.0%	\$55.99
1 yd., 2 X week	\$111.98	0.0%	\$111.98
1 yd., 3 X week	\$167.97	0.0%	\$167.97
1 yd., 4 X week	\$223.94	0.0%	\$223.94
1 yd., 5 X week	\$279.94	0.0%	\$279.94
1 yd., 6 X week	\$335.92	0.0%	\$335.92
1 yd., 7 X week	\$391.91	0.0%	\$391.91
1.5 yd., 1 X week	\$73.25	0.0%	\$73.25
1.5 yd., 2 X week	\$146.48	0.0%	\$146.48
1.5 yd., 3 X week	\$219.75	0.0%	\$219.75
1.5 yd., 4 X week	\$292.99	0.0%	\$292.99
1.5 yd., 5 X week	\$366.23	0.0%	\$366.23
1.5 yd., 6 X week	\$439.48	0.0%	\$439.48
1.5 yd., 7 X week	\$512.73	0.0%	\$512.73
2 yd., 1 X week	\$75.08	-3.40%	\$72.53
2 yd., 3 X week	\$150.13	-3.40%	\$145.03
2 yd., 3 X week	\$225.22	-3.40%	\$217.56
2 yd., 4 X week	\$300.27	-3.40%	\$290.06
2 yd., 5 X week	\$375.35	-3.40%	\$362.59
2 yd., 6 X week	\$450.41	-3.40%	\$435.10
2 yd., 7 X week	\$525.48	-3.40%	\$507.61
3 yd., 1 X week	\$79.63	-3.40%	\$76.92
3 yd., 3 X week	\$159.25	-3.40%	\$153.84
3 yd., 3 X week	\$238.88	-3.40%	\$230.76
3 yd., 4 X week	\$318.50	-3.40%	\$307.67
3 yd., 5 X week	\$398.13	-3.40%	\$384.59
3 yd., 6 X week	\$477.75	-3.40%	\$461.51
3 yd., 7 X week	\$557.37	-3.40%	\$538.42
4 yd., 1 X week	\$96.17	-3.40%	\$92.90
4 yd., 2 X week	\$192.31	-3.40%	\$185.77
4 yd., 3 X week	\$288.48	-3.40%	\$278.67
4 yd., 4 X week	\$384.64	-3.40%	\$371.56
4 yd., 5 X week	\$480.81	-3.40%	\$464.46
4 yd., 6 X week	\$576.96	-3.40%	\$557.34
4 yd., 7 X week	\$673.13	-3.40%	\$650.24
6 yd., 1 X week	\$123.57	-3.40%	\$119.37
6 yd., 2 X week	\$247.14	-3.40%	\$238.74
6 yd., 3 X week	\$370.70	-3.40%	\$358.10
6 yd., 4 X week	\$494.27	-3.40%	\$477.46
6 yd., 5 X week	\$617.84	-3.40%	\$596.83
6 yd., 6 X week	\$741.42	-3.40%	\$716.21
6 yd., 7 X week	\$864.98	-3.40%	\$835.57

PROPOSED MAXIMUM DROP-BOX HAUL CHARGES

	Bertolotti Disposal		Gilton Solid Waste Management		MDS/WMI		Turlock Scavenger	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
10 – 19 yrd.	\$95.00	\$105.00	\$95.00	\$105.00	\$95.00	\$105.00	\$95.00	\$105.00
20 – 29 yrd.	\$125.00	\$138.00	\$125.00	\$138.00	\$125.00	\$138.00	\$125.00	\$138.00
30 yrd. & up	\$148.00	\$163.00	\$148.00	\$163.00	\$148.00	\$163.00	\$148.00	\$163.00