



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: April 1, 2008  
 TO: Board of Directors  
 FROM: Leo Laska, Ad Hoc Finance Committee Chair  
 SUBJECT: Report on Committee Meeting of March 27, 2008

The ad hoc Finance Committee met on March 27, 2008 from 9 a.m. to 11:30 a.m. at the administrative offices of the Pebble Beach Community Services District. The purpose of the meeting was to receive staff reports and information and provide policy direction to staff in preparation of the Fiscal Year 2008/09 Budget. All four members of the Committee were present, which included Directors Bales, Gray, and Pendergrass. The meeting agenda is attached. The following recommendations resulted from the meeting.

### RECOMMENDATIONS

#### FY 2008/09 Budget Preparation

##### 1. Revenues:

- a. Support key budget assumptions of:
  - Use 232,000 tons of refuse received, keep projections flat for two to three years.
  - Use an annual CPI adjustment to the tipping fee, beginning on January 1, 2009, and continuing automatically in future years. The Committee may consider a proposal by staff for a District-calculated CPI adjustment factor, which would include fuel costs and capital costs.
  - Continue efforts to increase revenues by accepting waste by agreement for processing or disposal.
- b. Proposed Increase to Basic Tipping Fee (previously authorized by Committee and Board):
  - As a follow-on effort, prepare justification for an increase to the basic tipping fee, based on increased costs resulting from state mandates and new initiatives on diversion/recycling and waste processing. A community stakeholders meeting will be held in conjunction with development of such a justification.

##### 2. Expenses:

- a. Personnel - Continue with hiring freeze for non-critical positions to achieve goals in reducing expenses. Forced reduction of staff in response to the District's financial situation would be only as a last resort.
- b. Operations - Continue to manage expenses, to provide overall balance between revenue and expenses.
- c. Capital Expenditures - Delay capital expenditures if possible, to provide overall balance between revenue and expenses.
  - Landfill Module 3 Utilization (top deck): Staff efforts will continue to maximize Module 3 airspace utilization, including the top deck area now utilized for composting bio-solids, and thereby possibly delaying the capital expenditure for new Module 5 liner.
  - AB 32 Implementation: Staff was directed to determine the "delta", or incremental increase above normal capital cost for equipment replacement, as a result of complying with AB 32 regulations to reduce exhaust emissions.

- d. Reduce Reserves Temporarily Below Level of 25% of Operating Budget. Following considerable consideration and discussion, staff was directed to bring the following reports to the next meeting for consideration and action:
- In development of the FY 2008/09 Budget, consider modifying the existing District Reserve Policy (attached), to include reducing reserve level to 22.5%, or possibly lower, or holding reserves at current levels, and using those funds for one-time expenditures.
  - Prepare a report on District 5-Year Financial Projections, including Reserve Levels.
  - Prepare a report on District financing/refinancing options.

## **BACKGROUND**

Several staff reports were received, as well as the assumptions to be used in developing the Budget for FY 2008/09. The following is a brief summary of discussion at the meeting:

- Information from Finance Manager, including key assumptions staff will be using in preparation of the FY 2008/09 Budget.
- Memo from Rich Norton RE: Update on Current Staffing Levels and Staffing Projections for 2008/09 Budget.
- Memo from Information Systems Manager Don Prescott RE: Update on Declining Refuse Tonnages.
- Memo from Public Education and Recycling Manager Jeff Lindenthal RE: Relationship Between Residential Garbage Rates and Landfill Tipping Fees.
- Memo from Salinas Valley Solid Waste Authority (SVSWA) Finance Manager to SVSWA Board of Directors recommending a \$5 per ton increase to tipping fees, to \$63 per ton, effective 7/01/08.

## **General Manager Summary Comments to the Ad Hoc Finance Committee**

The District is meeting overall budget projections at the two-thirds point of the budget year, which has required hard work and careful management by the entire staff at the District, forcing managers and all employees to control spending and defer expenses in order to keep spending in line with revenues. This dedicated, concerted effort has allowed the District to meet budget obligations at this point. Staff is very experienced and dedicated, and is working very hard in carrying out day to day operations, and to look ahead in order to present ideas that could bring in more revenue or further reduce expenses, in response to the decline in tonnages and revenue.

