

RESOLUTION NO. 2008-393

Adopted by the Sacramento City Council

June 10, 2008

AMENDMENT NUMBER TWO TO THE AGREEMENT BETWEEN THE CITY OF SACRAMENTO AND BLT ENTERPRISES OF SACRAMENTO, INC.

BACKGROUND

- A. Agreement 98-131, Article 25, describes the process for calculating an annual cost increase for processing and transferring municipal solid waste delivered by the City of Sacramento to BLT Enterprises of Sacramento (BLT).
- B. Currently the annual cost increase is 75% of the increase in the Consumer Price Index (CPI) in July of that year when compared to the July value for the previous year.
- C. Agreement 98-131 between the City of Sacramento and BLT does not address fuel cost increases as a separate item when requesting an annual cost increase.
- D. Fuel cost increases have exceeded annual CPI increases.
- E. The cost of fuel has risen from \$1.03 in early 1998 to \$3.64 in the first quarter of 2008.
- F. The City of Sacramento is actively seeking an alternative disposal site within the Sacramento region to lower disposal cost and stabilize rates to the City's residential customers.
- G. Agreement No. 2007-1285, dated February 13, 2008, between the City of Sacramento and BLT provided for four one-year options to be exercised at the discretion of the City Council.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Amendment No. 2 to City Agreement 98-131 between the City of Sacramento and BLT Enterprises of Sacramento, Inc. modifying the service fee to include a separate fuel cost adjustment component and providing for transfer of 25,000 tons of municipal solid waste that would otherwise be delivered to the BLT facility to the Sacramento County North Area Recovery Station or another in region disposal facility for a two year period terminating on July 14, 2010 is approved and the City Manager is authorized to execute Amendment No. 2 to City Agreement 98-131.

Section 2. Agreement No. 2007-1285 (Agreement for Purchase of Recyclables) is extended for an additional four years with an expiration date of February 12, 2013.

Section 3. In meeting the City's policy to lessen the carbon footprint caused by City activities and consistent with Council's adopted Sustainability Master Plan, staff is directed to take the necessary steps to secure the long term disposal of all city-generated solid waste collected by the Department of Utilities, BLT and its customers to an in-region facility within 12 to 24 months.

Adopted by the City of Sacramento City Council on June 10, 2008 by the following vote:

Ayes: Councilmembers Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: Councilmember Cohn.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk