



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT BOARD MEETING DATE: April 25, 2017

CM/ACM _____
Finance _____
DA _____
Risk Mgt _____
HR _____
Other _____

DATE: April 17, 2017
TO: Board of County Commissioners
FROM: Kevin Schiller, Assistant County Manager
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THROUGH: John Slaughter, County Manager
SUBJECT: Update and direction to staff on the Waste Management franchise agreement and possible related matters. (All Commission Districts.)

SUMMARY

Update and direction to staff on the Waste Management franchise agreement and possible related matters. (All Commission Districts.)

Washoe County Strategic Objective: Safe, secure and healthy communities.

PREVIOUS ACTION

On November 29, 2000, the Board approved and authorized the Chairman to execute the second amended agreements with Independent Sanitation Company extending the term of the Franchise Agreement.

On October 27, 2011 Washoe County Health District passed a new regulation (062.200) mandating the County reach a 35% diversion rate within 5 years.

On June 24, 2014, the Board received an update and presentation from Waste Management on Single Stream Recycling and potential options and changes with direction to staff to present at the Citizen Advisory Board Meetings for constituent input towards potential service models.

On April 14, 2014, the Board received an update on Single Stream Recycling Proposed Models and gave direction to staff on future changes to the current Garbage Franchise Agreement.

AGENDA ITEM #

On June 24, 2014, the Board received an update on Single Stream Recycling Proposed Models and gave direction to staff on future changes to the current Garbage Franchise Agreement.

On December 8, 2015, the Board received an update on Single Stream Recycling Proposed Models and gave direction to staff on future changes to the current Garbage Franchise Agreement.

On March 22, 2016, the Board received a presentation and discussion on Single Stream Recycling Proposed Models, Services and other related matters; and provided direction to staff on future changes to the current Garbage Franchise Agreement.

On November 29, 2016, the Board approved a new franchise agreement under NRS 244.187-188 for the collection and disposal of garbage and other waste with Reno Disposal Co., a Nevada corporation doing business as Independent Sanitation Company and Waste Management, to include changes to the franchise fee and the addition of certain recyclables to the scope of the franchise.

On January 24, 2017, the Board received an update on the Waste Management franchise agreement and provided direction to address concerns identified.

BACKGROUND

The original agreement with Waste Management (formerly Independent Sanitation) began on December 31, 1982. Independent Sanitation brought forth the renewal and extension of the Franchise Agreement on November 29, 2000, approximately two years prior to the scheduled expiration of the agreement to facilitate constructing two new transfer stations. The transfer stations were established to increase the efficiency of operations, as well as, helping to cut down on illegal dumping. The company wanted to insure a long-term agreement with the County before they made the capital investment.

The prior Garbage Franchise Agreement between Washoe County and Waste Management (Attachment A) was approved on November 29, 2000 and was set to expire on December 12, 2015, with an option to extend for five years in favor of Waste Management towards a final expiration date of December 12, 2020. Waste Management provided the required notice on June 2, 2015 to exercise their option to extend the agreement for five years. Since 2007, Sun Valley General Improvement District (SVGID) is included in the Washoe County agreement through an Interlocal Cooperative Agreement for Garbage Collection between SVGID and Washoe County. Incline Village General Improvement District (IVGID) manages the Solid Waste Franchise Agreement for the communities of Incline Village and Crystal Bay.

On November 29, 2016, the Board approved a new franchise agreement under NRS 244.187-188 for the collection and disposal of garbage and other waste with Reno Disposal Co., a Nevada corporation doing business as Independent Sanitation Company and Waste Management, to include changes to the franchise fee and the addition of certain recyclables to the scope of the franchise. Although this agreement is pending, it has been approved and

will be executed pursuant to the approval on November 29, 2016. The franchise agreement is only for residential trash and recycling and does not preclude commercial recycling from other vendors within unincorporated Washoe County. It should be noted that Waste Management does provide this service as an option for commercial businesses within unincorporated Washoe County.

Following the approval on November 29, 2016, multiple concerns have been received by the Washoe County Manager's Office. Complaints regarding the implementation of the new franchise agreement are specific to the single stream recycling program and automated trash collection system and general complaints are specific to service during inclement weather and overall communication with constituents across all areas of the County.

