

RESOLUTION NO. 139

A RESOLUTION OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE AGREEMENT BETWEEN UNIVERSITY PLACE REFUSE, INC. AND THE CITY OF UNIVERSITY PLACE, FOR COLLECTION AND DISPOSAL OF SOLID WASTE, RECYCLABLE MATERIALS, AND YARD WASTE, TO PROVIDE A RATE INCREASE FOR 1997 AND MODIFY ANNUAL RATE ADJUSTMENT FORMULAS.

BE IT RESOLVED THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AS FOLLOWS:

Section 1. Authorization. City Manager or his designee is authorized and directed to execute on behalf of the City an amendment to the agreement with University Place Refuse, Inc., for collection and disposal of solid waste, recyclable materials, and yard waste to provide a rate increase for 1997 and modify annual rate adjustment formulas.

Section 2. Effective Date of 1997 Rate Increase. The rate increase for 1997 will be effective 45 days after the second publication of the notice of rate increase.

Section 3. Effective Date. This resolution shall take effect immediately upon signing.

ADOPTED BY THE CITY COUNCIL ON MARCH 10, 1997.

  
Linda Bird, Mayor

ATTEST:

  
Susan Matthew, City Clerk

**AMENDMENT TO AGREEMENT BETWEEN THE CITY OF UNIVERSITY PLACE,  
WASHINGTON, AND UNIVERSITY PLACE REFUSE SERVICE, INC.,  
FOR COLLECTION AND DISPOSITION OF SOLID WASTE,  
RECYCLABLE MATERIALS, AND YARD WASTE**

THIS AMENDMENT is dated as of March 11, 1997, between the CITY OF UNIVERSITY PLACE, a municipal corporation of the State of Washington (the "City"), and UNIVERSITY PLACE REFUSE SERVICE, INC., a Washington corporation (the "Company").

**RECITALS**

A. The City and the Company are parties to an Agreement Between the City of University Place, Washington, and University Place Refuse Service, Inc., for Collection and Disposition of Solid Waste, Recyclable Materials, and Yard Waste dated as of October 30, 1995, a copy of which is attached hereto as Schedule I and incorporated herein by this reference (the "Agreement") through which the Company provides reliable, environmentally sound, and timely solid waste, yard waste and recyclable collection services to City residents.

B. The Company has asked for an adjustment to the Base Rates as defined in the Agreement and the City wants to assure continued quality service and competitive market rates to its citizens and fair pricing and reasonable return on investment to the Company.

C. The City and the Company have agreed that, in order to meet their goals, an adjustment to the Base Rates is appropriate and the Agreement should be amended to provide for additional mechanisms to adjust the Base Rates and procedures for review of the rates in the future.

D. Capitalized terms that are not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

**AGREEMENTS**

In consideration of the mutual covenants and promises contained herein, the parties hereto hereby amend the Agreement as follows:

1. Base Rates. Together with other allowable adjustments, commencing May 3, 1997, the Base Rates to be charged by the Company for its services under the Agreement shall be increased by 7.828%.

2. Recycling Education. A new Section 7.6 shall be added to the Agreement that provides as follows:

7.6 To assist in promotion of the City's recycling programs, the Company shall distribute, in a manner acceptable to the City and at the Company's expense, educational materials acceptable to the City describing the City's recycling

programs and pick-up schedules to customers at the time they begin their participation in the recycling programs and thereafter to all customers at least annually.

3. Commodity Rate Adjustment. A new Section 16.11 shall be added to the Agreement that provides as follows:

16.11 Rate Adjustment for Changes in Recyclable Commodity Income.

The Base Rates have been determined in part assuming that the Company will receive \$114,000 of income (the "Assumed Recyclables Income") from the sale of at least 2,555 tons of Recyclable Materials (the "Assumed Recyclables Tonnage"). Therefore, in addition to all other adjustments to the Base Rates hereunder, the Base Rates shall be further adjusted effective January 1 of each year based upon the net income actually received by the Company, decreased by any increases in the costs and expenses of handling, processing, transporting, marketing and selling Recyclable Materials over such costs and expenses for 1996, (the "Actual Recyclables Income") from the actual tonnage of Recyclable Materials sold (the "Actual Recyclables Tonnage) during the twelve month period ending on the prior August 31st as follows:

16.11.1 If the Actual Recyclables Income during such period is less than ninety percent (90%) of the amount of the then effective Assumed Recyclables Income, the Base Rates shall be increased sufficiently to compensate the Company fully in that calendar year for the difference between the amount that equals ninety percent (90%) of the then effective Assumed Recyclables Income during such period and the Actual Recyclables Income during such period.

16.11.2 If the Actual Recyclables Income during such period is more than one hundred ten percent (110%) of the amount of the then effective Assumed Recyclables Income and the Actual Recyclables Tonnage is less than or equal to the Assumed Recyclables Tonnage, the Base Rates shall be reduced sufficiently to enable customers to recoup fully in that calendar year the difference between the Actual Recyclables Income during such period and the amount that equals one hundred ten percent (110%) of the amount of the then effective Assumed Recyclables Income for the period.

