

ADDENDUM TO

CITY OF LOMA LINDA

CITY COUNCIL AGENDA

REGULAR MEETING OF JUNE 8, 2021

**I. Consent Calendar**

Amendment No. 7 to the Waste Delivery Agreement (WDA) with the County of San Bernardino changing the expiration term of the WDA to June 30, 2026 (Not a public hearing, but related to the Refuse Collection and Disposal Rates)



# City of Loma Linda Official Report

Phillip Dupper, Mayor  
Ronald Dailey, Mayor pro tempore  
John Lenart, Councilman  
Bhavin Jindal, Councilman  
Rhodes Rigsby, Councilman

COUNCIL AGENDA: June 8, 2021

TO: City Council

FROM: T. Jarb Thaipejr, City Manager *T. J. T.*

SUBJECT: Waste Delivery Agreement Amendment Number 7 between the County and the City effective July 1, 2021 Through June 30, 2026

Approved/Continued/Denied By City Council Date _____
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## **RECOMMENDATION**

It is recommended that the City Council approve amendment number 6 to the Waste Delivery Agreement effective July 1, 2021 through June 30, 2026, with the County of San Bernardino and authorize the Mayor to execute the amendment.

## **BACKGROUND**

On August 25, 1998, the City of Loma Linda and the County of San Bernardino, who operates the landfill, entered into a Waste Delivery Agreement (WDA). The agreement sets the rates and conditions for disposing waste at the landfill. The current agreement expires June 30, 2021. Approximately 40% or 8,000 tons per year of the solid waste generated in Loma Linda is sent to the landfill. The WDA sets the obligations and benefits for the participating parties.

## **ANALYSIS**

The proposed WDA cost for July 1, 2021, has gone done \$1.12 per ton for a total of \$38.00 per ton disposed. This is a pass through fee per agreement with the franchise hauler and is incorporated into the annual rate adjustment request. The cost savings will be used to offset the expected CPI based annual rate increase per the franchise agreement.

## **FISCAL IMPACT**

Funding for this service is provided in Account No. 0013600-51830.

Attachment

WASTE DISPOSAL AGREEMENT

BETWEEN

THE COUNTY OF SAN BERNARDINO, CALIFORNIA

AND

THE CITY OF LOMA LINDA

DATED: AUGUST 25, 1998

County Authorization Date:

\_\_\_\_\_

City Authorization Date:

\_\_\_\_\_

County Notice Address:

Solid Waste Management Division  
222 Hospitality Lane, 2<sup>nd</sup> Floor  
San Bernardino, CA 92415-0017

City Notice Address:

City of Loma Linda Public Works Director  
25541 Barton Road  
Loma Linda, Ca 92354

Emergency Contact:

Darren J. Meeka  
Deputy Director  
(909) 386-8703

Emergency Contact:

T. Jarb Thaipejr  
City Manager  
909-799-2811

AMENDMENT NO. 7 TO THE  
WASTE DISPOSAL AGREEMENT

On August 25, 1998, the City of Loma Linda ("City") and the County of San Bernardino ("County") entered into a Waste Disposal Agreement ("WDA"). The parties hereby amend the WDA, on the Effective Date as provided herein, by their respective execution of this agreement (hereinafter "Amendment").

Recitals

- A. The parties have previously entered into the following amendments to the WDA. Amendment No. 1 to the WDA was to implement the "Article 19 Solid Waste" component of the County's waste management system and define the City's share of that revenue. Amendment No. 2 was to increase the annual maximum limits of "Article 19 Solid Waste" in the County landfill system. Amendment No. 3 allowed the County to charge the fee of \$10.00 per ton (prorated) for identified controllable waste of the City (e.g., roll off container trucks and other County/City vehicles such as pickups and dump trucks) and have such waste subject to being processed in the recycling program. Amendment No. 4 allowed the County to calculate the annual cost of living adjustment earlier in the calendar year. Amendment No. 5 extended the end date of the WDA to June 30, 2016. Amendment No. 6 extended the term of the WDA to June 30, 2021, applied an annual fixed WDA renewal discount adjustment of \$0.82 per ton for the term of the WDA, and allowed the County to enter into agreements to accept in-County waste from non-WDA users of the Disposal System at a rate lower than the WDA Contract Rate in exchange for sharing the net revenue generated from those agreements.
- B. In connection with the ongoing administration of the WDA, the parties have determined it is now in their best interests to change the termination date to June 30, 2026.
- C. This change in the termination date will assist both the City and the County in planning for future fiscal years' budgeting of solid waste disposal services and costs.
- D. The parties have determined it is in their best interests to reset the WDA Contract Rate to \$38.00 per ton, effective July 1, 2021, adjusted annually according to the WDA.

NOW THEREFORE, in consideration of the forgoing recitals and the following covenants and promises the Parties agree as follows:

- 1. Amended Section 4.2 CONTRACT RATE. (A) Generally. This section is amended in its entirety to read:

SECTION 4.2. CONTRACT RATE. (A) Generally. Effective July 1, 2021, the Contract Rate payable by each Franchise Hauler shall be \$38.00 per ton, subject to potential adjustment necessary to reflect the circumstances set forth below:

- (i) increased costs incurred by the County (in excess of available insurance proceeds) due to the occurrence of one or more Uncontrollable Circumstances, including Changes in Law; and
- (ii) escalation during the Term of this Agreement calculated in accordance with Section 4.2(B).

