

**WASTE MANAGEMENT
AMENDED AND RESTATED
FRANCHISE AGREEMENT
(AMENDMENT 3)**

AMENDMENT GOALS

- **Comply w/ legislative and regulatory updates and address major solid waste industry issues since 2012**
 - Organic Waste (AB 1826 and SB 1383)
 - Diversion (Contamination/Markets)
- **Clarify McCourtney Road Transfer Station (MRTS) Improvement Project Expectations**
 - Clarify project description, funding responsibilities and timelines
 - Outline roles and responsibilities during design and construction
- **Update Fees**
 - In 2015, added Ancillary Fees
 - No other modifications since 2012 (other than annual CPI)
- **Clerical revisions to provide clarification and cleanup**

SCHEDULE

28-July-17	Solicit RFQ for WM negotiation support
3-Oct-17	Staff provided an update to the Capital Facilities Committee (tentative schedule)
12-Oct-17	Staff provided an update to the Solid & Hazardous Waste Commission (tentative schedule)
7-Nov-17	Awarded contract to R3 for WM negotiation support
Feb-18	R3 initiated contract negotiations with WM
6-Mar-18	Staff discussed the MRTS project at the Capital Facilities Subcommittee
12-Apr-18	Staff provided an update to the Solid & Hazardous Waste Commission
22-May-18	Meet with BOS appointed Special Committee to review Letter of Intent
11-Oct-18	Provided update to the Solid & Hazardous Waste Commission
Jan-19	Complete Negotiations
Feb-19	Meet with BOS appointed Special Committee to review draft agreement
April-19	Provide an update to the Solid & Hazardous Waste Commission
May-19	Presented to the CEO Advisory Committee
June-19	Amendment to the BOS
Aug-19	Award Design Contract to HDR (RFP & Selection completed in 2018)
Fall 2019 thru Fall-2021	<u>Complete PS&E</u> Public Outreach, Environmental, Design and Construction Documents, Permitting, etc.
Winter-2021/22	Bid Construction Contract
Spring/Summer – 2022	Begin Phased Construction

LEGISLATIVE UPDATES

- Add Commercial (AB1826) and Residential (SB1383) Organic Waste Programs
 - Offer service to commercial customers in 2019
 - Offer service to Residential customers by 2022
 - This is not a mandatory program
 - Increased service, monitoring, outreach, reporting and disposal costs for WM
 - Residential covered by WST Rate (use existing green waste bin)
 - Commercial rates proposed in this amendment



LEGISLATIVE UPDATES

- Adjust annual rate adjustment methodology,
 - Currently use 80% CPI (US City Average) plus fuel escalator
 - Proposed 100% Water Sewer Trash (WST) index with 1% base and 4% cap and prior year rollover (5 yr. average = 3.6%)
 - Current fuel escalator does not reflect market realities for solid waste
 - This rate adjustment pays for proposed organics waste programs
- Example: this year the WST adjustment would be 3.51% vs. CPI at 2.05% = 1.5 % difference
 - For a customer with a 32 gallon cart difference between the exiting and proposed rates would be .26 cents per month (about \$3 per year)

LEGISLATIVE UPDATES

- Recycling and organic waste contamination
 - China Ban
 - SB 1383 requirement
 - Increase Public Outreach
 - First 2 occurrences document, notify and educate
 - 3rd occurrence in 12 month period, customer will be required to upsize to appropriate service level or WM will pull recycling/organics can & charge normal pickup/delivery fee for pulling can.



