

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

913



FROM: Waste Management Department

SUBMITTAL DATE: August 5, 2003

SUBJECT: Establishment of Fees for Fiscal Year 2003-2004


RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Approve the extension of contract rates at the current amounts for all transfer station and franchise hauler Waste Delivery Agreements without application of consumer price index adjustments for Fiscal Year 2003-04; and
- 2) Adopt the changes to the Appendices (attached) of Ordinance 779.3 introduced on July 29, 2003.

BACKGROUND:

TIPPING FEES

The current system-wide tipping fee of \$30 per ton for scaled/gated sites has been in effect for seven years since July 1996, and staff recommends maintaining the rate at that level for Fiscal Year (FY) 2003-04. This fee applies to general use customers not under bulk delivery contracts. (Continued)



 Joseph R. McCann, General Manager—Chief Engineer

FINANCIAL DATA:

CURRENT YEAR COST: \$ N/A
NET COUNTY COST: \$ N/A
SOURCE OF FUNDS: N/A

ANNUAL COST: \$ N/A
IN CURRENT YEAR BUDGET: YES N/A NO N/A
BUDGET ADJUSTMENT: YES NO X FOR FY:

COUNTY C.E.O. RECOMMENDATION:

APPROVE

Executive Officer Signature



FORM APPROVED
COUNTY COUNSEL

AUG 07 2003

BY Lee A. Vinocan

Policy
 Policy

Consent
 Consent

Department Recommendation:
Per Executive Office:

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During the next FY 2003-04 we anticipate that approximately 50% of the system waste stream will be received at this rate. The remaining estimated 50% of system tonnage will be received pursuant to the terms of contracts with four transfer station operators (at 6 locations) ranging from \$23 to \$23.50 per ton. These contracts have escalation clauses which cap the potential rate increases at the CPI level, however, staff is also recommending that these current rates be maintained through FY 2003-04.

The Waste Delivery Agreements executed with several haulers as part of the County unincorporated franchise process, also limit the annual increase in the direct haul (\$30/ton) tipping fee to the CPI. Staff is also recommending that these current rates be maintained through FY 2003-04.

The rates are able to be held level for another year due to continuing stability and growth in the waste stream, and ongoing efforts to cut costs in every area possible. Reserves continue to remain adequate.

TIPPING FEE ELEMENTS

The system-wide tipping fee contains two primary elements: 1) **Fixed element** and 2) **Operating element**. The **Fixed element** has various pass-through amounts and long-term liability amounts that have not directly funded our annual budget.

The historical allocation of the fixed element is as follows:

	<u>FY02-03</u>	<u>FY03-04</u>
Current Closure Contribution	\$1.80/ton	\$1.80/ton
Pass-Through Contributions:		
Habitat & Environmental Mitigation	\$1.00/ton	\$1.00/ton
State Required Fees	\$1.40/ton	\$1.40/ton
Local Enforcement Agency (LEA)	.43/ton	.43/ton
Household Hazardous Waste (HHW)	.40/ton	.40/ton
Code Enforcement	<u>.35/ton</u>	<u>.35/ton</u>
Total	\$5.38/ton	\$5.38/ton

Current Closure Contribution (\$1.80/ton): We re-evaluate closure/post-closure costs on an annual basis or more often as new information becomes available on a given site. The per ton amount is a function of the remaining amount required to fund the total closure/post-closure responsibilities at all sites and the total estimate of remaining original permitted capacity.

The **Operating element** of the tipping fee directly funds the department annual budgeted expenses and averages approximately \$21 per ton. The Operating element is utilized for all departmental expenses associated with the landfill system, e.g. operations, administration, recycling and planning, capital development for liners, maintenance of old sites, and payments for disposal of waste at the El Sobrante landfill.

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CARD FEES

The sale of commercial and residential access cards with direct billings to users continues to be the primary funding mechanism for the Mecca and Oasis landfill sites. Staff is recommending no change in the current card system or rates.

PROPOSED BUDGETED EXPENSES

The \$53 million proposed budget contains approximately \$8.7 million in capital projects, e.g. landfill liner at Lamb Canyon (\$6.2 million) and Badlands (\$.3 million), and various landfill site improvements (\$1.4 million). In addition, we have budgeted for \$.8 million for heavy equipment replacement during the next fiscal year.

WASTE MANAGEMENT DEPARTMENT IN THE FUTURE

Within the next 15 months several events will impact the Waste Management Department and its ability to hold tipping fees at the current level.

