

Enhanced Recycling Program and Other Rate Increases for Unincorporated El Dorado County

Presented By: Gerri Silva, Director
Environmental Management Department
December 9, 2008



Program History

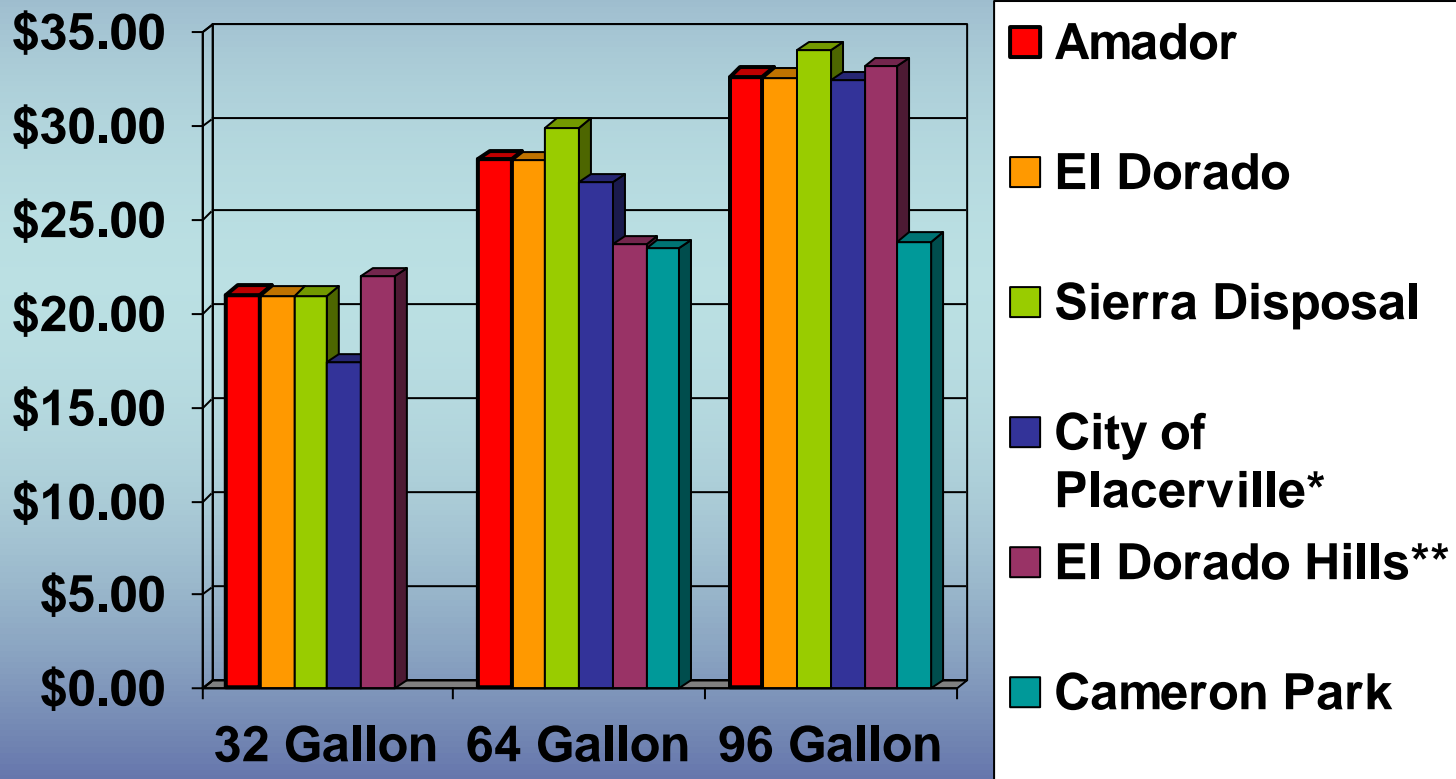
- **July 29, 2008**
 - Board of Supervisors set date workshop to discuss solid waste issues
- **August 18, 2008 Workshop**
 - Supervisors direct EMD staff to research and bring back to the Board a status report and recommendation regarding new and increased recycling programs for the unincorporated area of the County
 - Supervisors direct that recommendations should include multi- cart programs and bluebag recycling programs
- **October 7, 2008 Board Meeting**
 - The Board adopted the resolutions increasing recycling programs for all the Franchise Areas
 - The Board directed EMD to return to the Board on November 18, 2008, to hold a public hearing regarding a rate increase for the new service levels and other rate increases, if needed
 - The Board granted an extension of the November 18, 2008 hearing date to December 9, 2008

