

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF BOARD GOVERNED COUNTY SERVICE AREAS
AND RECORD OF ACTION**

November 16, 2021

FROM

BRENDON BIGGS, Director, Department of Public Works – Special Districts

SUBJECT

Public Hearing for Refuse Collection Service Charges - County Service Area 70 HL (Havasu Lake)

RECOMMENDATION(S)

Acting as the governing body of County Service Area 70 HL (Havasu Lake):

1. Conduct a public hearing, pursuant to Proposition 218, to adopt resolution repealing Resolution No. 2011-114 and authorizing new refuse collection service charges effective January 6, 2022.
2. Approve Agreement with [Allied Waste Transportation, Inc. dba Republic Services of Bullhead City](#) to provide refuse collection and disposal services in a total amount not to exceed \$388,759.04, from January 1, 2022 to December 31, 2026.

(Presenter: Brendon Biggs, Director, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost).

The current refuse collection service charges for County Service Area 70 HL (Havasu Lake) (District) generate approximately \$75,000 per year in revenue. Proposed changes to the District's service charges, which are reflected in the below table, are expected to increase ongoing revenue by \$20,000 in 2022-23, and an additional \$4,800 per year on average in 2023-24 through 2025-26. This revenue is needed to offset the District's increasing operational and hauler costs.

Recommended Annual Refuse Collection Service Charges on Improved Parcels are as follows:

Description of Service	# of Parcels	Per Parcel Amount				
		Current Rate	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Standard Charge (without onsite Bin)	350	\$ 217.97	\$ 268.24	\$ 283.97	\$ 294.97	\$ 306.01
Commercial (Four Cubic Yard Bin)	1	\$1,598.93	\$2,958.55	\$3,089.91	\$3,218.15	\$3,342.43
Commercial (Six Cubic Yard Bin)	1	\$2,328.72	\$4,442.38	\$4,626.66	\$4,819.47	\$5,156.81

The current rates have not been revised since 2011-12. As a result, a significant rate increase is proposed for 2022-23 primarily due to the increased cost of service provided by the current refuse

hauler. Much smaller annual increases are proposed for 2023-24 through 2025-26 to offset similar annual cost increases included in the new refuse hauler agreement.

All costs pertaining to the new agreement with [Allied Waste Transportation, Inc. dba Republic Services of Bullhead City \(Republic Services\)](#) will be funded by the District through annual service charges assessed on parcels within the District. The maximum amount of the agreement, which includes annual increases averaging approximately 4%, shall not exceed \$388,759.04. The amount by calendar year is summarized in the following table:

Period	Amount
January 1, 2022 – December 31, 2022	\$71,331.58
January 1, 2023 – December 31, 2023	\$74,396.85
January 1, 2024 – December 31, 2024	\$77,665.47
January 1, 2025 – December 31, 2025	\$80,953.97
January 1, 2026 – December 31, 2026	\$84,411.17
Total	\$388,759.04

Appropriation and revenue related to this item are included in the District's 2021-22 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

The District was established by an act of the San Bernardino County Board of Supervisors (Board) on April 1, 1990, to provide refuse collection services within the community of Havasu Lake. The District is funded by annual service charges assessed on property and collected through the tax roll. Currently, the District serves approximately 350 parcels.

The Board adopted Resolution 2011-14 on June 14, 2011 (Item No. 77), that established updated refuse collection charges on parcels within the District. Since then, these charges have not been revised to offset increasing operational costs. Consequently, the District's solvency is beginning to be threaten. It is essential that the District receive additional ongoing revenue to fund the increased refuse collection and disposal costs.

The Department of Public Works - Special Districts (Department) mailed letters to parcel owners notifying them of a virtual community town hall meeting on August 26, 2021, in which staff would present the need to increase service charges that would align with the District's current operating costs. As a result of this meeting, the Department received one question from a parcel owner that was subsequently answered via email. The town hall meeting was recorded and is available on the Department's website.

The Department mailed Proposition 218 notices to parcel owners on September 28, 2021, notifying them of this public hearing to consider the proposed rate increases. Provided there is no majority protest and that the Board approves this item, the new service charge rates will become effective on January 6, 2022, as identified in the Proposition 218 notice.

The service charges are collected through the annual property tax roll and parcel owners will be charged the new rates beginning on the 2022-23 tax roll. Upon Board approval, these new rates will be incorporated into the 2022-23 recommended Fee Ordinance for the Board-Governed County Service Areas.

Approval of the agreement listed in Recommendation No. 2 will allow the District to continue to utilize Republic Services for refuse collection and disposal services for a period of January 1, 2022 to December 31, 2026. The Department has been utilizing the services of Republic Services

for approximately 15 years and is satisfied with past performance. The agreement may be terminated by either party for any reason with 30 days written notice.

Republic Services will support two Community Clean-Up days each year by providing temporary roll-off dumpsters for each event. Through coordination with Department staff, Republic Services will also provide 20-yard roll-off bins to a central location to allow for Community Dump Days. These events will be coordinated between the parties and advertised appropriately in the community. The provision for these roll-off bins is included in the agreement with Republic Services.

PROCUREMENT

Republic Services is recommended for this agreement as a sole source provider as they are the only authorized waste hauler with a Class "A" Solid Waste Handling Permit in the Havasu Lake area. River Cities Waste Services (River Cities) in Lake Havasu City, Arizona was contacted to provide a request for quote. However, the Department was told that River Cities is owned by Republic Services. Because there are no other qualified vendors that can provide the needed refuse collection and disposal services for the District, the Purchasing Department concurs with the sole source justification for this agreement.

The agreement ensures that the District will be able to procure service at a pre-negotiated discount rate for the next five years.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455) on November 3, 2021; Purchasing (Bruce Cole, Supervising Buyer, 387-2148) on November 1, 2021; Finance (Tom Forster, Administrative Analyst, 387-4635) on November 4, 2021; and County Finance and Administration (Diana Atkeson, Deputy Executive Officer, 387-5423) on November 5, 2021.