

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Environmental Resources

BOARD AGENDA # 9:05 a.m.

Urgent ☐

Routine ☒

AGENDA DATE June 29, 2010

CEO Concurs with Recommendation YES ☒ NO ☐

(Information Attached)

4/5 Vote Required YES ☐ NO ☒

SUBJECT:

Public Hearing to Consider Adjustments to Stanislaus County Franchise Maximum Rates for Solid Waste Collection Services

STAFF RECOMMENDATIONS:

1. Conduct a public hearing to consider adjustments to the Stanislaus County Franchise Maximum Rates for Solid Waste Collection Services.
2. Approve the proposed adjustments to Stanislaus County Franchise Maximum Rates for solid waste collection services in Franchise Areas 1, 2, and 4.

FISCAL IMPACT:

If the Board of Supervisors approves the staff recommendation, all maximum rates for solid waste collection services in Franchise Areas 1, 2, and 4 will decrease as described below. This decrease in rates will result in approximately \$20,000 less revenue to the Department of Environmental Resources during Fiscal Year 2010-2011.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2010-435

On motion of Supervisor Chiesa, Seconded by Supervisor Monteith

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) ☒ Approved as recommended

2) ☐ Denied

3) ☐ Approved as amended

4) ☐ Other:

MOTION:



ATTEST:

CHRISTINE FERRARO TALLMAN, Clerk

File No.

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FISCAL IMPACT (Continued):

Subscribers to residential basic service which includes 1-90 gallon cart, curbside recycling, and bulky item collection, may see changes in their monthly service charges ranging from a 0.76% decrease to a 2.43% decrease. Proposed commercial bin rate adjustments range from a 0.52% decrease to a 2.00% decrease. Proposed franchise drop-box haul charge adjustments range from a 1.40% decrease to a 3.22% decrease.

In addition, residents and businesses that wish to utilize 3- or 4-yard commercial bins for seven-day periods to perform clean-ups or minor construction/demolition projects performed by the property or business owner/occupant, may see charges of \$66, or \$65 respectively, for the seven-day rental period. These charges include dumping the bin one time. Additionally, in the case of Franchise Area 2, a special on-call charge at the rate of \$140 per hour is charged in addition to disposal charges at the established rate, to provide collection services of the 4-yard bins at Woodward Reservoir; a charge which is unique to Woodward Reservoir because of the seasonal nature of this facility and its use of bins at this site. While the seven-day rentals and the on-call reservoir service have previously existed, these rates have not been previously established by the Board.

DISCUSSION:

Franchise Areas 1, 2, and 4

Through much of 2008, Department of Environmental Resources staff worked with the consulting firm of Hilton, Farnkopf & Hobson, LLC, and the franchise refuse collection companies to develop new "base" solid waste collection rates (Base Rates). Costs related to curbside recycling and the bulky item program are included in the residential Base Rates.

On November 4, 2008, the Board of Supervisors adopted new Base Rates from which the maximum franchise rates for solid waste collection services (hereinafter also referred to as "Rates") in the unincorporated areas of Stanislaus County would be set beginning July 1, 2009. At the same meeting, the Board also approved a new methodology for the annual adjustment of these Base Rates. For four consecutive years, beginning with July 1, 2009, the Base Rates may be increased or decreased only by the change in a series of consumer and other price indexes. Every fifth year, a detailed cost of service study will be repeated to determine new Base Rates, followed by another four years of index-based adjustments, and so on.

On June 30, 2009, the Board, following a public hearing, approved the first index-based adjustments in setting the maximum franchise rates for solid waste collection services for 2009-2010. Currently Stanislaus County is in the second year of the index-based adjustments. The following indices and their respective changes (i.e., the difference between the April 2008 – March 2009 average, and the April 2009 – March 2010 average) have been applied to the indicated components of the individual companies' residential and commercial 2009-2010 Rates to calculate the proposed 2010-2011 Rates. Only the labor, fuel, collections, and interest adjustments have been applied to the Drop Box 2009-2010 Rates because the County

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sets only the haul charges for these services. Disposal, transfer, and franchise fees are billed to the customer directly by the companies as part of the service charge.

