

DATE: May 13, 2010

TO: Mayor and City Council Members

FROM: Utilities Department

SUBJECT: **RESOLUTION NO. 8669 - A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT WITH SACRAMENTO COUNTY (CONTRACT NO. 174-21 07-007) FOR ADJUSTMENTS TO THE TIPPING FEES FOR MUNICIPAL SOLID WASTE AT KIEFER LANDFILL FOR THE SOLID WASTE OPERATING FUND**

BACKGROUND / ISSUE

The City currently disposes of approximately 37,000 tons per year of municipal solid waste (MSW) at Sacramento County's Kiefer Landfill. In 2007, Utilities Department staff negotiated a fifteen year agreement with Sacramento County for the disposal of the City's MSW. The agreement provided for reduced tipping fees and placed a cap on the Consumer Price Index (CPI) increase at 3% annually.

City Council passed and adopted Resolution No. 8065 which authorized the execution of the long term agreement with Sacramento County for reduced tipping fees at the Kiefer Landfill on May 22, 2007.

Staff is recommending that City Council authorize the City Manager to execute a Amendment No. 1 to the agreement with Sacramento County for reduced tipping fees for MSW at Kiefer Landfill. This amendment will result in a modest increase in charges for the disposal of municipal solid waste; a reduction of tipping fees to the other City departments that are paying the full County rate fees; and improvements to the household hazardous waste processing procedures at Kiefer Landfill to account for unreimbursed collection costs to the County.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, which states, in part, that supplies, equipment, services, and construction with a value of \$41,750 or greater shall be awarded by City Council.

ANALYSIS

The original agreement with Sacramento County provided for a tiered tipping fee. Sacramento County is requesting that a modified tiered rate be established.

Effective date	2007 Contract no. 70321 cost per ton - maximum annual 3% CPI	First Amendment to Contract no. 70321 cost per ton
July 1, 2010	\$24.58/Ton	\$25.00/Ton
July 1, 2011	\$25.31/Ton	\$26.00/Ton

July 1, 2012	\$26.07/Ton	\$27.00/Ton
July 1, 2013- June 30 th , 2022	\$26.85/Ton	\$27.00/Ton plus CPI increase cap at 3% annually

The increase is partly based on improvements made at Kiefer Landfill since the inception of the agreement in 2007. These improvements provide a benefit to the City and include the use of a truck wheel wash system and the implementation of an automated scaling system to increase route efficiency. Moreover, the new agreement will also cover the cost of processing any loads of residential household hazardous waste (HHW) dropped off by Folsom households at County HHW facilities. The County is currently absorbing these costs and is seeking reimbursement for future services. The County currently has similar agreements with other neighboring jurisdictions for this type of service. As a condition for providing the reimbursement, the County will establish a new process to verify Folsom residency.

The cost of the HHW component is estimated to be approximately \$12,000 per year which is inclusive of the amended tip fee. This enclosed cost is composed of a per-item processing charge and an administrative fee. In addition, the County will apply a \$10.00 per load verification fee for substantiating Folsom residency through driver's license checks or other means. Based on approximately 200 loads arriving at County facilities annually, this service is projected to cost about \$2,000/year, and will also contain a CPI adjustment with a 3% cap submitted to the City annually.

An incentive to reduce the annual MSW tip fee has been included in the amendment if there is a reduction in the number of HHW loads delivered to County facilities from year-to-year. This can be achieved through such measures as promoting the City's Door-to-Door HHW collections program to residents who use County HHW facilities. This information will be provided by the County through a monthly list of City addresses that have used County HHW facilities.

The County's policy is to charge a fee to County businesses who deliver HHW materials to their facilities and the County will make a good faith effort to identify and charge City of Folsom businesses who deliver HHW materials to their facilities. City staff will assist in this process by providing verification of City business license holders that use County HHW facilities.

