

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

October 7, 2025

FROM

NOEL CASTILLO, Director, Department of Public Works - Solid Waste Management

SUBJECT

Amendment to Contract with Arakelian Enterprises, Inc. dba Athens Services for Waste Disposal System Operations

RECOMMENDATION(S)

1. Approve **Amendment No. 6 to Contract No. 13-188** with Arakelian Enterprises, Inc. dba Athens Services for Waste Disposal System Operations, to change certain contract terms, from October 7, 2025 through December 31, 2026, with no change to the overall contract term of July 1, 2013 through June 30, 2035:
 - a. Allow for an increase in the maximum time and material budget for extra services from \$500,000 to \$1,000,000 per year.
 - b. Increase in the amount of import delivered to a maximum of 2,100,000 tons.
 - c. Add the Barstow and Landers Sanitary Landfills as additional import sites.
 - d. Increase the disposal fees charged during this period, for total additional revenue up to \$20,313,680.
 - e. Increase operations costs for the burial of the additional import in the amount of \$4,483,000.
2. Authorize the Auditor-Controller/Treasurer/Tax Collector to post a budget adjustment in the amount of \$3,500,000, as detailed in the Financial Impact Section (Four votes required).
(Presenter: Noel Castillo, 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 financed 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 maximum amount for the time and material budget for extra services is being increased by \$500,000, for a total maximum budget of \$1,000,000 per year during the eighteen-month period. The estimated revenue during the eighteen-month period for the additional import is \$20,313,680, with the additional costs for the burial of the import estimated at \$4,483,000, for a total additional adjusted revenue up to \$15,830,680. For all import tons during this eighteen-month period, Arakelian Enterprises, Inc., dba Athens Services (Athens), will pay a supplemental fee of \$0.50 per ton in addition to the regular import fee for tonnage between 820,000 and 1,115,000 tons. Athens will pay an adjusted rate of \$47.00 per ton for tonnage between 1,115,001 and 2,100,000 tons for 2025-26 and \$48.25 per ton for the period of July 1, 2026 through

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December 31, 2026. The fees for import are subject to annual cost of living adjustments. The following 2025-26 budget adjustment is requested to accommodate the additional costs for 2024-25 of approximately \$3,000,000 for the extra burial costs and an additional \$500,000 added for the extra work:

Fund Center	Commitment Item	Description	Action	Amount
6700004250	52002443	Enterprise Fund Operations Contract	Increase	\$3,500,000
6700004250	40759700	Fee Ordinance – Sanitation Services	Increase	\$3,500,000

Sufficient appropriation and revenue will be included in future recommended budgets.

BACKGROUND INFORMATION

On April 23, 2013 (Item No. 39), as a result of a competitive procurement, Request for Proposal No. SWM-13-15, the Board of Supervisors (Board) approved Contract No. 13-188 (Contract) with Athens for a period of 10 years, from July 1, 2013, through June 30, 2023, for the operation and maintenance of the County's Disposal System, which consists of five active landfills and nine transfer stations. The Contract also provides for import tonnage commitments to generate revenue for the County's Disposal System.

On May 19, 2015 (Item No. 47), the Board approved Amendment No. 1 to the Contract to provide a portion of the Land Use Assessment revenue to finance additional recycling, increase the maximum time and material budget for extra services, and other clarifying Contract language, with no change to the contract term.

On February 11, 2020 (Item No. 55), the Board approved Amendment No. 2 to the Contract to extend the term by eight additional years, from July 1, 2023, to June 30, 2031, increase the operations Contract burial rates, and reduce the amount of import tonnage by Athens for the remaining term of the Contract in order to conserve landfill airspace for future needs. Additionally, it allowed for two four-year options to extend, though each of those extensions would require approval by Athens and the Board.

On May 18, 2021 (Item No. 52), the Board approved Amendment No. 3 to the Contract to revise density standards and liquidated damage penalties for failure to meet the standards and add incentive payments for exceeding the standards, with no change to the contract term.

On October 4, 2022 (Item No. 36), the Board approved Amendment No. 4 to the Contract to allow a two-year deferral on the collection of liquidated damages, on amounts under \$250,000, for the failure to achieve minimum effective densities; allow retroactive early cost-of-living adjustments, effective July 1, 2022, to Athens' compensation to address unpredicted cost increases; and beginning July 1, 2024 through the end of the Contract term on June 30, 2031, allow for early cost-of-living compensation adjustments under specific economic conditions.

On June 25, 2024 (Item No. 83), the Board approved Amendment No. 5 to the Contract to adjust the operations cost by \$1,934,805, from \$21,714,104 to \$23,648,909, due to unforeseen extraordinary increases in prevailing wage and costs of heavy equipment; establish a baseline cost for fuel and compensate for fuel costs exceeding the baseline; change dates used to

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establish the cost-of-living adjustment; revise the densities for the Mid-Valley and Victorville Sanitary Landfills; add a green waste/organic diversion rate; allow for an increase in import waste at the discretion of the County; and extend the term of the Contract four years for a total Contract term of July 1, 2013 through June 30, 2035.

Approval of this amendment will change the contract terms below from October 7, 2025 through December 31, 2026. During this period, an increase in the maximum time and material budget for extra services from \$500,000 to \$1,000,000 will allow for additional payments to Athens to compensate for extra services that include, but are not limited to, costs related to hauling waste from the Sheep Creek (Phelan) and Twentynine Palms Transfer Stations due to compactor issues. The amendment will also allow import up to 2,100,00 tons for the 18-month period due to the increased regional demand for landfill space as a result of recent closures and capacity reductions at major Southern California landfills, and add the Barstow and Landers Sanitary Landfills as additional import sites. Additionally, a provision was added to prevent the trucks hauling the increased import from using the Cajon Pass. Athens will also pay supplemental import fees of \$0.50 per ton in addition to the regular import fee for tonnage between 820,000 and 1,115,000 tons. Athens will pay an adjusted rate of \$47.00 per ton for tonnage between 1,115,001 and 2,100,000 tons for 2025-26 and \$48.25 per ton for the period of July 1, 2026 through December 31, 2026.

Waste generated by residents within the County unincorporated areas and by the cities that have waste disposal agreements (WDA) with the County will continue to have priority for disposal over import tonnage disposal.

SWMD recommends approval of this amendment to ensure continuation of waste disposal system operations. The recommended amendment allows SWMD to continue the valued partnership with Athens to operate the County's solid waste disposal system and generate revenue for the County's Disposal System.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Julie Surber, Principal Assistant County Counsel, 387-5455) on October 1, 2025; Purchasing (Dylan Newton, Buyer III, 387-3377) on October 1, 2025; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on October 2, 2025; County Finance and Administration (Kathleen Gonzalez, Administrative Analyst, 387-5412) on October 2, 2025.

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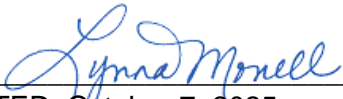
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: October 7, 2025



cc: PW/SWMD - Rodabaugh w/agree
Contractor - c/o PW/SWMD w/agree
File - w/agree
MBA 10/8/2025