Eric J. Benink, Esq., SBN 187434 ٠1 Mary K. Wyman, Esq., SBN 260104 AMADOR SUPERIOR COURT Krause, Kalfayan, Benink & Slavens, LLP 550 West C Street, Suite 530 San Diego, CA 92101 3 (619) 232-0331 (ph) CLERK OF THE SUPERIOR COURT (619) 232-4019 (fax) eric@kkbs-law.com 5 CASE ASSIGNED FOR ALL PURPOSES TO Attorneys for Petitioner and Plaintiff 6 William Orescan GC 68616 (i) 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 COUNTY OF AMADOR 9 10 d. Zo. - CY- 7862 11 WILLIAM ORESCAN, an individual, VERIFIED PETITION FOR WRIT OF 12 Petitioner and Plaintiff MANDATE; and 13 **COMPLAINT FOR VIOLATION OF** CALIFORNIA CONSTITUTION AND 14 **DECLARATORY RELIEF** CITY OF JACKSON, a municipal corporation, 15 and DOES 1-5, 16 Respondents and Defendants. 17 18 19 20 Petitioner and Plaintiff William Orescan ("Petitioner" or "Plaintiff") alleges as follows: 21 I. 22 NATURE OF THE ACTION 23 1. This is an action brought by Petitioner against the City of Jackson ("Jackson") for 24 violations of a constitutional provision enacted through Proposition 218. Petitioner seeks a writ 25 of mandate, injunctive relief, and a judicial declaration to ensure Jackson complies with 26 Proposition 218's mandates with respect to Jackson's imposition of waste collection fees. He 27

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also requests that the Court declare rate increases imposed by Jackson in 2009, 2011, and 2012 to be invalid.

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#### II. PARTIES

- 2. Petitioner owns property in and is a resident of Jackson. He has paid and continues to pay the fees at issue in this action.
- 3. The City of Jackson is a municipal corporation in the County of Amador. It is an "agency" subject to Proposition 218 as defined in Cal. Const., article XIII D, § 2(a). The City can sue and be sued under Government Code § 34501.
- 4. Petitioner is unaware of the true names and capacities of defendants sued herein as DOES 1 through 5, inclusive, and therefore sue those defendants by such fictitious names. Petitioner is informed and believes, and thereon alleges, that each of said fictitiously-named defendants is in some manner responsible for the acts, violations, injuries and/or damages alleged herein. Petitioner will amend this petition and complaint to allege the true names and capacities of said fictitiously-named defendants when the same have been ascertained.
- 5. Petitioner is informed and believes, and thereon alleges, that at all times herein mentioned, each of the defendants was the agent, employee, representative, partner, joint venturer, and/or alter ego of each of the other defendants and, in doing the things alleged herein, was acting within the course and scope of such agency, employment, representation, on behalf of such partnership or joint venture, and/or as such alter ego, with the authority, permission, consent, and/or ratification of each of the other defendants.

#### III. GENERAL ALLEGATIONS

6. Under California law, Jackson is required to provide refuse collection services to its citizens. See Cal. Public Resources Code § 40001 ("the responsibility for solid waste management is a shared responsibility between the state and local governments"). In an effort to fulfill this legal obligation, Jackson entered into an agreement entitled "Franchise for Solid Waste Collection, Disposal and Recycling Services" ("Contract") with private entity ACES

Waste Services, Inc. ("ACES") on approximately April 13, 1998, effective July 1, 1998. The Contract sets forth the terms and conditions under which ACES is required to collect and dispose of the solid waste for the residents of Jackson (i.e. curbside refuse collection services) on Jackson's behalf. The Contract states that "[n]otwithstanding this grant of franchise, City retains and reserves to itself the full authority to regulate, correct and control all activities of the franchise, including removal, termination, and suspension."

- 7. The Contract dictates the manner by which ACES conducts its operations regarding matters such as the frequency of collection, equipment maintenance, hours of collection, customer complaints, and expected performance level. The Contract requires ACES to pay to Jackson, a 5% "franchise fee" of the gross annual revenues it collects on a quarterly basis.
- 8. Jackson imposes waste collection fees on Jackson residents through the Contract with ACES. On or about November 23, 2009, Jackson adopted a resolution to amend "Article J, Rates" of the Contract; Jackson and ACES so amended the Contract thereafter. The amended Article J sets forth a Rate Adjustment Methodology ("RAM") that governs the fees and is used to calculate future fee increases. Under the Contract, all fee increases are reviewed and must be approved by Jackson. ACES is prohibited from charging any amount in excess of the fees fixed pursuant to the RAM. Thus, Jackson imposes the refuse collection fees through this carefully negotiated Contract with ACES. Alternatively, ACES acts as Jackson's agent with respect to the imposition of fees.
- 9. The RAM allows for "Interim Compensation Adjustments" when "extraordinary or unanticipated events" occur including, but not limited to increases in "tip" fees. Tip fees are fees that ACES must pay to dump the waste at landfills. Under the Contract, Jackson has the sole discretion to determine whether to allow ACES to recover Interim Compensation Adjustments.
- 10. On or about December 14, 2009, Jackson adopted Resolution No. 2009-48 which approved a 9.15% rate increase as requested by ACES, effective January 1, 2010.
- 11. On or about September 26, 2011, Jackson adopted Resolution No. 2011-28 which approved a 2.55% rate increase as requested by ACES, effective January 1, 2012.

