

SOLID WASTE TRANSFER STATIONS

Willits, Potter Valley, Boonville, Laytonville, Covelo,
South Coast, Westport, Caspar, & Albion

SOLID WASTE RECYCLING CENTERS

Willits, Laytonville, Anderson Valley,
Westport, & Gualala

Solid Waste Services
Solid Wastes of Willits, Inc.

P.O. Box 1425 • Willits, CA 95490

January 18, 2019

Carmel Angelo
County Executive Officer
County of Mendocino
501 Low Gap Road, Room 1010
Ukiah, CA 95482

Re: Pass-Through Rate Adjustment – Cold Creek Compost

Dear Carmel,

Pursuant to Agreements between County of Mendocino and Solid Wastes of Willits, Inc. (SWOW) we are requesting approval for pass-through rate/gate adjustments due to increased processing fees from Cold Creek Compost (CCC) for the processing of mixed organic wastes collected from (1) North County franchise, (2) Caspar Transfer Station (3) South Coast Transfer Station and as Contract Administrator for the Willits Transfer Station. Since there currently is no known Solid Waste Director, I am addressing these requests to you.

We received a letter from Cold Creek Compost (CCC) informing us that CCC requires an adjustment to the current tipping fee for processing mixed organic wastes. (Copy of letter enclosed) From the letter CCC states the rate increase is necessary to support ongoing operations, purchase new equipment in compliance with mandated air quality regulations, increase in fuel costs and other operating constraints.

Back in June 2015, CCC and SWOW entered into an Agreement for Mixed Organic Waste services due to new requirements of accepting food waste and directing that material to CCC. (Copy of Agreement enclosed) The agreement holds a term of November 1, 2015 through December 31, 2022. The tipping fee to CCC began at \$21.00 per ton on November 1, 2015 for the first two (2) years, increased to \$26.00 on November 1, 2017, and thereafter adjusted up or down by a percentage factor equal to 90% change in the consumer price index. The fee currently stands at \$26.00 per ton. CCC is requesting an increase to \$36.00 a ton effective upon the approval of the County of Mendocino, who is a third party beneficiary to the Agreement.

The request by CCC for this increase in fees can be denied due to the terms of the Agreement, but due to the lack of mixed organic waste processing options there are no other alternatives. Both the City of Ukiah and City of Willits are discussing and approving the tipping fee increase. We are requesting approval of the tipping fee increase for each site based on the percentage increase to the rate or gate fee.

The additional annual costs to process the collection of mixed organic wastes from each of the four (4) collection points is \$14,812. (1,481.2 x \$10) Below are the calculations for determining the percentage increase in rates or gate fees for each collection point location.

**NORTH COUNTY FRANCHISE
PASS-THROUGH RATE ADJUSTMENT
(CCC TIPPING FEES)**

N	Old Tipping Fee		\$26.00	INPUT
O	New Tipping Fee		\$36.00	INPUT
P	Difference		\$10.00	O-N
Q	Total Tons Collected		214.0	V & R Report
R	Total Revenue		\$ 1,157,752	Financials
S	Pass-Through Rate Increase		0.0018	(P*Q)/R

**CASPAR TRANSFER STATION
PASS-THROUGH RATE ADJUSTMENT
(CCC TIPPING FEES)**

N	Old Tipping Fee		\$26.00	INPUT
O	New Tipping Fee		\$36.00	INPUT
P	Difference		\$10.00	O-N
Q	Total Tons Collected		689.1	V & R Report
R	Total Revenue		\$ 747,023	Financials
S	Pass-Through Rate Increase		0.0092	(P*Q)/R

**SOUTH COAST TRANSFER STATION
PASS-THROUGH RATE ADJUSTMENT
(CCC TIPPING FEES)**

N	Old Tipping Fee		\$26.00	INPUT
O	New Tipping Fee		\$36.00	INPUT
P	Difference		\$10.00	O-N
Q	Total Tons Collected		61.1	V & R Report
R	Total Revenue		\$ 144,699	Financials
S	Pass-Through Rate Increase		0.0042	(P*Q)/R

**WILLITS TRANSFER STATION
PASS-THROUGH RATE ADJUSTMENT
(CCC TIPPING FEES)**

N	Old Tipping Fee		\$26.00	INPUT
O	New Tipping Fee		\$36.00	INPUT
P	Difference		\$10.00	O-N
Q	Total Tons Collected		517.0	V & R Report
R	Total Revenue		\$ 824,335	Financials
S	Pass-Through Rate Increase		0.0063	(P*Q)/R

Total tons of mixed organic wastes collected are based on the **2018 Annual Volume & Revenue Report**. The revenue is based on the **2018 financial statements**.

