

REQUEST FROM AMERICAN RIVER DISPOSAL SERVICE TO CONSOLIDATE WITH EXISTING SOUTH TAHOE REFUSE FRANCHISE

County of El Dorado
Environmental Management Division
of the
Community Development Agency

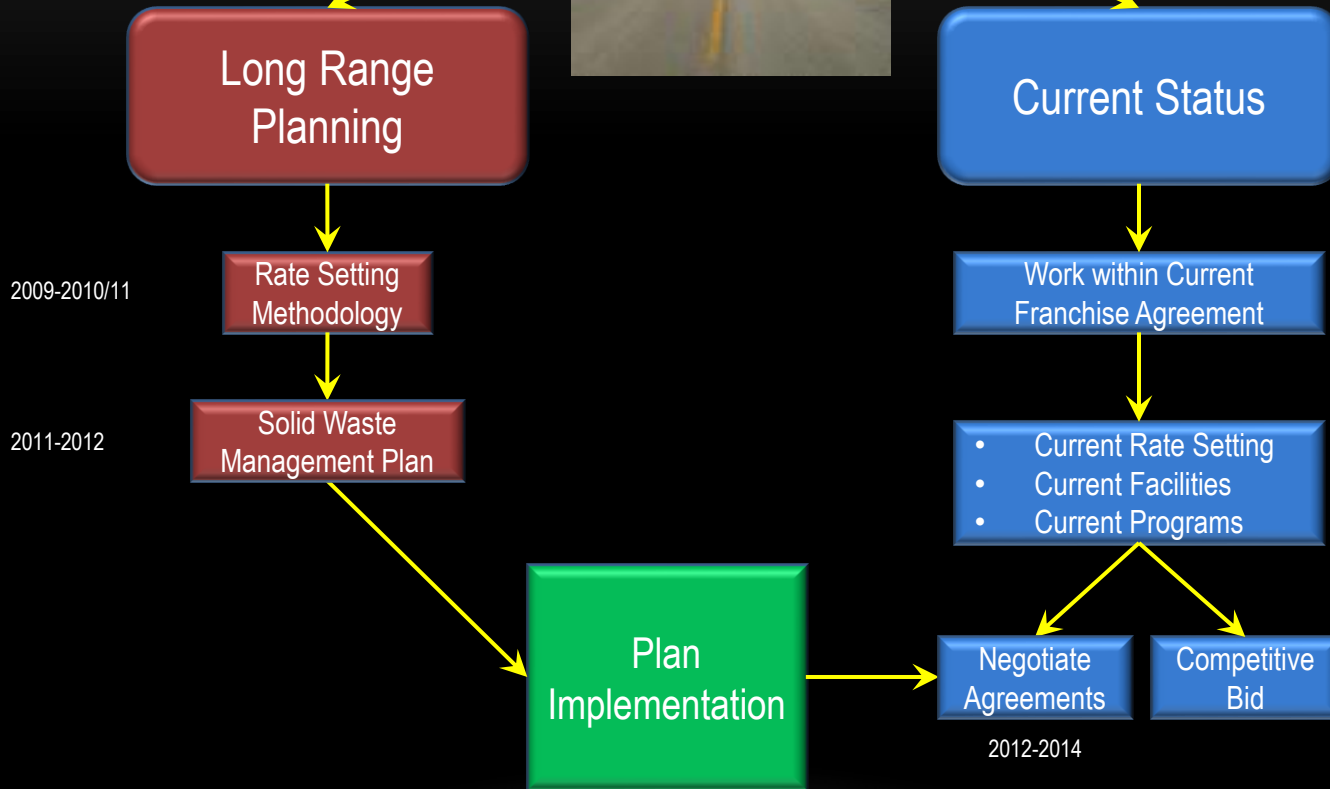
WHY WE ARE HERE

During the March 16, 2009 Solid Waste Planning Workshop:

- ☑ Discussed future of solid waste planning for the County.
- ☑ Goal of the workshop was to bridge the current solid waste management system into an updated and sustainable waste management program that meets future needs of urban and rural population of County and future legislative mandates.



Original Proposed Fork in the Road



BACKGROUND

~2010~

Board directed staff to negotiate a franchise agreement extension with South Tahoe Refuse.

