



CITY COUNCIL AGENDA REPORT

MEETING DATE: October 19, 2020

TO: City Council Members

FROM: Mary Rose Rutikanga, City Administrator

SUBJECT: Amendment to the Cal Sierra Disposal Franchise Agreement

RECOMMENDATION

Consideration to approve and authorize the City Administrator to execute the Amendment to the Amended and Restated Franchise Agreement with Cal Sierra Disposal for a term of five (5) years.

DISCUSSION

On October 1, 2010, the City of Sonora approved and authorized a Franchise Agreement with Cal Sierra Disposal, Inc. The purpose of the Franchise Agreement is to provide for a Solid Waste and Recyclables management service to the citizens and businesses of the City of Sonora, at a fair market rate.

On May 18, 2020 the Council approved a 1st Amendment to the Amended and Restated Franchise Agreement to extend the term of the current agreement from August 31, 2020 to October 31, 2020 to allow staff time to negotiate in good faith with Cal Sierra Disposal.

City of Sonora staff and Cal Sierra Disposal have agreed to the following terms:

- Section 4 of the Amendment changes the term of the agreement to become effective upon the execution of the agreement and to terminate on October 31, 2025. The Franchise Agreement may be extended for successive additional five year terms by mutual consent of the City and Cal Sierra Disposal.
- Section 5 of the Amendment defines the term “Recyclables” and is attached as **Exhibit B**.
- Section 6 of the Amendment defines that the City shall act in good faith in efforts to protect and enforce the exclusive rights of Cal Sierra Disposal.
- Section 7 of the Amendment, which establishes base rates in the form of **Exhibit A**, will come before the Council for approval within 60 days. This will allow staff time to properly review any base rate changes affected by CPI.
- Section 8 of the Amendment establishes that rate changes will be determined annually by the average Consumer Price Index (CPI) for All Urban Consumers.
- Section 10 of the Amendment details Cal Sierra Disposal’s responsibility concerning contamination, overage and overweight.

- Section 11 of the Amendment provides collection services to the City of Sonora by Cal Sierra Disposal in the amount of \$45,000 annually based on the fiscal year period.

Staff recommends the Council approve the Amendment to the Amended and Restated Franchise Agreement with Cal Sierra Disposal for a term of five (5) years and authorize the City Administrator to execute the agreement.

FISCAL IMPACT

None at this time. Staff will bring forward a base rate change for Council approval within 60 days of the execution of the Amendment.