General Manager also reported on the financial condition of solid waste management organizations around the State and referred the committee to a memo (attached) from the SVSWA Finance Manager to the SVSWA Board of Directors recommending a \$5 per ton increase to tipping fees, to \$63 per ton, effective 7/01/08. The memo served as an example that solid waste organizations around the state are raising their rates approximately 10%, including the Los Angeles County Sanitation Districts, which has a huge wasteflow (and revenue stream) of around 20,000 tons per day. At a recent meeting in Sacramento, a dozen or so managers of solid waste organizations from around northern California also confirmed they were experiencing a 10% reduction in waste flows and are moving forward with requests for increases to the landfill tipping fees of around 10%. The decline in tonnages is state-wide, and waste management organizations are adjusting their operations and plans accordingly. In his presentations to local civic groups, General Manager reported that these groups are very, very supportive of District programs and services, and are overwhelmingly supportive of raising the tipping fee instead of cutting services. They regularly suggest that the District increase services such as programs to increase recycling or to carry out HHW mobile collection, even at an increased cost.

## **FY 2008/09 Budget Preparation**

Finance Manager Chuck Rees presented the budget status and staff answered questions from Committee members. Staff was directed to continue with the hiring freeze, as positions become vacant, except for critical positions.

### **1. Revenues:**

- a. Staff presented a preliminary report on what percentage of the franchise hauler residential garbage bill resulted from landfill disposal tipping fees (attached).
- b. General Manager reported he has initiated discussions with senior officials of member agencies to review the financial state of the District, future District plans for waste management and recycling and interest in having District staff provide assistance with coordination and implementation of hauler franchise agreements, to insure a more consistent level of service and to achieve maximum recycling and diversion goals throughout their Agency/City and the District.
- c. Staff presented a list (see below) of several other ideas, for consideration by the Committee for raising revenues, and reported that staff will be moving forward to develop all of them further. **There was not sufficient time at the meeting to pursue discussion on individual items:**
  - Implement a "Catch-up" provision to the tipping fee, to be roughly \$5 per ton, effective January 1, 2009. Staff estimated that if an annual District Cost of Operations Index had been made to the District tipping fee over the last 10 years, the current tipping fee would be approximately \$50 per ton. Such an annual adjustment was not made in the past, due in part to the inflated tonnage and revenue resulting from the demolition on the former Fort Ord.
  - Process green waste from the City of Santa Cruz.
  - Develop a favorable tipping fee (maybe \$28/ton) for demolition material generated within former Fort Ord (this would affect approximately 60,000 tons over the next 7 years).
  - Step up public outreach efforts to CSUMB and other entities within District to send material and waste to District facilities; advertise throughout County.
  - Meet with three largest customers; outline District issues, future plans, need for cooperation forward, appreciate their services.
  - Sell power directly to MRWPCA and/or the REPOG proposed project (which are probably over the fence sales); along with renewable energy certificates; increase revenue to District by 15% to 30%; on current annual revenues of \$2 million.
  - Last Chance Mercantile; enter into large item consignment sales, where District receives 25% of sale price.
  - Proceed with District recyclables buy back center on-site. Could/should District also develop a buy-back center at the Seaside recycling bin location (near Home Depot), to improve community service at that location, reduce illegal dumping, take in certain U-waste and antifreeze, batteries, oil, paint (ABOP) materials on a regular basis.
  - Follow what some other communities have done to support the expense of HHW programs, by placing approximately 50 to 75 cents per month on the residential garbage bills to support operation of the District's HHW program, which is now offered for free to District residents. This would raise roughly \$500,000 per year. Alternately, the District could request MRWPCA to contribute to the support of the HHW program, since by way of example, when HHW and pharmaceuticals are not flushed down the toilet, but are turned into the HHW program instead, the Agency benefits.