**GATE RATES AT TRANSFER STATIONS
(CCC TIPPING FEES)**

	Transfer Station	Caspar	South Coast	Willits	
T	Old Cubic Yard	\$30.88	\$38.08	\$20.00	INPUT
U	Pass-through Adjustment-CCC	0.0092	0.0042	0.0063	INPUT
V	New Cubic Yard	\$31.16	\$38.24	\$20.13	(T*U)+T
W	Old Can	\$5.69	\$6.57	\$5.00	INPUT
X	Pass-through Adjustment-CCC	0.0092	0.0042	0.0063	INPUT
Y	New Can	\$5.74	\$6.60	\$5.03	(W*X)+W

ROUNDED

	Transfer Station	Caspar	South Coast	Willits	
Z	Old Cubic Yard Rounded	\$31.00	\$38.00	\$20.00	INPUT
AA	New Cubic Yard Rounded	\$31.25	\$38.25	\$20.25	INPUT
AB	Old Can Rounded	\$5.75	\$6.50	\$5.00	INPUT
AC	New Can Rounded	\$5.75	\$6.50	\$5.00	INPUT

Any gate rates adjusted shall be rounded up or down to the nearest quarter dollar increment so that all rates will be evenly divisible by 25 cents.

Please review the proposed rounded gate fees for the three transfer stations. The pass-through rate adjustment for the North County franchise of 0.0018 will be applied against all rate categories under Exhibit B under the franchise agreement. If you have any questions please contact me at your earliest convenience. I will be looking forward to presenting these requests to the Board of Supervisors at a future meeting and answer questions from the Board members and the public.

Respectfully,

Gerald W. Ward

COUNTY TRANSFER STATION
2018 TOTALS

ALBION	
YARDS	REVENUE
2721.09	96846.32
55.50	1939.75
70.00	2356.00
0.00	0.00
0.00	0.00
35.00	206.50
10.00	252.25
0.00	0.00
0.00	0.00
56.90	1893.00

BOONVILLE	
YARDS	REVENUE
2551.96	107097.74
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
46.00	237.50
0.00	0.00
0.00	0.00
0.00	0.00
79.41	2953.00

LAYTONVILLE	
YARDS	REVENUE
4150.62	155790.59
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
89.00	394.50
1.00	15.00
0.00	0.00
0.00	0.00
51.09	1669.85

POTTER VALLEY	
YARDS	REVENUE
1098.80	42737.02
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
39.00	220.00
0.00	0.00
0.00	0.00
0.00	0.00
10.36	342.25

SOUTH COAST	
YARDS	REVENUE
4271.61	144699.30
90.61	3027.00
86.87	2871.00
0.00	0.00
0.00	0.00
160.00	772.25
0.00	0.00
0.00	0.00
0.00	0.00
197.59	6683.99

TOTAL	
YARDS	REVENUE
14794.08	\$ 547,170.97
146.11	\$ 4,966.75
156.87	\$ 5,227.00
0.00	\$ -
0.00	\$ -
369.00	\$ 1,830.75
11.00	\$ 267.25
0.00	\$ -
0.00	\$ -
395.35	\$ 13,542.09

TOTAL	2948.49	103493.82
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TOTAL	2677.37	#####
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TOTAL	4291.71	\$ 157,869.94
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TOTAL	1148.16	\$ 43,299.27
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TOTAL	4806.68	\$ 158,053.54
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TOTAL	15872.41	\$ 573,004.81
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REFUSE CUSTOMERS
RECYCLE CUSTOMERS

5285	175
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6227	90
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8521	94
------	----

2455	11
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5247	542
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27735	912
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REFUSE
YARD WASTE
WOOD WASTE
ANTI FREEZE
BATTERIES
TIRES
APPLIANCES
PAINT
ELECTRONICS
METAL

CASPAR	
YARDS	REVENUE
22441.15	747022.57
3383.08	60893.33
1215.01	22121.77
0.00	0.00
0.00	0.00
769.00	3867.50
1985.40	21037.86
0.00	0.00
0.00	0.00
1896.29	38382.92

WESTPORT	
YARDS	REVENUE
125.76	5491.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
125.76	\$ 5,491.00

COVELO	
YARDS	REVENUE
6141.08	168485.40
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
87.00	393.50
44.09	656.84
0.00	0.00
0.00	0.00
210.00	2738.00