Prior to adjusting the Contract Rate as a result of any of the circumstances described in Section 4.2(A)(i), the County shall utilize the following remedy: reduce the costs of operating the Disposal System to the extent practicable.

Any adjustments to the Contract Rate permitted by Section 4.2(A)(i) shall be calculated by the County to reflect the actual costs or expenses of addressing the circumstance or circumstances pursuant to which the adjustment is authorized, and shall also reflect, where applicable, the then remaining

capacity in the Disposal System. Such adjustment may not reflect circumstances other than the circumstances described in Section 4.2(A)(i).

2. Amended Section 4.2. CONTRACT RATE. (B) Calculation of Escalation. This section is amended in its entirety to read:

SECTION 4.2. CONTRACT RATE. (B) Calculation of Escalation. For purposes of Section 4.2(A)(ii), the Contract Rate shall be adjusted in accordance with the formula described in this Section each July 1 during the term hereof, commencing July 1, 2022. The adjustment shall be calculated in accordance with the following formula:

$$\text{Contract Rate} = \text{Fixed Portion} + [\text{Escalating Portion} \times \text{Index}]$$

Where,

$$\text{Fixed Portion} = \$10.87$$

$$\text{Escalating Portion} = \$27.13$$

Index = Price Index, which shall be determined in accordance with the following formula:

$$I = .7[\text{PPI}_1/\text{PPI}_2] + .3[\text{EI}_1/\text{EI}_2]$$

$\text{PPI}_1$  = The Producer Price Index, Industrial Commodities Commodity Data, as published at the United States Department of Labor, Bureau of Labor Statistics web site, Series ID WPU03 thru 15 for the month of September in the year prior to the year for which the adjustment is being made (e.g., the adjustment effective July 1, 2011 will use the September 2010 value)

$\text{PPI}_2$  = Producer Price Index, Industrial Commodities Commodity Data for the month of September, 1997

$\text{EI}_1$  = Employment Cost Index, Total Compensation, Private Industry All Workers, as published at the United States Department of Labor, Bureau of Labor Statistics web site, Series ID: CIU20100000000001 for the last quarter of the year preceding the year for which the adjustment is being made (e.g., the adjustment effective July 1, 2011 will use the third quarter, 2010 value)

$\text{EI}_2$  = Employment Cost Index, Compensation, Private Industry All Workers, as published at the United States Department of Labor, Bureau of Labor Statistics web site, Table 3, established for the third quarter of 1997.

Effective July 1, 2022, and each July 1 thereafter during the term of the Agreement, the Contract Rate adjustment will be calculated as provided above, except that an annual fixed WDA renewal discount adjustment of \$0.82 per ton will be applied after the annual Cost of Living Adjustment (COLA) adjustment.

If at any time either the Employment Cost Index or the Producer Price Index is no longer published, or are otherwise unavailable, then the COLA shall be determined by using standard official statistics measuring changes to, respectively, labor costs and cost of materials, as the parties shall mutually agree.

3. Amended Section 6.1 EFFECTIVE DATE AND TERM. (A) Term. This section is amended in its entirety to read:

SECTION 6.1. EFFECTIVE DATE AND TERM. (A) Term. This Agreement shall become effective, shall be in full force and effect and shall be legally binding upon the City and the County from the Contract



IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

COUNTY OF SAN BERNARDINO

►  
\_\_\_\_\_  
Curt Hagman, Chairman, Board of Supervisors

Dated: \_\_\_\_\_  
SIGNED AND CERTIFIED THAT A COPY OF THIS  
DOCUMENT HAS BEEN DELIVERED TO THE  
CHAIRMAN OF THE BOARD

Lynna Monell  
Clerk of the Board of Supervisors  
of the County of San Bernardino

By \_\_\_\_\_  
Deputy

City of Loma Linda  
\_\_\_\_\_  
*(Print or type name of corporation, company, contractor, etc.)*

By ► \_\_\_\_\_  
*(Authorized signature - sign in blue ink)*

Name Phill Dupper  
*(Print or type name of person signing contract)*

Title Mayor  
*(Print or Type)*

Dated: \_\_\_\_\_

Address 25541 Barton Road

Loma Linda, CA 92354

Approved as to Legal Form  
► \_\_\_\_\_  
Jolena Grider, Deputy County Counsel  
Date \_\_\_\_\_

Reviewed for Contract Compliance  
► \_\_\_\_\_  
Andy Silao, P.E.  
Date \_\_\_\_\_

Reviewed/Approved by Department  
► \_\_\_\_\_  
Brendon Biggs, Director  
Date \_\_\_\_\_

EXHIBIT A

CITIES/TOWNS WITH A WASTE DELIVERY AGREEMENT  
WITH THE COUNTY OF SAN BERNARDINO  
OFFERED THIS AMENDMENT JUNE 2021  
FOR AN AGREEMENT END DATE OF JUNE 30, 2026

1. ADELANTO
2. APPLE VALLEY
3. BARSTOW
4. BIG BEAR LAKE
5. COLTON
6. FONTANA
7. GRAND TERRACE
8. HESPERIA
9. HIGHLAND
10. LOMA LINDA
11. RIALTO
12. TWENTYNINE PALMS
13. VICTORVILLE
14. YUCAIPA
15. YUCCA VALLEY