

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

DEPT: Environmental Resources *SLA*

BOARD AGENDA # 9:05 A.M.

Urgent  Routine

AGENDA DATE June 28, 2011

CEO Concurs with Recommendation YES  NO

4/5 Vote Required YES  NO

(Information Attached)

SUBJECT:

Public Hearing to Consider Adjustments to Stanislaus County Franchise Maximum Rates for Solid Waste Collection Services

STAFF RECOMMENDATIONS:

1. Conduct a Public Hearing to Consider Adjustments to Stanislaus County Franchise Maximum Rates for Solid Waste Collection Services.
2. Approve the proposed adjustments to Stanislaus County Franchise Maximum Rates for solid waste collection services in Franchise Areas 1, 2, and 4.

FISCAL IMPACT:

If the Board of Supervisors approves the staff recommendation, all maximum rates for solid waste collection services in Franchise Areas 1, 2, and 4 will increase as described below. This increase in rates will result in approximately \$15,000 more revenue to the Department of Environmental Resources to oversee the franchise haulers during Fiscal Year 2011-2012.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2011-409

On motion of Supervisor O'Brien, Seconded by Supervisor Chiesa

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

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:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

## Public Hearing to Consider Adjustments to Stanislaus County Franchise Maximum Rates for Solid Waste Collection Services

### FISCAL IMPACT (Continued):

Subscribers to residential basic service which includes one 90-gallon cart, curbside recycling, and bulky item collection, may see changes in their monthly service charges ranging from a 1.17% increase to a 2.19% increase. Proposed commercial bin rate adjustments range from a 0.86% increase to a 1.90% increase. Proposed franchise drop-box haul charge adjustments range from a 1.94% increase to a 2.97% increase.

### DISCUSSION:

The unincorporated portions of Stanislaus County are divided into four separate franchise refuse hauling areas (Franchise Areas), each of which contain a mix of residential, commercial, and drop box customers (Attachment C). These four Franchise Areas contain the following residential communities: Area 1 – Salida, Keyes, Crows Landing, Grayson, and Westley; Area 2 – Knights Ferry and Valley Home; Area 3 –Denair, Empire, Hickman, and La Grange; and Area 4 – (none, the unincorporated areas are primarily pockets within the City of Turlock). In exchange for a franchise fee, the hauler receives the exclusive right to the residential and commercial accounts within their respective area, while Stanislaus County retains the ability to regulate the haulers and set the maximum rates that can be charged. In addition, the Board of Supervisors also sets the franchise maximum haul rates for drop box customers.

#### Franchise Areas 1, 2, and 4

Through much of 2008, Department of Environmental Resources staff worked with the consulting firm of Hilton, Farnkopf & Hobson, LLC, and the franchise refuse collection companies to develop new "base" solid waste collection rates (Base Rates). Costs related to curbside recycling and the bulky item program are included in the residential Base Rates.

On November 4, 2008, the Board of Supervisors adopted new Base Rates from which the maximum franchise rates for solid waste collection services (hereinafter also referred to as "Rates") in the unincorporated areas of Stanislaus County would be set beginning July 1, 2009. At the same meeting, the Board also approved a new methodology for the annual adjustment of these Base Rates. For four consecutive years, beginning with July 1, 2009, the Base Rates may be increased or decreased only by the change in a series of consumer and other price indexes. Every fifth year, a detailed cost of service study will be repeated to determine new Base Rates, followed by another four years of index-based adjustments, and so on.

On June 30, 2009, the Board approved the first index-based adjustments in setting the maximum franchise rates for solid waste collection services for 2009-2010. On June 29, 2010, the Board approved the second index-based adjustments in setting the maximum franchise rates for solid waste collection services for 2010-2011. Currently, Stanislaus County is in the third year of the index-based adjustments. The following indices and their respective changes (i.e., the difference between the April 2009 – March 2010 average, and the April 2010 – March 2011 average) have been applied to the indicated components of the individual companies' residential and commercial 2010-2011 Rates to calculate the proposed 2011-2012 Rates. Only the labor, fuel, collections, and interest adjustments have been applied to the Drop Box

**Public Hearing to Consider Adjustments to Stanislaus County Franchise Maximum Rates for Solid Waste Collection Services**

2010-2011 Rates because the County sets only the haul charges for these services. Disposal, transfer, and franchise fees are billed to the customer directly by the companies as part of the service charge.

<u>Labor Component</u> : <i>CPI, Urban Wage Earners and Clerical Workers, All Items West – Size Class B/C</i>	1.20%
<u>Fuel Component</u> : <i>California No. 2 Diesel Retail Sales by All Sellers, U.S. Department of Energy</i>	20.55%
<u>Collections Component</u> : <i>CPI, All Urban Consumers, All Items, West Urban Area, West – Size Class B/C</i>	1.01%
<u>FRLF Disposal Component</u> : <i>Actual Change in Disposal Fees at the Fink Road Landfill.</i>	n/c
<u>SRRF Disposal Component</u> : <i>Actual Change in Disposal Fees at the Stanislaus Resource Recovery Facility.</i>	n/c
<u>Transfer Component</u> : <i>Discretionary Adjustment by the County.</i>	n/c
<u>Interest Component</u> : <i>Change in the Prime Rate per “Bank of America, NA and Bank of America NT &amp; SA”</i>	n/c
<u>Franchise Fee Component</u> : <i>Franchise Fees remain unchanged at 8%, however, the expense component has been adjusted per Section 2.3.7 of the Rate Adjustment Process.</i>	See below*
<u>Other Fees Component</u> : <i>There are no Other Fees applicable at this time.</i>	n/c

\*When the projected total compensation increases or decreases based on the net of the adjustments listed above, the expense included in the proposed rates for Franchise Fees must also be increased or decreased. This Component is included to make the franchise haulers “whole” at covering the exact amount of the County’s 8% franchise fee.

