

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 10/28/2014	(3) CONTACT/PHONE Brian Spaulding (805) 788-2963
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(4) SUBJECT
Request to approve an interim year solid waste rate adjustment of 2.0% for all unincorporated areas receiving garbage hauling services provided by Mission Country Disposal. District 2.

(5) RECOMMENDED ACTION
It is recommended that the Board approve a rate increase for Mission Country Disposal, to be effective January 1, 2015, as detailed on the following attachments:

<u>Exhibit</u>	<u>Increase</u>	<u>Adjustment Type</u>	<u>Areas Served</u>
A	2.0% - Interim Year Rate Adjustment	Rate increase by Cambria CSD	San Simeon
B	2.0% - Interim Year Rate Adjustment	Rate increase by Cayucos Sanitary District	Rural areas outside of Morro Bay and Cayucos
C	2.0% - Interim Year Rate Adjustment	Rate increase by Los Osos CSD	Los Osos / Baywood Park

(6) FUNDING SOURCE(S)	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
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(10) AGENDA PLACEMENT
 Consent Presentation Hearing (Time Est. ___) Board Business (Time Est. ___)

(11) EXECUTED DOCUMENTS
 Resolutions Contracts Ordinances N/A

(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)	(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A
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(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: _____
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(17) ADMINISTRATIVE OFFICE REVIEW
Nikki J. Schmidt

(18) SUPERVISOR DISTRICT(S)
District 2

County of San Luis Obispo



TO: Board of Supervisors

FROM: Auditor - Controller - Treasurer - Tax Collector / James P. Erb
(805) 788-2964

DATE: 10/28/2014

SUBJECT: Request to approve an interim year solid waste rate adjustment of 2.0% for all unincorporated areas receiving garbage hauling services provided by Mission Country Disposal. District 2.

RECOMMENDATION

It is recommended that the Board approve a rate increase for Mission Country Disposal, to be effective January 1, 2015, as detailed on the following attachments:

<u>Exhibit</u>	<u>Increase</u>	<u>Adjustment Type</u>	<u>Areas Served</u>
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DISCUSSION

Historically, garbage rates in the unincorporated areas near Cities and Districts have been correlated to the rates approved by the neighboring cities or districts due to their similar service levels and proximity. Many of these jurisdictions have adopted a rate setting methodology whereby an in depth base year rate review is prepared every third year and a less detailed interim year rate adjustment is prepared in year two and three of the cycle. We have been informed of approved rate increases, effective January 1, 2015, for the adjoining areas of Cambria Community Services District, Cayucos Sanitary District, and Los Osos Community Services District, respectively.

It is noted that these cities/districts adjacent to the County regulated areas are subject to Proposition-218 election. As such, there is a chance voters could decide to block one or more of these respective rate requests. In this case, we would recommend that Mission Country Disposal not increase the rates in the unincorporated areas in order to maintain consistency between the cities, CSDs and unincorporated areas. Since garbage service is not mandatory in County regulated areas, this recommended rate adjustment is not subject to the Prop-218 provision. Therefore, barring the event that voters take action, we recommend the

above referenced rate increases to be effective as of January 1, 2015, allowing for a 30-day notice requirement to customers.

It is further noted that three miscellaneous charges between service areas were presently adjusted to a common rate. This is proposed in order to establish one rate for each particular service, rather than 4 different rates depending on the service area. These services included "Service away from the curb" (\$8.08), "Loose refuse per Yard" (\$12.12), and "Sunday Service" (\$62.16). In some cases the rate was actually reduced, but in all cases the maximum increase was no larger than 3.40% (to the Loose refuse per Yard charge in the rural Morro Bay Cayucos areas, see Exhibit B). These increases are intended to contribute to consistency among the adjoining areas and the County of San Luis Obispo garbage hauling rates.

OTHER AGENCY INVOLVEMENT/IMPACT

Auditor-Controller Treasurer Tax Collector's staff has worked with the County's Public Works Solid Waste Coordinator in the preparation of this request.

FINANCIAL CONSIDERATIONS

The County will receive a slight increase in franchise fee revenues; overall there will be no significant financial impact to the County budget.

RESULTS

Annual rate increases enable the garbage companies to maintain established profit margins while continuing to provide solid waste services to the public at a reasonable rate. The final result would be greater compliance with your Board's desire for a healthier, more livable and well governed community.

ATTACHMENTS

1. Exhibit A - Proposed Rate Schedule for San Simeon
2. Exhibit B - Proposed Rate Schedule for rural areas outside the City of Morro Bay and Cayucos
3. Exhibit C - Proposed Rate Schedule for Los Osos / Baywood Park