

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

130



FROM: Community Health Agency/Department of Environmental Health

SUBMITTAL DATE:
May 12, 2006

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.

BACKGROUND:

Waste Collection Franchise agreements covering all unincorporated portions of Riverside County were phased in between 1997 and 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)

[Signature]
Gary Root, Director

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:	05/06

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**
[Signature: Ana Brandl]

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is set for public hearing on Tuesday, June 27, 2006 at 9:30 a.m.

Ayes: Buster, Tavaglione, Stone, Wilson and Ashley
Nays: None
Absent: None
Date: June 6, 2006
xc: CHA/Env. Hlth., COB(2)

Nancy Romero
Clerk of the Board
[Signature]
Deputy

Prev. Agn. Ref, 7/21/2005

District: all

Agenda Number: 9.1

9.3

FORM APPROVED COUNTY COUNSEL
 MAY 22 2006
 BY *[Signature]* Deputy
 Departmental Concurrence
 ROBERT E. BYRD, Auditor-Controller
 5/24/06

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

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 4.5% for the twelve (12) month period January through December 2005. For basic residential service this results in increases from \$.63 to \$1.28, with an average of \$.69 per month.

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 Rate Changes.
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. Non-Disposal Costs have been adjusted:
 - a. Rates for Areas 2, 5, 6, 7, 8, 9, 10, 11, 12, 13 have been adjusted by 4.5% per the above CPI period.
 - b. Waste Management Inc., operating as the Franchisee for Areas 1, 3 and 4 has requested an increased amount to cover their higher fuel costs. Staff calculated the total increase for the franchisee to be 4.94% which includes the fuel component of the CPI and .44% of added fuel costs. This was based on a review of operating and fuel costs reported by the franchisee.
 - c. Waste Management Inc. is requesting new fees for a minimum charge for the use of roll off containers and unscheduled compactor dumps. Staff has reviewed this proposal and finds it reasonable compared to similar services.
 - d. Waste Management Inc. has negotiated with the Board of Supervisor's First District Staff for the following changes in services and rates for Franchise Area 3A and 4A:
 - i. Discontinue offering a lower rate for seniors and hard to handle areas for green waste collection in Area 4 to be in line with other areas.
 - ii. Lower the residential rate for all customers in Area 3A to a rate equal to Area 4A. This results in a reduction of roughly \$1.48 per month for regular service.
 - iii. Raise the commercial rate for bins and roll off containers by \$.40 per yd³ and \$9.76 a load in Area 3A & 4A.
2. Disposal Costs have been adjusted:
 - a. Franchise Area 2. The rate for disposal at the Robert A. Nelson Transfer Station has been revised from \$35.32 per ton to \$36.04 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.

Form 11: Annual Rate Adjustment for Waste Collection Agreements

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- b. Franchise Areas 10, 11, and 12. The rate for disposal at the Edom Hill Transfer Station has been revised from \$34.83 per ton to \$36.38. This is also 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. The disposal costs for all other areas are adjusted per the revised disposal fees as approved by the Board for the Department of Waste management.

FISCAL

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

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.	November 1, 1997		Cherry Valley, San Timeteo Canyon
8	Waste Management Inc.	July 1, 1997		Idyllwild, Anza, Pinyon
9	CR&R Inc.	November 1, 1997		Cabazon, Whitewater
10	Desert Valley Disposal	October 1, 1998		Painted Hills, North Palm Springs, Desert Haven
11	Waste Management Inc. (1)	October 1, 1998		Sky Valley, Indio Hills, Areas north of I-10, Mecca, Northshore, Salton, Desert Beach
12	Waste Management Inc. (1)	October 1, 1998	A	Thousand Palms
			B	Bermuda Dunes, La Quinta
13	Palo Verde Disposal	November 1, 1997		Palo Verde Valley, Desert Center

(1) Burrtec Waste and Recycling Services LLC has entered into an agreement to acquire the assets of Waste Management Inc. in these areas. The Board of Supervisors has approved the transfer of the Franchise agreements upon the closing date of the Purchase Agreement (Resolution 2006-137, Agenda item 3.6 May 9, 2006)

Table 2. Summary of Basic Adjusted Monthly Residential Rates

Area		2005 Approved Rate	2006 Proposed Rate	Comment
1	A	\$20.37	\$21.33	Includes Green waste
	B	\$18.33	\$19.22	
	C			
2		\$20.14	\$20.98	Includes Green waste
3		\$18.33	\$16.85	
4	A	\$18.82	\$19.71	Includes Green waste
	B	\$19.07	\$19.97	Includes Green waste
5		\$18.66	\$19.50	
6		\$17.40	\$18.18	
7		\$22.99	\$24.02	Includes Green waste
9		\$19.49	\$20.36	
10		\$18.98	\$19.81	
11		\$19.18	\$20.02	
12	A	\$14.46	\$15.09	
	B	\$17.03	\$17.77	
13		\$28.41	\$29.69	

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

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

Landfill	Current rate (Per ton)	2006 Rate (Per ton)	Franchise Area(s) affected
County Standard Landfill Rate	\$30.54	\$31.92	1, 3, 4, 5, 6, 7, 9, 13
County Transfer Rate	\$23.92	\$24.46	8
Robert A Nelson Transfer Station	\$35.32	\$36.04	2
Edom Hill Transfer Station	\$34.83	\$36.38	10, 11, 12