It should be noted that the annual index-based adjustment methodology “caps” each company’s overall rate adjustment at 5%. The cap had no impact on the proposed 2011-2012 Rates since the overall percentage change in the rates of all companies is less than 5%.

The proposed residential, commercial, and drop box rates (Attachment A) are presented in a format that identifies the following: the percentage change between the approved 2010-2011 Rates and the proposed 2011-2012 Rates, with the appropriate indices applied. Specifically, the following average increases are proposed for residential/commercial rates (in rounded percentages): Bertolotti Disposal – Franchise Area 1: 1.5%; Gilton Solid Waste Management – Franchise Area 2: 2%; and Turlock Scavenger: Area 4: 1%. Drop box haul charges are proposed to increase as follows (also in rounded percentages): 2% each for Bertolotti Disposal and Turlock Scavenger, Franchise Areas 1 and 4, respectively, and 3% for Gilton Solid Waste Management, Franchise Area 2.

## Public Hearing to Consider Adjustments to Stanislaus County Franchise Maximum Rates for Solid Waste Collection Services

### Franchise Area 3

On August 11, 2009, the Board approved the award of Franchise Refuse Collection Area #3 to Turlock Scavenger Company, effective November 1, 2009. This award was the result of a competitive procurement that began in November of 2008.

The respondents to the February 2009 Request for Proposals (RFP), including Turlock Scavenger, were asked to bid total compensation requirements for the initial 31.8 months of the contract period. Per the RFP and the Agreement with Turlock Scavenger, Area #3 rates will remain constant through June 30, 2012. Therefore, an adjustment in the rates for Franchise Area 3 is not proposed for 2011-2012, and the rates are included (Attachment B) for informational purposes only. The Board approved these maximum rates for refuse collection on October 27, 2009, following a public hearing.

### POLICY ISSUE:

The Board of Supervisors is required to hold a public hearing prior to adjusting the maximum rates for solid waste collection services. After the public hearing, the rates could be changed. Approval of this agenda item to adjust the maximum rates for solid waste collection services in Franchise Areas 1, 2, and 4, is consistent with the Board's priorities of A Safe Community, A Healthy Community, and A Well Planned Infrastructure System. Adequate solid waste collection services are critical to supporting the Department's mission to promote a safe and healthy environment and improve the quality of life in the community through a balance of science, education, partnerships and environmental regulation.

### STAFFING IMPACTS:

There are no staffing impacts associated with this request.

### CONTACT PERSON:

Sonya K. Harrigfeld, Director of Environmental Resources. Telephone: 209-525-6770

**PROPOSED MAXIMUM RESIDENTIAL BASE RATES  
INCLUDING CURBSIDE RECYCLING AND BULKY ITEM  
PROGRAM**

**BERTOLOTTI DISPOSAL - FRANCHISE AREA #1**

Service	Current Rate ('10-'11)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 can	\$14.49	<b>\$14.72</b>	1.56%
2 cans	\$21.12	<b>\$21.45</b>	1.56%
Add'l. can	\$10.56	<b>\$10.72</b>	1.56%
60 gal. cart	\$14.49	<b>\$14.72</b>	1.56%
90 gal. cart	\$21.12	<b>\$21.45</b>	1.56%
Add'l. cart	\$12.88	<b>\$13.08</b>	1.56%

**GILTON SOLID WASTE MANAGEMENT - FRANCHISE AREA #2**

Service	Current Rate ('10-'11)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 can	\$9.75	<b>\$9.96</b>	2.19%
2 cans	\$16.86	<b>\$17.23</b>	2.19%
Add'l. can	\$8.43	<b>\$8.61</b>	2.19%
30 gal. cart	\$11.72	<b>\$11.98</b>	2.19%
60 gal. cart	\$13.15	<b>\$13.44</b>	2.19%
90 gal. cart	\$16.86	<b>\$17.23</b>	2.19%
Add'l. cart	\$10.28	<b>\$10.50</b>	2.19%

**TURLOCK SCAVENGER - FRANCHISE AREA #4**

Service	Current Rate ('10-'11)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 can	\$14.28	<b>\$14.45</b>	1.17%
2 cans	\$20.42	<b>\$20.66</b>	1.17%
Add'l. can	\$10.21	<b>\$10.33</b>	1.17%
60 gal. cart	\$14.28	<b>\$14.45</b>	1.17%
90 gal. cart	\$20.42	<b>\$20.66</b>	1.17%
Add'l. cart	\$12.46	<b>\$12.60</b>	1.17%

