



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Public Works



**Date:** September 20, 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: Garbage and Recyclables Collection Rates in the Unincorporated Franchised Areas within the South Bayside Waste Management Authority

**RECOMMENDATION:**

Adopt a Resolution setting December 10, 2013 at 9:15 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 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:**

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.

On December 11, 2012, your Board adopted Resolution No. 072276, adopting the garbage and recyclables collection rates for the County franchised area effective January 1, 2013.

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 RSMC franchise agreement allows for specific adjustments in RSMC's compensation during the first three rate years (2011-2013) to support providing services to the rate payers. To make adjustments for the 2014 rate year, RSMC is required to submit a contractor's compensation application based on actual services provided in 2013, the reconciliation of the actual revenue received for 2012, and the projected costs for providing service in the 2014 rate year. The application has been submitted to the SBWMA for their review and approval. 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 revenue requirements to provide garbage and recyclables collection services for 2014.

Based upon the Department's analysis, the most significant factors contributing to the proposed rate increase in County franchised area was the 2012 RSMC revenue reconciliation shortfall, the increase in RSMC's contractors compensation based on route labor hours and CPI, the number of containers in service, and the increased tons disposed or processed at the Shoreway Environmental Center. These factors attributed to the increased costs and decreased revenue in the County franchised area requiring a rate increase for 2014. The proposed rates for the County franchised area are listed in Exhibit A to the Resolution and represent a 4.5% rate increase from rates previously set by the Board for 2013.

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.

**FISCAL IMPACT:**

The proposed rates reflect a 4.5% increase in the County franchised area over the current rates.

There is no impact to the General Fund.