



Staff Report

August 12th, 2025

TO: Honorable Mayor and Town Council
FROM: Wes Heathcock, Town Manager
DATE: August 12, 2025
RE: Recology Franchise Agreement Amendment and Extension

Recommendation

Staff Recommends that Council:

1. Direct the Town Manager to execute an amendment and a twenty-one (21) month extension to the existing Franchise Agreement with Auburn Placer Disposal Service, through June 30, 2027.

Issue Statement

Auburn Placer Disposal Service has been providing garbage collection service to the Town of Loomis since 1978. In 2001, the Town Council approved a 13-year and 3-month franchise for the period of July 1, 2001 through September 30, 2014. The Agreement was amended in 2007 to include an additional 10-year term through September 30, 2024, and to add green waste collection services and a coupon program. The Agreement was further amended and extended in 2024, through September 30, 2025, to incorporate language consistent with recent legislation and to provide staff time to determined needs from a longer-term agreement.

In 2014, AB 1826 was signed, requiring businesses to recycle their organic waste starting April 1, 2016, depending on the amount of waste they generate per week. In 2016, California adopted Senate Bill 1383 which mandated local jurisdictions to implement a variety of new programs and services intended to divert organic waste materials away from landfill disposal. The primary objective of the law is to reduce the release of methane generated by decomposition of organic materials in landfills.

The Town of Loomis qualifies for a temporary low population waiver presently, relieving the Town of many requirements mandated by SB 1383. In many communities SB 1383 displaced AB 1826, but this is not the case for the Town of Loomis due to the low population waiver, which means that the commercial customers that meet the AB 1826 threshold still require an organic waste management solution. Another factor that makes solid waste management in Loomis unique is that a mixed waste stream, containing both garbage and organics, is transported to the Western Placer Waste Management Authority (WPWMA) for processing and recovering or

organics and recyclables. This contrasts with many communities where organic waste is sorted by the generator and separately transported for composting.

The Town and Auburn Placer Disposal Service wish to amend the Agreement to account for the use of Town facilities and extend the term of the Agreement for twenty-one (21) additional months through June 30, 2027. This twenty-one-month extension will provide sufficient time for the City to assess external factors related to its low-population waiver and WPWMA, which will inform longer term contracting needs.

Discussion

In November 2020, the California Department of Resources Recycling and Recovery (CalRecycle) finalized regulations under SB 1383, formalizing statewide requirements to reduce the amount of organic waste disposed in landfills. This far-reaching bill mandated many new requirements, which public agencies had to implement, document, and enforce. The Town's garbage collection provider implements components of the regulations.

The Town of Loomis currently qualifies for a temporary low population waiver from some SB 1383 requirements. A jurisdiction is eligible for a low-population waiver if it has a total population of less than 7,500 people, and a low population waiver is valid for a period of up to five years. A jurisdiction may apply to renew a waiver at any time up to 180 days prior to the expiration of an existing approved waiver. The Town's low population waiver's effective date was August 16, 2022, which means the waiver expires on August 15, 2027, and the Town can apply to renew the waiver on February 16, 2027. At the time of the initial request for the waiver, the Town's population was 6,868, and the population is currently estimated to be 6,939. Due to the uncertainty of the waiver status beyond August 15, 2027, the Town is considering this potential change as part of its evaluation of future waste collection needs.

The Town of Loomis sends its solid waste to the Western Placer Waste Management Authority (WPWMA). One of the methods by which a jurisdiction can comply with the collection component of SB 1383 is by sending a mixed solid waste stream that contains organic waste to a High Diversion Organic Waste Processing Facility (HDOWPF). WPWMA has been under construction since May 2023, with the primary intent of the redevelopment being WPWMA qualifying as a HDOWPF. As of January 1, 2025, in order to qualify as an HDOWPF, WPWMA must satisfy the requirement that their annual average mixed waste organic content recovery rate has not dropped below 75% for two consecutive quarterly reporting periods and/or has not dropped below 75% for three quarterly reporting periods during the last 3 years. Since WPWMA has been under construction, the quarterly organics recovery sampling has confirmed WPWMA is not currently recovering at least 75% of the organic materials from the mixed municipal solid waste stream. Construction of the processing portion of the facility is substantially complete, and quarterly organics recovery sampling will likely occur in August or September to confirm the new system complies with the HDOWPF standard.

On August 13, 2024, Town Council approved a one-year extension to the Agreement. At the time of that extension, Town staff had intended to use the extended one-year term to negotiate a new longer-term Agreement with Auburn Placer Disposal Service, anticipated to be 10 to 15

years in length. However, given the uncertainties relative to the low-population waiver and the status of WPWMA, the Town does not have sufficient information to determine what it will require of a long-term agreement. Further, early in negotiations, Town staff and its consultant requested data from Auburn Placer Disposal Service about existing services within the Agreement in order to inform if those services should be maintained, removed, or altered in a future agreement. In the course of the last year, Auburn Placer Disposal Service has undergone staffing changes and has also conveyed challenges within its database that limit the extent to which the identified services could be measured. As such, the Town has not received the data it needs from Auburn Placer Disposal Service to inform how it should proceed with various services, including blue bag, green waste, and “unlimited” services. To accommodate this lack of data, the Town’s consultant (R3 Consulting) has been conducting site audits and analyzing available data. This analysis will be completed by the end of summer 2025, which will also inform service components of a future long-term agreement. In the meantime, staff recommends that a short-term extension be approved with minor modifications for service clarification.

