



AGENDA SUMMARY REPORT

SUBJECT: Consider Approval of Mendocino Solid Waste Management Authority Joint Powers Agreement and an Increase to the Existing Surcharge of \$1.50 per ton of Solid Waste.

DEPARTMENT: Public Works **PREPARED BY:** Tim Eriksen, Public Works Director/City Engineer

ATTACHMENTS:

1. Amended and Restated MSWMA JPA (Final) - rev 9-3-19
2. MSWMA Budget with \$1.5 increase 19-20

Summary:

Council will consider approval of the amended Joint Powers Agreement (JPA) for the Mendocino Solid Waste Management Authority (MSWMA). Also consider approval of an increase in the surcharge for solid waste tipping fee in order to fund the programs and services that MSWMA provides to the member agencies. The additional increase will be \$1.50 per ton at the transfer station.

Background:

The General Manager for MSWMA left the agency at the end of last year. During the last several months City Staff has been working with remaining MSWMA staff and the elected officials that populate the MSWMA Board, to find a solution to the leadership role that was vacated. The solutions included looking for a new General Manager, using a contractor to step in and operate the JPA and other solutions. The Board has elected to promote within the organization and continue operations in the way they have traditionally been managed. Staff for the City of Ukiah has been involved in this to help with the transition and to assist in reviewing the budget and the guiding documents of MSWMA. Staff has suggested relevant edits to the JPA and the budget to reflect the current operations.

Discussion: This discussion is regarding two different items that are closely related which are MSWMA's guiding document, the JPA, and their budget to provide the services that the JPA was created to address.

The JPA

The original JPA was executed in October of 1990. Because it is impossible to know what services would be required in the future, the agency is not exactly acting in all the ways that the original JPA document anticipated. City staff has assisted MSWMA in editing the document so that the operation and actions of the agency reflect the JPA more closely. The Proposed JPA is attached as (Attachment 1).

The most significant change that is in the JPA, is with regards to approval of the MSWMA budget. Staff proposes that a budget with no member contributions needs a 3/5 vote of the Commission. However, a budget with any member contributions requires a 4/5 vote of the Commission. We have also included a maximum contribution of \$100,000 above which the Member agencies must have their Boards and Councils agree to the budget expenditure.

The MSWMA Budget

MSWMA has traditionally been funded by two sources. The first source has been a surcharge on all the transfer stations. This surcharge is a pass through to all the solid waste handling companies. Which means this funding actually comes from the curbside rate and the self-haulers. This surcharge has been \$5.00 for the last several years. This generates about half of the operating budget.

The other half of MSWMA's budget comes from different Grant opportunities. Some of the grants are very programmatic and easy to count on, others are more competitive, which makes them less dependable in each budget cycle.

It should also be mentioned that the MSWMA is losing approximately \$100,000 from Mendocino County. The MSWMA General Manager has traditionally also acted as the County Solid Waste Manager. The County would pay MSWMA \$100,000 for these services. This service is no longer available to the County so that funding is not available to MSWMA.

Staff, both MSWMA and the City, are recommending a \$1.50 increase to the surcharge. This has been agreed to by the MSWMA commission but it must be approved by each member agency. This will create a balanced budget for MSWMA. The proposed surcharge will be a pass through to the curbside customer. Staff will not know the exact impact of this increase until our solid waste handler, C&S waste solutions, has calculated this pass through into their proposed rates. City Staff expects that the proposed increase will be in the order of magnitude of \$.25 for the 32 gallon can; however, this is an estimate at this time. The MSWMA proposed budget for fiscal year 19/20 is attached. (Attachment 2)

Staff believes full participation in the MSWMA JPA and the Budget request is warranted. It is important that all member agencies participate in both aspects of these two items as well. Staff is recommending that the JPA and the surcharge increase be adopted by all agencies together. Both items are critical to maintain the MSWMA operation.

Recommended Action: Approve 1) The Joint Powers Agreement for the Mendocino Solid Waste Management Authority and authorize the Mayor to execute notwithstanding non-substantive changes negotiated by the City Attorney, 2) the additional \$1.50 surcharge that will be incorporated in the City's curbside rates in January of 2020. This approval is subject to all other agencies agreeing to the same terms as the City of Ukiah.

BUDGET AMENDMENT REQUIRED: None

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE:

PREVIOUS CONTRACT/PURCHASE ORDER NO.:

COORDINATED WITH: Sage Sangiacomo, City Manager; David Rapport, City Attorney; and Emmett Jones, Solid Waste Advisor

A handwritten signature in blue ink, appearing to read "Sage Sangiacomo", with a stylized flourish at the end.

Approved:

Sage Sangiacomo, City Manager