

Franchise Agreements

Board of Directors Meeting
April 28, 2022

Ad Hoc Committee

- Ad Hoc Committee established at March 24 Board meeting
- Members: Directors Anderson, Arnerich, Silva, and Sos

Recommendation #1:

Recyclables Processing (MDR)

- **Committee Unanimous Recommendation:**
 - Approve 2nd Amendment to MDR Franchise Agreement, extending term for 2 years (Feb 2027), under all of the same terms and conditions.
- **Factors include:**
 - Significant economic benefits for the ratepayers.
 - Consistency and predictability for customers.
 - Re-synch franchise agreement terms.

Recommendation #2:

Collection/Disposal (Republic)

- **Committee Unanimous Recommendation:**
 - Direct staff to give notice of intent to exercise option to extend Republic Franchise Agreement for 2 years (Feb 2027).
- **Factors include:**
 - Favorable rates for ratepayers.
 - Consistency and predictability for customers.
 - Time to engage rigorous and thorough process for new long-term franchise agreement.
- **Notice expected to trigger meet and confer.**