- 12. On or about May 14, 2012, Jackson adopted Resolution No. 2012-16, which approved a 3.68% rate increase as requested by ACES effective July 1, 2012. This Resolution was adopted after ACES requested it based on a purported tip fee increase at the Kiefer Landfill from \$20.00 per ton to \$25 per ton.
- 13. With regard to waste collection, water, and sewer fees, which are property-related fees, Proposition 218 provides that a local government must, prior to increasing a fee, mail information about the fee to every property owner, conduct a public hearing, and reject the fee if a majority protests. See Cal. Const. article XIII D § 6(a)(2).
- 14. The refuse collection services at issue are property-related services and the fees are imposed by Jackson upon parcels and persons as an incident of property ownership.
- 15. Jackson imposed the original fees and subsequent fee increases without complying with Proposition 218. It did not mail a Proposition 218-compliant notice regarding the fee increases to the Petitioner or to Jackson's other property owners or hold a hearing regarding the fee increases. It provided no opportunity to protest. Jackson refuses to comply with Proposition 218 in the future. It wrongly contends that because Jackson has delegated its legal responsibility to a private entity, it is not subject to Proposition 218's mandates. It has no intention of complying with Proposition 218 in the future.

## IV. FIRST CAUSE OF ACTION PETITION FOR WRIT OF MANDATE (Against All Respondents)

- 16. Petitioner realleges and incorporates by reference each of the paragraphs set forth above.
- 17. Respondents refused and continue to refuse to comply with constitutional obligations as set forth above.
- 18. Accordingly, Petitioner is entitled to a writ of mandate as specified more fully below.

# V. SECOND CAUSE OF ACTION DECLARATORY RELIEF (Against All Defendants)

- 19. Plaintiff realleges and incorporates by reference each of the paragraphs set forth above.
- 20. An actual controversy exists between the parties in that Plaintiff believes that fee increases previously impose and to be imposed by Defendants violate a state constitutional provision because Defendants are required to comply with the notice, hearing, and protest provisions set forth in Article XIIID § 6(a)(2), but have refused to do so because they do not believe that Proposition 218 governs their actions.
- 21. Plaintiff desires a judicial determination of the rights and duties of the parties, including a declaration stating that Defendants are required to comply with Article XIIID § 6(a)(2).

## VI. THIRD CAUSE OF ACTION VIOLATION OF CAL. CONST. ART. XIIID (Against All Defendants)

- 22. Plaintiff realleges and incorporates by reference each of the paragraphs set forth above.
  - 23. Defendants have violated and intend to violate Art. XIIID § 6(a)(2) in the future.
- 24. Plaintiff seeks an order restraining and enjoining Defendants from violating Article XIIID § 6(a)(2).

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#### PRAYER FOR RELIEF

WHEREFORE, Petitioner / Plaintiff prays for judgment as follows:

#### ON THE FIRST CAUSE OF ACTION AS TO ALL RESPONDENTS

1. For the issuance of a peremptory writ of mandate directing Respondents to comply with Article XIIID § 6(a)(2) regarding all fees previously imposed and to be imposed in the future pursuant to the Franchise for Solid Waste Collection, Disposal and Recycling Services.

#### ON THE SECOND CAUSE OF ACTION AS TO ALL DEFENDANTS

1. For a declaratory judgment declaring that Defendants' practices have violated and continue to violate Article XIIID § 6(a)(2) and declaring the 2009, 2011, and 2012 Resolutions (2009-48, 2011-28, and 2012-16) to be invalid.

#### ON THE THIRD CAUSE OF ACTION AS TO ALL DEFENDANTS

1. For a temporary restraining order, preliminary injunction, and permanent injunction enjoining Defendants from violating Article XIIID § 6(a)(2).

#### ON ALL CAUSES OF ACTION $\tilde{\ }$

- 1. For attorney's fees and costs, including those recoverable pursuant to California Code of Civil Procedure § 1021.5.
  - 2. For such other relief as the Court deems necessary and proper.

DATED: June 6, 2012

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Eric J. Benink Esq.

Krause, Kalfayan, Benink & Slavens, LLP

Attorneys for Petitioner / Plaintiff

### **VERIFICATION**

I have read the foregoing Verified Petition for Writ of Mandate and Complaint for Violation of California Constitution and Declaratory Relief and know the contents thereof. The matters stated therein are true and correct of my own knowledge.

I declare under penalty of perjury under the laws of the United States and of the State of California that the foregoing is true and correct.

Executed on June <u>5</u>, 2012 in Jackson, CA.

William Orescan

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