- The landfill at Edom Hill is forecasted to close in late summer of 2004.
 - Trash disposal service for the area will be taken over by the new Edom Hill Transfer Station under a long-term contract that sets the disposal fee at \$23 plus annual CPI increases (if approved through public hearings at the Board).
- The current ratio of long-term contract haulers (at \$23 a ton) vs. non-contract haulers (at \$30 a ton) is approximately 50/50. With the closure of Edom Hill that ratio is expected to change to 75/25.
 - The effect is an average decrease of \$2 a ton in revenues available to fund operations.
- Increased landfill activity at the two major remaining County sites will increase the need for personnel and equipment. Absorbing the County staff and equipment from the Edom Hill site will offset some of these costs but hasten the need to construct additional landfill liners; thereby increasing the department forecasted operating expenses.
- The second agreement with Waste Management Inc. (WMI) contained language that allowed for negotiation of a "Most Favored Nation" (MFN) rate per ton for handling In-County waste at the El Sobrante Landfill after an initial in-county tonnage of 7.32 million tons are deposited. At the current rate of disposal, the date to begin MFN rates would be near the end of 2004. It is possible that the rate per ton may increase slightly over the current \$18 a ton paid to WMI to process County waste at the El Sobrante Landfill.

To offset the increased expenses, it is anticipated that fiscal year 2005 will witness the implementation of the Consumer Price Index (CPI) increase to all contract and non-contract rates allowing for a gradual increase that can fund the department operations as future demands increase.

CHANGES TO APPENDICES OF ORDINANCE 779

The changes to Appendix A of Ordinance 779 consist of the deletion of two charges from the Schedule of Waste Disposal Fees. These are the Freon Removal Fee of \$15 and the Unloading Service Fees of \$20 or \$35. The Department absorbs the expense for performing the Freon removal service in the overall fee structure in an effort to reduce illegal dumping. Unloading services are no longer offered as landfill operations are typically viewed as "self-service" and consultation with County Safety advised of associated liability/risk management issues with the public and employees. Appropriate signage has been placed at the County landfills clarifying the "self-service" nature of the landfills. Staff recommends removal of the charge from the fee schedule to avoid future confusion with Department staff or the public.

The changes to Appendices B and C of the Ordinance 779 reflect the new address and phone information necessary to maintain proper contact with customers.

The changes to Appendix D is the addition of several miscellaneous charges reviewed this month and previously approved by the Board of Supervisors and the Auditor-Controller as part of the Waste Management District Ordinance No. 2. These charges include the purchase cost of compost bins as well as the incidental costs to establish a contract credit account with the Waste Management Department.

SUMMARY

The recommended action before the Board today will be:

- Maintain the "status quo" in regard to rates for all Riverside County customers for the forthcoming fiscal year. Future fiscal years are anticipated to need an increase in tonnage revenue limited to the contractual amounts of CPI; and
- Approve the minimal amendments to the Appendices of Ordinance 779.3 as introduced on July 29, 2003.

Attachments

**APPENDIX "A" TO RIVERSIDE COUNTY ORDINANCE NO. 779.3
SCHEDULE OF WASTE DISPOSAL FEES
FOR RIVERSIDE COUNTY WASTE, EFFECTIVE SEPTEMBER 18, 2003**

