



# Mendocino County

## Legislation Text

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**File #:** 18-2132, **Version:** 1

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**To:** Board of Supervisors

**From:** Solid Waste

**Meeting Date:** September 25, 2018

**Department Contact:** Robert Carlson

**Phone:** 234-5748

**Department Contact:** **Phone:**

**Item Type:** Regular Agenda

**Time Allocated for Item:** 10 Min

**Agenda Title:**

Discussion and Possible Action Including Approval of Third Amendment to Franchise Agreements 10-139, 10-140, 10-141 with Solid Waste of Willits, Inc., for Solid Waste Refuse Collection Franchise Areas Nos. 1, 3 and 4, to Incorporate a Revised Rate Adjustment Mechanism effective September 25, 2018 (North County, Anderson Valley, South Coast)  
(Sponsor: Solid Waste)

**Recommended Action/Motion:**

Approve third amendment to Franchise Agreements 10-139, 10-140, 10-141 with Solid Waste of Willits, Inc. for Solid Waste Refuse Collection Franchise Areas Nos. 1, 3 and 4 to incorporate a revised rate adjustment mechanism, effective September 25, 2018; and authorize Chair to sign same

**Previous Board/Board Committee Actions:**

Original approval of the operative BOS Agreement between the County and Solid Waste of Willits took place on August 17, 2010. BOS Agreement 10-139 is for Franchise Area 1 (North County); BOS Agreement 10-140 is for Franchise Area 3 (Anderson Valley), and BOS Agreement 10-141 is for Franchise Area 4 (South Coast). These Franchise Area Agreements were first amended on 1/22/13. The Agreements for Franchise Areas 3 and 4 were amended for a second time on 3/15/11. Franchise Area 1 was amended for a second time on 4/10/12.

**Summary of Request:**

Hauling and handling services for garbage, recycling, and composting in the unincorporated areas of Mendocino County are provided by private companies under contract with the County. The six transfer stations are governed by two separate contracts; one covers the Caspar transfer station and the other covers the other five transfer stations. There are other facilities in the County that are privately owned and operated under contract with the cities. For hauling services, the County is divided into four areas (called franchise areas). Three of these franchise areas are serviced by Solid Waste of Willits, Inc. and the fourth is serviced by Waste Management.

To determine rates for curbside service and for self-haul drop-off, the value of recyclable material is subtracted from the costs associated to provide those services. This allows the public to benefit financially from the sale of recyclables that they sort out of their garbage. There has been a change in the global recyclable commodity market brought on by changes in China's import policies that has resulted in the drastic reduction in recyclable commodity value. The value of some recyclable materials has been impacted so drastically that facilities need

to pay to have it removed rather than being able to sell it. This new paradigm in recyclable material values has created a situation where previous methods of calculating rates are no longer adequate.

This new global market is likely to remain in its current state for many years and the existing rate adjustment formula is unable to adequately accommodate it. The new rate adjustment mechanism will allow the waste hauler to continue diverting recycling materials collected within the County and provides a more simplified process for determining rate adjustment amounts.

Staff recommends adjustments to the Solid Waste Refuse Collection Franchise Area Agreements 1, 3, and 4; the Five Transfer Stations Operation Agreement and Lease; and the Caspar Transfer Station Operation Agreement and Lease to replace the existing rate adjustment mechanism which relies on a recycling value formula to one that utilizes a recycling value grid. Additionally, the Recycling Composite Market Value used to determine rate changes is updated to reflect the Composite Market Value as of December 31, 2014.

**Alternative Action/Motion:**

Decline to approve the third amendments, or provide direction to staff.

**Supplemental Information Available Online at:** <https://www.calrecycle.ca.gov/markets/nationalsword>

**Fiscal Impact:**

**Source of Funding:** N/A

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

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

**Annual Recurring Cost:** N/A

**Supervisory District:** All

**Vote Requirement:** Majority

**Agreement/Resolution/Ordinance Approved by County Counsel:** Yes

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**CEO Liaison:** Steve Dunncliff, Deputy CEO

**CEO Review:** Yes

**CEO Comments:**



**FOR COB USE ONLY**

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**Executed By:** Meribeth Dermond **Final Status:** Approved

**Date:** **SEPTEMBER 26, 2018** **Executed Item Number:** Agreement **Item Number:** 10-139-A3

**Executed Item Number:** Agreement **Item Number:** 10-140-A3

**Executed Item Number:** Agreement **Item Number:** 10-141-A3

**Note to Department** Number  
of Original Agreements Returned  
to Dept: Two Original Agreement  
Delivered to Auditor? Yes