

Gridley City Council – Special City Council Meeting Agenda

Wednesday, December 15, 2021; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

The Public is encouraged to attend and participate in person. Comments from the public on agenda items will be accepted until 4 pm on December 15, 2021, via email to jmolinari@gridley.ca.us or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration.

This meeting can be accessed by using the following dial-in information:

Call 1-888-204-5987

Access Code 5767603

CALL TO ORDER - Mayor Johnson

ROLL CALL

PLEDGE OF ALLEGIANCE – Council Member Sanchez

INVOCATION - None

PROCLAMATIONS - None

INTRODUCTION OF NEW OR PROMOTED EMPLOYEES – None

COMMUNITY PARTICIPATION FORUM - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

STUDY SESSION

1. Consideration of extension of Waste Management solid waste services contract

CITY STAFF AND COUNCIL COMMITTEE REPORTS - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

CJIS Radio Compliance Program for Police Dept	12/20/2021
Award Contract for Municipal Services Review	12/20/2021
Mid-Year Budget Review	1/18/2022
Presentation of RRT Park Grants	1/18/2022
City Engineering contract renewal/extension	1/18/2022
Audit Financials	1/18/2022
Edler Estates	3/21/2022

CLOSED SESSION - None

ADJOURNMENT – adjourning to a Regular meeting on December 20, 2021

NOTE 1: POSTING OF AGENDA- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., December 14, 2021. This agenda along with all attachments is available for public viewing online at www.gridley.ca.us and at the Administration Counter in City Hall, 685 Kentucky Street, Gridley, CA.

NOTE 2: REGARDING UNSCHEDULED MATTERS – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

City Council Agenda Item #1
Staff Report

Date: December 15, 2021

To: Mayor and City Council

From: Cliff Wagner, Administrator

	Regular
X	Special
	Closed
	Emergency

Subject: Study Session on Proposal to Extend Waste Management Contract for Collection of Solid Waste, Recyclables, Green Waste and Transfer Station Operation Services

Recommendation

City staff is seeking guidance from Council relative to the term and proposed updates to extend Waste Management's Contract for Collection of Solid Waste, Recyclables, Green Waste and Transfer Station Operation Services. Staff recommends Council consider scheduling a special meeting in the two-weeks between December 6, 2021, and December 20, 2021, to hold a study session to more fully review and assess the proposed extension agreement.

Through initial discussion, Waste Management has developed a proposed Term Sheet (attached) that gives an overview of changes that they would like to see incorporated into a services extension agreement. Most significantly, they have proposed two extension options:

- 5-year term option with an initial rate increase of 3.5%
- 2-year term option with an initial rate increase of 5%

Staff recommends that the 2-year term option aligns best with our stated objective of engaging an RFP process.

Further, Waste Management has proposed a change to the Annual Rate Adjustment that would transition from the current Consumer Price Index (CPI) based to the Waste Sewer Trash (WST) index. Although Waste Management indicates that the WST index is more appropriate because it is a more targeted index than CPI, according to industry experts, WST usually runs 1.5 to 2.5 basis points higher than CPI. For this reason, staff recommends a cap of 3.5 to 4% if WST is to be adopted for purpose of annual rate adjustment.

Background

On March 1, 2013, the City of Gridley entered into an agreement with USA Waste of California Inc. (Waste Management) for Collection of Solid Waste, Recyclables, Green Waste and Transfer Station Operation Services. That agreement specified a term of three years.

The initial agreement contained language allowing for the automatic extension for eight successive additional periods of one year, unless terminated by the city. Extensions resulting from the impact of COVID-19, City staff shortages and turnover have resulted in the continuation of the agreement, now set to expire at the close of business on December 31, 2021.

Although the city has benefitted from a long-term partnership with Waste Management in the Collection of Solid Waste services, it is appropriate to undertake a Request for Proposal (RFP) Process to ensure that City of Gridley ratepayers are receiving competitive and cost-effective rates for the services they receive. Because the RFP process for waste services is complex and takes a significant investment in time and analysis, it is necessary to engage a process that builds in sufficient time to do it well.

