



**MEMORANDUM
PUBLIC WORKS
ENVIRONMENTAL ENGINEERING DIVISION**
County of Placer

TO: Honorable Board of Supervisors **DATE:** July 12, 2022
FROM: Ken Grehm, Director of Public Works
BY: Cheyenne Toney, P.E., Associate Engineer
SUBJECT: Ninth Amendment to Solid Waste Handling Agreement / Placer County Eastern Regional Landfill, Inc. & Tahoe Truckee Disposal, Inc./ Revised ERMRF Processing Fees & Floor Repairs at Materials Recovery Facility (MRF)

ACTION REQUESTED

Approve a modification to the Ninth Amendment to the Solid Waste Handling Services Agreement with Placer County Eastern Regional Landfill, Inc. (ERL) revising the Tahoe Truckee Disposal, Inc. garbage Collection Fees in Franchise Areas 2 and 3, and authorizing reimbursement for repair or replacement of damaged sections of the Materials Recovery Facility (MRF) receiving floor and adjacent asphalt section (Floor) for an estimated cost of \$350,000.

BACKGROUND

Ninth Amendment Correction Background

The Board authorized the Chair to execute the Ninth Amendment on May 24, 2022. Following the authorization but prior to executing the Ninth Amendment, the parties discovered a minor calculation error due to incorrect rounding requiring several corrections to be made to the rates attached to the Ninth Amendment. Twenty-two of the weekly/monthly rates were corrected to a lower amount (0.01-0.11) and the only corrections that resulted in an increase from the rates provided on May 24th were to the 20- and 30-yard chipped wood debris box rates in Franchise Area 2, which are not mandatory. Attachment B lists the approved rates, the correct values and the difference between both.

Ninth Amendment Addition Background

A Capital Improvement Project (PJ01737) in the amount of \$350,000 is included in the FY 2022-23 ERL budget to complete repairs to the Materials Recovery Facility (MRF) Floor. Since the project was budgeted, deterioration has escalated at a quicker rate than expected and if not addressed in a timely manner, will hinder operations at the facility and potentially necessitate discontinuing operations in some solid waste processing areas. Since these operational restraints will directly impact Placer County Eastern Regional Landfill, Inc. (ERL) ability to process solid waste, ERL proposed to complete the repairs through the existing MRF Operating Agreement which allows ERL to complete infrastructure and equipment repairs on County owned assets.

The areas of concern are high traffic zones subject to harsh conditions associated with the unloading and short-term storage of solid waste. The integrity of the outside asphalt section has already drastically declined resulting in substantial degradation of the subsurface and, in turn, vehicle access issues. With the increase in solid waste volume associated with the summer season, ERL has proceeded at their own risk to facilitate repairs to the outside section with the understanding board approval is needed before they can be reimbursed. The interior concrete receiving floor is also proposed to be repaired by ERL this fall.

Honorable Board of Supervisors

July 12, 2022

Ninth Amendment to Solid Waste Handling Agreement / Placer County Eastern Regional Landfill, Inc. & Tahoe Truckee Disposal, Inc./ Revised ERMRF Processing Fees & Floor Repairs at Materials Recovery Facility (MRF)Page 2

Acknowledging the importance of making necessary repairs while maintaining the ability to continue to receive solid wastes and operate the MRF, Staff recommends Board approval of the Ninth Amendment to the MRF Operating Agreement allowing ERL to complete repairs through the current agreement and receive reimbursement for the outside area as well as approve funding for repairs to the interior sections.

ENVIRONMENTAL IMPACT

Implementing the corrected rates to Processing Fees to ERL Inc. is not a project as defined under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines 15378 because it is a government fiscal activity without a commitment to a specific project.

The Floor improvements are categorically exempt from further environmental review pursuant to Section 15301 "Existing Facilities" of the CEQA guidelines which provides for operation, repair, maintenance, and minor alteration of existing public structures.

FISCAL IMPACT

Implementing the corrected rates will not result in a significant fiscal impact. These corrections have no impact to the General Fund.