There are several other benefits to the amended agreement which include: the new fees will apply to all City departments who have separate waste disposal accounts with Sacramento County. The amended agreement represents an initial annual cost savings of approximately \$185,000 vs. the current non-contract or gate fee of \$30.00/ton. The amended fees will not surpass the gate fee during the term of the agreement. It is anticipated the gate fee will continue to increase and has already done so by \$4/ton since 2007. The amended fees do not include a CPI increase until FY 2013 and there is a two-year stay on the 90-day no fault early termination clause.

FINANCIAL IMPACT

Funds have been budgeted in and will be expended from Solid Waste Collections Fund (Fund 540). This is an ongoing expenditure that is budgeted for each year. Staff has performed a projection of the future costs for the remaining term of this agreement through FY 2021/22. These projections are based on assumptions that the maximum allowable CPI in any given year will be no more than 3% with a modest annual growth rate of 1% through FY 2012/13, escalating to 3% in FY 2013/14 through the term of the Agreement. The total cost for the remaining term of the agreement through June 30, 2022,

is estimated to be \$16,129,361 and is specified under Attachment 4.

ENVIRONMENTAL REVIEW

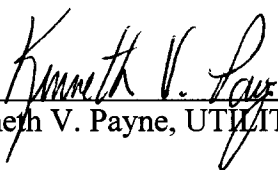
This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENTS

1. Resolution No. 8669 – A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement with Sacramento County (Contract No. 174-21 07-007) for Adjustments to the Tipping Fees for Municipal Solid Waste at Kiefer Landfill for the Solid Waste Operating Fund
2. Amendment No. 1 to Contract No. 174-21 07-007
3. Cost projection for remaining term of Agreement

RECOMMENDATION/ CITY COUNCIL ACTION

The Utilities Department recommends that the City Council pass and adopt Resolution No. 8669 – A Resolution Authorizing the City Manager to Execute Amendment No 1. to the Agreement with Sacramento County (Contract No. 174-21 07-007) for Adjustments to the Tipping Fees of Municipal Solid Waste at Kiefer Landfill for the Solid Waste Operating Fund.



Kenneth V. Payne, UTILITIES DIRECTOR

Attachment 1

RESOLUTION NO. 8669

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT WITH SACRAMENTO COUNTY (CONTRACT NO. 174-21 07-007) FOR ADJUSTMENTS TO THE TIPPING FEES FOR MUNICIPAL SOLID WASTE AT KIEFER LANDFILL FOR THE SOLID WASTE OPERATING FUND

WHEREAS, Sacramento County has been receiving and processing approximately 37,000 tons of municipal solid waste from the City at Kiefer Landfill; and

WHEREAS, Sacramento County is requesting that a new tiered rate be implemented. The proposed rates are as follows:

Effective date	Cost per Ton
July 1, 2010	\$25.00/Ton
July 1, 2011	\$26.00/Ton
July 1, 2012	\$27.00/Ton
July 1, 2013 – June 30, 2022	\$27.00/Ton plus CPI increase cap at 3% annually

These rates continue to be below the non-contract rates; and

WHEREAS, City staff has evaluated these rates and determined that they continue to provide a savings to the City; and

WHEREAS, the total cost for the remaining term of the agreement (Contract No. 174-21 07-007) through June 30, 2022, for municipal solid waste tipping fees at Kiefer Landfill is estimated to be \$16,129,361; and

WHEREAS, funds have been budgeted in the Solid Waste Operating Fund (Fund 540), for FY 2010/11 and will be budgeted for each fiscal year for the remaining term of the agreement through June 30, 2022; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute Amendment No. 1 to the agreement with Sacramento County (Contract No. 174-21 07-007) for adjustments to the tipping fees for municipal solid waste at Kiefer landfill for the Solid Waste Operating Fund in an amount not to exceed \$16,129,361 for the remaining term of the agreement through June 30, 2022.

