



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

I-2

For the meeting of: May 23, 2017

Date: May 9, 2017

To: Board of Supervisors

From: Thomas K. Mattson, Public Works Director

Subject: Propose the Consolidation of Unincorporated Eureka, Unincorporated Arcata and Blue Lake/Fieldbrook Solid Waste Franchise Areas effective July 1, 2017

RECOMMENDATION(S): That the Board of Supervisors:

1. Review the service options for the Unincorporated Eureka, Unincorporated Arcata and Blue Lake /Fieldbrook Solid Waste Franchise Areas;
2. Direct staff to consolidate the three franchise areas, effective July 1, 2017;
3. Provide direction to staff on which services will be offered to the customers in the consolidated franchise areas, effective July 1, 2017; and
4. Direct staff to return to the Board for approval of the consolidation and cost adjustments as a result of additional services extending the agreements terms for all three areas to December 31, 2030.
5. Provide direction to staff on whether monthly street sweeping will be added to the Unincorporated Eureka area as a service provided by Recology Humboldt County.

SOURCE OF FUNDING: General Fund – Solid Waste (1100438)

DISCUSSION: On April 26, 2011, the county entered into solid waste franchise agreements with Recology Humboldt County for the handling and disposal of solid waste and recyclables in the following service areas: Unincorporated Eureka, Blue Lake/Fieldbrook, Garberville and Holmes/Redcrest, for the period July 1, 2011, to December 31, 2020.

Prepared by Thomas K. Mattson

CAO Approval

Karen Clower

REVIEW:

Auditor *MSM*

County Counsel

Human Resources

Other

TYPE OF ITEM:

☐ Consent
☒ Departmental
☐ Public Hearing
☐ Other

PREVIOUS ACTION/REFERRAL:

Board Order No. L-1; C-18

Meeting of: 4/26/11; 12/6/16

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor Seconded by Supervisor

Ayes
Nays
Abstain
Absent

SEE ACTION SUMMARY

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: _____

By: _____

Kathy Hayes, Clerk of the Board

On December 6, 2016, following the acquisition by Recology Humboldt County of the outstanding shares of the Arcata Garbage Company, the county and Recology entered into a Consent to Change Control of Arcata Garbage Company, Inc., regarding solid waste collection franchise agreement for the Unincorporated Arcata Area through June 30, 2021. Arcata Garbage was rebranded "Recology Arcata".

Recognizing that the Unincorporated Eureka, Unincorporated Arcata and Blue Lake/Fieldbrook areas are contiguously located but services provided to those areas are not the same, it is proposed that services provided by Recology Humboldt County be standardized and the areas be consolidated into one franchise agreement. Each service area will receive unique benefits, discussed in Option 3. The standardization and consolidation will also provide for efficient use of manpower (i.e. drivers) and equipment (i.e. trucks) as well as insurance and route costs, effective July 1, 2017.

There are currently three (3) recycling drop sites in the county, four (4) less than existed in 2015-2016. With the closure of many recycling drop sites throughout the county, providing weekly curbside recycling services are needed.

Recology provided the following options:

1. Retain existing separate agreements for the three franchise areas with no service additions.

Service Area	Service Size	FY 2016-2017 Monthly Rates	FY 2017-2018 Monthly Rates	Difference \$	% Increase to Rate
Unincorporated Eureka	30 g-residential	\$30.38	\$30.90	\$0.52	1.7%
Unincorporated Eureka	1yd-commercial	\$224.07	\$228.10	\$4.03	1.8%
Unincorporated Arcata	30 g-residential	\$25.79	\$26.25	\$0.46	1.8%
Unincorporated Arcata	1yd- commercial	\$191.27	\$195.95	\$4.68	2.4%
Blue Lake/Fieldbrook	30 g-residential	\$31.94	\$32.50	\$0.56	1.8%
Blue Lake/Fieldbrook	1 yd-commercial	\$184.09	\$187.03	\$2.94	1.6%

2. Consolidate the three areas and automate garbage in Unincorporated Arcata; Unincorporated Eureka, Unincorporated Arcata, Blue Lake/Fieldbrook into one agreement, effective July 1, 2017.

Service Area	Service Size	FY 2017-2018 Monthly Rates with COLA (Cost of Living Allowance*)	FY 2017-2018 Monthly Rates	Difference \$	% Increase to Rate
Unincorporated Eureka	30 g-residential	\$30.90	\$30.96	\$0.06	0.02%
Unincorporated Eureka	1yd-commercial	\$228.10	\$228.57	\$0.47	0.2%
Unincorporated Arcata	30 g-residential	\$26.25	\$30.96	\$4.71	17.9%

Unincorporated Arcata	1yd- commercial	\$195.95	\$228.57	\$32.62	16.6%
Blue Lake/Fieldbrook	30 g-residential	\$32.50	\$30.96	-\$1.54	-4.7%
Blue Lake/Fieldbrook	1 yd-commercial	\$187.03	\$228.57	\$41.54	22.2%

*Cost of Living Allowance includes the following components: fuel, labor and not otherwise specified (N.O.S) adjusted by year over year percentage change in the Producer Price Index.

