



Board Agenda Item 38

DATE: May 8, 2018

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Adjustment to Exclusive Service Area Program Rates

RECOMMENDED ACTION(S):

Approve adjustment of the Exclusive Service Area Program maximum rates, as a pass-through expense, effective July 1, 2018, to reflect the Board's direction to increase the tip fee at the American Avenue Disposal Site.

The recommended action is based on the Board's direction from the January 13, 2015 and February 10, 2015 meetings. The recommended action will approve the increase in the Exclusive Service Area Program (ESAP) Agreements (ESAP Agreements), Maximum Cart and Bin Rates (ESAP Rates), as a pass-through expense, commensurate with the \$0.59 per ton increase in price associated with the American Avenue Disposal Site (AADS) tip fee. The increase in the tip fee shall become effective on July 1, 2018. The ESAP Agreements define the tip fee increase at AADS as a pass-through, and include provisions for the approval of commensurate increases/decreases in ESAP Rates. This item is countywide.

ALTERNATIVE ACTION(S):

If your Board does not approve the recommended action, the ESAP Rates will not be adjusted and the haulers would not be able to gain financial relief for expenses incurred due to the County's approval and implementation of increased tip fees at AADS.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. The work associated with preparation of this agenda item is budgeted in the Public Works and Planning - Resources Org 9015 FY 2017-18 Adopted Budget and funded by the AB 939 service fees.

DISCUSSION:

Approval of the recommended action would authorize a monthly increase in the ESAP Rates of \$0.03 to \$0.09 per customer, depending upon service rate area and size of general refuse carts. For example, the ESAP Rate for 90-gallon cart general refuse service in Zone 1 (urban area) would reflect an increase of \$0.09 or from \$39.21 to \$39.30.

Dependent upon service area, size of bin, and frequency of collection, the recommended adjustment would increase the monthly ESAP Rate between \$0.20 to \$7.00 per customer. In Zone 2a (rural area), the ESAP Rates for a two cubic yard bin with one service per week would reflect a monthly increase of \$0.39 or from \$106.06 to \$106.45. In Zone 3 (mountain area), a two cubic yard bin with one service per week would reflect

a monthly increase of \$0.39 or from \$113.15 to \$113.54. Attachment 1 details ESAP Rates, which are identified as Exhibit D and D1 in the ESAP Agreements, and lists the recommended increases in ESAP Rates.

Additionally, a correction has been made to the Southeast Regional Area (SER) Overlay rate for the six cubic yard service for Zone 2b and Zone 3. While determining the rates for the AADS Rate Adjustment, Department staff noted that the rate listed for the six cubic yard service was accidentally rounded up to the nearest dollar, instead of the actual amount of \$40.95.

REFERENCE MATERIAL:

BAI #45, March 28, 2017
BAI #54, May 10, 2016
BAI #39, March 10, 2015
BAI #37, February 10, 2015
BAI #5, January 13, 2015
BAI #6, December 16, 2014

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment 1

CAO ANALYST:

Sonia M. De La Rosa