

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

DEPT: Environmental Resources

BOARD AGENDA # 9:05 a.m.

Urgent  Routine

AGENDA DATE June 26, 2012

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

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

STAFF RECOMMENDATIONS:

1. Conduct a public hearing to consider adjustments to the 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, 3, and 4.

FISCAL IMPACT:

If the Board of Supervisors approves the staff recommendations, all maximum rates for solid waste collection services in the unincorporated areas of Stanislaus County (Franchise Areas 1, 2, 3, and 4) will increase as follows: 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 8.01% increase to a 12.49% increase. The increase in the proposed monthly rate of a typical residential customer will be in the range of \$1.66 to \$2.33, of which \$1.10 to \$1.85 is due to the Waste-to-Energy facility disposal fee increase of \$11 per ton. (Continued Next Page)

BOARD ACTION AS FOLLOWS:

No. 2012-320

On motion of Supervisor Chiesa, Seconded by Supervisor Monteith  
and approved by the following vote,

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

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 TALLMAN, Clerk

File No.

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

### FISCAL IMPACT (Continued):

Proposed commercial bin rate adjustments range from a 9.02% increase to a 11.69% increase. Proposed drop-box haul charge adjustments range from a 4.29% increase to a 5.00% increase. This increase in rates will result in approximately \$85,000 in revenue to the Department of Environmental Resources to oversee the franchise haulers and to implement the rate-setting process during Fiscal Year 2012-2013.

### 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. These four Franchise Areas (Attachment B) 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 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, a the Board approved the second index-based adjustments in setting the maximum franchise rates for solid waste collection services for 2010-2011. And, on June 29, 2011, the Board approved the third index-based adjustments in setting the maximum franchise rates for solid waste collection services for 2011-2012. Currently, Stanislaus County is in the fourth year of the index-based adjustments; therefore, a detailed cost of service study will be completed again in 2013.

Public Hearing to Consider Adjustments to the 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. The Board approved the Area 3 maximum rates for refuse collection on October 27, 2009, following a public hearing.

Per the RFP and Franchise Agreement with Turlock Scavenger, Area 3 rates were to remain constant through June 30, 2012, and beginning with July 1, 2012 (service year 2012-2013), the annual index-based adjustments will be applied to Area 3 rates using the same methodology as for the other Franchise Areas. An adjustment to the maximum collection rates for Franchise Area 3 for the service year of 2012-2013 is, therefore, included in the index-based adjustments herein.

Proposed Adjustments

The following indices and their respective changes (i.e., the difference between the April 2010 - March 2011 average, and the April 2011 – March 2012 average) have been applied to the indicated components of the individual companies' residential and commercial 2011-2012 Rates to calculate the proposed 2012-2013 Rates. Only the labor, fuel, collections, and interest adjustments have been applied to the Drop Box 2011-2012 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>	3.30%
<u>Fuel Component:</u> <i>California No. 2 Diesel Retail Sales by All Sellers, U.S. Department of Energy</i>	24.62%
<u>Collections Component:</u> <i>CPI, All Urban Consumers, All Items, West Urban Area, West – Size Class B/C</i>	3.11%
<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 (SRRF).</i>	39.29%
<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

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<p><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></p>	<p>See below*</p>
<p><u>Other Fees Component:</u> <i>There are no Other Fees applicable at this time.</i></p>	<p>n/c</p>

\*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.

The annual index-based adjustment methodology "caps" each company's overall rate adjustment at 5% when the increase is the result of indices which are not under the County's control (Labor, Fuel, Collections, and Interest). Currently, in the case of residential and commercial services the increase in the overall rates due to indices outside the County's control fall below 5% for each Franchise Area. When the SRRF Disposal (Waste-to-Energy) Component change is applied, however, the overall rates for all Franchise Areas exceed 5% as indicated in Attachment A. The change of 39.29% in the SRRF Component indicated in the table above is due to the \$11 per ton increase in the disposal fee at the Waste-to-Energy facility, which the Board of Supervisors approved following a public hearing on May 22, 2012. The effective date of the disposal fee increase will be July 1, 2012. Since the SRRF Disposal Component is under the County's control, the adjustment cap is not applicable to the proposed 2012-2013 rate increases for the residential and commercial services. The increase in the Waste-to-Energy facility disposal fee accounts for \$1.10 to \$1.85 of the total rate increase range of \$1.66 to \$2.17 for a typical residential customer.

As mentioned above, in the case of drop-box haul charges, only the Labor, Fuel, Collections, and Interest Components are used to calculate the rate adjustment for this service type. The drop box rate adjustments for Franchise Areas 2 and 3 were calculated at 5.60% and 5.24% respectively, but will be held at 5% due to the application of the cap. The rate adjustments for Franchise Areas 1 and 4 were each calculated at below 5%, so the cap had no impact in this case.