3. Consolidate and standardize the three areas: Unincorporated Eureka, Unincorporated Arcata, Blue Lake/Fieldbrook into one agreement, effective July 1, 2017. Each service area will receive unique service improvements as described below
 - Unincorporated Eureka area will retain all existing services. Unincorporated Eureka will benefit allowing growth in the green waste and recycle programs as both programs are nearing route capacities. Existing recycling and green waste routes are nearing carrying capacity. Standardization allows for the addition of five hundred (500) more recycling and five hundred (500) more green waste customers to the entire system and there is also growth possibilities for the Blue Lake/Fieldbrook areas.
 - Arcata area's garbage collection is done manually with two people. The waste collection industry has long recognized that this method is not only inefficient but also unsafe. This is the last route in Recology Humboldt County's service area where that type of collection still occurs.

Recycling pick-up in the Arcata area currently occurs every other week for a cost of \$7.51/month/can. The rate will be lowered to \$4.19/month/90-gallon can which will be the rate in Eureka in FY 2017-18 for weekly pick-up.

	FY 2016-17		FY 2017-18	
Recycling	Cost/Can/Month	Pick-Up Frequency	Cost/Can/Month	Pick-Up Frequency
Arcata	\$7.51	Bi-Weekly	\$4.19	Weekly
Eureka	\$4.19	Weekly	\$4.19	Weekly
Garbage (30-gallon) plus Recycling	\$25.79 plus \$7.51 = \$33.30/month		\$33.03 plus \$4.19 = \$37.22/month, or a net increase of \$3.92/month but includes automation, bulky item pick-up, and the ability to participate in green waste disposal.	

In effect, Unincorporated Arcata customers will be receiving the following new services: weekly green waste collection, bulky item collection, senior service, automated garbage collection, with the addition of a 20 gallon size selection, weekly recycling service for all material types and Recology-provided containers.

- Blue Lake/Fieldbrook customers will receive the following new services: weekly green waste collection and senior service.

Service Area	Service Size	FY 2017-2018 Monthly Rates with COLA	FY 2017-2018 Monthly Rates Weekly Green Waste, Senior Service, Bulky Item Pick-Up and Fully Automated	Difference \$	% Increase to Rate
Unincorporated Eureka	30 g-residential	\$30.90	\$33.03	\$2.13	6.9%
Unincorporated Eureka	1yd-commercial	\$228.10	\$243.81	\$15.71	6.9%
Unincorporated Arcata	30 g-residential	\$26.25	\$33.03	\$6.78	25.8%
Unincorporated Arcata	1yd- commercial	\$195.95	\$243.81	\$47.86	24.4%
Blue Lake/Fieldbrook	30 g-residential	\$32.50	\$33.03	\$0.53	1.6%
Blue Lake/Fieldbrook	1 yd-commercial	\$187.03	\$243.81	\$56.78	30.4%

Or Option 3 with a two-year phase-in approach with percentage increase for 2017-2018 (first year) as shown below, including truck purchase and infrastructure costs, then the remaining cost on the second year.

Service Area	Service Size	FY 2017- 2018 Monthly Rates with COLA	FY 2017-2018 Monthly Rates Weekly Green Waste, Senior Service, Bulky Item Pick-Up and Fully Automated	Difference \$	% Increase to Rate
Unincorporated Eureka	30 g-residential	\$30.90	\$32.10	\$1.20	3.9%
Unincorporated Eureka	1yd-commercial	\$228.10	\$236.97	\$8.87	3.9%
Unincorporated Arcata	30 g-residential	\$26.25	\$32.10	\$5.85	22.3%
Unincorporated Arcata	1yd- commercial	\$195.95	\$236.97	\$41.02	20.9%
Blue Lake/Fieldbrook	30 g-residential	\$32.50	\$32.10	-\$0.40	-1.2%
Blue Lake/Fieldbrook	1 yd-commercial	\$187.03	\$236.97	\$49.94	26.7%

4. Add Street Sweeping Service to franchise agreement with Recology Humboldt County in the Unincorporated Eureka area:

Service Area	Service Size	FY 2017-2018 Monthly Rates	FY 2017-2018 Monthly Rates	Difference \$	% Increase to Rate
Unincorporated Eureka	30 g-residential	\$30.90	\$33.55	\$2.65	8.6%
Unincorporated Eureka	1yd-commercial	\$228.10	\$247.65	\$19.55	8.6%

FINANCIAL IMPACT: The requested action has no financial impact to the County General Fund. The agreements effective July 1, 2017 will include COLA adjustments and any other adjustments resulting from the addition of new services, if any.

The requested action conforms to the Board's priorities of providing community-appropriate levels of service and managing resources to ensure sustainability of services.

OTHER AGENCY INVOLVEMENT: None

ALTERNATIVES TO STAFF RECOMMENDATIONS: Board Discretion. Should the Board decide to include or delete service items, staff will return with a revised agreement to reflect selected service changes and rates.