

25. Approve an amendment to Waste Disposal Agreement No. 29809 with Mid-Valley Disposal, LLC to extend the term of the agreement and revise and replace the Contract Rate, retroactive from July 1, 2024 through June 30, 2029.



# Solid Waste

## COUNTY OF TULARE

### AGENDA ITEM

#### BOARD OF SUPERVISORS

LARRY MICARI  
District One

PETE VANDER POEL  
District Two

AMY SHUKLIAN  
District Three

EDDIE VALERO  
District Four

DENNIS TOWNSEND  
District Five

**AGENDA DATE:** August 13, 2024 **REVISED**

Public Hearing Required	N/A
Scheduled Public Hearing w/Clerk	N/A
Published Notice Required	N/A
Advertised Published Notice	N/A
Meet & Confer Required	N/A
Budget Transfer (Aud 308) attached	N/A
Personnel Resolution attached	N/A
Agreement(s) attached	Yes

CONTACT PERSON: Guillermo Hermoso Jr. PHONE: 559-624-7198

**SUBJECT:** Mid-Valley Disposal Waste Disposal Agreement

#### **REQUEST(S):**

That the Board of Supervisors:

1. Approve an Amendment to Waste Disposal Agreement No. 29809 with Mid-Valley Disposal, LLC to extend the term of the Agreement and revise and replace the Contract Rate, retroactive from July 1, 2024 through June 30, 2029. This Agreement is retroactive due to staff not receiving signed Levine Act Form prior to July 1, 2024.
2. Find that the Board had authority to enter into the proposed agreement as of July 1, 2024, and that it was in the County's best interest to enter into the agreement on that date.
3. Authorize the Chair to sign the Amendment.

#### **SUMMARY:**

On August 18, 2020, your Board approved Waste Disposal Agreement No. 29809 (Agreement) with Mid-Valley Disposal, LLC (Resolution No. 2020-0520). The County and Mid-Valley agreed to a Contracted Rate of \$28 per ton to secure the incorporated Cities of Exeter, Farmersville, Lindsay, and Woodlake as Mid-Valley Disposal holds disposal contracts directly with these municipalities and controls their waste flow.

The Initial Term of the Agreement was for five (5) years retroactive to July 1, 2020 through June 30, 2025 with a mutual option to extend for an additional five (5) year term (Renewal Term) to be exercised on or before June 30, 2025. The Contract Rate for the Initial Term is \$28 per ton through the first four years and \$34 per ton starting July 1, 2024. This Amendment addresses the Option to Renew as set forth in the original Agreement under Article VI, Section §6.1(B) and provides that the Agreement shall be renewed for an additional term of five (5) years (the "Renewal Term") with an Effective Date of July 1, 2024. The department did not receive a signed Levine Act Form from Mid-Valley

**SUBJECT:** Mid-Valley Disposal Waste Disposal Agreement **REVISED**

**DATE:** August 13, 2024

Disposal prior to July 1, 2024. Due to this, staff did not have the authority to extend the discounted rate beyond June 30, 2024. The Contracted Rate for General Refuse reverted to the posted gate rate of \$34 per ton.

The proposed Amendment is for an extended term beginning July 1, 2024 through June 30, 2029. The Department and Mid-Valley Disposal agreed to a Contract Rate of \$28 per ton, subject to annual Consumer Price Index (CPI) adjustments beginning July 1, 2025, through the duration of the Renewal Term. These adjustments will be reflected in conjunction with increases to the posted General Refuse rate.

By exercising their renewal option, Mid-Valley Disposal has committed 100% of their contracted waste streams to the County Landfill System. The County benefited from this Agreement by securing 25,000 tons of Municipal Solid Waste (MSW) generating annual revenues of \$700,000 to the Enterprise Fund.

**FISCAL IMPACT/FINANCING:**

This action has Zero Cost to the General Fund. The estimated revenue for the proposed Amendment is \$3,900,000 to the Solid Waste Enterprise Fund.

