

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 28, 2022

FROM

BRENDON BIGGS, Director, Department of Public Works – Solid Waste Management

SUBJECT

Amendment to Revenue Agreement with Burrtec Waste Industries, Inc. for the Sale of Landfill Airspace

RECOMMENDATION(S)

Approve **Amendment No. 3** to Revenue **Agreement No. 16-521** with Burrtec Waste Industries, Inc. for the sale of landfill airspace for the disposal of Qualifying Solid Waste into the Mid-Valley Sanitary Landfill, increasing the total revenue contract amount by \$34,877,009, from \$29,701,228 to \$64,578,237, and extending the term of the Agreement for five years, from July 1, 2022 to June 30, 2027.

(Presenter: Brendon Biggs, Director, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost) as the Department of Public Works – Solid Waste Management Division (SWMD) is funded by fee revenue. SWMD establishes fees that are charged to the public and other agencies for utilization of the County's Waste Disposal System. Burrtec Waste Industries, Inc. (Burrtec) is currently authorized to dispose of up to 370,000 tons of in-County solid waste annually, delivered in transfer trailers at the Mid-Valley Sanitary Landfill (MVSL). Amendment No. 3 includes disposal fee increases, with an annual Cost of Living Adjustment (COLA), from \$30.72 per ton to \$32.13 per ton for in-county solid waste and from \$33.86 per ton to \$35.41 per ton for out-of-county solid waste delivered to the disposal system. Additionally, Burrtec pays a disposal fee of \$2.00 above the current Waste Disposal Agreement (WDA) rate that the County has with various WDA cities for each ton of in-County solid waste direct hauled to the MVSL in waste collection vehicles. Based on historical data, the sale of landfill airspace can generate revenue up to \$34,877,009 for the extension based on approximately 196,390 tons of waste.

BACKGROUND INFORMATION

This amendment will extend the term of the Agreement and increase rates for the disposal of Qualifying Solid Waste into the Mid-Valley Sanitary Landfill. In addition to the annual adjustment, the rate for In-County Qualifying Solid Waste will have an additional \$1.50 per ton added to the annual adjustment calculation beginning July 1, 2023, and every July 1 thereafter throughout the remaining term of the Agreement. The additional \$1.50 per ton increase will address countywide disposal system cost increases resulting from, but not limited to, changes in law, changes in regulatory requirements, future County owned landfill expansions, closed landfill monitoring and maintenance, and countywide community programs.

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On June 28, 2016 (Item No. 51), the Board of Supervisors (Board) approved Agreement No. 16-521 with Burrtec for the sale of landfill airspace (i.e., volume of space at a landfill which is permitted for the disposal of municipal solid waste) for the disposal of Qualifying Solid Waste into the MVSL, in the amount of \$14,917,500 for a five-year period of July 1, 2016 to June 30, 2021.

On December 19, 2017 (Item No. 36), the Board approved Amendment No. 1 to Agreement No. 16-521 to allow Burrtec to direct haul a portion of the City of San Bernardino's solid waste to the MVSL in waste collection vehicles at a disposal rate equal to \$2.00 above the current WDA rate that the County has with various WDA cities, in the amount of \$3,247,808, increasing the total revenue contract revenue to \$18,165,308, from December 19, 2017 through June 30, 2021.

On June 22, 2021 (Item No. 61), the Board approved Amendment No. 2, which extended Agreement No. 16-521 for one year, from July 1, 2021 to June 30, 2022, to allow SWMD to meet and negotiate with Burrtec on the disposal rates with the intent to potentially provide a longer-term agreement with Burrtec at the end of the extension period, in the amount of \$11,535,920, increasing the total contract amount to \$29,701,228.

The recommended action supports the County's and the Chief Executive Officer's goal and objective of operating in a fiscally-responsible and business-like manner by allowing Burrtec to continue to dispose of waste at the MVSL at increased rates, thereby increasing revenue for SWMD.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Jolena Grider, Deputy County Counsel, 387-5455) on May 25, 2022; Finance (Carl Lofton, Administrative Analyst, 387-5404) on June 10, 2022; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on June 13, 2022.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Janice Rutherford Seconded: Col. Paul Cook (Ret.)
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Joe Baca, Jr.
Absent: Curt Hagman

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 28, 2022



cc: PW/SWM- Meeka w/agree
Contractor- C/O PW/SWM w/agree
File- w/agree w/map
LA 07/12/2022