<u>Labor Component:</u> <i>CPI, Urban Wage Earners and Clerical Workers, All Items West – Size Class B/C</i>	-0.13%
<u>Fuel Component:</u> <i>California No. 2 Diesel Retail Sales by All Sellers, U.S. Department of Energy</i>	-21.91%
<u>Collections Component:</u> <i>CPI, All Urban Consumers, All Items, West Urban Area, West – Size Class B/C</i>	-0.11%
<u>FRLF Disposal Component:</u> <i>Actual Change in Disposal Fees at the Fink Road Landfill.</i>	n/c
<u>SRRF Disposal Component:</u> <i>Actual Change in Disposal Fees at the Stanislaus Resource Recovery Facility.</i>	n/c
<u>Transfer Component:</u> <i>Discretionary Adjustment by the County.</i>	n/c
<u>Interest Component:</u> <i>Change in the Prime Rate per “Bank of America, NA and Bank of America NT & SA”</i>	-24.94%
<u>Franchise Fee Component:</u> <i>Franchise Fees remain unchanged at 8%, however, the expense component has been adjusted per Section 2.3.7 of the Rate Adjustment Process.</i>	See below*
<u>Other Fees Component:</u> <i>There are no Other Fees applicable at this time.</i>	n/c

*When the projected total compensation increases or decreases based on the net of the adjustments listed above, the expense included in the proposed rates for Franchise Fees must also be increased or decreased. This Component is included to make the franchise haulers “whole” at covering the exact amount of the County’s 8% franchise fee.

It should be noted that the current Rate Adjustment Process “caps” rate adjustments, up or down, at 5% per annum. The cap had no impact on the proposed 2010-2011 Rates since the overall percentage change in the rates of all companies is less than 5%.

The proposed residential, commercial, and drop box rates (please see Attachment A) are presented in a format that identifies the following: the change between the approved 2009-2010 Rates and the proposed 2010-2011 Rates with the appropriate indices applied. The proposed rates for seven-day bin rentals and the on-call reservoir service are included in Attachment A.

Franchise Area 3

On August 11, 2009, the Board approved the award of Franchise Refuse Collection Area #3 to Turlock Scavenger Company, effective November 1, 2009. This award was the result of a competitive procurement that began in November of 2008.

The respondents to the February 2009 Request for Proposals (RFP), including Turlock Scavenger, were asked to bid total compensation requirements for the initial 31.8 months of the contract period. Per the RFP and the Agreement with Turlock Scavenger, these rates will remain constant through June 30, 2012. Therefore, an adjustment in the Rates of the Franchise Area 3 is not proposed for 2010-2011, and the rates are included (Attachment B) for informational purposes only. The Board approved these maximum rates for refuse collection on October 27, 2009.

POLICY ISSUE:

The Board of Supervisors is required to hold a public hearing prior to adjusting the maximum rates for solid waste collection services. After the public hearing, the rates could be changed. The Board should determine if adjusting the maximum rates for solid waste collection services in Franchise Areas 1, 2, and 4, is consistent with its priorities of a safe community, a healthy community, and a well-planned infrastructure system.

STAFFING IMPACTS:

There are no staffing impacts associated with this request.

CONTACT PERSON:

Sonya K. Harrigfeld, Director of Environmental Resources. Telephone: 209-525-6770

**PROPOSED MAXIMUM RESIDENTIAL BASE RATES
INCLUDING CURBSIDE RECYCLING AND BULKY ITEM PROGRAM**

BERTOLOTTI DISPOSAL - FRANCHISE AREA #1

Service	Current Rate ('09-'10)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 can	\$14.73	\$14.49	-1.63%
2 cans	\$21.46	\$21.12	-1.58%
Add'l. can	\$10.72	\$10.56	-1.49%
60 gal. cart	\$14.73	\$14.49	-1.63%
90 gal. cart	\$21.46	\$21.12	-1.58%
Add'l. cart	\$13.08	\$12.88	-1.53%

SPECIAL SERVICES - RESIDENTIAL "SPECIALS" AND COMMERCIAL BINS

4 yrd. bin	\$65.00
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GILTON SOLID WASTE MANAGEMENT - FRANCHISE AREA #2

