

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **MAY 22, 2012**

From: **JAMES DURFEE / BILL ZIMMERMAN**

Subject: **GARBAGE COLLECTION FEES IN FRANCHISE AREAS 1 AND 4**

ACTION REQUESTED / RECOMMENDED: Staff recommends that your Board adopt the attached Resolution authorizing the Director of Facility Services, or his designee, to execute an Amendment to the Franchise Agreement for Areas 1 and 4 (Agreement) to reflect the Franchisee, Recology-Auburn Placer, agreeing to forego the Cost of Living Adjustment (COLA) specified in the Agreement for FY 2012/13, resulting in no increase in garbage collection fees for FY 2012/13.

BACKGROUND: Recology-Auburn Placer is the garbage collection franchisee for Franchise Areas 1 and 4, which encompass all parts of unincorporated Placer County west of Colfax, including the Foresthill and Iowa Hill Divides (see Exhibit A). As part of the Agreement, Recology-Auburn Placer also operates the Foresthill and Meadow Vista Transfer Stations.

Per the terms of the Agreement, garbage collection fees are adjusted annually based on the following factors:

- COLA - The Franchise Agreement includes provisions for an annual COLA on the portion of the fee allocated for Recology-Auburn Placer's labor, equipment and overhead costs based on changes in the Employment Cost Index and Producer Price Index. Using the index information applicable to this year would result in a COLA increase of 3.42% on this portion of the fee.
- Disposal cost - The tipping fee for mixed solid waste at the Western Placer Waste Management Authority has not changed for several years.
- Special Fee - The Special Fee is used to fund management of the County's Solid Waste programs and is applied as a surcharge to every customer's bill. The Special Fee in Garbage Collection Franchise Areas 1 and 4 is 7%.

Recology-Auburn Placer has agreed to forego the COLA resulting in no increase to garbage collection fees charged to customers in FY 2012/13. Because no adjustments are proposed to the collection fees charged to customers in Franchise Area 4 where service is mandatory, the requirements of Proposition 218 are not applicable.

ENVIRONMENTAL CLEARANCE: No adjustments are proposed to the garbage collection fees in Franchise Areas 1 and 4. Therefore, the requested action is not considered a project under the California Environmental Quality Act (CEQA Guidelines, Section 15378).

FISCAL IMPACT: Garbage collection fees in Franchise Areas 1 and 4 are proposed to remain unchanged for FY 2012/13. As such, approval of the Amendment will have no fiscal impact on the Solid Waste Management Budget.

JD:BZ:KB:LM

ATTACHMENTS: RESOLUTION
EXHIBIT A - MAP OF FRANCHISE AREAS 1 AND 4

CC: COUNTY EXECUTIVE OFFICE

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Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resolution No. _____

A RESOLUTION AUTHORIZING THE DIRECTOR OF FACILITY SERVICES, OR HIS DESIGNEE, TO EXECUTE AN AMENDMENT TO THE FRANCHISE AGREEMENT FOR AREAS 1 AND 4 (AGREEMENT) TO REFLECT THE FRANCHISEE, RECOLOGY-AUBURN PLACER, AGREEING TO FOREGO THE COST OF LIVING ADJUSTMENT (COLA) SPECIFIED IN THE AGREEMENT FOR FY 2012/13.

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, 2012 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, the County of Placer oversees the contracts for garbage collection and disposal in unincorporated Placer County; and

WHEREAS, it is in the County's interest to abide by State and Federal regulations and to insure that its contractors receive fair and reasonable return from operating their business.

WHEREAS, the Recology-Auburn Placer has agreed to waive its rights to the COLA included in the Agreement for the FY 2012/13 operating year.

THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer, State of California, that this Board authorizes the Director of Facility Services, or his designee, to execute an Amendment to the Franchise Agreement for Areas 1 and 4 (Agreement) to reflect the Franchisee, Recology-Auburn Placer, agreeing to forego the Cost of Living Adjustment (COLA) specified in the Agreement for FY 2012/13.

