

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

(1) DEPARTMENT Public Works	(2) MEETING DATE 9/20/2016	(3) CONTACT/PHONE Wendy Marie C. Hall, Administrative Division Manager (805) 781-5295	
(4) SUBJECT Request to approve Amendment No. 4 to Solid Waste Collection Franchise Agreements with South County Sanitary Service Inc., San Luis Garbage Company, and Mission Country Disposal for unincorporated areas and Amendment No. 1 to Solid Waste Collection Franchise Agreement with Waste Connections US, Inc. and Mission Country Disposal for areas within the Los Osos Community Services District. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and execute the following Amendments to the Solid Waste Collection Franchise Agreements: <ul style="list-style-type: none"> • Amendment No. 4, South County Sanitary Service Inc. (Franchisee) • Amendment No. 4, San Luis Garbage Company (Franchisee) • Amendment No. 4, Mission Country Disposal (Franchisee) • Amendment No. 1, Mission Country Disposal and Waste Connections US, Inc., unincorporated areas of Los Osos Community Services District (Franchisee) 			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(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"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 12/09/08; #A-18, 12/10/13; #9	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference: 16SEP20-C-4

County of San Luis Obispo



TO: Board of Supervisors
FROM: Public Works
Wendy Marie C. Hall, Administrative Division Manager
VIA: John Diodati, Deputy Director of Public Works
DATE: 9/20/2016

SUBJECT: Request to approve Amendment No. 4 to Solid Waste Collection Franchise Agreements with South County Sanitary Service Inc., San Luis Garbage Company, and Mission Country Disposal for unincorporated areas and Amendment No. 1 to Solid Waste Collection Franchise Agreement with Waste Connections US, Inc. and Mission Country Disposal for areas within the Los Osos Community Services District. All Districts.

RECOMMENDATION

It is recommended that the Board approve and execute the following Amendments to the Solid Waste Collection Franchise Agreements:

- Amendment No. 4, South County Sanitary Service Inc. (Franchisee)
- Amendment No. 4, San Luis Garbage Company (Franchisee)
- Amendment No. 4, Mission Country Disposal (Franchisee)
- Amendment No. 1, Mission Country Disposal and Waste Connections US, Inc., unincorporated areas of Los Osos Community Services District (Franchisee)

DISCUSSION

On December 9, 2008 the County entered into an Amended and Restated Solid Waste Collection Franchise Agreement with South County Sanitary Services Inc., San Luis Garbage Company and Mission Country Disposal for the unincorporated areas. On December 5, 2013 the Los Osos Community Services District (LOCSD) assigned the Los Osos Community Services District Franchise Agreement between the LOCSD and Waste Connections, Inc. and Mission Country Disposal (effective September 1, 2008) to the County for the provision of solid waste collection service within the boundaries of the LOCSD (collectively, Franchise Agreements).

The four above Franchise Agreements currently have terms of fifteen-years, through 2023 with a three-year extension option exercisable by the County that, if exercised, would have required an amendment to County Code Section 8.12.735 at that time.

On September 28, 2014, the Governor approved AB 1826 requiring each jurisdiction, on and after January 1, 2016, to implement an organic waste recycling program to divert organic waste from certain businesses. In conjunction with AB 1826, the local Integrated Regional Waste Management Authority (IRWMA) also required residential organic waste recycling to be added to the Solid Waste Collection Program. In an effort to implement AB 1826 and the IRWMA requirements, the Franchisees identified above have proposed to enter into a long term agreement with Hitachi Zone Inova U.S.A. LLC (HZI) to construct and operate a facility to compost food and green waste generated within the County. In order to finance the facility, assurances that Franchisees will divert all organic waste within their service areas for twenty years from the facility operation date is required, thus necessitating extensions to the Franchise Agreements.

Therefore, Franchisees require a twenty-year commitment from the County to divert all food and green waste to Franchisees. Staff recommends the existing contracts provide an exclusive franchise to a private company for the collection and processing of residential solid waste (including food and green waste) is the most effective and efficient way to collect and divert residential food and green waste within the County. Amending the Franchise Agreements will allow for the twenty-year commitment that the Franchisee requires.

The Franchise Agreements currently have a term of fifteen years, through 2023 with a three-year extension option. The proposed amendments would be for a twenty-year term that would commence in 2020 and expire in 2040.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the Amendments as to legal form and effect. The Environmental Coordinator reviewed the project and determined it was exempt from California Environmental Quality Act.

FINANCIAL CONSIDERATIONS

Amending the Franchise Agreements will allow for the twenty-year commitment that the Franchisees need in order to provide an organic waste recycling program within our County for our residence.

There are no financial impacts as a result of this item.

RESULTS

Approval of the recommended action will help promote the health, safety and welfare of the community and the environment.

ATTACHMENTS

1. South County Sanitary Service Inc. Amendment No.4 to Solid Waste Collection Franchise Agreement
2. San Luis Garbage Company Amendment No.4 to Solid Waste Collection Franchise Agreement
3. Mission Country Disposal Amendment No.4 to Solid Waste Collection Franchise Agreement
4. Mission Country Disposal and Waste Connections US, Inc., unincorporated areas of Los Osos Community Services District Amendment No.1 to Solid Waste Collection Franchise Agreement

File: CF 755.100.60.01 South County Sanitary Services- General
CF 755.100.40.01.A San Luis Garbage- Franchise Agreement & Board of Supervisor Actions
CF 755.100.20.01 Mission Country Disposal- General
CF 755.400.40.01 Los Osos

Reference: 16SEP20-C-4

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