### **2. Bio-solids Management at MRWMD:**

- a. General Manager reported that the Carollo Engineers Feasibility Study, which was authorized by the District Board at the February meeting at an approximate cost of \$50,000 (to be funded jointly between the MRWPCA-40%, CAWD-20%, and the District-40%), is about to proceed, following the anticipated approval by the CAWD Board, and upon execution of the joint agreement. The Committee agreed at their

January meeting that because of the District's critical financial condition, the short term plan to manage bio-solids should focus on maximizing revenues and minimizing expenses, whereas if finances improve, a longer term plan could incorporate a more comprehensive program.

- b. General Manager also reported that a separate but related bio-solids disposal fee rate study, with an estimated \$18,000 cost to be jointly funded between the MRWPCA and the District, would proceed immediately, with a projected completion date of June 1<sup>st</sup>. The results of the study will be incorporated into the budget planning process and short term management alternatives at the District for bio-solids.

**3. Waste Flow Control Work Effort:**

The Committee reviewed information and received a brief report from the General Manager on continued staff efforts on this initiative. The District Board has supported the need for a mechanism to strengthen existing waste flow control provisions of the Monterey Regional Waste Management Authority's Joint Powers Authority (JPA) Agreement. The existing JPA Agreement has served the District well to date. However, the United-Herkimer US Supreme Court decision in June 2007 upheld local government's ability to control waste flow in support of the essential community services provided with recycling and disposal programs. Efforts continue at the staff level and in cooperation with District Counsel in reviewing District alternatives.

**4. Regional Organics Processing:**

Staff is engaged in on-going discussions related to a regional initiative on waste management, namely a process with Santa Cruz County staff and with the Salinas Valley Solid Waste Authority (SVSWA) staff about working together to process the organic portion of the wastestream, to achieve greater economies of scale. Further information will be provided at the April Board meeting, if available.

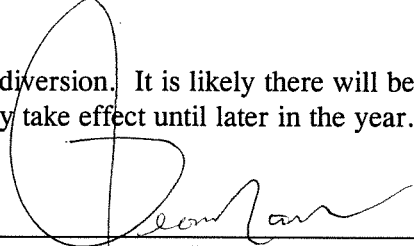
**5. Discussions with SVSWA and North County Waste Flow:**

The Committee received information from the General Manager that on February 29<sup>th</sup>, a meeting was held between the SVSWA, the County and the District. Supervisor Calcagno was invited by the County and attended the meeting. The purpose of the meeting was to discuss waste flow from northern Monterey County when Crazy Horse Landfill closes at the end of 2008. At issue is the fact that it will be much closer to haul waste from North County and west Salinas to the Monterey Peninsula Landfill (10 miles) than to the Johnson Canyon Landfill east of Gonzales (25 miles one way). During the meeting, General Manager presented the District's operations and plans for future processing including upgrades to the MRF for processing of additional C&D material and single stream recyclables; and co-termination of the member agency franchise contracts. General Manager reported his comments seemed to be well received by the County. Discussion included the question for a continued need for two waste management organizations in the County and that perhaps a merger of the two organizations should be considered. District staff is working with the SVSWA to prepare a "feasibility study" related to flow of North County waste, as authorized by the Board in February.

**6. State Legislation Impacts on Budget:**

Staff reported that AB 32 and its regulatory implementation is like a freight train moving at 70 miles per hour, in terms of how it will impact operations around the state. Staff has been analyzing the impact of AB 32 on District operations. Chuck has been working with Tim and Equipment Maintenance Manager Ron Mooneyham to arrive at preliminary financial estimates of roughly \$1 million annually over the next several years to replace engines/equipment.

Discussions in Sacramento continue on increases in diversion. It is likely there will be increases in the tipping fee, but it will not be known how much or when they take effect until later in the year.



Leo Laska



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: December 10, 2004  
TO: Board of Directors  
FROM: General Manager  
SUBJECT: Guiding Principles As Revised on October 15, 2004

At the October 15, 2004 meeting the Board agreed on the following Guiding Principles that were proposed by the MRWMD AdHoc Advisory Task Force which met this summer.

