

**ORDINANCE NUMBER 3195**

**AN ORDINANCE AUTHORIZING THE MAYOR AND CITY MANAGER TO EXECUTE SUCH DOCUMENTATION TO FACILITATE AN AMENDMENT FOR A CONTRACT AMENDMENT FOR A COST SAVINGS REBATE FOR MEMBERS OF THE CAHABA SOLID WASTE AUTHORITY**

**BE IT THEREFORE ORDAINED BY THE MAYOR AND CITY COUNCIL** on this 25<sup>th</sup> day of September, 2023, by the City Council of the City of Vestavia Hills, Alabama, in a regularly scheduled meeting with a quorum present as follows:

**Section 1.** That the Cahaba Solid Waste Authority has notified the City of Vestavia Hills, Alabama that a fuel cost savings rebate is now available to customers in order to maintain desired service levels and address rising fuel costs.

**Section 2.** That Mayor and City Council of the City of Vestavia Hills find that it is wise, expedient, and necessary to amend its contract for solid waste collection, disposal and treatment with the Cahaba Solid Waste Authority (“the Authority”) to offset increased costs of service necessary for maintaining the desired service levels and hereby authorizes the City to “opt in” to the Authority’s fuel cost savings rebate as provided in the attached Exhibit 1.

**Section 2.** That the Mayor and City Manager are authorized to execute such documentation necessary to facilitate this amendment and authorize payment thereof.

**Section 3.** This Ordinance shall take effect immediately upon adopting and publication hereof as provided by law.

**APPROVED BY:**

\_\_\_\_\_  
*Ashley C. Curry*  
Mayor

**ATTESTED BY:**

\_\_\_\_\_  
*[Signature]*  
City Clerk  
Print Name:

**CERTIFICATION**

I, Rebecca Leaning, the City Clerk and Custodian of Records for the City of Vestavia Hills, Alabama hereby certify that the foregoing Ordinance 3195 is true and accurate authorization and record of the City of Vestavia Hills, Alabama.

This 26<sup>th</sup> day of September, 2023

[Signature]  
City Clerk

[SEAL]

## Exhibit 1

### *Second Amendment to Solid Waste and Disposal Services Contract between AmWaste LLC, Municipality, and the Authority*

#### SECOND AMENDMENT TO SOLID WASTE COLLECTION AND DISPOSAL CONTRACT

The CITY OF VESTAVIA HILLS, ALABAMA, (hereinafter referred to as "City"), a municipal corporation does hereby enter into an amended solid waste collection and disposal contract by, between and with the CAHABA SOLID WASTE DISPOSAL AUTHORITY (hereinafter referred to as the "Authority" or "CSWDA") a public corporation under and pursuant to the provisions of Chapter 89A of Title 11 of the Code of Alabama (1975) (hereinafter referred to as the "Enabling Act"). The Parties agree as follows:

1. **Tiered Pricing Amended and Fuel Costs Revisited.** The pricing for services shall remain tiered and based upon the number of units serviced and services selected within the City and within the Authority's jurisdiction subject to increases pursuant to the CPI-U Annual Rate Adjustment, which shall increase by 5% percent, beginning October 1, 2023. The residential garbage and recycling pricing (including elective backdoor service, where applicable) shall continue to include the addition of an itemized fuel surcharge from August 1, 2022, until such time as the commercial adjusted fuel index for ultra-low sulfur diesel returns below the contract baseline fuel cost of \$3.05 (fuel index rate of ultra-low sulfur diesel as of July 15, 2021), known as the fuel surcharge.

2. **Fuel Cost Savings Rebate Overview.** The fuel cost savings rebate is an opt-in program that shall consist of a credit to a City of the pro-rata reduction of the percentage decrease of fuel for the dedicated service route within the municipality on a monthly basis, where the reduction will occur based on the number of gallons provided from City to the Authority.

