

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

840



SUBMITTAL DATE:
June 14, 2005

FROM: Waste Management Department

SUBJECT: Approval of Requested Gate Fee Increase at Edom Hill Transfer Station

RECOMMENDED MOTION: That the Board of Supervisors approves the requested Gate Fee changes at Edom Hill Transfer Station as proposed by Waste Management of the Desert (WMOD) in accordance with the Master Lease Agreement (the Agreement) related to operations at the Edom Hill Transfer Station and entered into on October 7, 2002.

BACKGROUND: On October 7, 2002 the County entered into an agreement with WMOD to develop, construct, and operate a transfer station at the Edom Hill landfill site once the landfill closed. The Edom Hill landfill closed in November 2004 and the transfer station began operation at that time. Part of the Agreement between the County and WMOD, as Lessee, is that the County Board of Supervisors will approve any Gate Fee changes following public hearings. July 1, 2005 is the effective date for the first opportunity to change Gate Fee rates under the Agreement. In April 2005, WMOD wrote the Waste Management Department to communicate their intent to request a rate increase as outlined in the Agreement.

(cont'd)

Departmental Concurrence

Hans W. Kernkamp, General Manager-Chief Engineer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	No
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	

SOURCE OF FUNDS: Not applicable	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

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

Prev. Agn. Ref.: 5/24/05 (12.3) | **District:** 4 | **Agenda Number:**

June 14, 2005

Approval of Requested Gate Fee Increase at Edom Hill Transfer Station

Pursuant to Section 5(b) of the Agreement, the Waste Management Department, on behalf of WMOD, requested that the Board set a date of June 21, 2005 for public hearings regarding a Gate Fee rate increase for the Edom Hill Transfer Station and direct the Clerk of the Board to advertise the public hearing through public notice for a minimum of fourteen (14) days pursuant to Section 5(d)(1) of the Agreement.

The maximum increase allowable any one year is equal to 80% of the percent change in the Consumer Price Index (CPI) for all Urban Consumers for the Los Angeles/Anaheim/Riverside Metropolitan Area as published by the United States Department of Labor, Bureau of Labor Statistics for the twelve month period ended December 31 of the year prior to the July 1 effective date. For July 1, 2005 the maximum percent increase in the Gate Fee based on the CPI at December 31, 2004 is 3.5%. In addition, WMOD is seeking an increase under Section 5 (d)(2) – Extraordinary Adjustments. This increase is due to escalating fuel costs further exacerbated by the stipulation in the Agreement that no rate changes can take effect until July 1, 2005. WMOD is requesting an increase equal to 80% of the CPI for the year ended December 2003 or 1.4% to cover the unanticipated increase in operating expenses. All increases are limited to the Operating and Transport Elements per the Agreement.

The requested per ton Gate Fee change is as follows:

Gate Fee Component	Gate Fee per Lease Agreement	Increase based on allowable 2003 CPI*	Increase based on allowable 2004 CPI **	Total Proposed Gate Fee effective July 1, 2005
Service Fee:				
Facility Element	\$.89	Not applicable	Not applicable	\$.89
Operating & Transport Element:	\$9.21	\$.14	\$.33	\$ 9.68
Disposal Fee	\$23.41	Not applicable	Not applicable	\$23.41
City Mitigation Fee	\$ 1.00	Not applicable	Not applicable	\$ 1.00
Total:	\$34.51	\$.14	\$.33	\$34.98

* CPI increase for 2003=

187.0 (Dec. 2003) less 183.7 (Dec. 2002) = 3.3

Percent change = 1.8% Maximum allowable (80%) = 1.4%

** CPI increase for 2004=

195.2 (Dec. 2004) less 187.0 (Dec. 2003) = 8.2

Percent change = 4.4% Maximum allowable (80%) = 3.5%