PASSED AND ADOPTED on this 25th day of May 2010, by the following roll-call vote:

AYES: Council Member(s)

NOES: Council Member(s)

ABSENT: Council Member(s)

ABSTAIN: Council Member(s)

Jeffrey M. Starsky, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

**COUNTY OF SACRAMENTO
MUNICIPAL SERVICES AGENCY**

**FIRST AMENDMENT TO AGREEMENT WITH CITY OF FOLSOM
FOR REDUCED TIPPING FEES FOR MUNICIPAL SOLID WASTE AT KIEFER
LANDFILL**

THIS FIRST AMENDMENT is made and entered into on _____, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and CITY OF FOLSOM, a municipal corporation, hereinafter referred to as "CITY".

RECITALS

WHEREAS, COUNTY and CITY previously entered into an Agreement on June 12, 2007 for reduced prices or tipping fees from that charged to the general public for disposal services for Municipal Solid Waste (hereinafter "MSW") at Kiefer Landfill (hereinafter "Agreement"); and

WHEREAS, COUNTY operates a Antifreeze, Batteries, Oil, and Paint Facility (ABOP Facility) at Kiefer Landfill and a Permanent Household Hazardous Waste Collection Facility (HHW Facility) at the North Area Recovery Station (NARS); and

WHEREAS, CITY offers and operates an Appointment Based Household Hazardous Waste Collection Program (ABHHW Program) for the residents of the City of Folsom; and

WHEREAS, some residents deliver ABOP and HHW materials to Kiefer and NARS in the course of delivering other Municipal Solid Waste (MSW) materials to those facilities; and

WHEREAS, COUNTY is not currently recovering the costs associated with these ABOP and HHW materials received from City of Folsom residents; and

WHEREAS, COUNTY and CITY desire to formally amend said Agreement to change the reduced tipping fee structure, the CPI date, and add an HHW reporting program; and

NOW, THEREFORE, the Agreement is amended as follows:

1. DEFINITIONS

Section 1.16 of the original Agreement shall be replaced with the following:

1.16 Direct Haul is the hauling of waste in a roll-off truck, packer truck, or other truck type that may legally haul waste type materials.

2. REDUCED TIPPING FEES

Section 5.1 – A and B of the original Agreement shall be replaced with the following:

5.1 Disposal Fees.

- A. Current Gate Tipping Fee. All deliveries from CITY to Kiefer Landfill shall initially be charged at the current gate tipping fee.
- B. Reduced Tipping Fee. The reduced tipping fee for waste delivered by CITY to Kiefer Landfill shall apply as follows:
- (1) Reduced tipping fee shall apply to Acceptable Waste as defined in Section 1.12.
 - (2) Reduced tipping fee shall not apply to Hard to Handle Waste as defined in Section 1.8.
 - (3) Reduced tipping fee starting on July 1, 2010 shall be \$25.00/ton, increase on July 1, 2011 to \$26.00/ton, increase on July 1, 2012 to \$27.00/ton, and then be subject to CPI adjustment annually starting on July 1, 2013.
 - (4) Reduced tipping fee may be adjusted upward or downward each August 1 based on a proration formula for changes in amounts of ABOP and HHW materials received by COUNTY from CITY residents at Kiefer Landfill and NARS. Proration formula is further defined in Exhibit A to this Amendment.

3. CPI ADJUSTMENT

Section 5.1 - F of the original Agreement shall be replaced with the following:

F. CPI Adjustment.

- (1) CPI; Base Year CPI. When used herein, "CPI" shall be 100% of the "Northern California All Urban Consumers" Consumer Price Index – All Urban Consumers, San Francisco – Oakland – San Jose, CA, All items (1982-84=100). "Base Year" shall refer to (CPI) value for April 2012.
- (2) Maximum Annual CPI Adjustment. The maximum annual CPI adjustment (increase or decrease) from the previous year's reduced tipping fee shall be three percent (3%).
- (3) First CPI Adjustment. Effective July 1, 2013, the reduced tipping fee shall be adjusted by an amount equal to the lesser of three percent (3%) or 100% of the increase (or decrease if applicable) in the CPI value from the Base Year to April 2013.
- (4) Subsequent Annual CPI Adjustments. Effective July 1, 2014 and each July 1 thereafter, the previous year's reduced tipping fee shall be adjusted by an amount equal to the lesser of three percent (3%) of the previous year's reduced tipping fee or 100% of the increase (or decrease if applicable) in the CPI value from the Base Year to April of the current year period.

