



## Legislation Text

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**File #:** 12-0870, **Version:** 1

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HEARING - Per the request of Waste Connections of California, Inc., dba Amador Disposal Service Inc., consider their request to:

- 1) Waive the rate adjustment notification deadline as outlined in the First Amendment of Solid Waste Services Agreement, dated July 1, 2012, on a one-time only basis; and
- 2) Conduct a public hearing to adopt Resolution **112-2012** increasing Amador Disposal Service, Inc.'s solid waste collection rates by the annual CPI of 2.4%, effective October 1, 2012. (Est. Time: 10 Min.)

### **Fiscal Impact/Change to Net County Cost**

There is no change in Net County Cost. The attached Resolution indicates the proposed solid waste rate levels.

### **Background**

The County of El Dorado entered into a Franchise Agreement with Amador Disposal Service Co., Inc. and Waste Connections, Inc. on June 25, 2002, to provide services for the collection, transportation, and removal to solid waste processing and/or disposal facilities of all residential, industrial, and commercial solid waste (including discarded recyclables and discarded recyclable material generated or accumulated within the franchise area.) The Franchise Agreement was amended by the First Amendment of Solid Waste Services Agreement, which was approved by the Board of Supervisors on June 12, 2012, and effective July 1, 2012 (Legistar item 12-0244).

In accordance with the Solid Waste Services Agreement as amended and effective July 1, 2012, Section 19 - Compensation, C. Inflation/Deflation Adjustment, Contractor's rates shall be adjusted annually effective July 1<sup>st</sup> 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.

### **Reason for Recommendation**

On June 29, 2012, the Environmental Management Department (EMD) received a letter from Waste Connections of California, Inc. d/b/a Amador Disposal Service, Inc. (ADS) requesting a 2.4 percent (2.4%) rate increase, effective October 1, 2012, pursuant to the Agreement (Attachment B). The letter contained a comprehensive list of services and proposed associated rates for the Franchise Area. The significant change to the list of services and associated costs provided by ADS is the inclusion of reduced rates for Seniors.

EMD recommends that the Board consider, in its discretion, whether to waive or extend the April 1 deadline set forth in Section 19 (B) of the First Amendment of Solid Waste Services Agreement to allow ADS to request the relevant rate increase beginning October 1, 2012 for this Operating Year only. The negotiation process for the First Amendment of Solid Waste Services Agreement coincided

with the timing of the notification of ADS' rate increase request as identified in the Amendment. The negotiation process exceeded the anticipated timeframe, as counsel for both the County and ADS required additional time to clarify legal terminology involved in the Amendment.

ADS is on notice that, in the future, Contractor's rates shall remain unchanged unless Contractor submits a written request to the Board of Supervisors for a CPI rate adjustment no earlier than January 1<sup>st</sup> and no later than April 1<sup>st</sup> prior to the commencement of each new Operating Year.

In keeping with the delayed rate increase request, ADS has requested a rate increase implementation date of October 1, 2012. 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 2010 was 227.487. The index for December 2011 was 232.985. The percent of change from the December 2010 index to the December 2011 index reflects an index increase of 2.4 percent (2.4%).

**Item for Consideration**

Should the Board of Supervisors waive the rate adjustment notification deadline, the Board's consideration is requested for a rate increase of 2.4 percent (2.4%). Following is a sample of the proposed rates in accordance with the ADS rate request:

**Residential**

Current Rate

1 32g Can	\$18.10
2 32g Can	\$26.77
1 96g Cart	\$32.90

**Residential**

Rate with 2.4% CPI Increase

1 32g Can	\$18.53
2 32g Can	\$27.41
1 96g Cart	\$33.69

**Commercial**

Current Rate

1 Yard	\$ 69.45
2 Yard	\$138.95

**Commercial**

Rate with 2.4% CPI Increase

1 Yard	\$ 71.11
2 Yard	\$142.28

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

**Action(s) to be taken following Board approval**

Forward executed Resolution to Environmental Management Department for implementation.

**Contact**

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