



Legislation Text

File #: 17-0582, **Version:** 1

HEARING - Community Development Services, Environmental Management Department recommending the Board conduct a hearing to consider adopting and authorizing the Chair to sign Resolution **113-2017** confirming the annual report of delinquent mandatory refuse collection fees for the South Tahoe Refuse Company, Inc., establishing the delinquent amounts as special assessments for the 2017/18 fiscal year, and providing for the collection thereof in the same manner as the County's ad valorem property taxes. (Est. Time: 15 Min.)

FUNDING: Community Development Services charges for service.

DEPARTMENT RECOMMENDATION

Community Development Services, Environmental Management Department recommending the Board conduct a hearing to consider adopting and authorizing the Chair to sign **Resolution XXX-2017** confirming the annual report of delinquent mandatory refuse collection fees for the South Tahoe Refuse Company, Inc., establishing the delinquent fees as special assessments for the 2017/2018 fiscal year, and providing for the collection thereof in the same manner as the County's ad valorem property taxes.

DISCUSSION / BACKGROUND

Solid waste refuse and garbage collection has been mandatory in the Tahoe Basin since December 31, 1970, when the Tahoe Regional Planning Agency approved an ordinance prohibiting issuance of a building permit for any Lake Tahoe occupancy unless solid waste collection and disposal was provided by a licensed or franchised solid waste hauler or by a public agency.

In October 1972, El Dorado County voters passed a mandatory collection ordinance for all residential units in the unincorporated area of the Lake Tahoe Basin. The goals of mandatory refuse collection are to: a) reduce illegal disposal; b) provide for expanded disposal, recycling, and yard waste programs which support the County's compliance with AB 939 that mandated 50% diversion by the year 2000; and c) institute a consolidated and single refuse collection rate within designated mandatory collection areas.

On December 29, 1981, the Board of Supervisors adopted Ordinance 3214 Mandatory Refuse and Garbage Collection of South Lake Tahoe, which prescribed the duty of the parcel owner to provide for the payment of the mandatory refuse collection and disposal fees.

On January 26, 1999, the Board of Supervisors adopted Ordinance 4525, which revised the mandatory solid waste collection areas in the County and provided a lien hearing process for delinquent mandatory collection amounts outstanding for ninety (90) days or more, as well as including other ordinance provisions regarding the administration of mandatory solid waste collection areas applicable to all designated mandatory solid waste collection areas.

Consistent with provisions of County Ordinance Code § 8.42.120 and § 8.42.130, the County entered into a franchise agreement with South Tahoe Refuse Company, Inc. to provide mandatory refuse and

garbage collections services within the unincorporated area of the Lake Tahoe Basin, with a small area serviced by another franchisee. Provisions of the Ordinance Code require that the fees for mandatory collection resulting from rates reviewed, approved, and set by the Board of Supervisors be charged to customers by the franchisee.

The lien amounts proposed are the amounts that have been billed and which are 90 days or more delinquent. The full amounts that are 90 days or more delinquent will constitute the amounts of the special assessment liens on the subject properties.

The lien process was adopted as the result of a large number of delinquent accounts within the STR mandatory collection area that were affecting rates. The lien process provides for the collection of bad debt and provides a mechanism that aligns rates with the actual expense projections, without being skewed by bad debt. Since it was instituted in 1999, the lien process has greatly reduced the amount of bad debt resulting from property owners not paying the mandatory refuse collection fees.

STR makes every effort to collect on past due bills prior to initiating the lien process. This includes a combination of courtesy letters and telephone calls to customers to try to resolve past due payments prior to initiating the lien process.

Notices were provided to the property owners listed on Exhibit A to the Resolution as follows:

May 9, 2017 - Notices of Possible Lien Proceedings for Unpaid Mandatory Garbage Collection Services were sent by Certified Mail, return receipt requested to each delinquent account holder. The Notice included delinquent amount, directed the account holder to STR, and described methods by which the account could be brought current in order to avoid a lien, including using an enclosed pre-addressed envelope, and an option to pay by telephone via credit card.

June 5, 2017 - Notices of Appeal Hearing Regarding Possible Lien Proceedings for Unpaid Garbage Collection Service was mailed to each delinquent account holder who had not yet brought his or her account current. The Notice provided the date, time, and location of the Appeal Hearing.

June 21, 2017 - An Appeal Hearing was conducted at the El Dorado County Library, South Lake Tahoe Branch at 1000 Rufus Allen Boulevard in South Lake Tahoe from 11:45 am to 12:45 pm. Staff from Community Development Services Administration and Finance representing the Environmental Management Department and staff from South Tahoe Refuse, Inc. conducted the hearing. The Hearing allows for account holders to appeal the mandatory refuse collection services to the County by providing confirmation that the residence or property was not inhabitable (no electricity or water services were connected to the residence) during the billing period that resulted in the delinquency. No appeals were received at the Hearing.

July 7, 2017 - Notice of Lien Proceedings for Unpaid Mandatory Collection Services was mailed to each delinquent account holder who had not yet brought his or her account current. The Notice advised of the public hearing and the date by which a delinquent account may be brought current in order to have the account holder's name removed from the report of delinquent fees to be placed as a lien on the subject property for the 2017/2018 fiscal year.

FINDINGS

Noticing required with the lien proceedings has resulted in an average decrease in the number of

delinquent accounts by approximately 48% over the last three years (2013 through 2016), and in the total delinquent balances by approximately 42% over the same period. The lien and appeal process has prevented no less than \$43,464.98 from being written off as bad debt by STR between 2013 and 2016, thereby helping to stabilize refuse collection rates to a greater degree than would otherwise be possible. Summary of Delinquent Mandatory Refuse Collection Fees and Liens for Fiscal Year 2013/2014 to Fiscal Year 2016/2017 is included for reference.

ALTERNATIVES

The County's Solid Waste Management Ordinance Code § 8.42.250 provides the Board with discretion to collect delinquent mandatory refuse collection fees by levy of special assessments against the property through the lien hearing process. The Board may choose not to adopt the Resolution establishing the liens and the responsibility for recovery of the bad debt will be returned to STR. The result would be a loss of revenue by STR, which could negatively impact solid waste collection rates in the Tahoe Basin.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel

CAO RECOMMENDATION

It is recommended that the Board approve this item.

FINANCIAL IMPACT

Lien amounts collected with the ad valorem tax bills are a direct pass through to STR. The incidental costs associated with the lien proceedings are paid from the County's Solid Waste program. There is no impact to the General Fund, and there is no Net County Cost.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) The Clerk of the Board will have the Chair sign the Resolution.
- 2) The Clerk of the Board will have a certified copy of the Resolution recorded.
- 3) The Clerk of the Board will provide a certified copy of the Resolution to Community Development Services, Administration and Finance Division for further action.

STRATEGIC PLAN COMPONENT

Public Safety

Healthy Community

CONTACT

Karen E. Coleman, Chief Fiscal Officer
Community Development Services
Administration and Finance

Greg Stanton, REHS, Director
Environmental Management Department