

Folsom City Council Staff Report

MEETING DATE:	5/26/2026
AGENDA SECTION:	Consent Calendar
ITEM TITLE:	Resolution No. 11618 – A Resolution Authorizing the City Manager to Execute up to Two One-Year Extensions to the Agreement with the County of Sacramento for an Estimated Annual Cost of \$2.6 Million from the Solid Waste Operating Fund (Fund 540) for Reduced Tipping Fees for Municipal Solid Waste Disposal at Kiefer Landfill
FROM:	Utilities Department

RECOMMENDATION / CITY COUNCIL ACTION

The Utilities Department recommends the City Council pass and adopt Resolution No. 11618 – A Resolution Authorizing the City Manager to Execute up to Two One-Year Extensions to the Agreement with the County of Sacramento for an Estimated Annual Cost of \$2.6 Million from the Solid Waste Operating Fund (Fund 540) for Reduced Tipping Fees for Municipal Solid Waste Disposal at Kiefer Landfill.

BACKGROUND / ISSUE

The County of Sacramento (County) provides discounted tipping fees for haulers who commit to disposing of a minimum amount of solid waste at a County facility each year. The city has been party to reduced tipping fee agreements with the County since 2007 for the disposal of municipal solid waste at Kiefer Landfill.

The current agreement, authorized by Folsom City Council on April 12, 2022, by Resolution No. 10833, will expire on June 30, 2026, unless extended. The original term allows two (2) mutually agreed upon one (1) year extensions and the County has expressed interest in extending the agreement.

POLICY / RULE

Section 2.36.120 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$77,426 or greater shall be awarded by the City Council.

Chapter 5.04, Purchasing and Contracting, of the Folsom City Charter includes in part, a provision for procurement and services and joint contracts with or through other government jurisdictions.

ANALYSIS

The City of Folsom requires a location to dispose of municipal solid waste collected from residents and businesses. Kiefer Landfill offers reduced tipping fees and is closer to the City of Folsom than any other disposal facility, reducing both the cost of labor and fuel to transport waste material relative to other potential options.

Reduced rates are available in four tiers based on the total waste delivered annually. The city's waste disposal is projected to be in tier two for the duration of this agreement, which is a commitment to deliver between 25,000 and 49,999 tons of waste each fiscal year. The most recent five-year average disposal is 39,500 tons per year. Tons disposed was 38,800 in calendar year 2022 and have gradually increased to a projected 40,800 in 2026. By the final year of the agreement, the division estimates we will dispose of approximately 42,300 tons. Nearly 100% of the material delivered qualifies for a tier two discount of \$3.00 per ton saving the city approximately \$127,000 compared to the public rates.

The discount provided to the city primarily benefits the Waste and Recycling division; however, the division has collaborated with other city operations to ensure they are also able to dispose of waste utilizing this account. Currently other city divisions are receiving about \$2,000 per year in discounts, with the majority of this being the Streets division.

FINANCIAL IMPACT

In Fiscal Year 2025–26, the Waste and Recycling division is projected to spend \$2.4 million on waste disposal at Kiefer Landfill, reflecting discounted tipping fees under the current agreement. Tipping fees are set by the County Board of Supervisors and are charged per ton, increasing annually by 3%. At the same time, waste generation from residential and commercial sources is rising by approximately 1.8% per year.

If these trends continue, disposal costs are expected to reach about \$2.6 million in the final year of the agreement. The agreement provides a \$3.00 per-ton discount on all waste delivered. However, total costs will ultimately depend on the volume of municipal solid waste generated by residents and businesses. Funds are available in the Solid Waste Fund (Fund 540) and will be budgeted for each fiscal year.

ENVIRONMENTAL REVIEW

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

ATTACHMENTS

1. Resolution No. 11618 – A Resolution Authorizing the City Manager to Execute up to Two One-Year Extensions to the Agreement with the County of Sacramento for an Estimated Annual Cost of \$2.6 million from the Solid Waste Operating Fund (Fund 540) for Reduced Tipping Fees for Municipal Solid Waste Disposal at Kiefer Landfill
2. Agreement for Reduced Tipping Fees at Kiefer Landfill

