



COMMUNITY DEVELOPMENT AGENCY

ENVIRONMENTAL MANAGEMENT DIVISION

<http://www.edcgov.us/EMD/>

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**REPORT DETAILING REVIEW of EL DORADO DISPOSAL'S SERVICE 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 El Dorado Disposal Service Franchise Agreement, approved by the Board of Supervisors on October 21, 2014.

Executive Summary

On February 23, 2016, Waste Connections, Inc., d/b/a El Dorado Disposal Services (EDDS), submitted an interim year rate increase application (Attachment 1) to the Community Development Agency, Environmental Management Division (EMD) requesting to increase collection and Material Recovery Facility (MRF) rates by 1.75%, effective July 1, 2016. EMD has reviewed EDDS' 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.

FRANCHISEE		RESIDENTIAL						COMMERCIAL					
		Current	7/1/2016	Current	7/1/2016	Current	7/1/2016	Current	7/1/2016	Current	7/1/2016	Current	7/1/2016
El Dorado Disposal - Area A	Service	35 Gal Cart		64 Gal Cart		96 Gal Cart		1 yd/1 x wk		4 yd/1 x wk		8 yd 1 x wk	
	Rates:	\$ 22.50	\$ 22.89	\$ 29.00	\$ 29.51	\$ 34.00	\$ 34.60	\$ 94.18	\$ 95.83	\$ 320.49	\$326.10	\$ 613.42	\$ 624.15
El Dorado Disposal - Area B	Rates:	\$ 21.25	\$ 21.62	\$ 29.00	\$ 29.51	\$ 35.00	\$ 35.61	\$ 94.18	\$ 95.83	\$ 320.49	\$326.10	\$ 613.42	\$ 624.15
(Formerly Amador Disposal)													
El Dorado Disposal - Area C	Service							6 yd drop Box		10 yd drop Box		20 yd drop Box	
(Formerly Sierra Disposal)	Rates:	\$ 21.42	\$ 21.79	\$ 30.59	\$ 31.13	\$ 34.76	\$ 35.37	\$ 257.73	\$ 262.24	\$ 334.44	\$340.29	\$ 497.67	\$ 506.38
Materials Recovery Facility (MRF)	Service	Yard Waste Per Yd		Mixed Loose Waste/YD		Minimum Load Charge		COMMERCIAL RATES AT MRF - N/A					
	Rates:	\$ 8.54	\$ 8.69	\$ 11.51	\$ 11.71	\$ 6.70	\$ 6.82						

Background

The franchise agreement between the County of El Dorado (County) and EDDS, approved by the Board of Supervisors (Board) on October 21, 2014, includes a Rate Manual. The Rate Manual is a step-by-step guide for the County and EDDS to prepare and approve changes to solid waste collection and MRF rates. The 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 (MRF rates are not a part of the Base Year Rate Review, and are adjusted utilizing the Interim Year Rate Review process detailed below). 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. EDD'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 EDD, 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 EDD's interim year rate request or calculations.

Recommendation

EMD has evaluated EDD'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. EDDS Rate Application
2. EDDS Revised Rate Schedules



Rate Application
Attachment 1

WASTE CONNECTIONS INC.
Connect with the Future®

Waste Connections of California, Inc. d/b/a
El Dorado Disposal Services (EDDS)
P.O. Box 1270
Diamond Springs, CA 95619
(530) 626-4141

Mr. Greg Stanton
Director, Environmental Services
County of El Dorado
2850 Fairlane Court, Bldg. C
Placerville, CA 95667

Re: Interim Year Rate Application

February 23, 2016

Dear Mr. Stanton,

Pursuant to Appendix D of the El Dorado Disposal Service Franchise Agreement, dated October 21st, 2014, we are requesting an interim year rate adjustment to all services provided by El Dorado Disposal Services (EDDS) in Areas A, B and C, as well as the WERS Facility. The calculated rate adjustment is based on 85% of the annual percentage change in the CPI, All Urban Consumers, U.S. City Average – Garbage and Trash Collection, for the prior December to December (2014 to 2015) twelve-month period. Per the 'Agreement', we are requesting an increase of 1.75% effective July 1st, 2016. We have attached copies of the Detailed CPI reports in addition to the Interim Year Rate Application.