~2012~

- ❑ Board approved a new franchise agreement with South Tahoe Refuse that incorporated a new rate manual.
- ❑ Board directed staff to engage in good-faith negotiations for the purpose of entering into new franchise agreements:
 - American River Disposal Service
 - Amador Disposal Service
 - Sierra Disposal Service
 - El Dorado Disposal Service
 - Tahoe-Truckee Sierra Disposal

FRANCHISE JURISDICTIONS



SOUTH TAHOE REFUSE COMPANIES

County currently has three separate and distinct solid waste franchise agreements with South Tahoe Refuse company:

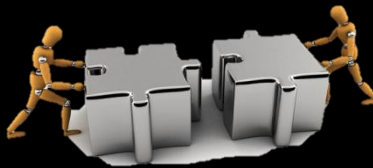
1. South Tahoe Refuse (STR)
2. Sierra Disposal Services (SDS)
3. American River Disposal Service (ARDS)

SOUTH TAHOE REFUSE FRANCHISES



REASON FOR CONSOLIDATION

During franchise negotiations American River Disposal Service (ARDS) requested the County consider consolidation of ARDS with STR.

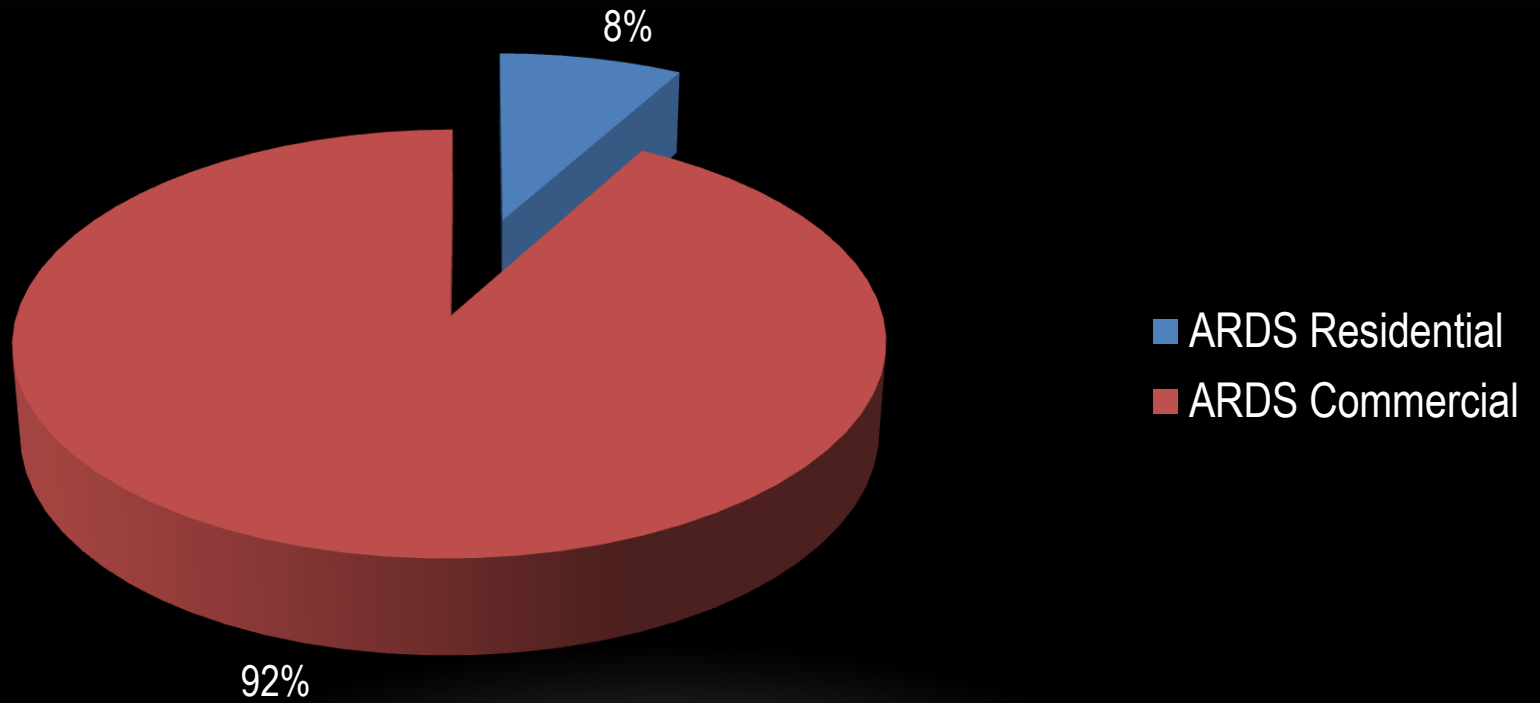


HERE'S WHY.....

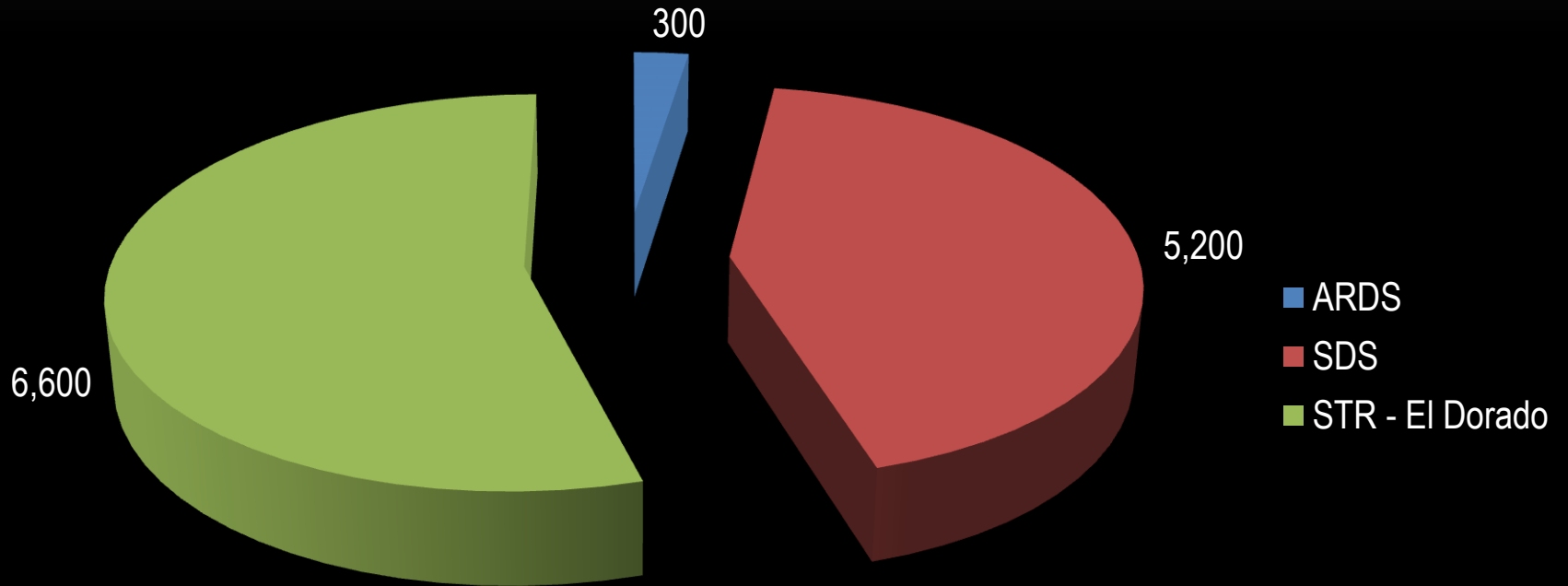
AMERICAN RIVER DISPOSAL SERVICE FRANCHISE AREA