Submitted,

Marcus Yasutake, Director
UTILITIES DEPARTMENT

Attachment 1

RESOLUTION NO. 11618

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE UP TO TWO ONE-YEAR EXTENSIONS TO THE AGREEMENT WITH THE COUNTY OF SACRAMENTO FOR AN ESTIMATED ANNUAL COST OF \$2.6 MILLION FROM THE SOLID WASTE OPERATING FUND (FUND 540) FOR REDUCED TIPPING FEES FOR MUNICIPAL SOLID WASTE DISPOSAL AT KIEFER LANDFILL

WHEREAS, the City of Folsom Waste and Recycling Division provides waste collection services for Folsom residents and businesses; and

WHEREAS, the division disposes of municipal solid waste through an agreement with the County of Sacramento to deliver waste to Kiefer Landfill; and

WHEREAS, the disposal agreement provides the city with a discounted rate per ton based on the amount of waste delivered annually; and

WHEREAS, the initial term of the agreement will end on June 30, 2026; and

WHEREAS, the agreement contains two optional one-year extensions upon mutual agreement of both parties; and

WHEREAS, the division has determined that continuing to dispose of waste at Kiefer Landfill provides the city with substantial cost-savings for municipal solid waste disposal; and

WHEREAS, sufficient funds are available in the Solid Waste Operating Fund (540); 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 up to Two One-Year Extensions to the Agreement with the County of Sacramento for an Estimated Annual Cost of \$2.6 million from the Solid Waste Operating Fund (Fund 540) for Reduced Tipping Fees for Municipal Solid Waste Disposal at Kiefer Landfill.

PASSED AND ADOPTED this 26th day of May, 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

County Contract No. 70846
City Contract No. 173-21 22-039

**COUNTY OF SACRAMENTO
COMMUNITY SERVICES**

**AGREEMENT FOR
REDUCED TIPPING FEES AT KIEFER LANDFILL**

THIS AGREEMENT is made and entered into on July 1, 2022, 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 owns, operates, and provides waste disposal services at the Sacramento County Landfill (hereinafter "Kiefer Landfill"), a licensed class III landfill permitted to accept Municipal Solid Waste (hereinafter "MSW"); and

WHEREAS, CITY desires to dispose of MSW at Kiefer Landfill; and

WHEREAS, COUNTY and CITY have negotiated a reduced price or tipping fee relative to those charged to the general public at the gate for disposal services at Kiefer Landfill in consideration of the volume of MSW CITY will dispose at Kiefer Landfill which will generate revenue to COUNTY; and

WHEREAS, COUNTY and CITY desire to enter into this Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, COUNTY and CITY agree as follows:

1. SCOPE OF SERVICES

CITY shall deliver MSW in the amount, type and manner described in Exhibit A, which is attached hereto and incorporated herein.

2. TERM

This Agreement shall be effective and commence as of the date first written above and shall remain in effect until June 30, 2026. COUNTY Director and CITY Director are authorized to amend this Agreement to extend the term for up to two (2) additional one-year terms upon mutual written consent of the parties.

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3. NOTICE

Any notice, demand, request, consent, or approval that either party may or is required to give the other pursuant to this Agreement shall be in writing and shall be either personally delivered or sent by mail, addressed as follows:

TO COUNTY:

Department of Waste
Management and Recycling
10863 Gold Center Dr.
Rancho Cordova, CA 95670
Attn: Doug Sloan

TO CITY:

City of Folsom, Public Works
Department
50 Natoma Street
Folsom, CA 95630
Attn: Marie McKeeth

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

4. COUNTY DIRECTOR

As used in this Agreement, "COUNTY Director" shall mean the Director of the Department of Waste Management and Recycling or his/her designee. COUNTY Director shall administer this Agreement on behalf of the COUNTY, and has authority to make administrative amendments to this Agreement on behalf of the COUNTY including, but not limited to, scope of services, pricing, management practices, etc. Unless otherwise provided herein or required by applicable law, COUNTY Director shall be vested with all the rights, powers, and duties of COUNTY herein. With respect to matters herein subject to the approval, satisfaction, or discretion of COUNTY or COUNTY Director, the decision of the COUNTY Director in such matters shall be final.

5. CITY DIRECTOR

As used in this Agreement, "CITY Director" shall mean the Director of Public Works for CITY or his/her designee. CITY Director shall administer this Agreement on behalf of the CITY and has authority to make administrative amendments to this Agreement on behalf of the CITY including, but not limited to, scope of services, pricing, management practices, etc. Unless otherwise provided herein or required by applicable law, CITY Director shall be vested with all the rights, powers, and duties of CITY herein. With respect to matters herein subject to the approval, satisfaction, or discretion of CITY or CITY Director, the decision of the CITY Director in such matters shall be final.