In consultation with the City Attorney, Tony Galyean, and other municipalities who have recently completed the RFP process for waste collection services, it was determined that a two-year period would be optimal to complete a responsible RFP process.

Financial Impact

Under the current service agreement, the City of Gridley receives a franchise fee of 5% of all revenues collected by Waste Management resulting from all revenue or compensation to the Waste Management from rates established pursuant to Article VII for collection of solid waste, including operation of Ord Ranch Road Transfer Station. Franchise fee is paid to the City of Gridley quarterly. Franchise fee revenue from last fiscal year totaled: \$73,000.

Compliance with City Council Strategic Plan or Budget Goals

The City Council and City staff are committed to engage the best possible financial practices and the highest possible transparency regarding all financial transactions and service delivery to city residents. This proposal is consistent with our ongoing effort to promote financially responsible policies, be responsive and transparent regarding all financial matters, as well as be congruent with best practices.

Attachments

1. Waste Management Proposal Outline

CITY OF GRIDLEY, CALIFORNIA

Collection of Solid Waste, Recyclables,
Green Waste, and Transfer Station
Operation Services

SUBMITTED BY

USA Waste of California, Inc.

**Always Working for a
Sustainable Tomorrow**

CONTACT

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Public Sector Services Manager
(209) 200-1747
jcadelag@wm.com



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Waste Management is your partner for environmental service and solutions whose people **go above and beyond** to **serve and solve** every challenge **the right way**.

Data contained in this proposal represents the most recently published information for Waste Management's wholly owned operations, unless otherwise indicated.



TERM SHEET

USA Waste of California, Inc.
2569 Scott Ave.
Chico, CA 95928-7188

November 9, 2021

City of Gridley

685 Kentucky Street
Gridley, CA 95948

RE: USA Waste of California, Inc. franchise agreement amendment / contract extension

Dear Mr. Wagner:

North Valley Disposal (NVD) greatly appreciates the long-standing partnership we've enjoyed with the City of Gridley and the community. We are excited to present the following options based on our discussions. The term sheet is non-binding as we continue to negotiate to a final agreement. Upon conclusion of the negotiation, the final proposal will be submitted for approval. Proposed contract changes are listed as a summary.

Term: New 2- or 5-year term, commencing on January 1, 2022 and ending on December 31, 2023 or December 31, 2026.

- **5-year term option with initial rate 3.5%.** This rate increase is based on several factors, including industry inflation, and significant increased processing costs NVD has absorbed during the course of the current contract for recyclables and organics processing.
- **2-year term option with initial rate 5%** This rate increase is based on the same factors as the 5-year option but calculated for a two-year term.
Community Benefit of 5-year term: Service costs are spread out over a longer period, minimizing rate-payer impact.

Annual Rate Adjustment: We are proposing a modification to the annual rate adjustment to align costs to reflect increases associated with the waste industry.

- **Update:** Modify to Water Sewer Trash CPI mechanism.
Community Benefit: The major advantage of WST CPI is that it considers a much more specific market basket. The WST CPI represents the cost of water, sewage, and trash collection, versus the literally hundreds of cost components used for the All-Items CPI, that are subject to broad inflationary cost changes.

Delinquent Accounts: Currently, there is \$450,000 in bad debt from delinquent accounts in the City of Gridley and approximately \$321,000 that has been written off. Starting on the commencement date of the extension, we will continue to work with the customers for payment of services, and utilize the delinquent account and corresponding discontinuation of service provisions in the existing contract notated in section 6F; Billing and Collection of Accounts.

Community Benefit: Customers that pay their bills for services ensures that WM can continue to provide services and the City receives the franchise fees from received revenues collected by WM. This also ensures the entire rate payer population does not bear the cost impact of delinquent accounts through an extraordinary rate increase request.

