



Board Agenda Item 54

DATE: February 10, 2026

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Termination of Revenue Agreement with Toro Energy of California AA, LLC for the American Avenue Disposal Site Landfill Gas to Energy Project

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a Notice of Termination for Revenue Agreement No. 22-166, between the County of Fresno and Toro Energy of California AA, LLC, pursuant to Section 3.1.3 of the Revenue Agreement for failure to timely satisfy conditions precedent to execute the Ground Lease.

Approve termination of the Revenue Agreement (Agreement) with Toro Energy of California AA, LLC (Toro) for the American Avenue Disposal Site landfill gas to energy project (Project) due to Toro's failure to timely satisfy the conditions precedent to execute the Ground Lease, as required by the Agreement, and authorize the Chairman to execute the Notice of Termination. This item pertains to a location in District 1.

ALTERNATIVE ACTION(S):

Your Board could vote to not approve termination of the Agreement at this time and direct staff to continue discussions with Toro regarding a potential amendment to the Agreement and/or a limited extension of time for Toro to satisfy the conditions precedent to execute the Ground Lease.

FISCAL IMPACT:

There is no direct fiscal impact associated with termination of the Agreement itself. However, delays in development of the Project requires the County to pursue alternative compliance measures for the San Joaquin Valley Air Pollution Control District (SJVAPCD) Rule 4311 including procurement of an ultra-low NOx (ULN) flare, at an estimated cost exceeding \$3 million.

DISCUSSION:

On April 19, 2022, the Board approved the Agreement with Toro for the development, construction, and operation of the Project at the American Avenue Disposal Site. The Agreement established the delivery of a fully functioning landfill gas to energy facility through a turnkey model and required Toro to satisfy all conditions precedent to the execution of the Ground Lease within one year of the Agreement's effective date pursuant to Section 3.1.2 and 3.1.3.

The one-year deadline expired on May 19, 2023. Toro did not complete the required conditions precedent and has not demonstrated the ability to timely perform the work as required under the Agreement. Since approval of the Agreement, County staff have devoted substantial personnel time working with Toro to

advance the Project. During this period, Toro sought significant amendments that would materially alter the County's rights under the Agreement and increase the County's risk exposure. The County has also identified concerns regarding Toro's representations, qualifications, and compliance with the assignment and delegation provisions of the Agreement.

Section 3.1.3 of the Agreement provides the County with the right to terminate the Agreement if the Developer (i.e. Toro) fails to timely satisfy the conditions precedent set forth in Section 3.1.2. That section further provides that, upon termination, the Developer has no recourse or rights under the Agreement or the Ground Lease and no right to recover any costs incurred. Based on Toro's failure to meet the required conditions within the specified timeframe, the Department of Public Works and Planning recommends termination of the Agreement.

REFERENCE MATERIAL:

BAI #8, April 19, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Notice of Termination

CAO ANALYST:

Maria Valencia