

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **JULY 21, 2009**

From: *JD* **JAMES DURFEE / WILL DICKINSON** *W.D.*

Subject: **AGREEMENT FOR SOLID WASTE HANDLING SERVICES –
AMENDMENT FOR INCREASED OUT-OF-STATE DISPOSAL FEES AND
COSTS FOR CARB COMPLIANCE**

ACTION REQUESTED / RECOMMENDATION: It is recommended that your Board take the following actions:

1. Adopt the attached Resolution authorizing the Chairman to sign the attached Ninth Amendment to the Agreement for Solid Waste Handling Services between Placer County and Tahoe Truckee Disposal (TTD) and Placer County Eastern Regional Landfill (ERL) Inc. The Amendment compensates ERL Inc./TTD for increased out-of-State disposal fees at the Lockwood Landfill, and equipment upgrades needed to comply with California Air Resources Board (CARB) clean air requirements.
2. Approve the attached Budget Revision cancelling \$81,834 in reserves from the ERL Budget and \$305,419 in reserves from the Solid Waste Management Budget to fund the one-time costs included in the Amendment.

BACKGROUND: In July of 2003, the County entered into an Agreement with ERL Inc./TTD for the collection, transportation, processing, recycling and disposal of solid waste in the eastern portion of Placer County, including Franchise Areas 2 and 3, from the City of Colfax to the Nevada state line. Garbage collected by TTD is processed by ERL Inc. at the Eastern Regional Material Recovery Facility. Residual waste is hauled to the Lockwood Landfill for burial.

The Agreement includes provisions that allow ERL Inc./TTD to request additional compensation to account for extraordinary changes in costs, and for increases in out-of-State disposal costs at the Lockwood Landfill. The proposed Ninth Amendment compensates ERL Inc./TTD for the following costs:

Increased disposal costs at the Lockwood Landfill

In April of 2008, regulatory changes at the Lockwood Landfill required the operator to revise its daily cover operations to completely cover all waste at the end of each day. As a result of these operational changes, the Lockwood Landfill has increased the tipping fee charged to ERL Inc. by \$0.90 per ton, effective April 1, 2008. Approval of the Ninth Amendment will provide ERL Inc. with compensation for the \$0.90 increase for each ton of waste buried at Lockwood, effective July 1, 2009. The Ninth Amendment also provides a one-time lump sum payment of \$43,682 to reimburse ERL Inc. for tonnage buried between April 1, 2008 and June 30, 2009.

These payments are consistent with Article 6, Section 5 of the Agreement ("Landfill Disposal Fees"), which allows reimbursement for increases in out-of-State disposal costs at the Lockwood Landfill.

Costs to Comply with Unforeseen CARB Requirements

Subsequent to execution of the subject Agreement in 2003, CARB adopted a series of regulations and amendments to reduce emissions from on-road and off-road diesel vehicles and equipment. In order to meet CARB compliance deadlines through the end of the Agreement term in 2015, ERL Inc./TTD has or will need to retrofit or replace a significant portion of their collection vehicle fleet and several pieces of stationary equipment at the Eastern Regional Material Recovery Facility (ERMRF). The Ninth Amendment provides a negotiated one-time lump sum payment of \$343,571 to compensate ERL Inc./TTD for compliance with all current CARB requirements through the end of the Agreement term. The lump sum payment covers all of the stationary equipment upgrades at the ERMRF and the County's proportional share (48.8% based on the number of customers served) of the TTD collection fleet upgrades. Other jurisdictions serviced by TTD, including the Town of Truckee, Nevada County, and El Dorado County, have approved rate packages that include their proportional share of the CARB reimbursement costs.

This payment is consistent with Article 6, Section 9 of the Agreement ("Extraordinary Changes in Cost or Revenue"), which allows ERL Inc./TTD to request additional compensation to account for extraordinary changes in costs.