Reducing Contamination and Overage:

- To reduce litter on the streets, and the contamination of recycling and greenwaste, we are providing a targeted plan – aligned with the City of Biggs and City of Chico for contamination (recycling and organics), and overage audits (trash) for warnings, targeted education, and surcharges using WM Smart TruckSM Technology (Residential, MFD, Commercial – carts and bins).

This program will commence following a robust and sustained bilingual education campaign for all residential and commercial customers. Regular updates to city staff and the community will be provided to share the progress of the program. Following the education campaign, the program will provide customers with two warning notifications complete with details about their service with helpful reminders about proper placement of materials in the designated carts, a picture of their service and information about future occurrences. A charge will occur after the second occurrence, and upon the fifth occurrence in a calendar year we will work with the customer to determine if they need a larger sized trash, recycle or green waste container if contamination and overfilled carts continue to be an issue.

- 90-day public education campaign
- Encourage the community to help keep Gridley Clean and Green
- Announce date when contamination and overfilled container program would start
- Contamination communications can be combined with reminders and education about avoiding overages
- Outreach specifics to be worked out with City staff utilizing methods such as letters, emails, postcards, social media, web site update, and/or other methods.
- Dispute resolution process

More detailed information is provided as an attachment.

- Add residential overage charge to existing rate sheet for contamination reduction program Applied after second warning notice.

Community Benefit: WM will provide a robust education plan and program for the community to increase recycling participation, removing contaminants from the recycle stream and prevent overfilled containers that lead to litter on the streets. This program helps reduce contamination for more diversion, supporting local and state diversion goals, and keeps the City clean from blight and debris.

Contract and Rate Updates: In addition to the above, we believe the following items in the current agreement needs updated.

- Modifying language regarding recyclables to address lack of viable markets
- Add recycling rate table. The current agreement and rate sheet does not have a rate table for recycling services for those that wish to subscribe.
- Add variable rates for Roll-Off services instead of flat rates. We anticipate Butte County will increase their tip fees soon, and variable rates will benefit the customers when choosing service levels.
- Address SB 1383. We understand the City is seeking an exemption. The agreement would need to state that rates assume such exemption is in place.

We look forward to your feedback and continuing our partnership with the City of Gridley.

Sincerely,

DocuSigned by:

2A640847CE8F475...

Barry Skolnick

President, USA Waste of California, Inc.



THE SMART TRUCK DIFFERENCE

Using Onboard Technologies to Push Us Past What was Possible

WM Smart TruckSM Technology: Smart Solutions to Drive Behavior

The latest in our efforts to work toward a more sustainable tomorrow, the WM Smart TruckSM program pairs innovative technology with strategic, targeted education to influence waste-related behaviors, making residential collection in Gridley smarter, safer, and more efficient.

At its essence, Smart TruckSM consists of cameras mounted on our collection vehicles that create a record of collection events and the contents of collected containers. Data captured - including vehicle GPS mapping and photo and video documentation of service - is used to provide notification (service verification) and/or education to correct collection issues such as overages (container overflow) or contamination (non-recyclable materials in recycling container).

WM Smart TruckSM technology on your streets means a cleaner, greener, safer Gridley with more power and efficiency in every pickup.



Our proprietary Smart TruckSM technology captures video and photo of every collection and uses that data to educate your residents.

A SMART TRUCK FOR A SUSTAINABLE TOMORROW

The Benefits and Value of Smart TruckSM



BETTER SERVICE, MORE TRANSPARENCY: Smart TruckSM technology documents every collection stop and shares that data – including real-time service verification and documentation of any collection issues – with customers through the notification channel of their choosing.



TARGETED EDUCATION, BETTER RECYCLING: Smart TruckSM improves waste-related decision-making with a focused, tailored education program in response to documented issues, such as contamination or overages. Direct notification with customized education messaging makes for a more personal connection with the customer and increases the likelihood they will take real action and change behavior, improving diversion from landfills, and right sizing their trash services.



A CLEANER COMMUNITY: Smart TruckSM protects community aesthetics as camera monitoring allows us to proactively identify containers that are overflowing and cause unsightly litter and odors.



