



Board Agenda Item 45

DATE: March 28, 2017

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 the adjustment to the Exclusive Service Area Program rates, as a pass-through expense, effective July 1, 2017 to reflect the Board's direction to increase the tip fee at the American Avenue Disposal Site.

The recommended action is based on the Boards' direction from the January 13 and February 10, 2015 Board meetings. The recommended actions 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 \$0.58 per ton increase in price associated with the American Avenue Disposal Site (AADS) tip fee. The increase in the tip fee at AADS shall become effective on July 1, 2017. The ESAP Agreements define the tip fee increase at AADS, as a pass-through expense, and include provisions for the approval of commensurate increases/decreases in ESAP Rates.

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.

DISCUSSION:

The approval of the recommended action will authorize a monthly increase in the ESAP Rates of \$.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 the Urban Service Rate Area (County Islands) would reflect an increase of \$0.09 from \$39.12 to the current monthly rate of \$39.21.

Dependent upon the size of bin (one to six-cubic yards) and frequency of pick-up (one to six pick-ups-per-week), the recommended adjustment would increase the monthly ESAP Rate from between \$0.19 to \$6.80 per bin customer. In the rural areas of the County, the ESAP Rates for a two cubic-yard bin with one pick-up-per-week would reflect a monthly increase of \$0.38 from the current monthly rate of \$105.68 to \$106.06. In the Mountain Service Areas of the County, the ESAP Rates would reflect an increase of \$0.38 from the current monthly rate of \$112.77 to \$113.15 for a two cubic-yard bin with one pick-up-per-week service. Exhibit 1 details ESAP Rates (identified as Exhibit D in the ESAP Agreements) and lists the recommended increases in ESAP Rates.

The ESAP Agreements stipulate that the County, on an annual basis, will adjust the ESAP Rates to reflect the change in the annual inflation rate as indicated by the Consumer Price Index (CPI). On February 13, 2017, the County approved the ESAP Rates based on CPI adjustment.

The ESAP Rates tables attached to this agenda item are different from the Board Briefing Report Rate Tables, published on February 13, 2017 because of the tip fee increase at the AADS. It should be noted that not all ESAP haulers charge the maximum ESAP rate allowed. ESAP haulers are required to issue a 30-day advance written notice of any pricing change to their customers.

REFERENCE MATERIAL:

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:

Exhibit 1

CAO ANALYST:

John Hays