- **District Governance Structure**

Maintain existing governance structure. Do not expand current District boundaries or increase the size of the current nine-member Board of Directors.

- **Labor Policy**

Continue to operate District facilities with District staff. Do not use outside contractors to provide primary District services.

- **Reserve Policy and Debt Service Ratios**

Maintain District policy of retaining 25% of the operating expense budget in reserve. Maintain debt service ratios as required in bond covenant.

- **Range of Waste Management Services and Recycling/Diversion Rates**

Continue to provide existing recycling and landfill services, while maintaining diversion rates of at least 50% for member agencies. Service levels could be increased if additional revenue becomes available and additional programs, such as food waste composting, could be added.

- **Landfill Capacity and Service Area**

Consider a policy establishing a minimum 75 to 80 year landfill life to serve projected wastestreams exclusively generated by the MRWMD member agencies. Certified landfill capacity exceeding the 75 to 80 years would be considered excess capacity, which could be considered for sale to the County of Santa Cruz and the Salinas Valley Solid Waste Authority (SVSWA) at "market rates". The purpose of the sale of the excess capacity is to mitigate further rate increases to the MRWMD member agencies and to permit the SVSWA and the County of Santa Cruz adequate time to identify and develop additional long-term landfill capacity within their respective jurisdictions. The Board authorized staff to meet with the SVSWA and the County of Santa Cruz to discuss the parameters for the possible acceptance of additional waste.

- **Rate Policies**

The Board discussed rate policies including a \$3-5 per ton increase in 2005 with an annual increase thereafter of \$1/ton to ensure fiscal solvency and financing of the ongoing range of waste and recycling services provided by the District. Staff was asked to provide additional information regarding rate increase options for the Board at their November meeting.

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# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: March 24, 2008  
TO: General Manager  
FROM: Information Systems Manager  
SUBJECT: Update on Declining Refuse Tonnage

### DISCUSSION

For the August 27, 2007 Finance Committee meeting staff prepared a report on the decline in refuse tonnage coming to the District. This memorandum is an update to that report.

An updated 12-year history of refuse tonnage along with staff projections for the next three years is provided in Attachment 1. The projection includes 25,000 tons of annual regional waste, shown separately because of its lower revenue generation. Attachment 2 has an updated graph showing tonnage by customer type.


The slowing local economy and housing market continue to be reflected in the declining tonnage. Staff projects the tonnage to remain static at 232,000 tons for the next two years. Tonnage from regional waste is also not expected to increase until Santa Cruz County improves their waste management infrastructure.

### ADDITIONAL WASTE OPTIONS

SVSWA – Staff expects the closing of Crazy Horse landfill in 2009 to lead to increased self haul tonnage to our site. The District provides an economical alternative to the Madison Lane or Sun Street transfer stations without requiring much further travel. The amount of this additional tonnage is difficult to project, but staff feels it will offset the possible continuing decline from current commercial accounts.

The Residential Community Improvement (RCI) program on the Ord Military Community is still delaying the next phase of development. The RCI project will continue for another 8-10 years and could generate 5,000 – 10,000 tons a year as it has in the past. Staff estimates the last 10,000 tons of material from this project went to Kirby Canyon landfill in San Jose. For the District to receive future material from this project, the District may need to reach an agreement with the contractor similar to the recent Regional Waste agreements with Santa Cruz Co. and the City of Watsonville.

Marina – Staff is working with Marina Strategic Development Center (SDC) staff on projected redevelopment work. In September 2007 District staff received assurance from the City of Marina that waste from the Cypress Knoll project will come to the District. This is the single largest deconstruction project remaining with 10,000 – 15,000 tons of refuse possible. However, deconstruction has been delayed for at least another year.