The following outlines the key concerns by area with details specific to the new franchise and services. Specific areas include missed collections, residential rates and container options, curbside service specific to vegetation and manure disposal, private roadways and collection times, storm response, sticker availability and wildlife access. Staff met with Waste Management numerous times and they indicate are they willing to make any changes that are needed to address issues. Further details will be provided with the presentation of this staff report.

- Communication and notification of the program/provision of accurate information to customers.
 - As previously provided to the Board, Waste Management provided written notification of the trash program changes to customers via U.S. Mail, to include packets with instructions complemented with a website. Key areas of concern identified have been a delay in the receipt of these packets in correlation with the date of implementation, route changes, service changes and customer information provided from the Phoenix call center location. Waste Management believes a delay occurred in package delivery with the weather and that there are potential communication gaps between the Phoenix call center and Reno. Waste Management continues to address these issues to include updated rate sheets and details of the new franchise agreement. Providing accurate information and customer response continues to be the largest concern related to trash service.
 - *Proposed Options: Increase the responsiveness of the customer service ombudsman to include shorter timeframes to address outstanding issues in conjunction with the Reno Waste Management office.*
- Flexibility to meet individual requests to include the ability to select various sizes of trash and recycling containers.
 - Multiple complaints have been received specific to available container sizes. The approved franchise allows for selection of a combination of sizes

between 64 gallon and 96 gallon containers. The current agreement does not include a rate for a 32 gallon option as it was found to be isolated in Reno and Sparks; however, Waste Management indicates a 32 gallon option will be included per the Board's direction. In addition, approximately 7,000 of 34,000 customers did not have Waste Management bins, thus for initial delivery of new bins they were provided a 64 gallon trash receptacle/64 gallon recycling containers as a base service.

- *Proposed Options: The base service and container sizes can be changed per the customer's request as of February 1, 2017. Waste Management is also developing an option for exchange of the 96 gallon single stream recycling container for a standard 96 gallon trash receptacle.*
- Limitation on the amount trash/vegetation/manure at the curb with corresponding rate increase at the curb with the corresponding rate increase.
 - The previous agreement placed a limit of 6 bags or bundles at the curb which was not enforced. Larger parcel owners or users were charged the same rate as smaller users. Providing for seasonal increases in waste was a challenge in finalization of the new franchise. The new agreement establishes weekly curbside trash limits supplemented with 25 excess waste stickers being provided annually along with one full month in the fall and in the spring for residents to weekly place up to 6 excess trash bags or bundles at the curb without a sticker. The supplemented excess trash services were provided to meet the needs to remove seasonal vegetation inherent with larger parcels in unincorporated Washoe County. In addition, residents have the ability to purchase additional excess waste stickers and increase their service levels. Use of a single stream receptacle is estimated to reduce trash receptacle usage by 30 to 35 percent to offset some of the need for the use of additional bags.
 - The previous agreement did not differentiate manure from that of trash and/or vegetation. As outlined, previously the regulation of bags was not enforced at the limit of six bags; however, many customers purchased additional receptacles or utilized their own previously with approximately customers utilizing additional carts. The ability to dispose of manure and/or vegetation available outside of Waste Management and the current franchise to private facilities is allowed with an approximate cost of \$15.00 per cubic yard (approximate full size pick up load), this excludes the cost of transport or pick up from the private provider. The current franchise has built in increased service levels for both vegetation and manure disposal through provision of extra receptacles with a corresponding rate which is less than that of the private cubic yard rate.