In addition to our request for an interim year rate adjustment, we would like to schedule a meeting with the County in order to discuss other service rate adjustments for 2016, including the minimum load rate at the MRF, multi-cart rates for Area C (SDS), food waste and compactor rates, among others.

We appreciate your consideration and look forward to hearing from you. If you have any questions or need further information, please feel free to contact me at (530) 295 2816.

Sincerely,

Susan L. VanDelinder

Divisional Vice President
Waste Connections of California, Inc. d/b/a
El Dorado Disposal Services

Cc: Ron Mittelstaedt
Brent Ditton
John Perkey

**EL DORADO COUNTY
RECEIVED**

FEB 24 2016
14-1047 4-3-019

ENVIRONMENTAL

Interim Year Rate Application

Are you applying for an interim rate change at this time? Yes No
If yes, complete Section 1 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.	Dec	2014	428,187
2.	Dec	2015	436,995

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: *Susan L. Vandelinder*

Title: *Divisional Vice President*

Signature: *Susan L. Vandelinder*

Date: *2-24-16*

**Waste Connections, dba El Dorado Disposal
Areas A, B and C**

Attachment 2
Revised Rate Schedules

AREA A						
RESIDENTIAL						
Qty	Size	Carts*	Current Rate	New Rate 7/1/16	Current Rate	New Rate 7/1/16
1	35gal	Cart	\$22.50	\$22.89		
1	64gal	Cart	\$29.00	\$29.51		
1	96gal	Cart	\$34.00	\$34.60		
2	35gal	Cart	\$34.00	\$34.60		
3	35gal	Cart	\$46.13	\$46.94		
4	35gal	Cart	\$57.15	\$58.15		
* Senior Discount: 10% off residential rates (65 Years of age)						
Extra Services						
Extra trash per 30 gal bag/container per scheduled service day					\$ 3.85	\$ 3.92
Extra trash NOT on same day of service					\$ 9.79	\$ 9.96
Extra recycling NOT on same day of service					\$ 7.58	\$ 7.71
Additional GW, recycling carts					\$ 5.00	\$ 5.00
Finance charge					1.5%	1.5%
Cart exchange charge if used less than 6 months					\$ 15.17	\$ 15.00
Reinstatement fee					\$25.00	\$25.00
Cart pick-up fee					\$75.00	\$75.00
Metal lid/lock bar fee (month)					\$15.00	\$15.00
Hazardous waste handling fee (excludes per item fee)					\$75.00	\$75.00
Roll Off Debris Boxes						
			Current Rate	New Rate 7/1/16	Disposal OW * Current Rate	New Rate 7/1/16
6	Yard		\$162.87	\$165.72	\$81.72	\$83.15
6	Yard	Green waste	\$120.00	\$122.10	\$41.62	\$42.35
10	Yard	Clean concrete	\$219.30	\$223.14	\$22.26	\$22.65
20	Yard	Green waste	\$263.68	\$268.29	\$41.62	\$42.35
20	Yard		\$418.72	\$426.05	\$81.72	\$83.15
30	Yard	Green waste	\$395.54	\$402.46	\$41.62	\$42.35
30	Yard		\$527.42	\$536.65	\$81.72	\$83.15
40	Yard		\$625.85	\$636.80	\$81.72	\$83.15
50	Yard		\$745.03	\$758.07	\$81.72	\$83.15

