



Legislation Details (With Text)

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Title: HEARING - Environmental Management Department recommending the Board consider the following regarding the solid waste collection rates for Tahoe Truckee Sierra Disposal Co., doing business as Tahoe Truckee Sierra Disposal:

- 1) Based on the analysis completed by Crowe, find that an 11.94% increase to the existing rates be in accordance with the base year rate setting process as outlined in the Solid Waste Rate Setting Policies and Procedures Manual; and
- 2) Adopt and authorize the Chair to sign Resolution 116-2024 (Attachment B), adjusting the solid waste collection rates for the Tahoe Truckee Sierra Disposal Co. area by 11.94% for the 2024 Base year to become effective July 1, 2024.

FUNDING: User Fees/Franchise Fees. (No Federal Funding)

Sponsors:

Indexes:

Code sections:

Attachments: 1. A. Blue Route, 2. B. TTSD Rate Increase Resolution - 11.94%, 3. C. TTSD BY 2024-25 Rate Review- Crowe Report- Final, 4. D. TTSD West Shore El Dorado County '24-'25 Base Year Rate Application, 5. E. Public Notice, 6. F. TTSD Presentation 6-25-24, 7. Executed Resolution 116-2024

Date	Ver.	Action By	Action	Result
6/25/2024	1	Board of Supervisors	Approved	Pass

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DISCUSSION / BACKGROUND

On October 27, 2015 (Legistar File 15-0903), the Board adopted Resolution No. 161-2015 authorizing a new Solid Waste Services Agreement (Franchise Agreement) with Tahoe Truckee Sierra Disposal Co. (Tahoe Truckee Sierra Disposal) for the collection of solid waste throughout the franchise area. The new Franchise Agreement incorporated a Solid Waste Rate Setting Policies and Procedures Manual (Rate Manual) developed by Crowe LLP.

The Rate Manual provides specific requirements for the setting of collection rates during “Base” years (every third year of the Franchise Agreement and “Interim” years (years falling between the

base years). Base year rate adjustments require an in-depth financial analysis to determine if rates require adjustment, and whether or not an increase or decrease to rates is warranted. Interim year rate adjustments are calculated based upon 85% of the change in the U.S. City Average - Garbage and Trash Collection Consumer Price Index (CPI) of the previous 12 months (December to December). The franchise hauler is not obligated to request an increase in interim years.

The new Franchise Agreement incorporated the residential and commercial solid waste collection rates, as base years, adopted by the Board on June 23, 2015 (Legistar File 13-0572), Resolution No. 098-2015, and became effective July 1, 2015. Interim and Base year rate increases were previously approved by the Board on the following dates:

- June 7, 2016 (Legistar File 15-0903, 1.75%)
- May 23, 2017 (Legistar File 15-0903, 1.51%)
- June 12, 2018 (Legistar File 18-0824 1.92%)
- June 25, 2019 (Legistar File 19-0918 6.0%)
- June 23, 2020 (Legistar File 20-0706, 1%)
- June 22, 2021 (Legistar File 21-0905, Base year increase of 7.43%)
- June 21, 2022 (Legistar File 22-0985, 4.72%)
- June 27, 2023 (Legistar File 23-0856, 5.19%)

In December 2023, Tahoe Truckee Sierra Disposal submitted a Base Year Rate Application (Rate Application) to the Environmental Management Department (Environmental Management) for collection services for rate year 2024 requesting a 15.32% rate increase for residential and commercial solid waste collection rates (Attachment D). Environmental Management is responsible for overseeing the franchise agreements for Solid Waste Management and rate setting is guided by the Rate Manual.

In May of 2024, Environmental Management requested that Crowe LLP, the County's solid waste consultant, perform a review of Tahoe Truckee Sierra Disposal's Rate Application and supporting information. Crowe LLP completed the analysis of Tahoe Truckee Sierra Disposal's Rate Application and provided the final Base Year 2024 Rate Analysis (Rate Analysis) to Environmental Management (Attachment C). Based upon the analysis conducted, Crowe LLP is recommending the approval of an 11.94% rate increase for solid waste collection rates for Tahoe Truckee Sierra Disposal's franchised area.

In accordance with County Ordinance 8.42.170, notice of the time, date, place, and purpose of the public hearing to adopt the proposed solid waste collection rate adjustments has been duly noticed to affected ratepayers. At the request of Environmental Management, a public hearing notice for the franchise area was published in the Tahoe Daily Tribune newspaper on June 14, 2024, and June 21, 2024 (Attachment E). In addition, Tahoe Truckee Sierra Disposal has provided notice to customers by postcard.

ALTERNATIVES

There is no feasible alternatives at this time. Denial of the requested 11.94% 2024 Base Year rate increase would not be consistent with the terms of the Board approved Franchise Agreement and Rate Manual incorporated therein, which expires September 28, 2025.

PRIOR BOARD ACTION

See Discussion/Background above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel has approved the proposed Resolution.

CAO RECOMMENDATION / COMMENTS

Approve as recommended. It should be noted that although the Board has no discretion in approving the rate increase at this time due to the terms in the current Franchise Agreement, both the County and the Franchisee have the option of negotiating an amendment to the terms of the Franchise Agreement, including the Rate Setting Manual, at any time, to apply to future rate increase applications.

FINANCIAL IMPACT

The 2024 Base year rate increase proposed by Tahoe Truckee Sierra Disposal is directly related to the cost to provide solid waste collection services to its customers. The County's Franchise Fee will remain at 5%. However, as rates are incrementally increased, the County will see a slight increase in Franchise Fee revenue.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) Clerk of the Board will obtain the Chair's signature on one (1) original copy of the adopted Resolution; and
- 2) Clerk of the Board will forward one (1) copy of the executed Resolution to Environmental Management for further processing.

STRATEGIC PLAN COMPONENT

Priority: N/A

Action Item: N/A

CONTACT

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