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 2011-2012 Rates and the proposed 2012-2013 Rates, with the appropriate indices applied. The following average increases are proposed for residential/commercial rates (in rounded percentages): Bertolotti Disposal - Franchise Area 1: 9.97%; Gilton Solid Waste Management -Franchise Area 2: 11.87%; and Turlock Scavenger: Area 3: 12.09% and Area 4: 8.51%. Drop box haul charges are proposed to increase as follows (also in rounded percentages): 4.29% each for Bertolotti Disposal and Turlock Scavenger, Franchise Areas 1 and 4, respectively, and 5% each for Gilton Solid Waste Management and Turlock Scavenger, Franchise Areas 2 and 3, respectively.

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

### Mandatory Commercial Recycling Program

Assembly Bill (AB) 341, which was adopted by the State on October 6, 2011, requires local jurisdictions to implement commercial recycling programs by July 1, 2012. Specifically, AB 341 requires businesses that generate 4 cubic yards or more of waste per week and multi-family communities with five or more units, to either subscribe to a recycling collection service, send materials to a mixed waste processing facility, or self-haul the recycling materials. Correspondingly, this unfunded mandate also requires jurisdictions to educate, perform outreach, and monitor the recycling efforts of the businesses and multi-family communities impacted by AB 341. Jurisdictions are, however, allowed the flexibility of designing their own programs based on local infrastructure.

To comply with this new mandate, Department staff discussed various options with its three franchised haulers, as well as the other local cities, over a series of several meetings. The parties agreed that the Department will develop questionnaires to satisfy the monitoring requirement of AB 341, as well as marketing and educational materials and provide them to the haulers who will mail the information to the customers impacted by the mandate. These materials will also be provided to the cities, so they can be duplicated and distributed to city customers as well. The haulers will offer commercial recycling collection services in their respective Franchise Areas to businesses and multi-family communities. The goal of the information mailed by the haulers on behalf of the Department would be to encourage impacted customers to sign up for commercial recycling services, and the mailings will be repeated as needed. Consistent with current practice, the haulers will charge a reasonable market rate for providing the recycling collection service, which will be based on the value of the material being collected.

Department staff will incorporate mandatory commercial recycling information into its education and outreach program and make this available during appropriate public events in which staff participate. Promotional and educational information will also be provided on the Department's website. Responses to the questionnaires and other feedback from businesses and multi-family communities will be recorded, and this along with other relevant data received from the haulers will be used to complete an annual report required by the State.

#### 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 franchise maximum rates for solid waste collection services 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.

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

STAFFING IMPACTS:

There are no staffing impacts associated with this request. The Department will incorporate the requirements of the new commercial recycling mandate into its existing educational and outreach program utilizing existing staff.

CONTACT PERSON:

Jami Aggers, Interim Director of Environmental Resources

Telephone: 209-525-6770

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

**BERTOLOTI DISPOSAL - FRANCHISE AREA #1**

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 can	\$14.72	\$16.21	10.12%
2 cans	\$21.45	\$23.62	10.12%
Add'l. can	\$10.72	\$11.81	10.12%
60 gal. cart	\$14.72	\$16.21	10.12%
90 gal. cart	\$21.45	\$23.62	10.12%
Add'l. cart	\$13.08	\$14.41	10.12%

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

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 can	\$9.96	\$11.17	12.14%
2 cans	\$17.23	\$19.32	12.14%
Add'l. can	\$8.61	\$9.66	12.14%
30 gal. cart	\$11.98	\$13.44	12.14%
60 gal. cart	\$13.44	\$15.07	12.14%
90 gal. cart	\$17.23	\$19.32	12.14%
Add'l. cart	\$10.50	\$11.78	12.14%

**TURLOCK SCAVENGER - FRANCHISE AREA #3**

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 can	\$12.12	\$13.63	12.49%
2 cans	\$18.65	\$20.98	12.49%
Add'l. can	\$8.61	\$9.69	12.49%
60 gal. cart	\$12.12	\$13.63	12.49%
90 gal. cart	\$18.65	\$20.98	12.49%
Add'l. cart	\$12.12	\$13.63	12.49%

**TURLOCK SCAVENGER - FRANCHISE AREA #4**

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 can	\$14.45	\$15.60	8.01%
2 cans	\$20.66	\$22.32	8.01%
Add'l. can	\$10.33	\$11.16	8.01%
60 gal. cart	\$14.45	\$15.60	8.01%
90 gal. cart	\$20.66	\$22.32	8.01%
Add'l. cart	\$12.60	\$13.61	8.01%