Additions and/or adjustments to the existing Agreement are outlined below.

- **Definitions:** Definitions were added for general administrative cleanliness and to incorporate language consistent with SB 1383.
- **Term length:** The term is amended to extend for twenty-one (21) months, until June 30, 2027.
- **Container Colors:** Language was added to clarify compliance with SB 1383 required color-coding of collection containers.
- **Pubic Facility Usage and Service of Containers:** In consideration of providing publicly owned space for the temporary storage of containers, Auburn Placer Disposal Service will provide solid waste collection service for all Town-owned facilities. The specific terms of the use will be separately delineated through a lease agreement.

If approved by this Council, during the term of the twenty-one-month extension, the Town will track, measure and/or implement the following components:

- **Low-population waiver:** Town staff or its consultant will apply for renewal of the waiver in February 2027.
- **WPWMA organics recovery status:** Town staff and its consultant will remain informed regarding the status of the recovery measurements. By June 30, 2026 (one year in advance of the proposed extended termination date), the Town will determine if it will maintain its mixed waste collection methodology or change course and deploy a three-stream collection program (garbage, recycle and organic waste) in its future collection agreement.
- **Existing Program Measurement:** R3 Consulting will complete its assessment of current programs and will develop alternative or adjustments to these programs to incorporate in a future agreement.

While staff and its consultant had hoped to return to Council at this time with a more assured way to proceed well into the future, the parties have assessed that it is most prudent to pause, allow the time for external circumstances impacting the Town’s waste management to settle, and then guide the Town in the most sustainable and economical path forward.

CEQA Requirements

Under CEQA Guidelines Section 15301 there are no CEQA implications associated with the extension of this Franchise Agreement.

Financial and/or Policy Implications

The approval of the proposed Amendment will allow the Town to be in continued compliance with SB 1383. During the term of the twenty-one-month extension a standard rate increase will likely take place on July 1, 2026. Collection fees for garbage service are paid directly to Recology by their customers. As a result, the proposed rate increase has no direct impact on the Town's General Fund.

Attachments

- A. Town of Loomis Resolution 25-XX
- B. Third Amendment to Agreement

On File with the Town Clerk:

- A. Recology Franchise Agreement – July 1, 2001
- B. First Amendment to Agreement – June 12, 2007
- C. Second Amendment to Agreement – August 13, 2024

TOWN OF LOOMIS

RESOLUTION 25-__

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS APPROVING AN AMENDMENT AND TWENTY-ONE (21) MONTH EXTENSION TO THE EXISTING FRANCHISE AGREEMENT WITH AUBURN PLACER DISPOSAL SERVICE (RECOLOGY)

WHEREAS, the Town of Loomis has a long-standing contractual relationship with Auburn Placer Disposal Service (Recology) for waste hauling and street sweeping services which has benefited both organizations; and

WHEREAS, the Town of Loomis entered into a 1-year contract extension with Recology Auburn Placer Disposal Service (Recology) in 2024 that will expire September 2025; and

WHEREAS, it is in the Town of Loomis best interest to enter into a twenty-one-month contract extension with Recology Auburn Placer Disposal Service (Recology) to allow time to negotiate a long-term agreement; and

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Council of the Town of Loomis approves an amendment and twenty-one (21) month extension to the existing franchise agreement with Auburn Placer Disposal Service (Recology) in substantially the form as set forth in Attachment B.

PASSED AND ADOPTED this 12th day of August, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Mayor

APPROVED AS TO FORM:

Town Clerk

THIRD AMENDMENT TO AGREEMENT

This Third Amendment (“Amendment”) to the Agreement entitled “Refuse Franchise Agreement” (the “Agreement”) is made and entered into August __, 2025, by and between the Town of Loomis (Town) and Auburn Placer Disposal Service (Contractor). Town and Contractor shall be referred to herein individually as a “Party” and collectively the “Parties”. There are no other parties to this Agreement.

WHEREAS, Town and Contractor have entered into that certain Agreement effective July 1, 2001 whereby Contractor began providing collection, transportation, recycling and disposal of garbage, rubbish, refuse and recyclable material; and

WHEREAS, the Town Council approved a 13-year and 3 month franchise for the period of July 1, 2001 through September 30, 2014; and

WHEREAS, Town and Contractor amended the Agreement on June 12, 2007, by First Amendment to include an additional 10 year term through September 30, 2024, and to add green waste collection services and a coupon program; and

WHEREAS, Town and Contractor amended the Agreement on August 13, 2024, by Second Amendment to include an additional 1 year term through September 30, 2025; and

WHEREAS, in September 2016 State Senate Bill 1383 (SB 1383) was signed into law establishing methane emissions reduction targets representing the next step in California’s environmental protection strategy; and

WHEREAS, SB1383 sets forth organics and recycling compliance mandates and requires jurisdictions to adopt municipal ordinances which are designed to progressively achieve California’s goal of 75% recycling, composting or source reduction of solid waste by 2025; and

WHEREAS, the Town and Contractor wish to amend the Agreement to clarify definitions and services, and extend the term of the agreement for twenty-one additional months through June 30, 2027 to gather information to direct the scope of a future long-term agreement.

