

# PEÑA'S DISPOSAL WASTE DISPOSAL AGREEMENT

*PRESENTED BY BRYCE HOWARD, DIRECTOR*



TULARE COUNTY SOLID WASTE DEPARTMENT

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## PEÑA'S DISPOSAL WASTE AGREEMENT RENEWAL

- ▶ Peña's Disposal delivers 60,000 tons of waste generated inside Tulare County. These tons originate from the City of Dinuba and the unincorporated areas of Tulare County.
- ▶ Peña's Disposal delivers 22,000 tons of waste generated outside of Tulare County.
- ▶ The previous Waste Disposal Agreement with Peña's Disposal was first executed on August 1, 2014, and expired on July 31, 2019.
- ▶ Despite expiration of the Waste Disposal Agreement, Peña's Disposal has continued to deliver refuse to the Tulare County Landfill system.



## PROPOSED WASTE DISPOSAL AGREEMENT RATES

- ▶ The new proposed In-County Refuse rate per is \$28/ton for the first four years of the agreement and \$34/ton for the fifth year.
- ▶ The proposed Out of County Refuse rates is \$21.50/ton for all five years of the agreement .

## ESTIMATED REVENUE UPON EXECUTION OF AGREEMENT

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

**In-County Volume** = 60,000 tons/year x 4 years x \$28/ton =  
\$6,720,000

**In-County Volume** = 60,000 tons/year x 1 year x \$34/ton =  
\$2,040,000

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



## PREVIOUS WASTE DISPOSAL AGREEMENT RATES AND RETROACTIVE DISCOUNTED RATES

- Per the previous Agreement the In-County rate was \$28.00/ton, and the Out of County rate was \$21.50/ton.
- Upon expiration of the previous Agreement, the tip rates for Peña's Disposal reverted to the County Gate Rate of \$34.00/ton.
- Following expiration of the agreement, the Solid Waste Department did not have the authority to continue offering the discounted \$28.00/ton and \$21.50/ton rates to Peña's Disposal without Board approval.
- This difference in rates has resulted in an Accounts Receivable balance accumulated in Balance Sheet Account 045-1649 of \$583,863.47 for the period of August 1, 2019 through June 30, 2020.



## REQUESTS

- 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.
- 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.
- 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.
- Authorize the Chair to sign four (4) copies of the Agreement.