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6. COMPLIANCE WITH LAWS

- A. COUNTY and CITY shall observe and comply with all applicable Federal, State, and County laws, regulations and ordinances.
- B. Economic Sanctions: Pursuant to California State Executive Order N-6-22 (Order) imposing economic sanctions against Russia and declaring support of Ukraine, COUNTY shall terminate any contract with any individual or entity that is in violation of the Order or that is subject to economic sanctions therein, and shall not enter a contract with any such individual or entity while the Order is in effect.

7. GOVERNING LAWS AND JURISDICTION

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in Sacramento County, California.

8. LICENSES AND PERMITS

CUSTOMER shall possess and maintain all necessary licenses, permits, certificates and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by COUNTY. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by COUNTY.

9. STATUS OF PARTIES

There is no agency relationship between the parties. Neither party shall have authority, express or implied, to act on behalf of the other party in any capacity whatsoever as an agent. Notwithstanding anything contained herein, the employees of each party will continue to be entirely and exclusively under the direction, supervision and control of the employing party.

10. INDEMNIFICATION

To the fullest extent permitted by law, each of the parties shall indemnify, defend, and hold harmless each of the other parties, their respective governing boards, officers, directors, officials, employees, and authorized volunteers and agents (collectively "indemnified parties"), from and against any and all claims, demands, actions, losses, liabilities, damages, and all expenses and costs incidental thereto

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(collectively "claims"), including cost of defense, settlement, arbitration, and reasonable attorneys' fees, resulting from injuries to or death of persons, including but not limited to employees of either party hereto, and damage to or destruction of property, or loss of use or reduction in value thereof, including but not limited to the property of either party hereto, arising out of, pertaining to, or resulting from the alleged or actual acts or omissions of their respective governing boards, officers, directors, officials, employees, volunteers, agents, or contractors.

It is the intention of the parties that the provisions of this indemnity obligation be interpreted to impose on each party responsibility to the other for the acts and omissions of their governing boards, officers, directors, officials, employees, authorized volunteers and agents, or contractors. It is also the intention of the parties that, where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any claims attributable to the fault of that party, its governing board, officers, directors, officials, employees, volunteers, agents, or contractors.

The right to defense and indemnity under this section arises upon occurrence of an event giving rise to a claim and, thereafter, upon tender in writing to the indemnifying party. The indemnifying party shall defend the indemnified party with counsel reasonably acceptable to the indemnified party. Notwithstanding the foregoing, the indemnified party shall be entitled, on its own behalf, and at the expense of the indemnifying party, to assume control of its defense or the defense of any indemnified party in any legal action, with counsel reasonably selected by it. Should the indemnified party elect to initially assume control of its defense, or the defense of any indemnified party, it does so without prejudice to its right to subsequently request that the indemnifying party thereafter assume control of the defense and pay all attorneys' fees and costs incurred thereby.

This indemnity obligation shall not be limited by the types and amounts of insurance or self-insurance maintained by the parties.

Nothing in this indemnity obligation shall be construed to create any duty to, any standard of care with reference to, or any liability or obligation, contractual or otherwise, to any third party.

The provisions of this indemnity obligation shall survive the expiration or termination of the Agreement.

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11. INSURANCE

COUNTY and CITY finance their liability, property, and workers' compensation risks through a combination of self-insurance and insurance. COUNTY and CITY are knowledgeable of each entity's risk financing programs and agree to rely on these programs to pay for any liabilities, losses, costs, suits, acclaims, judgments, expenses, fines, or demands of any kind that may arise under the terms of this Agreement.

12. COMPENSATION AND PAYMENT OF INVOICES

Compensation and payment under this Agreement shall be in accordance with Exhibit B, or Exhibit B as modified by COUNTY in accordance with express provisions in this Agreement.

13. ASSIGNMENT

This Agreement is not assignable by CITY or COUNTY in whole or in part.

14. AMENDMENT AND WAIVER

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon COUNTY or CITY unless agreed in writing by counsel for COUNTY and COUNTY's Director, and CITY's Director and attorney for CITY.

