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

**FROM:** Community Health Agency/Department of Environmental Health

**SUBMITTAL DATE:**  
March 19, 2012

**SUBJECT:** Annual Rate Adjustment to the Waste Collection Agreements for Riverside County

**RECOMMENDED MOTION:** That the Board of Supervisors:

- 1) Introduce and set for public hearing the adoption of Resolution No. 2012- 076 Adjusting Waste Hauler Fees for All Franchise Areas;
- 2) Authorize the Clerk of the Board to place an advertisement for the public hearing in the appropriate local publications; and
- 3) Upon the close of the Public Hearing, adopt Resolution No. 2012-076 Adjusting Waste Hauler Fees for All Franchise Areas.

**BACKGROUND:** Waste Collection Franchise Agreements covering all unincorporated portions of Riverside County were phased in between 1997 and 1999. In each of the thirteen 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.

Steve Van Stockum, Director

(continued)  
SVS:JW

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	N/A	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	12/13

<b>SOURCE OF FUNDS:</b> Contract revenue and department budget	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

APPROVE

**C.E.O. RECOMMENDATION:**

BY:   
Debra Cournoyer

County Executive Office Signature

FISCAL PROCEDURES APPROVED  
BY: PAUL ANGUILO, CPA, AUDITOR-CONTROLLER  
RUSSELL S. DOMINSKI 3-17-12

FORM APPROVED COUNTY COUNSEL  
DATE: 3/6/12  
BY: ERIC STOPHER  
Departmental Concurrence

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

Prev. Agn. Ref.: 3/29/11 3.10

District: All

Agenda Number:

3.9

## **BACKGROUND (continued):**

The adjustment allows a "pass through" for any changes to landfills including the Alternative Daily Cover (ADC) surcharge or transfer station fees, and a cost of living increase, based on Consumer Price Index for All Urban Consumers (CPI), for the balance of the rate. All non-disposal costs are adjusted by the CPI for the Los Angeles/Anaheim/Riverside Metropolitan Area, as published by the United States Department of Labor, Bureau of Labor Statistics. The proposed rates implement the adjustment methodology using a CPI of 2.2% for the twelve (12) month period January 2011 through December 2011.

## **PROPOSED ADJUSTMENT DETAILS**

The proposed rate adjustments are a 2.2% increase for all Franchise Areas (1-13), based on the CPI, as described above.

One of the solid waste hauling companies has requested additional changes to their rate structure to cover the costs to provide services. These services were either provided for no charge in the past, were provided at a rate that did not cover the cost, or is a new service. This will affect Franchise 1, 3, 4 and 8 serviced by Waste Management Inc. which are within portions of the Board of Supervisors' Districts 1, 2, 3 and 5. The changes/additions are as follows:

1. Tax Roll Administrative Charge –This will establish a charge of \$30.00 to cover the costs associated with the compliance of Ordinance 745 and the Board of Supervisor's direction to notify residents and property owners multiple times of unpaid balances for waste hauling. This amount would be added to the tax roll upon the Department of Environmental Health's submission of unpaid trash charges to the Assessor's Office once per year.
2. Recycle Contamination Charge – This will establish a charge that is to be assessed when an excessive amount of solid waste has been placed in the recyclable container, thereby rendering it useless for recycling and requiring a separate solid waste truck to be dispatched to pick up the waste. The amount of the charge would be the same amount as the fee currently charged for an *Unscheduled Extra Pickup- Separate trip*.
3. Mixed C & D Haul Charge – This will establish a charge that is to be assessed when a separate container is requested for construction and demolition waste (C & D). The \$300.00 charge would cover the additional processing required to sort through the material. The provision of this specially requested service will assist contractors to achieve LEED certification of their building and optimize their recycling efforts during construction.

## **SUMMARY**

The approval of the proposed 2.2% increase would raise the typical residential rate in the Franchise Areas approximately \$0.02 to \$0.05 per month. The changes to the rate structure for Franchise 1, 3, 4 and 8 would be assessed only upon the meeting of the stated conditions, and will not result in an increase for the typical customer.

The detailed rate sheets will be provided to the Clerk of the Board upon completion of the final calculations no later than July 31, 2012.

## **FISCAL**

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

2 **RESOLUTION NO. 2012-076**

3 **A RESOLUTION OF THE COUNTY OF RIVERSIDE ESTABLISHING**

4 **WASTE HAULER FEES FOR ALL FRANCHISE AREAS**

5 WHEREAS, California Government Code section 25827 authorizes the Board of Supervisors to  
6 prescribe terms and conditions for the collection of solid waste in the unincorporated areas of Riverside  
7 County; and

8 WHEREAS, California Public Resources Code section 40059 authorizes the County of Riverside  
9 to determine all aspects of solid waste handling which are of local concern, including whether the services  
10 are to be provided by nonexclusive franchise, and the charges and fees for such service; and

11 WHEREAS, Riverside County Ordinance 745 has established that a solid waste hauler, duly  
12 permitted or franchised by the County of Riverside pursuant to the provisions of Riverside County  
13 Ordinance No. 657, shall be entitled to payment for services rendered in the amounts as specified in a  
14 Resolution adopted by the Board of Supervisors; and

15 WHEREAS, the Board of Supervisors recognizes the benefits of entering into Waste Hauler  
16 Franchise Agreements for the efficiency of solid waste management; and

17 WHEREAS, the County of Riverside has entered into Waste Hauler Franchise Agreements with 5  
18 waste haulers to cover Franchise Areas 1 through 13; and

19 WHEREAS, each Waste Collection Franchise Agreement covering Franchise Areas 1 through 13,  
20 contains a provision for an annual adjustment of the rates customers are charged based on the consumer  
21 price index ("CPI");

22 WHEREAS additional reasonable charges have been requested by the waste hauler for Franchise  
23 Area 1, 3, 4 and 8 to cover the cost associated with compliance of Ordinance 745 and the Board of  
24 Supervisor's direction. Specifically, to allow for the charging of a \$30.00 administrative fee, to be  
25 assessed on the tax roll, that would apply to residents and property owners who have multiple instances  
26 of unpaid balances; to establish a rate for instances when a commercial recyclable container contains  
27 excessive solid waste, in an amount that is the same as the rate for unscheduled Extra Pickup – Separate  
28 trip; and, to establish a Mixed Construction and Demolition (C&D) waste rate of \$300.00 to cover

1 excessive solid waste, in an amount that is the same as the rate for unscheduled Extra Pickup – Separate  
2 trip; and, to establish a Mixed Construction and Demolition (C&D) waste rate of \$300.00 to cover  
3 processing costs of recycled materials.

4 WHEREAS, the Board of Supervisors acknowledges the need for the CPI increase of the hauler  
5 fees to meet the needs of cost of living increase, and added costs of providing these new services;

6 BE IT RESOLVED AND ORDERED that the Board of Supervisors of the County of Riverside,  
7 State of California, in regular session assembled on \_\_\_\_\_, finds that the waste hauler fees in  
8 Franchise Areas 1-13 shall receive an increase, based on the CPI of 2.2% to the service component of  
9 their fees for fiscal year 2012-2013; and the additional revisions noted above;

10 BE IT FURTHER RESOLVED AND ORDERED that a copy of the increased waste rates  
11 specifying the new rate for each service area pursuant to this Resolution be received and filed to the Clerk  
12 of the Board of Supervisors no later than July 31, 2012.

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