



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: January 24, 2017

CM/ACM _____

Finance _____

DA _____

Risk Mgt _____

HR _____

Other _____

DATE: January 23, 2017
TO: Board of County Commissioners
FROM: Kevin Schiller, Assistant County Manager
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THROUGH: John Slaughter, County Manager

SUBJECT: Update and direction to staff on the Waste Management franchise agreement and possible related matters. (All Commission Districts.)

SUMMARY

Update and direction to staff on the Waste Management franchise agreement and possible related matters. (All Commission Districts.)

Washoe County Strategic Objective: Safe, secure and healthy communities.

PREVIOUS ACTION

On November 29, 2000 the Board approved and authorized the Chairman to execute the second amended agreements with Independent Sanitation Company extending the term of the Franchise Agreement.

On October 27, 2011 Washoe County Health District passed a new regulation (062.200) mandating the County reach a 35% diversion rate within 5-years.

On June 24, 2014 Board received an update and presentation from Waste Management on Single Stream Recycling and potential options and changes with direction to staff to present at the Citizen Advisory Board Meetings for constituent input towards potential service models.

On April 14, 2014 the Board received an update on Single Stream Recycling Proposed Models and gave direction to staff on future changes to the current Garbage Franchise Agreement.

On June 24, 2014 the Board received an update on Single Stream Recycling Proposed Models and gave direction to staff on future changes to the current Garbage Franchise Agreement.

On December 8, 2015 the Board received an update on Single Stream Recycling Proposed Models and gave direction to staff on future changes to the current Garbage Franchise Agreement.

On March 22, 2016 the Board received a resenatation and discussion on Single Stream Recycling Proposed Models, Services and other related matters; and provided direction to staff on future changes to the current Garbage Franchise Agreement.

On November 29, 2016 the Board approved a new franchise agreement under NRS 244.187-188 for the collection and disposal of garbage and other waste with Reno Disposal Co., a Nevada corporation doing business as Independent Sanitation Company and Waste Management, to include changes to the franchise fee and the addition of certain recyclables to the scope of the franchise.

BACKGROUND

The original agreement with Waste Management (formerly Independent Sanitation) began on December 31, 1982. Independent Sanitation brought forth the renewal and extension of the Franchise Agreement on November 29, 2000, approximately two years prior to the scheduled expiration of the agreement to facilitate constructing two new transfer stations. The transfer stations were established to increase the efficiency of operations, as well as helping to cut down on illegal dumping. The company wanted to insure a long-term agreement with the County before they made the capital investment.

The prior Garbage Franchise Agreement between Washoe County and Waste Management (Attachment A) was approved on November 29, 2000 and was set to expire on December 12, 2015, with an option to extend for five years in favor of Waste Management towards a final expiration date of December 12, 2020. Waste Management provided the required notice on June 2, 2015 to exercise their option to extend the agreement for five years. Since 2007 Sun Valley General Improvement District (SVGID) is included in the Washoe County agreement through an Interlocal Cooperative Agreement for Garbage Collection between SVGID and Washoe County. Incline Village General Improvement District (IVGID) manages the Solid Waste Franchise Agreement for the communities of Incline Village and Crystal Bay.

On November 29, 2016 the Board approved a new franchise agreement under NRS 244.187-188 for the collection and disposal of garbage and other waste with Reno Disposal Co., a Nevada corporation doing business as Independent Sanitation Company and Waste Management, to include changes to the franchise fee and the addition of certain recyclables to the scope of the franchise. This agreement has not been executed to date and is pending final review from the District Attorney's office.

Following the approval on November 29, 2016 multiple concerns have been received by the Washoe County Manager's Office. Complaints regarding the implementation of the new franchise agreement are specific to the single stream recycling program and automated trash collection system; and, general complaints are specific to service during inclement weather and overall communication with constituents across all areas of the County.

The following outlines the key concerns by area with details specific to the new franchise, communication, and customer service. Staff met with Waste Management who indicates are they willing make any changes that our needed to address issues. Further details will be provided with presentation of this staff report.

