

## STAFF REPORT

**BOARD MEETING DATE:** December 10, 2024

**CATEGORY:** Consent Calendar 22

**SUBJECT:** Approve a retroactive agreement with Burney Disposal, Inc., for residential, commercial, and industrial waste collection in the Intermountain area of Shasta County.

**DEPARTMENT:** Public Works

**SUPERVISORIAL DISTRICT #:** District 3

**DEPARTMENT CONTACT:** Don Renz, Principal Engineer, (530) 225-5661

**STAFF REPORT APPROVED BY:** Troy Bartolomei, Public Works Director

<b><u>Vote Required?</u></b>	<b><u>General Fund Impact?</u></b>
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Simple Majority Vote

<b><u>Vote Required?</u></b>	<b><u>General Fund Impact?</u></b>
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No General Fund Impact

### **RECOMMENDATION**

Approve a retroactive 11-year waste collection franchise agreement (Agreement), effective December 1, 2024, with Burney Disposal, Inc., to provide residential, commercial, and industrial waste collection in the Intermountain area of the County.

### **DISCUSSION**

The Shasta County unincorporated area is split into three zones for solid waste service. The Intermountain area: Burney, Fall River Mills, and surrounding area is serviced by the existing Burney Disposal agreement. Continued service will be provided by the proposed Agreement. The valley area is serviced by USA Waste. The remaining areas are serviced by a combination of transfer stations, and neighboring County's providers. Castle Rock School District area receives service from Siskiyou County's provider. The Manton area receives service from Tehama County's provider.

In 2013, the County entered into a 10-year franchise agreement with Burney Disposal, Inc. to provide waste collection services to the Intermountain area. On October 5, 2021, the Board of Supervisors approved the execution of a waiver and consent agreement to allow the transfer of the business and with it the franchise agreement, to USA Waste of California, Inc., a subsidiary of Waste Management. This agreement has been extended and modified through three amendments and is set to expire on October 31, 2024.

County staff has negotiated a new Agreement with Burney Disposal. The following are the pertinent changes from the previous agreement.

- No Green/food waste collection service: California SB 1383, passed in 2016, requires a statewide reduction in methane emissions, partially through a reduction in organics (green and food waste) disposal of 75% by 2025. The County has successfully applied for waivers for the lower population census tracks. As such, the intermountain area does not require service and therefore the service will not be available to those customers.
- New cans and curbside single stream recycling: Approximately July 1, 2025, Waste Management will start to provide 64-gallon waste wheelers to replace the customer owned cans. In addition to the can for municipal solid waste, each customer will receive a 64-gallon recycling can. The cans will now be the responsibility of the franchise hauler to maintain and replace as needed. Additional cans and sizes will be available for a separate rate. The rate for service is subject to Proposition 218 approval. Staff will be initiating this process once this Agreement has been executed.
- Vouchers for free disposal: The County will have a limited number of vouchers to provide at their discretion to allow customers a free load of trash to be disposed of at the transfer stations in Fall River or Burney.
- An increase in Franchise fee from 3.0% to 5.5%: This will help offset additional County staff time for the new regulations

and reporting. This increase is still below the north state average for franchise agreements of around 10%.

Rate adjustments will be handled in the same manner as the previous contract. Rates will be adjusted annually using Consumer Price index inflation factors, with a cap of 8% per year (Historically these adjustments have been around 2% per year).

An eleven-year contract term has been negotiated. Burney Disposal will be required to make substantial capital investments in Shasta County in order to provide the new services. Stability and continuity are necessary to establish this infrastructure and realize a return on the investment. Staff recommends approval of the proposed franchise Agreement.

### **ALTERNATIVES**

The Board may decline to enter into the proposed Agreement. The Board may direct staff to pursue other arrangements for solid waste collection. Having only one dedicated hauler minimizes the disruption of multiple haulers collecting refuse at multiple times and days during the week.

### **OTHER AGENCY INVOLVEMENT**

County Counsel has approved the Agreement as to form. Risk Management has approved the Agreement. The recommendation has been reviewed by the County Administrative Office.

### **FISCAL IMPACT**

Waste collectors are compensated through collection fees. Adequate appropriations to administer the franchise Agreement have been included in the Fiscal Year 2024-25 Solid Waste Budget and will be included in future Solid Waste Budgets.

### **ATTACHMENTS:**

1: Burney Disposal Agreement