SAFETY ALWAYS: Smart TruckSM is safer by automating processes that keep our drivers in the cab so they can focus on operating their collection vehicle and monitoring their surroundings. Injury risk is decreased as drivers are not exposed to traffic and avoid lifting containers manually.



ENFORCEMENT STRATEGY: Smart TruckSM technology allows us to identify what residents put at the curb, ensuring that customers are subscribed to the appropriate service levels based on their waste generation. After an initial 60-day intensive education and outreach campaign to launch the program, customers who continually overfill containers or place contamination in recycling or organics carts are subject to a charge.

A Targeted Education Strategy to Combat Contamination, Overages

Key to the Smart TruckSM program is pairing innovative technology with a strategic, targeted education program. To shape waste-related decision-making and effect actual change, we must create a more personal connection with the customer (custom messaging) while providing real data and feedback (photos/video) and clear education to follow. These efforts greatly increase the likelihood that residents will take real action.

Reducing Contamination for a Cleaner Recycling Stream

Contamination can ruin entire loads of recyclable materials and causes extreme problems at recycling facilities, including safety issues such as fires from hazardous materials (batteries) or tangling (plastic bags) in sorters that must be manually cut out - a dangerous task for facility workers.

With WM Smart TruckSM, contamination enforcement and education is made easy with:

- A standardized review process with checks and balances to identify contamination at the curb
- Account-specific photos that allow us to educate customers about contamination and recycling right
- Ability to identify top contaminants by route to target outreach in your community

One in four items that consumers place in recycling containers is not recyclable.