ERL has estimated that the cost to repair the MRF Floor will be approximately \$350,000. This estimate accounts for reimbursement in the quoted amount of \$120,415 for the repairs to the outside area along with an additional estimated cost of \$229,585 to cover the costs of the remaining repairs to the interior sections. Staff has reviewed ERL's cost proposal against unit prices and labor costs of similar projects recently conducted by the County. Staff's review determined that the proposal reasonably reflects current market conditions. If the interior floor repairs exceed the estimated amount of \$229,585, then Staff will return to the Board for additional approval. Sufficient funding is included in the existing Project No. 01737 (CC12007) Budget to encumber these costs. There is no impact to the General Fund.

ATTACHMENTS

Attachment A: ERL TTD Agreement

Attachment B: Updated ERMRF Processing Fees

On File with Clerk of the Board:

Agreement No. 11710

First Amendment to Agreement No. 11710

Second Amendment to Agreement No. 11710

Third Amendment to Agreement No. 11710

Fourth Amendment to Agreement No. 11710

Fifth Amendment to Agreement No. 11710

Sixth Amendment to Agreement No. 11710

Seventh Amendment to Agreement No. 11710

Eighth Amendment to Agreement No. 11710

AGREEMENT NO. 11710

DESCRIPTION: NINTH AMENDMENT TO THE AGREEMENT FOR SOLID WASTE HANDLING SERVICES – MODIFICATION TO TIPPING FEES, PROCESSING FEES AND GARBAGE COLLECTION FEES & MAINTENANCE OF THE EASTERN REGIONAL LANDFILL MATERIALS RECOVERY FACILITY

This Ninth Amendment is made and entered into this _____ day of _____, 2022, by and between the County of Placer (hereinafter referred to as the “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”).

WITNESSETH

WHEREAS, on the 5TH day of May, 2015, the County and Contractor entered into an Agreement for the collection, transportation, and disposal of Solid Waste in Franchise Areas 2 and 3 (Agreement), which was amended previously by the First Amendment as of July 21, 2015, by the Second Amendment as of September 1, 2015, by the Third Amendment as of September 19, 2017, by the Fourth Amendment as of December 12, 2017, and by the Fifth Amendment as of April 24, 2018, by the Sixth Amendment as of May 21, 2019, and by the Seventh Amendment as of June 23, 2020, and by the Eighth Amendment as of June 8, 2021; and

WHEREAS, the County and Contractor wish to amend the Agreement to extend the **Term** of the agreement by one year, which will now terminate on June, 30 2023, unless it is extended by a written amendment signed by duly authorized representatives of Contractor and the County pursuant Article One, Section 5; and

WHEREAS, the County and Contractor wish to amend the Agreement to make a onetime change under the one year extension to the Contractor cost of living adjustment (COLA) methodology on the service fee portion of the **Collection Fees** pursuant to Article Six, Section 11.B. of the Agreement. The COLA shall be calculated as follows:

New Service Fee = [Current Operating Year Service Fee] x [COLA]

Where:

$COLA = CPI-U_i / CPI-U_{i-1} - 1$

Operating Year (OY) – Operating Year commencing each July 1st and ending the subsequent June 30th

CPI-U = Consumer Price Index – Urban Series ID: CUUR0000SEHG02, Garbage and trash collection in U.S. city average, all urban consumers, not seasonally adjusted as published by the United States Department of Labor, Bureau of Labor Statistics. The CPI-U shall be an average of twelve months (October through September) prior to the operation year of adjustment is to be made (e.g., adjustment for OY 2022/23 will use statistics from October 2019 through September 2020).