- (5) Not to Exceed Gate Tipping Fee. If an annual CPI adjustment would result in exceeding the current gate tipping fee, adjustment shall be made to not exceed the current gate tipping fee.
- (6) Example of CPI Adjustments. The following table is provided for informational and example purposes only regarding the manner of computing CPI adjustments.

Example of CPI Adjustments						
A	B	C	D	E	F	G
	CPI Value	Current Year CPI Value Divided by Base Year CPI Value	Percent Change	Base Year Tipping Fee Plus Percent Change	Prior Year Tipping Fee Plus 3 Percent	Use Lesser of Column E or F as Tipping Fee
Base Year (April 2012 for Example Only)	187.5	1.000	-0-	\$27.00	\$27.00	\$27.00
Current Year (April 2013 for Example Only)	194.4	1.0368	3.68%	\$27.99	\$27.81	\$27.81
Current Year (April 2014 for Example Only)	202.0	1.0773	7.73%	\$29.08	\$28.64	\$28.64
Current Year (April 2015 for Example Only)	204.5	1.0907	9.07%	\$29.45	\$29.50	\$29.45

HOUSEHOLD HAZARDOUS WASTE

Scope of Services: COUNTY and CITY shall provide services in the amount, type and manner, and for the compensation described in Exhibit A, "Scope of Services and Compensation," which is attached hereto and incorporated herein.

Definitions:

1. "Conditionally Exempt Small Quantity Generator" (hereinafter referred to as "CESQ generator") means a business concern which meets the criteria specified in Section 261.5 of Title 40 of the Code of Federal Regulations.
2. "Director" shall mean the Director of the Department of Waste Management and Recycling and shall have the authority to make changes in the scope of services, and compensation therefore, within the general scope of this Agreement. All changes to this Agreement will be mutually agreed upon and signed by the Director for COUNTY and the authorized representative for CITY.
3. "Hazardous Waste" means a waste, or combination of wastes, which because of its quantity, concentration, physical, chemical, or infectious characteristics may either: (1) cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or

incapacitating reversible, illness; or (2) pose a substantial present or potential hazard to human health or environment when improperly treated, stored, transported, or disposed of, or otherwise managed; or (3) exhibits one or more of the following characteristics: ignitable, corrosive, reactive, toxic, acutely hazardous, or infectious. (California Health and Safety Code, Division 20, Chapter 6.5 and California Code of Regulations, Title 22, Division 4.5, Chapter 11)

4. "Household Hazardous Waste" (hereinafter referred to as "HHW") means any hazardous waste generated incidental to owning or maintaining a place of residence, but does not include any waste generated in the course of operating a business concern at a residence. (California Health and Safety Code Division 20, Chapter 6.5, §25218(1-e))

B. Compensation: Compensation for ABOP and HHW materials received by COUNTY from CITY shall be as described in Exhibit A.

4. **TERMINATION**

Section 17 - A of the original Agreement shall be replaced with the following:

A. On or after July 1, 2012, either party may terminate this Agreement without cause upon 90 days written notice to the other party. Notice shall be deemed served on the date of mailing.

5. **REAFFIRMATION**

Except as expressly stated herein, the Agreement shall remain in full force and effect.

7. **ENTIRE AGREEMENT**

The Agreement, as amended by this Amendment, and any attachments hereto, constitute the entire understanding between the COUNTY and CITY concerning the subject matter contained herein.

8. **EFFECTIVE DATE**

This Amendment shall be deemed effective as of the date first written above.

9. **AUTHORITY TO EXECUTE**

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

10. COUNTERPARTS

This Amendment may be executed in counterparts and shall be deemed executed when signed by both parties.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement as of the day and year first written above.