## PROPOSED MAXIMUM COMMERCIAL BIN RATES

### BERTOLOTTI DISPOSAL - FRANCHISE AREA #1

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 yd., 1 X week	\$ 53.01	\$ 58.21	9.83%
1 yd., 2 X week	\$ 106.00	\$ 116.41	9.83%
1 yd., 3 X week	\$ 159.01	\$ 174.63	9.83%
1 yd., 4 X week	\$ 212.00	\$ 232.83	9.83%
1 yd., 5 X week	\$ 265.01	\$ 291.04	9.83%
1 yd., 6 X week	\$ 318.00	\$ 349.24	9.83%
1 yd., 7 X week	\$ 371.01	\$ 407.46	9.83%
1.5 yd., 1 X week	\$ 66.91	\$ 73.48	9.83%
1.5 yd., 2 X week	\$ 133.81	\$ 146.96	9.83%
1.5 yd., 3 X week	\$ 200.72	\$ 220.44	9.83%
1.5 yd., 4 X week	\$ 267.60	\$ 293.89	9.83%
1.5 yd., 5 X week	\$ 334.52	\$ 367.38	9.83%
1.5 yd., 6 X week	\$ 401.42	\$ 440.86	9.83%
1.5 yd., 7 X week	\$ 468.34	\$ 514.35	9.83%
2 yd., 1 X week	\$ 78.15	\$ 85.83	9.83%
2 yd., 2 X week	\$ 156.29	\$ 171.65	9.83%
2 yd., 3 X week	\$ 234.44	\$ 257.47	9.83%
2 yd., 4 X week	\$ 312.57	\$ 343.28	9.83%
2 yd., 5 X week	\$ 390.72	\$ 429.11	9.83%
2 yd., 6 X week	\$ 468.87	\$ 514.94	9.83%
2 yd., 7 X week	\$ 547.00	\$ 600.74	9.83%
3 yd., 1 X week	\$ 91.79	\$ 100.81	9.83%
3 yd., 2 X week	\$ 183.59	\$ 201.63	9.83%
3 yd., 3 X week	\$ 275.37	\$ 302.42	9.83%
3 yd., 4 X week	\$ 367.17	\$ 403.24	9.83%
3 yd., 5 X week	\$ 458.96	\$ 504.05	9.83%
3 yd., 6 X week	\$ 550.75	\$ 604.86	9.83%
3 yd., 7 X week	\$ 642.55	\$ 705.68	9.83%
4 yd., 1 X week	\$ 113.80	\$ 124.98	9.83%
4 yd., 2 X week	\$ 227.58	\$ 249.94	9.83%
4 yd., 3 X week	\$ 341.37	\$ 374.91	9.83%
4 yd., 4 X week	\$ 455.16	\$ 499.88	9.83%
4 yd., 5 X week	\$ 568.96	\$ 624.86	9.83%
4 yd., 6 X week	\$ 682.74	\$ 749.82	9.83%
4 yd., 7 X week	\$ 796.55	\$ 874.81	9.83%
6 yd., 1 X week	\$ 157.78	\$ 173.29	9.83%
6 yd., 2 X week	\$ 315.58	\$ 346.58	9.83%
6 yd., 3 X week	\$ 473.36	\$ 519.87	9.83%
6 yd., 4 X week	\$ 631.15	\$ 693.16	9.83%
6 yd., 5 X week	\$ 788.93	\$ 866.45	9.83%
6 yd., 6 X week	\$ 946.73	\$ 1,039.74	9.83%
6 yd., 7 X week	\$ 1,104.51	\$ 1,213.03	9.83%



