

804



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

FROM: Community Health Agency/Department of Environmental Health

SUBMITTAL DATE:
May 19, 2005

SUBJECT: Annual Rate Adjustment to Waste Collection Agreements for Riverside County

RECOMMENDED MOTION:

Introduce and set for Public Hearing (Clerk to advertise) and at the close of the public hearing approve the adjusted rate schedules as contained in Attachments 1.1 – 1.13.A.

BACKGROUND:

Waste Collection Franchise agreements covering all unincorporated portions of Riverside County were phased in for 1997, 1998 and January 1999 (see Table 1 – Franchise Area Descriptions). In each of the 13 Franchise Agreements there is a provision for an adjustment of the rates the customers are charged for regular services, to be implemented annually in July. The adjustment allows a "pass through" for any changes to landfill or transfer station fees, and a cost of living increase, based on CPI, for the balance of the rate.

(continued)

FORM APPROVED
COUNTY COUNSEL

MAY 25 2005

BY [Signature]
ASSISTANT COUNTY COUNSEL

[Signature]
Gary Root, Director

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

[Signature]

Consent
 Policy
 Dept's Recomm.:
 Policy
 Per Exec. Ofc.:

Prev. Agn. Ref.: 136.7, 6/24/2004 District: all Agenda Number:

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

3.5

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, Auditor-Controller

BY [Signature] 6/9/05
Deputy

Departmental Concurrence

All non-disposal costs are adjusted by the Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles/Anaheim/Riverside Metropolitan Area, as published by the United States Department of Labor, Bureau of Labor Statistics. The attached rate sheets implement the adjustment methodology using a CPI of 4.4% for the twelve (12) month period January through December 2004.

RATES SUBMITTED. Attached to this Form 11 are:

1. Table 1: Franchise Area Descriptions.
2. Table 2: Summary of Basic Residential Rate Adjustments.
3. Table 3: Summary of Disposal
4. Attachments 1.1 through 1.13. Revised Rates for all Franchise Areas.
5. Exhibit 1, the methodology used for these adjustments.

ADJUSTMENT DETAILS

1. The service portion of the rates for Areas 2, 5, 6, 7, 8, 9, 10, 11, 12, 13 have been adjusted by 4.4% per the above CPI period.
2. Waste Management Inc., operating as the Franchisee for Areas 1, 3 and 4 has requested a reduced adjustment of 3.5% to the service portion of the residential rate instead of the maximum allowed increase of 4.4%. No other franchisee indicated a desire to forego a full rate increase this year.
3. Waste Management Inc. is requesting new fees for the establishment and delivery of containers for new residential and commercial customers. A one time charge of \$12.00 for new residential customers and \$25.00 for new commercial customers is proposed. Staff has reviewed this proposal and finds it consistent with existing rates and rates in other areas.
4. Disposal Fees have been adjusted for collection areas:
 - a. Franchise Area 2. The rate for disposal at the Robert A. Nelson Transfer Station has been revised from \$33.96 per ton to \$35.32 per ton. This is a projection at this time. A final rate will be established prior to the public hearing on this item. If different from the projection, these rates herein will be adjusted accordingly.
 - b. Franchise Areas 10, 11, and 12. The rate for disposal at the Edom Hill Transfer Station has been revised from \$34.51 per ton to \$34.83. This too is a projection at this time. A final rate will be established prior to the public hearing on this item. If different from the projection, these rates herein will be adjusted accordingly.
 - c. We have been advised by Waste Management of the Desert, Operator of the Edom Hill Transfer Station that a request for an "Extraordinary Adjustment" to the disposal rate has been filed with the Department of Waste Management (Owner). This would be in addition to any rate change under 4(b). As in items 4(a) and 4(b) should an additional rate change result, these rates herein will be adjusted accordingly.

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FISCAL

The approval of this change will result in no cost to the County; implementation expenses are borne by the franchisee.

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Table 1 – Franchise Area Descriptions

Area	Hauler	Effective Date		Area Description
1	Waste Management Inc.	January 1, 1999	A	Corona, Norco, Coronita, El Cerrito
			B	Mead Valley
			C	Sun City, Lake Skinner, Hemet, Homeland, Romoland, Nuevo Winchester, Menifee, Vail Lake
2	Burrtec Inc.	January 1, 1999		Pedley, Glen Avon, Sunnyslope
3	Waste Management Inc.	January 1, 1999	A	Glen Ivy, Alberhill, Good Hope, Temescal Canyon
			B	Highgrove, Reche Canyon
			C	Sedco Hills, Wildomar
4	Waste Management Inc.	January 1, 1999	A	Home Gardens, Woodcrest, portions of Mead Valley
			B	Mira Loma, Sky Country
5	CR&R Inc.	January 1, 1999		Temecula, Lake Elsinore, Ortega Highway
6	CR&R Inc.	January 1, 1999		Lakeview, Mystic Lake, San Jacinto
7	CR&R Inc. (Acquired October 2003 from Cherry Valley Disposal)	November 1, 1997		Cherry Valley, San Timeteo Canyon
8	Waste Management Inc.	July 1, 1997		Idyllwild, Anza, Pinyon
9	CR&R Inc. (Acquired October 2003 from Cabazon Disposal)	November 1, 1997		Cabazon, Whitewater
10	Desert Valley Disposal (Palm Springs Disposal)	October 1, 1998		Painted Hills, North Palm Springs, Desert Haven
11	Waste Management Inc.	October 1, 1998		Sky Valley, Indio Hills, Areas north of I-10, Mecca, Northshore, Salton, Desert Beach
12	Waste Management Inc.	October 1, 1998	A	Thousand Palms
			B	Bermuda Dunes, La Quinta
13	Palo Verde Disposal	November 1, 1997		Palo Verde Valley, Desert Center

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Table 2. Summary of Basic Adjusted Monthly Residential Rates

Area		2004 Approved Rate	2005 Proposed Rate	Comment
1	A	\$19.84	\$20.37	Includes Green waste
	B C	\$17.85	\$18.33	
2		\$19.31	\$20.07	Includes Green waste
3		\$17.85	\$18.33	
4	A	\$18.34	\$18.82	Includes Green waste
	B	\$18.59	19.07	Includes Green waste
5		\$18.03	\$18.66	
6		\$16.84	\$17.40	
7		\$22.19	\$22.99	Includes Green waste
9		\$18.84	\$19.49	
10		\$18.22	\$18.98	
11		\$18.51	\$19.28	
12	A	\$13.99	\$14.57	
	B	\$16.45	\$17.13	
13		\$27.39	\$28.41	

Area 8 is not listed because there is no curbside residential collection in the area.

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Table 3: Summary of changes to Disposal options, as used in rate sheets :

Landfill	Current rate (Per ton)	2005 Rate (Per ton)	Franchise Area(s) affected
County Standard Landfill Rate	\$30.54	\$30.54	1, 3, 4, 5, 6, 7, 9, 13
County Transfer Rate	\$23.92	\$23.92	8
Robert A Nelson Transfer Station	\$33.96	\$35.32	2
Edom Hill Transfer Station	\$34.51	\$34.83	10, 11, 12