



STAFF REPORT
12/14/2020

TO: Honorable Chair and Commissioners

FROM: Maritza Martinez, Public Works Director

SUBJECT: Authorize execution of the following agreements: 1) First Amendment to Agreement for Disposal of Solid Waste and 2) Third Amendment to Sublease Agreement.

STAFF RECOMMENDATION:

Authorize execution of the following agreements: 1) First Amendment to Agreement for Disposal of Solid Waste and 2) Third Amendment to Sublease Agreement.

EXECUTIVE SUMMARY:

The Coachella Valley Transfer Station (CVTS) is currently operating within a Waste Disposal Agreement (WDA) it executed with the County of Riverside (County). This agreement directs the flow of the waste stream received at CVTS. Through this agreement the County directs that the first 130,000 tons received by CVTS can be redirected outside the County of Riverside and tonnage received above 130,000 must be disposed of within the County of Riverside's landfill system. The Joint Powers Authority (JPA) receives a higher sublease payment for tonnages received outside of the County of Riverside system; \$7.11 per ton compared to \$5.75 per ton (within County landfill system). The WDA agreement will expire on June 19, 2021. After that date the JPA no longer has to operate within the constraints of a WDA, which directs where its waste must go. However, the JPA's Master Lease Agreement between the JPA and County for the property the CVTS operates on dictates that if the waste stream is directed outside of the County, then the JPA must pay the County an "extended rental rate" of \$0.75 per ton; this fee based on current tonnage would be in excess of \$120,000 per year.

Based upon the direction provided by the Commission on October 5, 2020, the following amendments to existing agreements between the JPA and Burrtec Waste Industries Inc (Burrtec) were drafted: 1) First Amendment to the Agreement for Disposal of Solid Waste and 2) Third Amendment to Sublease Agreement between the JPA and Burrtec. If the Commission authorizes the execution of the proposed amendments both agreement terms will extend through August 9, 2026 (to match the term of the Master Lease Agreement) and effective July 1, 2021 all CVTS tonnage will be disposed of at the Salton City Landfill. Additionally, the amendments will identify

that all tonnage received at CVTS will be paid to the JPA at a \$7.11 per ton (to be adjusted annually for CPI) and Burrtec will pay the County the required Extended Rental Rate of \$0.75 per ton.

The First Amendment to the Agreement for Disposal of Solid Waste would amend the following sections and would be effective as of June 20, 2021:

- Section 6 Term, would be amended from June 19, 2021 to August 9, 2026;
- Section 7A Disposal Fee , reflects the updated disposal fee per ton from \$27.75 to \$31.99;
- Section 7B, Extended Rental Rate, is new language identifying the responsibility by Burrtec to pay the Extended Rental Rate established in the Master Lease Agreement and payable to the County at \$0.75 per ton; this replaces the County Export Fee which will no longer be required of the Authority as it was a requirement established in the County WDA.

The Third Amendment to the Sublease Agreement would amend the following sections and be effective as of July 1, 2021:

- Section 4.01 Term, of the Sublease Agreement would be extended through August 9, 2026
- Section 5.05 Sublease Payment, is updated to reflect the current Sublease Payment of \$7.11

Attachments:

First Amendment to the Agreement for Disposal of Solid Waste

Third Amendment to the Sublease Agreement