## PROPOSED MAXIMUM COMMERCIAL BIN RATES

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

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 yd., 1 X week	\$ 57.79	\$ 64.49	11.60%
1 yd., 2 X week	\$ 115.59	\$ 129.00	11.60%
1 yd., 3 X week	\$ 173.39	\$ 193.49	11.60%
1 yd., 4 X week	\$ 231.18	\$ 257.99	11.60%
1 yd., 5 X week	\$ 288.97	\$ 322.48	11.60%
1 yd., 6 X week	\$ 346.76	\$ 386.97	11.60%
1 yd., 7 X week	\$ 404.56	\$ 451.47	11.60%
1.5 yd., 1 X week	\$ 65.59	\$ 73.19	11.60%
1.5 yd., 2 X week	\$ 131.19	\$ 146.40	11.60%
1.5 yd., 3 X week	\$ 196.78	\$ 219.59	11.60%
1.5 yd., 4 X week	\$ 262.34	\$ 292.76	11.60%
1.5 yd., 5 X week	\$ 327.95	\$ 365.97	11.60%
1.5 yd., 6 X week	\$ 393.53	\$ 439.16	11.60%
1.5 yd., 7 X week	\$ 459.13	\$ 512.36	11.60%
2 yd., 1 X week	\$ 71.76	\$ 80.08	11.60%
2 yd., 2 X week	\$ 143.52	\$ 160.17	11.60%
2 yd., 3 X week	\$ 215.29	\$ 240.25	11.60%
2 yd., 4 X week	\$ 287.05	\$ 320.33	11.60%
2 yd., 5 X week	\$ 358.83	\$ 400.44	11.60%
2 yd., 6 X week	\$ 430.58	\$ 480.51	11.60%
2 yd., 7 X week	\$ 502.35	\$ 560.59	11.60%
3 yd., 1 X week	\$ 75.44	\$ 84.19	11.60%
3 yd., 2 X week	\$ 150.87	\$ 168.36	11.60%
3 yd., 3 X week	\$ 226.32	\$ 252.56	11.60%
3 yd., 4 X week	\$ 301.76	\$ 336.75	11.60%
3 yd., 5 X week	\$ 377.20	\$ 420.94	11.60%
3 yd., 6 X week	\$ 452.62	\$ 505.11	11.60%
3 yd., 7 X week	\$ 528.08	\$ 589.32	11.60%
4 yd., 1 X week	\$ 83.35	\$ 93.02	11.60%
4 yd., 2 X week	\$ 166.69	\$ 186.01	11.60%
4 yd., 3 X week	\$ 250.05	\$ 279.04	11.60%
4 yd., 4 X week	\$ 333.41	\$ 372.07	11.60%
4 yd., 5 X week	\$ 416.74	\$ 465.06	11.60%
4 yd., 6 X week	\$ 500.10	\$ 558.08	11.60%
4 yd., 7 X week	\$ 583.45	\$ 651.10	11.60%
6 yd., 1 X week	\$ 100.78	\$ 112.47	11.60%
6 yd., 2 X week	\$ 201.53	\$ 224.89	11.60%
6 yd., 3 X week	\$ 302.31	\$ 337.36	11.60%
6 yd., 4 X week	\$ 403.07	\$ 449.81	11.60%
6 yd., 5 X week	\$ 503.84	\$ 562.26	11.60%
6 yd., 6 X week	\$ 604.60	\$ 674.70	11.60%
6 yd., 7 X week	\$ 705.38	\$ 787.17	11.60%

## PROPOSED MAXIMUM COMMERCIAL BIN RATES

TURLOCK SCAVENGER - FRANCHISE AREA #3

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 yd., 1 X week	\$ 46.45	\$ 51.88	11.69%
1 yd., 2 X week	\$ 92.89	\$ 103.75	11.69%
1 yd., 3 X week	\$ 139.33	\$ 155.61	11.69%
1 yd., 4 X week	\$ 185.76	\$ 207.47	11.69%
1 yd., 5 X week	\$ 232.21	\$ 259.35	11.69%
1 yd., 6 X week	\$ 278.66	\$ 311.23	11.69%
1 yd., 7 X week	\$ 325.10	\$ 363.10	11.69%
1.5 yd., 1 X week	\$ -	\$ -	n/c
1.5 yd., 2 X week	\$ -	\$ -	n/c
1.5 yd., 3 X week	\$ -	\$ -	n/c
1.5 yd., 4 X week	\$ -	\$ -	n/c
1.5 yd., 5 X week	\$ -	\$ -	n/c
1.5 yd., 6 X week	\$ -	\$ -	n/c
1.5 yd., 7 X week	\$ -	\$ -	n/c
2 yd., 1 X week	\$ 59.55	\$ 66.51	11.69%
2 yd., 2 X week	\$ 119.06	\$ 132.97	11.69%
2 yd., 3 X week	\$ 178.60	\$ 199.47	11.69%
2 yd., 4 X week	\$ 238.13	\$ 265.96	11.69%
2 yd., 5 X week	\$ 297.67	\$ 332.46	11.69%
2 yd., 6 X week	\$ 357.20	\$ 398.95	11.69%
2 yd., 7 X week	\$ 416.73	\$ 465.43	11.69%
3 yd., 1 X week	\$ 67.07	\$ 74.91	11.69%
3 yd., 2 X week	\$ 134.10	\$ 149.77	11.69%
3 yd., 3 X week	\$ 201.16	\$ 224.67	11.69%
3 yd., 4 X week	\$ 268.20	\$ 299.55	11.69%
3 yd., 5 X week	\$ 335.29	\$ 374.48	11.69%
3 yd., 6 X week	\$ 402.33	\$ 449.35	11.69%
3 yd., 7 X week	\$ 469.39	\$ 524.25	11.69%
4 yd., 1 X week	\$ 73.65	\$ 82.26	11.69%
4 yd., 2 X week	\$ 147.31	\$ 164.53	11.69%
4 yd., 3 X week	\$ 220.95	\$ 246.77	11.69%
4 yd., 4 X week	\$ 294.37	\$ 328.77	11.69%
4 yd., 5 X week	\$ 368.25	\$ 411.29	11.69%
4 yd., 6 X week	\$ 441.90	\$ 493.55	11.69%
4 yd., 7 X week	\$ 515.55	\$ 575.80	11.69%
6 yd., 1 X week	\$ 79.42	\$ 88.70	11.69%
6 yd., 2 X week	\$ 158.84	\$ 177.40	11.69%
6 yd., 3 X week	\$ 238.25	\$ 266.10	11.69%
6 yd., 4 X week	\$ 317.65	\$ 354.77	11.69%
6 yd., 5 X week	\$ 397.07	\$ 443.48	11.69%
6 yd., 6 X week	\$ 476.48	\$ 532.17	11.69%
6 yd., 7 X week	\$ 555.91	\$ 620.88	11.69%

