

FY24 RECYCLING PROCESSING FEE CONTRACT AMENDMENT

This FY24 Recycling Processing Fee Contract Amendment (“AMENDMENT”), is made and entered into this ____ day of September, 2023, by and between CITY OF MERIDIAN, a municipal corporation of the State of Idaho (“CITY”), and REPUBLIC SERVICES of Idaho, an Idaho Corporation, hereinafter called (“REPUBLIC SERVICES”), whose current address is: 11101 W. Executive Dr. Boise, Idaho.

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 Solid Waste Franchise Agreement originally executed on January 18, 2000, and approved by City Council Resolution no. 285 (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**, REPUBLIC SERVICES has heretofore paid for the monthly net cost of recycling processing charges related to Meridian’s recycling program pursuant to contractual agreement with both the CITY and with Western Recycling; and
- 1.4 **WHEREAS**, REPUBLIC SERVICES has advised the CITY that effective September 30, 2019 and on-going since that date, it will no longer be economically viable to deliver the City’s recyclable materials to the third-party processor, Western Recycling, for purposes of recycling due to the increased monthly net cost of recycling processing charges, which result in a net loss to REPUBLIC SERVICES; and
- 1.5 **WHEREAS**, the CITY has been advised that REPUBLIC SERVICES has sustained unreimbursed costs in the amount of \$753,869.32 for the period of June 2022 through May 2023 for Meridian’s recycling program; and
- 1.6 **WHEREAS**, due to the volatility of the secondary recycling market, commodity prices are not predicted to offset rising recycling processing costs for the foreseeable future; and
- 1.7 **WHEREAS**, the CITY desires to continue the Meridian Recycling Program because of its beneficial diversion of materials from the landfill; and
- 1.8 **WHEREAS**, the CITY does not believe the cost of recycling has reached a prohibitive level where the costs outweigh the benefits, but that it is cognizant that may not always be the case;

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:

- a. Fiscal Year (“FY”) – This term is defined for purposes of this AMENDMENT as the period beginning October 1, 2023 and ending September 30, 2024.

b. Commingled Recyclable Material – This term is defined for purposes of this AMENDMENT to include: tin, aluminum, plastics, newspaper, cardboard, and mixed paper.

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. **AMENDMENT to PARAGRAPH 21 of the FRANCHISE AGREEMENT:**

Section 21 of the of the Franchise Agreement shall be modified with the addition of language to read as follows:

21.5 **RECYCLING PROCESSING FEE:** Subject to the provisions set forth in Paragraph 6 of this AMENDMENT, for the period beginning October 1, 2023 and ending September 30, 2024 (“FY24”):

21.5.1 REPUBLIC SERVICES will receive the following amounts:

- Residential Accounts: \$1.20 per residential household per month
- Commercial Accounts: \$1.27 per loose 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’ 2023-2024 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, 2023 through September 30, 2024. This reconciliation shall be provided to City Council within 120 days of September 30, 2024.

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, 2024.

21.5.7 REPUBLIC SERVICES commits to deliver Meridian’s residential and commercial recycling materials to Western Recycling and/or any

recycling center approved by both Republic Services and the City of Meridian.

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. Nothing contained in this AMENDMENT shall change the agreement between the parties that when there exists recycling net profit that it be split 80/20 with 80% returned to the CITY by REPUBLIC SERVICES for the benefit of the Meridian Community Recycling Fund.
6. **PUBLIC NOTICE AND HEARING PROVISIONS:** The parties agree that the recycling processing fee which is the subject of this AMENDMENT is subject to compliance with the notice and hearing provisions of Idaho Code 63-1311A.
7. **PREVIOUS AGREEMENTS SUPERSEDED:** This Amendment shall supersede and replace all previous Recycling Processing Fee Contract Amendments, which shall each and all be nullified and void as of the effective date of effective date of the recycling processing fee as set forth herein.
8. **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, 2023 or as soon thereafter as practicable.

IN WITNESS WHEREOF, the parties have herein executed this agreement and made it effective as herein above provided.

REPUBLIC SERVICES:



Ryan Lawler, Area President-Northwest
Republic Services

CITY OF MERIDIAN:

Robert E. Simison, Mayor

Chris Johnson, City Clerk