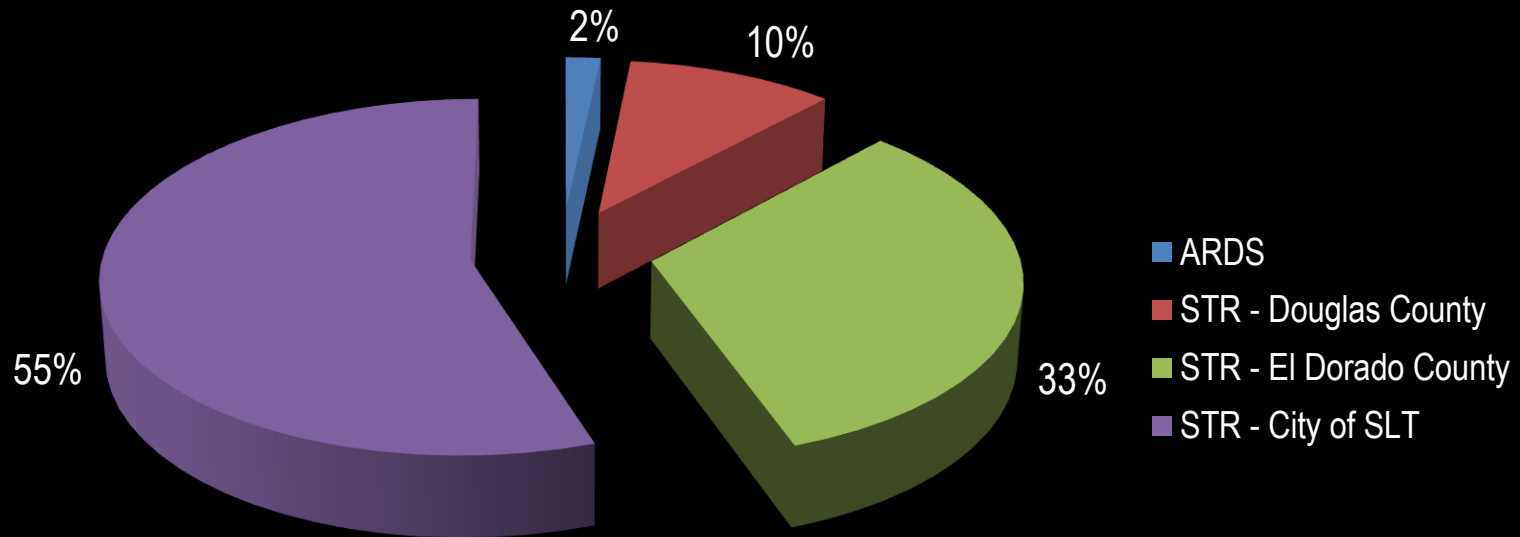
ARDS CUSTOMER BASE



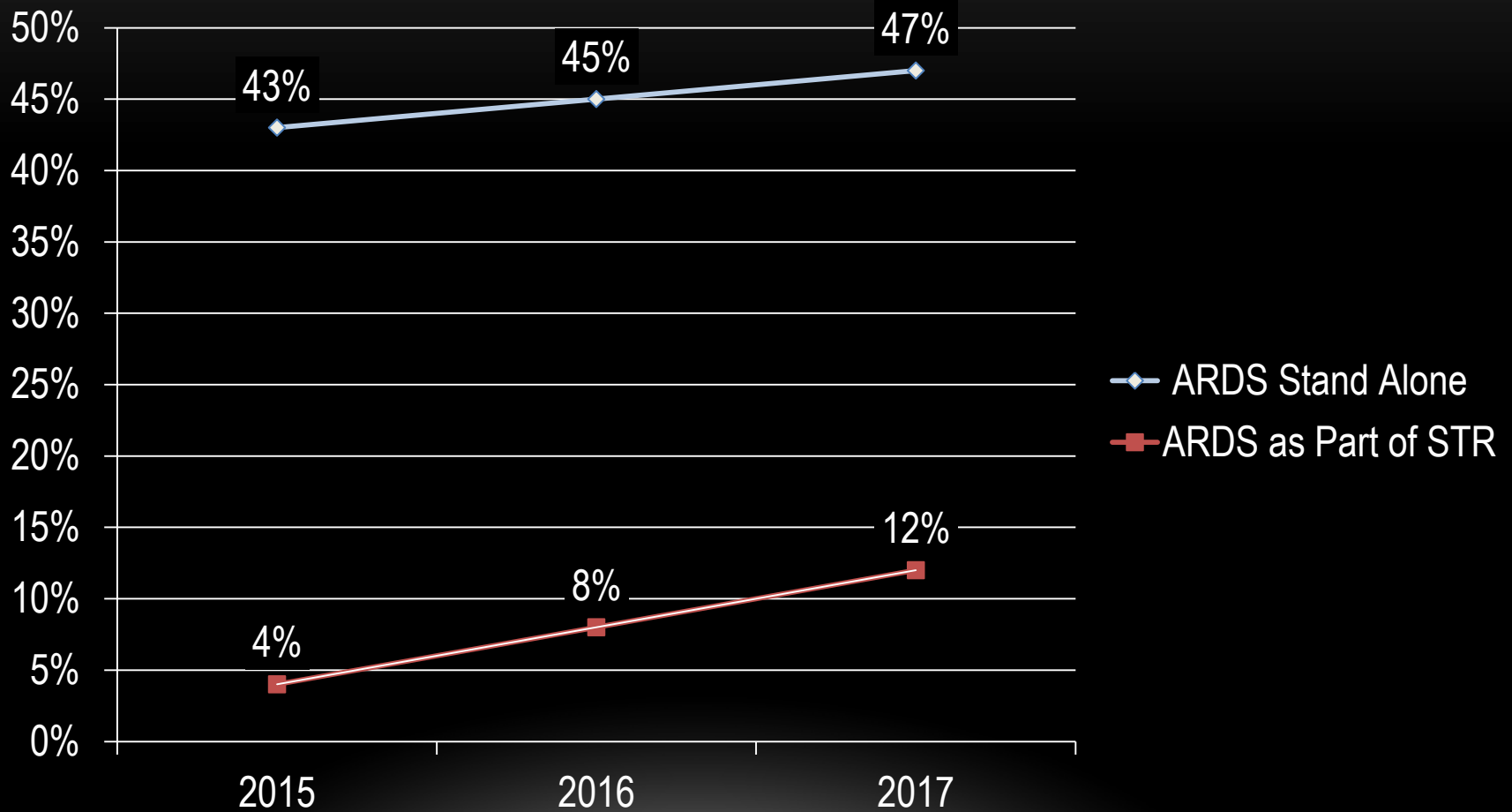
CUSTOMER BASE COMPARISON



PROPOSED SOUTH TAHOE REFUSE CUSTOMER BASE



RATE SETTING MANUAL RATE INCREASE COMPARISON



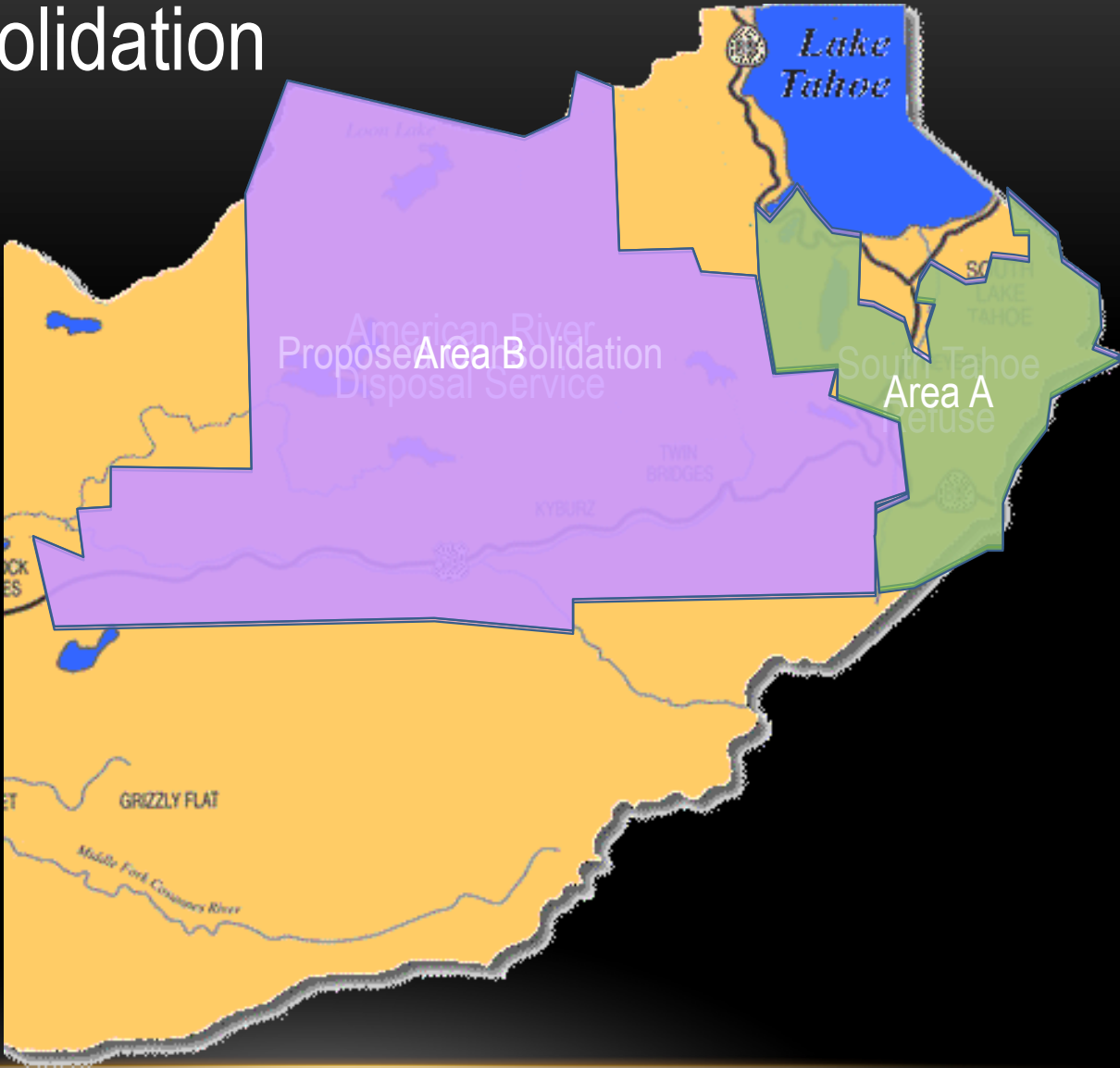
Rate Comparison

Franchise	2014	2015	2016	2017
<i>American River Disposal *</i>	\$13.46	\$14.00	\$14.56	\$15.14
South Tahoe Refuse	\$28.41			
Tahoe Truckee Sierra Disposal	\$25.35			
Sierra Disposal Service	\$21.42			
El Dorado Disposal Service	\$20.59			
Amador Disposal Service	\$19.20			

Notes:

1. The above rates are a comparison for each Franchise and corresponding rate for one 32-gallon residential can serviced weekly. Note: South Tahoe Refuse has unlimited garbage collection.