## PROPOSED MAXIMUM COMMERCIAL BIN RATES

BERTOLOTTI DISPOSAL - FRANCHISE AREA #1

Service	Current Rate ('10-'11)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 yd., 1 X week	\$ 52.21	\$ 53.01	1.53%
1 yd., 2 X week	\$ 104.41	\$ 106.00	1.53%
1 yd., 3 X week	\$ 156.61	\$ 159.01	1.53%
1 yd., 4 X week	\$ 208.81	\$ 212.00	1.53%
1 yd., 5 X week	\$ 261.02	\$ 265.01	1.53%
1 yd., 6 X week	\$ 313.22	\$ 318.00	1.53%
1 yd., 7 X week	\$ 365.43	\$ 371.01	1.53%
1.5 yd., 1 X week	\$ 65.90	\$ 66.91	1.53%
1.5 yd., 2 X week	\$ 131.80	\$ 133.81	1.53%
1.5 yd., 3 X week	\$ 197.70	\$ 200.72	1.53%
1.5 yd., 4 X week	\$ 263.58	\$ 267.60	1.53%
1.5 yd., 5 X week	\$ 329.49	\$ 334.52	1.53%
1.5 yd., 6 X week	\$ 395.39	\$ 401.42	1.53%
1.5 yd., 7 X week	\$ 461.30	\$ 468.34	1.53%
2 yd., 1 X week	\$ 76.97	\$ 78.15	1.53%
2 yd., 2 X week	\$ 153.94	\$ 156.29	1.53%
2 yd., 3 X week	\$ 230.91	\$ 234.44	1.53%
2 yd., 4 X week	\$ 307.87	\$ 312.57	1.53%
2 yd., 5 X week	\$ 384.84	\$ 390.72	1.53%
2 yd., 6 X week	\$ 461.82	\$ 468.87	1.53%
2 yd., 7 X week	\$ 538.77	\$ 547.00	1.53%
3 yd., 1 X week	\$ 90.41	\$ 91.79	1.53%
3 yd., 2 X week	\$ 180.83	\$ 183.59	1.53%
3 yd., 3 X week	\$ 271.23	\$ 275.37	1.53%
3 yd., 4 X week	\$ 361.65	\$ 367.17	1.53%
3 yd., 5 X week	\$ 452.06	\$ 458.96	1.53%
3 yd., 6 X week	\$ 542.47	\$ 550.75	1.53%
3 yd., 7 X week	\$ 632.88	\$ 642.55	1.53%
4 yd., 1 X week	\$ 112.09	\$ 113.80	1.53%
4 yd., 2 X week	\$ 224.16	\$ 227.58	1.53%
4 yd., 3 X week	\$ 336.24	\$ 341.37	1.53%
4 yd., 4 X week	\$ 448.31	\$ 455.16	1.53%
4 yd., 5 X week	\$ 560.40	\$ 568.96	1.53%
4 yd., 6 X week	\$ 672.48	\$ 682.74	1.53%
4 yd., 7 X week	\$ 784.57	\$ 796.55	1.53%
6 yd., 1 X week	\$ 155.41	\$ 157.78	1.53%
6 yd., 2 X week	\$ 310.83	\$ 315.58	1.53%
6 yd., 3 X week	\$ 466.24	\$ 473.36	1.53%
6 yd., 4 X week	\$ 621.66	\$ 631.15	1.53%
6 yd., 5 X week	\$ 777.07	\$ 788.93	1.53%
6 yd., 6 X week	\$ 932.49	\$ 946.73	1.53%
6 yd., 7 X week	\$ 1,087.90	\$ 1,104.51	1.53%

## PROPOSED MAXIMUM COMMERCIAL BIN RATES

### GILTON SOLID WASTE MANAGEMENT - FRANCHISE AREA #2

Service	Current Rate ('10-'11)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 yd., 1 X week	\$ 56.71	\$ 57.79	1.90%
1 yd., 2 X week	\$ 113.44	\$ 115.59	1.90%
1 yd., 3 X week	\$ 170.15	\$ 173.39	1.90%
1 yd., 4 X week	\$ 226.87	\$ 231.18	1.90%
1 yd., 5 X week	\$ 283.58	\$ 288.97	1.90%
1 yd., 6 X week	\$ 340.29	\$ 346.76	1.90%
1 yd., 7 X week	\$ 397.01	\$ 404.56	1.90%
1.5 yd., 1 X week	\$ 64.36	\$ 65.59	1.90%
1.5 yd., 2 X week	\$ 128.74	\$ 131.19	1.90%
1.5 yd., 3 X week	\$ 193.10	\$ 196.78	1.90%
1.5 yd., 4 X week	\$ 257.45	\$ 262.34	1.90%
1.5 yd., 5 X week	\$ 321.83	\$ 327.95	1.90%
1.5 yd., 6 X week	\$ 386.19	\$ 393.53	1.90%
1.5 yd., 7 X week	\$ 450.56	\$ 459.13	1.90%
2 yd., 1 X week	\$ 70.42	\$ 71.76	1.90%
2 yd., 2 X week	\$ 140.85	\$ 143.52	1.90%
2 yd., 3 X week	\$ 211.27	\$ 215.29	1.90%
2 yd., 4 X week	\$ 281.69	\$ 287.05	1.90%
2 yd., 5 X week	\$ 352.13	\$ 358.83	1.90%
2 yd., 6 X week	\$ 422.55	\$ 430.58	1.90%
2 yd., 7 X week	\$ 492.97	\$ 502.35	1.90%
3 yd., 1 X week	\$ 74.03	\$ 75.44	1.90%
3 yd., 2 X week	\$ 148.06	\$ 150.87	1.90%
3 yd., 3 X week	\$ 222.10	\$ 226.32	1.90%
3 yd., 4 X week	\$ 296.13	\$ 301.76	1.90%
3 yd., 5 X week	\$ 370.16	\$ 377.20	1.90%
3 yd., 6 X week	\$ 444.18	\$ 452.62	1.90%
3 yd., 7 X week	\$ 518.23	\$ 528.08	1.90%
4 yd., 1 X week	\$ 81.80	\$ 83.35	1.90%
4 yd., 2 X week	\$ 163.57	\$ 166.69	1.90%
4 yd., 3 X week	\$ 245.38	\$ 250.05	1.90%
4 yd., 4 X week	\$ 327.19	\$ 333.41	1.90%
4 yd., 5 X week	\$ 408.96	\$ 416.74	1.90%
4 yd., 6 X week	\$ 490.76	\$ 500.10	1.90%
4 yd., 7 X week	\$ 572.56	\$ 583.45	1.90%
6 yd., 1 X week	\$ 98.90	\$ 100.78	1.90%
6 yd., 2 X week	\$ 197.76	\$ 201.53	1.90%
6 yd., 3 X week	\$ 296.67	\$ 302.31	1.90%
6 yd., 4 X week	\$ 395.55	\$ 403.07	1.90%
6 yd., 5 X week	\$ 494.44	\$ 503.84	1.90%
6 yd., 6 X week	\$ 593.31	\$ 604.60	1.90%
6 yd., 7 X week	\$ 692.21	\$ 705.38	1.90%

