

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

460



SUBMITTAL DATE:
April 21, 2011

FROM: Waste Management Department

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

RECOMMENDED MOTION: That the Board of Supervisors:

1. Introduce the requested Gate Fee changes at the Edom Hill Transfer Station (EHTS) as proposed by Burrtec Recovery and Transfer, LLC (Burrtec), in accordance with the Master Lease Agreement (the Agreement) related to operations at the EHTS entered into on November 5, 2002 (and assigned to Burrtec as approved by the Board of Supervisors on May 23, 2006); and
2. Set a date of May 24, 2011, for public hearing regarding the gate fee rate increase for EHTS; and
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 24, 2011, public hearing to be effective July 1, 2011

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 Recovery and Transfer, LLC (Burrtec) in 2006. (Continued)

[Signature]
Joseph R. McCann, Assistant Chief Engineer for
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:	2012

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: *[Signature]* for Alex GANN
Michael R. Shetler

County Executive Office Signature

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

12.1

FORM APPROVED COUNTY COUNSEL BY: NEAL R. KIPNIS DATE: 4/21/11

Departmental Concurrence

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

The Agreement between the County and Burrtec., as Lessee, states that gate fee adjustments are to be approved by the County Board of Supervisors following a public hearing. On April 5, 2011, Burrtec, contacted 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, 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 fixed by contract. The Disposal Fee element is based on the long-term hauling contract that Burrtec, has with the County and can be increased by that contract's allowable Consumer Price Index (CPI) increase. At the recommendation of the Waste Management Department, the Board approved that long-term hauling contract rates remain at FY 2011 levels for the new fiscal year. The Operating & Transport Elements are the only components that can be increased for FY 2012.

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, 2011, the maximum percent increase in the gate fee based on 80% of the change in CPI on December 31, 2010 is 1.07%.

The requested per ton Gate Fee change is as follows:

Gate Fee Components	Gate Fee per Lease Agreement July 1, 2010	Increase based on allowable 2010 CPI *	Total Proposed Gate Fee effective July 1, 2011
Facility Element	\$.89	Not applicable	\$.89
Operating & Transport Elements:	\$10.80	\$.12	\$10.92
Disposal Fee **	\$26.35	\$.00	\$26.35
City Mitigation Fee	\$ 1.00	Not applicable	\$ 1.00
Total:	\$39.04		\$39.16

* CPI increase for 2010=

$$(226.639 - 223.643) / 226.639 = 0.0134$$

$$\text{Percent change} = 1.34\% \quad \text{Maximum allowable (80\%)} = 1.07\%$$

** As presented to the Board of Supervisors on April 26, 2011, landfill disposal fees will remain at FY 2011 levels.