



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Attorney's Office

CM/ DCM/ ACM: Mack Reinwand, City Attorney

AGENDA DATE: March 25, 2025

SUBJECT

Consider adoption of an ordinance approving a Settlement Agreement and Waiver of Claims implementing the terms of a settlement regarding a claim for breach of contract of a Solid Waste Disposal Contract dated October 1, 2022 between Rhino Removal, LLC and the City of Denton, executed by Ordinances 22-1558 and 23-1994, as amended on November 7, 2023; and directing the City Manager or designee and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; and declaring an effective date.

BACKGROUND

On April 15, 2022, the City sent out a request to bid for a guaranteed volume contract for the landfill. Rhino Removal, LLC ("Rhino"), responded to the request and was awarded a contract. The purpose of the contract was for the City of Denton to receive predictable tonnages of solid waste, and associated revenues, for two fiscal years between October 1, 2022-September 31, 2024. In exchange for its promise to (1) deliver specified tonnages to the landfill during each respective year (30,000 tons in FY 2022-2023 and 30,000 tons in FY 2023-2024) and (2) to pay for the specified tonnages for each year regardless of the amount actually delivered, Rhino received a benefit in the form of a discount disposal rate. Ultimately, Rhino was unable to meet their obligation to deliver the required tonnage under the agreement. Rhino has since then ceased operations, sold their assets, assigned all waste contracts to third parties, and only currently exists to pay its outstanding IRS payroll taxes and penalties. Rhino has offered the City \$30,000.00 in exchange for a full release of its claims against it. To ensure that the City was offered the best deal possible, Rhino's bank account balance and other liabilities were requested, and produced, showing that Rhino is financially insolvent. Even if the City were to file suit against Rhino, its current financial and operational status presents a significant hurdle for the City to recover for its breach of our agreement.

OPTIONS

The City Council can approve settlement of this matter as it is within the previously delegated settlement authority, and formally ratify and approve the settlement.

RECOMMENDATION

Proceed with formal approval.

EXHIBITS

Exhibit 1 – AIS

Exhibit 2 – Ordinance and Settlement Agreement and Waiver of Claims

Respectfully submitted:

/s/ Devin Alexander
Deputy City Attorney

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Paralegal

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