## PROPOSED MAXIMUM COMMERCIAL BIN RATES

### TURLOCK SCAVENGER - FRANCHISE AREA #4

Service	Current Rate ('10-'11)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 yd., 1 X week	\$ 53.49	\$ 53.95	0.86%
1 yd., 2 X week	\$ 106.99	\$ 107.91	0.86%
1 yd., 3 X week	\$ 160.48	\$ 161.86	0.86%
1 yd., 4 X week	\$ 213.96	\$ 215.80	0.86%
1 yd., 5 X week	\$ 267.46	\$ 269.76	0.86%
1 yd., 6 X week	\$ 320.95	\$ 323.71	0.86%
1 yd., 7 X week	\$ 374.44	\$ 377.67	0.86%
1.5 yd., 1 X week	\$ 69.98	\$ 70.59	0.86%
1.5 yd., 2 X week	\$ 139.95	\$ 141.15	0.86%
1.5 yd., 3 X week	\$ 209.96	\$ 211.77	0.86%
1.5 yd., 4 X week	\$ 279.93	\$ 282.35	0.86%
1.5 yd., 5 X week	\$ 349.91	\$ 352.92	0.86%
1.5 yd., 6 X week	\$ 419.89	\$ 423.51	0.86%
1.5 yd., 7 X week	\$ 489.87	\$ 494.09	0.86%
2 yd., 1 X week	\$ 71.73	\$ 72.35	0.86%
2 yd., 2 X week	\$ 143.44	\$ 144.67	0.86%
2 yd., 3 X week	\$ 215.18	\$ 217.03	0.86%
2 yd., 4 X week	\$ 286.88	\$ 289.36	0.86%
2 yd., 5 X week	\$ 358.61	\$ 361.71	0.86%
2 yd., 6 X week	\$ 430.33	\$ 434.04	0.86%
2 yd., 7 X week	\$ 502.06	\$ 506.39	0.86%
3 yd., 1 X week	\$ 76.08	\$ 76.73	0.86%
3 yd., 2 X week	\$ 152.16	\$ 153.47	0.86%
3 yd., 3 X week	\$ 228.23	\$ 230.20	0.86%
3 yd., 4 X week	\$ 304.30	\$ 306.92	0.86%
3 yd., 5 X week	\$ 380.38	\$ 383.66	0.86%
3 yd., 6 X week	\$ 456.46	\$ 460.39	0.86%
3 yd., 7 X week	\$ 532.52	\$ 537.12	0.86%
4 yd., 1 X week	\$ 91.88	\$ 92.67	0.86%
4 yd., 2 X week	\$ 183.74	\$ 185.32	0.86%
4 yd., 3 X week	\$ 275.62	\$ 277.99	0.86%
4 yd., 4 X week	\$ 367.50	\$ 370.67	0.86%
4 yd., 5 X week	\$ 459.38	\$ 463.34	0.86%
4 yd., 6 X week	\$ 551.25	\$ 556.00	0.86%
4 yd., 7 X week	\$ 643.13	\$ 648.67	0.86%
6 yd., 1 X week	\$ 118.06	\$ 119.08	0.86%
6 yd., 2 X week	\$ 236.12	\$ 238.15	0.86%
6 yd., 3 X week	\$ 354.18	\$ 357.23	0.86%
6 yd., 4 X week	\$ 472.24	\$ 476.31	0.86%
6 yd., 5 X week	\$ 590.30	\$ 595.39	0.86%
6 yd., 6 X week	\$ 708.37	\$ 714.47	0.86%
6 yd., 7 X week	\$ 826.43	\$ 833.55	0.86%



## PROPOSED MAXIMUM DROP-BOX HAUL CHARGES

### BERTOLOTTI DISPOSAL - FRANCHISE AREA #1

Service	Current Rate ('10-'11)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
10 - 19 yrd.	\$ 145.57	\$ 148.38	1.94%
20 - 29 yrd.	\$ 192.11	\$ 195.83	1.94%
30 yrd. & up	\$ 227.76	\$ 232.17	1.94%

