

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

SUBMITTAL DATE:
October 7, 2003



560

FROM: Community Health Agency/Department of Environmental Health

SUBJECT: Riverside County Board of Supervisors Resolution No 2003-471 Recognizing the Sale of Cherry Valley Sanitation to CR&R Inc.

RECOMMENDED MOTION:

That the Board approve Resolution No. 2003-471 Recognizing the Sale of Cherry Valley Sanitation to CR&R Inc. and Granting Authority to CR&R Inc. to Service the Collection and Hauling Contracts in Franchise Area 7 currently Held by Cherry Valley Sanitation.

BACKGROUND:

Exclusive Waste Collection Franchises were awarded to Cherry Valley Sanitation for Franchise Area 7 and CR&R Inc. for franchise Area 5, with effective dates of January 1, 1998 and January 1, 1999, respectively. Since that date, both companies have operated in conformance with the conditions of those respective franchises.

On August 13, 2003 this Department received a letter from the owners of Cherry Valley Sanitation Inc., (Exhibit A) indicating that the company had agreed to sell its stock to CR&R Inc. The letter further requests the Board of Supervisor's approval of this transaction and CR&R's assumption of Cherry Valley Sanitation's waste collection responsibilities in Franchise Area 7.

(continued)

Gary Root

Gary Root, Director

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|-----------------------|-------------------------------|------|-------------------------|-----|
| 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: | n/a |

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

C.E.O. RECOMMENDATION:

APPROVE

Don Marting

County Executive Office Signature

FORM APPROVED
COUNTY COUNSEL

SEP 26 2003

BY *Lee A. Vincous*

Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

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| Prev. Agn. Ref.: 12.3 - 10/28/03 | District: 5 | Agenda Number: 3.9 |
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**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

The requirements for the transfer of a franchise are identified in Section 12 (Exhibit B) of each Franchise Agreement. Staff has requested and reviewed the information identified in that section that is relevant in view of CR&R's status as an existing franchisee in the County (Exhibit C). Staff is satisfied that CR&R has met and continues to meet its contractual obligations under the Franchise Agreement with Riverside County. In addition, staff contacted both the City of Riverside and the County of San Bernardino last year, as part of CR&R's acquisition of OK Associates, with regard to the company's compliance in their respective jurisdictions. Both jurisdictions report the company to be meeting its franchise obligations.

Resolution 2003-471 as submitted will authorize CR&R Inc. to carry out collection and hauling responsibilities in Area 7 under that franchise and satisfy one of the conditions for completion of the sales transaction.

Financial Data:

There is no cost or revenue associated with this motion.

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3 **RESOLUTION NO. 2003-471**

4 **A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE**
5 **RECOGNIZING THE SALE OF CHERRY VALLEY SANITATION , INC. TO CR&R, INC.**
6 **AND GRANTING AUTHORITY TO CR&R, INC. TO SERVICE COLLECTION AND**
7 **HAULING CONTRACTS IN FRANCHISE AREA 7 CURRENTLY CHERRY VALLEY**
8 **SANITATION, INC.**

9
10 Whereas CR&R, Inc. is a solid waste hauling company currently holding a franchise issued by Riverside
11 County board of Supervisors on May 19, 1998 authorizing it to collect solid waste in Franchise Area 5 of
12 the County under County Ordinance No. 657, and;

13 Whereas Cherry Valley Sanitation, Inc. is a solid waste hauling company currently holding a franchise
14 issued by Riverside County Board of Supervisors on October 28, 1997 authorizing it to collect solid
15 waste in Franchise Area 7 of the County under County Ordinance No. 657, and;

16
17 Whereas Franchise Area 7 is bordered by Franchise Areas 1B, 3B, 6, 8 and 9 and the cities of Calimesa,
18 Banning and Beaumont and Franchise Area 5 is borded by Franchise Area 3, Santa Rosa CSD and the
19 cities of Lake Elsinore, Murrietta and Temecula, and;

20 Whereas Cherry Valley Sanitation, Inc. in a letter to the Department of Environmental Health dated
21 August 13,2003, has notified the Department, as the County Administrator of all solid waste collection
22 franchises currently in effect in the County, that it has elected to sell of all its outstanding shares of stock
23 to CR&R, Inc; and stating the intention of CR&R, Inc. to assume performance responsibilities under
24 Cherry Valley Sanitation, Inc's current franchise in Area 7.

25
26 Cherry Valley Sanitation Inc. further requested that this matter be brought to the attention of the Board
27 of Supervisors with a request that the Board authorize CR&R to assume Cherry Valley Sanitation's
28

1 performance responsibilities under the latter's franchise and service the collection and hauling contracts
2 currently held by Cherry Valley Sanitation Inc. in Franchise Area 7, and;

3
4 Whereas the Department of Environmental Health has found CR&R, Inc. to be in current good standing
5 under its franchise issued for Area 5; now therefore

6 BE IT RESOLVED, by the Board of Supervisors in Regular session assembled on _____
7 that this Board now grants its approval to CR&R, Inc. to assume performance responsibilities in Area 7
8 under the franchise currently held by Cherry Valley Sanitation, Inc. for the remainder of the term of that
9 franchise and hereby authorizes CR&R Inc. to carry out collection and hauling responsibilities in Area 7
10 under that franchise

11 **EFFECTIVE DATE**

12 This Resolution shall take effect this date.