

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

To: **BOARD OF SUPERVISORS**

Date: **APRIL 24, 2012**

From: **JAMES DURFEE / BILL ZIMMERMAN**

Subject: **FOURTEENTH AMENDMENT TO THE AGREEMENT WITH TAHOE TRUCKEE DISPOSAL CO., INC. AND EASTERN REGIONAL SANITARY LANDFILL INC.**

ACTION REQUESTED / RECOMMENDATION: Staff recommends that your Board adopt the attached Resolution authorizing the Chair to sign the attached Fourteenth Amendment to the Agreement for Solid Waste Handling Services with Placer County Eastern Regional Sanitary Landfill, Inc. (ERL Inc.) and Tahoe Truckee Disposal Co., Inc. (TTD) to increase processing fees paid to ERL Inc. and resulting in no additional garbage collection or tipping fees to the public for FY 2012-13

BACKGROUND: In July of 2003, the County entered into an Agreement with TTD and ERL Inc. 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 (ERMRF) where recyclable material is removed. Residual waste is landfilled at the Lockwood Landfill in Nevada. The Agreement allows for annual cost of living adjustments (COLA) to the tipping and processing fees and garbage collection fees based on annual changes in the Employee Cost Index (ECI) and Producer Price Index (PPI).

ERL Tipping Fees

No adjustments to the current ERL tipping fees are proposed for FY 2012/13. Per the terms of the Agreement, for FY 2012/13, ERL Inc., is entitled to a \$2.25 per ton (5.62%) COLA increase to the ERMRF processing fees and a \$0.44 per ton (3.0%) increase to disposal fees paid at the Lockwood Landfill. Rather than raise tipping fees to customers at the ERMRF, staff recommends absorbing the costs in the ERL Budget for FY 2012/13. Based on current long term projections, the County can absorb this reduction in tipping fee revenue by reducing contributions to reserves set aside for contingencies. Over the last three years your Board has taken similar actions to allow the County to offset tipping fees at the ERMRF while the COLA indices and processing fees paid to ERL Inc. have increased. While this has been an effective tool in minimizing fee increases at the ERMRF, continuing the practice beyond this year will likely impact the County's ability to fund the ERL operating budget.

Franchise Area 2 & 3 Garbage Collection Fees

No adjustments are proposed to the current garbage collection fees for FY 2012/13. Garbage collection fees in Franchise Areas 2 and 3 have the following components:

1. Service – This is the fee charged by TTD for collecting and transporting garbage to the ERMRF. Per the Agreement, the calculated COLA for FY 2012/13 is 5.62%. TTD has agreed to defer the COLA for FY 2012/13 and apply the COLA in equal amounts over the following two fiscal years.

2. Disposal – This is the cost to TTD for dumping garbage at the ERMRF. As discussed above, no changes in tipping fees at the ERL are proposed for FY 2012/13.
3. Special Fee – This portion of the fee funds the County's solid waste management program which includes monitoring and maintenance at the closed County landfill sites, many of our outreach and education programs, and oversight of garbage collection services. The existing 4% fee is sufficient to fund these programs.

Because no adjustments are proposed to the collection fees charged to individual customers in Franchise Area 3 where service is mandatory, the requirements of Proposition 218 are not applicable.

ENVIRONMENTAL CLEARANCE: Adjustments to the waste processing fees at the ERMRF is not considered a project under CEQA. No adjustments are proposed to either the tipping fees at the ERMRF or to the garbage collection fees in Franchise Areas 2 and 3.

FISCAL IMPACT: Tipping fees at the ERMRF are proposed to remain unchanged for FY 2012/13. Redistribution of the tipping fees will decrease revenue to the ERL Budget by approximately \$165,000 for FY 2012/13. Unless savings in other areas are achieved in FY 2012/13, this reduction in revenue will be absorbed by reducing contributions to reserves set aside for contingencies.

Garbage collection fees are proposed to remain unchanged for FY 2012/13. As such, approval of the Fourteenth Amendment will have no fiscal impact on the Solid Waste Management Budget.

JD/BZ/WS/LM/KW

ATTACHMENTS: RESOLUTION

AVAILABLE FOR REVIEW AT FACILITY SERVICES: AGREEMENT AND AMENDMENTS

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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 THE FOURTEENTH AMENDMENT
TO THE AGREEMENT WITH PLACER COUNTY
EASTERN REGIONAL SANITARY LANDFILL, INC. AND
TAHOE TRUCKEE DISPOSAL CO., INC.**

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, 2012 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, the County of Placer oversees the Agreement for operation of the Eastern Regional Material Recovery Facility and collection of solid waste in Franchise Areas 2 and 3; and

WHEREAS, both the County and its Operator have a need to amend waste processing fees in order to more closely approximate the cost of providing service; and

WHEREAS, The Franchise Hauler has agreed to defer application of the calculated cost of living adjustment as calculated per the Agreement to the collection fees charged to commercial and residential customers in Franchise Areas 2 and 3 to FY 2013/14 and 2014/15;

WHEREAS, it is in the County's interest to abide by State and Federal regulations and to insure that its contractors receive a fair and reasonable return from operating their business.