The language included in Article Six, Section 11.B; “The COLA applied to Contractor’s Collection Fees and Processing Fees in any given adjustment year shall not under any circumstances exceed four percent (4%)”, shall not apply under the terms of the one-year extension. The COLA shall be applied as calculated under the terms of the one-year extension; and

WHEREAS, the County and Contractor wish to amend the Agreement, after holding a duly noticed public hearing, to adjust the **Collection Fees** charged to residential and commercial customers in Franchise Areas 2 and 3 to reflect the Contractor cost of living adjustment (“COLA”) on the **Collection Fees** and the increased disposal cost resulting **Tipping Fees** charged by the Contractor at the Eastern Regional Material Recovery Facility effective July 1, 2022 for fiscal year 2022-23, as reflected in Exhibit D9; and

WHEREAS, the County and Contractor wish to amend the Agreement to increase the **Special Fee** from 4% to 5% pursuant Article Six, Section 3, as reflected in Exhibit D9; and

WHEREAS, the County and Contractor wish to amend the Agreement to adjust the **Tipping Fees** charged by Contractor at the Eastern Regional Material Recovery Facility, effective July 1, 2022, for fiscal year 2022-23, as reflected in Exhibit I9; and

WHEREAS, the County and Contractor wish to amend the Agreement to adjust the **Processing Fees** earned by the Contractor for processing of Solid Waste at the Eastern Regional Material Recovery Facility based on the cost-of-living adjustment (“COLA”) pursuant to Article Six, Section 11.A. of the Agreement, effective July 1, 2022, for fiscal year 2022-23, as reflected in Exhibit J9. The language included in Article Six, Section 11.B; “The COLA applied to Contractor’s Collection Fees and Processing Fees in any given adjustment year shall not under any circumstances exceed four percent (4%)”, shall not apply under the terms of the one-year extension. The COLA shall be applied as calculated under the terms of the one-year extension; and

WHEREAS, the County and Contractor wish to amend the Agreement to adjust the **Monthly License Payment** to the County pursuant to Article Six, Section 1.A, effective July 1, 2022, for fiscal year 2022-23, as reflected in Exhibit J9; and

WHEREAS, the Contractor has notified the County that the Materials Recovery Facility concrete waste receiving floor and adjacent asphalt section (Floor) are showing signs of significant wear that, if not promptly repaired, will impact the Materials Recovery Facility’s operations. Furthermore, the Contractor has recommended, and the County concurs, that these worn portions of the Floor should be repaired or replaced as soon as practical to avoid further damage to the concrete, asphalt, and the underlying subgrade or to persons and vehicles accessing the Floor; and

WHEREAS, the County finds that, given the age of the Floor, the regular traffic loading and harshness of the operating environment, that the signs of wear on the Floor reflect “normal wear and tear” and not the result of poor maintenance practices or other fault on the part of the Contractor; and

WHEREAS, the County and Contractor agree that it is necessary to repair and/or replace worn sections of the Floor as soon as practical while minimizing both the time that the Floor is out of service and any time delays or interruptions to users of the Materials Recovery Facility; and

WHEREAS, the County acknowledges that it is more cost effective and operationally efficient (and therefore in the best interest of the County’s customers and the public in general) to have the Contractor perform the necessary repairs on the Floor; and

WHEREAS, the Contractor has estimated that the cost of the required repairs, including all costs associated with design, permitting, construction, construction oversight, taxes, sand the ten percent (10%) management fee identified in Article 8 Section 4 of the Agreement is approximately Three Hundred Fifty Thousand Dollars (\$350,000; the “Estimated Payment Amount”). County agrees to compensate the Contractor, consistent with the Agreement, conditioned upon a

properly-licensed contractor completing the work, and based on written invoices provided to the County after installation and contingent upon field verification by the County, for the repair and/or replacement of the Floor consistent with this estimate. The parties agree and acknowledge that the “Estimated Payment Amount” is an estimate only and that amounts above the Estimated Payment Amount will require Board approval.

WHEREAS, the County and Contractor wish to memorialize in this Amendment their agreement regarding the foregoing issues.