15. SUCCESSORS

This Agreement shall bind the successors of COUNTY and CITY in the same manner as if they were expressly named.

16. TIME

Time is of the essence of this Agreement.

17. INTERPRETATION

This Agreement shall be deemed to have been prepared equally by both of the parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

18. DISPUTES

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between them. If the dispute cannot be resolved by mutual

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agreement, nothing herein shall preclude either party's right to pursue remedy or relief by civil litigation, pursuant to the laws of the State of California.

19. TERMINATION

- A. CITY may terminate this Agreement without cause upon providing the COUNTY not less than six (6) months' written notice. Upon such termination, CITY shall pay COUNTY an early termination fee equal to 50% of the Minimum Tonnage Commitment (pursuant to Exhibit A, section 2.A) multiplied by the Disposal Discount (pursuant to Exhibit B, section 1.A).
- B. CITY may terminate this Agreement pursuant to Exhibit B, section 1.D by providing the COUNTY not less than ninety (90) days' written notice.
- C. Either party may terminate this Agreement for cause upon the other party's breach of this Agreement and its failure to cure such breach within thirty (30) days (ten (10) days in the case of nonpayment of monies owed) of receiving written notice from the other party of such breach.
- D. The COUNTY Director or CITY Director has authority to terminate this Agreement on behalf of the COUNTY and CITY.

20. PRIOR AGREEMENTS

This Agreement constitutes the entire contract between COUNTY and CITY regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between COUNTY and CITY regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.

21. SEVERABILITY

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

22. FORCE MAJEURE

Neither CITY nor COUNTY shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable

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control of such party and without fault or negligence of such party. Such events shall include but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism, or other disasters, whether or not similar to the foregoing, and acts or omissions or failure to cooperate of the other party or third parties (except as otherwise specifically provided herein).

23. SURVIVAL OF TERMS

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Agreement shall so survive.

24. 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.

25. DUPLICATE COUNTERPARTS

This Agreement may be executed in duplicate counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

Signatures scanned and transmitted electronically shall be deemed original signatures for purposes of this Agreement, with such scanned signatures having the same legal effect as original signatures. This Agreement may be executed through the use of an electronic signature and will be binding on each party as if it were physically executed.

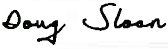
(SIGNATURE PAGE FOLLOWS)

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

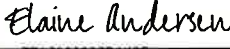
COUNTY OF SACRAMENTO, a political subdivision of the State of California

CITY OF FOLSOM, a municipal corporation

By: 
9EA97AD56E2B4BC...
Douglas A. Sloan
Department of Waste Management and Recycling

"COUNTY"

Date: 6/14/2022

By: 
F7A5896203BA495...
Elaine Andersen, City Manager

"CITY"

Date: 6/13/2022

Agreement approved by Board of Supervisors:

Agenda Date: June 7, 2022

Item Number: 18

Resolution No: TBD

Contract Reviewed and Approved by County Council:

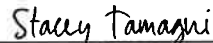
By: 
DC61DB3A9CB246C...
Katrina G. Nelson,
Deputy County Counsel

Date: 6/14/2022

ATTEST:

 6/13/2022
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Christa Freeman, City Clerk Date

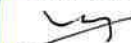
FUNDING AVAILABLE:

 6/13/2022
0145974EC7C3448...
Stacey Tamagni, Finance Director Date

ORIGINAL APPROVED AS TO CONTENT:

 6/13/2022
2121F41D945C1FA...
Mark Rackovan, Public Works Director Date

ORIGINAL APPROVED AS TO FORM:

 6/13/2022
4BA4E265309E456...
Steven Wang, City Attorney Date

Prepared by: 
8A0DAB6628E9403...
Kelly Sequest, Waste Management Program Manager
Department of Waste Management and Recycling
Phone: (916) 876-5393



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EXHIBIT A to Agreement

SCOPE OF SERVICES

1. DEFINITIONS

- A. Acceptable Waste is MSW from residential and commercial sources and any other acceptable Class III waste (as defined in division 2 of Title 27 of the California Code of Regulations and the current Waste Discharge Requirements for Kiefer Landfill) as agreed to by the COUNTY Director in writing prior to delivery.

Acceptable Waste shall only include tonnages collected by CITY.

Acceptable Waste does not include source separated organic waste or recyclable material.

Acceptable Waste does not include Hard to Handle Waste or Unacceptable Waste as described elsewhere in this Agreement.