Enhanced Recycling Program

Purpose and Benefits

- Future State mandates may require Local Governments to achieve higher diversion rates and decrease landfill disposal
- How do we achieve future diversion mandates?
 - Create a comprehensive refuse collection and recycling infrastructure that will enable the County to achieve statewide mandates
 - Increase recycling opportunities in the six franchise areas through a standardized recycling program
 - » Blue bags (East Slope)
 - » Multi-carts (West Slope)

West Slope Proposed Rate Normalization



*The City of Placerville rates are based on implementation of mandatory service within 4 years.

** The goal in El Dorado Hills, was to keep the 64 gallon container rate as low as possible

East Slope



Tahoe Truckee Sierra Disposal

- **Enhanced Recycling Program**
 - **Recycling**
 - Blue bag program will proceed unchanged
 - **Green Waste**
 - A free green waste collection event



Tahoe Truckee Sierra Disposal Cont.

- **Rates**

- No rate increase as a result of the enhanced recycling program
- 11.1% General Rate Increase request effective January 1, 2009
 - Solid Waste Collection rates have failed to keep up with true costs (i.e., disposal, labor, and vehicle/equipment upgrades)
 - Offer a consistent customer rate throughout the TTSD service area
 - Last rate increase July 1, 2006

Residential

Current Rate	Proposed Rate
1 32g Can \$15.95	\$17.72
2 32g Can \$21.50	\$23.89

Tahoe Truckee Sierra Disposal Recommendation

- The EMD recommends that the Board approve the rate increase effective January 1, 2009, per Section 19 of the Franchise Agreement

South Tahoe Refuse

- **Enhanced Recycling Program**
 - **Recycling**
 - Blue bag pilot program
 - Blue bags provided to customers and replaced at curbside
 - Rolled out to Upper Truckee residential customers on January 1, 2009 (~1,383 customers)
 - Roll out to all customers Earth Day 2009 (April 22)
 - **Green Waste**
 - Pilot project on Earth Day 2009 (April 22)
 - Proposing to run green waste routes every other week for residents



South Tahoe Refuse Cont.

- **Rates**

- **Enhanced Recycling Program**

- No current rate increases as a result of the enhanced recycling program
 - November 17, 2008 SLTBWMA unanimously approved to financially support the first year of the pilot program – January 2009-December 2009 at \$177,489
 - At completion of pilot program EMD shall conduct a comprehensive program review and return to the Board as appropriate

- **General Rate Increase Request**

- 8% General Rate Increase Request effective January 1, 2009
 - Projected \$137,065 revenue shortfall (i.e., disposal, operational costs)
 - STR continues to work to reduce their operating costs

Residential

Current Rate		Proposed Rate
Unlimited	\$24.32	\$26.27

South Tahoe Refuse Cont.

- In June 2008 Douglas County approved a 4.33% increase and the City of South Lake Tahoe took the same action in September 2008
- Douglas County and the City of South Lake Tahoe have CPI rate increases pending for a January 1, 2009 implementation

Proposed Rates - Residential

El Dorado Co.*	City of SLT*	Douglas Co.**
\$26.27	\$24.19	\$29.79

* unlimited pick-up, ** 2 cans

South Tahoe Refuse Recommendation

- The EMD recommends that the Board approve the rate increase effective January 1, 2009, per Section 19 of the Franchise Agreement

West Slope



El Dorado Disposal Service

- **Enhanced Recycling Program**
 - **Three Cart Program (all customers)**
 - **Refuse**
 - 32, 64 and 96 gallon carts
 - 6,046 (32) gallon carts
 - **Recycling**
 - 64 and 96 gallon carts
 - 3,944 (64) gallon carts, 96 gallon available upon request
 - **Green Waste**
 - 96 gallon carts
 - Additional Community Clean Up Day
 - Addition of one satellite route by the end of the year

El Dorado Disposal Service Cont.