16.11.3 If the Actual Recyclables Income during such period is from ninety percent (90%) to one hundred ten percent (110%) of the then effective Assumed Recyclables Income, the Base Rates shall not be adjusted under this Section 16.11.

16.11.4 If the Actual Recyclables Income during such period is more than one hundred ten percent (110%) of the then effective Assumed Recyclables Income and the Actual Recyclables Tonnage is greater than the Assumed Recyclables Tonnage, the Base Rates shall be reduced sufficiently to

enable customers to recoup fully in that calendar year that percentage of the difference between the amount of the Actual Recyclables Income during such period and the amount that equals one hundred ten percent (110%) of the amount of the then effective Assumed Recyclables Income for such period, equal to the Assumed Recyclables Tonnage divided by the Actual Recyclable Tonnage.

Commencing effective January 1, 1998, the amount of the Assumed Recyclables Income shall be increased each year based upon the change in the Index in the same manner the Base Rates are adjusted under Section 16.3.

4. Rate of Return Adjustment. A new Section 16.12 shall be added to the Agreement that provides as follows:

16.12 Rate of Return Adjustment. For each year commencing January 1, 1998, until and including the adjustment which would be effective as of January 1, 2002, prior to the adjustment under Section 16.7, the Base Rates shall be increased by one percent (1%).

5. Additional Annual Adjustment. Sections 16.1 and 16.2 of the Agreement are hereby amended to provide that the adjustments to the Base Rates under Section 16.11 and 16.12 shall be made each year at the same time as the adjustments to the Base Rates under Sections 16.3, 16.5, 16.6 and 16.7 of the Agreement. Further, the provisions of Sections 16.11 and 16.12 shall be deemed to revise Exhibit B to the Agreement.

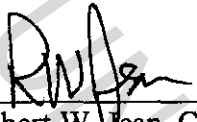
6. City's Right to Reopen Determination of Rate Adjustment Formula. A new Section 16.13 shall be added to the Agreement which states as follows:

16.13 Review of Rate Adjustment Formula. If at the time of any annual adjustments to the Base Rates under this Agreement effective on or after January 1 of 2001 and/or each year thereafter during the term of the Agreement, (i) the cumulative fixed asset purchases by the Company for assets used to carry out the Company's obligations under the Agreement in the period beginning January 1, 1997 through the end of the prior calendar year are less than 90% of the Company's cumulative depreciation expense recorded on its financial statements for the same period, or (ii) the rates charged to the customers in the City by the Company exceed 100% of the average of the weighted average monthly rates (determined in the same manner as such rates are calculated on Schedule II attached hereto and incorporated herein by this reference) charged to customers for services in the areas in Pierce County, Washington listed on such Schedule II, the City shall have the option to request a review and renegotiation of the annual rate adjustment formula set forth in this Agreement. If the Company and the City are unable to reach agreement on the adjustment formula within thirty (30) days after the date of the request by the City, the rate shall be determined in accordance with Section 16.10.

7. Except as specifically amended herein, the Agreement shall remain in full force and effect.

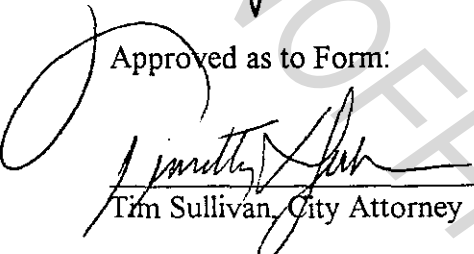
EXECUTED as of the day and year first above written.

CITY OF UNIVERSITY PLACE

  
\_\_\_\_\_  
Robert W. Jean, City Manager

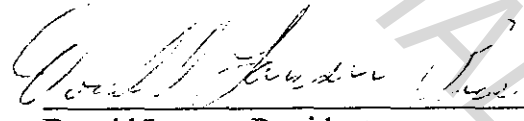
3/17/97  
\_\_\_\_\_  
Date

Approved as to Form:

  
\_\_\_\_\_  
Tim Sullivan, City Attorney

3/11/97  
\_\_\_\_\_  
Date

UNIVERSITY PLACE REFUSE SERVICE, INC.