### GILTON SOLID WASTE MANAGEMENT - FRANCHISE AREA #2

Service	Current Rate ('10-'11)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
10 - 19 yrd.	\$ 144.14	\$ 148.43	2.97%
20 - 29 yrd.	\$ 188.72	\$ 194.32	2.97%
30 yrd. & up	\$ 223.80	\$ 230.45	2.97%

### TURLOCK SCAVENGER - FRANCHISE AREA #4

Service	Current Rate ('10-'11)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
10 - 19 yrd.	\$ 139.67	\$ 142.37	1.94%
20 - 29 yrd.	\$ 183.56	\$ 187.12	1.94%
30 yrd. & up	\$ 217.48	\$ 221.70	1.94%

**CURRENT FRANCHISE MAXIMUM RATES FOR SOLID WASTE COLLECTION  
SERVICES FOR TURLOCK SCAVENGER'S FRANCHISE AREA #3**

**RESIDENTIAL SERVICES**

Service	Current Rate effective 11/1/2009 through 6/30/2012
1 can	\$12.12
2 cans	\$18.65
Add'l. can	\$8.61
60 gal. cart	\$12.12
90 gal. cart	\$18.65
Add'l. cart	\$12.12

**COMMERCIAL SERVICES**

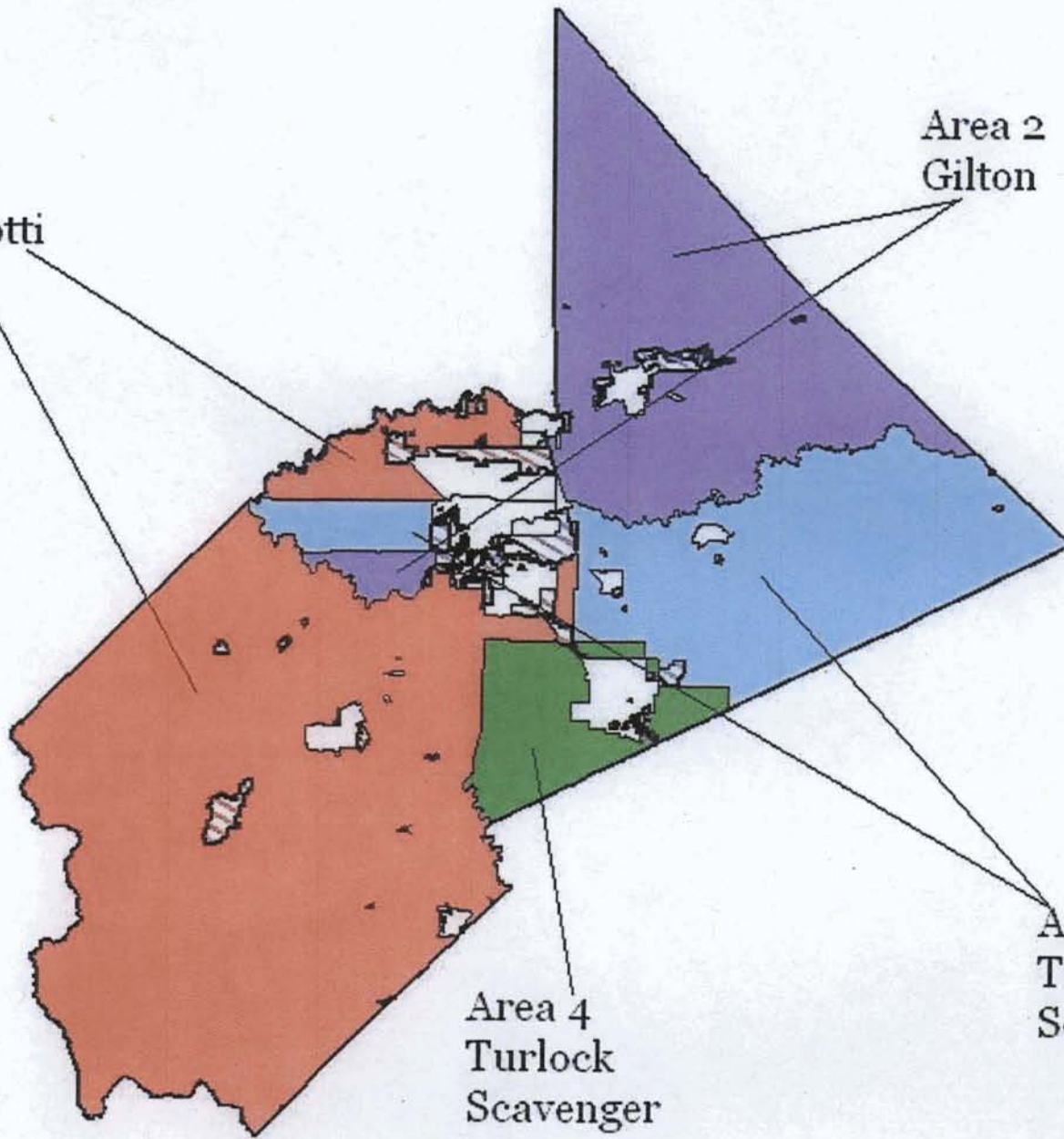
Service	Current Rate effective 11/1/2009 through 6/30/2012
1 yd., 1 X week	\$46.45
1 yd., 2 X week	\$92.89
1 yd., 3 X week	\$139.33
1 yd., 4 X week	\$185.76
1 yd., 5 X week	\$232.21
1 yd., 6 X week	\$278.66
1 yd., 7 X week	\$325.10
2 yd., 1 X week	\$59.55
2 yd., 2 X week	\$119.06
2 yd., 3 X week	\$178.60
2 yd., 4 X week	\$238.13
2 yd., 5 X week	\$297.67
2 yd., 6 X week	\$357.20
2 yd., 7 X week	\$416.73
3 yd., 1 X week	\$67.07
3 yd., 2 X week	\$134.10
3 yd., 3 X week	\$201.16
3 yd., 4 X week	\$268.20
3 yd., 5 X week	\$335.29
3 yd., 6 X week	\$402.33
3 yd., 7 X week	\$469.39
4 yd., 1 X week	\$73.65
4 yd., 2 X week	\$147.31
4 yd., 3 X week	\$220.95
4 yd., 4 X week	\$294.37
4 yd., 5 X week	\$368.25
4 yd., 6 X week	\$441.90
4 yd., 7 X week	\$515.55
6 yd., 1 X week	\$79.42
6 yd., 2 X week	\$158.84
6 yd., 3 X week	\$238.25
6 yd., 4 X week	\$317.65
6 yd., 5 X week	\$397.07
6 yd., 6 X week	\$476.48
6 yd., 7 X week	\$555.91