- **Rates**

- **Enhanced Recycling Program**

- Addition of 10,000 new carts (garbage and recycling)
 - Cost savings of blue bags
 - Reduction in processing and land disposal costs and increase recycling
 - Elimination of current \$2.00/month charge for 1,200 customers utilizing green waste collection

<i>Residential</i>		<i>Residential</i>	
Current Rate*		New Rate*	
1 32g Can	\$18.12	1 32g Cart	\$20.95
1 64g Cart	\$27.16	1 64g Cart	\$28.18
1 96g Cart	\$27.81	1 96g Cart	\$32.59

*Rate does not include current fuel surcharge

-- New MRF commercial rate for clean recyclable loads
 \$46.18 per ton – a Not To Exceed Amount

El Dorado Disposal Recommendation

- The EMD recommends that the Board approve the change in service level and rate adjustment effective January 1, 2009, per Section 6 “Solid Waste and Recyclable Collection Services Provided by the Contractor” of the Franchise Agreement
- The EMD recommends that the Board approve the new commercial clean recyclable load rate effective January 1, 2009, as per Section 19 of the Franchise Agreement

Sierra Disposal Service

- **Enhanced Recycling Program**
 - **Two Cart Program (phased program)**
 - **Refuse**
 - 32, 64 and 96 gallon refuse carts
 - **Recycling**
 - 64 or 96 gallon carts
 - 80% of residential customers ~4,293 customers
 - Phased program will be rolled out on January 1, 2009
 - **Green Waste**
 - Proceed unchanged

Sierra Disposal Service Cont.

- **Rates**

- **Disposal Cost Increase Request**

- 2.57% Disposal Cost Increase effective January 1, 2009

Current Rate		2.57% Disposal
1 32g Can	\$ 18.42	\$ 18.89
2 32g Can	\$ 26.31	\$ 26.99

- **Enhanced Recycling Program**

- Purchasing of carts
 - Retro-fit current equipment
 - Addition of two commercially licensed drivers and two trucks for recycling routes

	2.57% Disposal	Proposed- Multi Cart	
1 32g Can	\$ 18.89	1 32g Cart	\$ 20.71
2 32g Can	\$ 26.99	1 64g Cart	\$ 29.60
		1 96g Cart	\$ 33.62

Sierra Disposal Service Recommendation

- The EMD recommends that the Board approve the disposal rate increase effective January 1, 2009, per Section 19B – Compensation of the Franchise Agreement
- The EMD recommends that the Board approve the change in service level and rate adjustment effective January 1, 2009, per Section 6 “Solid Waste and Recyclable Collection Services Provided by the Contractor” of the Franchise Agreement

Amador Disposal Service

- **Enhanced Recycling Program**
 - **Two Cart Program (all customers)**
 - **Refuse**
 - 32, 64 and 96 gallon refuse carts
 - **Recycling**
 - 64 or 96 gallon carts
 - **Green Waste**
 - Additional Clean Up Day in Shingle Springs/Latrobe Area



Amador Disposal Service Cont.

- **Rates**
 - **General Rate Increase Request**
 - 15% General Rate Increase Request based on revenue shortfall of \$61,249 (i.e. disposal and labor)
 - Last rate increase granted on July 1, 2006

