

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

To: Honorable Board of Supervisors

Date: April 28, 2015

From: Ken Grehm, Facility Services Interim Director

By: Kevin Bell, P.E., Environmental Engineering Program Manager

Subject: Solid Waste Handling Services in Franchise Areas 2 and 3

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**ACTION REQUESTED:**

1. Approve an Amended and Restated Agreement for Solid Waste Handling Services with Tahoe Truckee Disposal, Inc. and Placer County Eastern Regional Sanitary Landfill, Inc. to provide a 7-year extension from July 1, 2015 through June 30, 2022. The service agreement is funded by garbage collection and processing fees for services provided in Franchise Areas 2 and 3, which includes unincorporated Placer County east of Colfax to the Nevada State line.
2. Make a finding pursuant to Public Resources Code 21080(b)(8), the fees are derived directly from the cost of providing service and are necessary to meet operating expenses required for maintenance of service and are therefore exempt from environmental review.

**BACKGROUND:** Since the 1970's Placer County Eastern Regional Sanitary Landfill, Inc. (ERL) and Tahoe Truckee Disposal Co., Inc. (TTD) have provided solid waste handling services for unincorporated Placer County east of Colfax to the Nevada state line (see Exhibit A). Garbage collected by TTD is processed by ERL at the Eastern Regional Material Recovery Facility (ERMRF) where recyclable material is recovered. The ERMRF was constructed in 1994 and much of the original processing equipment is antiquated and nearing the end of its useful life. Residual waste is landfilled at the Lockwood Landfill in Nevada.

ERL/TTD have provided excellent, reliable service and have partnered with the County to minimize fee increases by deferring and foregoing cost of living adjustments (COLA) resulting in no tipping fee increases and a cumulative 9% increase in the cost of single can service over the last 8 years. Garbage collection fees will remain the same or decrease for FY 2015-16, depending on the level of service. The fees are comparable to neighboring jurisdictions as shown in the fee comparison included as Exhibit B, and are anticipated to be comparatively lower over the term of the extension due to TTD foregoing COLAs every other year. The ERMRF tipping fees are also comparable to neighboring facilities, and it is anticipated that increases to the tipping fees over the term of the extension will be minimized as a result of changes to the funding model.

ERL/TTD's current contract term began in 2003 and expires on June 30, 2015. Over the past two years, County and ERL/TTD staff participated in a series of meetings and evaluations to develop a deeper understanding of the waste stream and identify processing equipment that can cost effectively increase diversion at the ERMRF. Through this process staff developed deal points that were approved by your Board in July of 2014 (Exhibit C). Those deal points and the resulting Agreement shift the funding model of the ERMRF operation to be less dependent on the processing fees paid by the County and more dependent on the recovery and sale of commodities from the waste stream. As a result, the proposed Agreement will result in increased diversion and revenue to ERL, which allows the County to lower the tipping fee and processing fee paid to ERL, and

provide adequate revenue to the Eastern Regional Landfill Enterprise Fund to address future regulatory changes.

Staff negotiated the proposed Amended and Restated Agreement with ERL/TTD, extending the terms and conditions of the current agreement and incorporating revisions from amendments approved by your Board since 2003. Below are the key provisions of the Agreement:

- ERL will invest \$1.2 million in new processing equipment that will improve overall diversion at the ERMRF;
- The guaranteed minimum recovery level (GMRL) of the ERMRF increases from 18% to 30%;
- The mixed solid waste (MSW) processing fee paid to ERL, which includes disposal costs at Lockwood, will decrease from \$58.38 to \$52.00 per ton;
- The MSW tipping fee charged to customers at the ERMRF will decrease from \$77.50 to \$76.00 per ton;
- The COLA for the service portion of garbage collection fees will be calculated bi-annually rather than annually as defined in the existing Agreement.

