



County of El Dorado

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Legislation Text

File #: 07-675, Version: 1

Hearing to consider adoption of Resolution **102-2007** increasing solid waste collection rates by 10.74% based on the annual Consumer Price Index (CPI), effective July 1, 2007 for Sierra Disposal Service.

Clarification: This item is **not** based on the Consumer Price Index.

BUDGET SUMMARY:		
Total Estimated Cost		\$
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$	
Change To Net County Cost		\$

Fiscal Impact/Change to Net County Cost: None

Background: At the June 13, 2006 meeting of the Board of Supervisors the board approved a CPI increase for SDS and the Environmental Management Department made the Board aware that SDS had additional rate increase requests beyond the presented CPI and the department would return to the Board upon completion of a comprehensive rate review.

Reason for Recommendation: The Environmental Management Department contracted with R3 Consulting and has completed the rate review of Sierra Disposal. That rate review showed a 10.74% rate increase is needed to prevent the company from operating at a loss and to provide the company the means to expand their recycling program.

The significant increase in expenditures relate to:

- Increase labor costs and benefits associated with new staff positions (one new collection driver and one additional half time maintenance position).
- Increased disposal expense due to a tip fee increase of approximately 10%, wherein the Company had projected a 3% increase.

Sierra Disposal Service has made the commitment to increase the following service programs within the requested 10.74% rate increase:

- Curbside used oil collection for our customers within the franchise area.
- Increase the existing commercial cardboard recycling service to include beverage containers: glass, aluminum and plastic, and mixed paper.
- In conjunction with County events: such as Household Hazardous Waste, Community Cleanup, and Tire Amnesty, collect and transport large bulky items.
- Implemented a program with the Fire Safe Councils for fuels reduction drop boxes at a reduced rate.

Sierra Disposal Service states that this rate increase addresses a shortfall that has occurred over the past several years, and they do not see this as a trend. They anticipate future increase to be consistent with regional inflators.

Action to be taken following Board approval: Upon execution, forward a copy of the resolution to the Department for distribution.

Contact: Gerri Silva, Director, Environmental Management Department