TOTAL	
YARDS	REVENUE
6266.84	\$ 173,976.40
0.00	\$ -
0.00	\$ -
0.00	\$ -
0.00	\$ -
87.00	\$ 393.50
44.09	\$ 656.84
0.00	\$ -
0.00	\$ -
210.00	\$ 2,738.00

WILLITS	
YARDS	REVENUE
47167.71	824334.74
2159.94	21430.50
1353.66	10822.00
90.00	135.00
0.00	0.00
1069.00	5204.50
977.35	13447.75
84.50	168.00
0.00	0.00
1897.60	20482.33

TOTAL	
YARD	REVENUE
90669.78	\$ 2,292,504.68
5689.13	\$ 87,290.58
2725.54	\$ 38,170.77
90.00	\$ 135.00
0.00	\$ -
2294.00	\$ 11,296.25
3017.84	\$ 35,409.70
84.50	\$ 168.00
0.00	\$ -
4399.24	\$ 75,145.34

TOTAL	31689.93	\$ 893,325.95
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TOTAL	125.76	\$ 5,491.00
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TOTAL	6482.17	\$ 172,273.74
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TOTAL	6607.93	\$ 177,764.74
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TOTAL FOR ALL SITES	54799.76	\$ 896,024.82
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TOTAL FOR ALL SITES	108970.03	\$ 2,540,120.32
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REFUSE CUSTOMERS
RECYCLE CUSTOMERS

19227	3729
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483	0
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6983	216
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7466	216
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32175	4273
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86603	9130
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SOLID WASTES OF WILLITS, INC. - VOLUME & REVENUE REPORT
2018

MATERIAL SALES	CITY OF WILLITS FRANCHISE				BROOKTRAILS FRANCHISE				NORTH COUNTY FRANCHISE			
	TONS/count	\$	RESIDENTIAL	COMMERCIAL	RESIDENTIAL	COMMERCIAL	RESIDENTIAL	COMMERCIAL	RESIDENTIAL	COMMERCIAL	RESIDENTIAL	COMMERCIAL
			TONS	\$	TONS	\$	TONS	\$	TONS	\$	TONS	\$
TOTALS												
ALUMINUM	88.4	630,512.51										
BROWN GLASS	181.9	61,164.16										
CARDBOARD	532.0	236,806.81		235.5								105.3
CLEAR GLASS	104.3	37,762.77										
GREEN GLASS	41.3	16,869.64										
HDPE	2.7	87,125.46										
SCRAP METAL	886.4	43,171.85										
MIX PAPER	0.0	46,133.94										
RIGID PLASTIC	0.0	1,723.20										
MIXED GLASS	0.0	282,322.44										
NON-FERROUS	0.0	29,804.36										
PETE PLASTIC	127.6	686,383.27										
USED MOTOR OIL	0.0	6,940.00										
MATTRESS	0.0	5,227.45										
ELECTRONICS	68.7	12,306.58										
HANDLING FEES	0.0	85,471.15										
PROCESSING FEES	0.0	156,130.27										
INCENTIVE PAYMENTS	0.0	906.00										
BATTERIES	4.0	8,206.00										
Subtotal	2037.3	2,434,987.86	0.0	235.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	105.3
MATERIAL FEES												
YARD WASTE	1326.0	87,290.58	448.0									
WOOD WASTE	768.3	38,170.77		167.2								86.6
ANTIFREEZE (gal)	90.0	135.00										
TIRES (ea)	2294.0	11,296.25										
APPLIANCES (ea)	3017.8	35,409.70										
PAINT (gal)	84.5	168.00										
ELECTRONICS	0.0	0.00										
SCRAP METAL (yds)	4398.7	75,142.34										
CONTAINER RENTALS		0.00										
COMPOST												
DB RECYCLE FEES												
Subtotal		\$ 247,612.64	448.0	167.2	0.0	0.0	0.0	0.0	0.0	127.4	86.6	
TOTAL (TONS)	4133.6	\$ 2,682,600.50	448.0	402.7	0.0	0.0	0.0	0.0	0.0	127.4	191.9	
COST OF REVENUE		\$ 734,722.66										
SS TONS/REVENUE	14189.0	43,927.24	639.1	0.0	0.0	0.0	0.0	0.0	0.0	417.1	0.0	