## PROPOSED MAXIMUM COMMERCIAL BIN RATES

### TURLOCK SCAVENGER - FRANCHISE AREA #4

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 yd., 1 X week	\$ 53.95	\$ <b>58.82</b>	9.02%
1 yd., 2 X week	\$ 107.91	\$ <b>117.65</b>	9.02%
1 yd., 3 X week	\$ 161.86	\$ <b>176.46</b>	9.02%
1 yd., 4 X week	\$ 215.80	\$ <b>235.27</b>	9.02%
1 yd., 5 X week	\$ 269.76	\$ <b>294.10</b>	9.02%
1 yd., 6 X week	\$ 323.71	\$ <b>352.92</b>	9.02%
1 yd., 7 X week	\$ 377.67	\$ <b>411.73</b>	9.02%
1.5 yd., 1 X week	\$ 70.59	\$ <b>76.95</b>	9.02%
1.5 yd., 2 X week	\$ 141.15	\$ <b>153.89</b>	9.02%
1.5 yd., 3 X week	\$ 211.77	\$ <b>230.87</b>	9.02%
1.5 yd., 4 X week	\$ 282.35	\$ <b>307.82</b>	9.02%
1.5 yd., 5 X week	\$ 352.92	\$ <b>384.76</b>	9.02%
1.5 yd., 6 X week	\$ 423.51	\$ <b>461.71</b>	9.02%
1.5 yd., 7 X week	\$ 494.09	\$ <b>538.67</b>	9.02%
2 yd., 1 X week	\$ 72.35	\$ <b>78.88</b>	9.02%
2 yd., 2 X week	\$ 144.67	\$ <b>157.72</b>	9.02%
2 yd., 3 X week	\$ 217.03	\$ <b>236.61</b>	9.02%
2 yd., 4 X week	\$ 289.36	\$ <b>315.46</b>	9.02%
2 yd., 5 X week	\$ 361.71	\$ <b>394.34</b>	9.02%
2 yd., 6 X week	\$ 434.04	\$ <b>473.19</b>	9.02%
2 yd., 7 X week	\$ 506.39	\$ <b>552.07</b>	9.02%
3 yd., 1 X week	\$ 76.73	\$ <b>83.66</b>	9.02%
3 yd., 2 X week	\$ 153.47	\$ <b>167.31</b>	9.02%
3 yd., 3 X week	\$ 230.20	\$ <b>250.97</b>	9.02%
3 yd., 4 X week	\$ 306.92	\$ <b>334.61</b>	9.02%
3 yd., 5 X week	\$ 383.66	\$ <b>418.27</b>	9.02%
3 yd., 6 X week	\$ 460.39	\$ <b>501.92</b>	9.02%
3 yd., 7 X week	\$ 537.12	\$ <b>585.57</b>	9.02%
4 yd., 1 X week	\$ 92.67	\$ <b>101.03</b>	9.02%
4 yd., 2 X week	\$ 185.32	\$ <b>202.04</b>	9.02%
4 yd., 3 X week	\$ 277.99	\$ <b>303.07</b>	9.02%
4 yd., 4 X week	\$ 370.67	\$ <b>404.10</b>	9.02%
4 yd., 5 X week	\$ 463.34	\$ <b>505.14</b>	9.02%
4 yd., 6 X week	\$ 556.00	\$ <b>606.16</b>	9.02%
4 yd., 7 X week	\$ 648.67	\$ <b>707.19</b>	9.02%
6 yd., 1 X week	\$ 119.08	\$ <b>129.82</b>	9.02%
6 yd., 2 X week	\$ 238.15	\$ <b>259.64</b>	9.02%
6 yd., 3 X week	\$ 357.23	\$ <b>389.46</b>	9.02%
6 yd., 4 X week	\$ 476.31	\$ <b>519.28</b>	9.02%
6 yd., 5 X week	\$ 595.39	\$ <b>649.10</b>	9.02%
6 yd., 6 X week	\$ 714.47	\$ <b>778.93</b>	9.02%
6 yd., 7 X week	\$ 833.55	\$ <b>908.75</b>	9.02%

