



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 24-181

November 12, 2024

Introduced: 10/24/2024

Current Status: Health Department -
Consent

Version: 1

Matter Type: BoS Resolution

Conduct a public hearing to:

- a. Adopt Resolution to approve Amendment No. 16 with [Proposed] Exhibit 1 “Approved Rates and Charges” to Unified Franchise Agreement A-11631 regarding proposed rates for services and adjustments to current rates for the Unified Franchise Agreement A-11631 between the County of Monterey and Waste Management, Inc. dba USA Waste of California dba Carmel Marina Corp., for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County; and
- b. Approve and authorize the Director of Health Services to execute Amendment No. 16 to the Unified Franchise Agreement (Agreement No. A-11631) between the County of Monterey and Waste Management, Inc. dba USA Waste of California, Inc., dba Carmel Marina Corporation, for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County; and
- c. Receive an update regarding negotiations for the Unified Franchise Agreement.

RECOMMENDATION:

It is recommended that the Board of Supervisors conduct a public hearing to:

- a. Adopt Resolution to approve Amendment No. 16 with [Proposed] Exhibit 1 “Approved Rates and Charges” to Unified Franchise Agreement A-11631 regarding proposed rates for services and adjustments to current rates for the Unified Franchise Agreement A-11631 between the County of Monterey and Waste Management, Inc. dba USA Waste of California dba Carmel Marina Corp., for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County; and
- b. Approve and authorize the Director of Health Services to execute Amendment No. 16 to the Unified Franchise Agreement (Agreement No. A-11631) between the County of Monterey and Waste Management, Inc. dba USA Waste of California, Inc., dba Carmel Marina Corporation, for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County; and
- c. Receive an update regarding negotiations for the Unified Franchise Agreement.

SUMMARY/DISCUSSION:

On June 25, 2024, the Board of Supervisors directed staff to negotiate with the incumbent waste hauler for a new Unified Franchise Agreement (UFA). Negotiations have ensued, with an anticipated agreement to be brought before the Board for approval in December. Staff have continued to meet twice weekly to discuss language, terms, and scope of services for the new agreement. Negotiations include the implementation of a local call center, removing bad debt from the rate formula and addressing it as a separate process pursuant to the County’s authority to assess property liens, updating content language to reduce redundancies and reflect current regulatory language, rightsizing of

containers and updated Exhibits. All parties are engaged to bring forward an agreement that meets the solid waste hauling needs of the County's residents and businesses, is fair, equitable and timely.

Should negotiations extend beyond December, the current UFA RRI rates are submitted for approval through June 30, 2025. Any new agreement executed prior to June 30, 2025, will replace the rates that are presented in Amendment No. 16.

On October 22, 2024, the Board set a public hearing to consider and adopt a Resolution to approve Amendment No. 16 with [Proposed] Exhibit 1 "Approved Rates and Charges" to Unified Franchise Agreement A-11631 (UFA) regarding proposed rates for services and adjustments to current rates for the UFA between the County of Monterey and Waste Management, Inc. dba USA Waste of California dba Carmel Marina Corp. (hereafter, "Waste Management" or "Contractor"), for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County. The Notice of Public Hearing was published in newspapers of general circulation to provide for County-wide Notice of Public Hearing on or before October 31, 2024.

This rate proposal is in accordance with the current Unified Franchise Agreement which expires June 30, 2025, which allows for a rate adjustment based on the Refuse Rate Index formula as submitted and requested by Contractor.

Pursuant to the terms of the Unified Franchise Agreement A-11631 (hereafter, "UFA" or "Agreement"), the Director of Health Services will seek authorization to execute Amendment No. 16 to said UFA as previously amended pursuant to Amendment Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 (collectively, UFA) between the County of Monterey and USA Waste of California, Inc., dba Carmel Marina Corporation (Waste Management, Inc.).

[Proposed] Amendment No. 16 adjusts the rates of the Unified Franchise Agreement with USA Waste of California, Inc., dba Carmel Marina Corporation (Waste Management, Inc.) effective January 1, 2025.

