

## CONSENT AGENDA

CITY COUNCIL  
MAY 25, 2004

To: Mayor and City Council

From: George J. Rodericks, City Manager

**SUBJECT: RENEWAL OF WASTE DISPOSAL AGREEMENTS**

### **BACKGROUND**

The County of Orange currently has Waste Disposal Agreements with contract entities that include Orange County cities, sanitation districts, joint powers authorities, and commercial solid waste haulers. These Agreements authorize a guarantee from contracted agencies that all solid waste generated in their jurisdictions will be delivered to the County's landfill system. These Agreements guarantee a contract rate of \$22 per ton for a ten-year period through June 30, 2007.

These Agreements are subject to a renewal option that specifies that they may be renewed by mutual agreement of the parties, on or before June 30, 2007 for an additional term of ten years on the same terms and conditions.

### **FINDINGS**

The Integrated Waste Management Board is in the process of considering an extension of the lifespan of the Bowerman and Olinda Alpha landfills. The evaluation process requires substantial effort that must be completed before the Board can begin negotiations with contract entities regarding any new contract rates or long-term commitment extensions of Agreements. The evaluation process will include, but not be limited to, the following:

- Compliance with the California Environmental Quality Act
- Negotiations of Memorandum of Understandings with affected cities
- Review regional landfill options and target closure dates
- Cash flow analysis

To allow the Board to complete the evaluation process and address key environmental and long term use issues, the Board proposes that the Waste Disposal Agreements be amended to extend the initial term of the Agreements by three years and extend the renewal option by two years. This will allow sufficient time to complete the evaluation process and allow the contract entities to address long term options for waste disposal.

The proposed amendments have been reviewed and approved by various solid waste working groups and the Orange County City Manager's Solid Waste Working Group. The amendment provides contract cities with the best possible strategy aimed at addressing the solid waste needs of Orange County and still continuing to maintain one of the lowest tipping fees in southern California.

## **FISCAL IMPACT**

The Amendment to Agreement maintains the current tipping fee at \$22 per ton for the duration of the Agreement and therefore does not represent a fiscal impact.

## **RECOMMENDATION**

It is recommended that the City Council approve the Amendment to Agreement and authorize the Mayor to execute the agreement on behalf of the City.