**PROPOSED MAXIMUM DROP-BOX HAUL CHARGES**

**BERTOLOTTI DISPOSAL - FRANCHISE AREA #1**

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
10 - 19 yrd.	\$ 148.38	\$ 154.76	4.29%
20 - 29 yrd.	\$ 195.83	\$ 204.24	4.29%
30 yrd. & up	\$ 232.17	\$ 242.14	4.29%

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

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
10 - 19 yrd.	\$ 148.43	\$ 155.85	5.00%
20 - 29 yrd.	\$ 194.32	\$ 204.04	5.00%
30 yrd. & up	\$ 230.45	\$ 241.97	5.00%

**TURLOCK SCAVENGER - FRANCHISE AREA #3**

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
10 - 19 yrd.	\$ 176.42	\$ 185.25	5.00%
20 - 29 yrd.	\$ 176.42	\$ 185.25	5.00%
30 yrd. & up	\$ 176.42	\$ 185.25	5.00%

**TURLOCK SCAVENGER - FRANCHISE AREA #4**

Service	Current Rate ('11-'12)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
10 - 19 yrd.	\$ 142.37	\$ 148.49	4.29%
20 - 29 yrd.	\$ 187.12	\$ 195.16	4.29%
30 yrd. & up	\$ 221.70	\$ 231.22	4.29%