LEGISLATIVE UPDATES

- **Revise diversion discussion within the existing agreement**
 - More specific and attainable diversion goals (based on statewide trends)
 - Discuss market conditions and fluctuations (meet and confer)
 - Define diversion calculation methodology
 - Include food waste programs
 - Clarify responsibility of sustainability team, greater focus on planning, public outreach and education
 - Address contamination issues



LEGISLATIVE UPDATES

■ Container overage

■ Define overage

- Residential Cart Lid open more than 45 degrees
- Commercial Bin Lid open more than 10 inches

■ Issue with litter, spills and animals (common complaint)

■ Customers should right size service if consistently over

■ First 2 occurrences document, notify and educate

■ 3rd and subsequent occurrence pay for excess material or right size

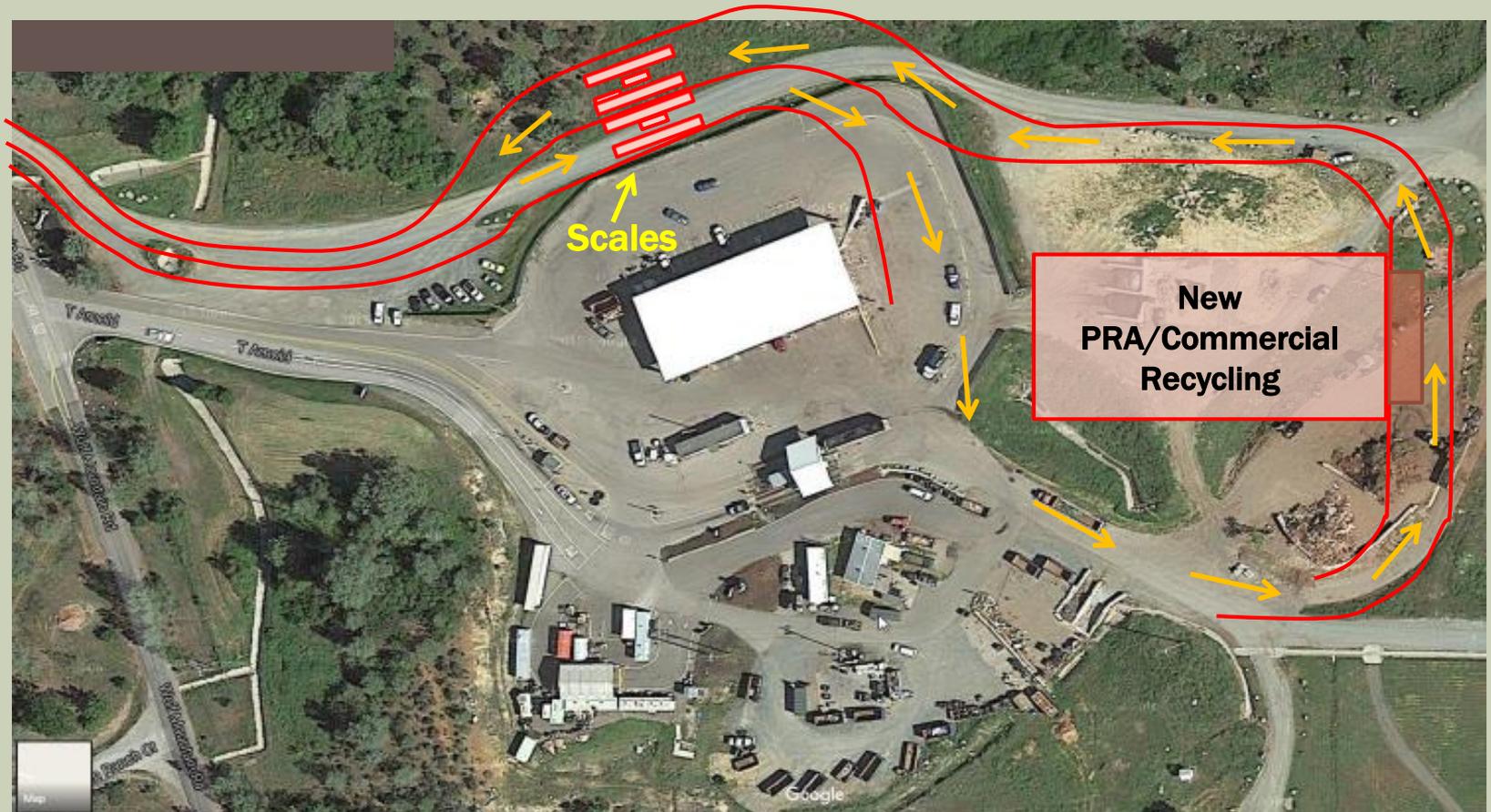


MRTS IMPROVEMENTS

- Update sections of the document directly related to MRTS project
 - Detail roles and responsibilities during design, construction, post construction
 - Funding commitments, i.e. when does \$5.6 M come to County
 - One time \$50,000 payment from WM upon completion of the MRTS project
 - No change to Host Fee after project completion
 - Remove obsolete language (Reference to relocation analysis, Exhibits 9, etc.)
 - WM not obligated to pay \$5.6 M if MRTS never built

MRTS IMPROVEMENT PROJECT

- Define Proposed MRTS Improvement Project



MRTS IMPROVEMENTS

- **Allow interim improvements to Public Receiving Area (PRA)**
 - Immediately address structural/maintenance issues
 - Repurpose for greenwaste/organics w/ MRTS Project
 - Saves ~\$1 M from MRTS Project overall cost
- **Allow Waste Management (WM) to relocate Recycle Works prior to completion of the MRTS**
 - Must provide a relocation plan and address additional site traffic
 - Approximately 6 commercial truck trips / day

MISC. AMENDMENT POINTS

- Add recently developed weather or service delay contingency plan
- Add emergency service language (e.g. fire)
- Revise definitions, e.g. residual, diversion, contamination, overflow, etc.
- Add liquidated damages (administrative charges)
- Add performance reviews
- Add language for personnel qualifications, training and performance
