



AGENDA REQUEST FORM
BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER

21

- Consent Departmental Correspondence Action Public Hearing
 Scheduled Time for 1:00 p.m. Closed Session Informational

FROM: Integrated Waste Management

FOR THE BOARD MEETING OF: June 13, 2017

SUBJECT:

Consideration of Solid Waste Collection and Hauling Floor Rate Increase for Residential and Commercial Service for Permit Areas A & B of Inyo County.

DEPARTMENTAL RECOMMENDATION:

Request your Board approve a floor rate increase for residential, commercial, and roll-off service as described in attached rate chart.

SUMMARY DISCUSSION:

At the January 3, 2017 Board of Supervisors meeting your Board approved converting the gate fee structure at the Bishop landfill to a weight based system rather than a system based on volume. At that time your Board approved a rate of \$50 per ton. Subsequently, on May 9, 2017 your Board adjusted the volume rates at the other Inyo County landfills. As was discussed at both meetings, weighing vehicles and charging \$50 per ton would result in a substantial increase in the cost for the waste haulers. This would necessitate a review and increase in the approved floor rate.

For the past several months staff, in consultation with the haulers, has analyzed the current rates in order to calculate a recommendation for a rate adjustment. For the first time, the components of the rates have been broken down in order to identify the hauling portion separately from the disposal charges.

The recommended rates include three separate calculations. Naturally, there a calculation to recognize the new per ton charges. A separate calculation incorporates a consumer price index increase since the last rate increase in 2013. Finally, the state of California recently passed a \$.20 per gallon increase in the tax on diesel fuel. The impact of this increase has also been recognized. As a result of the review the new recommended rates are attached as Exhibit A. The rate review includes both commercial and residential services.

Residential Rates

Currently, the rate for a residential customer with one trash bin is \$20.29 per month. The new recommended floor rate is \$30.15. The rate incorporates increases in three areas. The portion of the proposed rate increase attributable to the new weight based rates charged at the landfill is \$7.71 per month increasing from \$2.71 to \$10.42. The current hauling charge is \$15.55 per month. The CPI change since the last rate was enacted specifically for trash collection services 6.5% and the new diesel fuel tax adds another 1.1%. This correlates to a rate change to \$16.73 per month, a \$1.18 increase. Haulers are also charged a franchise fee of 10% of their gross revenues. The franchise fee will therefore increase by \$.98 per month.

Both haulers have expressed concern that unless there is also an increase in the self-haul charge, this 49% increase in residential rates will result in a substantial drop in residential customers. As was discussed at your January 3 meeting self-haulers are able to bring up to 200 pounds of waste into the landfill for five dollars. Assuming an individual goes to the landfill once a week, using one of the hauling companies results in the homeowner paying an extra \$10.15 per month for the convenience of having their trash hauled.

Previously, using a hauler cost \$1.38 less per month than self-hauling, demonstrating that the former rate structure was demonstrably flawed. The haulers were being substantially under charged.

Commercial Rates

Similar to the residential rates, an increase in commercial floor rates is also recommended. All of the specific charges are outlined in Exhibit A. Typical of the increase is that for the most common service which is a 3 yard bin picked up once a week. The current charge for that service is \$94.78 per month. The new floor rate is recommended to be set at \$139.70. The increase is broken down as follows: Tipping Increase - \$34.85, Hauling CPI/Fuel Increase - \$5.58, Franchise Fee - \$4.49

Alternative Outlying Area Rate

Preferred Waste has asked that your Board consider a higher floor rate for areas south of Lone Pine. The company feels that the driving distance coupled with the area being sparsely populated significantly drives up the cost of providing service in those areas. The department is not recommending a higher floor rate in those areas nor does Bishop Waste endorse the concept. It is the position of the department that since this is a "floor" rate nothing precludes either company from charging those residents more. However, an alternative rate schedule is included (Exhibit B) for your Board's consideration.

ALTERNATIVES:

Your Board could choose not to grant a rate increase. Given the new per ton rates at the Bishop landfill, it is expected that both haulers would increase their charges to their customers. However, this would be a departure from the traditional role of the floor rate. Likewise, your Board could also authorize a lower floor rate than recommended.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

Additional revenue will accrue to the enterprise fund through the franchise fee.

