



Solid Waste Department COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: August 18, 2020 **REVISED**

Public Hearing Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Published Notice Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Advertised Published Notice	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Meet & Confer Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Personnel Resolution attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
CONTACT PERSON: Guillermo Hermoso PHONE: (559) 624-7198		

SUBJECT: Peña's Disposal Waste Disposal Agreement

REQUEST(S):

That the Board of Supervisors:

1. Approve Waste Disposal Agreement with Peña's Disposal, retroactive from July 1, 2020 through June 30, 2025 to concur with the commitment of 100% of Refuse volume by Peña' Disposal to the Tulare County Landfill System at the Contracted Rate of \$28.00/ton for the period of July 1, 2020 through June 30, 2024 and \$34.00/ton for July 1, 2024 through June 30, 2025 for In-County Refuse and \$21.50/ton for Out of County Refuse.
2. Find that the Board had authority to enter into the proposed agreement as of July 1, 2020, and that it was in the County's best interest to enter into the agreement on that date.
3. Authorize the Solid Waste Department to waive Accounts Receivable balances for Peña's Disposal resulting from the difference in the County Refuse Rate of \$34.00/ton and the previous Contracted Rates of \$28.00/ton for In-County Refuse and \$21.50/ton for Out of County Refuse for the period of August 1, 2019 to June 30, 2020 in the amount of \$583,863.47.
4. Authorize the Chair to sign four (4) copies of the Agreements.

SUMMARY:

Peña's Disposal annually delivers approximately 60,000 tons of waste generated inside Tulare County to the Tulare County Landfill System. These tons originate from the incorporated city of Dinuba through an agreement between Peña's Disposal and the city. Peña's Disposal delivers approximately 22,000 tons of Out of County Refuse from the City of Orange Cove. Peña's Disposal also delivers Refuse from the unincorporated areas of Tulare County pursuant to Solid Waste Franchise

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Agreement No. 27815-A.

Prior to executing this Waste Disposal Agreement, waste collected by Peña's Disposal was delivered to facilities outside Tulare County. The Waste Disposal Agreement with Peña's Disposal expired in 2019 July 31, 2019. Peña's Disposal has continued to deliver refuse to the Tulare County Landfill System despite being out of contract. The Department requests your Board approve a 5-year agreement, retroactive to July 1, 2020 through June 30, 2025 to secure 100% of the Refuse stream collected by Peña's Disposal to provide a more predictable Enterprise Fund revenue stream.

The tip rates for Peña's Disposal reverted to the County Refuse Rate of \$34.00/ton upon expiration of the Waste Disposal Agreement. The Department requests your Board approve the Contracted Rate of \$28.00/ton for the period of July 1, 2020 through June 30, 2024 and \$34.00/ton for the period of July 1, 2024 through June 30, 2025 for In-County Refuse and \$21.50/ton for Out of County Refuse for the period beginning July 1, 2020 through June 30, 2024 and authorize the Solid Waste Department to waive the Accounts Receivable balances accumulated in Balance Sheet Account 045-1649 as a result of the difference in the County Refuse rate of \$34.00/ton and the Contracted Refuse Rates of \$28.00/ton and Out of County Refuse Rate of \$21.50/ton for the period of August 1, 2019 through June 30, 2020 in the amount of \$583,863.47.

The additional estimated revenue associated with executing this agreement is \$11,125,000, based on the following calculation:

In-County Volume = 60,000 tons/year x 4 years x \$28.00/ton = \$6,720,000

In-County Volume = 60,000 tons/year x 1 years x \$34.00/ton = \$2,040,000

Out of County Volume = 22,000 tons/year x 5 years x \$21.50/ton = \$2,365,000

The total estimated revenue for the 5-year term of this agreement is \$11,125,000

Due to the length in negotiations between the County and Peña's Disposal, the Department requests to operate under the terms of the original agreement with Peña's Disposal and grant the tip rate of \$28.00/ton for In-County Refuse and \$21.50/ton for Out of County Refuse retroactive to August 1, 2019 when their original agreement expired.

FISCAL IMPACT/FINANCING:

The estimated revenue from the Waste Disposal Agreements is \$11,125,000 to the Solid Waste Enterprise Fund. These is Zero Cost to the General Fund associated with this action.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The County's five-year strategic plan includes the Organizational Performance

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Initiative to provide for the stability of County operations through periods of economic fluctuations and changing priorities and service demands. The Waste Disposal Agreements Peña's Disposal fulfills this initiative by ensuring a consistent revenue stream to the Enterprise Fund.

ADMINISTRATIVE SIGN-OFF:



Bryce Howard

Director- Tulare County Solid Waste Department

cc: County Administrative Office
Tulare County Auditor/Controller

Attachment(s) Peña's Disposal Waste Disposal Agreement

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF PEÑA'S DISPOSAL)
WASTE DISPOSAL AGREEMENT) Resolution No. _____
) Agreement No. _____
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

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2. Found that the Board had authority to enter into the proposed agreement as of July 1, 2020, and that it was in the County's best interest to enter into the agreement on that date.
3. Authorized the Solid Waste Department to waive Accounts Receivable balances for Peña's Disposal resulting from the difference in the County Refuse Rate of \$34.00/ton and the previous Contracted Rates of \$28.00/ton for In-County Refuse and \$21.50/ton for Out of County Refuse for the period of August 1, 2019 to June 30, 2020 in the amount of \$583,863.47.
4. Authorized the Chair to sign four (4) copies of the Agreement.