By   
\_\_\_\_\_  
Donald Larsen, President

3/11/97  
\_\_\_\_\_  
Date

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Schedule II

Placer County Area - Residential Garbage Rate Comparison with Requested 9.53% Increase,												2/1/07	
Hearing Examiners' 7.8% Increase Recommendation, Others at Assumed 2.9% Increase (cost of living) Or Actual if Known.													
Rates Include: Garbage, Recycling, & Yard Waste services per month													
	% of Cost	Lakewood		Trinity**		Murry's		F. C. Refuse		Stolenheim		U.P. Refuse	
		Rate	% of Cost	Rate	% of Cost	Rate	% of Cost	Rate	% of Cost	Rate	% of Cost	Rate	% of Cost
From Effective Date if known		4/1/07	X Rate	3/1/07	X Rate		X Rate		X Rate		X Rate	1/1/07	
Cost of living increase %		4.0%		3.0%		2.4%		2.2%		2.0%			
1 Yard waste Toter	62.6%	\$ 620	\$ 272	\$ -		\$ 412	\$ 221	\$ 525	\$ 275	\$ 473	\$ 240	\$ 519	\$ 272
1 32 gal. cans X per Month	1.7%	\$ 667	\$ 0.10	\$ 10.39	\$ 1.32	\$ 11.11	\$ 0.19	\$ 673	\$ 0.12	\$ 892	\$ 0.10	\$ 616	\$ 0.11
1 10 gal. in-line cans weekly	0.2%	\$ 1059	\$ 0.02	\$ 10.30	\$ 2.03	\$ 11.71	\$ 0.02	\$ 10.35	\$ 0.02	\$ 11.26	\$ 0.02	\$ 9.08	\$ 0.01
1 20 gal. mix cans weekly	1.3%	\$ 1059	\$ 0.19	\$ 10.39	\$ 2.23	\$ 11.71	\$ 0.15	\$ 10.39	\$ 0.13	\$ 1.24	\$ 0.14	\$ 10.44	\$ 0.13
1 32 gal. cans weekly	72.4%	\$ 1201	\$ 0.34	\$ 18.98	\$ 13.90	\$ 19.60	\$ 0.00	\$ 12.29	\$ 0.86	\$ 3.48	\$ 9.72	\$ 11.99	\$ 3.08
2 32 gal. cans weekly	23.2%	\$ 1778	\$ 4.12	\$ 18.54	\$ 4.27	\$ 17.43	\$ 4.05	\$ 17.35	\$ 4.02	\$ 18.51	\$ 4.30	\$ 16.01	\$ 3.72
3 32 gal. cans weekly	1.1%	\$ 2295	\$ 0.25	\$ 27.80	\$ 3.80	\$ 22.17	\$ 0.24	\$ 22.37	\$ 0.24	\$ 23.59	\$ 0.25	\$ 20.15	\$ 0.22
4 32 gal. cans weekly	0.2%	\$ 2769	\$ 0.05	\$ 86.77	\$ 5.07	\$ 28.12	\$ 0.08	\$ 27.41	\$ 0.05	\$ 28.96	\$ 0.05	\$ 24.22	\$ 0.05
Weighted Ave. Monthly Rate	100.0%		\$ 16.73		\$ 14.62		\$ 16.62		\$ 16.23		\$ 17.13		\$ 16.03
		Pittsburg		Fresno		U.P. Refuse		Average		H. Exarn.		Recommendation	
	% of Cost	Rate	% of Cost	Rate	% of Cost	Rate	% of Cost	Rate	% of Cost				
			X Rate		X Rate		X Rate		X Rate				
From Effective Date if known													
Cost of living increase %		2.9%		2.9%		0.53%				7.8%			
1 Yard waste Toter	52.6%	\$ 403	\$ 243	\$ 200	\$ 120	\$ 5.60	\$ 2.00	\$ 9.97	\$ 2.00	\$ 6.69	\$ 2.84		
1 32 gal. cans X per Month	1.7%	\$ 720	\$ 0.12	\$ 0.26	\$ 0.16	\$ 0.75	\$ 0.12	\$ 0.32	\$ 0.16	\$ 0.84	\$ 0.11		
1 10 gal. in-line cans weekly	0.2%	\$ 720	\$ 0.01	\$ 0.21	\$ 0.01	\$ 0.02	\$ 0.02	\$ 11.08	\$ 0.02	\$ 9.77	\$ 0.01		
1 20 gal. mix cans weekly	1.3%	\$ 858	\$ 0.12	\$ 15.40	\$ 0.27	\$ 11.94	\$ 0.15	\$ 12.17	\$ 0.18	\$ 11.26	\$ 0.14		
1 32 gal. cans weekly	72.4%	\$ 1280	\$ 0.20	\$ 19.56	\$ 14.16	\$ 13.13	\$ 9.59	\$ 14.59	\$ 10.52	\$ 12.03	\$ 9.35		
2 32 gal. cans weekly	23.2%	\$ 2001	\$ 4.85	\$ 29.04	\$ 6.03	\$ 17.54	\$ 4.07	\$ 10.80	\$ 4.55	\$ 17.26	\$ 4.71		
3 32 gal. cans weekly	1.1%	\$ 2950	\$ 0.29	\$ 37.10	\$ 0.42	\$ 22.07	\$ 0.21	\$ 26.22	\$ 0.28	\$ 21.73	\$ 0.13		
4 32 gal. cans weekly	0.2%	\$ 3411	\$ 0.08	\$ 47.33	\$ 0.09	\$ 26.53	\$ 0.08	\$ 32.18	\$ 0.07	\$ 28.12	\$ 0.15		
Weighted Ave. Monthly Rate	100.0%		\$ 17.06		\$ 21.05		\$ 17.42		\$ 17.83		\$ 16.86		

\* Doesn't include recycled paper and other recycling program.  
 \*\* Doesn't include "Toter" for yard waste, customer must supply own yard waste rate.