ENVIRONMENTAL CLEARANCE: This action is not a project under California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3). This Section exempts activities covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

FISCAL IMPACT: Approval of the Ninth Amendment will reduce tipping fee revenue to the ERL Budget by approximately \$30,000 per year through the term of the Agreement to account for the increased Lockwood disposal fees. This loss of revenue was anticipated in the 2009/10 Preliminary Budget and was absorbed without any corresponding increase in tipping fees.

Approval of the Ninth Amendment will also result in one-time costs of \$387,253. The costs are split between the ERL Budget (\$43,682 for the retroactive Lockwood increase and \$38,152 for CARB compliance at the ERMRF) and the Solid Waste Management Budget (\$305,419 for CARB compliance of TTD collection vehicles). Approval of the attached Budget Revision cancelling reserves in the ERL and Solid Waste Management Budgets will provide adequate funding for the one-time costs. No increases in ERL tipping fees or TTD collection rates are necessary to fund this Amendment.

JD/WD/LM

ATTACHMENTS: RESOLUTION
BUDGET REVISION

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**Before the Board of Supervisors
County of Placer, State of California**

In the matter of:

Resol. _____

**A RESOLUTION APPROVING AND AUTHORIZING
EXECUTION OF AN AMENDED AGREEMENT FOR SOLID WASTE
HANDLING SERVICES BETWEEN PLACER COUNTY
AND TAHOE TRUCKEE DISPOSAL CO. INC. AND
PLACER COUNTY EASTERN REGIONAL LANDFILL, INC.**

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, 2009 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, the County of Placer oversees the Agreement for Solid Waste Handling Services Between Placer County and Tahoe Truckee Disposal Co., Inc. and Placer County Eastern Regional Sanitary Landfill, Inc. for operation of the Eastern Regional Material Recovery Facility and collection of solid wastes in Franchise Areas 2 and 3; and

WHEREAS, both the County and Contractor wish to amend the Agreement to compensate Contractor for increased disposal fees at the Lockwood Landfill, and equipment upgrades needed to comply with new California Air Resources Board clean air requirements.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer, State of California, that this Board approves and authorizes the attached Ninth Amendment to Contract No. 11710 with Tahoe Truckee Disposal Co., Inc. and Placer County Eastern Regional Sanitary Landfill, Inc. for the operation of the Eastern Regional Material Recovery Facility and solid waste collection in Franchise Areas 2 and 3.

ATTACHMENTS: CONTRACT AMENDMENT

PAS DOCUMENT NO.

Facility Service to do journal to cancel reserves

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12	BR	387,253.00	2

Cash Transfer Required

Reserve Cancellation Required

Establish Reserve Required

[Signature] Auditor-Controller

County Executive

Board of Supervisors

Fund 220 Subfund 400 GL2420 SubGL552000 / Fund 220 Subfund 450 GL2420 SubGL514000

ESTIMATED REVENUE ADJUSTMENT										APPROPRIATION ADJUSTMENT												
DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	
											12	014		220	400	990289	90289	2555				81,834.00
											12	014		220	450	990450	90450	2555				305,419.00
TOTAL										0.00	TOTAL										387,253.00	

REASON FOR REVISION: TO CANCEL RESERVES AND INCREASE APPROPRIATION IN THE EASTER REGIONAL LANDFILL AND THE SOLID WASTE MANAGEMENT BUDGET FOR THE SOLID WASTE HANDLING SERVICES AMENDMENT FOR OUT-OF-STATE DISPOSAL FEES.

Department Head

Prepared by Valerie Bayne Ex# 6803

Board of Supervisors

Date: 7/21/09

Page: _____

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

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NINTH AMENDMENT TO CONTRACT NO. 11710
AGREEMENT FOR SOLID WASTE HANDLING SERVICES

This Ninth Amendment to the Agreement for Solid Waste Handling Services ("Agreement") between Placer County, California ("County") and Tahoe Truckee Disposal Co., Inc., a California corporation, and Placer County Eastern Regional Sanitary Landfill, Inc., a Nevada corporation (hereinafter collectively referred to as "Contractor") is entered into this ___ day of _____, 2009, and effective as of July 1, 2009.

