

214



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

SUBMITTAL DATE:
April 9, 2007

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 Burrtec, Inc. 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 8, 2007 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 8, 2007 public hearing to be effective July 1, 2007.

BACKGROUND: On November 5, 2002, the County entered into an agreement with Waste Management of the Desert (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. WMOD sold their rights in the agreement to Burrtec, Inc. in 2006.

Cont'd

Hans W. Kernkamp, General Manager-Chief Engineer

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, Auditor-Controller

BY Deputy
Departmental Concurrence

FORM APPROVED
COUNTY COUNSEL

APR 06 2007

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:	2008

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

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

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

Part of the Agreement between the County and Burrtec, Inc., as Lessee, is that the County Board of Supervisors will approve any gate fee changes following public hearings. In March, 2007, Burrtec, Inc. 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 Burrtec, Inc., 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 Burrtec, Inc. has with the County and is increasing effective July 1, 2007 by that contract's allowable Consumer Price Index (CPI) increase. The Operating & Transport Element is the only component that Burrtec, Inc. 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, 2007, the maximum percent increase in the gate fee based on 80% of the change in CPI on December 31, 2006 is 2.6%.

The requested per ton Gate Fee change is as follows:

Gate Fee Component	Gate Fee per Lease Agreement July 1, 2007	Increase based on allowable 2006 CPI *	Total Proposed Gate Fee effective July 1, 2007
Service Fee:			
Facility Element	\$.89	Not applicable	\$.89
Operating & Transport Element:	\$10.03	\$.26	\$ 10.29
Disposal Fee **	\$24.46	Not applicable	\$25.27
City Mitigation Fee	\$ 1.00	Not applicable	\$ 1.00
Total:	\$36.38		\$37.45

* CPI increase for 2006=

$$210.6 \text{ (Dec. 2006) less } 203.9 \text{ (Dec. 2005)} = 6.7$$

$$\text{Percent change} = 3.3\% \quad \text{Maximum allowable (80\%)} = 2.6\%$$

** 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 on Dec. 31, 2006 of 3.3%.