[Proposed] Amendment No. 16 was published with the Board Report for the October 22, 2024, consent agenda (set hearing) item. Notice of Public Hearing with [Proposed] Amendment No. 16 was also published in newspapers of general circulation on or before October 31, 2024, by Environmental Health Bureau staff. In addition to the County's publication of the [Proposed] Amendment No. 16 on the October 22, 2024 consent agenda, and publication of the Notice of Public Hearing with [Proposed] Amendment No. 16 in newspapers of general circulation, this Board report, which includes the basis for the proposed provisions, was published on the County Health Department website which meets the minimum ten (10) day publication requirement in advance of the Public Hearing on the proposed Amendment No. 16.

The Director of Health Services seeks authorization to execute Amendment No. 16 to the Unified Franchise Agreement A-11631 (UFA) between the County of Monterey and Waste Management, Inc., dba USA Waste of California, Inc., dba Carmel Marina Corporation.

The original contract for these services was approved on February 2, 2010, when the Board of

Supervisors awarded the exclusive franchise agreement (UFA Agreement A-11631) to Waste Management, Inc., dba USA Waste of California, Inc., dba Carmel Marina Corporation (Waste Management, Inc.) per Title 10, Chapter 10.41 Solid Waste Collection and Disposal of the Monterey County Code. In accordance with article 13.13, Adjustments to Service Rates, Surcharges and Fees of said UFA, the Director of Health Services requests adoption of a resolution to approve Amendment No. 16 to amend said UFA as previously amended pursuant to Amendment Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11,12, 13, 14 and 15 (collectively, UFA). Proposed Amendment No. 16 would amend: Article 13.13. and Exhibit 1 to modify the rate adjustment effective January 1, 2025.

Proposed rate increases for January 1, 2025, are as follows:

- 6.47 % increase for the residential customers within the jurisdiction of the Monterey Regional Waste Management District (MRWMD)
- 6.32 % increase for the residential customers within the jurisdiction of the Salinas Valley Solid Waste Authority (SVSWA)
- 6.47 % increase for the commercial customers within the jurisdiction of the Monterey Regional Waste Management District (MRWMD)
- 6.32 % increase for the commercial customers within the jurisdiction of the Salinas Valley Solid Waste Authority (SVSWA)

This Amendment No.16 affecting rates is being presented at this Public Hearing as required by Government Code Section 66016 which provides, in its relevant parts, as follows:

- (a) Prior. . .to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting...
- (b) Any action by a local agency to levy a new fee or service or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution. The legislative body of a local agency shall not delegate the authority to adopt a new fee or service charge, or to increase a fee or service charge.
- (c) This section shall apply only to fees and charges as described in Sections 51287, 56383, 65104, 65456, 65584.1, 65863.7, 65909.5, 66013, 66014, and 66451.2 of this code, Sections 17951, 19132.3, and 19852 of the Health and Safety Code, Section 41901 of the Public Resources Code, and Section 21671.5 of the Public Utilities Code.

Consistent with essential public health service item 6) and pursuant to Title 10 - Health and Safety, Chapter 10.41 - Solid Waste Collection and Disposal, MCC Section 10.41.030 - Mandatory collection. Subsection A. provides that, "...All solid waste shall be collected from every occupied residence, apartment, or business...at least once a week."

Further, MCC Section 10.41.030. Subsection B. Payment. provides that collection rates shall be established by the Board, as follows:

Residents... and owners of commercial and industrial businesses or the property owners of the property within the designated residential areas or the property on which such businesses

are located shall pay the rates established by the Board.

While this work is not directly in support of a Health Department strategic goal, it is in support of one or more of the ten essential public health services, specifically: 6) Enforce laws and regulations that protect health and ensure safety.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel-Risk Management has reviewed and approved this Amendment No. 16 as to form. The Auditor-Controller's Office has reviewed and approved this Amendment No. 16 as to fiscal provisions.

FINANCING:

There is no General Fund Contribution resulting from this Board action. Waste Management, Inc. will continue to remit franchise fees, calculated at 10% of collected revenue, to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability, and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services, promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Robin Kimball, MA III, 796-1297

Approved by: Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachments:

Board Report

Draft Resolution

[Proposed] Amendment No. 16 and Exhibit 1

Amendment No. 15

Amendment No. 14

Amendment No. 13

Amendment No. 12

Amendment No. 11

Amendment No. 10

Amendment No. 9

Amendment No. 8

Amendment No. 7

Amendment No. 6

Amendment No. 5

Amendment No. 4

Amendment No. 3

Amendment No. 2

Amendment No. 1

Waste Management, Inc. Unified Franchise Agreement (“UFA”)