RECITALS

1. The County and Contractor entered into that certain Agreement for Solid Waste Handling Services dated July 22, 2003, which was amended previously as of April 20, 2004 by the First Amendment, July 13, 2004 by the Second Amendment, January 18, 2005 by the Third Amendment, April 18, 2005 by the Fourth Amendment, April 3, 2006 by the Fifth Amendment, July 24, 2007 by the Sixth Amendment, April 15th, 2008 by the Seventh Amendment, and April 21, 2009 by the Eighth Amendment.
2. The County and Contractor wish to amend the Agreement to reimburse Contractor for cost associated with increased landfill disposal fees and cost associated with retrofitting and replacement of collection vehicles and ERMRF inert processing equipment to meet California Air Resources Board emission standards.
3. The County and Contractor wish to memorialize in this Amendment their agreement regarding the foregoing issues.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. ARTICLE SIX, Section 5. "Landfill Disposal Fees," shall be amended by adding the following paragraph: "In accordance with the previous paragraph of this Section, Contractor shall be entitled to receive from County additional compensation up to \$0.90/ton for every ton of residue disposed of at the Lockwood Landfill, effective July 1, 2009 through the term of the Agreement. Compensation shall not exceed the amount charged to Contractor by the Lockwood Landfill operator. This increase in the landfill tipping fee is a direct result of regulatory changes imposed upon Landfill operator for revised cover soil placement. Contractor shall also be entitled to receive from County a one time lump sum payment of \$43,682 for the pass through disposal costs associated with residue disposed of at Lockwood since inception of the new cover requirements and prior to the approval and implementation of the new disposal fee."
2. ARTICLE SIX, Section 9 "Extraordinary Changes in Cost or Revenues," shall be amended by adding the following paragraph: "Contractor shall be entitled to receive from County a one-time lump sum payment in the amount of \$343,571 for full compliance with applicable California Air Resources Board (CARB) current emission standards for on-road and off-road diesel fueled equipment per Title 13 of the California Code of Regulations through the Term of this Agreement, including the retrofits to the stationary ERMRF equipment and the County's proportional share of the TTD collection fleet upgrades. The County's proportional share of the TTD collection fleet upgrades, based on number of customers served is 48.8% of the Total TTD cost."

Except as expressly provided in this Ninth Amendment, the Agreement shall remain unchanged and in full force and effect. After this Ninth Amendment is duly executed and delivered by County and Contractor, this Ninth Amendment shall be and constitute an integral part of the Agreement.

IN WITNESS WHEREOF, the County and Contractor have executed this Amendment as of the day and year first above written.

COUNTY: Placer County Department of Facility Services
Environmental Engineering Division
Attn: Walter Schwall
11476 "C" Avenue
Auburn, CA 95603
Phone: 530-886-4942 Fax: 530-889-6809

CONTRACTOR:
Tahoe Truckee Disposal Co., Inc.,
& Placer County Eastern Regional
Sanitary Landfill, Inc.,
Attn: David Achiro
PO Box 6479
Tahoe City CA 96145
Phone: 530-583-0148
Fax: 530-583-0804

REMIT TO:
Tahoe Truckee Disposal Co., Inc.,
& Placer County Eastern Regional
Sanitary Landfill, Inc.,
Attn: David Achiro
PO Box 6479
Tahoe City CA 96145
Phone: 530-583-0148
Fax: 530-583-0804

County or Consultant may from time to time designate any other address for this purpose by written notice to the other party.

Executed as of the day first above stated:
PLACER COUNTY (County)

By: _____
Chairman, Board of Supervisors

Date of Board Approval

TAHOE TRUCKEE DISPOSAL CO., INC, & PLACER COUNTY EASTERN REGIONAL
SANITARY LANDFILL, INC. (Contractor)

By: _____
Silvano Achiro, President

Date: _____

By: _____
David Achiro, Secretary

Date: _____

Approved as to Form

Approved as to Funds

By: _____
County Counsel

By: _____
County Auditor's Office