Service	Current Rate ('09-'10)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 can	\$9.99	\$9.75	-2.40%
2 cans	\$17.27	\$16.86	-2.37%
Add'l. can	\$8.64	\$8.43	-2.43%
30 gal. cart	\$12.01	\$11.72	-2.41%
60 gal. cart	\$13.47	\$13.15	-2.38%
90 gal. cart	\$17.27	\$16.86	-2.37%
Add'l. cart	\$10.53	\$10.28	-2.37%

SPECIAL SERVICES - RESIDENTIAL "SPECIALS" AND COMMERCIAL BINS

4 yrd. bin	\$65.00
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Special on-call charge for Woodward Reservoir	\$140.00 per hour plus applicable disposal fees
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TURLOCK SCAVENGER - FRANCHISE AREA #4

Service	Current Rate ('09-'10)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 can	\$14.39	\$14.28	-0.76%
2 cans	\$20.58	\$20.42	-0.78%
Add'l. can	\$10.29	\$10.21	-0.78%
60 gal. cart	\$14.39	\$14.28	-0.76%
90 gal. cart	\$20.58	\$20.42	-0.78%
Add'l. cart	\$12.56	\$12.46	-0.80%

SPECIAL SERVICES - RESIDENTIAL "SPECIALS" AND COMMERCIAL BINS

3 yrd. bin	\$66.00
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PROPOSED MAXIMUM COMMERCIAL BIN RATES

BERTOLOTTI DISPOSAL - FRANCHISE AREA #1

Service	Current Rate ('09-'10)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 yd., 1 X week	\$ 53.00	\$ 52.21	-1.49%
1 yd., 2 X week	\$ 105.99	\$ 104.41	-1.49%
1 yd., 3 X week	\$ 159.00	\$ 156.61	-1.50%
1 yd., 4 X week	\$ 211.99	\$ 208.81	-1.50%
1 yd., 5 X week	\$ 264.99	\$ 261.02	-1.50%
1 yd., 6 X week	\$ 317.98	\$ 313.22	-1.50%
1 yd., 7 X week	\$ 370.98	\$ 365.43	-1.50%
1.5 yd., 1 X week	\$ 66.90	\$ 65.90	-1.50%
1.5 yd., 2 X week	\$ 133.80	\$ 131.80	-1.50%
1.5 yd., 3 X week	\$ 200.70	\$ 197.70	-1.50%
1.5 yd., 4 X week	\$ 267.58	\$ 263.58	-1.50%
1.5 yd., 5 X week	\$ 334.50	\$ 329.49	-1.50%
1.5 yd., 6 X week	\$ 401.40	\$ 395.39	-1.50%
1.5 yd., 7 X week	\$ 468.31	\$ 461.30	-1.50%
2 yd., 1 X week	\$ 78.14	\$ 76.97	-1.49%
2 yd., 2 X week	\$ 156.28	\$ 153.94	-1.50%
2 yd., 3 X week	\$ 234.42	\$ 230.91	-1.50%
2 yd., 4 X week	\$ 312.55	\$ 307.87	-1.50%
2 yd., 5 X week	\$ 390.69	\$ 384.84	-1.50%
2 yd., 6 X week	\$ 468.84	\$ 461.82	-1.50%
2 yd., 7 X week	\$ 546.96	\$ 538.77	-1.50%
3 yd., 1 X week	\$ 91.78	\$ 90.41	-1.49%
3 yd., 2 X week	\$ 183.58	\$ 180.83	-1.50%
3 yd., 3 X week	\$ 275.35	\$ 271.23	-1.50%
3 yd., 4 X week	\$ 367.14	\$ 361.65	-1.50%
3 yd., 5 X week	\$ 458.93	\$ 452.06	-1.50%
3 yd., 6 X week	\$ 550.71	\$ 542.47	-1.50%
3 yd., 7 X week	\$ 642.50	\$ 632.88	-1.50%
4 yd., 1 X week	\$ 113.79	\$ 112.09	-1.50%
4 yd., 2 X week	\$ 227.57	\$ 224.16	-1.50%
4 yd., 3 X week	\$ 341.35	\$ 336.24	-1.50%
4 yd., 4 X week	\$ 455.13	\$ 448.31	-1.50%
4 yd., 5 X week	\$ 568.92	\$ 560.40	-1.50%
4 yd., 6 X week	\$ 682.70	\$ 672.48	-1.50%
4 yd., 7 X week	\$ 796.50	\$ 784.57	-1.50%
6 yd., 1 X week	\$ 157.77	\$ 155.41	-1.50%
6 yd., 2 X week	\$ 315.56	\$ 310.83	-1.50%
6 yd., 3 X week	\$ 473.33	\$ 466.24	-1.50%
6 yd., 4 X week	\$ 631.11	\$ 621.66	-1.50%
6 yd., 5 X week	\$ 788.88	\$ 777.07	-1.50%
6 yd., 6 X week	\$ 946.67	\$ 932.49	-1.50%
6 yd., 7 X week	\$ 1,104.44	\$ 1,087.90	-1.50%