**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

The County's five-year strategic plan includes the Organizational Performance Initiative to provide for the stability of County operations through periods of economic fluctuations and changing priorities and service demands. The proposed Amendment helps fulfill this initiative by providing a consistent revenue stream to the landfill system.

**ADMINISTRATIVE SIGN-OFF:**

**/s/ Bryce Howard**

\_\_\_\_\_  
Bryce Howard  
Director- Tulare County Solid Waste

Cc: County Administrative Office

Attachments: First Amendment to Waste Disposal Agreement

# BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF Mid-Valley Disposal  
Waste Disposal Agreement

)  
) Resolution No. 2024-0754  
) Agreement No. 29809-A  
)  
)

UPON MOTION OF SUPERVISOR SHUKLIAN, SECONDED BY SUPERVISOR VALERO, THE FOLLOWING WAS ADOPTED BY THE BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD AUGUST 13, 2024, BY THE FOLLOWING VOTE:

AYES: SUPERVISORS MICARI, VANDER POEL, SHUKLIAN, VALERO AND TOWNSEND  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: NONE



ATTEST: JASON T. BRITT  
COUNTY ADMINISTRATIVE OFFICER/  
CLERK, BOARD OF SUPERVISORS

BY: \_\_\_\_\_

Deputy Clerk

\* \* \* \* \*

1. Approved an Amendment to Waste Disposal Agreement No. 29809 with Mid-Valley Disposal, LLC to extend the term of the Agreement and revise and replace the Contract Rate, retroactive from July 1, 2024 through June 30, 2029. This Agreement is retroactive due to staff not receiving signed Levine Act From prior to July 1, 2024.
2. Found that the Board had authority to enter into the proposed agreement as of July 1, 2024, and that it was in the County's best interest to enter into the agreement on that date.
3. Authorized the Chair to sign the Amendment.

# FIRST AMENDMENT TO WASTE DISPOSAL AGREEMENT

This First Amendment to Waste Disposal Agreement (the "First Amendment") is entered into on the 1<sup>st</sup> day of July, 2024, ("Effective Date") by and between the County of Tulare (hereinafter, the "County"), and Mid-Valley Disposal LLC., (hereinafter, the "Contractor") (together, the "Parties"), with reference to the following:

## RECITALS

WHEREAS, County and Contractor entered into that certain agreement entitled Waste Disposal Agreement between the County of Tulare, California and Mid Valley Disposal, LLC., Tulare County Agreement No. 29809 (the "Agreement"), effective July 1, 2020; and

WHEREAS, the Agreement shall be subject to renewal by mutual agreement of the Parties, on or before June 30, 2025, for an additional term of five (5) years from the Effective Date of the Renewal Term; and

WHEREAS, Section 7.8 of the Agreement requires that any change, modification, amendment or waiver thereto must be by written agreement duly executed by both parties; and

WHEREAS, the procedure for Rate Adjustments during the Term of this Agreement may be adjusted by averaging the percentage change in two Consumer Price Indices CUURS49BSA0 San Francisco-Oakland-Hayward and CUURS49ASA0 Los Angeles-Long Beach-Anaheim by no more than three percent (3%) rounded to the nearest whole dollar; and

WHEREAS, this adjustment to the Contract Rate may begin on July 1, 2025.

ACCORDINGLY, it is agreed:

1. Sections 1.1 of the Agreement is to be revised and replaced with the following:

### Section 1.1 DEFINITIONS

"Contract Area" means the Cities of Exeter, Farmersville, Lindsay, and Woodlake, which the Company has exclusive control of waste delivery within Tulare County and Company's Recycling and Transfer facility located at 1707 E Goshen Ave, Visalia, CA 93292.

