



ENVIRONMENTAL  
MANAGEMENT  
DEPARTMENT

# South Tahoe Refuse, Inc (STR)

## Rate Increase Request July 1st, 2008

Presented By: El Dorado County Environmental Management

2008 JUN 30 AM 11:34

BOARD OF SUPERVISORS  
EL DORADO COUNTY  
HEEDING

# STR Rate Adjustment Request

## Per the Franchise Agreement:

- ❑ The Board of Supervisors shall set the rates to be charged by the Grantee.
- ❑ Grantee shall be entitled to a rate increase whenever the Grantee's landfill disposal costs increase due to rate increases at the landfill used by the Grantee, but only for the purpose of passing through said disposal cost increase in grantee's collection rates.
- ❑ The Board of Supervisors shall consider revising Grantee's rates whenever Grantee establishes to the satisfaction of the Board that unforeseen circumstances have arisen which have materially affected the Grantee's costs or revenue.

## On May 28, 2008, STR formally requested:

- ❑ A rate increase of 4.33%
  - 2.7% increase Lockwood Landfill disposal costs
  - 1.4% for fuel increases
  - 0.23% for applicable franchise fees

# STR Rate Adjustment Request

## □ Disposal – Three Rate Increases by Lockwood

April 2007 – 5.3%

April 2008 – 4.9%

Sept 2008 – 9.6% (per letter of intent from Lockwood Landfill)

## □ Fuel Surcharge

- Cost of fuel has increased 19.9%

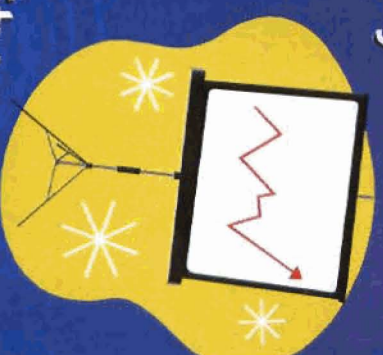
## □ Franchise Fees

0.23% applicable franchise fees



# History of Rate Increases

- 2005 - 9% increase for operations
- 2006 - 9% increase
  - 3% for operations
  - 6% for resource recovery facility
- 2007 - 9% increase
  - 3% for operations
  - 6% for resource recovery facility



# Adjustment Options

## Residential Rates

\$23.79

2.7%

\$24.49

Approve Fuel Surcharge

1.4%

\$24.83

Deny Fuel Surcharge

\$24.49

2.0%

\$24.32

Approve Fuel Surcharge

1.4%

\$24.66

Deny Fuel Surcharge

\$24.32

# Adjustment Options

## Commercial Rates

\$28.53

2.7%

\$229.37

Approve Fuel Surcharge

\$229.78

1.4%

Deny Fuel Surcharge

\$229.37

2.0%

\$229.17

Approve Fuel Surcharge

\$229.57

1.4%

Deny Fuel Surcharge

\$229.17

# Recommendations

- Approve the entitled disposal rate increase per Section 19- Compensation of the Solid Waste Services Agreement.
  - 2007 and 2008 - 2.7% with applicable franchise fees
  - 2008 - 2.0% with applicable franchise fees
- The Board consider and provide staff direction regarding the fuel surcharge adjustment.