



# OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



EXHIBIT F-6  
9 Pages

## GARBAGE SERVICE AGREEMENT – NOTIFICATION TO RENEW

**DATE:** December 12, 2023

**TO:** District Board Members

**FROM:** Mike Geary, General Manager

**SUBJECT:** 2024-25 Garbage Service Contract – Tahoe Truckee Sierra Disposal Company, Inc.

**BACKGROUND:** The District became involved with the garbage service at the request of the Property Owners Association on June 28, 1974, with the adoption of Ordinance #3. That Ordinance was replaced on September 27, 1974, with Ordinance #4. Ordinance #4 was in place until the current Garbage Code was adopted on June 30, 1988.

Section 3.01 of the Garbage Code reads:

*Compulsory Collection Service:*

*The occupant of any premises or lands located within the District shall use the trash collection services. The owner of such premises or lands shall provide payment to the District of those rates for such services set forth by the Board at the beginning of each fiscal period, regardless of whether the trash collection services are utilized.*

The District contracts with the Tahoe Truckee Sierra Disposal Company, Inc. (TTSD), Tahoe City, for municipal solid waste collection and disposal services. Olympic Valley PSD, Northstar CSD, Alpine Meadows CWD, Town of Truckee, and Placer and Nevada Counties each have similar service contracts with TTSD.

The Board of Directors entered into the TTSD Garbage Disposal Agreement for FY 2023-24 with approval of Resolution 2023-08 on May 30, 2023.

Section 1.09 of the Agreement reads:

*This Agreement shall continue in force for a period of one (1) year commencing July 1, 2023, through June 30th, 2024. Absent written notification by either party of an intention to not renew the existing contract, then the terms of this contract as amended shall automatically*

*be renewed for an additional one (1) year term. Written notification not to renew shall be no sooner than one (1) year and no later than six (6) months prior to the end of the current term.*

Section 3.05 reads, in part:

*Should the contract automatically renew for subsequent terms extending beyond the 2023-2024 rate year, the rates will be adjusted effective July 1st each year for any increase in the garbage and trash collection component of the Consumer Price Index . . . as published by the U.S. Bureau of Labor Statistics. The data to be used shall be an average of twelve months (October through September) prior to the operating rate year for which the adjustment is to be made . . . In the event that any calculated annual rate adjustment exceeds 6%, the amount above 6% will be carried-forward and cumulatively incorporated into subsequent year rate adjustments, until the foregone amount becomes fully captured in the rates.*

If the District wants to let the Agreement automatically renew, no action is required. The terms of the current Agreement will continue to apply through the 2024-25 fiscal year.

However, if the District wants to renegotiate any terms of the Agreement, including increases in the costs for services paid by the District to TTSD, the District must provide written notification to TTSD by January 1, 2024.

**DISCUSSION:** The Consumer Price Index (CPI) for the period used to set the increase in costs for services paid by the District to TTSD for FY 2024/25 is 7.20%. This exceeds the 6.0% maximum increase per the Agreement, so costs for the District will increase by only 6.0% starting July 1, 2024. The remaining 1.2% will be carried forward and cumulatively incorporated into subsequent year cost adjustments.

The rate increase for curbside garbage collection for FY 2024/25, effective July 1, 2024, has not been determined yet. The rate increase will be a minimum of 6.0%, but will likely be higher to provide revenue for compliance with [California's Short-Lived Climate Pollutant Reduction Strategy \(SB 1383\)](#) and new [Green Waste Programs](#) offered by the District, such as [Green Waste Days](#), [Green-Waste Only Dumpster Rebates](#), and [Bear Box Rebate Program](#). The rate increase for residential curbside garbage collection for FY 2024/25 will be set during the budget and rate-setting process during the spring 2024, for consideration of adoption at the Board Meeting in June 2024.

Fees the District will pay TTSD for single-family residences for FY 2024/25 are scheduled to increase by 6.0%, or by \$1.69/mo. This is the fourth consecutive year TTSD is seeing a high increase in rates. Increases are inflationary, specifically due

to the increasing costs of material waste disposal, labor, fuel, increased trash left for collection, and more bear sheds requiring costly manual servicing.

Existing and scheduled costs are summarized here:

District Cost – Paid to TTSD SFR Property	FY 2023/24	FY 2024/25	6.0% Cost Increase
Monthly	\$28.10	\$29.79	\$1.69
Annually	\$337.20	\$357.43	\$20.23

\* These are costs paid by the District; not rates paid by customers.

