



Legislation Text

File #: 11-0506, **Version:** 1

HEARING - Per the request of Waste Connections of California, Inc. d/b/a El Dorado Disposal Service and pursuant to the amended August 23, 2004 Solid Waste Services Agreement, consider the request to conduct a public hearing and adopt a Resolution increasing the solid waste collection and Material Recovery Facility (MRF) rates by 1.4%, effective July 1, 2011. (Est. Time: 20 Min.)

Resolution 081-2011

Fiscal Impact/Change to Net County Cost: There is no change in Net County Cost. The attached Resolution indicates the proposed solid waste rates.

Background:

El Dorado County entered into a Solid Waste Services Agreement with Waste Connections of California, Inc. d/b/a El Dorado Disposal Service (EDS) on August 23, 2004, to provide services for the collection and safe transport to disposal facilities of municipal solid wastes, and the recycling of recyclable materials. The Agreement was amended by the First Amendment of Solid Waste Services Agreement effective January 1, 2010 (Legistar item 09-1542)

In accordance with the Solid Waste Services Agreement as amended in January 2010 between El Dorado County and Waste Connections of California, Inc., Section 22 - Compensation, Inflation/Deflation Adjustment - Contractors rates shall be adjusted annually effective July 1st of each year during the Term of this Agreement based on the Consumer Price Index - All Items - All Urban Consumers - California as published by the State of California, Department of Industrial Relations, Division of Labor Statistics and Research. The month to be used for purposes of measuring the point to point base period, for the purpose of rate setting adjustment, shall be December of each year.

Recent Board Action: The Board granted El Dorado Disposal Service a 2.1% rate increase (Legistar item 10-0462) on 5/18/10 effective July 1, 2010.

Reason for Recommendation:

On March 31, 2011 the Environmental Management Department (EMD) received a letter from Waste Connections of California, Inc. d/b/a El Dorado Disposal Service requesting a rate increase of 1.5% effective July 1, 2011 pursuant to the amended Solid Waste Services Agreement.

The Consumer Price Index- All Items - All Urban Consumers - California as published by the State of California, Department of Industrial Relations, Division of Labor Statistics and Research for the period of December 2009 was 224.349. The index for December 2010 was 227.487. The percent of change from the December 2009 index to the December 2010 index reflects an index increase of 1.4%.

On April 13, 2011 the Director of the Environmental Management Department responded to El Dorado Disposal Service 1.5% rate increase request. The letter stated that based on the First Amendment of the Solid Waste Services Franchise Agreement, which specifically references the 2010 period for the 1.5% rate floor, the EMD would recommend a 1.4% rate increase per the

aforementioned index rather than a 1.5% increase.

Item for Consideration:

The Board of Supervisors consideration is requested for a rate increase of 1.4%. Following is a sample of the proposed rates in accordance with the EDS rate request:

Residential

Current Rate

1 32g Can	\$19.13
1 64g Cart	\$28.67
1 96g Cart	\$29.36

Residential

Rate with 1.4% CPI Increase

1 32g Can	\$19.40
1 64g Cart	\$29.07
1 96g Cart	\$29.78

Commercial

Current Rate

1 Yard	\$ 80.74
2 Yard	\$139.82

Commercial

Rate with 1.4% CPI Increase

1 Yard	\$ 81.87
2 Yard	\$141.77

The hearing to adopt the proposed collection rate adjustments has been duly noticed in accordance with Section 66016 of the California Government Code.

Action to be taken following Board approval: Forward executed resolution to Environmental Management Department for implementation.

Contact: Gerri Silva, MS, REHS, Environmental Management Director