



AGENDA ITEM: 5

DATE: July 21, 2022

CAYUCOS SANITARY DISTRICT

TO: BOARD OF DIRECTORS

FROM: RICK KOON, DISTRICT MANAGER

DATE: JULY 21, 2022

SUBJECT: SUPPLEMENTAL STAFF REPORT REGARDING MISSION COUNTRY DISPOSAL REQUEST FOR SOLID WASTE RATE INCREASE

DISCUSSION:

This supplemental staff report is being provided to advise the Board regarding an additional issue related to the delay in implementing MCD's requested rate increase, specifically IWMA's new fee, which became effective July 1, 2022. As discussed in the original staff report, Mr. Statler's analysis excluded the IWMA fee since it is approved by a separate agency and will be charged separately on customer bills. After the County left the IWMA, it became necessary for the IWMA to reevaluate its fees in light of the anticipated loss of revenue from the customers within the unincorporated areas of the County, which resulted in a delay in adoption of revised fees levied on the haulers and ultimately passed through to customers. At its March 9, 2022 Board of Directors meeting, the IWMA Board adopted revised fees establishing a solid waste management fee equal to 5.4% of gross hauler receipts, effective July 1, 2022.

Subsequent to posting the agenda for today's meeting, Jeff Clarin, MCD's representative, informed the District that since it will likely be October 1, 2022 before new rates will be implemented due to the requirements of Prop 218, there will be a three-month period during which the new IWMA fee is in effect that MCD will not be able to recover. Mr. Clarin advises that this amounts to \$10,208.15 per month or a total of \$30,624.45, and that some other CSDs (Oceano, Nipomo and Avila) have decided to cover both the delayed rate implementation component and/or the new IWMA fee with their solid waste franchise fees. Mr. Clarin also notes that most of the other jurisdictions in the County have implemented their rate increases before July 1, which would have included the three months of IWMA's new fee.

Staff believes that it is not necessary for the District to formally authorize MCD to impose the new IWMA fee, which is a regulatory fee established by a separate regulatory agency and is unrelated to the proposed MCD solid waste rate increase. The new IWMA fee could have been included on MCD's July invoices and can be included on all future MCD invoices without formal Board action. Nevertheless, it is recommended that the Board's discussion and consideration of MCD's rate increase request also include the issue of the July 2022 IWMA fees. Mr. Clarin will be at the meeting to further explain MCD's concerns in that regard.

RECOMMENDATION:

Staff recommends that the Board discuss and consider the information in this supplemental staff report regarding IWMA fees and the proposed solid waste collection and disposal rate increase from Mission Country Disposal.