NOW, THEREFORE, it is hereby agreed by the parties as follows:

- I. ARTICLE FIVE – SCALEHOUSE OPERATIONS, SECTION 1. “MAINTENANCE AND OPERATION OF SCALEHOUSE” shall be amended by substituting Exhibit I9, attached hereto, in place of all previous references to Exhibit I.
- II. ARTICLE SIX – PAYMENTS AND RATES, SECTION 2. “FEES FOR PROVIDING COLLECTION SERVICES WITHIN THE FRANCHISE AREA” shall be amended by substituting Exhibit D9, attached hereto, in place of all previous references to Exhibit D.
- III. ARTICLE SIX – PAYMENTS AND RATES, SECTION 4. “TIPPING AND PROCESSING FEES AT THE FACILITY” shall be amended by substituting Exhibit J9, attached hereto, in place of all previous references to Exhibit J.
- IV. Contractor shall oversee repair and/or replacement of the Material Recovery Facility building’s Floor, consistent with the drawing and specifications included in the attached Exhibits 1 and 2 or agreed upon substitute of equal or higher quality, targeted for completion on or before June 30th, 2023. Contractor is not obligated to have work performed in excess of Three Hundred Fifty Thousand Dollars (\$350,000) in reimbursable funds, unless and until County Board approval is authorized for amounts above the Estimated Payment Amount, as referenced above.

Contractor shall make all commercially reasonable efforts to minimize the quantity of solid waste that must be diverted to the Landfill without first being processed by Contractor and the Materials Recovery Facility throughout the duration of Contractor’s repair and reconstruction efforts of the Floor.

The County agrees that the materials that comprise the sections of the Floor that are removed by the Contractor for replacement may be disposed of at the Landfill at no additional cost to the Contractor. Notwithstanding the foregoing, Contractor shall be required to weigh said materials at the County’s Scale House to ensure proper accounting of these materials and to transport the materials to the Landfill.

- V. Exhibits 1 and 2, attached hereto, shall be added as exhibits to the Agreement.
- VI. Except as expressly provided in this Amendment, the Agreement shall remain unchanged and in full force and effect. All work performed under this Amendment shall be performed in accordance with the terms and conditions of the Agreement. After this Amendment is duly executed and delivered by County and Contractor, this Amendment shall be and constitute an integral part of the Agreement.

EXHIBITS:
Exhibit 1 – Plans

Exhibit 2 – Specifications

Exhibit D9- Collection Rate Schedule

Exhibit I9- Eastern Regional Material Recovery Facility Tipping Fees

Exhibit J9- Eastern Regional Material Recovery Facility License and Processing Fees and Incentive Payments

County of Placer (County)

By: _____
Chair, Board of Supervisors

_____ Date

Tahoe Truckee Disposal Co., Inc. (Contractor)

By: _____
President

By: _____
Secretary

Placer County Eastern Regional Sanitary Landfill, Inc. (Contractor)

By: _____
President

By: _____
Secretary

APPROVED AS TO FORM:

By: _____
Placer County Counsel

EXHIBIT D9 COLLECTION RATE SCHEDULE

MONTHLY RESIDENTIAL SERVICE COLLECTION RATES

Service Level ⁽¹⁾	Franchise Area 2				Franchise Area 3			
	Service	Disposal ⁽²⁾	Franchise Fee	Total	Service	Disposal ⁽²⁾	Franchise Fee	Total
Single can	\$18.69	\$5.67	\$1.22	\$25.58	\$15.54	\$5.67	\$1.06	\$22.27
2 cans	\$21.08	\$11.34	\$1.62	\$34.04	\$17.04	\$11.34	\$1.42	\$29.80
3 cans	\$23.44	\$17.02	\$2.02	\$42.48	N/A	N/A	N/A	N/A
4 cans	\$25.85	\$22.69	\$2.43	\$50.97	N/A	N/A	N/A	N/A
5 cans	\$28.22	\$28.36	\$2.83	\$59.41	N/A	N/A	N/A	N/A
6 cans	\$30.44	\$34.03	\$3.22	\$67.69	N/A	N/A	N/A	N/A
Senior rate	\$14.03	\$5.67	\$0.99	\$20.69	\$11.37	\$5.67	\$0.85	\$17.89

(1) Service levels refer to quantity of 32-gallon containers placed per week by customer for collection.

(2) Disposal rate computed based on the Mixed Waste Tipping Fee at the Facility applied to 28 pounds of refuse disposed per can, 52 weeks per year.