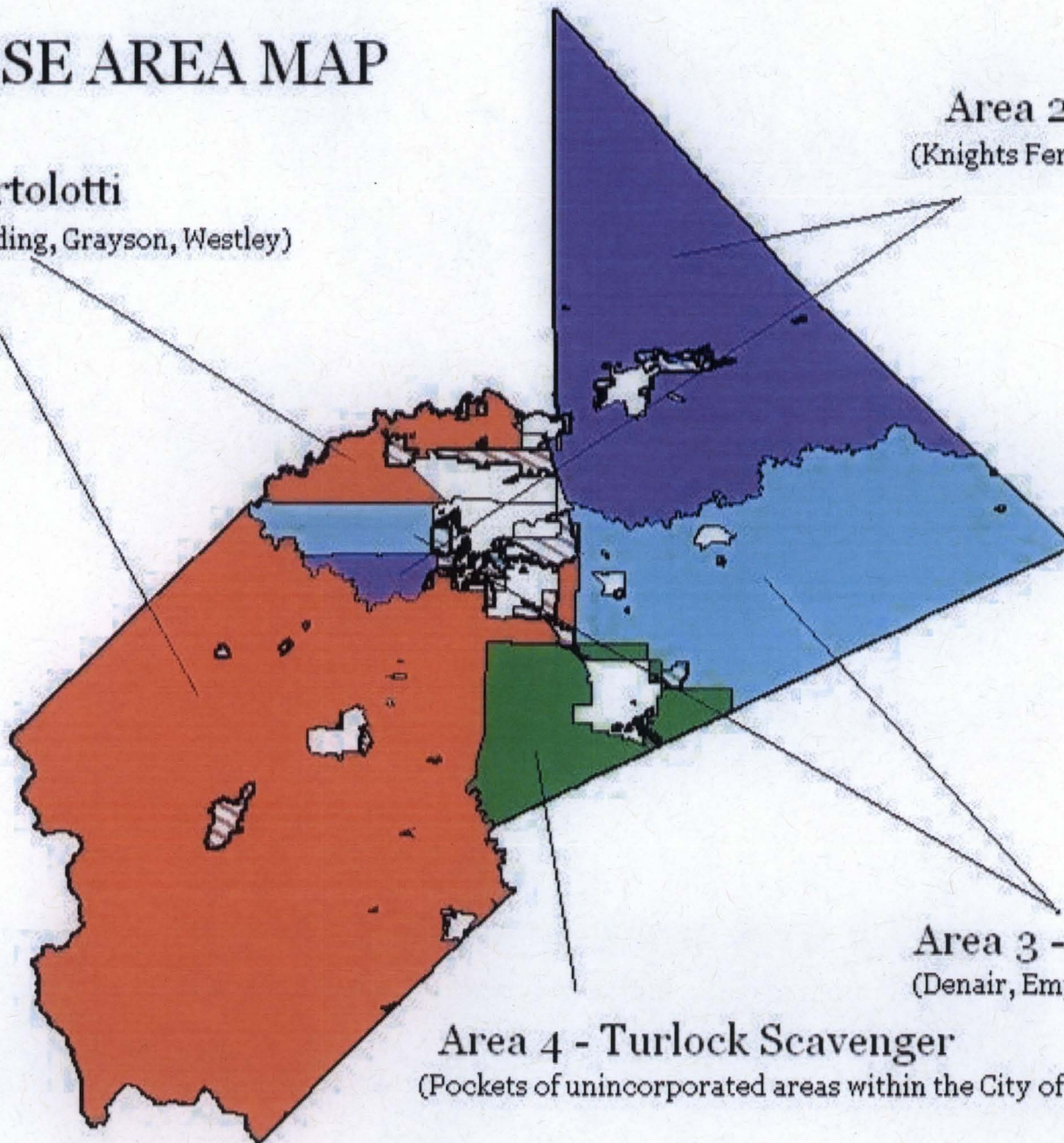
# FRANCHISE AREA MAP

**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)



# Proposed Refuse Collection Rates 2012-2013

Jami Aggers, Interim Director

Mandip Dhillon, Solid Waste Division Manager

Department of Environmental Resources

June 26, 2012



# FRANCHISE AREA MAP

## Area 1 - Bertolotti

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

## Area 2 - Gilton

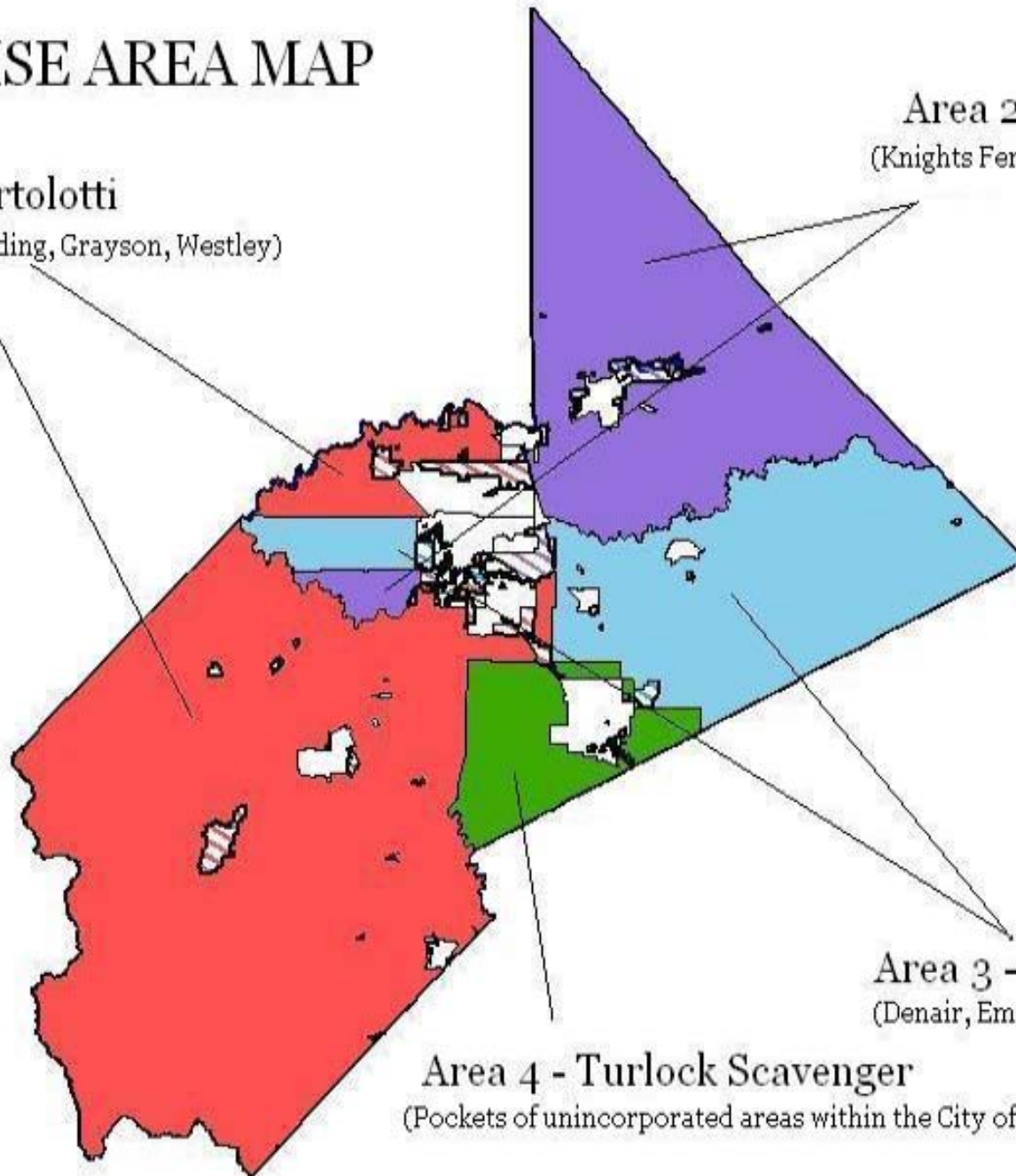
(Knights Ferry, Valley Home)