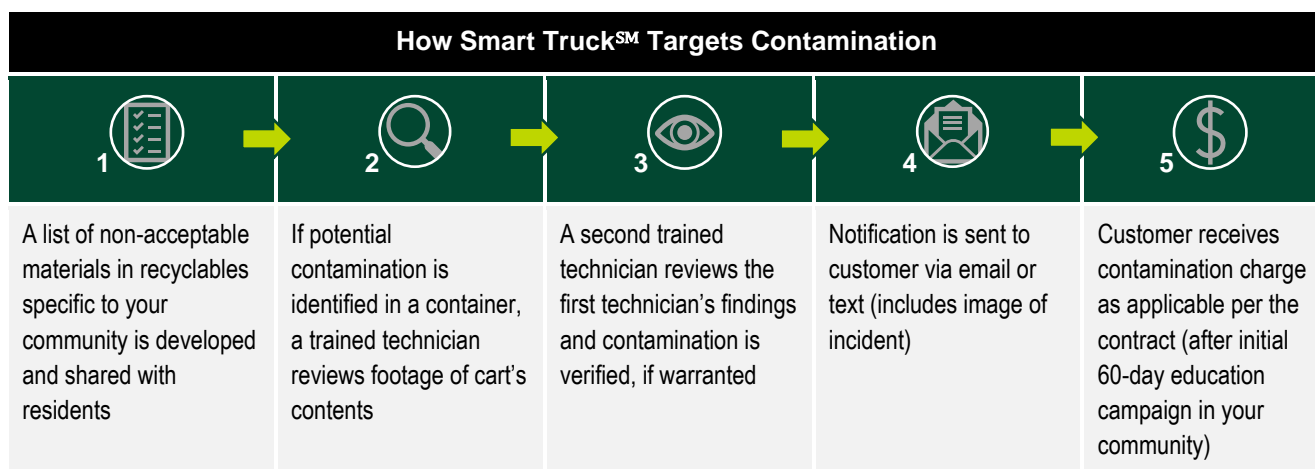
CONTAMINATED RECYCLING LOAD



Plastic Packaging & Film

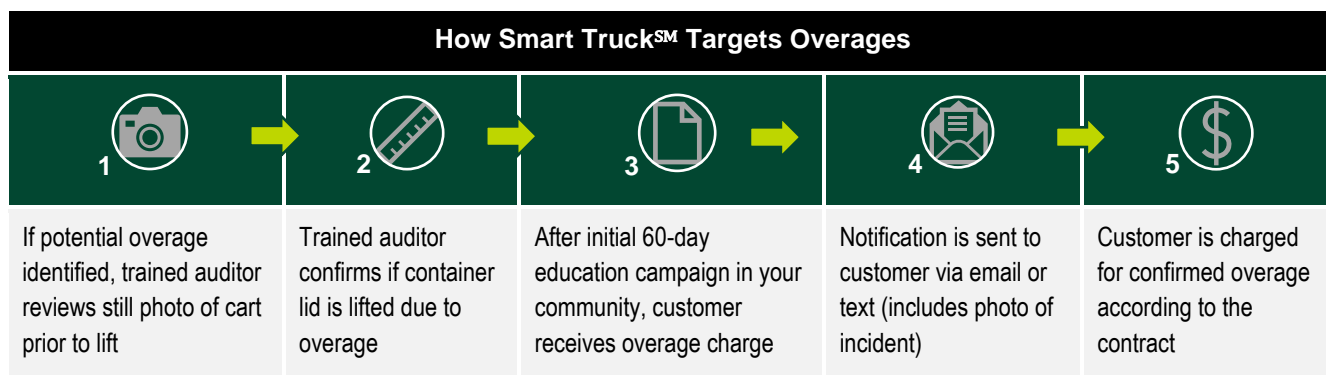
Foam Packaging

Customers can be notified of any service issues via email or text within 24 to 36 hours of service. Customers can set their preferred channel of communication (email, text, or phone) online at wm.com/us/mypreferences.



Stopping Overages Helps Keep Your Community Clean and Safe

Overages from containers cause unsightly litter and odors, clog storm drains, and can attract pests and other vectors. Smart TruckSM can provide outreach to customers to prompt right-size adjustments that prevent overages and keep your community clean and safe.



With the Smart TruckSM program, data is collected continually and can provide important information to your staff and community regarding the composition of local waste streams, waste types and volumes, and the extent of container overages and contamination - which can be invaluable for review of programs or need for new or enhanced programs.

Smart TruckSM Outreach Campaign Raises Program Awareness, Sets Expectations

Your WM Smart TruckSM program will begin with a 60-day intensive outreach and education campaign focused on raising awareness of the Smart TruckSM program in your city. This period will set clear expectations and minimize any surprises to customers while setting a foundation for the program. Efforts during the initial 60-day outreach, education, and evaluation period will include:

- A program introduction email to educate customers on how to recycle right and avoid overfilling containers
- Customers encouraged to visit wm.com/mypreferences to enable electronic communications for additional education
- Program information posted on applicable websites - including your WM-sponsored website and community website
- Press releases shared with local media
- Social media messaging
- Newsletters to customers
- Warnings in the event of observed contamination or overages during the initial 60 days (no charges during the initial 60 days)
- “Go live” notification at conclusion of 60-day period, indicating the education period has ended and any subsequent overage or contamination will result in charges




Suite of Education and Outreach Communication Materials

A SMART TRUCK FOR A SUSTAINABLE TOMORROW

More power in each pickup. Less materials in landfills. Cleaner, greener, safer neighborhoods. It starts with learning more about what you toss into your carts.

WM's new Smart TruckSM program gives you the notifications and insights you need to make it all possible.



STAY CLEAR OF CHARGES

After a brief educational period, you'll be charged \$X when you overfill a container or contaminate your recycling or yard waste.

Here's how to pave the way for this change:

- 1 Visit wm.com/mywm, create an account and opt in to notifications about how your carts are performing.
- 2 Take care of your waste and recycling the right way – waste less by reusing, donating and recycling right to prevent contamination.
- 3 Need to add a cart? Let's find a better fit together – call %number% to explore your options.

TIPS FOR SMART TOSsing

Keep a lid on overages
All materials must fit in your cart, and the lid must be fully closed.