<u>APPROVALS</u>	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS <i>(Must be reviewed and approved by county counsel prior to submission to the board clerk.)</i> Approved: _____ N/A _____ Date _____
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS <i>(Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)</i> Approved: _____ N/A _____ Date _____
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS <i>(Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.)</i> Approved: _____ N/A _____ Date _____

DEPARTMENT HEAD SIGNATURE: (Not to be signed until all approvals are received)

Richard J. Benson _____ Date: *6/2/17*

EXHIBIT A
MINIMUM CHARGES FOR WASTE HAULING SERVICES
AREAS A & B
INYO COUNTY
Effective July 1, 2017

COMMERCIAL BIN SERVICE – AREA A & B

<u>Size</u>	<u>1/xWeek</u>	<u>2/xWeek</u>	<u>3/xWeek</u>	<u>4/xWeek</u>	<u>5/xWeek</u>	<u>6/xWeek</u>	<u>Ex P/U</u>	<u>Delivery</u>
2-yard	\$93.35	\$162.64	\$234.92	\$310.51	\$384.59	\$460.18	\$46.67	\$34.09
3-yard	\$139.70	\$243.82	\$352.53	\$465.92	\$576.88	\$690.27	\$69.85	\$34.09
4-yard	\$177.28	\$311.11	\$442.68	\$577.27	\$711.87	\$843.89	\$88.64	\$34.09
6-yard	\$265.99	\$466.67	\$664.18	\$865.92	\$1,067.79	\$1,265.75	\$132.99	\$34.09

RESIDENTIAL CURBSIDE CART SERVICE – AREAS A & B

<u>96 Gallon</u>	<u>Monthly Rate</u>	<u>Each Extra Cart</u>
1 Cart	\$ 30.15	\$ 20.29

<u>64 Gallon</u>	<u>Monthly Rate only 1 cart per household</u>
1 Cart	\$ 27.20

RESIDENTIAL CURBSIDE SERVICE (CUSTOMER OWNED CONTAINER) – AREA B – Cartago, Alabama Hills, Olancha, Darwin, Keeler

30-40 Gallon Container (Per month)

<u>1 &/or 2 cans</u>	<u>3-cans</u>	<u>4-cans</u>	<u>5-cans</u>	<u>6-cans</u>
\$44.59	\$60.74	\$80.20	\$98.01	\$115.81

ROLL OFF BIN SERVICE

<u>Size</u>	<u>Area</u>	<u>Full Rate Per Bin* Compactor Roll-Off</u>	
20 yard	Bishop	\$258.56	\$323.20
	Big Pine	\$323.20	\$387.85
	Independence	\$400.77	\$465.41
	Lone Pine	\$465.41	\$530.06
	Olancha	\$568.84	\$633.48
	Round Valley	\$323.20	\$387.85
	Starlite	\$323.20	\$387.85
30 yard	Bishop	\$413.70	\$478.34
	Big Pine	\$478.34	\$542.98
	Independence	\$555.91	\$620.55
	Lone Pine	\$620.55	\$685.19
	Olancha	\$723.98	\$788.62
	Round Valley	\$413.70	\$478.34
	Starlite	\$413.70	\$478.34

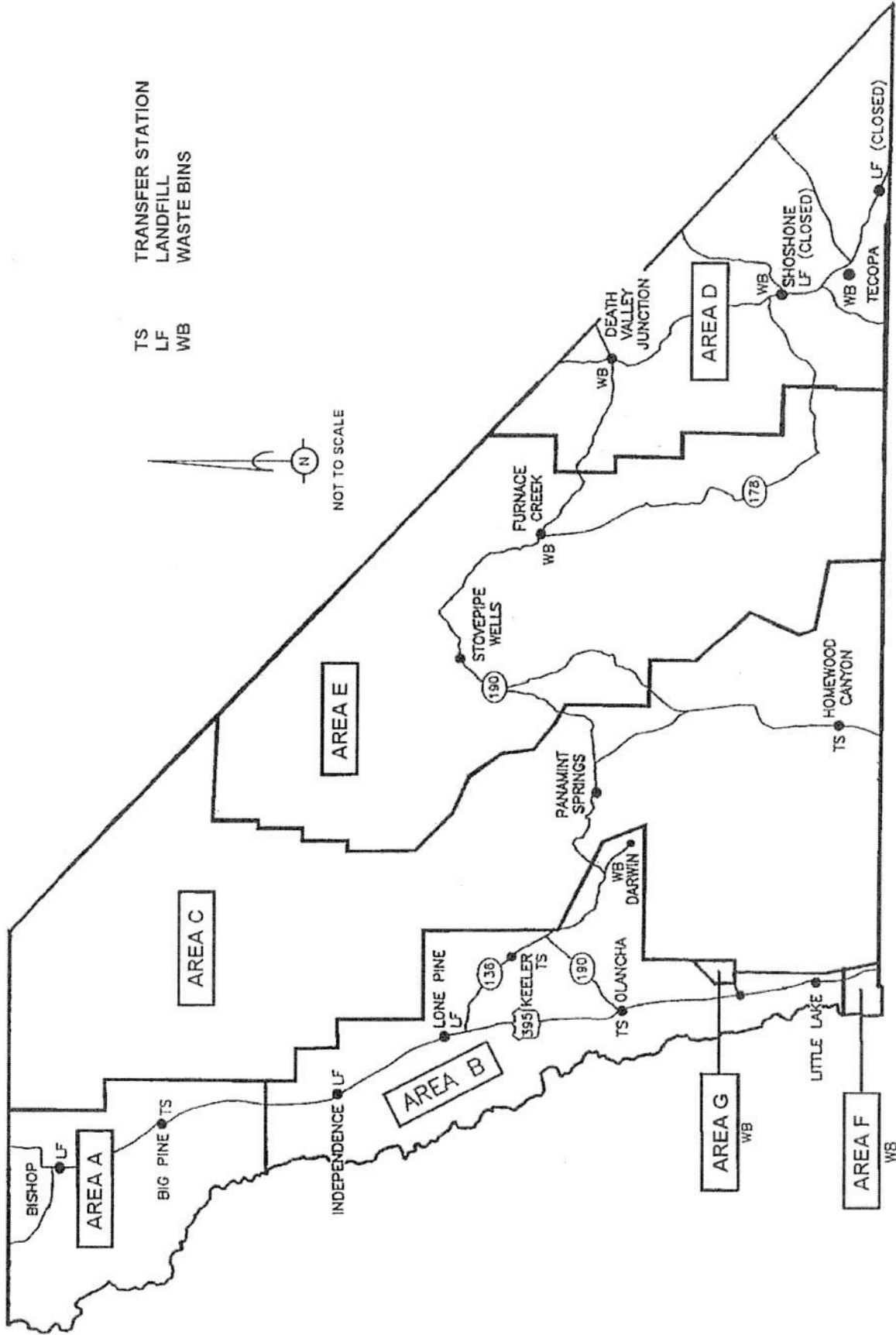
*For first 14-day use period. Service includes: delivery, rental & service (landfill fees additional). Full Rate applies after first 14-day period.