The following gate fees will be applicable at El Sobrante, Badlands, Edom Hill, Lamb Canyon, and Blythe Landfills	
WASTE GROUP DESCRIPTIONS	RATE
1. Any vehicle hauling 2 or less large trash bags	No Charge
2. Vans, pickup trucks or any vehicle pulling a two-wheel trailer or any other vehicle: (a) hauling miscellaneous waste not exceeding .3 ton (b) hauling 50% or more wood or yard waste not exceeding .3 ton (c) hauling miscellaneous waste exceeding .3 ton	\$5.00/ load \$8.00/ load \$30.00/ton *
3. Any vehicle hauling: (a) wastes consisting exclusively of concrete, asphalt, stones and/or some dirt in which no single piece of concrete, asphalt, or stone weighs more than 150 lbs. or is 24" in diameter (b) entirely clean fill dirt and clean concrete/asphalt material which has been pre-approved by the Director or designee as needed for use in landfill roads & other related landfill operations	\$19.50/ton * \$5.00/ load
4. Transfer Trucks	See Note #1 Below
5. All vehicles not described in any other provision of this fee schedule	\$30.00/ton *
6. Added to the charges listed herein will be a charge of: (a) \$1.00 per tire being disposed of with a load of routine refuse (b) \$10.00 for loads .3 ton or less of routine refuse & greenwaste containing 1 appliance (c) \$10.00 per uncovered load of refuse which has exposed material which in the opinion of the Director may litter access routes to the landfill (d) \$10.00 per ton for loads which are judged to be 50% or more wood waste/yard waste by volume (e) \$5.00 per ton for out of county incidental amounts of refuse	
7. Vehicles hauling loads of dead animals	\$40.00/ton **
8. Vehicles hauling loads of more than 12 motor vehicle and/or standard truck equipment tires and any load with 1 or more oversize tires, used on motor graders, scrapers, etc.	\$84.50/ton **
9. All other vehicles carrying wastes requiring special handling	\$40.00/ton **
10. Chemical toilet wastes, grease trap pumpings, septic tank or cesspool pumping wastes contained in tanker vehicles, where accepted	\$30.00/ton *
11. Any other acceptable liquid wastes, where accepted	\$40.00/ton **
12. Towing services, all vehicles: (a) 10 minutes or less (b) over 10 minutes	\$20.00 \$35.00
13. For customers unloading: (a) 16 to 30 minutes past closing (b) 31 minutes or more	\$10.00 \$20.00
Notes:	
1) Rate for Transfer Trucks to be determined by individual contracts.	
2) Loads of dead sheep and small calves from the Blythe service area separated from other wastes will be received at no charge at the Blythe Landfill due to health and safety risk in the vast open canal system in this area.	
3) Certified loads of illegally dumped nonhazardous municipal solid waste retrieved along open flowing irrigation canals which are delivered by the agency responsible for maintaining the canals shall be received at no charge at the Blythe Landfill.	
4) The Director is also authorized to recoup costs associated with the segregation of unauthorized waste commingled with routine refuse.	
* Prorated to the nearest \$.25	
** Prorated to the nearest \$.25 with a minimum charge of \$20.00 per vehicle	

APPENDIX B TO ORDINANCE NO. 779.3
RESIDENTIAL SELF-HAUL PERMIT CARDS
FOR Riverside County WMD, EFFECTIVE SEPTEMBER 18, 2003

The Self-Haul Permit card shall be necessary for admittance to the following rural landfills:

Mecca II Landfill

Oasis Landfill

RESIDENTIAL CARD REGULATIONS:

- 1) **Number of Uses** - The Residential Card will allow for fifty-two (52) uses of the site with Standard Loads.
- 2) **Expiration Date** - The expiration date will be the last day of the fiscal year, June 30th.
- 3) **No Refunds** - There will be no refunds at the end of the fiscal year (June 30th) on partially used cards.
- 4) **Maximum Load** - The maximum load allowed access to the landfill with one use of the Residential Card will be four hundred (400) pounds. If the Gate Services Assistant judges a load to be over this Standard Load limit, two or more punches will be made to the card using future month card punches. Waste should be removed weekly pursuant to County Ordinance No. 657 for health and safety reasons, thus the card uses will be treated on a "use or lose" monthly basis.
- 5) **Cost** - The Residential Card will be priced at twelve dollars (\$12.00) per month.
- 6) **Payment Options** - Cards may be purchased bi-monthly in \$24.00 increments worth eight (8) loads each.
- 7) **Advance Sale Discount Offer** - From June 1 through June 30 twelve-month cards will be discounted twenty-four dollars (\$24.00) for a final cost of one hundred and twenty dollars (\$120.00) per card.
- 8) **Lost Cards** - Lost cards are to be reported immediately. The customer will not be responsible for unauthorized use of a card after it is reported lost to the Waste Management business office located at 14310 Frederick Street, Moreno Valley, CA 92553. The telephone number is (909) 486-3200.
- 9) **Cards Issued After July 1** - New card issues will be prorated from month of purchase at the rate of twelve dollars (\$12.00) per month.
- 10) **Restrictions on Use of Card** - Household hazardous waste, loads with more than four (4) tires, other hard-to-handle waste, or commercial business waste will **not** be accepted on this card. Cards may only be used by the resident who paid for the card.
- 11) **Alternative County Gate Fee Site Usage** - When a customer has a need to dispose of trash on a day when both of the above landfills are closed, the customer may take that trash to a scaled County disposal site and use the Self-Haul Permit card there.