**DROP BOX HAUL RATE**

Service	Current Rate effective 11/1/2009 through 6/30/2012
10 - 19 yrd.	<b>\$176.42 plus disposal cost</b>
20 - 29 yrd.	<b>\$176.42 plus disposal cost</b>
30 yrd. & up	<b>\$176.42 plus disposal cost</b>

Area 1  
Bertolotti

Area 2  
Gilton



Area 3  
Turlock  
Scavenger

Area 4  
Turlock  
Scavenger

ATTACHMENT

C

## PowerPoint Presentation

# Proposed Maximum Refuse Collection Rates 2011-2012

Sonya K. Harrigfeld, Director

Jami Aggers, Assistant Director

Mandip Dhillon, SW Program Manager

Department of Environmental Resources and Parks & Recreation

June 28, 2011

# FRANCHISE AREA MAP

## Area 1 - Bertolotti

(Salida, Keyes, Crows Landing, Grayson, Westley)

## Area 2 - Gilton

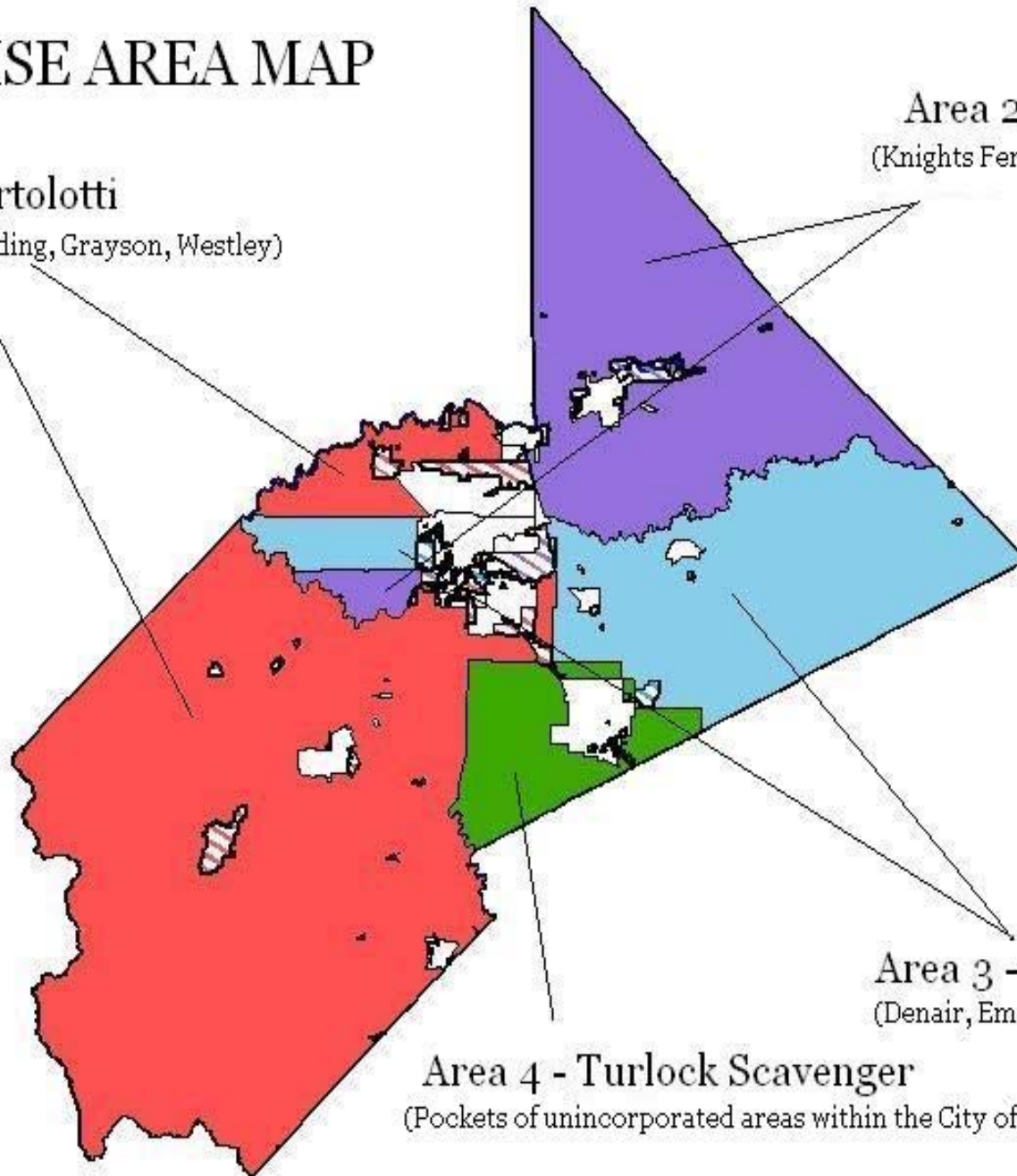
(Knights Ferry, Valley Home)

