

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

529



SUBMITTAL DATE:
April 14, 2006

FROM: Waste Management Department

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

RECOMMENDED MOTION: That the Board of Supervisors

1. Introduce the requested Gate Fee changes at Edom Hill Transfer Station (EHTS) as proposed by Waste Management of the Desert (WMOD) in accordance with the Master Lease Agreement (the Agreement) related to operations at the EHTS and entered into on November 5, 2002;
2. Set a date of May 16, 2006 for public hearing regarding the gate fee rate increase for EHTS;
3. 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; and
4. Approve the requested EHTS gate fee increase at the close of the May 16, 2006 public hearing.

BACKGROUND: On November 5, 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.
(cont'd)

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 Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 12.2 (11/5/02)

District: 4

Agenda Number:

3008 VBB 18 BNIS: 02
RECEIVED RIVERSIDE COUNTY

FISCAL PROCEDURES APPROVED
 ROBERT E. BYRD, Auditor-Controller
 BY 4/17/06
 Deputy
 Departmental Concurrence
 APR 17 2006
 FORM APPROVED COUNTY COUNSEL

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. In February, 2006, WMOD wrote the Waste Management Department to communicate their intent to request a rate increase as outlined in the Agreement. Pursuant to Section 5(b) of the Agreement, the Waste Management Department, on behalf of WMOD, is presenting the request to the Board of Supervisors for action.

The Gate Fee at Edom Hill Transfer Station is made up of four component parts. The recapture of the capital investment (i.e. the Facility Element) and the City Mitigation Fee are set by contract. The Disposal Fee element is based on the long term hauling contract that WMOD has with the County and is increasing effective July 1, 2006 by that contract's allowable Consumer Price Index (CPI) increase. The Operating & Transport Element is the only component that WMOD can increase on an annual basis.

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, 2006, the maximum percent increase in the gate fee based on 80% of the change in CPI at December 31, 2005 is 3.6%.

The requested per ton Gate Fee change is as follows:

Gate Fee Component	Gate Fee per Lease Agreement July 1, 2005	Increase based on allowable 2005 CPI *	Total Proposed Gate Fee effective July 1, 2006
Service Fee:			
Facility Element	\$.89	Not applicable	\$.89
Operating & Transport Element:	\$9.68	\$.35	\$ 10.03
Disposal Fee **	\$23.41	Not applicable	\$24.46
City Mitigation Fee	\$ 1.00	Not applicable	\$ 1.00
Total:	\$34.98		\$36.38

* CPI increase for 2005=

$$203.9 \text{ (Dec. 2005) less } 195.2 \text{ (Dec. 2004)} = 8.7$$

$$\text{Percent change} = 4.5\% \quad \text{Maximum allowable (80\%)} = 3.6\%$$

** The Waste Management Department of the County of Riverside is implementing an increase in the landfill disposal fees equal to the LA/Orange/Riverside Metropolitan Area CPI annual change at Dec. 31, 2005 of 4.5%.