



Legislation Text

File #: 08-0232, **Version:** 1

Environmental Management Department recommending Board consider the request of Waste Connections, Inc., doing business as El Dorado Disposal Services, to enter into negotiations with the County of El Dorado to extend the current Franchise Agreement for the collection and disposal of municipal solid waste generated by residential, commercial and industrial customers, in a delineated franchise area in the western portion of the County, and operate the material recovery facility near Placerville.

Fiscal Impact/Change to Net County Cost: There is no change in Net County Cost.

Background: Effective September 1993, the County entered into solid waste collection, processing and disposal agreements with El Dorado Disposal Services, Inc. and Western El Dorado Recovery Systems, Inc., both of which agreements had a term ending on December 31, 2012. In 1998, these agreements were assigned to USA Waste of California, Inc, with the consent of the County. Subsequently, a new Solid Waste Services Agreement was entered into with USA Waste of California, Inc. and the County. The new Solid Waste Service Agreement consolidated the two prior agreements (solid waste collection and the Material Recovery Facility (MRF), was executed on August 31, 2004 with the same expiration date of December 31, 2012. On June 6, 2006, the Franchise Agreement was assigned to Waste Connections, Inc., again with the same expiration date of December 31, 2012.

Waste Connections Inc., dba El Dorado Disposal Services, provides refuse collection services along the Highway 50 corridor from Pollock Pines to El Dorado Hills under a franchise agreement granted by the County of El Dorado. Municipal solid waste is hauled to the MRF where it is processed or sent to other facilities for processing or disposal. The MRF is currently owned and operated by Waste Connections, Inc.

Waste Connections Inc. is a regional, integrated solid waste services company that provides collection, recycling, transfer, and disposal services to secondary markets primarily in the Western and Midwestern states. The company, headquartered in Folsom, California, was founded in 1997. The company has rapidly expanded and has subsequently completed over 140 acquisitions in twenty-three states serving over one million customers. The company focuses on contractual relationships and today has nearly 1,000 municipal and franchise contracts.

Reason for Recommendation: Waste Connections Inc., dba El Dorado Disposal Services, has requested to enter into negotiations to extend their current Franchise Agreement through December 31, 2027. The request to extend this agreement coincides with the relocation of the MRF, which is necessary to facilitate a Missouri Flat Road connection to Highway 49, north of Diamond Springs

Preliminary costs estimates, for the MRF relocation are loosely estimated at \$8 million, not including land costs. These costs would include a state of the art material recovery and transfer facility, including single stream sorting, construction and demolition debris sorting, green waste processing,

household hazardous waste collection facility, buy back center and office complex. In order to make the necessary investments and, ultimately, achieve a reasonable rate of return on this investment, El Dorado Disposal Service is seeking to extend their Franchise Agreement an additional 15 years.

Along with allowing El Dorado Disposal Service to recover their investment costs with this extension, it will give the County a long-term stable platform with which to grow and comply with AB939 statutory requirements.

Action to be taken following Board approval: Authorize Director, or her designee, of the Environmental Management Department to enter into negotiations with Waste Connections Inc., dba El Dorado Disposal, to consider the extension of the current Franchise Agreement through December 31, 2027.

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Concurrences: