



CITY OF CUPERTINO

Legislation Details (With Text)

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File created: 3/21/2019 **In control:** City Council

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Title: Subject: Relative to Recology Cupertino's Franchise Agreement with the City:
1) Termination of the residential on-call, curbside Household Hazardous Waste (HHW) program, termination of collection of the HHW fee, refund of fees collected since January 2019, and establishment of an annual assessment of costs against Recology Cupertino (Recology) in an annual, not to exceed amount of \$93,535; and
2) Authorizaion of Recology's request for a Special Maximum Rate Adjustment of an additional \$2.24 per month for residential customers in single-family homes and a rate increase of 3.93% for all other categories of Service Recipients to cover the increased cost of mixed recycling processing as a result of disruption and volatility of overseas recycling commodity markets for the period of October 2018 through January 31, 2021 (Special Maximum Rate Adjustment effective beginning January 1, 2020); and
3) Authorization to execute Franchise Agreement amendment for same.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Staff Report, 2. A - Draft Resolution, 3. B - Recology Third Amendment to Franchise Agreement, 4. C - Recology Rate Adjustment Letter 1-28-2020

Date	Ver.	Action By	Action	Result
2/4/2020	1	City Council	Adopted	

Subject: Relative to Recology Cupertino's Franchise Agreement with the City:

- 1) Termination of the residential on-call, curbside Household Hazardous Waste (HHW) program, termination of collection of the HHW fee, refund of fees collected since January 2019, and establishment of an annual assessment of costs against Recology Cupertino (Recology) in an annual, not to exceed amount of \$93,535; and
- 2) Authorizaion of Recology's request for a Special Maximum Rate Adjustment of an additional \$2.24 per month for residential customers in single-family homes and a rate increase of 3.93% for all other categories of Service Recipients to cover the increased cost of mixed recycling processing as a result of disruption and volatility of overseas recycling commodity markets for the period of October 2018 through January 31, 2021 (Special Maximum Rate Adjustment effective beginning January 1, 2020); and
- 3) Authorization to execute Franchise Agreement amendment for same.

Staff recommends that the City Council approve the following:

- 1) Termination of the residential on-call curbside HHW program stipulated in the Franchise Agreement, as amended, Section 4.17; and
- 2) Termination of collection of the HHW fee retroactive to January 1, 2019, with direction for

Recology to administer full credits for any fee collected after such date from single and multi-family Cupertino rate payers within no more than thirty calendar days; and

3) Approve and direct Recology to annually pay the City for its costs related to termination of the curbside HHW program not to exceed an annual amount of \$93,535 retroactive to January 1, 2019 and through the remainder of the term of the Franchise Agreement; and

4) Authorize a Special Maximum Rate Adjustment of an additional \$2.24/per month for residential customers in single-family homes and an increase of 3.93% for all other categories of Service Recipients pursuant to Section 12.3 of the Franchise Agreement to cover the increased cost of mixed recycling processing for the period October 2018 through January 31, 2021 (rate adjustment beginning January 1, 2020 and continuing through January 31, 2021, which is the remainder of the term of the current Agreement); and

5) Adopt Resolution No. 20-013 to Authorize the City Manager to execute the Third Amendment to the Franchise Agreement with Recology Cupertino, implementing the above (Attachment B).