



# Mendocino County

## Legislation Text

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**File #:** 17-0006, **Version:** 1

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**To:** Board of Supervisors

**From:** Supervisor Hamburg and Supervisor McCowen

**Meeting Date:** January 10, 2017

**Department Contact:** Supervisor Hamburg

**Phone:** 463-4441

**Department Contact:** Supervisor McCowen

**Phone:** 463-4441

**Item Type:** Consent Agenda

**Time Allocated for Item:** N/A

**Agenda Title:**

Approval for Mendocino County Solid Waste Director to Transmit a Letter to Solid Waste of Willits (SWOW) Rescinding Waiver of Performance Bond Requirements for Franchise Areas 1, 3, 4, the Caspar Transfer Station, and the County Transfer Station Agreements (Sponsors: Supervisors Hamburg and McCowen - Solid Waste of Willits Ad Hoc Committee)

**Recommended Action/Motion:**

Approve Mendocino County Solid Waste Director to transmit a letter to SWOW rescinding Waiver of Performance Bond Requirements for Franchise Areas 1, 3, 4, the Caspar Transfer Station, and the County Transfer Station Agreements; and authorize Chair to sign same.

**Previous Board/Board Committee Actions:**

On December 20, 2016, Jerry Ward, representing Solid Waste of Willits (SWOW), represented to the Board of Supervisors that SWOW was unable to meet payroll and at imminent risk of insolvency.

**Summary of Request:**

On December 20, 2016, Jerry Ward, representing Solid Waste of Willits (SWOW), represented to the Board of Supervisors that SWOW was unable to meet payroll and at imminent risk of insolvency. The County holds contracts with SWOW to provide solid waste services in County Franchise Areas 1, 3, and 4 and to operate the Caspar Transfer Station and a separate contract to operate five additional County transfer stations. These contracts typically include a requirement that the County may require SWOW to post a performance bond at a value up to 25% of the estimated annual revenues generated by the contract. The contracts also provide that the County waives the performance bond requirement but that the County may, at any time, rescind waiver of the performance bond requirement. If the County rescinds waiver of the performance bond requirement, the cost of the performance bond shall be considered a County imposed cost that may be recovered as a pass-through rate adjustment. Based on SWOW's representation of imminent insolvency, the Ad Hoc Committee recommends Board approval for Mendocino County Solid Waste Director Morris to transmit the attached letter rescinding waiver of the performance bond requirement.

**Alternative Action/Motion:**

Do not approve transmittal of letter or approve transmittal of letter as amended

**Supplemental Information Available Online at:** N/A

**Fiscal Impact:**

**Source of Funding:** N/A

**Budgeted in Current F/Y:** N/A

**Current F/Y Cost:** N/A

**Annual Recurring Cost:** N/A

**Supervisory District:** All

**Vote Requirement:** Majority

**Agreement/Resolution/Ordinance Approved by County Counsel:** N/A

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**CEO Liaison:** Janelle Rau, Deputy CEO

**CEO Review:** Yes

**Comments:**