- *Proposed Options: An increased number of bag stickers in addition to increased allowance in the spring and fall months. A request has been made for unlimited bags; however, Waste Management cannot accommodate an unlimited number as the trucks and route costing is based on the capacity of the trucks. Waste Management can provide updated rates and costing related to an increase in the number of stickers provided and increased bag allowance in spring and fall months.*
- *Proposed Options: In addition to the existing option for additional receptacles and service, Waste Management is developing a service level package to address larger parcel owners with additional vegetation, trash, and/or manure. A proposal may include a residential base level service within the existing agreement and the addition of a residential plus service level which would include additional capacity through receptacles and bags with a corresponding secondary rate.*
- *Proposed Options: Regional packaging or individual service levels based on options within the existing rate structure, examples include packaging of additional bags vs use of another 96 gallon trash receptacle. Waste Management can build the rate and packaging pursuant to regional needs within unincorporated Washoe County.*
- Senior Tax Rate Customers under the previous agreement.
 - The senior tax rate program expired many years ago; however, Waste Management maintained the senior tax rate. With the new agreement they were grandfathered in with a graduated percentage increase to remain well below the standard rate. This program affects 400 residents in unincorporated Washoe County.
 - *Proposed Options: In conjunction with the increased franchise fee, the Board could allocate funding to support this population as a subsidy or provide additional services to support the senior population.*
- Complaints on lack of accurate information related to opting out of single stream recycling.
 - Customers may opt out of the single stream portion of service, Waste Management is providing up to date information through their customer service center and will be providing updated messaging.
 - *Proposed Options: As mentioned previously, Waste Management could include not merely an opt-out for use of the single stream*

recycling container, but would be able to exchange their 96 gallon recycling container for a 96 trash gallon container.

- Service complaints specific to pick up times, route changes, pick up on private roadways, and service during inclement weather.
 - Staff has met and received multiple complaints concerning pick up within subdivisions with private roads. Areas identified include Washoe Valley, Sunridge, Duck Hill, the Galena area, the North Valleys, and other non-suburban locations throughout the County. A primary issue related to this has been the inclement weather and corresponding road conditions. Specifically, both public county roads and private roads have seen considerable issues related to plowing and or conditions. In areas of private roadways, service with standard weather is not an issue; however, with snow and our flooding, Waste Management cannot provide service if it leads to possible safety and or risk to the driver and the equipment related to their commercial license and collective bargaining agreements (see attached pictures). It should be noted that while a private road may be plowed for a standard car, it may not work for Waste Management service due to the weight of the truck and the ability of the truck to turn around.

A secondary issue has been the type of trucks and the ability to access certain private residences. All trucks have been updated and as a result smaller “Scout” trucks that historically could have accessed residences within certain conditions have been replaced. This further complicated route schedules service with delays weeks’ time due to road conditions.

- *Proposed Options: Waste Management has worked extensively with staff related to proactive communication in anticipation of significant weather events. This may include locating dumpsters within certain areas for allowable trash. A key issue is oversight of the receptacle as often illegal dumping occurs with tires, batteries, chemicals, and other non-allowed waste. An option would be to fund a nonprofit such as Keep Truckee Meadows Beautiful to provide oversight and assist or have a resident group assist in the policing of the disposal site.*
- *Waste Management is also working on methods of communication beyond a simple residential automated phone dialing system to include social media and coordination with the County Public Information Office. Waste Management will also utilize staff and equipment from other jurisdictions to assist in a weather event; this was not an option in this past series of events due to the effect on the Western region.*

- Service requirements within certain rural areas of unincorporated Washoe County and the option of an exemption from Waste Management.
 - *An application to the Health District is required for review and approval of any exemptions related to required trash service. The same application documents are required for all jurisdictions within Washoe County. A fee is required upon approval of the exemption and is approximately half the equivalent cost of service pursuant to the current franchise agreement. Approximately thirty percent of applications do not qualify for an exemption. In addition, the District is required to conduct a visit prior to approving to ensure the property currently does not have a solid waste problem. Additional requirements include providing ongoing proof of trash disposal through receipts. Additional details will be provided within the presentation of this item.*

FISCAL IMPACT

The previous agreement set the fee at 5% and provided for approximate revenue of \$500,000 annually. The new agreement graduates a franchise increase with further Board approval. Each increase of 1% above the current rate this equates to an increase of approximately \$100,000 in annual revenue.

RECOMMENDATION

It is recommended that the Board of County Commissioners acknowledge the update and provide direction to staff on the Waste Management franchise agreement and possible related matters.

POSSIBLE MOTION

Should the Board agree with the recommendation, a possible motion would be to “acknowledge the update and provide direction to staff on the Waste Management franchise agreement and possible related matters.”