The District typically charges a little more in rates than it pays in fees to TTSD. Garbage Rates collected by the District provide funding for:

- garbage collection services provided by TTSD consistent with the attached Agreement.
- Administrative expenses including customer service, billing, collections, coordination with TTSD, contract negotiations, and program management.
- Reporting and compliance with California's Short-Lived Climate Pollutant Reduction Strategy (SB 1383).
- Green Waste Days.
- Green-Waste Only Dumpster Rebates.
- Garbage Fixed Asset Replacement Fund (FARF).

These are continued services to the contract worth noting:

- Up to four (4) cans of household waste per week (sec. 2.02).
- Clean-Up Day Dumpsters on Memorial Day weekend (sec. 2.05).
- Christmas Tree Recycling Program (sec. 2.07).
- Self-haul and dispose up to six yards of loose Green Waste material per household for free at the ERL facility located on Cabin Creek Road (sec. 2.08).
- Guaranteed price of \$146.03 / week for six-yard GW-Only Dumpsters for FY 2023-24, dropped-off and picked-up the customer’s property (sec. 2.08).
- Free drop-off of residential household hazardous waste (HHW) at the ERL facility located on Cabin Creek Road (hours of operation and material limits apply) (sec. 2.08).

- ALTERNATIVES:**
1. Do nothing. Let the TTSD Garbage Disposal Agreement automatically renew and pay 6.0% more in fees to TTSD in FY 2024/25 for SFR curbside garbage collection and increase Garbage Rates in spring 2024 to cover the increase in the cost the District pays TTSD for services provided.
  2. Provide direction to staff to notify TTSD in writing before December 31, 2023, that the District does *not* want the Agreement to renew

automatically because the District wants to renegotiate terms of the Agreement for FY 2024/25. Provide direction to staff which provisions in the Agreement should be renegotiated.

**RECOMMENDATION:** Do nothing. Let the TTSD Garbage Disposal Agreement automatically renew.

**ATTACHMENTS:** TTSD Garbage Disposal Agreement for FY 2023-24 (5 pages).

**DATE PREPARED:** December 6, 2023.

# OLYMPIC VALLEY RESIDENTIAL GARBAGE SERVICE AGREEMENT

July 1, 2023 - June 30, 2024

THIS AGREEMENT, is made and entered into as of the date of last signing, by and between OLYMPIC VALLEY PUBLIC SERVICE DISTRICT, a public entity existing pursuant to the laws of the State of California, P. O. Box 2026, Olympic Valley, California 96146, hereinafter called "District" and TAHOE TRUCKEE SIERRA DISPOSAL COMPANY, INC., a California Corporation, P. O. Box 135, Tahoe City, California 96145, hereinafter called "Contractor."

District and Contractor, in consideration of the mutual promises and covenants herein contained, have agreed and do agree as follows:

## **A. General Conditions**

- 1.01.** Residential trash collection: Contractor will provide exclusive collection services for regular household-generated waste (excluding remodel and/or home project construction debris, household hazardous waste and yard waste) for each residential location within the District paying the service collection rate, including single-family units paying a single service collection rate, and multiple living units paying the collection rate for each individual unit, in Olympic Valley, California, and disposal of the same outside of the District boundaries in conformance with all State, Local and Federal regulations.
- 1.02.** Commercial trash collection services: Upon customer request, or as otherwise required by ordinance, Contractor shall exclusively provide collection services for commercial garbage, trash and waste (including remodel and and/or home project construction debris) within the boundaries of the District, using debris boxes. Contractor shall charge and collect payments for such service at the same service rates which Contractor charges in surrounding Placer County Franchise Area #3, as published and updated from time-to-time by Placer County. District shall not pay for such services rendered (except for any additional services not already included within the scope of this Agreement that the District may potentially order itself), and Contractor shall collect payments for such services from those persons or entities requesting or requiring such services. District shall not provide payment for such services unless District is directly requesting service for the removal of waste from properties owned, operated, or overseen by District.
- 1.03.** Contractor agrees to comply with all regulations and ordinances of District in the performance of the services provided by Contractor pursuant to the terms of this Agreement as well as are required by Contractor's franchise agreements with County of Placer, which are incorporated herein by this reference.
- 1.04.** Contractor and District mutually acknowledge that the continued enactment and enforcement of a mandatory garbage pick-up regulation by District within its boundaries has been a factor inducing Contractor to agree to the terms of this Agreement. Should District repeal its regulations requiring such mandatory pickup, or should District fail to make reasonable efforts to enforce such regulations, Contractor may terminate this Agreement upon giving a thirty (30) day notice of such termination in writing.
- 1.05.** This Agreement shall not be assignable by either party without the prior written consent of the other party.