COUNTY OF SACRAMENTO, a political subdivision of the State of California

CITY OF FOLSOM, a municipal corporation

By: _____ Date _____
Paul Philleo, Director
Department of Waste Management
and Recycling
Municipal Services Agency

By _____ Date _____
Kerry Miller,
City Manager

Signed by the Director under the authority delegated by Resolution Number 99-0327

Approved as to Content

Agenda Date: _____

_____ Date _____

Item Number: _____

Kenneth V. Payne
Director of Utilities

Reviewed and Approved by
County Counsel

Approved as to Form

By _____ Date _____
Diane E. McElhern
Deputy County Counsel

_____ Date _____
Bruce C. Cline
City Attorney

Prepared by

Attest

_____ Date _____
Mike Miller
Contract Services Section
Accounting & Fiscal Services Division
Municipal Services Agency
916-874-7034

_____ Date _____
Christa Freemantle
City Clerk

Funding Available

_____ Date _____
James Francis
Finance Director/CFO

**EXHIBIT A to Agreement
Between the COUNTY OF SACRAMENTO and the
CITY OF FOLSOM**

SCOPE OF SERVICES AND COMPENSATION

1. CITY RESPONSIBILITIES

- A. CITY shall maintain a level of service for CITY's ABHHW Program at least comparable to its form as of the date of this Agreement throughout the term of this agreement.
- B. CITY acknowledges that the NARS HHW Facility does not accept all types and quantities of HHW from residential and CESQ generators. Prohibited materials include, but are not limited to: radioactive materials, railroad ties or treated wood, explosives (flares are acceptable), and medical waste (home generated needles or syringes are acceptable). Ammunition will only be accepted on a case-by-case basis with prior notification. Quantity limits (actual liquid amount) per trip are currently as follows but are subject to change at the will of COUNTY: 10 gallons for latex paint, 20 gallons for used oil, 5 gallons or 50 pounds for all other materials. No containers larger than 5 gallons are accepted.
- C. In the event COUNTY constructs, owns, and operates a HHW Facility at Kiefer Landfill during the term of this agreement, then all acceptable materials and limits thereto as reflected in Paragraph 1 (B) above for the NARS HHW Facility shall apply to that Kiefer Landfill HHW Facility. Further, CITY acknowledges that COUNTY will only accept antifreeze, auto and household batteries, motor and cooking oil, motor oil filters, and latex or enamel paint at the Kiefer Landfill ABOP Facility. Quantity limits as described above for these certain materials applies to those materials acceptable at the Kiefer Landfill ABOP Facility.
- D. CITY shall make a good faith effort to provide COUNTY written verification of CITY CESQ generators who are dropping off HHW and ABOP materials under the appearance of a CITY residential customer.

2. COUNTY RESPONSIBILITIES

COUNTY shall document and verify each load of ABOP and HHW materials received at Kiefer Landfill ABOP Facility or NARS HHW Facility from CITY residents and report such information monthly to CITY using a mutually agreed upon format.

COUNTY shall review and record addresses of CITY residents by either handwritten or electronic means based on said information being contained on CITY resident's driver's

license or other verifiable documentation, such as a CITY utility bill.

COUNTY shall accept self-hauled HHW from residential (at no charge to the resident) and CESQ generators from the CITY at COUNTY'S NARS HHW Facility, during the hours of operation of the NARS HHW Facility and Kiefer Landfill ABOP Facility. The initial days and hours of operation of the NARS HHW Facility and Kiefer Landfill ABOP Facility are as follows (hours subject to change at the will of COUNTY with written notice to CITY):

- A. Residential Customers: HHW will be accepted from residential generators at the NARS HHW Facility on Tuesday, Thursday, Friday, and Saturday, from 8:30 AM to 4:00 PM (no appointment necessary).