## Area 3 - Turlock Scavenger

(Denair, Empire, Hickman, La Grange)

## Area 4 - Turlock Scavenger

(Pockets of unincorporated areas within the City of Turlock)



# Franchise Areas

- Each franchise area has residential, commercial and drop box customers
- In exchange for a franchise fee, the haulers receive exclusive rights to the residential and commercial accounts
- Stanislaus County retains the ability to regulate the haulers and set the maximum rates that can be charged

# Background

## Franchise Areas 1, 2, & 4

- Staff worked with HF&H and the franchise companies to develop new “base” rates for refuse collection
- November 2008, Board adopted new base rates: benchmark from which to set rates beginning July 1, 2009



## Background (cont'd.)

- At the same meeting, the Board adopted a new methodology for the annual adjustment of these base rates
- For four consecutive years, these rates may only increase or decrease by the change in a series of price indexes
- This is the third year of the index-based adjustments

# Rate Adjustment Methodology

- Labor Component: Increased 1.20%
- Fuel Component: Increased 20.55%
- Collections Component: Increased 1.01%
- Interest Component: 0%

# Rate Adjustment Methodology (cont'd.)

- FRLF Disposal Component: n/c
- WTE Disposal Component: n/c
- Transfer Component: n/c
- **Franchise Fee Component:** The Franchise Fee Component is adjusted up or down based on the net change of the combined components in or to exactly equal the Franchise Fee
- Other Fees Component: n/c

# Proposed Residential Rate Adjustments

- 17,678 subscribers to weekly service
  - 63% will see a 1.56% increase
  - 29% will see a 2.19% increase
  - 8% will see a 1.17% increase

# Residential Basic Cart Service\*

	Current	Proposed Base w/ Index Adjustments
Bertolotti Disposal (Area 1)	\$21.12	<b>\$21.45</b>
Gilton Solid Waste (Area 2)	\$16.86	<b>\$17.23</b>
Turlock Scavenger (Area 4)	\$20.42	<b>\$20.66</b>

\*One 90-gallon cart service is the most common service for all three companies

# Proposed Commercial Rate Adjustments

- 2,178 commercial bins in service
  - 57% will see a 1.53% increase
  - 26% will see a 1.90% increase and
  - 17% will see a .86% increase

# 2-yrd. Commercial Bin Service\*

	Current	Proposed Base w/ Index Adjustments
Bertolotti Disposal	\$76.97	<b>\$78.15</b>
Gilton Solid Waste	\$70.42	<b>\$71.76</b>
Turlock Scavenger	\$71.73	<b>\$72.35</b>

\*2-yard service 1X/wk. is the most common service for all four companies

# Proposed Drop Box Rate Adjustments

- Requests for service are as-needed
  - All haul charges will increase by 1.94% to 2.97%



# Proposed 20-29 yard Drop-Box Haul Charge\*

Franchise Company	Current	Proposed Base w/ Index Adjustments
Bertolotti Disposal	<b>\$192.11</b>	<b>\$195.83</b>
Gilton Solid Waste	<b>\$188.72</b>	<b>\$194.32</b>
Turlock Scavenger	<b>\$183.56</b>	<b>\$187.12</b>

\*Other Drop Box sizes include 10-19 yard service and 30 yards and up.

# Franchise Area #3

- On August 2009, the Board approved the award of Franchise Area #3 to Turlock Scavenger through a competitive procurement process.
- The approved maximum rates for Area #3 are to remain constant through June 30, 2012.

# Franchise Area #3 (cont'd.)

Service Level

Current Rate effective  
11/2009 to 6/2012

Basic Cart Service*	\$18.65
2-yrd. Commercial Bin Service**	\$59.55
Drop Box Haul Charge	\$176.42 plus disposal cost

\*One 90-gallon cart service is the most common residential service.

\*\*2-yrd. Bin service is the most common commercial service.

# Staff Recommendation

- Approve the recommended adjustments to the Stanislaus County Franchise Maximum Rates for refuse collection services in Franchise Areas #1, #2 and #4.

