

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

278



FROM: Waste Management Department

SUBMITTAL DATE:
August 26, 2003

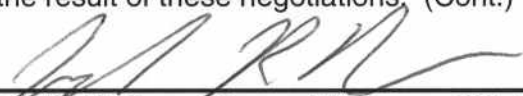
SUBJECT: Amendment to the Robert A. Nelson Master Lease Agreement and the Agreement for the Disposal of Solid Waste

RECOMMENDED MOTION: Approve the following agreements with Agua Mansa MRF, LLC, an affiliate of Burrtec Waste Industries, Inc. (and also Union Bank of California, N.A. in one instance) to implement and authorize the Chairman to execute them on behalf of the Board:

1. Amendment Number 4 to the Master Lease Agreement
2. Amendment Number 3 to the Agreement for Disposal of Solid Waste
3. Consent and Agreement (with Agua Mansa MRF, LLC and Union Bank of California, N.A. as Agent)

BACKGROUND: The General Manager-Chief Engineer was authorized to coordinate amendment negotiations with Burrtec Waste Industries, Inc. related to the Robert A. Nelson Transfer Station Master Lease (Item 12.1 of May 13, 2003). As explained at that time, ongoing discussions with Burrtec and recent correspondence from its attorney indicated that Burrtec continued to claim both past and future "beneficial interests" exist related to the previous Franchise Area 4 agreement requirements to deliver waste to their transfer station facility. Burrtec indicated that it would not pursue litigation related to the Franchise Area 4 amendment (the same item 12.1 of May 13, 2003), as long as the County continued to pursue good faith negotiations with Burrtec in relation to a potential amendment to the Robert A. Nelson Transfer Station lease. The amendments before the Board today are the result of these negotiations. (Cont.)

Departmental Concurrence



Joseph R. McCann, General Manager-Chief Engineer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature 

(Faint background text: WILL BE MAILED)

Prev. Agn. Ref.: 12.1 (5/13/03) | **District:** 2 | **Agenda Number:**

12.3

FORM APPROVED
COUNTY COUNSEL
AUG 28 2003

Dept't Recomm.: Consent Policy Policy

Per Exec. Ofc.: Consent Policy

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The features of the amendments to the Master Lease Agreement and the Agreement for the Disposal of Solid Waste are as follows:

Burrtec will:

- not pursue any litigation against the County related to the Franchise Area 4 amendments.
- share any judgment with the County in its suit against IRS/Newco should Burrtec be successful (to the extent the County was "damaged").
- within 30 days of execution, remit payments not made to the Department in accordance with the Waste Delivery Agreement (WDA). The amount in question is approximately \$10,000 from early 1999, related to the mitigation fee at the RAN TS (for out of county waste that is processed at the transfer station and then disposed of out of county) and arose out of the dispute related to enforcement of the Franchise Area 4 agreement.
- pursue and obtain a 15-year contract extension from the City of Riverside for the delivery of the municipal waste stream, including green waste, by October of 2004.
- pursue and obtain substantial completion of a 100 ton per day conversion/diversion facility on 4.25 acres adjacent to the RAN Transfer Station by December 31, 2006. The language in this portion is similar to the language in the recently negotiated Edom Hill Transfer Station (EHTS) lease, but with more definitive goals (a date and tons per day). Completion of this facility would allow for the continued pursuit and sustainability of diversion for the County and its cities.

County will:

- allow the minimum load charge to increase from \$8 to \$10, with a review ("negotiate in good faith") in two years.
- agree to an eight year term extension in the lease. The penalties for failure to substantially complete the Materials Recovery Facility (MRF) and permanent Green Waste Facility (GWF) still remain at a 4-year term reduction.
- allow for the use of an additional 2.41 acres for the conversion/diversion project, as described above. The project will most likely require 4.25 acres for construction and ancillary facilities, which will be realized when an adjacent 1.84 acres already included in the existing lease is utilized for this purpose. The 4.25 acres will be covered under the lease payment of \$1 per year, as opposed to market rates, effective January 1, 2004, which would be consistent with how other onsite waste related processing facilities (GWF, MRF and Transfer Station) are handled. The entire 4.25 acres is removed from the lease if the conversion/diversion facility is not substantially completed by December 31, 2006.