* Over-weight limit

COMMERCIAL								
Front Load and Rear Load Bins								
Current Rate								
	Per Yard	Pick-Ups Per Week						
		1	2	3	4	5	6	
1	Yard	\$21.74	\$ 94.18	\$ 188.36	\$ 282.56	\$ 376.74	\$ 470.92	\$ 565.11
2	Yard	\$18.84	\$163.08	\$ 326.16	\$ 489.26	\$ 652.34	\$ 815.44	\$ 978.53
3	Yard	\$18.76	\$243.57	\$ 487.12	\$ 730.68	\$ 974.25	\$1,217.82	\$1,461.38
4	Yard	\$18.51	\$320.49	\$ 640.94	\$ 961.43	\$1,281.92	\$1,602.39	\$1,922.87
5	Yard	\$18.51	\$400.59	\$ 801.19	\$1,201.80	\$1,602.39	\$2,002.99	\$2,403.60
6	Yard	\$18.51	\$480.74	\$ 961.43	\$1,442.15	\$1,922.87	\$2,403.60	\$2,884.30
8	Yard	\$17.68	\$613.42	\$1,226.85	\$1,840.25	\$2,453.66	\$3,067.10	\$3,680.52
New Rate 7/1/16								
	Per Yard	Pick-Ups Per Week						
		1	2	3	4	5	6	
1	Yard	\$22.12	\$ 95.83	\$ 191.66	\$ 287.50	\$ 383.33	\$ 479.16	\$ 575.00
2	Yard	\$19.17	\$165.93	\$ 331.87	\$ 497.82	\$ 663.76	\$ 829.71	\$ 995.65

AREA A - CONTINUED

3	Yard	\$19.09	\$247.83	\$ 495.64	\$ 743.47	\$ 991.30	\$1,239.13	\$1,486.95
4	Yard	\$18.83	\$326.10	\$ 652.16	\$ 978.26	\$1,304.35	\$1,630.43	\$1,956.52
5	Yard	\$18.83	\$407.60	\$ 815.21	\$1,222.83	\$1,630.43	\$2,038.04	\$2,445.66
6	Yard	\$18.83	\$489.15	\$ 978.26	\$1,467.39	\$1,956.52	\$2,445.66	\$2,934.78
8	Yard	\$17.99	\$624.15	\$1,248.32	\$1,872.45	\$2,496.60	\$3,120.77	\$3,744.93

AREA B

RESIDENTIAL

Carts	Frequency	Current Monthly Rate	Current Quarterly Rate	New Monthly Rate 7/1/16	New Quarterly Rate 7/1/16
1 - 35 gal	Monthly	\$21.25	\$ 63.75	\$21.62	\$ 64.87
2 - 35 gal	Monthly	\$31.88	\$ 95.64	\$32.44	\$ 97.32
1 - 64 gal	Monthly	\$29.00	\$ 87.00	\$29.51	\$ 88.53
1 - 96 gal	Monthly	\$35.00	\$105.00	\$35.61	\$106.84

Senior Discount: 10% off residential rates (65 Years of age)

Extra Services	Current Rate	New Rate 7/1/16
Extra trash per 30 gal bag/container per scheduled service day	\$ 3.85	\$ 3.92
Extra trash NOT on same day of service	\$ 9.79	\$ 9.96
Extra recycling NOT on same day of service	\$ 7.58	\$ 7.71
Cart exchange charge if used less than 6 months	\$15.17	\$15.00
Additional recycling cart	\$ 5.00	\$ 5.00
Finance charge	1.5%	1.5%
Reinstatement Fee	\$25.00	\$25.00
Cart pick-up fee	\$75.00	\$75.00
Metal lid/lock bar fee (per month)	\$15.00	\$15.00
Hazardous waste handling fee (excludes per item fee)	\$75.00	\$75.00

Roll Off Debris Boxes

Gate Rates	Current Rate	New Rate 7/1/16	Disposal OW * Current Rate	New Rate 7/1/16
6 Yard	\$162.87	\$165.72	\$81.72	\$83.15
6 Yard Green Waste	\$120.00	\$122.10	\$41.62	\$42.35
10 Yard Clean Concrete	\$219.30	\$223.14	\$22.62	\$23.02
20 Yard Green Waste	\$263.68	\$268.29	\$41.62	\$42.35
20 Yard	\$418.72	\$426.05	\$81.72	\$83.15
	Current Rate	New Rate 7/1/16	Disposal OW* Current Rate	New Rate 7/1/16
30 Yard Green Waste	\$395.54	\$402.46	\$41.62	\$42.35
30 Yard	\$527.42	\$536.65	\$81.72	\$83.15
40 Yard	\$625.85	\$636.80	\$81.72	\$83.15
50 Yard	\$745.03	\$758.07	\$81.72	\$83.15