These are the minimum allowable rates to be charged.

Hauler may offer a discount of up to 5% to all commercial customers paying in advance or within 30 days of invoice. All commercial contract proposals must clearly delineate rates both before and after any discount is applied.

Special collection services not specified above shall be negotiated between the customer and the franchised waste hauler.

6/2/2017 10:40



INYO COUNTY
 INTEGRATED WASTE MANAGEMENT
 WASTE COLLECTION AREAS

COMPARISON OF CURRENT TO PROPOSED RATES

CURRENT COMMERCIAL BIN SERVICE - AREA A & B

Size	1/x/Week	2/x/Week	3/x/Week	4/x/Week	5/x/Week	6/x/Week	Ex P/U	Delivery
2-yard	\$63.39	\$105.26	\$149.41	\$196.66	\$242.49	\$289.75	\$31.69	\$31.69
3-yard	\$94.78	\$157.76	\$224.25	\$295.13	\$363.74	\$434.62	\$37.91	\$31.69
4-yard	\$118.98	\$197.22	\$273.34	\$352.29	\$431.23	\$507.77	\$42.44	\$31.69
6-yard	\$178.55	\$295.83	\$410.15	\$528.43	\$646.84	\$761.58	\$63.39	\$31.69

PROPOSED

Size	1/x/Week	2/x/Week	3/x/Week	4/x/Week	5/x/Week	6/x/Week	Ex P/U	Delivery
2-yard	\$93.35	\$162.64	\$234.92	\$310.51	\$384.59	\$460.18	\$46.67	\$34.09
3-yard	\$139.70	\$243.82	\$352.53	\$465.92	\$576.88	\$690.27	\$69.85	\$34.09
4-yard	\$177.28	\$311.11	\$442.68	\$577.27	\$711.87	\$843.89	\$88.64	\$34.09
6-yard	\$265.99	\$466.67	\$664.18	\$865.92	\$1,067.79	\$1,265.75	\$132.99	\$34.09

CHANGE

Size	1/x/Week	2/x/Week	3/x/Week	4/x/Week	5/x/Week	6/x/Week	Ex P/U	Delivery
2-yard	\$29.96	\$57.38	\$85.51	\$113.85	\$142.09	\$170.43	\$14.99	\$2.40
3-yard	\$44.92	\$86.07	\$128.28	\$170.79	\$213.14	\$255.65	\$31.94	\$2.40
4-yard	\$58.29	\$113.89	\$169.35	\$224.99	\$280.63	\$336.12	\$46.19	\$2.40
6-yard	\$87.44	\$170.83	\$254.03	\$337.48	\$420.95	\$504.17	\$69.61	\$2.40

CURRENT RESIDENTIAL	\$20.29
PROPOSED RESIDENTIAL	\$30.15
CHANGE	\$9.86

RESIDENTIAL BREAKDOWN	CURRENT	PROPOSED	CHANGE
Tipping Fee	\$2.71	\$10.42	\$7.71
Hauling Fee	\$15.55	\$16.73	\$1.18
Franchise Fee	\$2.03	\$3.00	\$0.97
Total	\$20.29	\$30.15	\$9.86