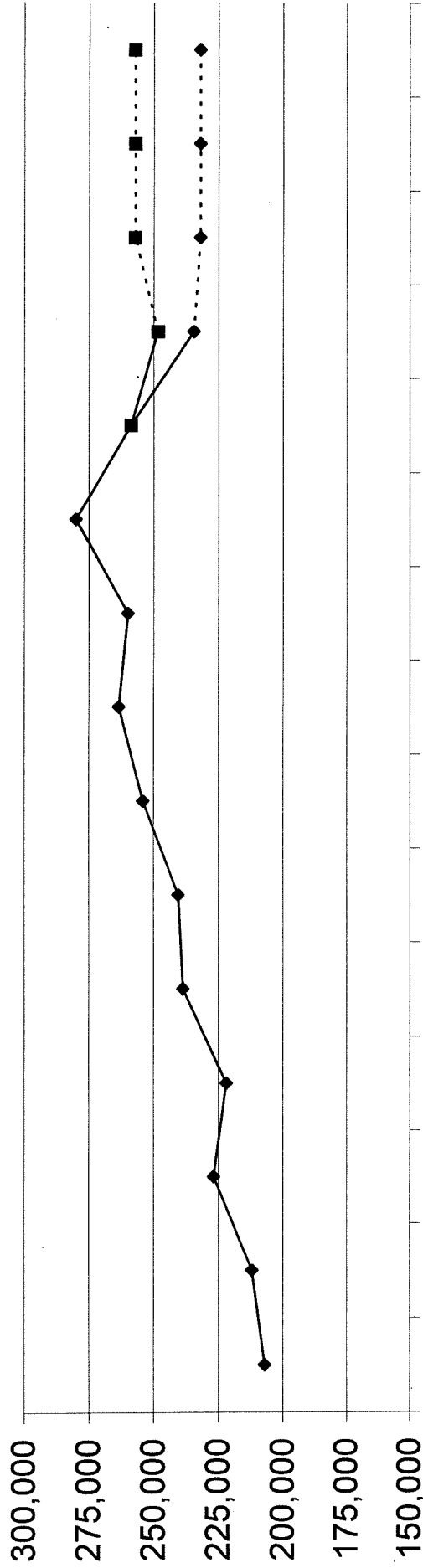
  
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Don Prescott

Attachments

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# MRWMD Refuse Tonnage

1996 through 2010



1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

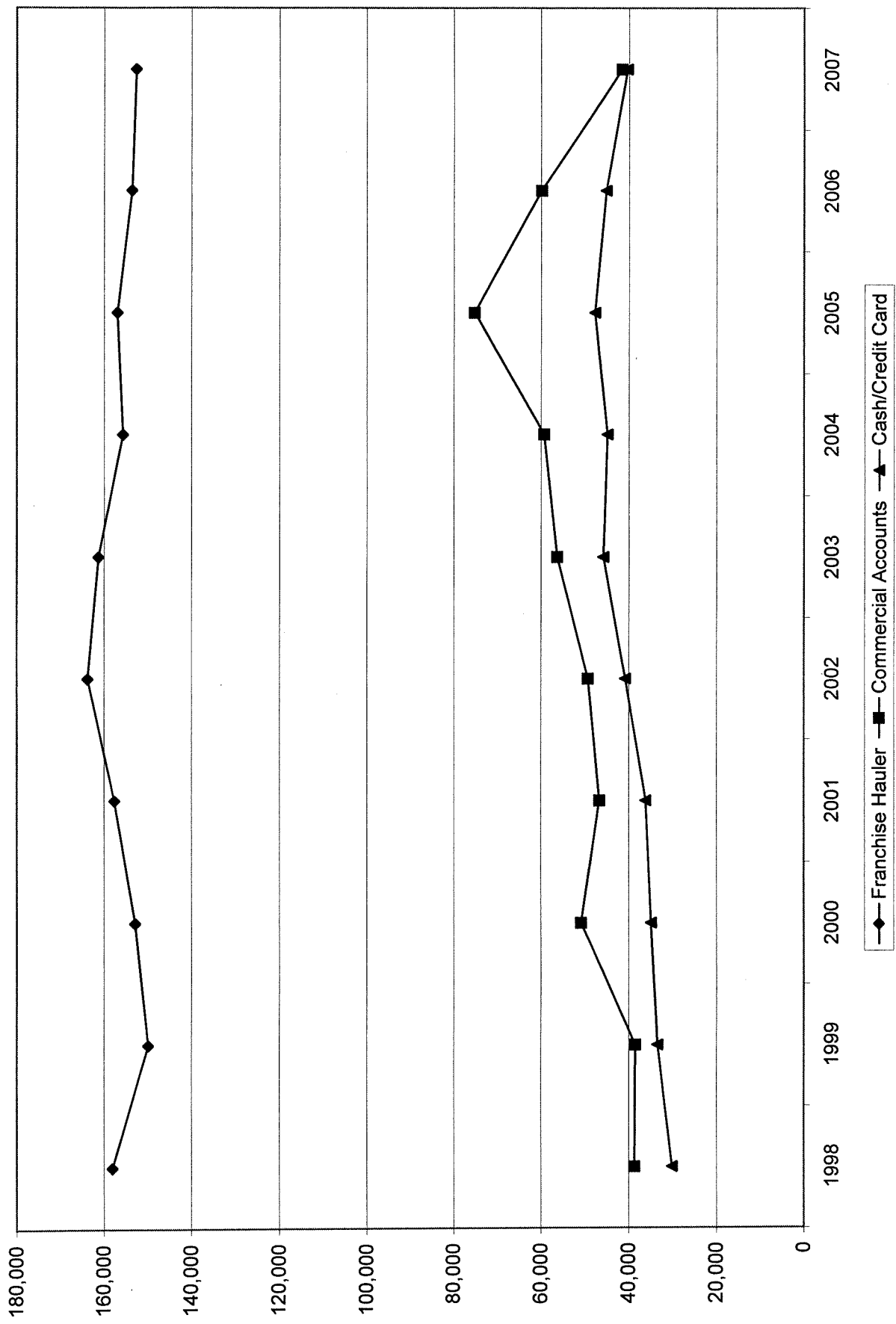
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Refuse Tonnage	207,159	211,961	226,798	221,833	238,598	240,539	253,989	263,415	259,879	279,904	258,564	234,510	232,000	232,000	232,000
Tonnage Change	4,802	14,837	-4,965	16,765	13,450	1,941	13,450	9,426	-3,537	20,025	-21,340	-24,054	-2,510	0	0
Percent Change	2%	7%	-2%	8%	6%	1%	6%	4%	-1%	8%	-8%	-9%	-1%	0%	0%

-- Projected --

Regional Waste (Santa Cruz County & Watsonville)

	0	13,781	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total	258,564	248,291	257,000	257,000	257,000	257,000	257,000	257,000	257,000	257,000	257,000	257,000	257,000	257,000	257,000

# MRWMD Refuse Tonnage 1998 through 2007 Tonnage by Customer Type





# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: March 24, 2008  
TO: General Manager  
FROM: Public Education and Recycling Manager  