New Provisions or Deal Points modified from those approved by your Board in July 2014:

- Establish green waste tipping fee at the ERMRF (initially same rate as inert tipping fee);
- TTD will provide curbside collection of household batteries and small electronics (e.g. cell phones);
- TTD will replace a minimum of three collection vehicles during the course of the Agreement with alternate technology, lower emission vehicles as approved by the County.

Staff recommends your Board approve the Amended and Restated Agreement, which provides for expanded solid waste handling services and extends the current Agreement for an additional seven years to June 30, 2022. A copy of the Agreement is available for review at the Clerk of the Board's Office. Pursuant to California Public Resources Code Section 40059, your Board is allowed to contract with ERL/TTD or any other collection service provider without following a competitive procurement process. Options to staff's recommendation include preparing bid documents and selecting the lowest bidder, or negotiating with another firm chosen by your Board.

**ENVIRONMENTAL CLEARANCE:** The administrative actions to extend the Agreement are exempt from California Environmental Quality Act (CEQA) under the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment, as identified in CEQA Guidelines Section 15061(b)(3) and under CEQA Guidelines 15301(b), which applies to the operation of existing public facilities involving negligible or no expansion of use. The extension of the Agreement would continue an ongoing practice and would result in a negligible, if any, increase in waste deliveries to the ERMRF.

The expansion of recycling locations, HHW disposal opportunities, and actions to lower emissions from diesel vehicles are also exempt from further CEQA review pursuant to CEQA Guidelines 15308, which applies to actions taken by regulatory agencies to protect the environment. Recycling and HHW programs provide for the safe collection and proper management of these materials and reduce the potential for improper disposal (e.g. illegal dumping) which can pose a threat to public health and the environment. Lowering emissions from diesel vehicles will reduce particulate matter and other emissions from these vehicles, serving to improve air quality and public health.

The creation or modification of fees is not subject to CEQA pursuant to Public Resources Code 21080(b)(8), which applies to the establishment or modification of rates, tolls, fares and other

charges by public agencies, provided your Board adopts findings that they are necessary to meet operating expenses necessary for the maintenance of service.

**FISCAL IMPACT:** ERL and TTD are paid through tipping fees collected at the ERMRF and garbage collection fees charged to customers respectively with no net county cost. The new fee structure for ERL tipping and processing fees is anticipated to result in a net increase of \$60,000 in the County's portion of the tipping fee revenue to the Eastern Regional Landfill Budget for FY 2015-16.

Garbage collection fees in Franchise Areas 2 and 3 are proposed to remain unchanged or slightly decrease (depending on level of service) for FY 2015-16 and are provided in Exhibit D. As such, approval of the Agreement will have no fiscal impact on the Solid Waste Management Budget.

AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARD'S OFFICE: AMENDED AND RESTATED AGREEMENT

ATTACHMENTS: EXHIBIT A – FRANCHISE AREA MAP  
EXHIBIT B – COLLECTION FEE COMPARISON  
EXHIBIT C – APPROVED DEAL POINTS, JULY 2014  
EXHIBIT D – FRANCHISE AREA COLLECTION FEES

CC: COUNTY EXECUTIVE OFFICE

KG/KB/WS/LM      \\PLACERCO\DEWITT\FAC\FAC\BSMEMO2015\EE\ERL TTD AMEND TO EXTEND MEMO 2015.DOCX



Placer County  
Solid Waste Franchise Areas

May 8, 2012

Legend

-  Franchise Area 1
-  Franchise Area 2
-  Franchise Area 3
-  Franchise Area 4
-  City Boundaries
-  Interstate
-  State Highway
-  Railroad
-  Lakes