- B. Applicable Law means any and all applicable federal, state, regional, or local constitutions, statutes, ordinances, resolutions, regulations, judicial decisions, orders, binding interpretations, permits, permit conditions, mitigation measures, or other approvals or requirements of COUNTY or another governmental entity having jurisdiction over the services performed by CITY or otherwise having jurisdiction that is applicable to any aspect of this Agreement.
- C. Designated Waste is as defined in California Water Code section 13173.
- D. Direct Haul is the hauling of waste in a roll-off truck or packer truck from the source to the tipping facility.
- E. Disposal Discount is the discount taken from the current gate tipping fee as described in Exhibit B, section 1.
- F. Gate Tipping Fee shall be those applicable fees and charges contained in the most recent resolution adopted by the County of Sacramento Board of Supervisors establishing tipping fees at the Kiefer Landfill currently in effect. For informational purposes, at the time of execution of this Agreement, the effective resolution is Resolution No. 2021-0760, adopted November 17, 2021, approving the gate tipping fee of \$54.45 per ton for Kiefer Landfill, effective January 1, 2022.

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- G. Hard to Handle Waste shall be as defined in the most recent resolution adopted by the County of Sacramento Board of Supervisors currently in effect. For informational purposes, at the time of execution of this Agreement, the effective resolution is Resolution No. 2021-0760 adopted November 17, 2021 and effective January 1, 2022.
- H. Hazardous Waste is as defined by State of California under section 66261.3 of Title 22 of the California Code of Regulations (22 C.C.R. § 66261.3).
- I. Municipal Solid Waste ("MSW") shall be as defined in section 243.101(y) of Title 40 of the Code of Federal Regulations (contained in 40 C.F.R. Part 243, Guidelines for the Storage and Collection of Residential, Commercial, and Institutional Solid Waste).
- J. Packer Truck is a vehicle such as a front loader, side loader, or rear loader capable of hauling solid waste and recyclable materials.
- K. Roll-Off Truck is a vehicle capable of transporting one or more bins, each with a capacity of containing seven (7) cubic yards or more of solid waste or recyclable materials.
- L. Unacceptable Waste is hazardous waste and any waste that is designated as unacceptable under the County's Solid Waste Facilities Permits for Kiefer Landfill and the North Area Recovery Station and the current Waste Discharge Requirements for Kiefer Landfill. Copies of these permits are available upon request.

2. SERVICES

- A. Minimum Tonnage Commitment: CITY shall commit an annual minimum tonnage amount of 25,000 tons of Acceptable Waste per fiscal year (July 1 – June 30).
- B. Acceptance of Waste by COUNTY. CITY may deliver, and COUNTY shall accept, transfer, place, compact and cover Acceptable Waste at Kiefer Landfill according to standard solid waste landfill practices, the terms and conditions of the Solid Waste Facilities Permits issued by the local enforcement agency for Kiefer Landfill, and the State of California Minimum Standards for landfill and transfer station operations.

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C. Rejection of Waste.

- i. Any Class I or Class II waste, as such waste is defined in Titles 22 and 27 of the California Code of Regulations delivered by CITY shall be rejected by COUNTY, and CITY shall be solely responsible for all costs associated with the cleanup and removal of any such waste.
- ii. Designated waste delivered by CITY may be rejected by COUNTY at COUNTY'S discretion.

D. County's Right to Deny Access. COUNTY shall have the right, in its sole and absolute discretion, to immediately deny access to the landfill to any employee or SUBCONTRACTOR of CITY for any reason, and in the event COUNTY exercises such right, COUNTY shall provide written notification thereof to CITY as soon after the denial as is reasonable.

3. PRIMARY CONTACTS

In the performance of the services hereunder, CITY and COUNTY shall provide, and update as necessary, the primary contact person responsible for regular communications related to these services under this Agreement. These contacts shall be as follows:

COUNTY:	NAME:	Kelli Sequest
	PHONE:	916-876-5393
	E-MAIL:	sequestk@saccounty.net

CITY:	NAME:	Marie McKeeth
	PHONE:	916-461-6731
	E-MAIL:	mmckeeth@folsom.ca.us

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EXHIBIT B to Agreement

COMPENSATION

1. DISPOSAL FEES

- A. Disposal Discount. A Disposal Discount for waste delivered by CITY to Kiefer Landfill shall apply to Acceptable Waste.

