



COMMUNITY DEVELOPMENT AGENCY

ENVIRONMENTAL MANAGEMENT DIVISION

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**REPORT DETAILING REVIEW OF TAHOE TRUCKEE SIERRA DISPOSAL'S RATE APPLICATION
 JUNE 7, 2016**

This Report has been prepared for the Board of Supervisors pursuant to the requirements of the Rate Setting Policies and Procedures Manual, incorporated into the Tahoe Truckee Sierra Disposal Franchise Agreement, approved by the Board of Supervisors on October 27, 2015.

Executive Summary

On February 24, 2016, Tahoe Truckee Sierra Disposal (TTSD) submitted an interim year rate increase application (Attachment 1) to the Community Development Agency, Environmental Management Division (EMD) requesting to increase collection rates by 1.75%, effective July 1, 2016. EMD has reviewed TTSD's interim year rate application and calculated rate increase of 1.75% and found the application and requested rate increase to be consistent with the requirements set forth in the approved Rate Setting Policies and Procedures Manual (Rate Manual). The chart below provides a sample of current rates and proposed rates based upon a 1.75% increase. Attachment two at the end of this report provides full revised rate schedules.

Tahoe Truckee Sierra Disposal	Service	32 Gal Can	7/1/2016	2- 32 Gal Cans	7/1/2016	Extra Can	Extra Can	3 yds 1 x wk	7/1/2016	4 yds 1 x wk	7/1/2016	6 yds 1 x wk	7/1/2016
7/1/16 rates reflect 1.75% increase	Rates:	\$ 25.74	\$ 26.19	\$ 33.98	\$ 34.57	\$ 4.43	\$ 4.51	\$ 323.04	\$ 328.69	\$ 403.81	\$410.88	\$ 567.25	\$ 577.18

Background

The franchise agreement between the County of El Dorado (County) and TTSD, approved by the Board of Supervisors (Board) on October 27, 2015, includes a Rate Manual. The Rate Manual is a step-by-step guide for the County and TTSD to prepare and approve changes to solid waste collection rates. The Rate Manual establishes rate change policies, provides application forms, specifies reporting formats, identifies required supporting documentation, and describes the procedure for requesting, reviewing, and adopting rate changes.

The Rate Manual stipulates that the franchise hauler submit a *Base Year Rate Application* once every three (3) years to the County for evaluation of any needed adjustments to collection rates. This is known as a Base Year Rate Review. With the Base Year Rate Application, the franchise hauler provides detailed financial and operating information, for business done under the franchise agreement, which is carefully reviewed and analyzed by the County. TTSD's next Base Year Rate Review and rate adjustment will occur in 2018.

If the franchise hauler chooses to request a rate adjustment in an "interim year" between "base" years, the County requires that the franchise hauler submit an *Interim Year Rate Application* for an Interim Year Rate Review. Interim year rate adjustments are based upon a simple formula.

Utilizing the most recent twelve (12) month U.S. City Average – Garbage and Trash Collection Consumer Price Index (CPI) data, the franchise hauler calculates the percentage change multiplied by 85%. Interim year rate adjustments are subject to a “floor” and a “cap.” During interim years, rate adjustments shall not be greater than 6% nor less than 1%, regardless of the rate adjustment calculated using the interim year formula.

The Board has the ultimate authority to approve any and all rate change recommendations for each franchise service area.

Analysis and Discussion of Issues

EMD has reviewed the Interim Year Rate Application submitted by TTSD, verified that the appropriate CPI data has been used, and verified the accuracy of the calculations used to determine the change in CPI. EMD concurs that the CPI change is 2.06%. In accordance with the Rate Manual, the actual allowable rate increase is 85% of the change in CPI (2.06%), which equals 1.75%.

There are no issues warranting discussion regarding TTSD’s interim year rate request or calculations.

Recommendation

EMD has evaluated TTSD’s Interim Year Rate Application and rate increase request and has determined that the requested rate increase of 1.75% is appropriate and consistent with the terms of the interim year rate setting procedures contained within the Rate Manual.