3. **Fuel Cost Savings Rebate Explained.** The City desires to "opt in" to a fuel cost savings rebate with the Authority and provide to the Authority 7,540.26 gallons of fuel per month purchased by the City at its sole cost in exchange for a pro-rata reduction of solid waste disposal and collection costs within the City's corporate limits. The number of gallons authorized is based on a six-week average of actual mileage for the dedicated route within the municipality, which totals 7,883 weekly miles (monthly 34,685.20 miles), considers level of service (number of unit visits per week) to City and assumes 4.6 miles per gallon. The rebate shall be credited on a monthly basis equal to monthly authorized gallons of fuel multiplied by a fuel factor of approximately 0.72 (number may fluctuate depending on fuel market pricing incurred and cost savings realized by the Authority) totaling a rebate of approximately \$5,428.99 per month with an estimated annual rebate of \$65,147.85.

4. **Provision of Fuel, Delivery, and Access to Fuel.** City shall provide fuel (ultra-low sulfur diesel only) to the Authority's Delivery Point located at 1400 Porter Rd Sylvan Springs, AL 35118 or make provision for the allotted gallons to be made available through a Fuelman card. The Authority or its designee will place orders/make payments on the City's behalf for its related gallons to be delivered/available on or before the last business day of each month. The City shall continue to receive one monthly billing for services through the Authority. Access to the Authority's Delivery Point will be restricted and have a limited access keypad entry specific to each driver and dedicated service route.

5. **Cancellation or Termination of this Agreement.** Either party may cancel or opt-out of the Fuel Cost Savings Rebate upon thirty (30) days' notice.

6. **Controlling Agreement.** All other provisions of the original authorization to administer solid waste collection on \_\_\_ day of \_\_\_\_\_, 20\_\_, by Resolution No. \_\_\_\_\_(as amended) shall remain in effect. To the extent any provisions contained herein are in conflict with this Agreement or any other Agreements between Authority and City, oral or otherwise, the provisions contained herein shall supersede such conflicting provisions contained in the Agreement or other Agreements.

7. **No Further Modifications.** Except as set forth herein, all previous provisions remain unmodified and in full force and effect.

[Signatures on the following page.]

Done this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,

IN WITNESS WHEREOF, the parties hereto, having obtained the full consent of their governing bodies, have caused this Agreement with the Cahaba Solid Waste Disposal Authority to administer solid waste disposal and collection on behalf of the City of \_\_\_\_\_ as provided herein, cause to be executed by their duly authorized officers on the day and year written above, as follows:

**CITY OF VESTAVIA HILLS, ALABAMA**, a Municipal Corporation

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Manager

Attest:

\_\_\_\_\_  
City Clerk

**CAHABA SOLID WASTE DISPOSAL AUTHORITY**, a Public Corporation

\_\_\_\_\_  
S. Blake Miller, its Chairman

Attest:

\_\_\_\_\_  
Elenie Counts, Secretary

**ACKNOWLEDGEMENT OF SERVICES BY PROVIDER**

Acknowledged by Service Provider: AMWASTE LLC, by \_\_\_\_\_  
(print)

Its \_\_\_\_\_ (title). This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
(Signature)

## Resolution 2023 - 01

### *Resolution Authorizing Fuel Cost Savings Rebate and Annual Rate Increase of Five Percent*

**BE IT RESOLVED**, by the Board of Directors for the Cahaba Solid Waste Disposal Authority with a quorum present in a duly called special meeting on this 7<sup>th</sup> day of September, 2023, hereby resolves as follows:

1. **CPI-U ANNUAL ADJUSTMENT CAPPED AT FIVE (5%) PERCENT.** As of October 1, 2023, an annual rate of adjustment of five percent (5%) shall occur for all services offered by the Authority for all eligible entities. The Board recognizes that the CPI-U Index for Annual Rate Adjustment range is approximately 5.7 percent for water and sewer and trash collection services as of June 2023; however, understands that the maximum increase per contract with the Authority's preferred provider is capped at five (5%) percent and determines that five percent is the maximum rate increase authorized.
2. **FUEL COST SAVINGS REBATE AUTHORIZED.** That beginning October 1, 2023, the Authority shall offer an "opt in" only fuel cost savings rebate to all customers, where a monthly rebate shall be available to customers who "opt in" and provide the amount of fuel (ultra-low sulfur diesel) necessary to operate the dedicated service route within that municipality to the Authority. As a result, the Authority will provide for a pro-rata reduction of solid waste disposal and collection costs within the municipality's corporate limits based on the savings of fuel at a lower rate. The rebate mechanism shall be based on monthly gallons authorized by each municipality which will equal a six-week average of actual mileage for the dedicated route within the municipality and assumes 4.6 miles per gallon. The rebate shall be credited on a monthly basis equal to monthly authorized gallons of fuel multiplied by a fuel factor of approximately 0.72 (number may fluctuate depending on difference between market pricing and any cost savings afforded to the Authority), and is estimated as follows: *See Exhibit A.*
3. **FUEL TANK STORAGE AUTHORIZED.** That the Chairman or Vice Chairman is authorized to enter into such agreements necessary to facilitate the fuel cost saving rebate, including (i) such agreements as necessary with a fuel provider, McPherson Oil or such other provider, that is authorized under the State of Alabama contract to provide fuel at a tax-free rate and (ii) such agreements necessary for setting up a Fuelman card in the Authority's name. Further, the Chairman or Vice Chairman is authorized to enter into a lease agreement with AmWaste, in an amount not to exceed \$1.00 for a term of up to 5 years for the ownership and control of a fuel tank location to receive donated gallons and located where service equipment for the Authority is currently stored by AmWaste, subject to lease terms and provisions as approved by legal counsel, including, but not limited to, (i) a requirement that donated fuel is stored in a restricted access tank with keypad access limited to specific drivers and equipment for dedicated service routes, (ii) a monthly

tracking system is installed, and (iii) monthly reporting is provided to the Authority regarding distribution of fuel to the dedicated service routes.

4. **For the City of Clanton only.** Due to logistics and operation of the fleet used for the City of Clanton from site near Montgomery, the Chairman or Vice Chairman is authorized to negotiate a separate fuel cost savings rebate mechanism with the Authority's preferred provider, which may include a combination of leasing space for fuel tank storage or use of Fuelman cards.
5. That the Chairman or Vice Chairman, along with the Treasurer shall provide a policies and procedures statement to be transmitted to any municipality desiring to "opt in" to the fuel savings rebate.
6. That the Chairman or Vice Chairman is authorized to enter into periodic billing arrangements with any entity receiving service from the Authority that direct bills its residents and desires additional flexibility in its timing for phasing in the fuel cost savings rebate and annual rate adjustment to ensure their billing reflects these additional costs in a manner consistent with the terms herein.
7. That the Chairman or Vice Chairman shall be authorized to enter into a Second Amendment to the Solid Waste Collection & Disposal Provider Agreement with AmWaste LLC upon such terms and conditions set forth in Exhibit 1 and sign such documentation necessary to facilitate the aforementioned wishes of the Authority.
8. That the Chairman or Vice Chairman is authorized to execute any and all such documents as necessary to institute the Authority's fuel cost savings rebate.
9. This resolution shall take effect immediately and the Secretary is authorized to spread the same upon the minutes and certify a copy of this resolution to all entities utilizing the Authority's services for their concurrence.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

APPROVED BY:

\_\_\_\_\_  
S. Blake Miller, its Chairman

ATTESTED BY:

\_\_\_\_\_  
Recording Secretary

**Exhibit A**

*Estimated Fuel Cost Savings  
Based on 4.6 miles per gallon*

<b>Municipality</b>	<b>Weekly Miles</b>	<b>Est. June Totals Miles</b>	<b>June Gallons</b>	<b>Monthly Rebate</b>	<b>Annual Rebate</b>
Fultondale	621	2,732.40	594.00	\$ 427.68	\$ 5,132.16
Hoover	13171	57,952.40	12,598.35	\$ 9,070.81	\$ 108,849.73
Mountain Brook	6149	27,055.60	5,881.65	\$ 4,234.79	\$ 50,817.47
Pelham	6991	30,760.40	6,687.04	\$ 4,814.67	\$ 57,776.06
Trussville	2296	10,102.40	2,196.17	\$ 1,581.25	\$ 18,974.94
Vestavia Hills	7883	34,685.20	7,540.26	\$ 5,428.99	\$ 65,147.85
Clanton	1726	7,594.40	1,650.96	\$ 1,188.69	\$ 14,264.26
<b>Estimated Annual Rebate</b>			37,148.43	\$ 26,746.87	\$ 320,962.48