PROPOSED MAXIMUM COMMERCIAL BIN RATES

GILTON SOLID WASTE MANAGEMENT - FRANCHISE AREA #2

Service	Current Rate ('09-'10)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 yd., 1 X week	\$ 57.87	\$ 56.71	-2.00%
1 yd., 2 X week	\$ 115.75	\$ 113.44	-2.00%
1 yd., 3 X week	\$ 173.62	\$ 170.15	-2.00%
1 yd., 4 X week	\$ 231.50	\$ 226.87	-2.00%
1 yd., 5 X week	\$ 289.37	\$ 283.58	-2.00%
1 yd., 6 X week	\$ 347.24	\$ 340.29	-2.00%
1 yd., 7 X week	\$ 405.11	\$ 397.01	-2.00%
1.5 yd., 1 X week	\$ 65.67	\$ 64.36	-1.99%
1.5 yd., 2 X week	\$ 131.37	\$ 128.74	-2.00%
1.5 yd., 3 X week	\$ 197.04	\$ 193.10	-2.00%
1.5 yd., 4 X week	\$ 262.70	\$ 257.45	-2.00%
1.5 yd., 5 X week	\$ 328.39	\$ 321.83	-2.00%
1.5 yd., 6 X week	\$ 394.07	\$ 386.19	-2.00%
1.5 yd., 7 X week	\$ 459.75	\$ 450.56	-2.00%
2 yd., 1 X week	\$ 71.86	\$ 70.42	-2.00%
2 yd., 2 X week	\$ 143.72	\$ 140.85	-2.00%
2 yd., 3 X week	\$ 215.58	\$ 211.27	-2.00%
2 yd., 4 X week	\$ 287.44	\$ 281.69	-2.00%
2 yd., 5 X week	\$ 359.32	\$ 352.13	-2.00%
2 yd., 6 X week	\$ 431.17	\$ 422.55	-2.00%
2 yd., 7 X week	\$ 503.03	\$ 492.97	-2.00%
3 yd., 1 X week	\$ 75.54	\$ 74.03	-2.00%
3 yd., 2 X week	\$ 151.08	\$ 148.06	-2.00%
3 yd., 3 X week	\$ 226.63	\$ 222.10	-2.00%
3 yd., 4 X week	\$ 302.17	\$ 296.13	-2.00%
3 yd., 5 X week	\$ 377.72	\$ 370.16	-2.00%
3 yd., 6 X week	\$ 453.24	\$ 444.18	-2.00%
3 yd., 7 X week	\$ 528.80	\$ 518.23	-2.00%
4 yd., 1 X week	\$ 83.47	\$ 81.80	-2.00%
4 yd., 2 X week	\$ 166.91	\$ 163.57	-2.00%
4 yd., 3 X week	\$ 250.39	\$ 245.38	-2.00%
4 yd., 4 X week	\$ 333.86	\$ 327.19	-2.00%
4 yd., 5 X week	\$ 417.31	\$ 408.96	-2.00%
4 yd., 6 X week	\$ 500.78	\$ 490.76	-2.00%
4 yd., 7 X week	\$ 584.24	\$ 572.56	-2.00%
6 yd., 1 X week	\$ 100.92	\$ 98.90	-2.00%
6 yd., 2 X week	\$ 201.80	\$ 197.76	-2.00%
6 yd., 3 X week	\$ 302.72	\$ 296.67	-2.00%
6 yd., 4 X week	\$ 403.62	\$ 395.55	-2.00%
6 yd., 5 X week	\$ 504.53	\$ 494.44	-2.00%
6 yd., 6 X week	\$ 605.42	\$ 593.31	-2.00%
6 yd., 7 X week	\$ 706.34	\$ 692.21	-2.00%

