



Legislation Text

File #: 09-0822, **Version:** 1

HEARING - Per the request of Tahoe Truckee Sierra Disposal, Inc. and as outlined in the April 4, 1995 Franchise Agreement, conduct a public hearing to consider adoption of Resolution setting the solid waste collection rates from \$15.95 to \$22.38 (1-32g can) for Tahoe Truckee Sierra Disposal Inc. effective July 1, 2009.

Resolution 159-2009

Fiscal Impact/Change to Net County Cost: There is no change in Net County Cost. The attached Resolutions indicate proposed solid waste rate levels.

Background: Per the Board discussion on June 2, 2009 the Environmental Management Department is furthering this item to the Board in the manner in which it was originally requested by the franchisee.

In accordance with the Franchise Agreement Between El Dorado County and Tahoe Truckee Sierra Disposal Inc. Section 19 - Compensation, the Board of Supervisors shall set the rates to be charged by Grantee at such times as the Board deems appropriate, but no less often that every two (2) years, unless a longer period is agreed on by the County and Grantee.

In addition, per the Franchise Agreement "[a]t least four (4) months before the effective date of any rate increase (other than one based solely on landfill disposal cost increase) proposed by Grantee, Grantee shall submit to the Board of Supervisors a rate application in a form to be determined by the Board of Supervisors, which shall include proposed collection rates and revenues and Operating Cost and Pass-Through Cost projections for the upcoming two year period, which projections shall have a reasonable factual basis. Rates shall be set with the intent to reimburse Grantee for its allowed Operating and Pass Through Costs and Allowed Profit."

On April 28, 2009, the Environmental Management Department received a letter from Tahoe Truckee Sierra Disposal Inc. (TTSD) "We are requesting a rate structure equivalent to the portion of El Dorado County adjacent and immediately south of the area we serve, where exists a flat rate of \$26.27 for unlimited mandatory service. Alternatively, we would be willing to entertain a rate aligned with the neighboring Placer County area that we serve, adjusted for items not comprehended within the Placer rate including CARB the additional cost of servicing and area with non mandatory service, and make-up for the one year of lost Revenue. The resultant rate is a base rate of \$21.47 for the non mandatory service, or \$19.32 should service become mandatory". The current rate for (1) - 32g can picked up weekly is \$15.95. TTSD requested and a pre-meeting was held to discuss the rate request. (Attachment A).

On May 12, 2009, further information was requested from TTSD to clarify the requested rate for non-mandatory service and to provide additional information to support the rate increase per the terms of the franchise agreement (Attachment B). Per the terms of the Franchise Agreement Section 15A Financial Reporting - "Grantee shall maintain a proper set of books and records on an accrual basis,

and an annual audited financial statement in accordance with generally accepted accounting principles, accurately reflecting the business done by it under this Agreement”.

On June 3, 2009, the Environmental Management Department received a letter from TTSD requesting a rate increase to \$22.38 for a (1) 32g can. (See Attachment C for detailed specific information)

The Environmental Management has approved TTSD’s written notification to each ratepayer as described in Section 19 of the Solid Waste Franchise Agreement (Attachment D). The hearing to adopt the proposed collection rate adjustments has been duly noticed in accordance with Section 66016 of the California Government Code.

Items for Consideration: In accordance with the terms of the Franchise Agreement Section 19B, TTSD has not submitted adequate financial information to substantiate the rate requests. Given the lack of supporting financial information as required per the Franchise Agreement the Board can consider the rates to be set at the current levels or grant the rate increase request per the reasons stated by the Franchisee.

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

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