



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 20-093, **Version:** 1

Receive a report addressing the status of proposed rates for services and adjustments to current rates for the Unified Franchise Agreement, A-11631 between the County of Monterey and Waste Management, Inc. dba USA Waste of California dba Carmel Marina Corp., for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive a report addressing the status of proposed rates for services and adjustments to current rates for the Unified Franchise Agreement, A-11631 between the County of Monterey and Waste Management, Inc. dba USA Waste of California dba Carmel Marina Corp., for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County.

SUMMARY:

Government Code Section 66016 provides as follows:

- (a) Prior. . .to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting.
- (b) Any action by a local agency to levy a new fee or service or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution. The legislative body of a local agency shall not delegate the authority to adopt a new fee or service charge, or to increase a fee or service charge.
- (c) This section shall apply only to fees and charges as described in Sections 51287, 56383, 65104, 65456, 65584.1, 65863.7, 65909.5, 66013, 66014, and 66451.2 of this code, Sections 17951, 19132.3, and 19852 of the Health and Safety Code, Section 41901 of the Public Resources Code, and Section 21671.5 of the Public Utilities Code.

DISCUSSION:

On February 2, 2010, the Board of Supervisors awarded the Unified Franchise Agreement, Agreement No. A-11631, for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County (UFA) to Waste Management, Inc. dba USA Waste of California, Inc., dba Carmel Marina Corporation (hereafter, Contractor or Waste Management, Inc.). Article 13.13, *Adjustments to Service Rates, Surcharges and Fees* provides for “each Collection Service rate, fee or surcharge . . . set forth in Exhibit 1”.

Consistent with essential public health service item 6) and pursuant to Title 10 - Health and Safety, Chapter 10.41 - Solid Waste Collection and Disposal of the Monterey County Code (MCC) Section 10.41.030 - Mandatory collection. Subsection A. provides that, “...All solid waste shall be collected from every occupied residence, apartment, or business...at least once a week.”

Further, MCC Section 10.41.030. Subsection B. Payment. provides that collection rates shall be established by the Board, as follows,

Residents... and owners of commercial and industrial businesses or the property owners of the property

within the designated residential areas or the property on which such businesses are located shall pay the rates established by the Board.

The Unified Franchise Agreement provides for the annual rate adjustment in Section 13 and Exhibit 2, based on accurate calculations in connection to the Refuse Rate Index (RRI), disposal fees, and operations costs. Establishing rates under the RRI and county review would not require discretionary review and approval from the Board of Supervisors.

The RRI adjustment for the UFA is typically presented to the Board for approval in December with an effective date of January. In reviewing the initial RRI calculations submitted by the Contractor on August 1, 2019 and versions thereafter, the Environmental Health Bureau found some inaccuracies and anomalies in the calculations and resulting rates which may contain past retroactive elements. These anomalies did not correspond with the expected percentage of the rate increase. Therefore, the 2019 Refuse Rate Index (RRI) adjustment request for 2020 has been delayed. In order to ensure rate calculations are accurate, the Environmental Health Bureau will continue to work with the Contractor to review rate calculations and applicable contract provisions. A review and comparison of documentation submitted by the Contractor is underway to ensure that accurate Refuse Rate Index-related, operations, and disposal fee calculations are included in this adjustment request pursuant to the UFA.

Upon completion of this review, Environmental Health will return to the Board, no later than March, with the rate proposal and a request for approval of retroactive rate adjustments. Once approved, the new rates will become effective concurrently and retroactively. It is anticipated that the retroactive rates will be combined with new rates for at least two quarters unless an agreement can be reached to space the retroactive rate out over a longer period to alleviate any payment hardships. Environmental Health will encourage rate payers to contact Contractor with questions regarding the rate increase, retroactive increase, or their billing concerns. The Environmental Health Bureau will also be available to answer any specific questions related to the rate calculations presented to the Board of Supervisors and the public as needed.

This work supports the Monterey County Health Department 2018-2022 strategic plan initiatives: 1) Empower the community to improve health through programs, policies, and activities. It also supports one of the ten essential public health services, specifically: 6) Enforce laws and regulations that protect health and ensure safety.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed this report. Environmental Health is working with Waste Management, Inc. to review rate calculations and applicable contract provisions.

FINANCING:

Waste Management, Inc. will continue to remit franchise fees, calculated at 10% of collected revenue, to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

☐ Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

☒ Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

☒ Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

☐ Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

☐ Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

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Attachments:

No attachments.