

Remaining Financially Viable and Encouraging Diversion through a Landfill and MRF Operations Agreement

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Manager**



Background



- Ten-Year Agreement effective March 1, 2014
- Two extensive negotiations cycles
- Involved Public Operations Study
- Landfill and MRF Operations RFP using a Managed Competition Approach

Background



- Landfill and MRF operator is also hauler for City of Red Bluff and unincorporated County.
 - Roughly 86%
 - Exclusive Franchise Agreements

NEW Agreement



- Variable rate structure
- No tipping fee on source separated recyclables
- Closure Payment fee increases when Contractor moves to new Phase

NEW Agreement



- Diversion Plan Requirement and annual update
 - Liquidated damages for non-compliance
- Annual increase in the amount of materials recycled
- JPA Fee is a flat rate
- Tipping Fee adjustment mechanism for Changes in Law

Variable Rate Structure

- Based on tonnage over four-year rolling average

Tonnage	Increase/Decrease (%) to Base Year per ton rate
above 50,000	(5.64)
≥ 49,300	(4.64)
Above 48,175	(2.32)
47,050	Base
Below 46,500	1.41
Below 45,000	3.44

Materials Recycled

- Contractor must use reasonable efforts to maximize Recyclable Material processing, marketing, reuse, and diversion
- Contractor retains all revenue from the sale of commodities
- At a minimum, Contractor shall recycle
 - Aluminum
 - Plastics #1-7 except polystyrene
 - Glass
 - Mixed Paper
 - OCC
 - Steel cans
 - Mattresses/Box Springs
 - Carpet
 - Metal
 - Tires
 - Ag plastic and fertilizer containers

Closure Payment

- \$1 per cubic yard Phase I
- \$3 per cubic yard Phase II
- Encourages Contractor to maximize compaction and diversion
- At 49,300 tons this is an annual cost increase to Contractor of \$98,600.
- Stay in current Phase I as long as possible.

Diversion Plan



- Submitted to JPA by Contractor for their review and approval
- Updated annually
 - Identify means to increase the amount of materials recycled on a per capita basis, by 2% annually.
 - Implement it!
- Liquidated damages for non-compliance

Cooperation with Waste Studies



- Supports recycled content product market development
- Acknowledges TCRMDZ
- Requires Contractor to conduct waste composition studies for specific material types twice annually
- Requires Contractor to proactively assist JPA with AB 939 waste diversion requirements

JPA Fee



- Flat fee to JPA independent of tonnage
- Includes all Agency operating costs
- Can be increased/decreased based on Agency need
- No longer working ourselves out of business

Changes in Law

- Allows tipping fee to increase up to 15% due to Changes in Law
 - Actual direct costs Contractor would not have incurred
 - 15% can roll over to subsequent years, if direct costs cannot be recovered in first year.

Thank you for your time.
Any questions?

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LANDFILL
MANAGEMENT
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TEHAMA COUNTY/
RED BLUE