

## REPORT TO THE CITY COUNCIL

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**DATE:** June 2, 2020

**TITLE:** Desert Valley Disposal Re-Investment Payment and Extension of Term of the Franchise Agreement

**Prepared by:** Geoffrey Buchheim, Finance Director

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### **RECOMMENDATION**

**Approve a Minute Motion to accept a request from the Desert Valley Disposal for Re-Investment Payment and Extension of Term of the Franchise Agreement**

### **DISCUSSION:**

On March 18, 2014, the City Council approved an amended Franchise Agreement with Desert Valley Disposal, Inc. ("DVD") to require, among other things, that DVD pay an investment payment to the City of \$1 million for an additional eight years of term and to annually re-invest \$100,000, plus an escalator in the amount of \$10,000 for each additional year added to that initial term.

DVD has submitted a letter (Exhibit 1) requesting that the City Council approve an extension of the term of the Franchise Agreement for solid waste and recycling services. The re-investment payment for the sixth year is \$150,000.

It is recommended that the City Council approve a Minute Motion acknowledging the extension of term by one (1) year and acceptance of the \$150,000 check.

### **FISCAL IMPACT**

\$150,000 will be budgeted in the 2020-2021 General Fund budget under the line item Franchise Fees.

### **EXHIBIT(S)**

- 1) Letter from Desert Valley Disposal dated May 12, 2020