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

1. Incorporation of Recitals

The recitals set forth above are incorporated herein by this reference and made a part of this Amendment. In the event of any inconsistencies between the recitals and section 1 through 6 of this Amendment, sections 1 through 6 will prevail.

2. Effect of Original Agreement

Except as otherwise provided herein, all provisions, defined terms, and obligations in the Franchise Agreement remain in full force and effect. The Parties agree that they continue to be bound by all terms of the Agreement except as modified by this Amendment. All capitalized terms used in Amendment, which are not otherwise defined in this Amendment, shall have the meanings given to such terms in the Agreement.

3. Effective Date

This Amendment shall become effective on September 1, 2025.

4. Definitions

The Agreement is hereby amended to add or replace, as applicable, the following definitions:

- a) "Container" means any vessel, tank, receptacle, roll-off box, bin, cart, compactor, or debris box used or intended to be used for the purpose of holding Garbage, Organic Waste, Recyclables, or Green Waste for storage or collection.
- b) "Disposal" means the final disposition of Solid Waste collected by the Contractor.
- c) "Garbage" means all putrescible and non-putrescible solid, semi-solid, and associated liquid waste generated or accumulated through the normal activities of a premises. Garbage does not include Recyclable Materials, Organic Waste, or Green Waste that is Source Separated and does not include Exempt Waste.
- d) "Green Waste" means all tree and plant trimmings, grass cuttings, dead plants, weeds, leaves, branches, and similar materials, but not including Exempt Waste.
- e) "Public Litter Receptacles" means the public containers located in the downtown area of the Town as specified in Exhibit B attached hereto.

5. Term

The Agreement is hereby amended to replace the first paragraph in Section 1, as previously replaced in the Second Amendment, with the following in order to extend the term of the Agreement by twenty-one (21) months:

"Town does hereby give and grant to Contractor the exclusive right and franchise to collect, transport and dispose of or process as applicable garbage, rubbish, refuse, organic waste, and recyclable material in and for the Town for the period commencing July 1, 2001, and terminating June 30, 2027."

6. Refuse Containers

Section 3 is hereby amended to additionally include:

A.I.) ... "Containers put into service after September 1, 2025 must meet all applicable colors and labeling specifications as set forth by CalRecycle (i.e., blue = Recyclables, black/gray = Garbage, green = Green Waste) and must be labeled with a listing of materials that may and may not be placed in a particular Container type.

G) "Unless otherwise requested by Town, Company shall provide recurring Garbage, Recyclables and Green Waste collection, transportation, and Disposal services to all Town operated facilities, including Town parks, playgrounds, buildings, and Public Litter Receptacles, as shown in Exhibit B.

H) "Facilities. Contractor shall provide all facilities necessary for vehicle parking and maintenance, container storage and maintenance, employee parking, administration and all other activities required to provide the services required by this Agreement. Contractor shall own or lease the facilities; secure all permits needed to conduct operations at the facilities and operate in compliance with such permits; design, finance and construct any site

Attachment B

improvements; and maintain the facilities in good condition. Contractor will be responsible for any damage to public property, as specified in the lease agreement. The Contractor's corporation yard is located at 12305 Shale Ridge Road in Auburn. Contractor shall not move its operations to a different site without prior notice to City. Contractor will continue to use the approximately 10,000 square feet of the 1.3 acre parcel of Town-owned property at 3511 Mandarin Court. This property is to be used for limited storage of containers such as boxes, bins and wheeled carts to be delivered to customers Contractor shall comply with the terms of the lease for the 3511 Mandarin Court site."

7. Exhibit B

Exhibit B is hereby added to read as follows:

EXHIBIT B TOWN SERVICE LOCATIONS

Town Facility	Address
Public Works	3165 Rippey Rd
Town Hall	3665 Taylor Rd
Loomis Library	6050 Library Dr, Loomis, CA 95650
Blue Anchor Park	5775 Horseshoe Bar Rd, Loomis, CA 95650
Sunrise Loomis Park	5871 Arcadia Ave, Loomis, CA 95650
Former WW Moulding Plant	3800 Taylor Rd
South Placer Substation	6140 Horseshoe Bar Rd
Public Litter Receptacles	Various locations

[Signature page follows]

IN WITNESS WHEREOF, this Amendment has been entered into by and between Town and Contractor as of the Effective Date.

CONTRACTOR

Auburn Placer Disposal Service

By: _____
Salvatore M. Coniglio, Chief Executive Officer

Date Signed: _____

TOWN OF LOOMIS

Town of Loomis, a California
municipal corporation

By: _____
Wes Heathcock, Town Manager

Date Signed: _____

Approved as to Form:

By: _____
Frank Splendorio, Town Attorney

Dated: _____