



# 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

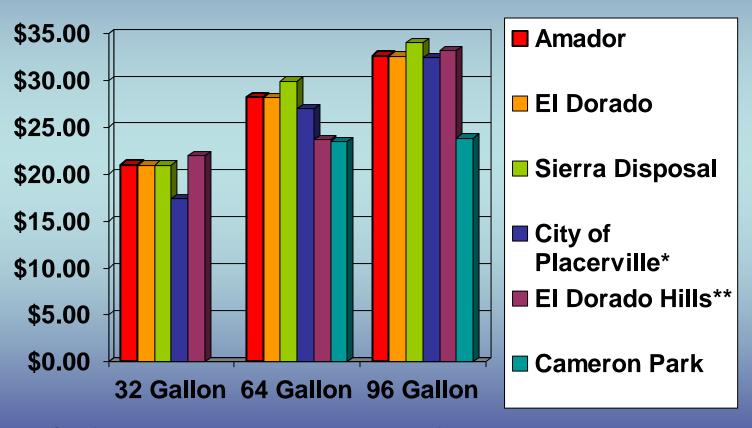
#### October 7, 2008 Board Meeting

- 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



<sup>\*</sup>The City of Placerville rates are based on implementation of mandatory service within 4 years.

<sup>\*\*</sup> 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

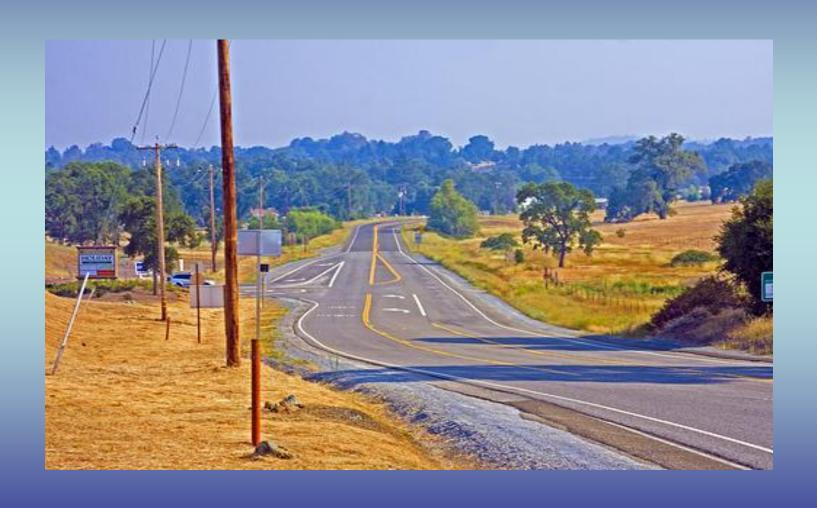
El Dorado Co.*	City of SLT*	Douglas Co.**
\$26.27	\$24.19	\$29.79

<sup>\*</sup> 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

#### Residential Residential

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	

<sup>\*</sup>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

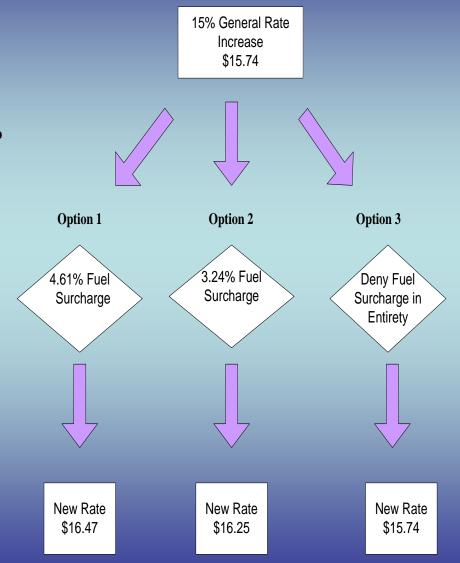
Residential Current Base Rate*		Current Base Rate w/ 15% General Rate Increase*
1 32g Can	\$13.69	\$ 15.74
2 32 g Can	\$20.24	\$ 23.28
1 96 g Cart	\$24.88	\$ 28.61

<sup>\*</sup>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

Rates do not include a current fuel surcharge.

**Option 2 Option 1** Multi Cart 9 Year **Enhanced** Franchise Recycling Extension **Program Rate New Rate New Rate** \$20.95 \$19.45

New Rate **\$15.74** 

# 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

<sup>\*</sup>The City of Placerville rates are based on implementation of mandatory service within 4 years.

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

## Questions