- 1.06. Subject to the provision regarding assignment, this Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.
- 1.07. Contractor shall obtain general liability insurance coverage in such amounts and with such insurance carriers as Contractor is required to provide by reason of its franchise with the County of Placer, State of California, and shall provide, by endorsement on such policies, the District as a named insured.
- 1.08. Contractor agrees to indemnify District against any and all claims for loss, liability or damage arising out of or in connection with the service to be performed pursuant to this Agreement and in connection with or arising out of the acts or negligent omissions of principals, agents, subcontractors or Contractor's employees, however caused, while said employees are engaged in activities connected with the performance of the services to be provided by Contractor to District and to its inhabitants pursuant to the terms of this Agreement including, without limitation, collection, handling and disposal of garbage and refuse.
- 1.09. This Agreement shall continue in force for a period of one (1) year commencing July 1, 2023, through June 30<sup>th</sup>, 2024. Absent written notification by either party of an intention to not renew the existing contract, then the terms of this contract as amended shall automatically be renewed for an additional one (1) year term. Written notification not to renew shall be no sooner than one (1) year and no later than six (6) months prior to the end of the current term.
- 1.10. This instrument contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect excepting a subsequent modification in writing, signed by the parties to be charged.
- 1.11. If any legal action is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which he may be entitled.

**B. Collection Provisions**

- 2.01. Contractor should maintain records of those residential lots provided with garbage collection service by Contractor within the District, the number of containers of garbage collected by Contractor on a weekly basis, and upon request will provide such records to District.
- 2.02. Contractor shall collect curbside garbage from customer-provided container(s) not to exceed 32-gallon cans in volume or 51 lbs. in weight, placed within 10 feet of the curb, or within residential bear boxes designated for household garbage. For distances exceeding 10 feet for curbside pickup, or 25 feet for bear boxes, residents shall arrange directly with Contractor to service the location for an additional fee, to be collected by Contractor.

Residential collection is once weekly, and the total weekly quantity collected included in the service collection rate shall not exceed four (4) cans per residential unit week per week; in the case of multi-family units, each unit paying the service collection rate is individually allotted up to 4 cans collected per week. Contractor reserves the right to collect more than 4 cans per individual unit at its own discretion, or as may be required by ordinance. In such cases, Contractor will invoice residential parcel owner(s) directly for extra trash services exceeding the base service levels. District will provide Contractor with the list of service

locations and property owners' mailing addresses, for purposes of mailing bills for extra service provided.

Contractor is not obligated to collect waste that is not well-secured and contained or strewn in a mess. To the extent Contractor may do so at its own discretion, or as may be required by ordinance, Contractor may charge the responsible party a reasonable fee for the incremental costs incurred. In such cases, and to the extent it becomes necessary, Contractor will inform and work with the District to reduce future such instances in the most cost-effective manner satisfactory to both parties.

- 2.03.** Contractor shall perform collection service on Monday of each week unless Contractor is prevented by circumstances beyond its control from providing such service on said day of each week.
- 2.04.** Weekly collections shall commence on or after the hour of 7:00 a.m. and shall be completed as soon thereafter as feasible.
- 2.05.** In addition to the weekly collection services, Contractor shall provide during Memorial Day weekend of each year two twenty-yard dumpster bins placed at locations within District boundaries as shall be designated by District for the purpose of a general local clean-up program of accumulated trash and waste collected by local residents during the course of such clean-up program. Contractor will collect the trash and waste as needed during such weekly clean-up program and after the termination thereof.
- 2.06.** In lieu of Contractor providing an annual spring Fire Safety Day, Contractor will make available to the District up to twenty discounted large debris boxes (any mix of 20-yard and/or 30-yard sizes) for placement of clean, source-separated Green Waste material generated by residents within the District. Discounted boxes ordered by the District will be charged at 50% of the corresponding MSW debris box rate(s).
- 2.07.** Contractor shall provide an annual curbside collection Christmas Tree Recycling Program for trees that are cut into three (3) foot segments and free of foreign matter (e.g. tinsel, flocking, lights, stands, nails) for one week during the month of January at the discretion of the Contractor.
- 2.08.** Included within the service collection rate is a mandatory fee remitted to Placer County, entitling each paying Residential unit to participate in Placer County-sponsored programs. For the 2023-2024 rate year, these are expected to include: [a] seasonal access for district residents to self-haul and dispose for free at the ERL facility located on Cabin Creek Road up to 6-yards of loose Green Waste material per household; [b] seasonal access to customer-ordered 6-yard Green Waste only dumpsters (discounted individual customer charges of \$146.03 apply for the 2023-2024 rate year); [c] free drop-off of residential HHW (household hazardous waste) at the ERL facility located on Cabin Creek Road (hours of operation and material limits apply) and [d] participation in occasional Placer County sponsored recycling events, including Green Waste drop-off events held annually at several locations in Placer County. Contractor does not have control over what programs may be added or eliminated, provisioned for within the Placer County fee.