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 Fourteenth Amendment to Contract No. 11710 with Placer County Eastern Regional Sanitary Landfill, Inc. and Tahoe Truckee Disposal Co., Inc. for the operation of the Eastern Regional Material Recovery Facility and solid waste collection in Franchise Areas 2 and 3. The Amendment specifies processing fee adjustments for FY 2012/13.

ATTACHMENTS: AGREEMENT AMENDMENT

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

This Fourteenth 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 _____, 2012, and effective as of July 1, 2012.

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 15, 2008 by the Seventh Amendment, April 21, 2009 by the Eighth Amendment, July 21, 2009 by the Ninth Amendment, May 18, 2010 by the Tenth Amendment, April 12, 2011 by the Eleventh and Twelfth Amendments and October 25, 2011 by the Thirteenth Amendment.
2. The County and Contractor wish to amend the Processing Fees and Incentive Payments earned by Contractor for providing the services under the Agreement and the License Fees paid to County by Contractor for use of the Premises.
3. The County and Contractor wish to leave unchanged the collection fees charged by the Contractor to residential and commercial customers in Franchise Areas 2 and 3. The Contractor agrees to defer the COLA as calculated per the Agreement, which would result in increases to refuse collection fees if applied per the existing agreement.
4. The County and Contractor wish to amend Exhibit C13 "Collection Rate Schedule" to delete all 1-1/2 cubic yard and 2 cubic yard services in Franchise Area 2, which are no longer used by commercial customers.
5. The County and Contractor wish to memorialize in this Amendment their agreement regarding the foregoing issues.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

ARTICLE SIX – PAYMENTS AND RATES, Section 2. "Fees for Providing Collection Services within the Franchise Area" shall be amended by substituting Exhibit C14, attached hereto, in place of all previous references to Exhibit C.

ARTICLE SIX – PAYMENTS AND RATES, Section 4 "Tipping and Processing Fees at the Facility" shall be amended by substituting Exhibit L14, attached hereto, in place of all previous references to Exhibit L.

ARTICLE SIX – PAYMENTS AND RATES, Section 13 "Annual Adjustment Methodology" shall be amended by adding the following paragraph: "Contractor has waived its right under any or all of the Prior Agreements to receive a COLA on the collection fees for the Operating Year

2012/13 and agrees to defer the 2012/13 calculated COLA (5.62%) to the remaining two years of the contract. One half of the calculated COLA (2.81%) shall be applied to the FY 2013/14 collection fees charged to commercial and residential customers in Franchise Areas 2 and 3 in addition to the full COLA calculated for the Operating Year 2013/14. The remaining half of the 2012/13 COLA (2.81%) shall be applied to the FY 2014/15 collection fees charged to commercial and residential customers in Franchise Areas 2 and 3 in addition to the full COLA calculated for the Operating Year 2014/15.

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

COUNTY: Placer County Department of Facility Services
Attn: Walter Schwall
Environmental Engineering Division
11476 "C" Avenue
Auburn, CA 95603
Phone: 530-886-4942 Fax: 530-886-4999

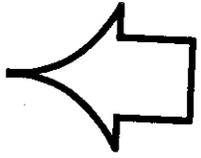
CONTRACTOR: Tahoe Truckee Disposal Co., Inc.,
& Placer County Eastern Regional
Sanitary Landfill, Inc.,
Attn: David Achiro
P. O. Box 6479
Tahoe City, CA 96145
Phone: 530-583-0148
Fax: 530-583-0804

REMIT TO: Tahoe Truckee Disposal Co., Inc.,
& Placer County Eastern Regional
Sanitary Landfill, Inc.,
Attn: David Achiro
P. O. 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.

