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COUNTY OF MENDOCINO
DEPARTMENT OF SOLID WASTE
3200 Taylor Drive
Ukiah, California 95482

May 12, 2017

Jerry Ward, President
Solid Wastes of Willits
P.O. Box 1425
Willits, CA 95490

RE: Caspar Transfer Station Contract, Recycling Commodity Index Revisions

Dear Jerry,

At their January 24, 2017 meeting, the Board of Supervisors directed staff to "prepare an amendment to the County/City of Fort Bragg/Solid Wastes of Willits (SWOW) Caspar Transfer Station contract to add scrap metal and electronics to the recycling commodity index." This amendment will also require City of Fort Bragg approval, as they are a party to the Caspar Transfer Station contract. This amendment is part of the County's one-year agreement with SWOW, which took effect at the January meeting of the Board of Supervisors. This letter will respond to your letter of April 27, 2017 which includes your proposal regarding revision of the Recycling Commodity Index to include scrap metal and electronics. I would like to discuss the difference in our calculations at your earliest convenience.

I worked with you to determine the revised Composite Market Values for recycling commodities, which now includes scrap metal and electronics, and this new version is summarized here:

COMPOSITE MARKET VALUES EFFECTIVE JANUARY 1, 2011

Composition	Commodity	Scrap Value/Ton	CRV/Ton	Weighted Value/Ton
10.22%	OCC	\$ 122.00	-	\$ 12.47
26.80%	Mixed Paper	88.00	-	\$ 23.58
0.32%	HDPE Color	333.00	\$ 110.00	\$ 1.42
0.31%	HDPE Natural	499.00	110.00	\$ 1.89
1.18%	PET	401.00	1,180.00	\$ 18.66
0.76%	Rigid Plastics	99.00	-	\$ 0.75
1.11%	Tin	5.00	-	\$ 0.06
14.86%	Glass 3 Mix	(10.00)	84.00	\$ 11.00
0.43%	Alum. Cans	1,248.00	2,820.00	\$ 17.49
36.00%	Scrap Metal	192.13	-	\$ 69.17
1.92%	Electronics	319.73	-	\$ 6.14
6.09%	Refuse	(70.33)	-	\$ (4.28)
100.00%				
Total Composite Market Value Per Ton:				\$ 158.33

Previously, the total baseline Composite Market Value effective January 1, 2011 was \$134.15. The revised value, which includes scrap metal and electronics, is \$24.18 greater than the original value. Effective January 1, 2017, the Composite Market Value is:

COMPOSITE MARKET VALUES EFFECTIVE JANUARY 1, 2017				
Composition	Commodity	Scrap value/ton	CRV/ton	Weighted Value/ton
10.22%	OCC (cardboard)	\$ 114.32		\$ 11.68
26.80%	Mixed Paper	\$ 76.92		\$ 20.61
0.32%	HDPE Color	\$ 287.69	\$ 80.00	\$ 1.18
0.31%	HDPE Natural	\$ 496.11	\$ 80.00	\$ 1.79
1.18%	PET	\$ 179.39	\$ 1,140.00	\$ 15.57
0.76%	Rigid Plastics	\$ 47.73		\$ 0.36
1.11%	Tin	\$ 36.00		\$ 0.40
14.86%	Glass 3 Mix	\$ (23.27)	\$ 84.00	\$ 9.02
0.43%	Aluminum cans	\$ 1,080.00	\$ 3,020.00	\$ 17.63
36.00%	Scrap metal	\$ (49.74)		\$ (17.91)
1.92%	Electronics	\$ 131.69		\$ 2.53
6.09%	Refuse	\$ (71.97)		\$ (4.38)
100%	Total Composite Market Value Per Ton:			\$ 58.49

The value used in November 2016 (for the January 2017 rate adjustment) was \$96.67, and the difference between this value and the new value, which includes electronics and scrap metal, is \$38.18.

Adding these two values (\$24.18+ \$38.18) together, we get \$62.36, which is the amount that we should use to determine the additional rate adjustment for the revised recycling commodity index. Over time, \$37.48 has already been adjusted for in the annual rate adjustments for this contract.

Using the rate adjustment formula, the revised recycling commodity calculations are summarized here:

\$/ton difference	\$ 62.36
Total tons discarded recyclables	403.00
Total revenue	\$ 730,641.00
Recycling Value Component	3.44%

With a rate increase of 3.44%, the new rates, with scrap metal and electronics included in the Recycling Commodity Index, are as follows:

OLD cubic yard:	\$ 24.95
NEW cubic yard:	\$ 25.81
OLD can:	\$ 4.66
NEW can:	\$ 4.82
ROUNDED GATE RATES:	
Cubic Yard:	\$ 25.75
Can:	\$ 4.75

These rates do not include the \$3.00 per yard rent fee. I realize that our calculations are different; my calculations deduct previous increases in rates due to changes in recycling commodity values. I believe this is a reasonable and fair way to proceed.

At its April 28, 2017 meeting, the Caspar Joint Coordinating Committee made clear that this rate change will take effect after it is approved by Board of Supervisors and Fort Bragg's City Council.

Please contact me if you would like to discuss these calculations.

Sincerely,

A handwritten signature in blue ink that reads "Louisa Morris". The signature is written in a cursive, flowing style.

Louisa Morris
County Solid Waste Director