The Disposal Discount shall be applied to the Gate Tipping Fee according to the Minimum Tonnage Commitment as defined in Exhibit A, section 2.A.

The Minimum Tonnage Commitment shall fall into a corresponding tonnage tier set forth in the table below, which shall be set as the "Commitment Tier".

If CITY delivers Acceptable Waste to COUNTY in excess of the Commitment Tier, only those excess tons that fall into the higher tier shall be entitled to the corresponding Disposal Discount for that higher tier in any given fiscal year.

CITY can adjust its Commitment Tier in any given fiscal year prior to the start of a new fiscal year with ninety (90) days' advance written notice to COUNTY of change in such Commitment Tier.

Tonnage Tiers	Annual Minimum Tonnage Commitment (July 1 – June 30)	Disposal Discount per ton from Gate Tipping Fee
		Direct Haul
Tier 1	10,000 - 24,999	\$ (1.00)
Tier 2	25,000 - 49,999	\$ (3.00)
Tier 3	50,000 - 99,999	\$ (5.00)
Tier 4	100,000 or more	\$ (7.00)

- B. Shortfall Penalty. If CITY, in a given one-year period from July 1 to June 30, fails to deliver to COUNTY, in accordance with this Agreement, the Minimum Tonnage Commitment for that period, then COUNTY shall invoice CITY for, and CITY shall pay, an amount equal to (i) the number of tons by which actual tons fell short of the Minimum Tonnage Commitment, multiplied by (ii) the

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then-applicable per-ton Gate Tipping Fee less the Disposal Discount.

- C. No Disposal Discount for Delinquent Disposal Account. If any portion of the CITY'S disposal account is past due for more than thirty (30) days after the due date, COUNTY shall charge CITY the then-current Gate Tipping Fee and shall continue to charge the Gate Tipping Fee until CITY effects full, current payment on its disposal account, and no Disposal Discount shall later be applied for those charges. In the event CITY'S disposal account is delinquent for three (3) consecutive months, CITY shall be required to pay the then-current Gate Tipping Fee at the gate immediately (cash basis) when making deliveries, and such requirement shall continue until CITY effects full, current payment on its delinquent disposal account. Tonnages delivered during this time of delinquency will be counted toward the Minimum Tonnage Commitment as set forth in Exhibit A, section 2.A.
- D. COUNTY reserves the right to adjust the applicable Gate Tipping Fee as part of its rate review process. COUNTY shall notify CITY at the earliest practical opportunity of any changes to the Gate Tipping Fee. If, at any time, the Gate Tipping Fee at Kiefer Landfill exceeds \$65.09 per ton for MSW, then CITY may terminate Agreement pursuant to section 19.B above.

2. MONTHLY ELECTRONIC FUNDS TRANSFER AND MONTHLY INVOICING

- A. Within ten (10) days after execution of this Agreement, CITY shall provide COUNTY with written authorization for Electronic Funds Transfer from CITY'S bank account for invoices under this Agreement.
- B. COUNTY will invoice CITY each month for waste deliveries made by CITY to Kiefer Landfill. COUNTY will mail each invoice by U.S. Mail, and simultaneously email each invoice to apinvoices@folsom.ca.us.
- C. Upon COUNTY'S transmittal, both electronically and via U.S. Mail, of the monthly invoice to CITY, COUNTY will generate an Electronic Funds Transfer of the invoiced amount due from CITY'S bank account to COUNTY in accordance with the written authorization provided by CITY hereinabove.

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- D. CITY shall pay the invoice in full within thirty (30) days from the date of the invoice. COUNTY shall automatically initiate the Electronic Funds Transfer at thirty (30) days without CITY notice.
- E. COUNTY and CITY shall mutually agree to any adjustments made to the invoice. Adjustments shall be made on the following month's invoice.
- F. In the event the Electronic Funds Transfer cannot be accomplished due to insufficient funds or other cause not attributable to COUNTY or bank error, COUNTY shall contact CITY to allow CITY to rectify the cause and complete the Electronic Funds Transfer. If a sufficient electronic transfer is not completed within three business days, then COUNTY may consider the account delinquent and CITY in breach of contract.

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to facilitate double-sided printing
and minimize paper use.*



CITY OF
FOLSOM
DISTINCTIVE BY NATURE