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

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



By: _____
Chair, Board of Supervisors

Date of Board Approval

Tahoe Truckee Disposal Co., Inc. & Placer County Eastern Regional Sanitary Landfill, Inc.
(Contractor)

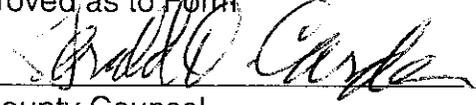
By: 
Silvano Achiro, President

Date: 4-6-2012

By: 
David Achiro, Secretary

Date: 4-6-2012

Approved as to Form

By: 
County Counsel

Approved as to Funds

By: N/A
County Auditor's Office

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

Fee Description	Fee
Mixed Waste Processing Fee (per ton)	
First 60,000 Tons per Operating Year	\$42.30
In excess of 60,000 Tons per Operating Year	\$34.94
Source Separated Inert/Wood Waste Processing Fee (per cubic yard)	\$5.11
Appliance Processing Fee (per item)	\$7.36
CFC-Containing Appliance Processing Fee (per item)	\$40.42
Incentive Payment (per ton)	\$18.21
Household Hazardous Waste Collection Event Fee (per event)	\$1,417.49
Monthly License Fee	\$5,148.43

**EXHIBIT C14
COLLECTION RATE SCHEDULE
FY 2012-13**

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	\$15.52	\$4.70	\$0.81	\$21.03	\$12.92	\$4.70	\$0.70	\$18.32
2 cans	\$17.52	\$9.40	\$1.08	\$28.00	\$14.16	\$9.40	\$0.94	\$24.50
3 cans	\$19.49	\$14.11	\$1.34	\$34.94	N/A	N/A	N/A	N/A
4 cans	\$21.47	\$18.81	\$1.61	\$41.89	N/A	N/A	N/A	N/A
5 cans	\$23.45	\$23.51	\$1.88	\$48.84	N/A	N/A	N/A	N/A
6 cans	\$25.29	\$28.21	\$2.14	\$55.64	N/A	N/A	N/A	N/A
Senior rate	\$11.67	\$4.70	\$0.65	\$17.02	\$9.44	\$4.70	\$0.57	\$14.71

- (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	\$59.51	\$53.94	\$4.54	\$117.99	\$59.51	\$53.94	\$4.54	\$117.99
20 yd	\$162.16	\$179.80	\$13.68	\$355.64	\$162.16	\$179.80	\$13.68	\$355.64
30 yd	\$147.22	\$269.70	\$16.68	\$433.60	\$147.22	\$269.70	\$16.68	\$433.60
Rock box	\$162.16	\$129.32	\$11.66	\$303.14	\$162.16	\$129.32	\$11.66	\$303.14
Chipped Wood 20 yd	\$162.16	\$118.00	\$11.21	\$291.37	\$162.16	\$118.00	\$11.21	\$291.37
Chipped Wood 30 yd	\$147.22	\$177.00	\$12.97	\$337.19	\$147.22	\$177.00	\$12.97	\$337.19

- (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	\$79.79	\$58.44	\$5.53	\$143.76	N/A	N/A	N/A	N/A
3yd, 1x	\$144.95	\$116.87	\$10.47	\$272.29	\$94.13	\$116.87	\$8.44	\$219.44
3yd, 2x	\$234.23	\$233.74	\$18.72	\$486.69	\$163.86	\$233.74	\$15.90	\$413.50
3yd, 3x	\$323.63	\$350.61	\$26.97	\$701.21	\$233.73	\$350.61	\$23.37	\$607.71
4yd, 1x	\$171.52	\$155.83	\$13.09	\$340.44	\$114.58	\$155.83	\$10.82	\$281.23
4yd, 2x	\$262.20	\$311.65	\$22.95	\$596.80	\$182.11	\$311.65	\$19.75	\$513.51
4yd, 3x	\$352.88	\$467.48	\$32.81	\$853.17	\$249.52	\$467.48	\$28.68	\$745.68
6yd, 1x	\$226.26	\$233.74	\$18.40	\$478.40	\$156.77	\$233.74	\$15.62	\$406.13
6yd, 2x	\$404.96	\$467.48	\$34.90	\$907.34	\$296.61	\$467.48	\$30.56	\$794.65
6yd, 3x	\$583.82	\$701.22	\$51.40	\$1,336.44	\$436.52	\$701.22	\$45.51	\$1,183.25
10 yd, 1x	N/A	N/A	N/A	N/A	\$676.44	\$629.69	\$52.25	\$1,358.38
15 yd, 1x	N/A	N/A	N/A	N/A	\$1,014.66	\$944.53	\$78.37	\$2,037.56
15 yd, 2x	N/A	N/A	N/A	N/A	\$2,029.32	\$1,889.06	\$156.74	\$4,075.12
25 yd, 1x	N/A	N/A	N/A	N/A	\$1,691.11	\$1,574.22	\$130.61	\$3,395.94
25 yd, 2x	N/A	N/A	N/A	N/A	\$3,382.04	\$3,148.44	\$261.22	\$6,791.70

