



Board Agenda Item 36

DATE: May 14, 2019

TO: Board of Supervisors

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

SUBJECT: Agreement with Mid Valley Disposal, LLC

RECOMMENDED ACTION(S):

Approve and authorize Chairman to execute an Agreement with Mid Valley Disposal, LLC, for American Avenue Disposal Site landfill use, effective July 1, 2019, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions (\$0).

Approval of the recommended action will provide for the delivery of acceptable waste by Mid Valley Disposal, LLC (MVD) at a reduced disposal rate based on the American Avenue Disposal Site (AADS) tiered pricing schedule and Master Schedule of Fees approved by the Board of Supervisors on February 10, 2015. This item is countywide.

ALTERNATIVE ACTION(S):

If the Board does not approve the recommended action, MVD would not qualify for the AADS tiered pricing schedule and the savings would not be passed down to the Exclusive Service Area Program (ESAP) customers.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The operation of AADS is funded through gate fees collected from customers disposing of waste and interest generated on cash reserves. Any uncovered operational costs from customer volume discounts will be met by the general reserves in AADS Fund 0700.

DISCUSSION:

AADS is an active disposal facility owned, managed, and operated by the County since the early 1970's. The site is located in the western part of the County, approximately 17 miles southwest of Fresno on American Avenue, between Highway 145 and Placer Avenue in Kerman, California.

On February 10, 2015, the Board adopted the amended Master Schedule of Fees Ordinance for AADS, which contains a tiered pricing schedule. The recommended agreement is consistent with the tiered pricing schedule and with the current three-year agreement with MVD that was approved by the Board on May 10, 2016 (Agreement No. 16-191).

The recommended agreement will provide a more stable, predictable, and reliable supply of municipal solid waste and the resulting service payment revenue, enabling Department of Public Works and Planning to

finance the planning, management, and operations of AADS consistent with its obligations pursuant to the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code).

The following key elements are incorporated into the recommended agreement:

- MVD agrees to deliver between 50,000 - 149,999 tons during each year of the contract term to qualify for the tiered pricing schedule.
- MVD will pass down any savings realized through the agreement to its ESAP customers (i.e.: \$0.06 - \$0.19/month for cart customers and \$0.36 - \$14.16/month for bin customers).
- MVD may terminate the agreement for its convenience and without cause at any time during the term hereof upon a minimum 90 calendar days advance written notice to the County. If the reconciled tonnage through the date of termination is less than 50,000 tons, MVD will be required to pay back to the County the difference in the price per ton received versus the price per ton from the 0 - 49,999 tons for that contract year (i.e.: the price difference during the potential five contract years range from \$1.11/ton up to \$1.21/ton).
- The County may terminate the agreement for its convenience and without cause at any time during the term upon a 90 days' advance written notice, and it is specifically agreed that MVD will incur no damage based solely on the County's termination of the agreement.

If approved, the proposed agreement will become effective on July 1, 2019 and terminate on June 30, 2022, with the option to renew for two additional one-year terms.

REFERENCE MATERIAL:

BAI #59, May 10, 2016
BAI #40, February 10, 2015

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Mid Valley Disposal, LLC

CAO ANALYST:

Sonia M. De La Rosa