

**FY2021 AMENDMENT TO FRANCHISE AGREEMENT:  
RECYCLING PROCESSING FEE**

This FY2021 AMENDMENT TO FRANCHISE AGREEMENT: RECYCLING PROCESSING FEE (“AMENDMENT”), is made and entered into this 18 day of August, 2020, by and between CITY OF MERIDIAN, a municipal corporation of the State of Idaho (“CITY”), and ALLIED WASTE SERVICES OF NORTH AMERICA, LLC dba REPUBLIC SERVICES of IDAHO, a Delaware Limited Liability Company, whose local address is 11101 W. Executive Dr. Boise, Idaho (“REPUBLIC SERVICES”).

**1. RECITALS:**

- 1.1 **WHEREAS**, REPUBLIC SERVICES performs all services pertaining to solid waste collection and disposal of the CITY' S solid waste pursuant to the Franchise Agreement; and
- 1.2 **WHEREAS**, REPUBLIC SERVICES is separately contracted to deliver the CITY' s collected curbside recyclables to a third -party vendor, Western Recycling; and
- 1.3 **WHEREAS**, it is not feasible for REPUBLIC SERVICES to absorb the monthly net cost of recycling processing in fiscal year 2021, due to ongoing sustained depressed market conditions, the failure of low commodity prices to offset rising recycling processing costs, and the expense of delivering the City’s recyclable materials to third-party processor Western Recycling;
- 1.4 **WHEREAS**, the CITY desires to continue the Meridian Recycling Program because of its beneficial diversion of materials from the landfill; and
- 1.5 **WHEREAS**, the CITY finds that the cost of recycling has not reached a prohibitive level at which the costs outweigh the benefits, though also finds that this is to be reevaluated on an annual basis;

**NOW THEREFORE**, in consideration of the covenants and conditions set forth herein, the parties agree as follows:

2. **INCORPORATION OF RECITALS:** That the above recitals are contractual and binding and are incorporated herein as if set forth in full.
3. **DEFINITIONS:** That the following terms shall be defined as set forth herein:
  - a. Fiscal Year ("FY"): This term is defined for purposes of this AMENDMENT as the period beginning October 1, 2020 and ending September 30, 2021.
  - b. Commingled Recyclable Material: This term is defined for purposes of this AMENDMENT to include: tin, aluminum, plastics #1 and #2, newspaper, cardboard, mixed paper, and Hefty Energy Bags recoverable materials.

c. Net Cost of Recycling Processing Charges: This term is defined for purposes of this AMENDMENT as the third-party vendor charge to process (sort, bale, and ship, sell at market) Meridian's commingled recyclables minus the rebate provided by Western Recycling from its materials commodity sales.

4. **PROVISION ADDED:** That new provision shall be added to Paragraph 21 of the Franchise Agreement, as follow, which shall replace and supersede all additions to Paragraph 21:

21.5 **RECYCLING PROCESSING FEE:** Subject to the provisions set forth in Paragraph 6 of this AMENDMENT, for the period beginning October 1, 2020 and ending September 30, 2021 ("FY20"):

21.5.1 REPUBLIC SERVICES will receive the following:

- o Residential Accounts: \$1.13 per residential household per month
- o Commercial Accounts: \$1.08 per yard

21.5.2 CPI-INDEX - The recycling processing fee is not subject to the annual CPI rate calculation.

21.5.3 FRANCHISE FEE - The City will receive the 6% franchise fee on all commercial and residential rate components, including the recycling processing fee as reflected in REPUBLIC SERVICES' 2020-2021 rate model request.

21.5.4 REPUBLIC SERVICES agrees to pay for the effective period of this AMENDMENT the net cost of recycling processing charges in excess of the amount received as set forth in 21.5.1 above.

21.5.5 REPUBLIC SERVICES agrees to provide the CITY a year end reconciliation report of its third party vendor recycling processing charges, including an audit of the estimated increase for the period October 1, 2020 through September 30, 2021. This reconciliation shall be provided to City Council within 120 days of September 30, 2021.

21.5.6 REPUBLIC SERVICES will reimburse the CITY of any over charge by Western Recycling for the effective period of this AMENDMENT within 120 days of September 30, 2021.

21.5.7 REPUBLIC SERVICES commits to deliver Meridian' s residential and commercial recycling materials to Western Recycling.

21.5.8 REPUBLIC SERVICES shall immediately notify City Council to seek direction if REPUBLIC SERVICES becomes aware that the third party vendor is not processing (sorting, baling, shipping, selling at market) all of the individual materials which comprise Meridian' s commingled recyclable material.

5. **NET PROFIT RETURN:** Nothing contained in this AMENDMENT shall change the agreement between the parties that when there exists recycling net profit, that such profit it be split 80/20 with 80% returned to the CITY by REPUBLIC SERVICES for the benefit of the Meridian Community Recycling Fund.
6. **EFFECTIVE DATE:** The effective date for the recycling processing fee is predicated upon Council' s approval of the fee following public hearing and execution by the parties of this AMENDMENT with the effective date established by Council to begin October 1, 2020 or as soon thereafter as practicable.

**IN WITNESS WHEREOF**, the parties shall cause this AMENDMENT to be executed by their duly authorized officers to be effective as of the day and year first above written.

**REPUBLIC SERVICES:**

BY:   
\_\_\_\_\_  
Bob Bennett  
General Manager

**CITY OF MERIDIAN:**

BY: \_\_\_\_\_  
Robert E. Simison  
Mayor

Attest: \_\_\_\_\_  
Chris Johnson  
City Clerk