**APPENDIX C TO ORDINANCE NO. 779.3
RURAL SITE ACCESS – COMMERCIAL PERMIT CARDS
FOR Riverside County WMD, EFFECTIVE SEPTEMBER 18, 2003**

The Rural Site Access Card shall be necessary for admittance to the following rural landfills:

Mecca II Landfill

Oasis Landfill

COMMERCIAL CARD REGULATIONS:

A Commercial Waste Hauling Business Card (not authorized for use by permitted waste haulers) will be available which provides for disposal of commercial waste generated within the remote service areas.

- 1) **Number of Uses** – The Commercial Card will have twenty-four ½ ton available uses.
- 2) **Expiration Date** - There is no expiration date for the Commercial Card.
- 3) **No Refunds** – If a commercial operator goes out of business there shall be no refund for the unused card punches.
- 4) **High Volume Users** – High volume users may purchase additional cards or negotiate a separate contract with the County.
- 5) **Cost** – The Commercial Card will be priced at three-hundred and sixty dollars (\$360.00).
- 6) **Payment for Card** – The card shall be purchased in advance of usage and paid for by check. Cards may be purchased at any time of the year.
- 7) **Multiple Card Discount Offer** – Customers who purchase three or more cards at one time shall be given a 5% discount.
- 8) **Lost Cards** – Lost cards are to be reported immediately. The customer will not be responsible for unauthorized use of a card after it is reported lost to the Waste Management business office located at 14310 Frederick Street, Moreno Valley, CA. The phone number is (909) 486-3200.
- 9) **Restrictions on Use of Card** – Hazardous waste, loads with more than 4 tires, or other hard-to-handle waste will **not** be accepted at these rural sites.
- 10) **Alternative County Gate Fee Site Usage** – In the event that the Gate Services Assistant determines that the waste cannot be received at the Rural Site for whatever reason that day, and therefore directs the customer to take the waste to a scaled County disposal site, the Commercial Card may be used for access at the scaled site.

**APPENDIX D TO RIVERSIDE COUNTY ORDINANCE NO. 779.3
SCHEDULE OF MISCELLANEOUS FEES FOR
RIVERSIDE COUNTY WASTE MANAGEMENT DEPARTMENT
EFFECTIVE SEPTEMBER 18, 2003**

FEES FOR DEPARTMENT PUBLICATIONS

Document Name	Document Fee	Mailing/Handling Cost
Countywide Integrated Waste Management Plan	\$60.00	\$10.00
Source Reduction and Recycling Element (SRRE) and Household Hazardous Waste Element (HHWE)	\$60.00	\$10.00
Nondisposal Facility Element (NDFE)	\$10.00	\$5.00
Countywide Disposal Tonnage Tracking System (CDTTS) Procedure Manual	\$50.00	\$10.00

OTHER ADMINISTRATIVE FEES

Service	Fee
Replacement of Rural Site Access Cards	\$10.00
Cards ordered after initial setup of a deferred billing account or sub-account	\$3.00 each
Setup fee for each deferred billing account	\$50.00
Setup fee for each deferred billing sub-account	\$25.00
Administrative charge for delinquent account payment	1-1/2% per billing period on unpaid balance if payment is not made within 15 days from billing
Checks returned for non-sufficient funds (NSF)	\$20.00 each occurrence
Account correction due to hauler/driver error	\$25.00 each occurrence
Late ticket submittals as described in the CDTTS Procedure Manual	\$25.00 each day
Special FAX requests	\$3.00 first page \$1.00 each additional page
Special Accounts Receivable research requests	No charge within 30 days of statement date; \$3.75/qrtr hr if requested past 30 days
Requests for extra ticket copies	10¢/page (\$1.00 minimum)
Requests for extra billing statement copies	10¢/page (\$1.00 minimum)
Miscellaneous document copies	10¢/page (\$1.00 minimum)
Special Review Costs – projects and cases	Actual hourly cost of personnel + 20% benefits and administrative overhead
Amendment to Riverside County Nondisposal Facility Element (NDFE)	Pursuant to Public Resources Code, Chapter 4.5, Article 3, Section 41735(b) - \$500.00
Sale of Compost Bins to Riverside County residents only – 3 styles and handbook	Biostack bin - \$35.00 Presto bin - \$9.00 Worm bin - \$65.00 Backyard Composting - \$2.50 (free with bin purchase)