



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER: OFFICE OF SUSTAINABILITY

File #: 18-078

Board Meeting Date: 2/13/2018

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 2018 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, adopt a resolution adopting the 2018 Garbage and Recyclables Rates in County Service Area No. 8 (North Fair Oaks).

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 garbage from January 1, 2011, through December 31, 2020. The South Bayside Waste Management Joint Powers Authority (SBWMA) provides coordinated waste management related services and oversight for the garbage collection and recycling services for 10 cities, a few of the County unincorporated areas and the West Bay Sanitary District. County Service Area No. 8 (CSA-8) is located in the SBWMA service area.

On December 12, 2017, your Board adopted Resolution No. 075617, which set February 13, 2018, at 9:00 a.m. in the Chambers of this Board as the fixed time and place for a public hearing on the garbage and recyclables collection rates for CSA-8.

The process for adopting the garbage and recyclables collection rates includes: holding a public hearing in your Chambers; receiving testimony on the proposed rates; and after considering all written and oral objections to the proposed rates, close the public hearing. If there is not a majority protest, your Board will vote whether to adopt the resolution and set the 2018 garbage and recyclables collection rates for CSA-8, effective February 1, 2018. Staff completed the following public notification activities: mailed the mandated Proposition 218 notices about the public hearing and the opportunity to submit protest letters to all CSA-8 residents, published a notice of the public hearing twice in local papers, and in November 2017, presented information on the proposed rate increase to the North Fair Oaks Community Council. To date, no protest letters have been received by the Clerk of the Board. If there were a successful majority protest, your Board would be prevented

from setting the rates.

DISCUSSION:

The SBWMA calculates annually the collection and disposal revenue and expenditures for each member jurisdiction. The SBWMA compiles the revenue and costs from Recology, South Bay Recycling, SBWMA, member agency fees, and any other associated costs into a consolidated SBWMA rate report which was adopted by the SBWMA Board in September 2017. This final report recommends the estimated rate adjustments needed for each member of the SBWMA to meet the 2018 projected revenue requirements for the following calendar year without incurring interest. The SBWMA rate report recommended a rate decrease of 5.8 percent for CSA-8.

The Office of Sustainability (Office) staff conducted further analysis of the report, calculating the revenue and expenditures until the end of the contract term (2020) and the revenue/expenditures for commercial accounts versus residential accounts. The additional analysis indicated CSA-8 will not collect enough revenue for garbage cart services to cover the projected costs for 2018 without a rate increase to cart services. Based on the analysis, the Office is not recommending a decrease as noted in the SBWMA report. Instead the Office is recommending an increase of 5.0 percent for garbage carts (32- and 64-gallon sizes) to cover the projected costs for cart service. The Office is also recommending Commercial bin rates remain the same as the 2017 rates adopted by this Board last year.

The current rate for two 32-gallon garbage carts or one 64-gallon garbage cart for one to four residential dwelling units is \$29.45 per month, and the proposed rate will be \$30.93 per month. This represents an increase of \$1.48 per month for residential dwelling units effective February 1, 2018. The 2018 rates are reflected in Exhibit "A" to the resolution. The recommended rates will also continue to include a 5.0 percent franchise fee that is paid to the County from RSMC.

The Unscheduled Services fees (Miscellaneous additional elective services) are not property-related fees and, therefore, not subject to the Proposition 218 rate setting requirements or any action by your Board. The franchise agreement allows for a Consumer Price Index (CPI) increase to the Unscheduled Services Fees. The Unscheduled Service Fees for 2018 reflect a 1.72 percent CPI adjustment to the 2018 fees as reflected in Exhibit "B" to the resolution. These Unscheduled Services Fees are effective January 1, 2018.

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 CSA-8.

FISCAL IMPACT:

There is no impact on the County General Fund.

The proposed 2018 rates reflect a 5.0 percent increase to the 32-64-gallon cart sizes rates in CSA-8 over the current rates (Exhibit "A" to the Resolution). The costs for CSA-8 Prop 218 notices and newspaper postings were reimbursed from the franchise fees.