



MARIPOSA COUNTY

Public Works • 209 966 5356



RESOLUTION - ACTION REQUESTED 2019-622

MEETING: October 22, 2019
TO: The Board of Supervisors
FROM: Mike Healy, Public Works Director
RE: Approve a Third Amendment with Recology Formally Total Waste Systems

RECOMMENDATION AND JUSTIFICATION:

Approve a Third Amendment to Agreement with Recology, Formally Total Waste Systems (TWS), to Set Maximum Rates that Can be Charged to Franchise Customers with an Effective Date of November 1, 2019 and April 1, 2020; and Extend the Term of the Agreement to December 31, 2024; and Authorize the Board of Supervisors Chair to Sign the Amendment.

Section 11-Rates for Service, in the Solid Waste Hauling Agreement dated June 9, 2009, states that "Any change in rates shall be approved by the Mariposa County Director of Public Works."

On June 6, 2019 Recology sent a letter to Public Works requesting an increase of 22.5%. Upon receipt of the letter from Recology Public Works entered into negotiations with the vendor that resulted in fruitful negotiations the results of which is an 8% annual increase for two (2) years and an extension of the term of the agreement adding three additional years. The last increase in rates associated with this agreement went into effect on April 1, 2013.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

On September 26, 2017 Resolution 2017-651 the Board approved the reassignment of the contract from Total Waste Systems to Recology.

On February 12, 2013 Resolution 2013-45 The Board approved a Second Amendment to set the maximum rates that could be charged to franchise customers effective April 1, 2013.

On January 17, 2012, per Resolution No. 12-34, the Board approved a First Amendment to the Agreement to set the maximum rates that could be charged to franchise customers effective April 1, 2012.

On June 9, 2009, the Board of Supervisors approved Public Works to enter into an

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Agreement with Total Waste Systems for solid waste hauling.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Do not approve; the rate increase will not go into effect and the ability to retain this agreement in place will be compromised.

FINANCIAL IMPACT:

There is no impact to the County other than where sites may have Recology Disposal Services in place.

ATTACHMENTS:

Recology 3rd amd (PDF)

2nd Amendment w TWS (PDF)

First Amendment with Total Waste Systems (PDF)

TWS Reassignment to Recology (PDF)

Rate Increase Request letter from Recology (PDF)

Total Waste Systems Agreement (PDF)

RESULT: ADOPTED [UNANIMOUS]

MOVER: Merlin Jones, District II Supervisor

SECONDER: Kevin Cann, District IV Supervisor

AYES: Merlin Jones, Marshall Long, Kevin Cann, Miles Menetrey

THIRD AMENDMENT TO SOLID WASTE HANDLING AGREEMENT

This Third Amendment to Solid Waste Handling Agreement (this "Amendment") is entered into by the County of Mariposa, a political subdivision of the State of California ("County"), and Recology Mariposa, a California corporation ("Collector"). The effective date of this Amendment is November 1, 2019.

WHEREAS, County and Mariposa County Total Waste Systems, Inc. ("Total Waste Systems") entered into a Solid Waste Handling Agreement dated June 9, 2009, as amended by a First Amendment dated January 17, 2012 and a Second Amendment dated February 12, 2013 (such agreement as so amended, the "Franchise Agreement");

WHEREAS, on September 26, 2017, the Board of Supervisors of the County approved the assignment of the Franchise Agreement by Total Waste Systems to Collector, and such assignment was effected on December 22, 2017;

WHEREAS, the term of the Franchise Agreement expires on December 31, 2021, but is automatically extended for successive one (1) year periods unless either party gives at least one hundred eighty (180) days prior written notice that it does not wish the term to be extended;

WHEREAS, the parties wish to adjust rates under the Franchise Agreement, and the method of calculating future index adjustments to rates, so as to better align rates with costs.

NOW, THEREFORE, the parties agree as follows:

1. Section 11.B of Franchise Agreement is hereby amended to read in its entirety as follows:

"The maximum service rate (or "rate") is the maximum amount Collector may charge customers for services provided under this Agreement. Each maximum service rate shall be comprised of three (3) elements: a Collection Element, a Disposal Element, and a Franchise Fee Element. The Disposal and Franchise Fee Elements shall be adjusted from time to time as set forth below and in Section 11.D.

Effective as of November 1, 2019, the rates shall be as set forth on Exhibits 2a and 2b of this Agreement, attached hereto and incorporated herein by this reference. Such rates reflect an eight percent (8%) increase, which has been allocated entirely to the Collection Element. If any customers have been billed at less than such rates for services provided after October 31, 2019, Collector may retroactively bill for the difference.