- Add advanced notice prior to reassigning or replacing key employee(s), e.g. General Manager
- Clerical revisions to provide clarification and cleanup
- Remove requirement for onsite composting
 - Currently not running this program due to low use and space constraints

SERVICE RATES

■ Review existing fees and proposed ancillary fees

COMMERCIAL RATES	
Commercial and Multi-family Bin Service - 8 yard	
One collection/week	\$662.96
Two collections/week	\$1,141.68
Three collections/week	\$1,664.82
Four collections/week	\$2,267.22
Five collections/week	\$2,701.85
Six collections/week	\$3,230.74
Commercial Food Waste Rate	
64 gallon	\$87.65
2 yard bin	\$418.45
5% increase to debris box rates (elimination of metal)	
20-40 yard bin	\$267.22
Ancillary Rates	
Temp Bin Inactivity Charge per day after the 7th day	\$10.00
Temp Delivery (Temp ins, and RO's)	\$75.00
Temp Relocate Charge (per occurrence)	\$75.00
Commercial Restart Charge without delivery	\$15.00
Commercial Restart Charge with delivery	\$75.00
Commercial Pull Bin out Fee under 10'	\$2.50
Commercial Pull Bin out Fee 10'-20'	\$3.50
Commercial Pull Bin out Fee over 20'	\$4.50
Commercial Lock Charge Per Lock	\$2.00
Commercial Overflow (cart is overfilled; per container per occurrence)	\$150.00

RESIDENTIAL RATES	
Ancillary Rates	
Removal Fee	\$25.00
Restart Charge without delivery	\$15.00
Restart Charge with delivery	\$45.00
Bear Cart lock fee (per month)	\$2.50
Overflow (cart is overfilled; per cart per occurrence)	\$10.00
Backyard Service (per month)	\$4.50
Disabled backyard service (less than 100 feet)	\$0.00
McCOURTNEY ROAD TRANSFER STATION RATES	
Eliminate 5 & 6 Can rate	Existing Per Ton Rate
Treated Wood (Per Ton)	\$270.00

 **New Rates**

 **Modified Rates**

All other fees to remain the same.

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STAFF RECOMMENDATION

- Staff is requesting approval of the Amended and Restated Agreement between the County of Nevada and USA Waste of California, Inc., dba Waste Management of Nevada County, for Disposal of Solid Waste and Operation of the McCourtney Road Transfer Station in Western Nevada County and Authorizing the Chair of the Board of Supervisors to Execute the Agreement.

QUESTIONS?