

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Approve and authorize the Director of Health to use funds from the Solid Waste Incentive Reserve Account, also known as Western Franchise Agreement Liability Account No. 019-2603, to pay costs of existing and new solid waste diversion programs, franchise agreement oversight and services related to certain large-scale waste management issues impacting unincorporated County rate payers.)

Upon motion of Supervisor Parker, seconded by Supervisor Armenta, and carried by those members present, effective November 9, 2010, the Board hereby:

Approved and authorized the Director of Health to use funds from the Solid Waste Incentive Reserve Account, also known as Western Franchise Agreement Liability Account No. 019-2603, to pay costs of existing and new solid waste diversion programs, franchise agreement oversight and services related to certain large-scale waste management issues impacting unincorporated County rate payers.

PASSED AND ADOPTED this 9th day of November, 2010, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 75 for the meeting on November 9, 2010.

Dated: November 10, 2010

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By 
Deputy

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	November 9, 2010 – Consent	AGENDA NO.:
SUBJECT:	Approve and authorize the Director of Health to use funds from the Solid Waste Incentive Reserve Account, also known as Western Franchise Agreement Liability Account No. 019-2603, to pay costs of existing and new solid waste diversion programs, franchise agreement oversight and services related to certain large-scale waste management issues impacting unincorporated County rate payers.	
DEPARTMENT:	Health – Environmental Health Bureau	

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Director of Health to use funds from the Solid Waste Incentive Reserve Account, also known as Western Franchise Agreement Liability Account No. 019-2603, to pay costs of existing and new solid waste diversion programs, franchise agreement oversight and services related to certain large-scale waste management issues impacting unincorporated County rate payers.

SUMMARY:

On December 12, 1995, the Board of Supervisors approved the Western Franchise Agreement for collection and disposal services in portions of the unincorporated County. On June 28, 2005, the Board of Supervisors approved a 0.5% rate increase to the Western Franchise Agreement customer rates to fund a Solid Waste Incentive Reserve Account to be used to pay for Board-approved, one-time, franchise-related expenditures and to offset illegal dumping abatement and litter prevention costs.

As of September 24, 2010, the Solid Waste Incentive Reserve Account has accumulated \$213,702.94. It is projected that about \$12,000 in additional payments will be made into this account before the agreement terminates on October 31, 2010. The Director of Health requests authorization to use the current balance and anticipated deposits into the Solid Waste Incentive Reserve Account to pay costs incurred by Environmental Health Bureau (EHB) to address several significant waste management issues that have a direct nexus to the County's franchise agreements and affect unincorporated County rate payers. The use of these funds for these purposes would be consistent with the objectives of the Solid Waste Incentive Reserve Account.

DISCUSSION:

On December 12, 1995, the Board of Supervisors approved the Western Franchise Agreement for collection and disposal services in portions of the unincorporated County. On June 28, 2005, the Board of supervisors approved a 0.5% rate increase to the Western Franchise Agreement customer rates. The purpose of this increase was to fund a Solid Waste Incentive Reserve Account to be used to pay for Board-approved, one-time, franchise-related expenditures and to offset illegal dumping abatement and litter prevention costs. These funds are collected by the franchise contractor and are submitted to the County on a monthly basis.

As of September 24, 2010, the Solid Waste Incentive Reserve Account has accumulated \$213,702.94. It is projected that about \$12,000 in additional payments will be made into this account before the agreement terminates on October 31, 2010. The Director of Health requests authorization to use the current balance and anticipated deposits to the Solid Waste Incentive Reserve Account to pay costs incurred by EHB to address several significant waste management issues that affect unincorporated county rate payers, as follows:

1. Board of Supervisors Referral No. 2010.18 – On July 8, 2010, EHB staff was directed to evaluate the County's options related to its continued membership in the Salinas Valley Solid Waste Authority Joint Powers Agency. Given the gravity and complexity of this referral, the Director of Health

proposes to secure the services of a consultant to assist EHB staff in the analysis at an approximate cost of \$40,000.

2. Rate Adjustment Consultation – The Director of Health proposes to establish a professional services agreement with a rate consultant, costing approximately \$30,000 per year, to ensure that periodic rate adjustments, as outlined in the franchise agreement, comply with prescribed formulas. Future years will be funded through the Diversion Programs and Administration Fee established in the Unified Franchise Agreement.
3. Big Sur Recycling Center – To expand recycling opportunities in the Big Sur area to help the County maintain compliance with state diversion mandates, the Director of Health proposes to use up to \$40,000 of Solid Waste Incentive Reserve Account funds to complete site engineering, development of construction plans, and environmental review for the planned Big Sur Recycling Center. These funds would be used to leverage an existing grant for related purposes obtained by the EHB from the California Department of Resources Recycling and Recovery.
4. Northeastern Franchise Agreement Reconciliation, and Western Franchise Agreement Reconciliation and Audit – The Director of Health proposes to use up to \$30,000 of the Solid Waste Incentive Reserve Account to cover County Counsel charges related to the ongoing audit of the Western Franchise Agreement and the reconciliation of the Northeastern and Western Franchise Agreements which terminate on October 31, 2010. EHB will incur these costs both before and after October 31, 2010, as staff works with County Counsel and the Auditor-Controller to reconcile franchise fee payments to the County and to determine that all contractual obligations during the final year of the contract have been fulfilled. (In FY 2008-09, for example, EHB incurred \$31,690 in franchise-related legal services provided by County Counsel.)
5. Diversion Program Support – Additionally, the Director of Health proposes to use any remaining funds in the Solid Waste Incentive Reserve Account, which may approximate \$85,703 (depending on the actual expenses for the proposals described above), to support unfunded or under-funded diversion and prevention programs such as illegal dumping prevention and litter abatement, the Green Business Program, Multi-Family Recycling, and the Tourism Recycling initiative, which are essential elements to the County's continued compliance with State diversion mandates.

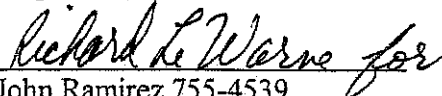
OTHER AGENCY INVOLVEMENT:

The offices of County Counsel and the Auditor-Controller have reviewed this report and concur with this recommendation.


FINANCING:

There is no Net County Contribution of discretionary funds resulting from this Board action because Western Franchise Agreement Liability Account No. 019-2603 is separate from the General Fund.

Prepared by:


John Ramirez 755-4539
Director of Environmental Health

Approved by:


Ray Bullick
Director of Health

Date: 10-26-10

Date: 10-28-10

cc: Lew Bauman, County Administrative Officer
Charles J. McKee, County Counsel
Michael Miller, Auditor Controller