2. Sections 4.2 (A) and (D) of the Agreement is to be revised and replaced with the following:

### Section 4.2 CONTRACT RATE

(A) **Establishment of Contract Rate.** The Contract Rate payable by Company shall be \$28 per ton from the Effective Date of the Renewal Term for Controllable Waste, subject to reasonable adjustments due to the following:

(B) **Special Charges.**

(1) The Contract Rate for all Out of County Acceptable Waste shall be \$28/ton, subject to annual adjustments.

(D) **Procedure for Rate Adjustments.** Beginning July 1, 2025 and annually on each July 1 thereafter during the Term of this Agreement, the County Contract Rate may be adjusted by averaging the percentage change in two Consumer Price Indices, as published by the U.S. Bureau of Labor Statistics (BLS): i) Consumer Price Index, series CUURS49BSA0 San Francisco-Oakland-Hayward, all items, not seasonally adjusted; and ii) Consumer Price Index, series CUURS49ASA0, Los Angeles-Long Beach-Anaheim, CA , all items, not seasonally adjusted. The average monthly change in each index shall be calculated by comparing the most recent twelve month (12) period with the corresponding prior twelve month (12) period (e.g., May 2024 would be compared to May 2025). The comparison shall calculate the percentage change between the current period and the prior period for each index. The twenty four (24) comparison values shall be averaged together using a simple average of the values to determine the percentage change.

The initial Contract Rate as set forth in section (2)(D) as presented by the County shall be valid until June 30, 2025. The first adjustment to the Contract Rate may begin on July 1, 2025. This adjustment may be annually performed by County, and a copy of such computation shall be provided to the County no later than April 1 of each year for the Contract Rate to be effective July 1 of that same year.

In no event shall the Contract Rate be increased by more than three percent (3%) rounded to the nearest whole dollar in any one year nor shall the Rates decrease below zero percent (0%) causing a reduction in current rates. In the event the percentage increase in the Contract Rate in any year exceeds three (3%) such excess shall be carried forward to the next and succeeding years and applied toward a subsequent increase in the Contract Rate, but only to the extent that any percentage increase in the Contract Rate in that later year is less than three percent (3%). This provision shall be effective in this manner, as long as the index mentioned above is published by government authorities in the same form and based on the same type data being used on the Commencement Date of the Agreement and shall be redefined by County in the event of any change in form and/or basis of indices, to a reasonably comparable standard. Each adjustment computation by County is hereby incorporated by reference herein.

3. Section 6.2 (B) of the Agreement is to be revised to include the following.

#### **Section 6.1 EFFECTIVE DATE AND TERM**

(B) **Option to Renew.** This Agreement shall be renewed for an additional term of five (5) years (the "Renewal Term") with an Effective Date of July 1, 2024.

4. The recitals and the exhibits to this First Amendment to the Agreement are fully incorporated into and are integral parts of the Agreement.

5. Except as provided in this First Amendment, all other terms and conditions of the Agreement remain in full force and effect.



**THE PARTIES**, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

Date: 6/12/2024

**CONTRACTOR**

DocuSigned by:  
By Joseph Kalpakoff  
E69655A71339489...  
TITLE President

Date: 6/12/2024

DocuSigned by:  
By Joseph Heisdorf  
AB6404DF8FBA4BC...  
TITLE C.F.O.

The County of Tulare requires that, pursuant to Corporations Code section 313, contracts with a corporation be signed by both (1) the chairman of the Board of Directors, the president or any vice-president, and (2) the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer, unless the contract is accompanied by a certified copy of the corporation's Board of Directors' resolution authorizing the execution of the contract.

**COUNTY OF TULARE**

Date: 8/13/2024

By Larry Micari  
Chair, Board of Supervisors

ATTEST: JASON T. BRITT  
County Administrative Officer/Clerk of the Board  
of Supervisors of the County of Tulare

By Jason T. Britt  
Deputy Clerk



Approved as to Form

DocuSigned by:  
County Counsel  
By Paula Clark  
871C7F8A8DB47473  
Deputy Matter ID: 2024764