DEBRIS BOX COLLECTION RATES

Service Level ⁽¹⁾	Franchise Area 2				Franchise Area 3			
	Service	Disposal ⁽²⁾	Franchise Fee	Total	Service	Disposal ⁽²⁾	Franchise Fee	Total
6 yd	\$71.63	\$65.08	\$6.84	\$143.55	\$71.63	\$65.08	\$6.84	\$143.55
20 yd	\$195.18	\$216.92	\$20.61	\$432.71	\$195.18	\$216.92	\$20.61	\$432.71
30 yd	\$177.19	\$325.38	\$25.13	\$527.70	\$177.19	\$325.38	\$25.13	\$527.70
Green Waste 6 yd	\$71.63	\$90.00	\$8.08	\$169.71	\$71.63	\$90.00	\$8.08	\$169.71
Rock box	\$195.18	\$156.02	\$17.56	\$368.76	\$195.18	\$156.02	\$17.56	\$368.76
Chipped Wood 20 yd	\$182.25	\$300.00	\$24.11	\$506.36	\$182.25	\$300.00	\$24.11	\$506.36
Chipped Wood 30 yd	\$159.57	\$450.00	\$30.48	\$640.05	\$159.57	\$450.00	\$30.48	\$640.05

(1) Service level corresponds to the size of the debris box. Rock boxes are approximately 10 cubic yards.

(2) Disposal rate computed based on the Mixed Waste Tipping Fee at the Facility applied to the designated yardage with a conversion factor of 232 pounds per cubic yard. Overweight charges applied at the Mixed Waste Tipping Fee for 20-yard debris boxes weighing over 8,000 pounds and 30-yard debris boxes weighing over 10,000 pounds.

MONTHLY COMMERCIAL SERVICE COLLECTION RATES

Service Level ⁽¹⁾	Franchise Area 2				Franchise Area 3			
	Service	Disposal ⁽²⁾	Franchise Fee	Total	Service	Disposal ⁽²⁾	Franchise Fee	Total
3 yd, 1/2x	\$96.05	\$70.50	\$8.33	\$174.88	N/A	N/A	N/A	N/A
3yd, 1x	\$174.47	\$141.00	\$15.77	\$331.24	\$113.30	\$141.00	\$12.72	\$267.02
3yd, 2x	\$281.90	\$282.00	\$28.20	\$592.10	\$197.21	\$282.00	\$23.96	\$503.17
3yd, 3x	\$389.51	\$422.99	\$40.63	\$853.13	\$281.31	\$422.99	\$35.22	\$739.52
4yd, 1x	\$206.44	\$188.00	\$19.72	\$414.16	\$137.89	\$188.00	\$16.29	\$342.18
4yd, 2x	\$315.60	\$375.99	\$34.58	\$726.17	\$219.20	\$375.99	\$29.76	\$624.95
4yd, 3x	\$428.25	\$563.99	\$49.61	\$1,041.85	\$305.73	\$563.99	\$43.49	\$913.21
6yd, 1x	\$272.32	\$282.00	\$27.72	\$582.04	\$188.70	\$282.00	\$23.54	\$494.24
6yd, 2x	\$487.40	\$563.99	\$52.57	\$1,103.96	\$357.01	\$563.99	\$46.05	\$967.05
6yd, 3x	\$702.69	\$845.99	\$77.43	\$1,626.11	\$525.40	\$845.99	\$68.57	\$1,439.96
10 yd, 1x	N/A	N/A	N/A	N/A	\$814.15	\$759.69	\$78.69	\$1,652.53
15 yd, 1x	N/A	N/A	N/A	N/A	\$1,221.23	\$1,139.53	\$118.04	\$2,478.80
15 yd, 2x	N/A	N/A	N/A	N/A	\$2,442.45	\$2,279.06	\$236.08	\$4,957.59
25 yd, 1x	N/A	N/A	N/A	N/A	\$2,035.40	\$1,899.22	\$196.73	\$4,131.35
25 yd, 2x	N/A	N/A	N/A	N/A	\$4,070.57	\$3,798.44	\$393.45	\$8,262.46
30 yd, 1x	N/A	N/A	N/A	N/A	\$2,442.45	\$2,279.06	\$236.08	\$4,957.59
30 yd, 2x	N/A	N/A	N/A	N/A	\$4,884.96	\$4,558.13	\$472.15	\$9,915.24

(1) Service levels correspond to bin size (in cubic yards) and collection frequency per week (i.e.; 2x = twice per week). Bin sizes of ten (10) cubic yards or greater refer to compactors.

