



AGENCY: City Council
MEETING DATE: April 22, 2019
DEPARTMENT: City Manager
PRESENTED BY: Tabatha Miller
EMAIL ADDRESS: tmiller@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adopting City Council Resolution Retroactively Consenting to a Rate Setting Method Change and Extension of the Term in the Operating Agreement and Lease for the Caspar Transfer Station Between Mendocino County and Solid Waste of Willits

ISSUE:

Under a Joint Powers Agreement between Fort Bragg and Mendocino County (County), the County entered into an Operating Agreement and Lease with Solid Waste of Willits to operate the Caspar Transfer Station. Amendments to the Operating Agreement and Lease require "prior written consent of City and County."

On September 25, 2018, the County approved a rate adjustment effective the same day. The City was not notified of that change until March 2019. The County has asked the City to consent to the rate adjustment.

The Operating Agreement and Lease with Solid Waste of Willits had an original termination date of June 30, 2017. The Caspar Joint Coordinating Committee recommended that the contract be extended to June 30, 2021 on March 17, 2016. The County extended the term of the Operating Agreement and Lease but never took formal action to update the Agreement or receive written consent from the City. The County is asking for the City's consent and approval on a written Amendment to that Agreement.

ANALYSIS:

Background

The City and the County jointly own 60 acres in the Caspar area at the end of Prairie Way. The City and County first entered into a joint powers agreement in October 1967 to use the property as a solid waste landfill. The landfill was operated from 1968 to 1992, when the landfill was closed. Since then, the property has been used for a solid waste transfer station. The County had operated the facility until it executed the Operating Agreement and Lease with Solid Waste of Willits on January 25, 2011.

The current Joint Powers Agreement (JPA) between the County and the City was executed in January of 2011 to provide for changes in how the Caspar Solid Waste Transfer Station was operated and to consider the replacement or expansion of the Caspar Transfer Station in order to accommodate commercial collection trucks and allow for long-haul direct transfer to a destination landfill.

The JPA calls for a Joint Coordinating Committee consisting of two City Councilmembers and two County Supervisors. The Committee serves in an advisory role for the Board of Supervisors and the City. Mendo Recycle (formerly Mendocino Solid Waste Management Authority MSWMA) has served as staff support for this Committee and staff turnover there is part of the reason this Committee has not been very active in the last couple of years. The Committee most recently met

on March 20, 2019, but the most recent agenda before that which I could locate was dated May 12, 2017.

The JPA was amended October 25, 2016 in order to outline specific terms and obligations for moving forward with replacement of the Caspar Transfer Station. The County Board of Supervisors and City Council certified the Environmental Impact Report (EIR) on the new Transfer Station project for 30075 Highway 20 on September 19, 2016.

Acquisition of the property at 30075 Highway 20 involved a multi-party land swap. The State of California would transfer 17 acres (30075 Highway 20) to the City/County in exchange for 35 acres of land at the Caspar Landfill site. California Department of Parks & Recreation (DPR) would take ownership of the 35-acre Caspar property in exchange for 12.6 acres of Russian Gulch State Park, which would be transferred to Jackson Demonstration State Forest (JDSF). Not too long after the EIR was certified, DPR pulled out of the proposed land swap. Since that time, momentum on the new Transfer Station project has stalled. Outside of inquiries into other possible land parcels that could be swapped with JDSF, little progress has been made.

At the March 20, 2019 Committee meeting, the Committee agreed to hire a consultant to evaluate and provide guidance on the future of the Transfer Station project. Historically this support was provided by MSWMA but with the future of that organization in question, it was deemed necessary to hire outside assistance. The funds collected from the \$3 fee at the Caspar Transfer Station will be used to pay for the consultant. City and County staff are coordinating efforts to issue an RFP for those services.

Rate Increase

The self-haul drop-off rate at the Caspar Transfer Station included a credit or reduction based on the value of recyclable materials. Changes in the global recycle markets has resulted in the drastic reduction in recyclable commodity values. Since January, when China tightened its standards for the waste it would accept, imports to China of solid waste have dropped more than 50%. China has stopped accepting a variety of mixed paper and plastic scrap, citing efforts to clean up the environment, and plans to add other scrap products to its banned import list. Recyclable products that China hasn't banned have much stricter rules regarding contamination.

The result is that facilities now have to pay for removal of some recyclable products. The rate calculation method in the original Operating Agreement and Lease, was not adequate to account for this significant change in recyclables pricing. Amendment 6 to the Operating Agreement and Lease replaces a rate adjustment method which relied on a recycling value formula with one that uses a current recycling value grid.

The new rate mechanism was implemented at the Caspar Transfer Station on October 1, 2018.

Agreement and Lease Extension

The County's Operating Agreement and Lease provides for a term from January 31, 2011 through June 30, 2017. The Agreement has an option which allows the County to extend the term on one or more occasions through December 31, 2029. The attached Seventh Amendment extends the term to June 30, 2021.

If approved by the City Council this evening, the County Board of Supervisors will consider approval of the Seventh Amendment on May 7, 2019.

RECOMMENDED ACTION:

Adopt a Resolution retroactively consenting to the rate increase at the Caspar Transfer Station and to an extension of the Operating Agreement and Lease with Solid Waste of Willits.

ALTERNATIVE ACTION(S):

Decline to approve the Resolution, and/or provide direction to staff.

FISCAL IMPACT:

There is no impact to the City's financial situation, however area residents who use the Caspar Transfer Station for self-haul drop-off experienced an increase in the rate at the station.

CONSISTENCY:

N/A

IMPLEMENTATION/TIMEFRAMES:

N/A

ATTACHMENTS:

1. Resolution
2. Sixth Amendment to Operating Agreement and Lease with Solid Waste of Willits
3. Seventh Amendment to Operating Agreement and Lease with Solid Waste of Willits
4. Joint Powers Agreement between Fort Bragg and Mendocino County dated 1-25-2011
5. Amendment One to the Joint Powers Agreement

NOTIFICATION:

1. Jerry Ward, Solid Waste of Willits
2. Steve Dunncliff, Mendocino County