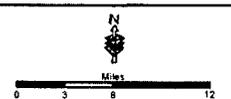
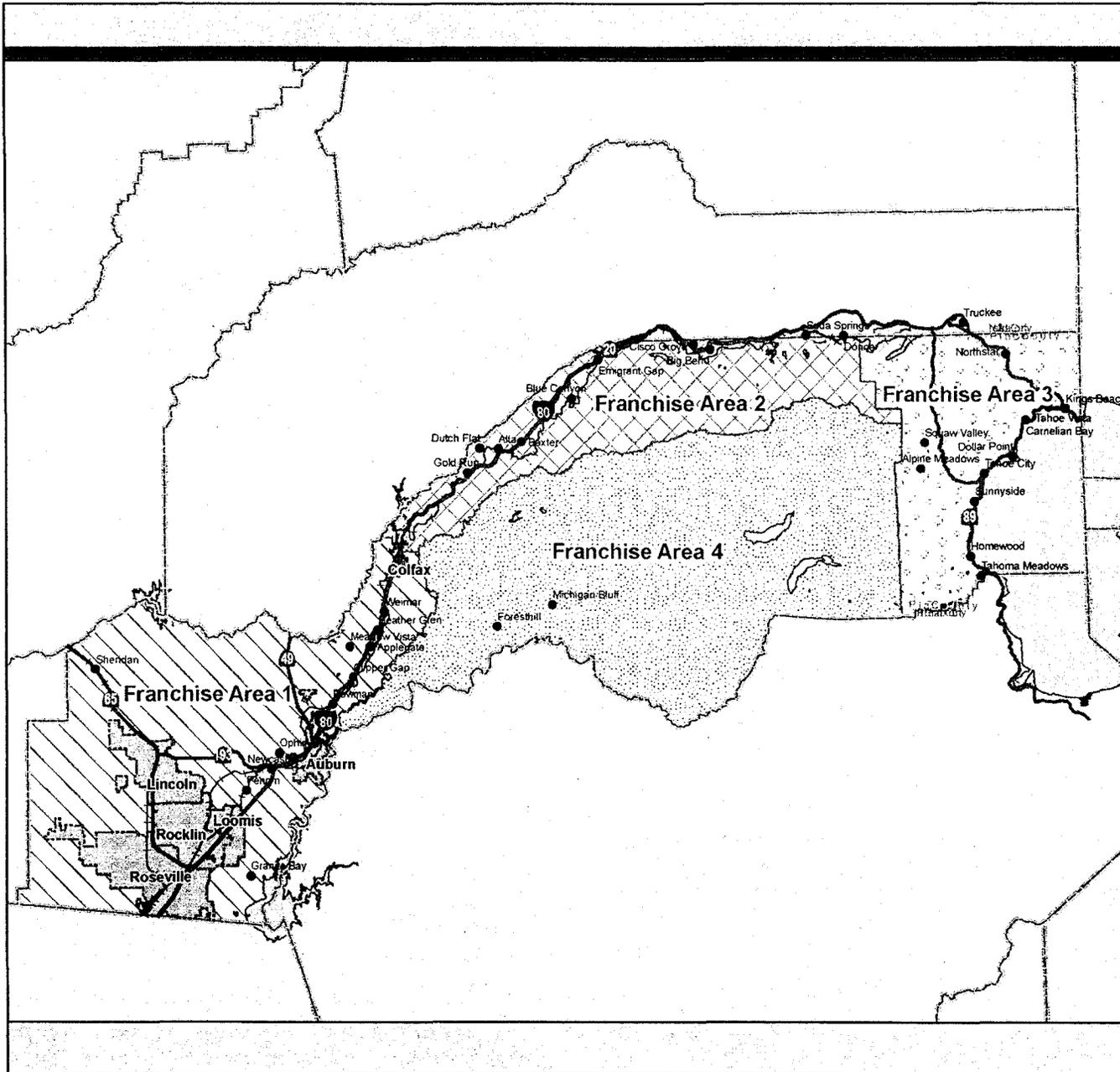


EXHIBIT A  
FRANCHISE AREA MAP

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**2015 COLLECTION FEE COMPARISON**