- C. Payment Provision:** District agrees to compensate Contractor for the services specified herein as follows:
- 3.01.** For collection and removal of garbage known as residential garbage service, a payment of Twenty-Eight Dollars and Ten Cents (\$28.10) per month for each single-family unit for the period July 1, 2023 thru June 30, 2024.
  - 3.02.** Should any charges enforced by the District or Placer County be determined by a court of competent jurisdiction to be invalid, or violate any provision of law, said portion of the Agreement shall be of no force and effect, without affecting any other portion of this Agreement.
  - 3.03.** Contractor shall have the option to bill District for all payments due pursuant to this Agreement for a calendar quarter by the fifteen<sup>th</sup> (15<sup>th</sup>) day of the last month of each calendar quarter or accept the payment breakdown prepared by the District and included with the payment.
  - 3.04.** District shall provide payment to Contractor for those sums billed for the calendar quarter by the first working day of the month following the end of the calendar quarter.
  - 3.05.** Should the contract automatically renew for subsequent terms extending beyond the 2023-2024 rate year, the rates will be adjusted effective July 1<sup>st</sup> each year for any increase in the garbage and trash collection component of the Consumer Price Index, using Series: ID: CUUR0000SEHG02, Garbage and trash collection in U.S. city average, all urban consumers, not seasonally adjusted, as published by the U.S. Bureau of Labor Statistics. The data to be used shall be an average of twelve months (October through September) prior to the operating rate year for which the adjustment is to be made (for example, the adjustment for the 2024-2025 operating rate year will use statistics from October 2021 through September 2023). If the index should become no longer published or no longer available during the Agreement, both parties will meet and confer to determine the most similar index still being published for use as a substitute. In the event that any calculated annual rate adjustment exceeds 6%, the amount above 6% will be carried-forward and cumulatively incorporated into subsequent year rate adjustments, until the foregone amount becomes fully captured in the rates.
  - 3.06.** Rate adjustments for extraordinary costs. The monthly residential base rate and associated rates may be adjusted at times when agreed upon in advance and in writing by both Contractor and District for unforeseen extraordinary costs not captured in the adjustment index used, including, but not limited to, changes in laws and regulations, and instances in which the Contractor's disposal costs may increase at a higher amount than the published index reflects. District may defer timing of the rate adjustment until the July 1<sup>st</sup> beginning of the next rate year, with any amounts incurred by the Contractor prior to that date included within the calculation of the adjustment.
  - 3.07.** Changes in scope of work. Should District request additional services be provided, Contractor may submit a proposal to provide such services, to be billed at the Contractor's cost, plus a 10% profit.
  - 3.08.** Contractor's fees may be adjusted by future modifications to District Ordinances. At such time as modifications to the Ordinance are made, Contractor shall be advised and revisions to this Agreement will be made as needed.

3.09. Should any charges enforced by the District or Placer County be determined by a court of competent jurisdiction to be invalid, or violate any provision of law, said portion of the Agreement shall be of no force and effect, without affecting any other portion of this Agreement.

Executed on the date set forth above at Olympic Valley, Placer County, California.

**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT**

Dated: 6/29/23


By:   
Dale Cox, President, Board of Directors

ATTEST:

  
Jessica Asher, Board Secretary

**TAHOE TRUCKEE SIERRA DISPOSAL COMPANY, INC.**

Dated: 6/29/23

By:   
Jeff Collins, General Manager  
Authorized Representative