Implementation of Single Stream Recycling

- Communication and notification of the program/ provision of accurate information to customers.
 - Waste Management provided written notification of the trash program changes to customers via U.S. Mail, to include packets with instructions complemented with a website. A key areas of concern identified have been a delay in the receipt of these packets in correlation with the date of implementation, route changes, service changes; and, customer information provided from the Phoenix call center location. Waste Management believes a delay occurred in package delivery with the weather and that there are potential communication gaps between the Phoenix call center and Reno. Staff has met with Waste Management team who are currently addressing issues the gaps to include updated rate sheets and details of the new franchise agreement. Providing accurate information and customer response continues to be the largest concern related to trash service.
- Flexibility to meet individual requests to include ability to select various sizes of trash and recycling containers.
 - Several complaints have been specific to available container sizes. The approved franchise allows for selection of a combination of sizes between 96 gallon and 64 gallon containers. The current agreement does not include a rate for a 32 gallon option as it was found to be isolated in Reno and Sparks; however, Waste Management indicates a 32 gallon option will be included per the Board's direction. In addition, approximately 7,000 of 34,000 customers did not have Waste Management bins, thus for initial delivery of new bins they were provided a 64 gallon trash/64 gallon recycling containers as a base service. The base service can be changed effective February 1, 2017.
- Limitation on the amount trash at the curb with the corresponding rate increase.
 - The previous agreement placed a limit of 7 bags or bundles at the curb which was not enforced. Larger parcel owners or users were charged the same rate

as smaller users. Providing for seasonal increases in waste was a challenge in finalization of the new franchise. The new agreement establishes weekly curbside trash limits supplemented with 25 excess waste stickers being provided annually along with one full month in the fall and in the spring for residents to weekly place up to 7 excess trash bags or bundles at the curb without a sticker. The supplemented excess trash services the needs to remove seasonal vegetation inherent with larger parcels in unincorporated Washoe County. In addition, residents have the ability to purchase of additional excess waste stickers and increase their service levels. Use of a single stream receptacle is estimated to reduce trash receptacle usage by 30 to 35 percent to offset some of the need for use of additional bags.

- Senior Tax Rate Customers Under the previous agreement.
 - The senior tax rate program expired many years ago; however, Waste Management maintained the senior tax rate, with the new agreement they were grandfathered in with a graduated percentage increase to remain well below the standard rate. This program affects 400 residents in unincorporated Washoe County.
- Complaints on lack of accurate information related to opting out of single stream recycling.
 - Customers may opt out of the single stream portion of service, Waste Management is providing up to date information through their customer service center and will be providing updated messaging.

Service during Inclement Weather

- Service delays or no pick up for over two weeks in Washoe Valley, Lemmon Valley, and the Galena area.
 - Throughout the past month multiple complaints have been regarding delayed or no pick up for over a two week period, following roads being cleared. Waste Management indicates that during significant snow or flooding events they must suspend service, in some instances recycling trucks may continue versus trash trucks given differences in and ability to continue. With missed services related to weather, Waste Management will attempt to pick up on an alternate date, however this is somewhat constrained by the need to continue ongoing trash service throughout the region.
- Communication and notification concerning pick up during storm events.
 - Waste Management currently can implement an auto dial for areas which will not receive service; however it does not leave a message if unavailable and does not reach cell phones. During the most recent weather events additional concerns have been received regarding accurate information

specific to delays and/or alternative pick up dates from customer service in Phoenix, Az. Waste Management is addressing the customer service issue and our staff is assisting their proactive messaging prior to and during significant weather.

Customer Service

- Ongoing complaints regarding accuracy and availability of regional specific information about services, rate information, and single stream options or questions.
 - The current agreement includes a provision to designate and maintain an Ombudsman for the duration of the Agreement. This includes resolution to issues with customers through a process not to exceed seven days. Staff has continued to work with Waste Management daily to work on individual complaints and to streamline the customer service response systems by providing the ongoing issues that have arisen between the Phoenix call center and the local details. Prior to the single stream implementation and weather issues complaints were down to a minimum, but this has not been the case over the past six weeks. Waste Management is currently working to insure this is remedied as soon as possible.

FISCAL IMPACT

The previous agreement set the fee at 5% and provided for approximate revenue of \$500,000.00 annually. The new agreement graduates a franchise increase with further Board approval. Each increase of 1% above the current rate this equates to an increase of approximately \$100,000.00 in annual revenue.

RECOMMENDATION

It is recommended that the Board of County Commissioners acknowledge the update and provide direction to staff on the Waste Management franchise agreement and possible related matters.

POSSIBLE MOTION

Should the Board agree with the recommendation, a possible motion would be to “acknowledge the update and provide direction to staff on the Waste Management franchise agreement and possible related matters.”

