

**RESOLUTION NO. \_\_\_\_\_ (N.C.S.)**

**APPROVE AN AMENDED AND RESTATED FRANCHISE AGREEMENT BETWEEN THE CITY OF SALINAS AND ALLIED WASTE SERVICES, dba REPUBLIC SERVICES OF SALINAS FOR COLLECTION, TRANSFER, PROCESSING AND DISPOSAL SERVICES**

**WHEREAS**, the City of Salinas has had an exclusive franchise agreement with Allied Waste Services, dba Republic Services of Salinas (Republic) for solid waste, recycling, and green waste collection since 2001; and

**WHEREAS**, Section 14-9 of the Salinas Municipal Code and California Public Resources Code Section 40059, allow the City to enter into a contract for collection, removal, and disposal of all garbage, wet garbage, rubbish, or commercial rubbish; and

**WHEREAS**, the existing franchise agreement requires updating and modifications to properly address legislative changes, the City's redevelopment goals, the need to modify interrelated agreements that involve the Salinas Valley Solid Waste Authority (Authority) and provide the option of contracted street sweeping services; and

**WHEREAS**, in 2004, Republic and the Authority executed an agreement for organics processing resulting in considerably lower rates for Salinas residents compared to other Authority member jurisdictions. Without means for adjustment, this agreement could potentially remain in effect through all extensions of the solid waste agreement between the City and Republic; and

**WHEREAS**, Salinas served a notice of intent to withdraw from the Authority in December, 2018 and a Memorandum of Understanding (MOU) was signed on August 24, 2021 in which the City will agree to accept equalization of the Authority's organic processing fee costs, along with termination of the 2004 processing agreement along with rescinding its intent to withdraw. These are contingent on the Authority's relocation of the Sun Street Transfer Station (SSTS) and its associated operations along with entering a binding agreement with Republic to lease a portion of the Madison Lane Transfer Station (MLTS) property which was approved at its September 16, 2021, Board of Directors meeting; and

**WHEREAS**, an updated franchise agreement has been negotiated that addresses the above issues with respect to the City and Republic, namely SB 1383 compliance, increased

hauling costs from SSTS rather than SSTS and increased disposal and AB939 costs at Authority facilities; and

**WHEREAS**, negotiations between the City and Republic resulted in franchise fees which represent the reasonable market value of the grant of the solid waste franchise, along with annual fees for AB 939 support, vehicle road impacts, street sweeping, and management paid to the City; and

**WHEREAS**, negotiations included an extension of the term in the updated franchise agreement of 15-years beginning October 1, 2021, to which Republic may request a five-year term extension; and

**WHEREAS**, City of Salinas staff have reviewed the rate increases proposed by Republic Services and found them to accurately reflect those formulas prescribed by the updated franchise agreement and to be reasonable and accurate; and

**WHEREAS**, if found to be reasonable and accurate by the City Council, Republic Services will implement the proposed Maximum Service Rates, effective October 1, 2021.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council hereby finds and determines that the above recitals and accompanying staff report are true and correct and have served as the basis, in part, for the actions of the City Council set forth below; and

**BE IT FURTHER RESOLVED** that consistent with the authority granted to the City Council, the Amended and Restated Franchise Agreement Between the City of Salinas and Allied Waste Services, Dba Republic Services of Salinas for the Collection, Transfer, Processing, and Disposal Serviced dated October 1, 2021, is hereby approved; and

**BE IT FURTHER RESOLVED** that the proposed Exhibit 1 - "Maximum Service Rates," attached hereto, is found and determined to be consistent and an accurate interpretation of the Amended and Restated Franchise Agreement, and to be reasonable and accurate; and

**BE IT FURTHER RESOLVED** that the City Manager is authorized to send a letter to the Salinas Valley Solid Waste Authority rescinding the City's December 6, 2018 Notice of Intent to Withdraw from the Salinas Valley Solid Waste Authority; and

**BE IT FURTHER RESOLVED** that the Mayor of Salinas is hereby authorized and directed, for and on behalf of the City of Salinas, and as its act and deed, to execute the attached Amended and Restated Franchise Agreement; and

**BE IT FURTHER RESOLVED** that the City Manager or his designee is authorized to execute non-substantive modifications to the Amended and Restated Franchise Agreement, as necessary, subject to the concurrence of the City Attorney.

**PASSED AND APPROVED** this 28th day of September 2021 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

APPROVED:

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Kimbley Craig, Mayor

ATTEST:

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Patricia M. Barajas, City Clerk

Attachment: Amended and Restated Franchise Agreement dated October 1, 2021