Attachments

1. TTSD Rate Application
2. TTSD Revised Rate Schedule



February 24, 2016

Greg Stanton, REHS
Director of Environmental Management
County of El Dorado
2850 Fairlane Court, Building "C"
Placerville, CA 95667

RE: Interim Year Rate Application

Dear Greg,

TTSD is opting to exercise our option to request an increase for the fiscal year '16-'17. Please accept the attached Interim Year Rate Application as described in the Rate Setting Manual.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Achiro".

David Achiro
Tahoe Truckee Sierra Disposal

**EL DORADO COUNTY
RECEIVED
FEB 25 2016
ENVIRONMENTAL
MANAGEMENT**

Interim Year Rate Application

Are you applying for an interim rate change at the time?

Yes

No

If yes, complete Section I below, sign, and submit this application to the County.

If no, sign below, and submit this form to the County.

Section I - Consumer Price Index (CPI) Information

CPI - All Urban Consumers
Not Seasonally Adjusted
U.S. City Average
Garbage and Trash Collection (CUUR0000SEHG02)
All Items
December 1983=100
U.S. Department of Labor, Bureau of Labor Statistics

	Month	Year	CPI Data
1.	December	2014	428.187
2.	December	2015	436.996

Section II - % Change in CPI

3. % Change in CPI

Section III - 85 % Change in CPI (But Not to Exceed 6% or fall Below 1%)

4. 85% Change in CPI

Section IV - Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by El Dorado County.

Name: David Achiro

Title: Secretary, Tahoe Truckee Sierra Disposal

Signature:  Date: 2/24/16

Tahoe Truckee Sierra Disposal Co., Inc.
(1.75% Rate Increase Effective 7/1/16)

Rate Application
Attachment 2

Residential

	Current Rate	Rate Effective July 1, 2016
One 32 gal can per week	\$25.74	\$26.19
Two 32 gal can per week	\$33.98	\$34.57
Senior Citizen	\$21.00	\$21.37
Extra can	\$ 4.43	\$ 4.51
<u>Extra Can Equivalents</u>		
<i><u>Standard Collection and Processing Bulky Solid Waste Items</u></i>		
On-route mess	\$13.29	\$13.53
Go-backs	\$26.58	\$27.06
BBQ	\$22.15	\$22.55
Chair kitchen	\$13.29	\$13.53
Chair recliner	\$22.15	\$22.55
Chair wooden	\$ 8.86	\$ 9.02
Couch	\$44.30	\$45.10
Couch bed	\$57.59	\$58.63
Matt/Box D/Q/K	\$39.87	\$40.59
Matt/Box Twin Each	\$31.01	\$31.57
Toilet	\$22.15	\$22.55
Tree (L)	\$17.72	\$18.04
Tree (M)	\$13.29	\$13.53
Tree (S)	\$ 8.86	\$ 9.02
<i><u>Bulky Solid Waste items requiring Special MRF Handling</u></i>		
Tire (Reg.) each	\$17.72	\$18.04
Tire (Truck) each	\$22.15	\$22.55
Dish washer	\$39.87	\$40.59
Dryer	\$39.87	\$40.59
Stove (L)	\$53.16	\$54.12
Stove (M)	\$44.30	\$45.10
Stove (S)	\$35.44	\$36.08
Water heater	\$44.30	\$45.10
Washer	\$39.87	\$40.59
<i><u>Bulky Solid Waste Items requiring Special Route Collection and Special MRF Handling</u></i>		
Television (L)	\$39.87	\$40.59
Television (M)	\$35.44	\$36.08
Television (S)	\$26.58	\$27.06
Microwave (L)	\$22.15	\$22.55
Microwave (M)	\$17.72	\$18.04
Microwave(S)	\$13.29	\$13.53
Refrigerator (Unit + Freon Removal)	\$97.46	\$99.22

