

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 9/18/2012	(3) CONTACT/PHONE Mary Whittlesey, Solid Waste Coordinator (805) 781-5259	
(4) SUBJECT Request to amend the Solid Waste Collection Franchise Agreements for Mission Country Disposal, South County Sanitary Services, and San Luis Garbage Company to extend the period for collected green waste to be used as Alternative Daily Cover. Districts 2, 3, 4, 5.			
(5) RECOMMENDED ACTION It is our recommendation that your Honorable Board: <ol style="list-style-type: none"> 1. Approve Amendment No. 2 to the Solid Waste Collection Franchise Agreement with Mission Country Disposal; and 2. Approve Amendment No. 2 to the Solid Waste Collection Franchise Agreement with South County Sanitary Services; and 3. Approve Amendment No. 2 to the Solid Waste Collection Franchise Agreement with San Luis Garbage Company. 			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT To be determined	(8) ANNUAL FINANCIAL IMPACT To be determined	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP No	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 9/21/10; A-3	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 2 - District 3 - District 4 - District 5			

12SEP18-C-2

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Mary Whittlesey, Solid Waste Coordinator

VIA: John Diodati, Public Works Administrator

DATE: 9/18/2012

SUBJECT: Request to amend the Solid Waste Collection Franchise Agreements for Mission Country Disposal, South County Sanitary Services, and San Luis Garbage Company to extend the period for collected green waste to be used as Alternative Daily Cover. Districts 2, 3, 4, 5.

RECOMMENDATION

It is our recommendation that your Honorable Board:

1. Approve Amendment No. 2 to the Solid Waste Collection Franchise Agreement with Mission Country Disposal; and
2. Approve Amendment No. 2 to the Solid Waste Collection Franchise Agreement with South County Sanitary Services; and
3. Approve Amendment No. 2 to the Solid Waste Collection Franchise Agreement with San Luis Garbage Company.

DISCUSSION

Currently the Franchise Agreements with three companies (South County Sanitary Services, San Luis Garbage Company and Mission Country Disposal) allow, until September 1, 2012, the use of any green waste collected from their customers to be taken to a disposal site that uses the material as Alternative Daily Cover (ADC). Each of these collection companies is owned by Waste Connections, Inc., as is the Cold Canyon Landfill, which has historically received the green waste and used it as feed stock for their composting facility.

The Cold Canyon Landfill closed its composting operations in 2010 and your Board approved an amendment to the franchises on September 21, 2010 allowing delivery to a facility that uses the material as ADC. The material has been ground up and placed over the waste to a depth of 6 inches at the end of each day as a substitute for using soil or a tarp to cover the waste. The prior amendment allowing the Franchisees to deliver green waste to Cold Canyon for this use expired on September 1, 2012.

Since Cold Canyon does not expect to resume composting operations in the short term, it is presently arranging to transport the green waste material it receives to a composting operation in Santa Maria. Once the arrangements have been completed, franchise obligations are met, and a rate has been considered and approved by your Board for the transport and operational expenses, the diversion to the new facility may begin. Cold Canyon management estimates that it will take several months to complete this work effort prior to your Board's consideration of rate impacts. Consequently, the recommended franchise amendments approve the continued use of the green waste as ADC until September 2013 recognizing the time needed before returning to your Board.

Additionally, the existing Franchise Agreements provide that use of an out-of-county facility is subject to the approval of the Director of Public Works, and only after the Franchisee(s) has demonstrated it would be a more appropriate and efficient part of the operation to haul green waste out-of-county. The Public Works Department has not received this documentation but anticipates it will be provided concurrently with the relevant rate adjustment request for your Board's consideration. The relevant franchise language is as follows:

5.17.3 If Franchisee determines all local facilities within the County of San Luis Obispo are not appropriate disposal or processing facilities/sites, and an out-of-county site would be more appropriate and an efficient part of the operation, Franchisee shall obtain the written agreement of County. The Board of Supervisors specifically delegates to the Director of the Department of Public Works the authority to enter into a written agreement to change the disposal or processing site to an out-of-county site. The County must be notified in writing three hundred sixty five (365) days in advance if Franchisee desires to use a facility/disposal site outside San Luis Obispo County at any time during the term of this Agreement.

Since the state of California recognizes the use of green waste for ADC in a landfill as an acceptable means of diverting waste from landfills, continued use of the contaminated green waste will not impact our waste diversion achievements, currently at 69%.

Light Brown Apple Moth

In 2010, Los Osos and a part of Arroyo Grande were two areas that had infestations of the light brown apple moth. The contaminated fraction of the green waste is handled under regulations from the California Department of Agriculture. The regulated areas are now Cayucos and Los Osos; both communities are serviced by Mission Country Disposal. However, it is possible that other areas may become affected by this pest. The green waste collected from any regulated area will continue to be used as Alternative Daily Cover and the recommended amendment to these Franchises extends the permission for the contaminated green waste for up to three years, ending September 1, 2015, with written approval by the Director of Public Works being necessary for allowing a one year extension.

OTHER AGENCY INVOLVEMENT/IMPACT

Departments involved with solid waste issues, including County Counsel, Auditor-Controller, Environmental Health Division of the Health Agency, and the Agriculture Commissioner, have been informed of the possible changes to these Franchise Agreements. The Integrated Waste Management Authority is expected to discuss the green waste management options at their September 12, 2012 meeting.

FINANCIAL CONSIDERATIONS

There is no financial impact by your Board's action to approve the amendments that allow the continued use of green waste as ADC. A financial impact to waste hauling operations can be anticipated later when the transportation costs to take the green waste from Cold Canyon Landfill to an off-site composting facility are considered by your Board. At that time the Franchisees will probably seek rate adjustments. However, the Franchise Agreements are specific regarding the type and amount of increases that are allowed. At present we cannot forecast the specific impact on garbage company customers without specific rate adjustment requests from the companies, which will be reviewed by the Auditor-Controller. If there is an adjustment, it will affect all customers with green waste collection service in the entire waste shed from Ragged Point to the Santa Barbara County border. Any increase in customer's collection rates will also increase the franchise fee revenue to the County.

RESULTS

Approval of the recommended action could result in continued use of green waste as ADC at Cold Canyon Landfill until arrangements are completed for transfer to a composting facility, which promotes healthy and livable communities.

File: CF 755.100.40.01A San Luis Garbage Company Franchise Agreement
CF 755.100.60.01A South County Sanitary Services, Inc. Franchise Agreement
CF 755.100.20.01A Mission Country Disposal Franchise Agreement

Reference: 12SEP18-C-2

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ATTACHMENTS

1. Amendment No. 2 to Solid Waste Collection Franchise Agreement between San Luis Garbage Company and the County of San Luis Obispo
2. Amendment No. 2 to Solid Waste Collection Franchise Agreement between South County Sanitary Services, Inc. and the County of San Luis Obispo
3. Amendment No. 2 to Solid Waste Collection Franchise Agreement between Mission Country Disposal and the County of San Luis Obispo