



## Upper Valley Waste Management Agency Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Steven Lederer - Manager  
Upper Valley Waste Management Agency  
**REPORT BY:** Steven Lederer, Director, Public Works - 259-8228  
**SUBJECT:** Strategic Planning

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### **RECOMMENDATION**

#### **STRATEGIC PLANNING/CFL CONTRACT AMENDMENT**

##### **DISCUSSION AND POSSIBLE ACTION:**

1. Discussion and possible adoption of UVA Policy Number 3 (Landfill Upgrades), Policy Number 4 (Support of Local Facilities); and Policy No. 5 Organics Diversion),
2. Consider recommendations of the Ad Hoc committee (Members Canning and Dillon) regarding a framework agreement to amend the Clover Flat Landfill (CFL) Franchise Agreement.

**(This Item Continued From November, 2015 and February, March, August, and September 2016 Meetings)**

### **EXECUTIVE SUMMARY**

The purpose of today's meeting is to discuss and potentially provide direction on the Board's Strategic Planning efforts.

The Board has previously requested the development of Policies on:

- | Policy No. 1: Waste Diversion Goals (Complete)
- | Policy No. 2: Climate Protection (Complete)
- | Policy No. 3: Landfill Upgrades (Discussions today will inform this future policy)
- | Policy No. 4: Local Facility Control (After Policy No. 3)
- | Policy No. 5: Organics Diversion (Will be developed in light of the recent passage of State organics legislation)

The Board has adopted policies on the first two items above. The remaining policies are sequenced to other events as discussed above and will be completed when those sequencing events are done.

Today's meeting will focus on the CFL contract. The Board has previously requested a series of meetings to better understand the history, current status, and the future of CFL as it relates to UVA. These study sessions occurred over a series of meetings, and are now completed. At the September meeting, the Board appointed an Ad Hoc committee, consisting of Members Dillon and Canning, to negotiate the terms of a possible Franchise Agreement contract amendment. The Ad Hoc committee has since met with the company, and a "framework agreement" has been developed. The elements of that agreement are included in the background section below.

Staff requests the Board review and provide direction regarding this framework agreement. If agreement is reached, a formal contract amendment will be developed and returned to the Board for their approval at the December Board meeting.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

The Board recently completed a series of study sessions regarding the future of CFL. At the September meeting, the Board appointed an Ad Hoc committee, consisting of Members Dillon and Canning, to negotiate the terms of a possible Franchise Agreement contract amendment. The Ad Hoc committee has since met with the company, and a "framework agreement" has been developed. The elements of that agreement are as follows below.

1. The move of the C&D line from its current location must happen in the next few years in order to avoid impacting landfill operations. Based on the current agreement, the Agency is responsible for funding 75% of this move (roughly \$1.5M), and the company would be responsible for the remaining 25%. Any increase in costs (depending specifically on what caused the increase), would likely be split in the same percentage. The parties now agree to amend the contract so that the full responsibility of the Agency for the move of the C&D line and other front gate improvements will be \$300,000, and the remaining \$1.7M will be the responsibility of the company. The parties also agree that the risk of cost overruns (and the benefit of cost savings), shall be shifted to the company.
2. The contract shall be extended from its current expiration date in 2025, to the year 2047.
3. The company will provide a written scope of work for Agency approval defining the goals to be accomplished by the move, as well as a milestone schedule for completion. If reasonable delays are encountered during the project, the company will provide written explanation of said delays, The agency will review and will not unduly withhold approval of these delays (particularly delays associated with permitting, as these are notoriously difficult to control and predict). However, if delays result in impact to the operation of the landfill, and therefore meeting the company's commitments under the UVDS and CFL contracts, the agency will have the right to revert our approval to the original contract expiration date (2025). (Failure to perform clause)

4. The contract will be modified to allow the company to exceed the 5% out of county cap on imported waste in situations where the company can demonstrate that such hauling provides a benefit, and doesn't significantly impact traffic into and through the county. Examples include (but are not limited to) handling waste in an emergency (such as the Valley Fire), or the ability to pick up waste in trucks that might otherwise be returning empty from an out of town delivery (backhauling).
5. The current contract caps the CPI increase at 8% per year. The contract will be revised to maintain that cap on an annual basis, but provide for a make up provision the following year if the actual CPI exceeds that annual cap. For instance, if CPI is 10% in year one, and 2 % in year two, the CPI would be applied as 8% in year one and 4% in year two. If a rollover is not used in the next operating period then it is considered to be waived and relinquished by the Contractor and Agency. No rollovers will be allowed in the final two years of the contract.
6. The current contract requires that the landfill tip fee not be any higher than 15% above the price at the Devlin Road Transfer Station (DRTS). The contract will be revised to ensure the price also will not fall more than 5% below the DRTS price.

Staff requests Board review and provide direction regarding this framework agreement. If agreement is reached, a formal contract amendment will be developed and returned to the Board for their approval at the December Board meeting.

#### **SUPPORTING DOCUMENTS**

None

Recommendation: Approve  
Reviewed By: Steven Lederer