PROPOSED MAXIMUM COMMERCIAL BIN RATES

TURLOCK SCAVENGER - FRANCHISE AREA #4

Service	Current Rate ('09-'10)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
1 yd., 1 X week	\$ 53.77	\$ 53.49	-0.52%
1 yd., 2 X week	\$ 107.55	\$ 106.99	-0.52%
1 yd., 3 X week	\$ 161.33	\$ 160.48	-0.53%
1 yd., 4 X week	\$ 215.09	\$ 213.96	-0.53%
1 yd., 5 X week	\$ 268.87	\$ 267.46	-0.53%
1 yd., 6 X week	\$ 322.64	\$ 320.95	-0.52%
1 yd., 7 X week	\$ 376.42	\$ 374.44	-0.53%
1.5 yd., 1 X week	\$ 70.35	\$ 69.98	-0.52%
1.5 yd., 2 X week	\$ 140.69	\$ 139.95	-0.53%
1.5 yd., 3 X week	\$ 211.07	\$ 209.96	-0.53%
1.5 yd., 4 X week	\$ 281.41	\$ 279.93	-0.53%
1.5 yd., 5 X week	\$ 351.76	\$ 349.91	-0.53%
1.5 yd., 6 X week	\$ 422.11	\$ 419.89	-0.53%
1.5 yd., 7 X week	\$ 492.46	\$ 489.87	-0.53%
2 yd., 1 X week	\$ 72.11	\$ 71.73	-0.52%
2 yd., 2 X week	\$ 144.19	\$ 143.44	-0.52%
2 yd., 3 X week	\$ 216.32	\$ 215.18	-0.53%
2 yd., 4 X week	\$ 288.40	\$ 286.88	-0.53%
2 yd., 5 X week	\$ 360.51	\$ 358.61	-0.53%
2 yd., 6 X week	\$ 432.60	\$ 430.33	-0.53%
2 yd., 7 X week	\$ 504.72	\$ 502.06	-0.53%
3 yd., 1 X week	\$ 76.48	\$ 76.08	-0.53%
3 yd., 2 X week	\$ 152.96	\$ 152.16	-0.53%
3 yd., 3 X week	\$ 229.44	\$ 228.23	-0.53%
3 yd., 4 X week	\$ 305.91	\$ 304.30	-0.53%
3 yd., 5 X week	\$ 382.39	\$ 380.38	-0.53%
3 yd., 6 X week	\$ 458.87	\$ 456.46	-0.53%
3 yd., 7 X week	\$ 535.34	\$ 532.52	-0.53%
4 yd., 1 X week	\$ 92.37	\$ 91.88	-0.53%
4 yd., 2 X week	\$ 184.71	\$ 183.74	-0.53%
4 yd., 3 X week	\$ 277.08	\$ 275.62	-0.53%
4 yd., 4 X week	\$ 369.44	\$ 367.50	-0.53%
4 yd., 5 X week	\$ 461.81	\$ 459.38	-0.53%
4 yd., 6 X week	\$ 554.16	\$ 551.25	-0.53%
4 yd., 7 X week	\$ 646.53	\$ 643.13	-0.53%
6 yd., 1 X week	\$ 118.68	\$ 118.06	-0.52%
6 yd., 2 X week	\$ 237.37	\$ 236.12	-0.53%
6 yd., 3 X week	\$ 356.05	\$ 354.18	-0.53%
6 yd., 4 X week	\$ 474.73	\$ 472.24	-0.52%
6 yd., 5 X week	\$ 593.42	\$ 590.30	-0.53%
6 yd., 6 X week	\$ 712.11	\$ 708.37	-0.53%
6 yd., 7 X week	\$ 830.80	\$ 826.43	-0.53%