SUBJECT: Impact on Landfill Fees on Residential Trash and Recycling Rates

### BACKGROUND

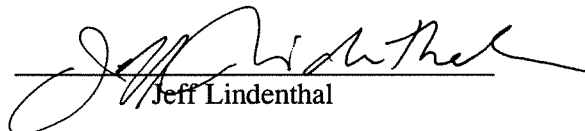
Staff has been following recent fee increases for residential trash and recycling service in our local jurisdictions. In Pacific Grove, the MRWMD disposal fee of \$45 per ton represents 26.54% of the refuse revenue collected by the franchise hauler (it does not appear that recycling revenue has been added). A summary of the Pacific Grove fee increase follows and as attached:

▶ Actual Gross Garbage Collection Revenue	\$2,420,438
▶ Disposal Fees paid to MRWMD	\$ 642,500
▶ Garbage Disposal % of Revenue ( $\$2,420,438 \div \$642,500$ )	26.54%
▶ MRWMD Tip Fee Increase as % ( $\$2 \div \$43 = 4.65\%$ )	4.65%
▶ Computation ( $26.54\% \times 4.65\%$ )	1.23%
▶ Franchise Fee on Increased Revenue @ 15% ( $15\% \times 1.23\%$ )	0.19%
▶ Total Proposed Increase Resulting from Disposal Fee ( $1.23\% + 0.19\%$ )	1.45% (PG's number)

The impact of the 1.45% residential service fee increase (assuming one 64 gallon cart each for refuse, recycling, and yard waste) raised the standard monthly cost in Pacific Grove by \$0.35 from \$23.87 to \$24.22.

