



# Mendocino County Board of Supervisors Agenda Summary

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**Item #: 5C)**

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**To: Board of Supervisors**

**From: Solid Waste**

**Meeting Date:** September 25, 2018

**Department Contact:** Robert Carlson

**Phone:** 234-5748

**Department Contact: Phone:**

**Item Type:** Regular Agenda

**Time Allocated for Item:** 10 Min

**Agenda Title:**

Discussion and Possible Action Including Approval of Sixth Amendment to Agreement 11-008, Caspar Transfer Station Operations Agreement and Lease with Solid Waste of Willits, Inc. to Incorporate a Revised Rate Adjustment Mechanism effective September 25, 2018  
(Sponsor: Solid Waste)

**Recommended Action/Motion:**

Approve the sixth amendment to Agreement 11-008 Caspar Transfer Station Operations Agreement and Lease with Solid Waste of Willits, Inc., to incorporate a revised rate adjustment mechanism effective September 25, 2018; and authorize Chair to sign same.

**Previous Board/Board Committee Actions:**

On January 25, 2012 the County entered into BOS Agreement 11-008 with Solid Wastes of Willits for the Caspar Transfer Station Operation Agreement and Lease. The original Agreement was entered with the consent and concurrence of the City of Fort Bragg. It has subsequently been amended five times: BOS Agreement Numbers 11-008 A1, 11-008 A2, 11-008 A3, 11-008 A4 and 11-008 A4 (duplicate number intentional as a reflection of the record).

**Summary of Request:**

Hauling and handling services for garbage, recycling, and composting in the unincorporated areas of Mendocino County are provided by private companies under contract with the County. The six transfer stations are governed by two separate contracts; one covers the Caspar transfer station and the other covers the other five transfer stations. There are other facilities in the County that are privately owned and operated under contract with the cities. For hauling services, the County is divided into four areas (called franchise areas). Three of these franchise areas are serviced by Solid Waste of Willits, Inc. and the fourth is serviced by Waste Management.

To determine rates for curbside service and for self-haul drop-off, the value of recyclable material is subtracted from the costs associated to provide those services. This allows the public to benefit financially from the sale of recyclables that they sort out of their garbage. There has been a change in the global recyclable commodity market brought on by changes in China's import policies that has resulted in the drastic reduction in recyclable commodity value. The value of some recyclable materials has been impacted so drastically that facilities need

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to pay to have it removed rather than being able to sell it. This new paradigm in recyclable material values has created a situation where previous methods of calculating rates are no longer adequate.

This new global market is likely to remain in its current state for many years and the existing rate adjustment formula is unable to adequately accommodate it. The new rate adjustment mechanism will allow the waste hauler to continue diverting recycling materials collected within the County and provides a more simplified process for determining rate adjustment amounts.

Staff recommends adjustments to the Solid Waste Refuse Collection Franchise Area Agreements 1, 3, and 4; the Five Transfer Stations Operation Agreement and Lease; and the Caspar Transfer Station Operation Agreement and Lease to replace the existing rate adjustment mechanism which relies on a recycling value formula with one that utilizes a recycling value grid. Additionally, the Recycling Composite Market Value used to determine rate changes is updated to reflect the Composite Market Value as of December 31, 2014.

**Alternative Action/Motion:**

Decline to approve the sixth amendment, or provide direction to staff.

**Supplemental Information Available Online at:** <https://www.calrecycle.ca.gov/markets/nationalsword>

**Fiscal Impact:**

**Source of Funding:** N/A

**Current F/Y Cost:** N/A

**Budgeted in Current F/Y:** N/A

**Annual Recurring Cost:** N/A

**Supervisory District:** District 4

**Vote Requirement:** Majority

**Agreement/Resolution/Ordinance Approved by County Counsel:** Yes

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**CEO Liaison:** Steve Dunncliff, Deputy CEO

**CEO Review:** Yes

**CEO Comments:**

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Executed By: Meribeth  
Dermond

Final Status: Approved

Date: **SEPTEMBER 26, 2018** Executed Item Number: Agreement Item Number: 11-008-A6

**Note to Department** Number  
of Original Agreements  
Returned to Dept: Two Original  
Agreement Delivered to  
Auditor? Yes