<b>SINGLE CAN SERVICE</b>	<b>FEE/MONTH</b>
PLACER COUNTY FRANCHISE AREAS 1 & 4	\$ 17.36
CITY OF AUBURN	\$ 17.58
<b>PLACER COUNTY FRANCHISE AREA 3 (TTD)</b>	<b>\$ 19.29</b>
CITY OF COLFAX	\$ 19.50
SIERRA COUNTY*	\$ 22.08
<b>PLACER COUNTY AREA 2 (TTD)</b>	<b>\$ 22.19</b>
TOWN OF TRUCKEE	\$ 22.50
EL DORADO COUNTY (West Shore Tahoe)	\$ 25.35
YUBA-SUTTER (3-CART)	\$ 26.53
<b>AVERAGE</b>	<b>\$ 21.38</b>

\*Annual Parcel Fee of \$265.03

**Franchise Areas 2 and 3 Solid Waste Handling Services**  
**Deal Points for Extension with ERL/TTD Approved July 2014**

Placer County Eastern Regional Landfill, Inc. (ERL) and Tahoe Truckee Disposal, Inc. (TTD) provide solid waste handling services in Franchise Areas 2 and 3, which includes unincorporated Placer County east of Colfax to the Nevada state line. The proposed Deal Points could provide the framework for an extension of the Agreement between Placer County and ERL/TTD.

**1. General**

- 1.1 7 year extension
- 1.2 Effective date July 1, 2015

**2. ERMRF Operation**

- 2.1 ERL to invest \$1.2M in improvements to the processing equipment to increase recovery of recyclables
- 2.2 Increase the guaranteed minimum recovery level (GMRL) of the ERMRF from 18% to 30%
- 2.3 Increase the incentive payment for recycling above the GMRL from \$18.76 to \$26.00 per ton
- 2.4 Decrease the MSW tipping fee from \$77.50 to \$76.00 per ton
- 2.5 Decrease the processing fee paid to ERL for mixed solid waste (MSW), which includes the disposal fee at Lockwood, from \$58.38 to \$52.00 per ton
- 2.6 Increase the inert processing fee from \$5.26 to \$6.10 per cubic yard
- 2.7 Revise the cost of living adjustment (COLA) calculated based on annual average of monthly indices with a floor of 0% (no negative COLAs) and a cap of 4%
- 2.8 Expand HHW collection at ERMRF from 10 events per year to weekly events from May through September and monthly events October through April
- 2.9 TTD to convert residue truck fleet to compressed natural gas (CNG) by the end of the term

**3. Garbage Collection**

- 3.1 Continue existing garbage collection fee structure with reduced MSW tipping fee
- 3.2 Continue no cost commercial glass, paper, and cardboard programs
- 3.3 Locate an additional community recycling bin in the Tahoe Basin
- 3.4 Revise the COLA to a bi-annual COLA on even calendar years, calculated based on annual average of monthly indices with a floor of 0% (no negative COLAs) and a cap of 4% (TTD will forgo COLA in odd calendar years)
- 3.5 TTD to evaluate and provide for expanded use of bear-proof bins
- 3.6 TTD to work with County staff to develop a CNG infrastructure plan and a schedule to convert the garbage collection fleet to CNG

