



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works



Date: September 23, 2013

Board Meeting Date: October 22, 2013

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: James C. Porter, Director of Public Works

Subject: Executive Summary: Set Hearing for Garbage and Recyclables Collection Rates for County Service Area. No. 8 (North Fair Oaks)

RECOMMENDATION:

Acting as the Governing Board of the County Service Area No. 8, adopt a Resolution setting December 10, 2013 at 9:00 a.m. at the regularly scheduled Board meeting, as the time and place for a public hearing on 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 Sanitation District.

On February 26, 2013, your Board adopted Resolution No. 072379 adopting the garbage and recyclables collection rates for CSA-8 effective January 1, 2013.

On July 23, 2013, your Board adopted Resolution No. 072692, approving the "FY 2013-14 Garbage and Recyclables Collection Service Charges Report for County Service Area No. 8" based on the effective rates.

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

1. Adopt a Resolution of the proposed collection rates.

2. Hold a public hearing and receive testimony on the proposed rates.

DISCUSSION:

The transition to RSMC collection services has resulted in significantly expanded weekly collection of recyclable and organic materials and increased diversion of solid waste from landfills. The increase in diversion of solid waste helps to achieve diversion goals for CSA-8 and the County franchised area.

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 Draft Report Reviewing The Recology San Mateo County 2014 Compensation Application, August 16, 2013” (SBWMA 2014 Rate Report). The rate increases or decreases recommended in the SBWMA 2014 Rate Report represent rate adjustments for each member agency that the SBWMA believes are necessary to meet the revenue requirements to provide garbage and recyclables collection services for 2014.

The Department of Public Works conducted a detailed independent analysis of the service levels and revenue requirements for CSA-8 and is recommending a 4.2% rate increase. The proposed 2014 rates for CSA-8 are listed in Exhibit A to the Resolution. The recommended rates will continue to reflect a five percent (5%) franchise fee that will be paid to the County from RSMC. Without a rate increase, the Department has projected a cumulative revenue shortfall of \$86,292 for rate year 2014.

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 (Exhibit B to the Resolution) that are requested by the customer will be billed directly to the customer by RSMC. The proposed rate for two 32-gallon carts or a 64-gallon garbage cart is \$27.31 per month. This represents an increase of \$1.10 per month from the 2013 rates.

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

FISCAL IMPACT:

The proposed 2014 rates reflect a 4.2% rate increase over the current rates. Staff estimates that it will cost approximately \$3,600 (\$1.50 per rate payer) to prepare, print and mail individual notices to each property owner in CSA-8. The costs for the CSA-8 notices will be reimbursed from the franchise fees.

There is no impact to the General Fund.