SOLID WASTES OF WILLITS, INC. - VOLUME & REVENUE REPORT
2018

	ANDERSON VALLEY FRANCHISE		SOUTH COAST FRANCHISE		TRANSFER STATIONS			
	TONS	RES/COMM \$	TONS	RES/COMM \$	WILLITS T/S TONS	COVELO T/S TONS	WESTPORT T/S TONS	
MATERIAL								
ALUMINUM					68.9	221,844.45		0.0
BROWN GLASS					128.7	41,236.14		0.0
CARDBOARD	0.0				43.0	8,871.19		
CLEAR GLASS					76.7	27,513.97		0.0
GREEN GLASS					28.9	12,356.29		0.0
HDPE					1.8	2,448.73		0.0
SCRAP METAL					514.8	30,705.00	36.6	2,170.20
MIX PAPER					0.0			
RIGID PLASTIC					0.0	3,208.50		
MIXED GLASS					63.6	183,769.38		0.0
NON-FERROUS					0.0	4,638.00		340.00
PETE PLASTIC					2,021.84			
USED MOTOR OIL					34.1	6,586.26		
MATRASS						71,577.28		
ELECTRONICS								
HANDLING FEES								
PROCESSING FEES								
INCENTIVE PAYMENTS								
BATTERIES					4.0	8,206.00		0.0
Subtotal	0.0	\$	0.0	\$	964.5	\$ 624,783.03	36.6	\$ 2,510.20
YARD WASTE	0.0		0.0		288.8	21,430.50		
WOOD WASTE			0.0		228.2	10,822.00		
ANTIFREEZE (gal)					90.0	135.00		
TIRES (ea)					1069.0	5204.50	87.0	393.50
APPLIANCES (ea)					977.4	13,447.75	44.1	656.84
PAINT (gal)					84.5	168.00		0.00
ELECTRONICS					1897.1	20,479.33	210.0	2,738.00
SCRAP METAL (yds)					0.00	0.00		
CONTAINER RENTALS					0.00	0.00		
COMPOST								
DB RECYCLE FEES					517.0	71,687.08	0.0	3,788.34
Subtotal	0.0	\$	0.0	\$	517.0	\$ 71,687.08	0.0	\$ 3,788.34
TOTAL	0.0	\$	0.0	\$	1,481.5	\$ 696,470.11	36.6	\$ 6,298.54
COST OF REVENUE						\$ 438,901.57		\$
SS TONS/REVENUE	361.8	REV\$	385.5	REV\$	295.8	REV\$	167.7	REV\$

SOLID WASTES OF WILLITS, INC. - VOLUME & REVENUE REPORT
2018

MATERIAL	ALBION T/S		CASPAR T/S		POTTER VALLEY T/S		BOONVILLE T/S		SOUTH COAST T/S		LAYTONVILLE T/S	
	TONS	\$	TONS	\$	TONS	\$	TONS	\$	TONS	\$	TONS	\$
MATERIAL												
ALUMINUM												
BROWN GLASS												
CARDBOARD			60.4									
CLEAR GLASS												
GREEN GLASS												
HDPE			256.7	614.99	11.6	668.70	17.8	1,034.30	32.9	1,971.00	16.1	963.80
SCRAP METAL												
MIX PAPER												
RIGID PLASTIC												
MIXED GLASS												
NON-FERROUS												
PETE PLASTIC				522.00		232.00		360.00		188.00		660.00
USED MOTOR OIL				0.0		2,065.15						
MATTRESS				34.6		5,720.32						
ELECTRONICS												
HANDLING FEES												
PROCESSING FEES												
INCENTIVE PAYMENTS												
BATTERIES												
Subtotal	0.0	-	351.6	6,922.46	11.6	900.70	17.8	1,394.30	32.9	2,159.00	16.1	1,623.80
YARD WASTE	0.0	1939.75	429.7	60893.33	0.0	0.00		0.00	34.0	3027.00	0.0	0.00
WOOD WASTE		2356.00	259.4	22121.77	0.0	0.00		0.00	27.0	2871.00	0.0	0.00
ANTIFREEZE (gal)		0.00	0.0	0.00	0.0	0.00		0.00	0.0	0.00	0.0	0.00
TIRES (ea)	35.0	206.50	769.0	3857.50	39.0	220.00	46.0	237.50	160.0	772.25	89.0	394.50
APPLIANCES (ea)	10.0	252.25	1985.4	21037.86	0.0	0.00		0.00	0.0	0.00	1.0	15.00
PAINT (gal)				0.00								
ELECTRONICS												
SCRAP METAL (yds)	56.9	1893.00	1896.3	38382.92	10.4	342.25	79.4	2953.00	197.6	6683.99	51.1	1669.85
CONTAINER RENTALS												
COMPOST												
DB RECYCLE FEES												
Subtotal	0.0	6,647.50	669.1	146,303.36	0.0	562.25	0.0	3,190.50	61.0	13,354.24	0.0	2,079.35
TOTAL	0.0	6,647.50	1040.7	155,225.84	11.6	1,462.95	17.8	4,584.80	93.9	15,513.24	16.1	3,703.15
COST OF REVENUE												
SS TONS/REVENUE	120.3	-	162.2	-	79.0	-	207.6	-	351.0	-	159.2	-

