



# COUNTY OF HUMBOLDT

For the meeting of: 9/25/2018

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File #: 18-1180

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To: Board of Supervisors

From: Public Works

SUBJECT:

Amendments to the Solid Waste Collection Franchise Agreements with Humboldt Sanitation Company, Inc. and Recology of Humboldt County

RECOMMENDATION(S):

That the Board of Supervisors approve, and authorize the Chair of the Board to execute, the attached tenth amendment to the solid waste collection franchise agreement with Humboldt Sanitation Company, Inc. for the unincorporated northwestern area of Humboldt County; approve, and authorize the Chair of the Board to execute, the attached sixth amendment to the solid waste collection franchise agreement with Recology Humboldt County for the unincorporated Willow Creek area of Humboldt County; approve, and authorize the Chair of the Board to execute, the attached eleventh amendment to the solid waste collection franchise agreement with Recology Humboldt County for the unincorporated Eureka, Arcata, Blue Lake and Fieldbrook areas of Humboldt County; approve, and authorize the Chair of the Board to execute, the attached tenth amendment to the solid waste collection franchise agreement with Recology Humboldt County for the unincorporated Fortuna/Ferndale, Holmes/Redcrest, Weott/Myers Flat and Garberville areas of Humboldt County; and direct the Clerk of the Board to return two (2) fully executed copies of each attached amendment to the Department of Public Works for further processing.

SOURCE OF FUNDING:

General Fund - Solid Waste (1100438).

DISCUSSION:

In 2013 the Chinese government announced its "Operation Green Fence" initiative and stated it would no longer accept poorly sorted or dirty shipments of recyclable wastes from exporters. At that time, China accepted about 70 percent of the world's 500 million tons of electronic waste, and 12 million tons of plastic waste per year. This policy set a contamination limit of 1.5 percent for all recyclable materials. As a result, both public and private recyclers experienced a decrease of revenues due to a drop in commodity scrap values. China subsequently implemented the "National Sword" initiative which bans the importation of post-consumer plastics and unsorted paper as of January 2018. In March 2018, the "Operation Blue Sky" initiative decreased the contamination limit for recyclable materials accepted by China to 0.3 percent. The above-referenced policies regarding the acceptance of imported recyclable materials has caused large amounts of paper and plastic scrap, which would typically be exported to China's many recycling processors, to build up in stockpiles across the United States.

Recyclables collected throughout the various communities located in Humboldt County are currently directed to one of three processing locations. Under the 2011 Curbside Recycling Processing Agreement entered into by the Humboldt Waste Management Authority (HWMA), the City of Eureka and the County of Humboldt, the agency Solid Wastes of Willits transported, processed and marketed a majority of the recyclable materials collected in Humboldt County. The revenue generated from such activities was split amongst the above-referenced agencies. HWMA subsequently entered into an agreement for recyclable materials processing and marketing services with Recology Humboldt County on August 7, 2018. This processing agreement replaced the 2011 Curbside Recycling Processing Agreement as of September 6, 2018. Consistent with the terms and conditions of the processing agreement, HWMA will collect the recyclable materials processing fees to cover the new costs associated with processing recyclable materials at the Recology Eel River Samoa Resource and Recovery Center.

Section 521-8(b) of the Humboldt County Code provides that rate changes not exceeding a total annual increase of 8 percent, which occurs as a result of annual index-based adjustments, changes in the franchise fee and/or the recycling percentage and changes in disposal and/or processing costs set forth in a solid waste collection franchise agreement, may be implemented by an amendment to

the franchise agreement executed by the Board of Supervisors or the Franchise Contract Administrator without a public hearing being held. All other rate changes pertaining to the collection and disposal of solid waste and recyclable materials must be approved by the Board of Supervisors, after the holding of a public hearing.

All of the following rate changes set forth in the attached amendments to the solid waste collection franchise agreements with Humboldt Sanitation Company, Inc. and Recology Humboldt County have been necessitated by changes in the costs associated with processing recyclable materials collected in Humboldt County, and will not result in total an annual rate increase of more than 8 percent. If approved, the following rate changes will take effect as of September 1, 2018:

- Humboldt Sanitation Company, Inc. - Unincorporated Northwestern Area of Humboldt County: Service rates pertaining to the collection and disposal of recyclable materials will increase by \$1.25, or 3.39 percent, from \$35.63 per month to \$36.88 per month.
- Recology of Humboldt County - Unincorporated Eureka Area of Humboldt County: Service rates pertaining to the collection and disposal of recyclable materials will increase by \$1.40, or 3.79 percent, from \$36.93 per month to \$38.33 per month.
- Recology of Humboldt County - Unincorporated Arcata, Blue Lake and Fieldbrook Areas of Humboldt County: Services rates pertaining to the collection and disposal of recyclable materials will increase by \$1.29, or 3.79 percent, from \$34.05 per month to \$35.34 per month.
- Recology of Humboldt County - Unincorporated Fortuna/Ferndale, Holmes/Redcrest, Weott/Myers Flat and Garberville Areas of Humboldt County: Service rates pertaining to the collection and disposal of recyclable materials will increase by \$1.03, or 3.37 percent, from \$30.67 per month to \$31.70 per month.
- Recology of Humboldt County - Unincorporated Willow Creek Area of Humboldt County: Service rates pertaining to the collection and disposal of recyclable materials will increase by \$.30, or 1.09 percent, from \$27.30 per month to \$27.60 per month.

The attached amendments to the solid waste collection franchise agreements with Recology of Humboldt County will also designate the Recology Eel River Samoa Resource Recovery Center as the designated recycling facility for all recyclable materials collected within the franchise areas covered thereby. The amendments will also provide a mechanism to adjust the maximum services rates charged by Recology of Humboldt County for the handling and disposal of recyclable materials on an annual basis to reflect changes in the processing cost under the Processing Agreement. The attached amendments come to the Board after the effective date thereof due to inadvertent delays that occurred during the development process.

For all of the reasons stated above, the Department of Public Works recommends that the Board approve, and authorize the Chair of the Board to execute, the attached amendments to the solid waste collection franchise agreements with Humboldt Sanitation Company, Inc. and Recology of Humboldt County.

**FINANCIAL IMPACT:**

Approval of the attached amendments to the solid waste collection franchise agreements with Humboldt Sanitation Company, Inc. and Recology Humboldt County will not impact the Humboldt County General Fund.

The recommended actions support the Board of Supervisors' Strategic Framework by encouraging local enterprise, ensuring proper operation of markets and providing community-appropriate levels of service.

**OTHER AGENCY INVOLVEMENT:**

None.

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

Board discretion.

**ATTACHMENTS:**

1. Tenth Amendment to the Solid Waste Collection Franchise Agreement with Humboldt Sanitation Company, Inc. for the Unincorporated Northwestern area of Humboldt County

2. Sixth Amendment to Solid Waste Collection Franchise Agreement with Recology of Humboldt County for the Unincorporated Willow Creek area of Humboldt County

3. Eleventh Amendment to the Solid Waste Collection Franchise Agreement with Recology of Humboldt County for the Unincorporated Eureka, Arcata, Blue Lake and Fieldbrook areas of Humboldt County

4. Tenth Amendment to the Solid Waste Collection Franchise Agreement with Recology of Humboldt County for the Unincorporated Fortuna/Ferndale, Holmes/Redcrest, Weott/Myers Flat and Garberville areas of Humboldt County

PREVIOUS ACTION/REFERRAL:

Board Order No.: [Click or tap here to enter text.](#)

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