ABOP materials will be accepted from residential generators at the Kiefer Landfill ABOP Facility: Tuesday, Thursday, Friday, and Saturday, from 8:30 AM to 4:00 PM (no appointment necessary).

COUNTY shall verify residential status of customers

- B. CESQ Generators: CESQ Hazardous waste will be accepted on the last Friday of each month from 8:30 a.m. to 12:30 p.m. CESQ generators must call (916) 481-4316 to receive an appointment to self-haul material at the NARS HHW Facility. No material will be accepted from a CESQ generator who does not have an appointment.

COUNTY shall charge any CESQ generator from CITY who self-hauls hazardous wastes to the NARS HHW Facility or Kiefer Landfill ABOP Facility, by appointment, the same amount for the same materials and quantities as COUNTY charges their CESQ generators. CITY CESQ generators shall pay COUNTY prior to gaining access to any COUNTY ABOP or HHW Facility.

COUNTY will make a good faith effort to identify and charge CITY CESQ generators who are dropping off HHW and ABOP materials under the appearance of a CITY residential customer.

3. COMPENSATION

Residential Generators: CITY shall compensate COUNTY for the participation of residential generators of HHW and ABOP materials from CITY at COUNTY'S NARS HHW Facility or Kiefer Landfill ABOP Facility. Compensation for HHW and ABOP materials shall include a Per Item Fee and the HHW Admin Fee but such charges shall be inclusive of the amended MSW tip fee.

1. Address Verification: The COUNTY shall maintain a record of the zip code and address of each HHW or ABOP load relative to the jurisdiction of waste origin. The County shall verify all addresses through GIS

applications and other means as defined under Section 2, "County Responsibilities" to determine whether a certain address for a load is physically located within CITY before assessing the appropriate HHW Admin Fee and per item fees for each material type in that load (hereinafter "HHW Costs"). The HHW Admin Fee shall be equal to the HHW Admin Fee charged by COUNTY to CESQG customers at all times during this Agreement. Additionally, COUNTY shall charge CITY a HHW Verification Fee as defined below.

2. HHW Verification Fee: The initial verification fee shall be \$10.00 per HHW or ABOP load (hereinafter referred to as "HHW Verification Fee") The HHW Verification Fee will be subject to a 3% maximum annual CPI adjustment which will be calculated in July of each year. COUNTY shall notify CITY in writing of any change in fees for HHW and ABOP materials or the HHW Admin Fee and provide CITY with a revised Exhibit B. The HHW Verification Fee shall be charged to the City on an annual basis.
3. CPI Adjustment.
 - (a) CPI; Base Year CPI. When used herein, "CPI" shall be 100% of the "Northern California All Urban Consumers" Consumer Price Index – All Urban Consumers, San Francisco – Oakland – San Jose, CA, All items (1982-84=100). "Base Year" shall refer to (CPI) value for April 2010.
 - (b) Maximum Annual CPI Adjustment. The maximum annual CPI adjustment (increase or decrease) from the previous year's HHW Verification Fee shall be three percent (3%).
 - (c) First CPI Adjustment. Effective July 1, 2011, the HHW Verification Fee shall be adjusted by an amount equal to the lesser of three percent (3%) or 100% of the increase (or decrease if applicable) in the CPI value from the Base Year to April 2010.
 - (d) Subsequent Annual CPI Adjustments. Effective July 1, 2012 and each July 1 thereafter, the previous year's HHW Verification Fee shall be adjusted by an amount equal to the lesser of three percent (3%) of the previous year's HHW Verification Fee or 100% of the increase (or decrease if applicable) in the CPI value from the Base Year to April of the current year period.
 - (e) Example of CPI Adjustments. The following table is provided for informational and example purposes only regarding the manner of computing CPI adjustments.