Recycle right
Put materials in the right carts – never mix trash and recyclables. Follow these three simple rules:

- Recycle empty and dry bottles, cans, papers and cardboard. ✓
- Keep food and liquid out. ✗
- No loose plastic bags and no bagged recyclables. ✗

For more information, visit wm.com/recycleright

Program Introduction One-Pager

WM SMART TRUCKSM PROGRAM

ALWAYS WORKING FOR A SUSTAINABLE TOMORROW

WM's new Smart TruckSM program gives you the notifications and knowledge you need to help improve the cleanliness of your property & community, the safety of your driver and a second life for your recyclables.

RECYCLE RIGHT

Put materials in the right carts – never mix trash and recyclables. Follow these three simple rules:

- Recycle empty and dry bottles, cans, papers and cardboard. ✓
- Keep food and liquid out. ✗
- Break down boxes. ✓
- Keep recyclables loose. ✗
- No large or hazardous items. ✗

KEEP A LID ON OVERAGES

Steer clear of charges by taking care of your waste and recycling the right way.

All materials must fit in your cart, and the lid must be fully closed.

NEED TO ADD A CONTAINER? Call %number% to explore your options.

Social Media Posts

A SMART TRUCK FOR A SUSTAINABLE TOMORROW

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HEADS UP YOUR CART NEEDS YOU

One of your carts was filled incorrectly today. After a brief educational period, you'll be charged \$X when you overfill a container or contaminate your recycling or yard waste.

Sign Up for My WM
Visit wm.com/mywm to create an account and opt in to notifications about how your carts are performing. You'll also receive alerts about when your cart is full or when you need to add a new cart.

Stop the way for less in the way of charges.

Postcard and Cart Hangar

Heads up, your cart needs you

During our service visit to %Service_Street_Address% on [Incident Date], we found that at least one of your containers was filled incorrectly and are %warning you% %and% %or% %charging you% as follows:

Type	Reference
SNAP_Material_Category_1	%Incident Ref
SNAP_Material_Category_2	%Incident Ref
SNAP_Material_Category_3	%Incident Ref
SNAP_Material_Category_4	%Incident Ref
SNAP_Material_Category_5	%Incident Ref
SNAP_Material_Category_6	%Incident Ref
SNAP_Material_Category_7	%Incident Ref

Put materials in the right containers – never mix trash, organics and recyclables. To ensure your recycling gets a second life, follow these three simple rules:

- RECYCLE**
Empty and dry bottles, cans, paper, cardboard.
- ORGANICS**
Green waste, food scraps and food-soiled paper (where permitted).
- NO PLASTIC BAGS**
Keep recyclables and organics loose.

For more information, visit wm.com/recycleright. Thank you for your participation.

Tips for Proper Container Placement

- Place on the street in front of your house with wheels against the curb
- Away from any obstructions and neighbor's carts

Automated Email Notice



ORD RANCH ROAD TRANSFER STATION

Waste Management operates the Ord Ranch Road Transfer Station located in the City of Gridley. The Ord Ranch Road Transfer Station accepts construction and demolition waste, municipal solid waste, automobile tires, and yard waste between the hours of 9:00 a.m. and 4:00 p.m. on Saturdays and Sundays. The transfer station information, including address and hours of operation, is included on the 2021 Cities of Biggs and Gridley Collection Calendar and Service Guide.

Transfer stations consolidate waste so that it can be compacted and transported to disposal sites. Access to transfer stations like the one in Gridley is an asset to customers who generate more waste than is typically collected curbside. Transfer stations are an efficient way to keep collection trucks picking up the garbage in municipalities, offloading it at a safe, protected location, and then being able to keep performing collections. Waste deposited at a transfer station is then consolidated into larger transfer trailers and then transported to the end point of disposal, such as an environmentally protected landfill.

The main advantages of using transfer stations include:

- Reducing the cost of transporting waste
- Providing convenient trash/recycle drop off location for citizens
- Decreasing collection crews' time traveling to and from distant disposal sites and allowing the crew to devote more time to collecting waste
- Reducing traffic congestion in the community as well as decreasing emissions and road wear
- Providing an opportunity to screen waste before disposal.