**Questions?**

## PowerPoint Presentation

# Proposed Maximum Refuse Collection Rates 2011-2012

Sonya K. Harrigfeld, Director

Jami Aggers, Assistant Director

Mandip Dhillon, SW Program Manager

Department of Environmental Resources and Parks & Recreation

June 28, 2011

# FRANCHISE AREA MAP

## Area 1 - Bertolotti

(Salida, Keyes, Crows Landing, Grayson, Westley)

## Area 2 - Gilton

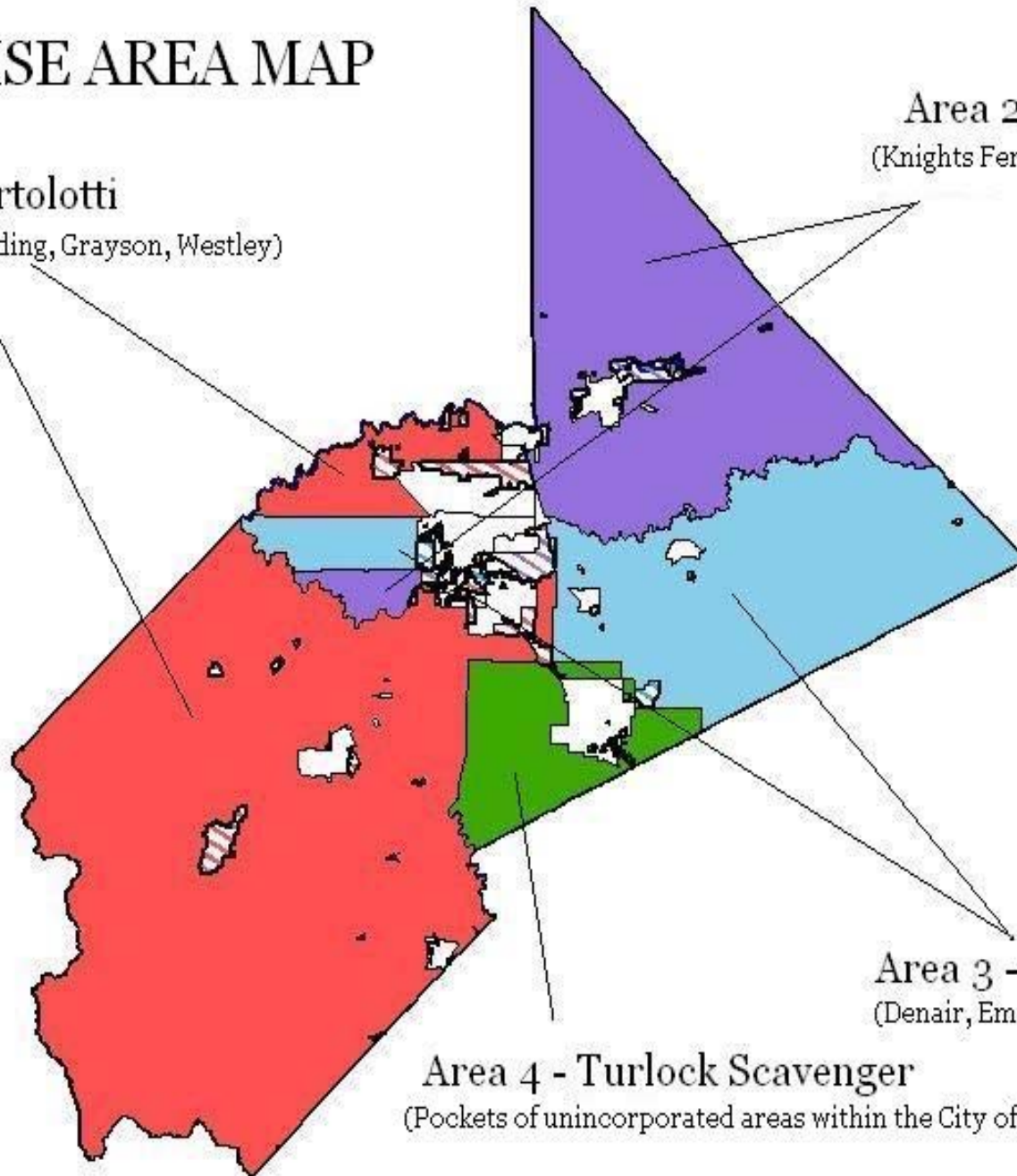
(Knights Ferry, Valley Home)

## Area 3 - Turlock Scavenger

(Denair, Empire, Hickman, La Grange)

## Area 4 - Turlock Scavenger

(Pockets of unincorporated areas within the City of Turlock)



# Franchise Areas

- Each franchise area has residential, commercial and drop box customers
- In exchange for a franchise fee, the haulers receive exclusive rights to the residential and commercial accounts
- Stanislaus County retains the ability to regulate the haulers and set the maximum rates that can be charged



# Background

## Franchise Areas 1, 2, & 4

- Staff worked with HF&H and the franchise companies to develop new “base” rates for refuse collection
- November 2008, Board adopted new base rates: benchmark from which to set rates beginning July 1, 2009

## Background (cont'd.)

- At the same meeting, the Board adopted a new methodology for the annual adjustment of these base rates
- For four consecutive years, these rates may only increase or decrease by the change in a series of price indexes
- This is the third year of the index-based adjustments

# Rate Adjustment Methodology

- Labor Component: Increased 1.20%
- Fuel Component: Increased 20.55%
- Collections Component: Increased 1.01%
- Interest Component: 0%

# Rate Adjustment Methodology (cont'd.)

- FRLF Disposal Component: n/c
- WTE Disposal Component: n/c
- Transfer Component: n/c
- **Franchise Fee Component:** The Franchise Fee Component is adjusted up or down based on the net change of the combined components in or to exactly equal the Franchise Fee
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