



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY MANAGER: OFFICE OF SUSTAINABILITY

**File #:** 18-079

Board Meeting Date: 2/13/2018

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**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 Unincorporated Franchised Areas within the South Bayside Waste Management Authority

**RECOMMENDATION:**

Adopt a resolution adopting the 2018 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 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, 12 County unincorporated areas, and the West Bay Sanitary District. The Unincorporated Franchised Area (County Franchised Area) is comprised of the following communities: Burlingame Hills, San Mateo Highlands, Baywood Park (Crystal Springs area of Baywood Park), Harbor Industrial, Devonshire Canyon, Palomar Park, Oak Knoll, Kensington Square, Emerald Lake Hills, Sequoia Tract, Peninsula Golf Club, and Trailer Rancho.

On December 12, 2017, your Board adopted Resolution No. 075616, which set February 13, 2018 at 9:15 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 County Franchised Area.

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 then vote whether to adopt the resolution and set the 2018 garbage and recyclables collection rates for the County Franchised Area, 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 County Franchised Area residents, published a notice of the public hearing twice in local papers. 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 recommends a rate decrease of 12.2 percent for the County Franchised Area.

The Office of Sustainability (Office) staff conducted further analysis of the SBWMA rate report, calculating the revenue and expenditures until the end of the contract term (2020) and the revenue/expenditures for commercial accounts versus residential accounts and the revenue collected for the various residential cart sizes. The additional analysis indicated the County Franchised Area will not collect enough revenue in CY 2018 for the smaller garbage carts services to cover the projected costs without a rate increase to the smaller carts. 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 three percent for the smaller garbage carts (20- and 32-gallon sizes). The Office is also recommending Commercial bin and cart rates remain the same as the 2017 rates adopted by this Board last year.

The current rate for one 20-gallon cart is \$31.12, and the proposed rate for one 20-gallon cart is \$32.05. This represents an increase of \$.93 per month. The 32-gallon cart current rate is \$36.98, and the proposed rate for a 32-gallon cart is \$38.09 per month. This represents an increase of \$1.11 per month from the current rate adopted in 2017. The 2018 rates are reflected in Exhibit "A" to the resolution. The recommended rates will also continue to include a five 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 County Franchised Area.

### **FISCAL IMPACT:**

There is no impact on the County General Fund.

The proposed 2018 rates reflect a three percent increase to the 20- and 32-gallon cart sizes rates

over the current rates (Exhibit "A" to the Resolution). The costs for the Prop 218 notices and newspaper postings were reimbursed from the franchise fees.