

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

527



FROM: Community Health Agency/Environmental Health Department
and Waste Management Department

SUBMITTAL DATE:
April 11, 2012

SUBJECT: Desert Center Area Collection and Disposal

RECOMMENDED MOTION: That the Board:

1. Approve the attached Second Amended Exclusive Waste Delivery Agreement for Franchise Area 13 between CR&R and the Waste Management Department; and
2. Authorize the Chairman to execute the attached Second Amended Exclusive Waste Delivery Agreement for Franchise Area 13 on behalf of the Waste Management Department; and
3. Introduce and set for public hearing the adoption of Resolution No. 2012-110 Adjusting Waste Hauler Fees for the Desert Center community of Franchise Area 13; and (continued)

Steve Van Stockum

Steve Van Stockum, Director
Environmental Health Department

Hans Kernkamp

Hans Kernkamp, General Manager-Chief Engineer
Waste Management Department

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:	11/12

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

BY: *Debra Cournoyer*
Debra Cournoyer

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL 12/12
BY: NEAL R. KIPNIS DATE Departmental Concurrence

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

Prev. Agn. Ref.: 10.2 (4/10/01);
12.1 (6/28/11); 2.10 (11/1/11) | District: 4/4 | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.7

RECOMMENDED MOTION (Cont):

4. Authorize the Clerk of the Board to place an advertisement for the public hearing date of June 5, 2012, in the appropriate local publications; and
5. Upon the close of the public hearing on June 5, 2012, adopt Resolution No. 2012-110 Adjusting Waste Hauler fee for the Desert Center community of Franchise Area 13.

BACKGROUND: On April 10, 2001, the County entered into a Collection and Disposal Agreement for the Desert Center area with Palo Verde Valley Disposal Service for the purpose of providing consideration caused by the reduced operational schedule at the Desert Center Landfill. Consideration included a monthly subsidy and free disposal for Desert Center area waste at the Blythe Landfill in exchange for providing a residential collection rate just slightly below the CSA #51 collection rates in effect at that time. The agreement term was set to expire on July 1, 2011, and Waste Management Department and Environmental Health staff have been in discussions with the hauler regarding future Waste Management Department subsidies and residential collection rates. An extension of six months was requested, and granted by the Board on June 28, 2011, in order to finalize discussions and provide adequate notification to Desert Center residents in regard to changes in collection rates.

During the extended period, staff learned that Palo Verde Valley Disposal Service has been sold to CR&R, Incorporated. An extension of three additional months was requested, and granted by the Board on December 6, 2011, to finalize discussions and provide adequate notification to Desert Center residents.

The Collection and Disposal Agreement for the Desert Center Area has expired and the parties have been operating month to month under its provisions until a replacement program can take effect on July 1, 2012.

SUMMARY: The parties have reached an agreement for the Board's consideration in moving forward, starting July 1, 2012:

- 1) The two County subsidies to the refuse hauler will end. There will no longer be free disposal of Desert Center trash at the Blythe landfill and the monthly subsidy of \$2,300 will end. Desert Center self haulers will no longer be allowed free disposal at the Blythe and Mecca Landfills. Self haulers will come under the County landfill fee system.
- 2) The current monthly rate for the collection of residential refuse in the Desert Center area (\$18.71) is to be increased annually by 4.85% in each of the first seven years in order to draw closer to the Hard to Service residential rate for Franchise Area 13 (\$34.95 regular and \$32.19 for senior), as noted in Resolution No. 2012-110. The rate will also be increased by the Consumer Price Index (CPI) as determined by the Board of Supervisors on an annual basis.

- 3) The commercial monthly rates for non state agencies will not change. However, these rates are still subject to annual adjustment based on the the CPI each year (including July 1, 2012) as determined by the Board of Supervisors in regard to the County Franchise Agreements.
- 4) The commercial monthly rates for state agencies will remain unchanged and will not be subject to adjustment by the CPI until such time as the non-state agency commercial rates reach the same rate as the state agency commercial rates.
- 5) Notwithstanding the changes listed above, all residential and commercial rates (whether state agency or non-state agency) are subject to be increased based on an increase in the landfill disposal fee charged by the Department of Waste Management as determined by the Board of Supervisors (such an increase is planned to occur on July 1, 2012).

County staff attended the Riverside County Service Area (CSA) 51 Advisory Committee meeting on March 15, 2012, and discussed the proposed change to the Desert Center Area trash service.

Related Changes to the Exclusive Waste Delivery Agreement for Franchise Area 13 are minor and have been made on the attached Second Amended Exclusive Waste Delivery Agreement.

Pursuant to CEQA Guidelines Section 15273 (Rates, Tolls, Fares, and Charges), the proposed amendment to the Waste Delivery Agreement is found to be statutorily exempt from CEQA. A Notice of Exemption to this effect will be filed with the County Clerk upon Board of Supervisors approval.

SECOND AMENDED EXCLUSIVE WASTE DELIVERY AGREEMENT

THIS AGREEMENT, made and entered into as of the ____ day of _____, 2012, by and between the COUNTY OF RIVERSIDE, a subdivision of the State of California ("County"), and CR&R, Incorporated("Collector"), having a principal place of business at 14701 S. Broadway, Blythe, CA 92225.

