



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works



Date: October 29, 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 the Garbage and Recyclables Collection Rates in the Unincorporated Franchised Areas within the South Bayside Waste Management Authority

RECOMMENDATION:

Conduct a public hearing, and after conducting a public hearing, approving a Resolution adopting the garbage and recyclables collection rates for the unincorporated franchised areas 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:

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 Area within the South Bayside Waste Management Authority (SBWMA) service area (Burlingame to Menlo Park), exclusive of CSA-8 and West Bay Sanitary District. This franchised area (County franchised area) is comprised of the following communities: Burlingame Hills, San Mateo Highlands and Baywood Park [Crystal Springs area], Harbor Industrial, Devonshire Canyon, Palomar Park, Oak Knoll, Kensington Square, Emerald Lake Hills, Sequoia Tract, Peninsula Golf Club, and Trailer Ranchero. These areas were not previously covered by a franchise agreement.

On October 22, 2013, your Board adopted Resolution No. 072864, which set 9:15 a.m. 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 the

County franchised area. 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 operator), 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 6.8% rate increase for the County franchised area.

Department staff has conducted a detailed analysis of the revenue, expenditures, shortfall, and surplus information and believe that a 4.5% rate increase for 2014, with a similar rate increase for the following calendar year, is more appropriate. Without a rate increase, the Department has projected the cumulative revenue shortfall of \$189,256 for rate year 2014. The proposed rate increase for a 32-gallon garbage cart (most often used cart size) would be \$1.51 per month and the recommended rates would be effective on January 1, 2014. The proposed rates for the County franchised area are listed in Exhibit A to the Resolution.

The Franchise Agreement included fees for Unscheduled Services (Attachment Q of the Franchise Agreement) that we are recommending your Board reaffirm through the rate adoption process, attached as Exhibit B to the Resolution.

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 the County franchised area.

FISCAL IMPACT:

The proposed rates reflect a 4.5% increase in the CFA over the current rates. There is no impact to the General Fund.