In Monterey, landfill disposal fees are projected to represent 19.1% of total revenue (refuse removal plus recycling revenue) collected by the hauler in 2008. In 2007, disposal fees represented 18.8% of total hauler revenue. Monterey approved an 8.9% rate increase, the first since September 2004, effective May 1, 2008. As a result, the fee for basic monthly residential service will increase by \$1.42 from \$15.92 to \$17.34.

Staff will be requesting copies of the 2007 audited financials for each jurisdiction franchise and will compile a summary of each for comparison.

  
Jeff Lindenthal



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** Director of Management and Budget James L. Becklenberg

**MEETING DATE:** February 6, 2008

**SUBJECT:** CONSIDER A RESOLUTION TO INCREASE THE RATES CHARGED BY WASTE MANAGEMENT FOR THE COLLECTION, TRANSPORTATION, RECYCLING, AND DISPOSAL OF SOLID WASTE

*The City Council will consider Waste Management's request for a 1.45% rate increase. According to the terms of the franchise agreement, the rate adjustment is non-discretionary.*

**RECOMMENDATION:**

Approve the requested rate increase of 1.45% with an effective date of January 1, 2008.

**DISCUSSION:**

On October 3, 2007, the City Council approved a rate increase of 7.06% based on increased landfill disposal rates and inflation. Per the terms of the City's franchise agreement with Waste Management, the landfill disposal rate component is non-discretionary; cost increases may be "passed through" to rate payers. These costs are outside Waste Management's control. Prior to the time of the October 3<sup>rd</sup> rate increase, rates had not been increased since February 16, 2005.

The City received a letter from Waste Management, dated October 24, 2007 requesting an increase in Waste Management's rates based on the Monterey Regional Waste Management District's (MRWMD) plan to increase landfill disposal rates from \$43 per ton to \$45 per ton (4.65%), effective January 1, 2008. Factoring the 4.65% disposal rate increase into Waste Management's total costs yields and the formula for determining rates, Pacific Grove ratepayers' costs for Waste Management's services will increase by 1.45%. This increase meets the terms of the franchise agreement for the "non-discretionary" rate increase.

The rate increase is calculated as follows:

Disposal fee, effective January 1, 2007	\$43.00
Disposal fee, effective January 1, 2008	\$45.00
Change	<u>\$2.00</u>
% Change	4.65%

Garbage Collection Revenue	2,482,500
(MINUS) 2.5% bad debt reduction for Franchise Fees	<u>\$62,063</u>
Actual Gross Garbage Collection Revenue	\$2,420,438
Disposal Fees	\$642,500
Garbage Disposal % of Revenue	26.54%

Proposed Rate Increase (4.65% of disposal increase)	1.23%
Franchise Fee on Increase Revenue @ 15%	0.19%
Total Proposed Increase for Disposal	1.45%

If approved, the rate adjustment would increase all rates by 1.45%. The standard monthly cost for residential services (assuming one 64-gallon garbage cart, one 64-gallon recycling cart, and one 64-gallon yard waste cart) would increase from \$23.87 to \$24.22.

Waste Management has requested, and staff recommends, that this increase be effective January 1, 2008. The company submitted its original request for the increase in late October 2007. Staff has worked with Waste Management to clarify several factors in the rate increase, including the allowance for bad debt and the contractual amount of the franchise fee. City staff's insistence on researching and discussing these issues caused significant delay in processing Waste Management's request. The company has been very helpful and constructive in resolving these questions.