EXHIBIT D  
FRANCHISE AREA COLLECTION FEES, PAGE 1 OF 2

Level of Service <sup>1</sup>	----- Current Fee -----			----- Proposed Adjustment -----				----- Proposed Fee -----				%Diff	
	Service	Disposal	Surcharge	Total	Service	Disposal	Surcharge	Total	Service	Disposal	Surcharge		Total
<b>Monthly Residential (Based on 28 lbs/can)</b>													
32 gal can	\$16.64	\$ 4.70	\$0.85	\$22.19	\$0.09	-\$0.09	\$0.00	\$0.00	\$16.73	\$4.61	\$0.85	\$22.19	0.0%
2 cans	\$18.78	\$ 9.40	\$1.13	\$29.31	\$0.18	-\$0.18	\$0.00	\$0.00	\$18.96	\$9.22	\$1.13	\$29.31	0.0%
3 cans	\$20.89	\$14.11	\$1.40	\$36.40	\$0.28	-\$0.28	\$0.00	\$0.00	\$21.17	\$13.83	\$1.40	\$36.40	0.0%
4 cans	\$23.02	\$18.81	\$1.67	\$43.50	\$0.36	-\$0.37	\$0.00	-\$0.01	\$23.38	\$18.44	\$1.67	\$43.49	0.0%
5 cans	\$25.14	\$23.51	\$1.95	\$50.60	\$0.39	-\$0.46	-\$0.01	-\$0.08	\$25.53	\$23.05	\$1.94	\$50.52	-0.2%
6 cans	\$27.12	\$28.21	\$2.21	\$57.54	\$0.42	-\$0.55	\$0.00	-\$0.13	\$27.54	\$27.66	\$2.21	\$57.41	-0.2%
senior	\$12.51	\$ 4.70	\$0.69	\$17.90	\$0.09	-\$0.09	\$0.00	\$0.00	\$12.60	\$4.61	\$0.69	\$17.90	0.0%
<b>Monthly Commercial (Based on 232 lbs/yd<sup>3</sup>)</b>													
3 yd, 1/2x	\$ 85.54	\$ 58.44	\$ 5.76	\$ 149.74	\$1.14	-\$1.14	\$0.00	\$0.00	\$86.68	\$57.30	\$5.76	\$149.74	0.0%
3 yd, 1x	\$155.40	\$116.87	\$10.89	\$ 283.16	\$2.26	-\$2.26	\$0.00	\$0.00	\$157.66	\$114.61	\$10.89	\$283.16	0.0%
3 yd, 2x	\$251.10	\$233.74	\$19.39	\$ 504.23	\$4.52	-\$4.52	\$0.00	\$0.00	\$255.62	\$229.22	\$19.39	\$504.23	0.0%
3 yd, 3x	\$346.94	\$350.61	\$27.90	\$ 725.45	\$5.38	-\$6.79	-\$0.05	-\$1.46	\$352.32	\$343.82	\$27.85	\$723.99	-0.2%
4 yd, 1x	\$183.88	\$155.83	\$13.59	\$ 353.30	\$2.85	-\$3.02	-\$0.01	-\$0.18	\$186.73	\$152.81	\$13.58	\$353.12	-0.1%
4 yd, 2x	\$281.10	\$311.65	\$23.71	\$ 616.46	\$4.36	-\$6.03	-\$0.07	-\$1.74	\$285.46	\$305.62	\$23.64	\$614.72	-0.3%
4 yd, 3x	\$378.31	\$467.48	\$33.83	\$ 879.62	\$9.05	-\$9.05	\$0.00	\$0.00	\$387.36	\$458.43	\$33.83	\$879.62	0.0%
6 yd, 1x	\$242.56	\$233.74	\$19.05	\$ 495.35	\$3.76	-\$4.52	-\$0.03	-\$0.79	\$246.32	\$229.22	\$19.02	\$494.56	-0.2%
6 yd, 2x	\$434.14	\$467.48	\$36.06	\$ 937.68	\$6.73	-\$9.05	-\$0.09	-\$2.41	\$440.87	\$458.43	\$35.97	\$935.27	-0.3%
6 yd, 3x	\$625.89	\$701.22	\$53.08	\$1,380.19	\$9.70	-\$13.57	-\$0.15	-\$4.02	\$635.59	\$687.65	\$52.93	\$1,376.17	-0.3%
<b>Debris Boxes*</b>													
6 yd	\$ 63.80	\$ 53.94	\$ 4.71	\$122.45	\$0.99	-\$1.04	\$0.00	-\$0.05	\$64.79	\$52.90	\$4.71	\$122.40	0.0%
20 yd	\$173.85	\$179.80	\$14.15	\$367.80	\$2.69	-\$3.48	-\$0.04	-\$0.83	\$176.54	\$176.32	\$14.11	\$366.97	-0.2%
30 yd	\$157.83	\$269.70	\$17.10	\$444.63	\$2.45	-\$5.22	-\$0.11	-\$2.88	\$160.28	\$264.48	\$16.99	\$441.75	-0.6%
Green Waste 6 yd <sup>2</sup>									\$64.79	\$38.10	\$4.12	\$107.01	0.0%
rock box	\$173.85	\$129.32	\$12.13	\$315.30	\$2.50	-\$2.50	\$0.00	\$0.00	\$176.35	\$126.82	\$12.13	\$315.30	0.0%
chipped wood 20 yd	\$173.85	\$118.00	\$11.67	\$303.52	-\$9.00	\$9.00	\$0.00	\$0.00	\$164.85	\$127.00	\$11.67	\$303.52	0.0%
chipped wood 30 yd	\$157.83	\$177.00	\$13.39	\$348.22	-\$13.50	\$13.50	\$0.00	\$0.00	\$144.33	\$190.50	\$13.39	\$348.22	0.0%

