



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works



Date: October 30, 2013
Board Meeting Date: December 10, 2013
Special Notice / Hearing: Complied with Notice
Requirements / Public
Hearing
Vote Required: Majority

To: Honorable Board of Supervisors

From: James C. Porter, Director of Public Works

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

RECOMMENDATION:

Acting as the Governing Board of County Service Area No. 8, conduct a public hearing and after conducting the public hearing, approving 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) to provide services for the collection of recyclable materials, organic materials, and solid waste 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 CSA-8 and West Bay Sanitary District.

On October 22, 2013 your Board adopted Resolution No. 072857, which set 9:00 am on December 10, 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 proposed 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, the Board would be prevented from adopting the rates.

DISCUSSION:

The RSMC franchise agreement allows for specific adjustments in RSMC's compensation 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), and information regarding member agency fees and other associated costs into a consolidated rate report "SBWMA Final Report Reviewing the 2014 Recology Compensation Application" (SBWMA 2014 Rate Report). The SBWMA 2014 Rate Report recommended a 4.0% rate increase for CSA-8. Staff performed a detailed analysis of revenues and expenditures and is recommending a 4.2% rate increase.

Based upon the Department's analysis, the most significant factors contributing to the proposed rate increase in CSA-8 was the 2012 RSMC revenue reconciliation shortfall, the increase in RSMC's contractors compensation due to CPI, the number of accounts and containers in service in CSA-8, and the increased tons disposed or processed at the Shoreway Environmental Center. These factors attributed to increased costs for the CSA-8 requiring a 4.2% rate increase for 2014. The proposed rate increase for two 32-gallon garbage carts or one 64-gallon garbage cart is \$1.10 per month. The proposed 2014 rates for CSA-8 are listed in Exhibit A to the Resolution.

The recommended rates would be effective on January 1, 2014. The charges based on the rates will appear on the property owner's tax bill for FY 2014-15 for all parcels with dwelling units, pursuant to County Ordinance Codes 4.04.200 and 4.04.220 and any additional elective services will be billed directly by RSMC. Commercial parcels without dwelling units will continue to be billed by RSMC for all services. Additionally, any Unscheduled Services requested by the customer will be billed directly to the customer by RSMC.

The Franchise Agreement included fees for Unscheduled Services (Attachment Q of the Franchise Agreement) that we are recommending the Board reaffirm through the rate adoption process, attached as Exhibit B to the Resolution. The Unscheduled Services are generally those additional services that are specifically requested and paid for by the ratepayers, in addition to the basic collection service charges.

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 the garbage and recyclables collection rates for CSA-8.

FISCAL IMPACT:

The proposed rates reflect an overall increase of 4.2% over the current rates. There is no impact to the General Fund.