

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

112



SUBMITTAL DATE:
April 24, 2008

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 June 3, 2008 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 June 3, 2008 public hearing to be effective July 1, 2008

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.

(Continued)

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:	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

BY:

Alex Gann

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Wilson, seconded by Supervisor Buster and duly carried, IT WAS ORDERED that the above matter is approved as recommended and is set for public hearing June 3, 2008 at 1:30 p.m.

Ayes: Buster, Stone, Wilson and Ashley
 Nays: None
 Absent: Tavaglione
 Date: May 6, 2008
 xc: Waste Mgmt., COB₍₂₎

Nancy Romero
 Clerk of the Board
 By:
 Deputy

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

12.1

Departmental Concurrence

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

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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. On April 17, 2008, 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, 2008 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 in any one year is equal to 80% of the percent change in the 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, 2008, the maximum percent increase in the gate fee based on 80% of the change in CPI on December 31, 2007 is 3.3%.

The requested per ton Gate Fee change is as follows:

Gate Fee Components	Gate Fee per Lease Agreement July 1, 2007	Increase based on allowable 2007 CPI *	Total Proposed Gate Fee effective July 1, 2008
Facility Element	\$.89	Not applicable	\$.89
Operating & Transport Element:	\$10.29	\$.34	\$ 10.63
Disposal Fee **	\$25.27	Not applicable	\$26.32
City Mitigation Fee	\$ 1.00	Not applicable	\$ 1.00
Total:	\$37.45		\$38.84

* CPI increase for 2007=

$$1 + ((219.4 - 210.6) / 210.6) = 1.04166$$

$$\text{Percent change} = 4.166\% \quad \text{Maximum allowable (80\%)} = 3.33\%$$

** The Riverside County Waste Management Department is planning to implement an increase in the landfill disposal fees equal to the LA/Orange/Riverside Metropolitan Area CPI annual change (Dec. 31, 2007) of 4.166% on July 1, 2008.