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3. **Fuel Cost Savings Rebate Explained.** The City desires to "opt in" to a fuel cost savings rebate with the Authority and provide to the Authority \_\_\_\_\_ gallons of fuel purchased by the City at its sole cost in exchange for a pro-rata reduction of solid waste disposal and collection costs within the City's corporate limits. The number of gallons authorized is based on a six-week average of actual mileage for the dedicated route within the municipality, which totals \_\_\_\_\_ weekly miles, considers level of service (number of unit visits per week) to City and assumes 4.6 miles per gallon. The rebate shall be credited on a monthly basis equal to monthly authorized gallons of fuel multiplied by a fuel factor of approximately 0.72 (number may fluctuate depending on fuel market pricing incurred and cost savings realized by the Authority) totaling a rebate of approximately \$ \_\_\_\_\_ per month with an estimated annual rebate of \$ \_\_\_\_\_.

4. **Provision of Fuel, Delivery, and Access to Fuel.** City shall provide fuel (ultra-low sulfur diesel only) to the Authority's Delivery Point located at 1400 Porter Rd Sylvan Springs, AL 35118 or make provision for the allotted gallons to be made available through a Fuelman card. The Authority or its designee will place orders/make payments on the City's behalf for its related gallons to be delivered/available on or before the last business day of each month. The City shall continue to receive one monthly billing for services through the Authority. Access to the Authority's Delivery Point will be restricted and have a limited access keypad entry specific to each driver and dedicated service route.

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Agreement or any other Agreements between Authority and City, oral or otherwise, the provisions contained herein shall supersede such conflicting provisions contained in the Agreement or other Agreements.

7. **No Further Modifications.** Except as set forth herein, all previous provisions remain unmodified and in full force and effect.

[Signatures on the following page.]

Done this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,

IN WITNESS WHEREOF, the parties hereto, having obtained the full consent of their governing bodies, have caused this Agreement with the Cahaba Solid Waste Disposal Authority to administer solid waste disposal and collection on behalf of the City of \_\_\_\_\_ as provided herein, cause to be executed by their duly authorized officers on the day and year written above, as follows:

**CITY OF \_\_\_\_\_, ALABAMA,**  
a Municipal Corporation

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

**CAHABA SOLID WASTE DISPOSAL AUTHORITY, a**  
Public Corporation

\_\_\_\_\_  
Jeff Downes, its Vice-Chairman

Attest:

\_\_\_\_\_  
Elenie Counts, Secretary

**ACKNOWLEDGEMENT OF SERVICES BY PROVIDER**

Acknowledged by Service Provider: AMWASTE LLC, by \_\_\_\_\_  
(print)

Its \_\_\_\_\_ (title). This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
(Signature)



**CITY OF VESTAVIA HILLS  
OFFICE OF THE CITY MANAGER  
INTER-DEPARTMENT MEMO**

**September 25, 2023**

**To:** Mayor and City Council

**Cc:** Lori Beth Kearley, Public Services Director

**From:** Jeff Downes, City Manager

**RE:** Public Hearing - Ordinance Number 3195 - An Ordinance  
Authorizing the Mayor and City Manager to opt into a Fuel Cost  
Savings Rebate as Offered by the Cahaba Solid Waste Disposal  
Authority

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**Background:**

Upon evaluation by the Cahaba Solid Waste Disposal Authority (CSWDA), its attorney Rod Evans and its contractor Am Waste, LLC, CSWDA is offering each member entity the ability to opt-in to a collective purchasing plan that will reduce the operational costs of service to the member entities. Mr. Evans produced a legal opinion that the CSWDA may purchase fuel at a tax-free rate and provide a process for the entire, direct fuel savings to be passed on to participating members in the form of a monthly rebate. The formula and means of implementing this program have been adopted by the CSWDA within its Resolution 2023-01.

**Recommendation:**

As the Vice-Chairman of the CSWDA and upon a review of the procedural safeguards associated with this opt-in program, I recommend that the City of Vestavia Hills participate in this cost-saving effort.

**Fiscal Impact:**

The anticipated annual savings/rebate for Vestavia Hills is \$65,147.85.

**Attachments:**

1. 2023\_9-8 - Draft City Res. Auth Fuel Rebate and CPI increase + Agreement
2. 2023\_9 8 - Draft CSWDA Res. Authorizing Fuel Cost Savings Rebate and Five Percent Annual Adjustment