PROPOSED MAXIMUM DROP-BOX HAUL CHARGES

BERTOLOTTI DISPOSAL - FRANCHISE AREA #1

Service	Current Rate (09-'10)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
10 - 19 yrd.	\$ 147.92	\$ 145.57	-1.59%
20 - 29 yrd.	\$ 195.21	\$ 192.11	-1.59%
30 yrd. & up	\$ 231.44	\$ 227.76	-1.59%

GILTON SOLID WASTE MANAGEMENT - FRANCHISE AREA #2

Service	Current Rate (09-'10)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
10 - 19 yrd.	\$ 148.93	\$ 144.14	-3.21%
20 - 29 yrd.	\$ 194.99	\$ 188.72	-3.22%
30 yrd. & up	\$ 231.24	\$ 223.80	-3.22%

TURLOCK SCAVENGER - FRANCHISE AREA #4

Service	Current Rate (09-'10)	Proposed Rates (w/ Index Adjustments)	Net Change (Current vs. Proposed)
10 - 19 yrd.	\$ 141.65	\$ 139.67	-1.40%
20 - 29 yrd.	\$ 186.17	\$ 183.56	-1.40%
30 yrd. & up	\$ 220.58	\$ 217.48	-1.41%

**CURRENT FRANCHISE MAXIMUM RATES FOR SOLID WASTE COLLECTION
SERVICES FOR TURLOCK SCAVENGER'S FRANCHISE AREA #3**

RESIDENTIAL SERVICES

Service	Current Rate effective 11/1/2009 through 6/30/2012
1 can	\$12.12
2 cans	\$18.65
Add'l. can	\$8.61
60 gal. cart	\$12.12
90 gal. cart	\$18.65
Add'l. cart	\$12.12

SPECIAL SERVICES - RESIDENTIAL "SPECIALS" AND COMMERCIAL BINS

3 yrd. bin	\$66.00
4 yrd. bin	\$72.00
6 yrd. bin	\$78.00

COMMERCIAL SERVICES

Service	Current Rate effective 11/1/2009 through 6/30/2012
1 yd., 1 X week	\$46.45
1 yd., 2 X week	\$92.89
1 yd., 3 X week	\$139.33
1 yd., 4 X week	\$185.76
1 yd., 5 X week	\$232.21
1 yd., 6 X week	\$278.66
1 yd., 7 X week	\$325.10
2 yd., 1 X week	\$59.55
2 yd., 2 X week	\$119.06
2 yd., 3 X week	\$178.60
2 yd., 4 X week	\$238.13
2 yd., 5 X week	\$297.67
2 yd., 6 X week	\$357.20
2 yd., 7 X week	\$416.73
3 yd., 1 X week	\$67.07
3 yd., 2 X week	\$134.10
3 yd., 3 X week	\$201.16
3 yd., 4 X week	\$268.20
3 yd., 5 X week	\$335.29
3 yd., 6 X week	\$402.33
3 yd., 7 X week	\$469.39
4 yd., 1 X week	\$73.65
4 yd., 2 X week	\$147.31
4 yd., 3 X week	\$220.95
4 yd., 4 X week	\$294.37
4 yd., 5 X week	\$368.25
4 yd., 6 X week	\$441.90
4 yd., 7 X week	\$515.55

6 yd., 1 X week	\$79.42
6 yd., 2 X week	\$158.84
6 yd., 3 X week	\$238.25
6 yd., 4 X week	\$317.65
6 yd., 5 X week	\$397.07
6 yd., 6 X week	\$476.48
6 yd., 7 X week	\$555.91

DROP BOX HAUL RATE

Service	Current Rate effective 11/1/2009 through 6/30/2012
10 - 19 yrd.	\$176.42 plus disposal cost
20 - 29 yrd.	\$176.42 plus disposal cost
30 yrd. & up	\$176.42 plus disposal cost

PowerPoint Presentation 9:05 a.m.

