



**SAN BENITO COUNTY
AGENDA ITEM
TRANSMITTAL FORM**

Dom Zanger
District No. 1
Vice-Chair

Kollin Kosmicki
District No. 2
Chair

Mindy Sotelo
District No. 3

Angela Curro
District No. 4

Ignacio Velazquez
District No. 5

Item Number: 2.3

MEETING DATE: 06/10/2025

DEPARTMENT: RESOURCE MANAGEMENT AGENCY

AGENDA ITEM PREPARER: Kathryn Ramirez

DEPT HEAD/DIRECTOR: Steve Loupe

SUBJECT:

RESOURCE MANAGEMENT AGENCY - S. LOUPE, PUBLIC WORKS ADMINISTRATOR

(To Be Heard at 9:00 a.m. or soon thereafter as the matter may be heard)

Hold a Public Hearing on Revisions to the Rate Schedule at the John Smith Road landfill, Adopt a Resolution Adopting the Rate Schedule, and Approve the Landfill Operator's 2025 Cost of Living Adjustment (COLA). The County's contractor for operations to the John Smith Road Landfill, Waste Solutions Group of San Benito, LLC, a subsidiary of Waste Connections Inc. ("WCI"), submitted its annual request for a compensation adjustment per section 6.2 of the Landfill Operating Agreement between the County of San Benito and Waste Solutions Group of San Benito, LLC (Operating Agreement). WCI is requesting a COLA of 2.19% which equates to \$99,822.00.

SBC FILE NUMBER 142

RESOLUTION No.: 2025-34

AGENDA SECTION:

PUBLIC HEARING

BACKGROUND/SUMMARY:

This public hearing is to be held regarding proposed rate increases at John Smith Road Landfill. The rate increases are in response to the contractual cost-of-living (COLA) adjustment, authorized under the Landfill Operating Agreement between the County of San Benito and Waste Solutions Group, LLC, a wholly owned subsidiary of Waste Connections, Inc. A resolution adopting the rate increases is provided for the Board's consideration. A public hearing notice was published on May 30, 2025 and June 6, 2025.

Additional Background:

On December 21, 2010, the Board of Supervisors approved the Operating Agreement. Section 6.2, Adjustments to Company Compensation for In-County Waste Disposal of the Operating Agreement

provides that WCI is entitled to receive a COLA (Cost of Living Adjustment) to ensure that increases in cost of living do not reduce WCI's revenue and are either covered by the rate payers or the County. Section 6.2 identifies the various means the County can provide for the COLA, which is either 1) In County Tipping Fee rate increases, 2) direct payment to the Operator (WCI), 3) a reduction in the Landfill Depletion Fee the County receives from the Operator (WCI), or 4) any combination thereof. Staff recommends option 1 due to the total FY24-25 Integrated Waste Division expenses to Fund 301 (Landfill Enterprise Fund) exceeding total Landfill Depletion Fee (LDF) revenue for the current FY.

Per the Operating Agreement and upon submittal to the County of the appropriate documentation on or prior to March 1 of each year, the Landfill Operator is entitled to COLA compensation based on the contractually agreed upon indices outlined in section 6.2 of the Operating Agreement. Per the Operating Agreement, the calculations for COLA adjustment will be no less than 2% and no greater than 6% and is based on the Consumer Price Index for Urban Consumers Oakland-San Francisco -San Jose Area, Consumer Price Index for Urban Consumers Motor Fuel Oakland-San Francisco-San Jose Area, and Employment Cost index for Private Industry Workers. The Landfill Operator submitted the COLA index adjustment factors on February 28th to the County. This year's request is \$99,822 or 2.12%.

The actual calculations are shown in the 2025 COLA Calculation attachment.

Staff and County consultants have completed review of the COLA application and concur with the mathematical accuracy and proper use of indices compliant with the Operating Agreement.

Note that in 2019, 2020, 2021, and 2022 COLA payments to the Landfill Operator were suspended per the Second Amendment to the Operating Agreement, section 6.2. Temporary Suspension of the COLA Increase, which states the Landfill Operator will forgo any potential COLA increases to which it may be entitled to commencing July 1, 2019 until July 1, 2023, or the Termination of the proposed landfill expansion project. Furthermore, the County Board of Supervisors at duly noticed public hearings on June 27, 2023 and June 4, 2024 adopted a rate schedule increase and approved the Landfill Operator's Cost of Living Adjustment (COLA) respectively for years 2023 and 2024.

RESOLUTION OR ORDINANCE NEEDED FOR THIS ITEM:

Yes

CONTRACT NEEDED FOR THIS ITEM:

No

RFP AND BID HISTORY:

The Landfill Operating Agreement was approved by the Board of Supervisors on December 21, 2010. A First Amendment to the Landfill Operating Agreement was adopted on April 30, 2013. A Second Amendment to the Landfill Operating Agreement was adopted on October 17, 2019. A Third Amendment was adopted on June 8, 2021.

LAST CONTRACT AMOUNT OR N/A:

N/A

CONTRACT HISTORY (Describe all amendments and previous contracts):

N/A

STRATEGIC PLAN GOALS: 1. Operational Development & Excellence

No

STRATEGIC PLAN GOALS: 2. Planning And Sustainable Growth

No

STRATEGIC PLAN GOALS: 3. Technology

No

STRATEGIC PLAN GOALS: 4. Community Engagement

Yes

STRATEGIC PLAN GOALS: 5. Health & Safe Community

No

BUDGETED:

N/A

BUDGET ADJUSTMENT NEEDED:

N/A

SOURCE OF FUNDING:

N/A

UNFUNDED MANDATE:

N/A

SBC BUDGET LINE ITEM NUMBER:

301.75.3800.1000.640.513

CURRENT FY COST:

N/A

STAFF RECOMMENDATION:

It is recommended that the Board of Supervisors:

1. Hold the public hearing;
2. Adopt Resolution revising the rate schedule at John Smith Road Landfill, to take effect July 1, 2025

ATTACHMENTS:

Resolution - JSLR COLA 2025
2025 COLA Calculations
Public Hearing Notice 2025 COLA