



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Office of Sustainability



Date: December 12, 2016

Board Meeting Date: January 10, 2017

Special Notice / Hearing: Complied with Notice
Requirements / Public
Hearing Required

Vote Required: Majority

To: Honorable Board of Supervisors

From: Jim Eggemeyer, Director, Office of Sustainability

Subject: Adoption of the 2017 Garbage and Recyclables Collection Rates in the
Unincorporated Franchised Areas within the South Bayside Waste
Management Authority

RECOMMENDATION:

Adopt a resolution adopting the 2017 Garbage and Recyclables Rates for the Unincorporated Franchised Area within the South Bayside Waste Management Authority service area, exclusive of County Service Area No. 8 (North Fair Oaks) and West Bay Sanitary District.

BACKGROUND:

The South Bayside Waste Management Joint Powers Authority (SBWMA) provides garbage collection and recycling services for 10 cities, some of the County unincorporated areas and the West Bay Sanitary District. The Unincorporated Franchised Area (County Franchised Area) is located in the SBWMA service area. This County Franchised Area is comprised of the following communities: Burlingame Hills, San Mateo Highlands and Baywood Park (Crystal Springs area of Baywood Park), Harbor Industrial, Devonshire Canyon, Palomar Park, Oak Knoll, Kensington Square, Emerald Lake Hills, Sequoia Tract, Peninsula Golf Club, and Trailer Rancho. SBWMA has contracted with Recology San Mateo County (Recology) to collect recyclable materials, organic materials, and solid waste for their member jurisdictions, and with South Bay Recycling (SBR) to process the material. These two contracts run from January 1, 2011 through December 30, 2020. The Board of Supervisors ratified these contracts on October 20, 2009.

Garbage collection and disposal rates for each member jurisdiction are calculated annually by SBWMA staff. SBWMA recommends an annual rate that is reviewed and

then approved or modified by the governing body of each member jurisdiction after holding a public hearing. The public hearing on 2017 garbage and recyclables collection rates for the County Franchised Area has been set for January 10, 2017 at 9:00 a.m. in your Chambers. The mandated Proposition 218 notices about the public hearing and the opportunity to submit protest letters have been sent to County Franchised Area residents and also published twice in local papers. To date, one protest letter has been received.

DISCUSSION:

To determine annual recommended rates, Recology is required to submit a contractor's compensation application to SBWMA which includes actual services provided in 2016, actual revenue received for 2014 and 2015, and projected costs for providing service in the 2017 rate year. To develop recommended 2017 rates, SBWMA compiles data from Recology, SBR, member agency fees and other associated costs into a consolidated rate report. The rate report recommends the rate adjustments needed to meet 2017 projected revenue requirements for each of the 12 SBWMA member jurisdictions.

The current rate in the County Franchise Area for one 20-gallon cart is \$30.21 and the 32-gallon cart is \$35.90; and the proposed rate for one 20-gallon cart is \$31.12 and the 32-gallon cart is \$36.98 per month. This represents an increase of \$0.91 for the 20-gallon cart and \$1.08 for the 32-gallon cart, per month, from the current rate adopted for 2016. The proposed rates would be effective on February 1, 2017. The proposed rates will also continue to reflect a five percent (5%) franchise fee that will be paid to the County from Recology.

Office of Sustainability (Office) staff has conducted an analysis of the revenue, expenditures, shortfall, and surplus information and believes that this 3.0% rate increase for residential carts (20 and 32-gallon sizes) will align the rates with the cost of providing service over time. The proposed rates for the County Franchise Area are listed in Exhibit A to the resolution. The Office is recommending that the rates for all other cart and bin sizes remain the same as the rates adopted for 2016.

Attachment A includes the recommended rates for each Member Agency in the SBWMA 2017 Rate Report as approved by the Member Agencies at the September 21, 2016 SBWMA meeting.

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 informing and engaging residents in the process to adopt garbage and recyclables collection rates for CFA.

FISCAL IMPACT:

There is no impact on the County General Fund.

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The proposed 2017 rates reflect a 3.0% increase to the residential 20 – 64-gallon cart sizes rates in the CFA over the current rates. The costs for CFA Prop 218 notices was reimbursed from the franchise fees.

Attachment A: Total Collection Rate Impact by Member Agency 2017