WM welcomes Gridley residents to use the transfer station to safely and conveniently dispose of the aforementioned wastes. Using the transfer station for the disposal of construction and demolition debris and large amounts of yard waste helps prevent illegal dumping and reduces excess waste set out at the curb, helping keep Gridley beautiful and clean.

2021 CITIES OF BIGGS AND GRIDLEY COLLECTION CALENDAR & SERVICE GUIDE

Calendario 2021 para Recolección en las Ciudades de Biggs y Gridley

CART SET OUT AND SERVICE INSTRUCTIONS



- ✓ Place carts in front of your house in street with wheels against the curb by 5:30 a.m.
- ✓ Set carts 3 feet apart, away from neighbors' cart and any obstructions (cars & mailboxes)
- ✓ Do not overfill your carts, lids must close

HOLIDAY PICKUP SCHEDULE

If your service day lands ON or AFTER a holiday, service will occur one day later, including Saturday for Friday collection.

CONTACT INFORMATION

Contact North Valley Disposal
Customer Service: 530-893-4777
Monday-Friday • 8 a.m. - 5 p.m.
Website: northvalley.wm.com

Office (Call first for in-person availability)
2569 Scott Ave., Chico, CA 95928
Monday-Friday • 8 a.m. - 5 p.m.
Closed between 12 p.m. and 1 p.m.

Gridley Customers: A payment drop box is available at the City of Gridley office at 685 Kentucky St., Gridley, CA 95948.

Household Hazardous Waste:
Call 866-429-2288 or visit recyclebutte.net for disposal information.

Transfer Station Location and Hours
119 Ord Ranch Road, Gridley, CA 95948
Open Saturday and Sunday, 8:30 a.m.-4 p.m.
Closed 30 minutes for lunch. Tel: (530) 893-0333

In order to make the transfer station as accessible as possible to the public to help the community, WM will promote the usage of the transfer station and provide education to customers about what is acceptable and what is not. Additionally, we would like to propose a collaborative work session with the City to discuss how we can make the transfer station user experience better in addition to possible amendments to the transfer station agreement.



CONCLUSION

USA Waste of California, Inc. (Waste Management) is your longtime environmental solutions partner. We have provided waste and recycling management services to Gridley for 20 years. You are familiar with our company, our team, and our professional approach over the long term, and we are excited about the opportunity to continue to work with you in managing your waste and recycling needs.

We have fulfilled the individual tenets and each requirement of your RFP and have organized this response to provide our proposal in response to each element outlined in the RFP.

We believe this to be a significant contract for both Waste Management and Gridley. As your long-term partner, we are strongly invested in your city and want to be your waste solutions provider of the future. We understand your priorities, the way you work, and what makes your city such a great place to live, work, and play. This makes us uniquely qualified to provide tailored services to meet your operational needs and the ever-evolving expectations.

Secondly, we are committed to strengthening our current relationship by continuing to provide high-quality, reliable service for the entire term of the Agreement. We have already shown ourselves to be a dependable partner in our current agreement. We have the resources to make needed adjustments, when necessary, to facilitate continued satisfaction for your residents. Waste Management intends to continue to offer uninterrupted stability backed by innovation, value, and price, and to be an active partner in attaining Gridley's goals and objectives.

Lastly, continuing a partnership with Waste Management will provide your city with uninterrupted, reliable service delivery for an essential and highly regulated operation. There will be no transition period where costly mistakes and problems are most likely to occur, as our team is intimately familiar with your operations and has developed a strong working partnership with your staff. Our best-in-class transfer stations, landfills, and recycling operations, along with our industry-leading safety and environmental practices, should give you the peace of mind that your waste is being managed in full compliance with all regulatory requirements and standards.

Waste Management is dedicated to being the best environmental solutions partner for Gridley now and in the future.