Effective as of April 1, 2020, the rates shall be increased by an additional eight percent (8%), over and above any other adjustments provided for in this Agreement. Such increase shall be allocated entirely to the Collection Element.

Effective as of April 1, 2021, and each April 1 thereafter, the Collection Element of each rate shall be increased by the year-over-year percentage increase in the WST Index (as defined below), over and above any other adjustments provided for in this Agreement. Such increase shall be calculated by comparing the average value of the WST Index over the calendar year preceding the April 1

adjustment date, to the average value of the index over the preceding calendar year. If the WST Index declines year-over-year, the Collection Element shall remain unchanged for the year in question.


'WST Index' means the Consumer Price Index, All Urban Consumers, Water and Sewer and Trash Collection Services. U.S. City Average, Not Seasonally Adjusted, Series ID: CUUR0000SEHG, published by the U.S. Department of Labor, Bureau of Labor Statistics. If this index is discontinued, it shall be replaced by the index that most closely resembles it over the ten (10) years before discontinuation."

2. Exhibits 2a and 2b of the Franchise Agreement are hereby amended to read in their entirety as Exhibits 2a and 2b of this Amendment, attached hereto and incorporated herein by this reference.
3. In the event of any conflict between this Amendment and the Franchise Agreement, this Amendment shall govern. Capitalized terms used but not defined herein shall have the meanings given to them in the Franchise Agreement. This Amendment may be executed in counterparts, each of which shall be an original, and all of which together shall constitute one instrument.

[Remainder of this page intentionally left blank]

IN WITNESS THEREOF, County and Collector have executed this Third Amendment to Solid Waste Handling Agreement as of the date first written above.

COUNTY OF MARIPOSA

By: 
Miles Menetrey, Chairman
Mariposa County Board of Supervisors

RECOLOGY MARIPOSA

By: 
Salvatore M. Coniglio
VP & Group Manager, Inland Group

ATTEST:


RENE LAROCHE
Clerk of the Board

APPROVED AS TO FORM:


STEVEN W. DAHLEM
County Counsel

**Exhibit 2a - Maximum Service Rates
 Mariposa County, CA
 Recology Mariposa Rates Effective 11/1/19
 RESIDENTIAL**

Rates Effective 11/1/2019			
	1/Week (Town)	1/Week (Out of Town)	1/Mo (Town)
Disposal Component (A1xB)	\$ 25.79	\$ 36.73	\$ 18.51
Collection Component	\$ 44.62	\$ 63.56	\$ 32.03
Franchise Fee (0% of total rate)	\$ -	\$ -	\$ -
Proposed 11/1/2019 Rate	\$ 70.41	\$ 100.29	\$ 50.54

**Exhibit 2b - Maximum Service Rates
Mariposa County, CA
Recology Mariposa Rates Effective 11/1/19
COMMERCIAL**

8% of Prior Year Total Rate	Collection Component Increase						
0.00%	Disposal Component Increase						
\$121.00	Tip Fee						
Container Size	Collection Frequency						
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week	1x Month
2 CY							
Collection							\$67.86
Disposal							\$39.22
Franchise Fee							\$0.00
Total							\$107.08
3 CY							
Collection	\$172.92	\$306.94	\$439.37	\$543.00	\$708.59	\$842.20	\$45.87
Disposal	\$99.94	\$177.38	\$253.93	\$313.81	\$409.50	\$486.74	\$26.50
Franchise Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$272.86	\$484.32	\$693.30	\$856.81	\$1,118.09	\$1,328.94	\$72.37
4 CY							
Collection	\$219.06	\$388.79	\$481.62				
Disposal	\$126.60	\$224.70	\$351.30				
Franchise Fee	\$0.00	\$0.00	\$0.00				
Total	\$345.66	\$613.49	\$832.92				
6 CY							
Collection	\$306.93	\$555.36	\$787.18	\$1,027.50	\$1,267.91	\$1,504.85	\$87.41
Disposal	\$177.38	\$320.96	\$454.93	\$593.82	\$732.76	\$869.69	\$50.51
Franchise Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$484.31	\$876.32	\$1,242.11	\$1,621.32	\$2,000.67	\$2,374.54	\$137.92
8 CY							
Collection	\$404.26		\$1,081.00				
Disposal	\$233.94		\$624.80				
Franchise Fee	\$0.00		\$0.00				
Total	\$638.20		\$1,705.80				
10 CY							
Collection	\$499.13	\$900.82	\$1,374.79	\$1,717.28			
Disposal	\$288.46	\$520.61	\$794.53	\$992.47			
Franchise Fee	\$0.00	\$0.00	\$0.00	\$0.00			
Total	\$787.59	\$1,421.43	\$2,169.32	\$2,709.75			