**FISCAL IMPACT:**

An increase of 1.45% would generate approximately \$6,000 in additional franchise tax revenue.

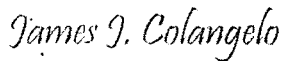
**ATTACHMENTS:**

- Contract with Waste Management (Article 4 details the terms for rate increases)
- Letter of request for a rate increase from Waste Management dated October 24, 2007
- Existing rates
- Proposed resolution with proposed rates

RESPECTFULLY SUBMITTED:

  
 \_\_\_\_\_  
 Jim Becklenberg  
 DIRECTOR OF MANAGEMENT AND BUDGET

REVIEWED BY:


  
 \_\_\_\_\_  
 Digitally signed: I have reviewed this document  
 James J. Colangelo  
 CITY MANAGER



**SALINAS VALLEY  
SOLID WASTE AUTHORITY**

*Report to the Board of Directors*

**ITEM NO. 9**

  
Finance Manager/Controller-Treasurer

N/A  
Legal Counsel

  
General Manager/CAO

**Date:** April 17, 2008  
**From:** Roberto Moreno, Finance Manager  
**Title:** A Resolution Approving the Disposal Fees and Rates Schedule Effective July 1, 2008

**RECOMMENDATION**

Staff recommends that the Board hold a public hearing and adopt the recommended \$5.00 per ton increase in solid waste tipping fees along with a few other minor increases. This will raise the tipping fee to \$63.00 per ton. It will allow the Authority to have a balanced budget in FY 2008-09.

The Board approved moving forward with this action at the March 20 Board meeting.

**BACKGROUND**

On March 20, the Board received a report on the preliminary budget for fiscal year 2008-09. In order to fund new additional expenses a rate increase of \$5.00 per ton increase in solid waste tipping fees is needed.

Following is the history of the Authority's rate increases for landfill tipping fees:

Original Rate	\$39.00	Implemented in 1997
July 1, 2001	\$43.00	First rate increase - \$4.00
July 1, 2002	\$44.00	\$1.00 increase for debt service
July 1, 2003	\$46.00	\$2.00 increase for debt service
July 1, 2004	\$48.00	\$2.00 increase for debt service
July 1, 2005	\$50.00	\$2.00 increase for debt service
July 1, 2006	\$54.50	\$2.00 increase for debt service; \$1.50 for operating expenses; \$1.00 for operating reserve
July 1, 2007	\$58.00	\$3.00 for new diversion programs
July 1, 2008	\$63.00	\$2.25 BFI direct hauling expense \$1.25 BFI additional route expense \$1.00 Gonzales host fees \$0.50 Increased Crazy Horse closure costs

In addition to the solid waste tipping fee increase, staff is also recommending that Clean Fill Dirt be charged at \$10 per ton, the same as MRWMD, until Crazy Horse landfill closes, at which time the rate will increase to \$63.00 per ton. The Authority will not need any dirt at Johnson Canyon. There are also some minor increases in the area of Source Separated Divertable materials and Household Hazardous Waste. Please refer to the Schedule of Fees for these items.

## **DISCUSSION & ANALYSIS**

In order to fund the direct hauling of Salinas waste by BFI to Johnson Canyon and the City of Gonzales Host Fees, this rate increase is necessary.

## **FISCAL IMPACT**

A rate increase of \$5.00 (8.6%) per ton will generate \$1,000,000 which will keep the Authority fiscally sound while continuing to develop other means of disposing of solid waste in the Salinas Valley. The \$5.00 per ton increase will raise monthly garbage disposal rates to Salinas residential customers by \$0.48 for a 32 gallon cart. A Salinas commercial customer with a 3 yard box collected once per week will see an increase of \$4.61 per month. Tri-Cities residential customers with a 48 gallon cart will see an increase of \$.71 per month. A Tri-Cities commercial customer with a 3 yard box collected once per week will see an increase of \$10.63 per month.

## **ATTACHMENT(S)**

1. Resolution
2. Exhibit A – Disposal Fees and Rates, effective July 1, 2008