



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works and Parks



Date: January 31, 2013

Board Meeting Date: February 26, 2013

Special Notice / Hearing: Complied Required
Notification

Vote Required: Majority

To: Honorable Board of Supervisors

From: James C. Porter, Director of Public Works and Parks

Subject: **Executive Summary:** Adoption of Garbage and Recyclables Collection
Rates in County Service Area. No. 8 (North Fair Oaks Area)

RECOMMENDATION:

Acting as the Governing Board of County Service Area No. 8 (North Fair Oaks area), adopt a Resolution adopting the garbage and recyclables collection rates for County Service Area No. 8.

BACKGROUND:

On October 20, 2009, your Board adopted Resolution No. 070423 which approved a franchise agreement with Recology San Mateo County (RSMC) from January 1, 2011 through December 31, 2020. These services began on January 1, 2011 and have been provided to County Service Area No. 8 (CSA-8) and the unincorporated franchised areas (County franchised area) within the South Bayside Waste Management Authority (SBWMA) service area (Burlingame to Menlo Park), exclusive of West Bay Sanitation District.

On February 15, 2011, your Board adopted Resolution No. 071268, adopting the garbage and recyclables collection rates for CSA-8 effective March 1, 2011 and your Board has approved charges based on the adopted rates for FYs 2011-12 and 2012-13.

On January 8, 2013 your Board adopted Resolution No. 072318 which set 9:00 a.m. on February 26, 2013, in your Chambers, as the time and place for a public hearing regarding the adoption of the proposed garbage and recyclables collection rates for CSA-8.

The process to be followed for adopting the garbage and recyclables collection rates includes:

1. Hold a public hearing and receive testimony on the proposed rates.
2. After considering all written and oral objections to the proposed rates, close the public hearing and determine if there is a majority protest to the proposed garbage and recyclables collection rates.

If a majority protest occurs, your Board would be prevented from adopting the rates.

DISCUSSION:

The RSMC franchise agreement allows for specific adjustments in RSMC's compensation during the first three rate years to support providing services to the rate payers. The SBWMA compiled data from the RSMC compensation application, data from South Bay Recycling (Shoreway Environmental Center site facility operator), and information regarding member agency fees and other associated costs into a consolidated rate report (SBWMA 2013 Rate Report). Additionally, the Department conducted a detailed independent analysis and is recommending a 2.6% rate increase for customers receiving commercial services and a 6.1% rate increase for customers receiving cart services. The most significant factors contributing to the rate increase for CSA-8 is due to the reallocation of costs associated with agency facility accounts and customer accounts in surrounding jurisdictions incorrectly attributed to CSA-8. These two factors increased costs and decreased revenue in CSA-8.

The recommended rates would be retroactive and effective on January 1, 2013. The charges based on the rates will appear on the property owner's tax bill for FY 2013-14 for all parcels with dwelling units, and any additional services will be billed by RSMC. Commercial parcels without dwelling units will continue to be billed by the service provider for all services. Additionally, any Unscheduled Services requested by the customer will be billed directly to the customer by RSMC. The recommended rate for two 32-gallon carts or one 64-gallon garbage cart is \$26.21 per month. This represents an increase of \$1.51 per month from the rates previously approved by your Board on February 15, 2011, for the minimum level service parcels. Without a rate increase, the Department has estimated that the revenue shortfall in CSA-8 for 2013 would be \$100,786 plus interest.

County Counsel has reviewed and approved the Resolution as to form.

Approval of this action will contribute to the Shared Vision 2025 outcome of a Collaborative Community by continuing to promote regional solutions as a SBWMA member agency while informing and engaging residents in the process to adopt garbage and recyclables collection rates for CSA-8.

FISCAL IMPACT:

There is no impact to the General Fund. The recommended rates reflect a 6.1% rate increase over the current rates for residential dwellings and commercial parcels utilizing cart services, and a 2.6% increase over the current rates for parcels that subscribe to commercial bin or box services.