Example of CPI Adjustments (applicable to both HHW Admin Fee and HHW Verification Fee)						
A	B	C	D	E	F	G
	CPI Value	Current Year CPI Value Divided by Base Year CPI Value	Percent Change	Base Year HHW Fee Plus Percent Change	Prior Year HHW Fee Plus 3 Percent	Use Lesser of Column E or F as HHW Admin Fee
Base Year (April 2010 for Example Only)	187.5	1.000	-0-	\$10.00	\$10.00	\$10.00
Current Year (April 2011 for Example Only)	194.4	1.0368	3.68%	\$10.37	\$10.30	\$10.30
Current Year (April 2012 for Example Only)	202.0	1.0773	7.73%	\$10.77	\$10.61	\$10.61
Current Year (April 2013 for Example Only)	204.5	1.0907	9.07%	\$10.91	\$10.93	\$10.91

4. **Per Item Fees:** The per item fees shown in Exhibit B are subject to change pursuant to changes in actual costs to County due to changes in regulations, permit requirements, or direct costs from County contractors. COUNTY shall notify CITY in writing no less than thirty (30) days in advance of any change in fees and provide CITY with a revised Exhibit B. COUNTY shall calculate these Per Item Fees plus the HHW Admin Fee for each ABOP and HHW load received, but will not invoice CITY for these amounts.
5. **Invoicing and Payment:** COUNTY shall calculate total HHW Verification Fees due to COUNTY from CITY on an annual basis beginning July 1, 2010. COUNTY shall submit invoice to CITY for July 1, 2010 through June 30, 2011 (Fiscal Year), and every Fiscal Year thereafter, no later than the fifteenth (15th) day of the month following the end of that Fiscal Year, and CITY shall pay COUNTY within thirty (30) days after receipt of invoice.
6. **Modification of Compensation Terms:** The Director of the Department of Waste Management and Recycling and the authorized representative from CITY shall have the authority to modify the terms of compensation in the Agreement on behalf of COUNTY'S Board of Supervisors and CITY'S Council, respectively.

4. PRORATED REDUCED TIPPING FEE ADJUSTMENT (PRTFA)

Change in ABOP and HHW Costs: Beginning August 1, 2012, and every year thereafter, the Reduced Tipping Fee shall be adjusted on a prorated basis either upward or downward based on the following calculations:

1. Year Zero (Year 0) for this PRTFA shall be the Fiscal Year of July 1, 2010 to June 30, 2011.
2. Year One (Year 1) for this PRTFA shall be the Fiscal Year of July 1, 2011 to June 30, 2012.
3. Subsequent Years for this PRTFA shall follow the pattern of Year 0 and Year 1 as defined above.
4. First Prior Year ABOP and HHW Costs (1st PY HHW) shall be the costs incurred by COUNTY to receive, handle, and recycle or dispose of ABOP and HHW materials received by COUNTY from CITY residents during the prior Fiscal Year. These costs shall be based on the Per Item Costs as defined above. Initially, the 1st PY HHW shall be based on Year 1 as defined above.
5. Second Prior Year ABOP and HHW Costs (2nd PY HHW) shall be the costs incurred by COUNTY to receive, handle, and recycle or dispose of ABOP and HHW materials received by COUNTY from CITY residents during the Fiscal Year prior to the prior Fiscal Year. These costs shall be based on the Per Item Costs as defined above. Initially, the 2nd PY HHW shall be based on Year 0 as defined above.
6. Change in ABOP and HHW Costs (HHW Change) shall be 1st PY HHW minus 2nd PY HHW.
7. First Prior Year MSW (1st PY MSW) shall be the total MSW tonnage (more specifically "Normal Refuse" as shown on transactional information for each load of MSW delivered by CITY to Kiefer Landfill or NARS) delivered to Kiefer and/or NARS by CITY during the prior Fiscal Year.
8. Prorated Reduced Tipping Fee (PRTFA) shall be HHW Change divided by 1st PY MSW.