## 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 a mixture of residential, commercial and drop box customers
- The haulers receive exclusive rights to the residential and commercial accounts in exchange for a franchise fee
- Stanislaus County retains the ability to regulate the haulers and set the maximum rates that can be charged
- The BOS also sets the franchise maximum haul rates for drop box customers



# 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 fourth year of the index-based adjustments

# Franchise Area 3

- On August 2009, the Board approved the award of Franchise Area 3 to Turlock Scavenger through a competitive procurement
- The approved maximum rates for Area 3 are to remain constant through June 30, 2012
- Therefore, index-based adjustments were applied for first time in the Area 3 proposed rates for 2012-2013

# Rate Adjustment Methodology

- Labor Component: Increased 3.30%
- Fuel Component: Increased 24.62%
- Collections Component: Increased 3.1%
- Interest Component: 0%
- FRLF Disposal Component: 0%
- WTE Disposal Component: Increased 39.29%

# Rate Adjustment Methodology (cont'd.)

- 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

- 24,223 subscribers to weekly service
  - 45% will see a 10.12% increase
  - 21% will see a 12.14% increase
  - 28% will see a 12.49% increase
  - 6% will see a 8.01 % increase

# Residential Basic Cart Service\*

	Current	Proposed Base w/ Index Adjustments
Bertolotti Disposal (1)	\$21.45	<b>\$23.62</b>
Gilton Solid Waste (2)	\$17.23	<b>\$19.32</b>
Turlock Scavenger (3)	\$18.65	<b>\$20.98</b>
Turlock Scavenger (4)	\$20.66	<b>\$22.32</b>

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

# Breakdown of Change in Basic Service Rate

	Bertolotti Area 1	Gilton Area 2	Turlock Area 3	Turlock Area 4
Current Monthly Rate	\$21.45	\$17.23	\$18.65	\$20.66
Labor Component Change	0.13	0.11	0.11	0.13
Fuel Component Change	0.29	0.39	0.21	0.16
Collection Component Change	0.27	0.16	0.16	0.27
WTE Disposal Component Change	1.48	1.43	1.85	1.10
Proposed Total Monthly Increase	<b>2.17</b>	<b>2.09</b>	<b>2.33</b>	<b>1.66</b>
Proposed New Monthly Rate	\$23.62	\$19.32	\$20.98	\$22.32



# Proposed Commercial Rate Adjustments

- 2,820 commercial bins in service
  - 44% will see a 9.83% increase
  - 20% will see a 11.60% increase
  - 22% will see a 11.69% increase
  - 14% will see a 9.02% increase

# 2-yrd. Commercial Bin Service\*

	Current	Proposed Base w/ Index Adjustments
Bertolotti Disposal (1)	\$78.15	<b>\$85.83</b>
Gilton Solid Waste (2)	\$71.76	<b>\$80.08</b>
Turlock Scavenger (3)	\$59.55	<b>\$66.51</b>
Turlock Scavenger (4)	\$72.35	<b>\$78.88</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 4.29% to 5.00%

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

Franchise Company	Current	Proposed Base w/ Index Adjustments
Bertolotti Disposal (1)	<b>\$195.83</b>	<b>\$204.24</b>
Gilton Solid Waste (2)	<b>\$194.32</b>	<b>\$204.04</b>
Turlock Scavenger (3)	<b>\$176.42</b>	<b>\$185.25</b>
Turlock Scavenger (4)	<b>\$187.12</b>	<b>\$195.16</b>

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

# Mandatory Commercial Recycling Program

- Assembly Bill 341, is an unfunded mandate adopted by the State of California on October 6, 2011
- Requires local jurisdictions to implement commercial recycling programs by July 1, 2012, by educating, performing outreach and monitoring the recycling efforts of those affected

# Mandatory Commercial Recycling (cont'd.)

- Who are affected:
  - Businesses who generate 4 cubic yards or more of waste per week and multi-family communities with 5 or more units

# Mandatory Commercial Recycling (cont'd.)

- What is required of entities affected?
  - Subscribe to a recycling collection service, or
  - Send materials to a mixed waste processing facility, or
  - Self-haul the recycling materials

# **Mandatory Commercial Recycling (cont'd.)**

- Consistent with current practice, the franchise haulers will offer commercial recycling collection services in their respective areas and charge a reasonable market rate based on the value of the material being collected.



# Staff Recommendation

- Approve the recommended adjustments to the Stanislaus County Franchise Maximum Rates for refuse collection services in Franchise Areas 1, 2, 3 & 4.

**Questions?**