\* Overweight charges will be applied to the currently applicable tipping fee to 20-yard debris boxes weighing over 8,000 pounds and 30-yard debris boxes weighing over 10,000 pounds.

<sup>1</sup> Level of Service correspond to bin size (in cubic yards) and collection frequency per week (i.e.; 2x = twice per week, 1/2x = every two weeks).

<sup>2</sup> Available May 1 through July 31

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Level of Service <sup>1</sup>	----- Current Fee -----				----- Proposed Adjustment -----				----- Proposed Fee -----				% Diff	
	Service	Disposal	Surcharge	Total	Service	Disposal	Surcharge	Total	Service	Disposal	Surcharge	Total		
<b>Monthly Residential (Based on 28 lbs/can)</b>														
32 gal can	\$13.85	\$4.70	\$0.74	\$19.29	\$0.09	-\$0.09	\$0.00	\$0.00	\$13.94	\$4.61	\$0.74	\$19.29	0.0%	
2 cans	\$15.18	\$9.40	\$0.98	\$25.56	\$0.18	-\$0.18	\$0.00	\$0.00	\$15.36	\$9.22	\$0.98	\$25.56	0.0%	
senior	\$10.12	\$4.70	\$0.59	\$15.41	\$0.09	-\$0.09	\$0.00	\$0.00	\$10.21	\$4.61	\$0.59	\$15.41	0.0%	
<b>Monthly Commercial (Based on 232 lbs/yd<sup>3</sup>)</b>														
3 yd, 1x	\$100.92	\$116.87	\$ 8.71	\$ 226.50	\$1.56	-\$2.26	-\$0.03	-\$0.73	\$102.48	\$114.61	\$8.68	\$225.77	-0.3%	
3 yd, 2x	\$175.67	\$233.74	\$16.38	\$ 425.79	\$2.72	-\$4.52	-\$0.08	-\$1.88	\$178.39	\$229.22	\$16.30	\$423.91	-0.4%	
3 yd, 3x	\$250.57	\$350.61	\$24.05	\$ 625.23	\$3.88	-\$6.79	-\$0.12	-\$3.03	\$254.45	\$343.82	\$23.93	\$622.20	-0.5%	
4 yd, 1x	\$122.83	\$155.83	\$11.15	\$ 289.81	\$1.90	-\$3.02	-\$0.05	-\$1.17	\$124.73	\$152.81	\$11.10	\$288.64	-0.4%	
4 yd, 2x	\$195.24	\$311.65	\$20.28	\$ 527.17	\$3.03	-\$6.03	-\$0.12	-\$3.12	\$198.27	\$305.62	\$20.16	\$524.05	-0.6%	
4 yd, 3x	\$267.50	\$467.48	\$29.40	\$ 764.38	\$9.05	-\$9.05	\$0.00	\$0.00	\$276.55	\$458.43	\$29.40	\$764.38	0.0%	
6 yd, 1x	\$168.07	\$233.74	\$16.07	\$ 417.88	\$2.61	-\$4.52	-\$0.07	-\$1.98	\$170.68	\$229.22	\$16.00	\$415.90	-0.5%	
6 yd, 2x	\$317.99	\$467.48	\$31.42	\$ 816.89	\$4.93	-\$9.05	-\$0.17	-\$4.29	\$322.92	\$458.43	\$31.25	\$812.60	-0.5%	
