



**COUNTY OF NEVADA**  
**COMMUNITY DEVELOPMENT AGENCY**  
**DEPARTMENT OF PUBLIC WORKS**  
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**NEVADA COUNTY BOARD OF SUPERVISORS**  
**Board Agenda Memo**

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**MEETING DATE:** June 25, 2019

**TO:** Board of Supervisors

**FROM:** David A. Garcia, Jr., Solid Waste Program Manager

**SUBJECT:** Resolution Approving An 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

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**RECOMMENDATION:** Approve the attached Resolution.

**FUNDING:** The proposed Amended and Restated Agreement will affect rates charged by USA Waste of California, dba Waste Management of Nevada County (Waste Management), directly to Western Nevada County Solid Waste customers. There is no impact to the County's Solid Waste Division budget and no impact to the General Fund.

**BACKGROUND:** Per Resolution 12-052, the County entered into a franchise agreement with Waste Management for collection and disposal of solid waste generated in Western Nevada County through 2032. Amendment No. 1 was adopted by Resolution No. 13-141 for a time extension for completion of tasks related to the McCourtney Road Transfer Station (MRTS) project and Amendment No.2 was adopted by Resolution No. 15-483 to provide for a new schedule of ancillary fees. On November 7, 2017, per Resolution 17-550, the County hired R3 Consulting Group, Inc. to assist in negotiating a focused amendment to the existing franchise agreement. Due to the number of changes to the original Agreement, the amendments were incorporated into an Amended and Restated Agreement. The Amended and Restated Agreement addresses three key issues:

1). In December 2016, the County completed a conceptual design analysis and developed preliminary cost estimates for phased improvements to the McCourtney Road Transfer Station (MRTS). Per the existing franchise agreement, prior to moving forward with this project, the County and Waste Management needed to negotiate terms and conditions associated with project funding and delivery.

2) Several new state regulations, such as SB 1383 and AB 1826, were not addressed in the original agreement and require new and/or enhanced programs necessitating rate modifications. These

regulations require local jurisdictions to implement food waste collection and recycling programs for residential and commercial customers across the State. In addition to collection and processing, these programs are required to include route audits, additional reporting and record keeping, public outreach and enforcement. Additionally, changes to international policies and a declining global market value for recyclables have resulted in an issue of statewide concern for the resource recovery industry and local governments.

3) There has not been a comprehensive review of the existing rate sheets since 2012. Per the existing franchise agreement, Waste Management can establish service rates for franchise services that are not specified in the existing rates sheets, subject to BOS approval, which shall not be unreasonably withheld or denied. Additionally, Waste Management can request “discretionary adjustments” to existing rates for increases in expenses associated with performance of services due to changes in law or causes outside of the reasonable control of the company, e.g. state mandated organics waste collection programs and declining global market value for recyclables.

Notable modifications to the existing franchise agreement included:

- Elimination of host fee reduction upon completion of McCourtney Road Transfer Station Improvement project (Section III.B)
- Addition of commercial/multi-family food waste collection program in compliance with AB 1826 (Section IV.C.8)
- Addition of residential food waste collection program in compliance with SB 1383 (Section IV.C.13)
- Clarification of responsibilities of “sustainability team” with a greater focus on planning and public outreach necessary for compliance with AB 1826 and SB 1383 and to address ongoing contamination issues (Section IV.C.12)
- Addition of recycling and organics waste contamination protocols necessary for compliance with SB 1383 and to address changes in international recycling markets and ongoing contamination issues (Section IV.E)
- Addition of Container Overage Procedures to address the negative health and safety impacts from overflowing containers (Section IV. F)
- Addition of Two Free Green Waste Drop-off Events hosted by Waste Management to aid residents in wildfire prevention in exchange for the elimination of the requirement to operate CRV Buyback facilities that have been closed since 2015 due to recycling market conditions. Waste Management will still be responsible for existing buyback programs at MRTS and North San Juan (Section IV.G.2&3)
- Addition of two additional HHW Days, Wednesday & Thursday, per week (Section IV.H.6)
- Addition of the weather/service delay contingency plan (Section V.A.12)
- Revision of diversion goals (Section V.D) including:
  - More specific and attainable goals focused on Waste Management’s waste stream
  - Addressing market conditions and fluctuations
  - Definition of diversion calculation methodology
  - Adding food waste programs
  - Addressing contamination
- Addition of emergency services language for events such as wildfires (Section V.E)
- Modification to annual inflation rate adjustment methodology
  - Elimination of the annual fuel escalator
  - Changing the index from 80% of CPI to 100% of the Waster Sewer Trash (WST) index
  - Establishing a 1% minimum and 4% maximum annual rate adjustment to cover costs of new AB 1826 and SB 1383 programs (Section VI.C)
- Increased Reporting Requirements to address AB 1826 and SB 1383(Section VII.B)

- Addition of administrative charges (liquidated damages) for non-performance (Section IX.F)
- Addition of performance reviews (Section IX.G)
- Update of Exhibit 1 with revised list of recyclable materials.
- Deletion of Exhibits that are no longer applicable.
- Update of former Exhibit 8, now exhibit 5, and associated sections of the document directly related to the McCourtney Road Transfer station Improvement Project including:
  - Detailing Roles and responsibilities
  - Funding Commitments and timelines
  - Removal of outdated language
  - Relocation of Recycle Works
  - Existing PRA Improvements
- Revise Rate sheets (Exhibits 4 & 6)
  - Addition of commercial 8-yard bin service and rates
  - Addition of Commercial food waste rate
  - Addition of ancillary rates including:
    - Temp/roll-off bin inactivity rate
    - Temp/roll-off bin delivery rate
    - Temp/roll-off bin relocation rate
    - Commercial restart rate (with and without delivery)
    - Monthly commercial bin pull rate (under 10', 10-20', over 20')
    - Monthly commercial lock rate
    - Commercial and residential overflow rates
    - Residential cart removal rate
    - Residential restart rate (with/without delivery)
    - Monthly residential bear cart "lock" rate
    - Monthly residential backyard service rate
  - Elimination of 5 & 6 can rate at MRTS, move to existing per ton rate
  - Addition of treated wood waste rate at MRTS
  - 5% increase to debris box rates, current rates are below average for region.

Throughout the negotiation process, staff provided regular updates to the Solid and Hazardous Waste Commission on April 12, 2018, October 11, 2018, and April 11, 2019, and briefed the Capital Facilities Subcommittee on March 6, 2018. Additionally, on May 22, 2018, staff met with the special committee appointed by the Chair of the Board of Supervisors to review tentative "deal points," and on March 12, 2019, staff again meet with the BOS appointed special committee to go over the proposed amendments shown in the attached final draft. Staff is requesting approval of the attached Amended and Restated Agreement and approval of the proposed rate modifications effective July 1, 2019.

**Item Initiated by:** David A. Garcia, Jr., Solid Waste Program Manager  
**Approved by:** Trisha Tillotson, Director of Public Works

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Submittal Date: June 10, 2019

Revised Date: June 11, 2019