

**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

Amendments to Revenue Generating Waste Disposal Agreements

RECOMMENDATION(S)

Approve amendments to the revenue generating Waste Disposal Agreements for 15 cities and towns listed below to cap the Waste Disposal Agreement Contract Rate in order to prevent compaction between the Contract Rate and the County's posted gate rate, effective July 1, 2022 through June 30, 2026.

1. City of Adelanto, **Amendment No. 5** to Waste Disposal **Agreement No. 04-321**
2. Town of Apple Valley, **Amendment No. 8** to Waste Disposal **Agreement No. 98-48**
3. City of Barstow, **Amendment No. 8** to Waste Disposal **Agreement No. 98-590**
4. City of Big Bear Lake, **Amendment No. 8** to Waste Disposal **Agreement No. 98-744**
5. City of Colton, **Amendment No. 8** to Waste Disposal **Agreement No. 98-302**
6. City of Fontana, **Amendment No. 8** to Waste Disposal **Agreement No. 98-105**
7. City of Grand Terrace, **Amendment No. 9** to Waste Disposal **Agreement No. 98-107**
8. City of Hesperia, **Amendment No. 8** to Waste Disposal **Agreement No. 98-959**
9. City of Highland, **Amendment No. 8** to Waste Disposal **Agreement No. 01-735**
10. City of Loma Linda, **Amendment No. 8** to Waste Disposal **Agreement No. 98-745**
11. City of Rialto, **Amendment No. 8** to Waste Disposal **Agreement No. 97-1043**
12. City of Twentynine Palms, **Amendment No. 8** to Waste Disposal **Agreement No. 98-642**
13. City of Victorville, **Amendment No. 7** to Waste Disposal **Agreement No. 97-1052**
14. City of Yucaipa, **Amendment No. 8** to Waste Disposal **Agreement No. 98-679**
15. Town of Yucca Valley, **Amendment No. 8** to Waste Disposal **Agreement No. 98-288**

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

Pursue County Goals and Objectives by Working with Other Agencies.

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.

The proposed amendment would cap the Waste Disposal Agreement (WDA) rate so that it cannot exceed 85% of the current approved general public gate rate. Currently, the general public gate rate, without the Comprehensive Disposal Site Diversion Program (CSDSP)

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recycling fee of \$12.00, is \$47.94 per ton. Thus, the WDA rate would be capped at \$40.75. If approved, the amendment would reduce the current 2022-23 WDA rate of \$43.41 to \$40.75, effective July 1, 2022, reducing revenue by approximately \$1.8 million. Annual Cost of Living Adjustments (COLA) are applied to the WDA rate throughout the term of the WDA. The anticipated revenue has been included in SWMD's 2022-23 budget and estimated future revenue will be reflected in future recommended budgets.

BACKGROUND INFORMATION

The proposed amendments to the WDAs (Amendments) will cap the WDA Contract Rate so that it cannot exceed 85% of the County's approved general public gate rate (minus the CDSDP fee) for the remainder of the term of the WDAs, which currently expire on June 30, 2026, while guaranteeing that all of the waste is delivered to the County's Disposal System.

The WDAs were originally 15-year agreements with 16 cities and towns within San Bernardino County that obligated the cities and towns to deliver their controllable waste to the County's Disposal System in exchange for a reduced contract rate for disposal at a designated disposal facility for each city and town. In 1997, the Board of Supervisors (Board) approved the first WDAs with the cities of Rialto, San Bernardino, and Victorville. Over the following years, a total of 16 cities and towns entered into WDAs, with Adelanto being the last city to sign in 2004. In December 2012, the City of San Bernardino's WDA expired and their City Council took action not to extend its WDA. On December 18, 2012 (Item No. 62), the Board approved extending the end date of 14 WDAs to June 30, 2016, under the same terms and conditions. The City of Adelanto's WDA expired on April 26, 2019. On June 14, 2016 (Item No. 93), the Board approved extending the WDAs for all of the WDA cities and towns to June 30, 2021. On June 22, 2021 (Item No. 62), the Board approved extending the term of the agreements to June 30, 2026, and reset the WDA Contract Rate to \$38.00 per ton, adjusted annually according to the agreements.

As a result of concerns raised by some of the WDA cities/towns regarding their calculated rate for 2022-23 resulting in an increase of 14%, SWMD and the County Administrative Office evaluated the rate methodology and financial needs of the County's Waste Disposal System to determine whether an adjustment was possible. An analysis of the WDA rate compared to the gate rate (the rate paid by the general public at the landfill) since the inception of the WDAs showed an average difference of approximately 15%. The proposed amendment addresses the current rate and puts a mechanism in place for the future to prevent compaction with the standard gate rate paid by the general public at the landfills by capping the WDA rate so that it cannot exceed 85% of the standard gate rate paid by the public (minus the CDSDP recycling fee). In exchange for capping the rate, the WDA cities/towns agree to commit to remaining a WDA city/town, with no provision to terminate without cause, for the remainder of the WDA term. This amendment would reduce the calculated 2022-23 WDA rate of \$43.41 per ton to \$40.75 per ton due to the cap. If the County adjusts the standard rate gate rate in any future year of the term of the WDA, the WDA rate will be adjusted according to the agreement, up to a maximum of 85% of the newly posted gate rate.

All of the cities, except Grand Terrace and Big Bear Lake, have approved the WDA amendment. The WDA amendment is scheduled to be considered by the City of Grand Terrace at its City Council meeting scheduled for June 28, 2022 at 6:00 p.m. and the City of Big Bear Lake is scheduled on June 29, 2022. Should any revisions be requested to the WDA amendment by Grand Terrace and/or Big Bear Lake, SWMD will return to the Board to present the revised amendment for approval.

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These recommended actions support the goals and objectives of the County and Chief Executive Office by operating in a fiscally-responsible and business-like manner and working with other agencies by ensuring the continued waste stream from the WDA cities/towns to the County's Waste Disposal System.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Jolena Grider, Deputy County Counsel, 387-5455) on June 6, 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 14, 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
LA 07/13/2022