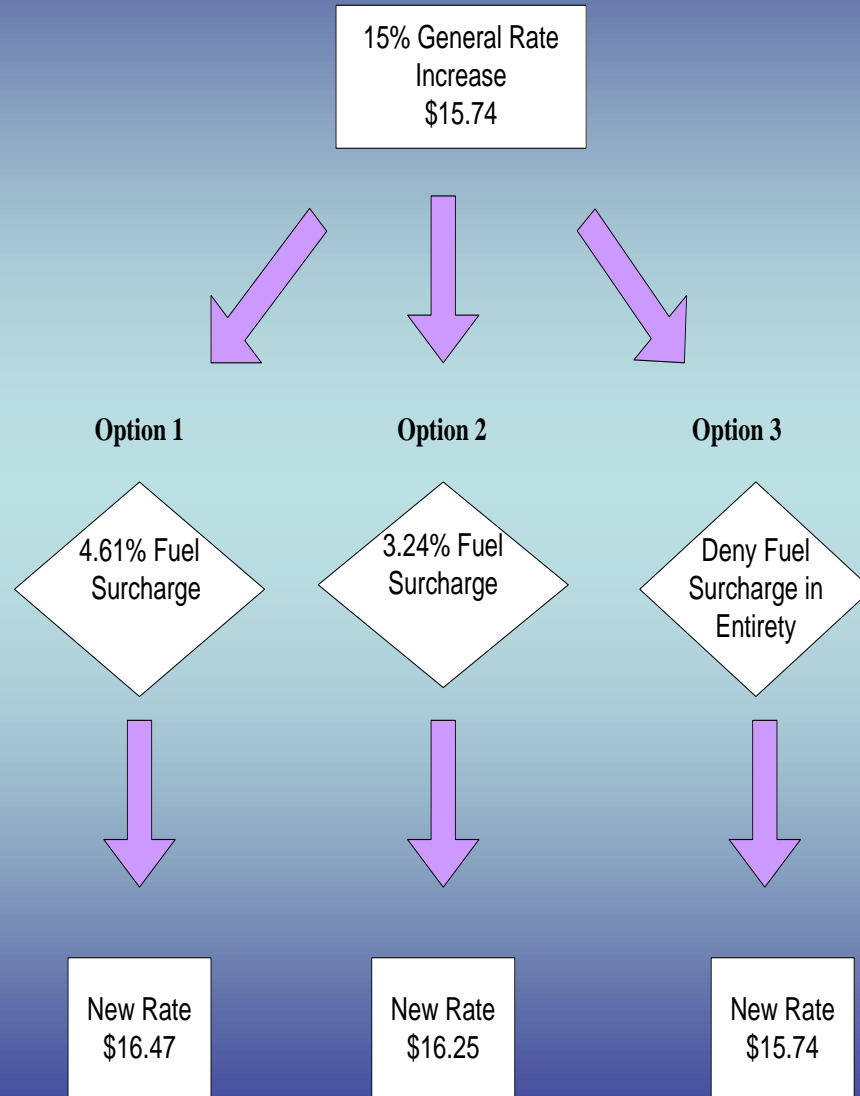
Residential Current Base Rate*		Current Base Rate w/ 15% General Rate Increase*
1 32g Can	\$13.69	\$ 15.74
2 32 g Can	\$20.24	\$ 23.28
1 96 g Cart	\$24.88	\$ 28.61

*Rate excludes current fuel surcharge of 3.24%

Fuel Surcharge Increase Request

-Fuel Surcharge Increase

- Requested adjustment to their fuel surcharge resulting in a 1.37% increase
- Current fuel surcharge of 3.24% would increase to 4.61%



Enhanced Recycling Program

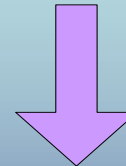
– Enhanced Recycling Program

- Addition of 3,550 carts (refuse and recycling)
- Addition of 9 new route days
- Cost savings of blue bags
- Reduction in processing costs and increase in recycling revenue

New Rate
\$15.74

Option 1

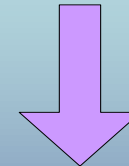
Multi Cart
Enhanced
Recycling
Program Rate



New Rate
\$20.95

Option 2

9 Year
Franchise
Extension



New Rate
\$19.45

- Rates do not include a current fuel surcharge.

Amador Disposal Service Recommendation

- The EMD recommends that the Board approve the rate increase effective January 1, 2009, per Section 19 of the Franchise Agreement
- The EMD recommends that the Board review and consider the fuel surcharge adjustment request in its discretion
- Approve the change in service level and rate adjustment as originally presented on Option 1 of Enhanced Recycling Program effective January 1, 2009 per Section 6 “Solid Waste and Recyclable Collection Services provided by Contractor” of the Franchise Agreement

West Slope Rate Normalization

	Proposed	Proposed	Proposed			
	El Dorado Disposal	Amador Disposal	Sierra Disposal	City of Placerville *	Cameron Park	El Dorado Hills **
32g Cart	\$ 20.95	\$ 20.95	\$ 20.71	\$ 17.37	\$	\$ 22.00
64g Cart	\$ 28.18	\$ 28.18	\$ 29.60	\$ 27.02	\$ 23.48	\$ 23.70
96g Cart	\$ 32.59	\$ 32.59	\$ 33.62	\$ 32.42	\$ 23.85	\$ 33.21

**The City of Placerville rates are based on implementation of mandatory service within 4 years.*

***The goal in El Dorado Hills, was to keep the 64 gallon container rate as low as possible.*

Questions