Commercial

	Current Rate		Rate Effective July 1, 2016	
	<u>Commercial Service</u>	<u>Cardboard</u>	<u>Commercial Service</u>	<u>Cardboard</u>
Commercial Can	\$ 5.93	n/a	\$ 6.03	n/a
3 yd. EOW	\$ 222.80	n/a	\$ 226.70	n/a
3 yd. 1 x week	\$ 323.04	\$174.15	\$ 328.69	\$177.20
3 yd. 2 x week	\$ 577.02	\$280.87	\$ 587.12	\$285.79
3 yd. 3 x week	\$ 831.11	n/a	\$ 845.65	n/a
3 yd. 4 x week	\$1,154.16	n/a	\$1,174.36	n/a
3 yd. 5 x week	\$1,408.13	n/a	\$1,432.77	n/a
4 yd. 1 x week	\$ 403.81	\$205.92	\$ 410.88	\$209.52
4 yd. 2 x week	\$ 707.66	\$314.30	\$ 720.04	\$319.80
4 yd. 3 x week	\$1,085.13	n/a	\$1,104.12	n/a
4 yd. 4 x week	\$1,415.31	n/a	\$1,440.08	n/a
4 yd. 5 x week	\$1,792.78	n/a	\$1,824.15	n/a
6 yd. 1 x week	\$ 567.25	\$271.34	\$ 577.18	\$276.09
6 yd. 2 x week	\$1,075.34	\$484.94	\$1,094.16	\$493.43
6 yd. 3 x week	\$1,583.61	n/a	\$1,611.32	n/a
6 yd. 4 x week	\$2,150.88	n/a	\$2,188.52	n/a
6 yd. 5 x week	\$2,658.95	n/a	\$2,705.48	n/a

Extra Commercial Services		Current Rate	Rate Effective July 1, 2016
Extra service above subscription level:			
	3 yd.	\$107.88	\$109.77
	4 yd.	\$139.79	\$142.24
	6 yd.	\$168.94	\$171.90
	3 yd. cardboard	\$ 63.80	\$64.92
	4 yd. cardboard	\$ 77.61	\$78.97
	6 yd. cardboard	\$ 79.23	\$80.62
Debris boxes: (non-franchised)			
	6 yd.	\$131.57	\$133.87
	6 yd. green waste (residential only)	n/a	\$119.07
	Rock Box	\$336.82	\$342.71
	20 yd.	\$397.88	\$404.84
	30 yd.	\$489.46	\$498.03
Extra yardage left out on route		\$ 20.69	\$ 21.05
Commercial mess cleaned up on route: (non-franchised)			
	Pickup-truck serviced bin	\$ 57.90	\$ 58.91
	Front loader or roll- off serviced bin	\$110.52	\$112.45
Excessive bin cleaning 3,4,6 yd. bins (more than twice per year)		\$ 39.47	\$ 40.16
Pull-out service (pick-up truck assisting front loader):		\$ 20.69	\$ 21.05
Excessive bin swap-out (more than twice per year):			
	3, 4 & 6 yd.	\$ 57.90	\$ 58.91
	20 & 30 yd.	\$110.51	\$112.44
Dumpster rejection/cancelation (empty dumpster):			
	3, 4 & 6 yd.	\$ 57.90	\$ 58.91
	20 & 30 yd.	\$110.51	\$112.44
Dumpster relocation:			
	3, 4 & 6 yd.	\$ 57.90	\$ 58.91
	20 & 30 yd.	\$110.51	\$112.44
Bin Rental for each additional 3-day period:			
	3,4,& 6 yd.	\$ 57.90	\$ 58.91
	20 & 30 yd.	\$110.51	\$112.44
Removal/return of bins for delinquent accounts (non-franchised)		\$ 78.94	\$ 80.32
Lidded temporary bin		\$ 78.93	\$ 80.31
Weekend service		<i>By quote</i>	
Bin repair		Materials and labor + 10%	
Overweight bins (roll-off)		Pass-thru of Gate Fee	
Freon		Pass-through of additional Freon removal and disposal cost	