** Over- weight limit*

COMMERCIAL

	Current Rate	Per Yard	Pick Ups Per Week					
			1	2	3	4	5	6
1 Yard	\$21.74	\$ 94.18	\$ 188.36	\$ 282.56	\$ 376.74	\$ 470.92	\$ 565.11	
1.5 Yard	\$21.74	\$141.27	\$ 282.56	\$ 423.82	\$ 565.09	\$ 706.39	\$ 847.66	
2 Yard	\$18.84	\$163.08	\$ 326.16	\$ 489.26	\$ 652.34	\$ 815.44	\$ 978.52	
3 Yard	\$18.76	\$243.57	\$ 487.12	\$ 730.68	\$ 974.25	\$1,217.82	\$1,461.38	
4 Yard	\$18.51	\$320.49	\$ 640.94	\$ 961.43	\$1,281.92	\$1,602.39	\$1,922.87	

AREA B - CONTINUED

5	Yard	\$18.51	\$400.59	\$ 801.19	\$1,201.80	\$1,602.39	\$2,002.99	\$2,403.60
6	Yard	\$18.51	\$480.74	\$ 961.43	\$1,442.15	\$1,922.87	\$2,403.60	\$2,884.30
8	Yard	\$17.68	\$613.42	\$1,226.85	\$1,840.25	\$2,453.66	\$3,067.10	\$3,680.52
New Rate 7/1/16				Pick Ups Per Week				
	Per Yard		1	2	3	4	5	6
1	Yard	\$22.12	\$ 95.83	\$ 191.66	\$ 287.50	\$ 383.33	\$ 479.16	\$ 575.00
1.5	Yard	\$22.12	\$143.74	\$ 287.50	\$ 431.24	\$ 574.98	\$ 718.75	\$ 862.49
2	Yard	\$19.17	\$165.93	\$ 331.87	\$ 497.82	\$ 663.76	\$ 829.71	\$ 995.64
3	Yard	\$19.09	\$247.83	\$ 495.64	\$ 743.47	\$ 991.30	\$1,239.13	\$1,486.95
4	Yard	\$18.83	\$326.10	\$ 652.16	\$ 978.26	\$1,304.35	\$1,630.43	\$1,956.52
5	Yard	\$18.83	\$407.60	\$ 815.21	\$1,222.83	\$1,630.43	\$2,038.04	\$2,445.66
6	Yard	\$18.83	\$489.15	\$ 978.26	\$1,467.39	\$1,956.52	\$2,445.66	\$2,934.78
8	Yard	\$17.99	\$624.15	\$1,248.32	\$1,872.45	\$2,496.60	\$3,120.77	\$3,744.93

AREA C

RESIDENTIAL *			
Carts	Frequency	Current Rate	New Rate 7/1/16
Road Service			
1 - 35 gal	Monthly	\$21.42	\$21.79
2 - 35 gal	Monthly	\$30.59	\$31.13
3 - 35 gal	Monthly	\$34.76	\$35.37
1 - 64 gal	Monthly	\$30.59	\$31.13
2 - 64 gal	Monthly	\$40.86	\$41.58
3 - 64 gal	Monthly	\$52.91	\$53.84
1 - 96 gal	Monthly	\$34.76	\$35.37
2 - 96 gal	Monthly	\$52.91	\$53.84
3 - 96 gal	Monthly	N/A	\$86.02
House Service			
1 - 35 gal	Monthly	\$29.14	\$29.65
1 - 64 gal	Monthly	\$38.93	\$39.61
1 - 96 gal	Monthly	\$42.59	\$43.34

* Senior Discount: 10% off residential rates (65 Years of age).

Extra Services	Current Rate	New Rate 7/1/16
Extra trash per 30 gal bag/container per scheduled service day	\$ 5.65	\$ 3.92
Extra trash NOT on same day of service	\$ 9.79	\$ 9.96
Extra recycling NOT on same day of service	\$ 7.58	\$ 7.71
Cart exchange charge if used less than 6 months	N/A	\$15.00
Additional recycling cart	N/A	\$ 5.00
Finance charge	1.5%	1.5%
Reinstatement Fee	\$35.00	\$25.00
Cart pick-up fee	N/A	\$75.00
Metal lid/lock bar fee (per month)	\$15.00	\$15.00
Hazardous waste handling fee (excludes per item fee)	\$75.00	\$75.00

