

CITY COUNCIL MEETING  
DECEMBER 17, 1986

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HARNEY LANE SANITARY  
LANDFILL GATE FEE

RES. NO. 86-187

CC-7(b)  
CC-27(a)

City Manager Peterson reported that, at its regular meeting of July 2, 1986, the City Council unanimously adopted a resolution approving an agreement with the County of San Joaquin providing for the implementation of a gate fee at the Harney Lane Sanitary Landfill. A copy of this agreement was provided for Council approval. The agreement provides, among other things, that the gate fee of \$2.00 per cubic yard for industrial waste brought to the Harney Lane Sanitary Landfill be effective on the date of the execution of the agreement (July 8, 1986). The agreement further provides that the same gate fee be applied to residential and commercial waste generated within the City limits and brought to the Harney Lane Sanitary Landfill for disposal no later than December 31, 1986. This gate fee is in lieu of the present 7% of refuse bill revenue collected by the City which is remitted to San Joaquin County for dump charges.

The delay in the implementation of the gate fee for residential and commercial customers was granted by the County at the City of Lodi's request to permit the City time to undertake the first-ever comprehensive review and evaluation of the operations of the City's contract hauler, Sanitary City Disposal Company. One of the purposes of the study was to determine the need for rate adjustments in addition to the gate fee. To conduct this study, the City Council, at its regular meeting of June 4, 1986, retained the consulting firm of Eljumaily-Butler Associates of Santa Rosa, experts in the field of waste management. For a variety of reasons, not the least of which is the complexity of the assignment, the drafts of the study, along with a proposed ordinance and franchise agreement was just delivered to the City within the last two weeks. Assistant City Manager Jerry Glenn has spent considerable time reviewing the contents of same with the consultant. There remains to be accomplished discussion with Mr. Dave Vaccarezza of Sanitary City Disposal Company before the final results of the study can be transmitted to the City Council. Hopefully, this will occur sometime in February, 1987.

In the meantime, in accordance with the terms and conditions of the agreement between the City and the County of San Joaquin, the \$2.00 per cubic yard gate fee will be charged on residential and commercial refuse taken to the Harney Lane Sanitary Landfill for Disposal effective December 31, 1986. This equates to approximately 38 cents on the first can and 18 cents on the second can. This represents a 7.8% adjustment which should also be applied to all commercial rates. In addition, we are aware that Sanitary City Disposal Company will be approaching the City

Council for an overall rate adjustment in the immediate future. The draft report prepared by the City's waste management consultant includes a recommendation for such an adjustment. To minimize confusion for the rate payer, it

City Manager Peterson further advised that several alternate approaches have surfaced as staff has reviewed this issue. These are:

1. request of the County an additional time extension for the implementation of the gate fee on residential refuse

COMMENT: This is really not a practical alternative. In the first place, the County most assuredly would deny the request. The six-month delay in this implementation was an accommodation on the County's part. Everyone in the County, including Lodi's industrial community is paying a per cubic yard gate fee with the exception of Lodi's residential and commercial communities.

2. implement the \$2.00 per cubic yard gate fee effective December 31, 1986 in accordance with the terms and conditions of the July 2, 1986 agreement between the City of Lodi and the County of San Joaquin

COMMENT: This would result in, assuming the City Council ultimately grants a rate adjustment in response to the anticipated request for same from Sanitary City Disposal Company, two separate garbage rate increases which is to be avoided if possible.

3. the City pay to the County the gate fee as billed effective December 31, 1986 until such date as the City Council acts on the implementation of the gate fee and appears on the utility bill

COMMENT: This would cost the City approximately \$14,000 per month until the gate fee is placed in effect. The City would not recover this expenditure. This is not in the best interests of the City nor does it represent sound utility management. In addition, the City Attorney has some concern that this could be interpreted as a gift of public funds.

4. the City pay to the County the gate fee as billed effective December 31, 1986 until such date as the City Council acts on the implementation of the gate fee and it appears on the utility bill with the proviso that any adjustment in the garbage rate include the repayment to the City over an appropriate period, one or two years perhaps, of any expenditure made by the City in satisfying the gate fee in the interim

COMMENT: This gives the City Council time to carefully evaluate the entire garbage rate picture, perhaps devoting one or more shirtsleeve sessions to this review prior to arriving at a decision. In addition it provides for the ultimate recovery of expenditures made by the City in meeting the gate fee charge.

Following discussion with questions being directed to Staff, Council, on motion of Council Member Pinkerton, Reid second, adopted Resolution No. 86-187 determining that the City would pay to the County the gate fee as billed effective December 31, 1986 until such date as the City

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