6 yd, 3x	\$467.98	\$701.22	\$46.77	\$1,215.97	\$7.25	-\$13.57	-\$0.25	-\$6.57	\$475.23	\$687.65	\$46.52	\$1,209.40	-0.5%	
<b>Monthly Compactors (Based on 375 lbs/yd<sup>3</sup>)</b>														
10 yd, 1x	\$ 725.18	\$ 629.69	\$ 54.19	\$1,409.06	\$11.24	-\$12.19	-\$0.03	-\$0.98	\$736.42	\$617.50	\$54.16	\$1,408.08	-0.1%	
15 yd, 1x	\$1,087.77	\$ 944.53	\$ 81.29	\$2,113.59	\$16.86	-\$18.28	-\$0.05	-\$1.47	\$1,104.63	\$926.25	\$81.24	\$2,112.12	-0.1%	
15 yd, 2x	\$2,175.53	\$1,889.06	\$162.58	\$4,227.17	\$33.72	-\$36.56	-\$0.11	-\$2.95	\$2,209.25	\$1,852.50	\$162.47	\$4,224.22	-0.1%	
25 yd, 1x	\$1,812.95	\$1,574.22	\$135.49	\$3,522.66	\$28.10	-\$30.47	-\$0.10	-\$2.47	\$1,841.05	\$1,543.75	\$135.39	\$3,520.19	-0.1%	
25 yd, 2x	\$3,625.72	\$3,148.44	\$270.97	\$7,045.13	\$56.20	-\$60.94	-\$0.19	-\$4.93	\$3,681.92	\$3,087.50	\$270.78	\$7,040.20	-0.1%	
30 yd, 1x	\$2,175.53	\$1,889.06	\$162.58	\$4,227.17	\$33.72	-\$36.56	-\$0.11	-\$2.95	\$2,209.25	\$1,852.50	\$162.47	\$4,224.22	-0.1%	
30 yd, 2x	\$4,351.11	\$3,778.13	\$325.17	\$8,454.41	\$67.44	-\$73.13	-\$0.23	-\$5.92	\$4,418.55	\$3,705.00	\$324.94	\$8,448.49	-0.1%	
<b>Debris Boxes*</b>														
6 yd	\$ 63.80	\$ 53.94	\$ 4.71	\$122.45	\$0.99	-\$1.04	\$0.00	-\$0.05	\$64.79	\$52.90	\$4.71	\$122.40	0.0%	
20 yd	\$173.85	\$179.80	\$14.15	\$367.80	\$2.69	-\$3.48	-\$0.04	-\$0.83	\$176.54	\$176.32	\$14.11	\$366.97	-0.2%	
30 yd	\$157.83	\$269.70	\$17.10	\$444.63	\$2.45	-\$5.22	-\$0.11	-\$2.88	\$160.28	\$264.48	\$16.99	\$441.75	-0.6%	
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rock box	\$173.85	\$129.32	\$12.13	\$315.30	\$2.50	-\$2.50	\$0.00	\$0.00	\$176.35	\$126.82	\$12.13	\$315.30	0.0%	
chipped wood 20 yd	\$173.85	\$118.00	\$11.67	\$303.52	-\$9.00	\$9.00	\$0.00	\$0.00	\$164.85	\$127.00	\$11.67	\$303.52	0.0%	
chipped wood 30 yd	\$157.83	\$177.00	\$13.39	\$348.22	-\$13.50	\$13.50	\$0.00	\$0.00	\$144.33	\$190.50	\$13.39	\$348.22	0.0%	

\* Overweight charges will be applied to the currently applicable tipping fee to 20-yard debris boxes weighing over 8,000 pounds and 30-yard debris boxes weighing over 10,000 pounds.

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