

DEPARTMENT: Public Works/Solid Waste

BY: Dana Hertfelder

PHONE: 966-5356

RECOMMENDED ACTION AND JUSTIFICATION:

Public Hearing (continued from June 26, 2007) to consider a requested franchise rate increase of 25.53% for Mariposa County Total Waste Systems, Inc. based on the 10% profit provision of the Mariposa Franchise Agreement, and approval of the requested increase.

A request was submitted by Mariposa County Total Waste Systems, Inc. (TWS) on April 16, 2007 for a rate increase under Section 13 of the Franchise Agreement which allows for a minimum profit margin of 10%. This request was considered by the Board at a public hearing held on June 26, 2007. The most recent audited financial statements for TWS available at the time of the hearing was for the calendar year ended December 31, 2005. The Board wanted to review more current financial information on TWS franchise operations before making a decision on the requested rate increase. The hearing was continued to September 11, 2007 to allow time for TWS to complete their audited financials for December 31, 2006 and bring that information to the Board for review.

John Warren, CPA, forwarded the TWS 2006 audited financial statements to Public Works along with a revised rate increase request based on those numbers (attached). The current request is for a CPI increase of 2.4% and a rate adjustment of 23.13% for a combined increase of 25.53% to be effective November 1, 2007. We have reviewed the financial information provided and believe that the request is justified under the provision of the Franchise Agreement that allows for a 10% profit margin. Our recommendation is that the requested rate increase be approved.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board approved the Franchise Agreement which became effective in March 2001. On December 19, 2006 the Board denied a request from TWS to increase rates based on increased fuel cost being an uncontrollable circumstance, Res. No. 06-588.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Denial of this request might result in non-compliance with Section 13 A. of the Mariposa County Solid Waste Franchise Agreement.

Financial Impact? () Yes (X) No	Current FY Cost: \$	Annual Recurring Cost: \$
Budgeted In Current FY? () Yes () No () Partially Funded		
Amount in Budget: \$ _____		List Attachments, number pages consecutively
Additional Funding Needed: \$ _____		1. Increase request letter from TWS
Source:		2. Financial information supporting request
Internal Transfer _____		3. Proposed Rate Schedule
Unanticipated Revenue _____ 4/5's vote		4. Excerpt of Section 13 of the Franchise Agreement
Transfer Between Funds _____ 4/5's vote		
Contingency _____ 4/5's vote		
() General () Other		

CLERK'S USE ONLY:

Res. No.: 07-439 Ord. No. _____

Vote - Ayes: 5 Noes: _____

Absent: _____

SM Approved
 Minute Order Attached () No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____

Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____
Deputy

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended

_____ No Opinion

Comments:

CAO: *[Signature]*



COUNTY of MARIPOSA

P.O. Box 784, Mariposa, CA 95338 (209) 966-3222

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MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: DANA HERTFELDER, Public Works Director
FROM: MARGIE WILLIAMS, Clerk of the Board *MW*
SUBJECT: PUBLIC HEARING Continued from June 26, 2007, to Consider a Requested Franchise Rate Increase of 25.53% for Mariposa County Total Waste Systems, Inc. (TWS) Based Upon

RESOLUTION 07-439

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on September 11, 2007

ACTION AND VOTE:

10:06 a.m. Dana Hertfelder, Public Works Director;
PUBLIC HEARING Continued from June 26, 2007, to Consider a Requested Franchise Rate Increase of 25.53% for Mariposa County Total Waste Systems, Inc. (TWS) Based Upon the 10% Profit Provision in the County of Mariposa Franchise Agreement; Approve the Requested Increase

BOARD ACTION: Dana Hertfelder presented the staff report and he and Carl Casey/Public Works Administrator responded to questions from the Board relative to the request and the financial information that was provided. Supervisor Pickard asked that Public Works review the franchise agreement for Wawona relative to the process for a rate increase, and he asked whether it is necessary to sustain a franchise for Wawona.

The public portion of the hearing was opened and input was provided by the following:

John Warren, Accountant for Mariposa County Total Waste Systems, Inc., advised that he was present to respond to questions, and he advised that he feels that Public Works presented a thorough analysis.

Ruth Sellers asked about the status of looking into a recycling program, and she asked whether this rate increase will impact the tipping fee.

Staff responded to a question from the Board and advised that this does not impact the tipping fee. Supervisor Pickard noted that there is a vacancy on the Solid Waste Task Force, and recycling is a topic that needs to be reviewed with all of the stakeholders. The hearing was continued for the following hearing to be opened.

10:33 a.m. The public hearing to consider an amendment to the minimum Residential Road Standards was opened and continued until after the conclusion of the hearing on the franchise rate increase.

Rebuttal: Fred Youngren, Managing Mariposa County Total Waste Systems, Inc., provided input on their recycling efforts; and he noted that the residents in Wawona are provided with bear-proof containers

and that is an added expense. He responded to questions from the Board relative to recycling at the transfer stations.

The public portion of the hearing was closed and the Board commenced with deliberations. (M)Fritz, (S)Pickard, Res. 07-439 was adopted approving the franchise rate increase as recommended/Ayes: Unanimous. The hearing was closed.

Cc: Thomas P. Guarino, County Counsel
Chris Ebie, Auditor
File