2. *Rates for American River Disposal demonstrate their current rate and their proposed 12% increase spread out over three years (4% per year).

Franchise Consolidation



BENEFITS OF CONSOLIDATION

- ❑ Increased economies of scale for operations and for administration (e.g., consolidation of accounting and annual reporting, and elimination of an American River Disposal Service (ARDS) specific financial audit).
 - ❑ As part of the South Tahoe Refuse (STR) Franchise Agreement, ARDS customers will also have guaranteed access to, and benefit from the evolving service and programs associated with the STR.
 - ❑ The County also will benefit from a single consolidated agreement and will realize efficiencies through a streamlined process (e.g., single rate application, Board preparation and presentation) as opposed to two separate agreements.
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CONCEPTUAL CONSOLIDATION APPROVAL

- STR contract will be amended to incorporate ARDS franchise area and the contract will be brought back to the Board for approval.
- The amendment will include:
 - ✓ Separate rate structure
 - ✓ Area B will maintain non-mandatory collection for can service
 - ✓ Exception for forest biomass
 - ✓ Amendment will reserve the County's future right to redirect the waste stream

COMMUNITY DEVELOPMENT AGENCY ENVIRONMENTAL MANAGEMENT RECOMMENDATION

Conceptually approve the consolidation of the ARDS Franchise Agreement into the STR Franchise Agreement, and direct staff to return to the Board with the proposed STR contract amendment and rate structure for ARDS.



BOARD DISCUSSION AND QUESTIONS