AREA C - CONTINUED

COMMERCIAL

Carts	Frequency	Current Rate	New Rate 7/1/16
1 - 32 gal	Per pick-up	\$ 6.77	N/A
1 - 35 gal	Per pick-up	N/A	\$ 6.89
1 - 45 gal	Per pick-up	\$ 8.61	N/A
1 - 64 gal	Per pick-up	N/A	\$ 9.69
1 - 96 gal		N/A	\$11.31
Per Cubid Yard			
1 – yard	Per pick-up		
Extra yard	Per Pick-up	\$23.51	\$23.93
Compacted rate per yard	Per pick-up	\$23.51	\$23.93
		\$57.78	\$58.80
Drop Boxes			
6-yard area 1	Per pick-up	\$257.73	\$262.24
6-yard area 2	Per pick-up	\$225.13	\$229.07
6-yard area 3	Per pick-up	\$196.99	\$200.44
10-yard	Per pick-up	\$334.44	\$340.29
20-yard	Per pick-up	\$497.67	\$506.38
20-yard stump box	Per pick-up	\$635.75	\$646.88
30-yard	Per pick-up	\$742.06	\$755.05
30-yard stump box	Per pick-up	\$934.24	\$950.59
30 yard Swansboro area	Per pick-up	\$795.36	\$809.28

**Waste Connections, dba
El Dorado Disposal Service
Materials Recovery Facility**

Description	Quantity Type	Current Rate	July 1, 2016 Rate
Minimum load (up to 2 cans 1/2 Cubic Yard or 1-55 gallon drum)	Load	\$ 6.70	\$ 6.82
Additional 55 gallon drum of household waste	Each	\$ 5.95	\$ 6.04
Per additional 32 gallon can of household waste	Each	\$ 3.02	\$ 3.07
Mixed loose waste (Greater than 1/2 cubic yard)	Yard	\$11.51	\$11.71
Clean segregated concrete or rock (market providing)	Yard	\$17.84	\$18.15
Clean wood waste not painted, burnt, or chemically treated	Yard	\$ 8.90	\$ 9.06
Clean yard waste/clippings/small limbs (no plastic bags), 1 yard minimum	Yard	\$ 8.54	\$ 8.69

Special Wastes

Appliances (an additional charge of \$20 will be applied for removal of Freon gases, motor(s) and any other hazardous wastes)	Each	\$ 11.82	\$ 12.03
Mattresses/box springs	Each	\$ 14.85	N/A
Car bodies/vehicles/trailers (DMV clearance required)	Each	\$141.13	\$ 143.60
Stumps (wider than 18")	Ton	\$111.39	\$ 113.34
Dead animals - small (cats, dogs, goats, and deer)	Each	\$ 22.26	\$ 22.65
Dead animals - mid size (Large goats, sheep, pigs)	Each	\$ 44.57	\$ 45.35
Concrete/asphalt/brick/dirt/tar or combination thereof	Ton	\$ 78.73	\$ 80.11
Mixed C&D self haul	Yard	\$17.84	\$ 18.16
Mixed C&D and Roofing (asphalt/composition/tile)	Ton	\$ 78.73	\$ 80.11
Tires – less than 19.5" (on rim add \$10 each)	Each	\$ 2.25	\$ 2.29
Tires – between 20" – 24.5" (on rim add \$15 each)	Each	\$ 8.05	\$ 8.19
Tires – tractor equipment tires up to 24"	Each	\$ 74.30	\$ 75.60
Waste mixed with dirt	Ton	\$ 96.57	\$ 98.26

Commercial Tipping Fees (Areas A, B and C)

Description	Quantity Type	Current Rate	July 1, 2016 Rate
MSC w/blue bag recycling - compacted	Ton	\$78.73	\$80.11
MSW, MSW compacted	Ton	\$81.72	\$83.15
Clean wood/lumber or yard waste	Ton	\$41.62	\$42.35
Clean concrete loads (no steel, wood tile or re-bar)	Ton	\$22.26	\$22.65
Compactor or debris box waste - commercial	Ton	\$81.72	\$83.15

Unsecured Load Fee *

*A fee of 25% to the rate for the load will be imposed for any load being brought into the MRF without the vehicle load being covered to prevent waste or recycled material from blowing or falling from the load.