



**NAPA-VALLEJO WASTE  
MANAGEMENT AUTHORITY**

Agenda Date: 6/6/2013

Agenda Placement: 7A

## Napa-Vallejo Waste Management Authority Board Agenda Letter

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**TO:** Board of Directors

**FROM:** Luthy, Richard - Executive Director  
Napa-Vallejo Waste Management Authority

**REPORT BY:** Richard Luthy, Executive Director, Napa-Vallejo Waste Management - 707-299-1314

**SUBJECT:** Agreement No. 2014-01 for Long Term Residue Disposal and ADC Capacity Services

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### **RECOMMENDATION**

#### **2014-01 DISPOSAL SERVICES AGREEMENT**

REQUESTED ACTION: Approval of and authorization for the Chair to sign Agreement No. 2014-01 with Potrero Hills Landfill, Inc. for Long Term Residue Disposal and ADC Capacity, effective January 1, 2014 through December 31, 2018 or December 31, 2023, as determined by the Board, with three 5-year renewal options.

### **EXECUTIVE SUMMARY**

At the May 2, 2013 meeting, the Board selected Potrero Hills Landfill, Inc. to receive waste from the Devlin Road Transfer Station (DRTS) effective January 1, 2014 when the current contract with Keller Canyon Landfill expires. Staff was directed to prepare final contract documents and return to the Board for contract approval at a subsequent meeting.

Contract documents have been prepared and approval of a contract agreement with Potrero Hills Landfill, Inc. is recommended. As directed by the Board, staff has negotiated two contract options for Board consideration: 1) a five year initial term followed by three five year options to renew; 2) a ten year initial term followed by three five year renewal options.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: General Rule. It can be seen with certainty that there is no possibility the proposed action may have a significant effect on the environment and therefore CEQA is not applicable. [See Guidelines For the Implementation of the California Environmental Quality Act, 14 CCR 15061(b)(3)].

**BACKGROUND AND DISCUSSION**

At the May 2, 2013 meeting, the Board selected Potrero Hills Landfill, Inc. to receive waste from the Devlin Road Transfer Station (DRTS) effective January 1, 2014 when the current contract with Keller Canyon Landfill expires. Staff was directed to prepare final contract documents and return to the Board for contract approval at a subsequent meeting.

Contract documents have been prepared and approval of a contract agreement with Potrero Hills Landfill, Inc. is recommended. As directed by the Board, staff has negotiated two contract options for Board consideration: 1) a five year initial term followed by three five year options to renew; 2) a ten year initial term followed by three five year renewal options. The five year option has pricing consistent with the proposal submitted by Potrero Hills on March 15, 2013. The ten year option retains the same five year pricing schedule, but adds a formula for adjusting pricing during years five through ten based on annual CPI adjustments with a minimum of 2% and a maximum of 5%.

Both options are summarized in the attached exhibits. Staff recommends the Board consider approving the ten year option. It provides a reasonable approach to determining future prices and gives the Authority a known disposal site for the next ten years.

**SUPPORTING DOCUMENTS**

- A . 5 Year Option
- B . 10 Year Option

Executive Director: Approve  
Reviewed By: Martha Burdick