An example of this calculation is as follows:

$$\begin{aligned}
 1^{\text{st}} \text{ PY HHW} &= \$9,000 \\
 2^{\text{nd}} \text{ PY HHW} &= \$12,000 \\
 \text{HHW Change} &= 1^{\text{st}} \text{ PY HHW} - 2^{\text{nd}} \text{ PY HHW} = \$9,000 - \$12,000 = (\$3,000)
 \end{aligned}$$

$$1^{\text{st}} \text{ PY MSW} = 36,000 \text{ tons}$$

$$\begin{aligned}
 \text{PRTFA} &= \text{HHW Change} / 1^{\text{st}} \text{ PY MSW} = (\$3,000) / 36,000 \text{ tons} = (\$0.0833) / \text{ton} \\
 \text{Use} &= (\$0.08) / \text{ton}
 \end{aligned}$$

Therefore, the Reduced Tipping Fee beginning August 1 would be adjusted downward by \$0.08/ton.

EXHIBIT B to Agreement
Between the COUNTY OF SACRAMENTO and the
CITY OF FOLSOM

Unit Pricing Table
(Effective January 1, 2010)

Description	Unit Price	Description	Unit Price
Motor Oil (gal)	\$0.00/gal	Mercury (lb)	\$2.30/lb
Antifreeze (gal)	\$0.60/gal	Poison-Liquids (gal)	\$10.30/gal
Latex Paint (gal)	\$2.85/gal	Poison-Solids (lb)	\$1.30/lb
Flammable Paint (Enamel) (gal)	\$2.85/gal	Acids (gal)	\$7.20/gal
Auto Batteries (ea)	\$0.00/ea	Aerosols (ea)	\$0.80/ea
Household Batteries (lb)	\$0.75/lb	Flammable Liquids (pourable) (gal)	\$2.85/gal
Compact Fluorescents & U-Tubes (ea)	\$0.35/ea	Flammable Liquids (non- pourable) (lb)	\$1.05/lb
4' Fluorescent Tubes (ea)	\$0.40/ea	Flammable Solids (lb)	\$1.55/lb
Halogen Lamps (ea)	\$0.35/ea	Oxidizers (lb)	\$1.30/lb
Metal Halide Bulbs & Sodium Vapor Lamps (ea)	\$1.00/ea	Oxidizers (gal)	\$10.30/gal
Non-PCB Ballasts (lb)	\$0.50/lb	Caustics (lb)	\$1.05/lb
Small Capacitors (lb)	\$0.50/lb	Caustics (gal)	\$7.20/gal
Large Capacitors (lb)	\$0.50/lb	Non-RCRA Waste-Liquids (gal)	\$2.85/gal
Unknown (ea)	\$7.50/ea	Non-RCRA Waste-Solids (lb)	\$1.05/lb

Note: Pricing shown above is subject to change based on actual costs incurred by COUNTY. Any pricing changes will be provided to CITY in writing at least 30 days prior to becoming effective.

Note: Current HHW Admin Fee \$25.95 as of July 1, 2010
(Adjusted annually pursuant to CPI provisions of agreement)

Attachment 3

Cost Projection for Remaining Term of Agreement

Remaining Contract Years	Fiscal Year	Estimated annual tons of MSW Tipped	Cost per Ton	Estimated Annual Cost
*4	2010/11	37,000	\$25	\$925,000
5	2011/12	37,370	\$26	\$971,620
6	2012/13	37,673	\$27	\$1,017,171
**7	2013/14	41,200	\$27.81	\$1,145,772
8	2014/15	42,436	\$28.64	\$1,215,550
9	2015/16	43,709	\$29.50	\$1,289,576
10	2016/17	45,020	\$30.39	\$1,368,112
11	2017/18	46,371	\$31.30	\$1,451,430
12	2018/19	47,762	\$32.24	\$1,539,822
13	2019/20	49,195	\$33.21	\$1,633,597
14	2020/21	50,671	\$34.20	\$1,733,083
15	2021/22	52,191	\$35.23	\$1,838,628

**Projections from FY 2010/11- 2012/13 are based on 1% annual growth with a maximum 3% CPI*

*** Projections from FY 2013/14-2021/22 are based on 3% annual growth with a maximum 3% CPI*