SOLID WASTES OF WILLITS, INC. - VOLUME & REVENUE REPORT
2018

WILLITS TRANSFER STATION - BREAKDOWN									
MATERIAL	TONS	BUYBACK \$	TONS	DROP-OFF \$	TONS	SELF HAUL \$	TONS	COMMERCIAL \$	TONS
ALUMINUM	68.9	221,844.45							
BROWN GLASS	127.4	39,992.21	1.3	1,243.93					
CARDBOARD	74.6	24,471.67	130.8						
GREEN GLASS	28.9	9,434.75	0.0	3,042.30					
HDPE	1.8	2,248.73	0.0	2,921.54					
SCRAP METAL			0.0		249.8	15,045.60	265.1	15,659.40	
MIX PAPER			0.0						
RIGID PLASTIC									
MIXED GLASS									
NON-FERROUS	0.0	3,208.50							
PETE PLASTIC	63.6	183,789.38	0.0	4,638.00					
USED MOTOR OIL			0.0	2,705.10		457.20			
MATTRESS			34.1	6,586.26					
ELECTRONICS									
HANDLING FEES		71,577.28							
PROCESSING FEES									
INCENTIVE PAYMENTS			0.0						
BATTERIES			4.0	8,206.00					
Subtotal	365.2	565,418.16	172.4	29,343.13	249.8	15,502.80	265.1	15,659.40	
YARD WASTE			191.9		21,430.50		97.0	0.00	
WOOD WASTE			125.8		10,822.00		102.3	0.00	
ANTIFREEZE (gal)			90.0		135.00				
TIRES (ea)			1069.0		5,204.50				
APPLIANCES (ea)			977.4		13,447.75				
PAINT (gal)			84.5		168.00				
ELECTRONICS			1897.1		20,479.33				
SCRAP METAL (yds)									
CONTAINER RENTALS			0.0		0.00		0.0	0.00	
COMPOST			0.0		0.00		0.0	0.00	
DB RECYCLE FEES			317.7		71,687.08		195.3		
Subtotal	0.0		0.0		317.7	71,687.08	195.3		
TOTAL	365.2	565,418.16	172.4	29,343.13	567.4	87,189.88	464.4	15,659.40	
COST OF REVENUE		436,901.57							
SS TONS/REVENUE	0.0		255.2		0.0		40.6		



June 22, 2018

VIA CERTIFIED MAIL

Gerald W. Ward
President
Solid Waste of Willits, Inc.
PO Box 1425
Willits, CA 95490

Subject: Cold Creek Compost, Inc. - Rate Increase

Dear Mr. Ward:

This letter is to inform Solid Waste of Willits ("SWOW") that Cold Creek Compost ("Cold Creek") requires an adjustment to the current tip fee.

The rate increase is necessitated to support ongoing operations including: the purchase of new equipment in compliance with mandated air quality regulations, increases in fuel costs, sort increased contamination, as well as the planning and development of a new state of the art composting facility. The new facility will provide increased capacity to ensure future volume for organic materials and compliance with new state diversion requirements.

While the global recycling market continues to experience hardships, Cold Creek offers a local, sustainable recycling option free from the vagaries of the global market. Cold Creek's products are produced locally and used locally. On top of this, Cold Creek achieves a remarkable recovery rate of 99.5%.

Effective August 1, 2018, Cold Creek's adjusted tip fee will be \$36.00 per ton. As there is no mechanism in the current Agreement for rate increases, per the Agreement, please confirm receipt of this modification by signing and returning the acknowledgment page below. A return envelope has been provided for your convenience. All other contractual obligations will continue to remain in effect.

Cold Creek appreciates your continued support. If you have any questions or require any additional information, please feel free to contact me at (707) 485-5966.

Sincerely,

Martin Mileck
President
Cold Creek Compost, Inc.

cc: Stephanie Garrabrant-Sierra, Willits City Manager

"Fertilizer and Soil Amendments for Sustainable Agriculture"

6000 E. Side Potter Valley Road • Ukiah, CA 95482 • www.coldcreekcompost.com

(707) 485-5966 • Fax (707) 485-7048