(2) Disposal rate computed based on the Mixed Waste Tipping Fee at the Facility applied to the designated yardage with a conversion factor of 232 pounds per cubic yard for non-compactor units and 375 pounds per cubic yard for compactors.

EXHIBIT I9

FY 2022-23	
EASTERN REGIONAL MATERIAL RECOVERY FACILITY	
TIPPING FEES	
Tip Fee Description	Tip Fee
Mixed Waste (per ton)	\$93.50
Mixed Waste (per cubic yard)	\$11.25
Source Separated Inert Materials (per cubic yard)	\$11.00
Source Separated Green Waste (per cubic yard)	\$15.00
Appliances not containing CFCs (per item)	\$14.00
CFC-containing devices (per item)	\$48.50
Minimum charge	\$8.50

EXHIBIT J9

FY 2022-23

EASTERN REGIONAL MATERIAL RECOVERY FACILITY LICENSE AND PROCESSING FEES AND INCENTIVE PAYMENTS

Description	Fee or Payment
Mixed Waste Processing Fee (per ton)	
First 60,000 Tons per Operating Year	\$67.67
In excess of 60,000 Tons per Operating Year	\$60.87
Source Separated Inert/Wood Waste Processing Fee (per cubic yard)	\$8.20
Source Separated Green Waste Processing Fee (per cubic yard)	\$13.62
Appliance Processing Fee (per item)	\$9.27
CFC-Containing Appliance Processing Fee (per item)	\$50.96
Incentive Payment (per ton)	\$32.09
Monthly License Fee	\$6,491.42

Attachment B: Updated ERMRF Processing Fees

Rates in Error, According to Franchise Area	May 24, 2022, Approved Rates	Actual Rates	Difference
Franchise Area 2			
Residential Monthly Rates			
3 cans	\$42.49	\$42.48	(\$0.01)
6 cans	\$67.70	\$67.69	(\$0.01)
Commercial Monthly Rates			
3yd, 2x	\$592.11	\$592.10	(\$0.01)
3yd, 3x	\$853.14	\$853.13	(\$0.01)
4yd, 3x	\$1,041.86	\$1,041.85	(\$0.01)
6yd, 1x	\$582.05	\$582.04	(\$0.01)
6yd, 2x	\$1,103.97	\$1,103.96	(\$0.01)
6yd, 3x	\$1,626.12	\$1,626.11	(\$0.01)
Debris Boxes			
30 yd	\$527.71	\$527.70	(\$0.01)
Chipped Wood 20 yd	\$414.59	\$506.36	\$91.77
Chipped Wood 30 yd	\$508.59	\$640.05	\$131.46
Franchise Area 3			
Commercial Monthly Rates			
3 yd, 2x	\$503.18	\$503.17	(\$0.01)
4 yd, 2x	\$624.96	\$624.95	(\$0.01)
4 yd, 3x	\$913.22	\$913.21	(\$0.01)
6 yd, 2x	\$967.06	\$967.05	(\$0.01)
6 yd, 3x	\$1,439.97	\$1,439.96	(\$0.01)
Compactors (375 lb/cy)			
10 yd, 1x	\$1,652.55	\$1,652.53	(\$0.02)
15 yd, 1x	\$2,478.83	\$2,478.80	(\$0.03)
15 yd, 2x	\$4,957.64	\$4,957.59	(\$0.05)
25 yd, 1x	\$4,131.39	\$4,131.35	(\$0.04)
25 yd, 2x	\$8,262.56	\$8,262.46	(\$0.10)
30 yd, 1x	\$4,957.64	\$4,957.59	(\$0.05)
30 yd, 2x	\$9,915.35	\$9,915.24	(\$0.11)
Debris Boxes			
30 yd	\$527.71	\$527.70	(\$0.01)