

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

927



FROM: Waste Management Department

SUBMITTAL DATE:
November 12, 2004

SUBJECT: Edom Hill Transfer Station Master Lease First Amendment

RECOMMENDED MOTION: That the Board of Supervisors:

1. Introduce and set for public hearing the First Amendment to the Edom Hill Transfer Station Master Lease;
2. Direct the Clerk of the Board to publish a notice of the public hearing date.

BACKGROUND: On July 1, 2004, the Department invoked a Board approved rate increase adjusting the County Landfill Gate Rate by the Consumer Price Index of 2003 (1.8%). This action resulted in an increase of \$0.41 per ton on the negotiated long term waste delivery rate of \$23.00 per ton. The competitively negotiated Edom Hill Transfer Station (EHTS) Gate Fee of \$34.10 is based on three elements, one of which is the Disposal element which, at the time the EHTS Master Lease was approved by the Board on November 5, 2002, was \$23.00. (continued)

Hans W. Kernkamp, General Manager-Chief Engineer

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

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

C.E.O. RECOMMENDATION: Approve

APPROVE

FORM APPROVED
COUNTY COUNSEL

NOV 16 2004

County Executive Office Signature **BY**

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended setting the matter for public hearing on Tuesday, December 7, 2004 at 1:30 p.m.

Ayes: Buster, Tavaglione, Venable and Ashley
 Noes: None
 Absent: Wilson
 Date: November 23, 2004
 xc: Waste Mgmt., COB(2)

Nancy Romero
 Clerk of the Board
 By:
 Deputy

Prev. Agn. Ref.: 12.2 (11/5/02) | **District:** 4 | **Agenda Number:**

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

12.1

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

Background (continued):

The current EHTS Master Lease stipulates that the Gate Fee shall be \$34.10 prior to July 1, 2005; however, since, the Disposal element is considered to be a pass-through cost, (i.e., the EHTS operator can not contractually apply the CPI to the Disposal Element), the Department recommends that the operator should not be required to absorb the County Landfill Gate Fee increase. The proposed adjusted Gate Fee for the Edom Hill Transfer Station will be \$34.51, commencing the day following Board approval of the First Amendment.

In addition, the Agreement for Disposal of Solid Waste identifies Designated County Landfills as the Badlands, Lamb Canyon and El Sobrante landfill. The EHTS Master Lease inadvertently does not include the El Sobrante landfill as a destination, potentially allowing for a re-determination of the Transport Element for waste delivered to the El Sobrante landfill. The first amendment to the EHTS Master Lease identifies El Sobrante as a Designated Disposal Facility to be consistent with the Agreement for Disposal of Solid Waste and establishes the Transport Element to be the same for all three Designated Facilities.

Attachment

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FIRST AMENDMENT TO
EDOM HILL TRANSFER STATION MASTER LEASE

between

COUNTY OF RIVERSIDE

and

WASTE MANAGEMENT OF CALIFORNIA

This First Amendment to the Edom Hill Transfer Station Master Lease (hereinafter "First Amendment") is entered into by and between the COUNTY OF RIVERSIDE, CALIFORNIA (hereinafter called "COUNTY") and WASTE MANAGEMENT OF CALIFORNIA, INC., (hereinafter called "LESSEE").

RECITALS

- A. **WHEREAS**, the Edom Hill Transfer Station Master Lease (hereinafter called "LEASE") was adopted by the parties on November 5, 2002; and
- B. **WHEREAS**, the Edom Hill Landfill will be closed to the public on November 30, 2004; and
- C. **WHEREAS**, the Edom Hill Transfer Station is scheduled to open on November 30, 2004; and
- D. **WHEREAS**, the LEASE identifies the Edom Hill Transfer Station gate fee to be \$34.10 per ton; and
- E. **WHEREAS**, COUNTY increased the disposal rate of \$23.00 per ton as stipulated in the Agreement for Disposal of Solid Waste (Exhibit B of the LEASE) by \$0.41 on July 1, 2004, by applying the Consumer Price Index allowed for in Exhibit B; and
- F. **WHEREAS**, LESSEE desires to adjust the gate fee to incorporate COUNTY's disposal rate increase; and
- G. **WHEREAS**, County recognizes that the disposal rate is considered a pass-through element of the Edom Hill Transfer Station gate fee;

NOW, THEREFORE, in consideration of the matter recited above and of the mutual covenants hereinafter contained and for other good and valuable consideration, the

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receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Prior to July 1, 2005, the gate fee charged by LESSEE shall be \$34.51.
2. Section 5 (b)(1)(iii), Transport Element, shall be revised as follows:
LESSEE shall receive a Transport fee to reimburse LESSEE for its cost to transport Solid Waste Residue from the Facility to a Designated Disposal Facility. As an incentive to promote diversion from the landfill, the Transport fee payments shall be based upon the tons received and accepted multiplied by the rate shown below.

* For transporting Solid Waste Residue to the El Sobrante Landfill, Badlands Landfill or Lamb Canyon Landfill, the Transport fee shall be \$4.80 per ton.

After July 1, 2005, the Transport Element shall be adjusted as provided in Section 5 (d).

In the event that a new Designated Disposal Facility other than the El Sobrante Landfill, Badlands Landfill or the Lamb Canyon Landfill is selected during the term hereof for other than short-term emergencies, COUNTY and LESSEE shall determine the Transport Element to be paid to LESSEE to transport Solid Waste Residue to such Designated Disposal Facility. The Transport Element may be determined by any reasonable method acceptable to COUNTY and LESSEE, which produces the lowest rate to transport a ton of Solid Waste Residue to the Designated Disposal Facilities.

3. All defined terms used herein shall have the same meaning as in the Edom Hill Transfer Station Master Lease.
4. Except as modified herein, all terms and conditions contained in the Edom Hill Transfer Station Master Lease remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set forth below.

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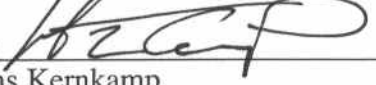
RIVERSIDE COUNTY WASTE
MANAGEMENT DEPARTMENT

WASTE MANAGEMENT OF CALIFORNIA
DBA WASTE MANAGEMENT OF THE
DESERT

Dated: NOVEMBER 12, 2004

Dated: 11-12-04

RECOMMENDED FOR APPROVAL

By: 
Hans Kernkamp
General Manager-Chief Engineer
RIVERSIDE COUNTY WASTE
MANAGEMENT DEPARTMENT

By: 

COUNTY OF RIVERSIDE

By: _____
Chairman, Board of Supervisors

ATTESTED:

By: _____
NANCY ROMERO, Clerk

APPROVED:

APPROVED:

By: 
Joe Rank, Deputy County Counsel

By: _____