Proposed Refuse Collection Rates 2010-2011

Sonya K. Harrigfeld, Director

Jami Aggers, Assistant Director

Mandip Dhillon, Manager IV

Department of Environmental Resources

June 29, 2010

Background

Franchise Areas 1,2, & 4

- Staff worked with HF&H and the franchise companies to develop new “base” rates for refuse collection
- November 2008, Board adopted new base rates: benchmark from which to set rates beginning July 1, 2009

Background (cont'd.)

- At the same meeting, the Board adopted a new methodology for the annual adjustment of these base rates
- For four consecutive years, these rates may only increase or decrease by the change in a series of price indexes
- This is the second year of the index-based adjustments.

Rate Adjustment Methodology

- Labor Component: Decreased 0.13%
- Fuel Component: Decreased 21.91%
- Collections Component: Decreased 0.11%
- Interest Component: Change in Prime Rate – Decreased 24.94%

Rate Adjustment Methodology (con't.)

- FRLF Disposal Component: n/c
- WTE Disposal Component: n/c
- Transfer Component: n/c
- **Franchise Fee Component:** The Franchise Fee Component is adjusted up or down based on the net change of the combined components in or to exactly equal the Franchise Fee
- Other Fees Component: n/c

Proposed Residential Rate Adjustments

- 17,616 subscribers to weekly service
 - 63% will see a 1.53% to 1.63% decrease
 - 29% will see a 2.37% to 2.43% decrease
 - 8% will see a 0.76% to 0.80% decrease

Residential Basic Cart Service*

	Current	Proposed Base w/ Index Adjustments
Bertolotti Disposal (Area 1)	\$21.46	\$21.12
Gilton Solid Waste (Area 2)	\$17.27	\$16.86
Turlock Scavenger (Area 4)	\$20.58	\$20.42

*One 90-gallon cart service is the most common service for all three companies

Special Services- Residential/Commercial “7-day Specials”

- For customers who wish to rent a 3 or 4 yard bin to perform clean-ups or minor construction/demolition projects.

Bertolotti Disposal	\$65.00
Gilton Solid Waste	\$65.00
Turlock Scavenger	\$66.00

Proposed Commercial Rate Adjustments

- 2,242 commercial bins in service
 - 57% will see a 1.49% to 1.50% decrease,
 - 26% will see a 1.99% to 2.00% decrease, and
 - 17% will see a 0.52% to 0.53% decrease.

2-yrd. Commercial Bin Service*

	Current	Proposed Base w/ Index Adjustments
Bertolotti Disposal	\$78.14	\$76.97
Gilton Solid Waste	\$71.86	\$70.42
Turlock Scavenger	\$72.11	\$71.73

*2-yard service 1X/wk. is the most common service for all four companies

Proposed Drop Box Rate Adjustments

- Requests for service are as-needed
 - All haul charges will decrease by 1.40% to 3.22%

Proposed 20-29 yard Drop-Box Haul Charge*

Franchise Company	Current	Proposed Base w/ Index Adjustments
Bertolotti Disposal	\$195.21	\$192.11
Gilton Solid Waste	\$194.99	\$188.72
Turlock Scavenger	\$186.17	\$183.56

*Other Drop Box sizes include 10-19 yard service and 30 yards and up.

Franchise Area #3

- On August 2009, the Board approved the award of Franchise Area #3 to Turlock Scavenger, through a competitive procurement.
- The approved maximum rates for Area #3 are to remain constant through June 30, 2012.

Franchise Area #3 (con't.)

Service Level

Current Rate effective
11/09 to 6/2012

Basic Cart Service*	\$18.65
2-yrd. Commercial Bin Service**	\$59.55
Drop Box Haul Charge	\$176.42 plus disposal cost

*One 90-gallon cart service is the most common residential service.

**2-yrd. Bin service is the most common commercial service.

Staff Recommendation

- Approve the recommended adjustments to the Stanislaus County Franchise Maximum Rates for refuse collection services in Franchise Areas #1, #2 and #4.

Questions?