The parties to this SECOND AMENDED EXCLUSIVE WASTE DELIVERY AGREEMENT desire to amend it substantially in its entirety. This document constitutes an amendment of the FIRST AMENDED EXCLUSIVE WASTE DELIVERY AGREEMENT (dated April 10, 2001) and the parties agree that none of the provisions of the FIRST AMENDED EXCLUSIVE WASTE DELIVERY AGREEMENT shall have any effect whatsoever except to the extent they are specifically restated herein.

County maintains a system of landfills ("System Facilities") and desires to contract for exclusive long-term solid waste delivery services to the System Facilities.

Collector is currently authorized to collect Solid Waste, Recyclable Materials, and/or Green Waste in specified portions of the unincorporated area of Riverside County. Collector desires to provide Solid Waste to the System Facility(ies) on the terms hereof.

In consideration of the mutual covenants and agreements as hereinafter set forth, County and Collector enter in this Agreement, including all appendices attached hereto.

SECTION 1. GEOGRAPHIC AREA

This Agreement pertains to the Collector's service area within Franchise Area 13, as defined in Collector's franchise with Riverside County ("County").

SECTION 2. DEFINITIONS

A. System Facility

"System facility" means a solid waste management facility that is owned and/or operated by the County, or with which the County has entered into an agreement, to be used by the Collector for the processing, recovery, transfer and/or disposal of Solid Waste.

SECTION 3. COLLECTOR OBLIGATIONS

Collector shall:

- A. Deliver all Solid Waste, collected pursuant to the franchise agreement(s) with the County to the Blythe Landfill ("Designated System Facility"), utilizing commercial waste hauling vehicles (compacted/uncompacted), or if required by the County, deliver all Solid Waste, to an alternative System Facility designated by the County.
- B. Collector shall not dispose of waste collected within Franchise Area 13, as defined in Collector's franchise with Riverside County, to any facility not owned or operated by the County.
- C. Collector hereby agrees during the Term of this Agreement to deliver Solid Waste it collects anywhere within cities or other agencies within the County of Riverside for which it has the right to control the disposal destination, to System Facilities providing the agency it is servicing does not express opposition to such direction by action taken by the agency's governing board.
- D. Collector shall not dispose of collected marketable recyclable products at the Designated System Facility without prior written approval from the County, or violate any state statute or local ordinance regarding the handling and storage of the recyclable materials.
- E. In the event that Collector commingles Solid Waste from the Unincorporated area of the County along with Solid Waste from incorporated Cities in the same truck, Collector may satisfy the requirements of A above, by delivering an amount of such commingled Solid Waste equal to, or greater than, the amount of Solid Waste collected from the Unincorporated area.
- F. Institute a load checking and inspection program using a reasonable level of effort for the purpose of detecting unacceptable solid waste, such as hazardous and biomedical waste. Collector shall exercise due care and make reasonable business efforts and be responsible for ensuring the solid waste delivered by it to the Designated System Facility does not contain unacceptable waste.

- G. Pay all System Facility fees in accordance with the terms of the Deferred Payment Agreement executed with the County. Said agreement extends the privilege to Collector of deferring payment of disposal fees and defines the terms of payment by Collector to the County.

SECTION 4. COUNTY OBLIGATIONS

County shall:

- A. Designate the Facility to which Collector shall deliver Solid Waste collected pursuant to the applicable franchise agreement(s) with the County and designate the Green Waste diversion facility to which Collector shall deliver Green Waste, if Collector is operating a source separated Green Waste collection program and the facility which the County designates is lower cost (including transportation and tip fee) than Collector's current Green Waste facility.
- B. Notify Collector at least thirty (30) calendar days in advance (except during emergency situations) of necessary changes of the Designated System Facility. Location, duration, hours of operation and other specifications for use of the alternative Designated System Facility will be addressed in this notification.
- C. Accept Solid Waste, delivered by Collector to the Designated System Facility, or to an alternative Designated System Facility, for disposal.
- D. Notify Collector forty-five (45) calendar days in advance of any proposed increases in the rates charged at the Designated System Facility.

SECTION 5. PREFERENTIAL RATE

A. Except as provided in paragraph 5B below, County will accept Solid Waste from Collector at its lowest rates approved by the County Board of Supervisors which shall be \$34.37 per ton on the effective date for waste delivered to the Designated System Facility in commercial waste hauling vehicles (compacted/uncompacted) unless the delivered load requires payment of a special handling charge. County agrees not to impose any differential surcharges on Collector during the term of this agreement for Solid Waste, collected from the unincorporated portion of the County in Franchise Area 13, such as may be imposed on a Collector or permittee not entering into a waste delivery agreement with the County, but this rate may be revised by County in the event of a change in law or regulations after the effective date of this Agreement affecting County's landfill costs.

The disposal fee will be subject to adjustment annually every July 1st following public hearings. The first adjustment may be made on July 1, 2012. The maximum increase allowable any one year will be equal to the percent change in the Consumer Price Index (CPI). Computation of the change in the CPI will be made according to the following methodology.

1. Said computation shall be equal to the change in the Consumer Price Index for all Urban Consumers (CPI-U) for the Los Angeles/Anaheim/Riverside Metropolitan Area, (1982-84 = 100), as published by the United States Department of Labor, Bureau of Labor Statistics. Said change shall be measured for the twelve (12) month period January through December. The first increase may be effective July 1, 2012, based upon changes in the CPI formula for the period January, 2011 through December, 2011.

B. Tires collected legitimately as part of Illegal Dumping Retrieval Services shall be charged the regular refuse rate (i.e. \$34.37/ton at the effective date of this franchise), instead of the hard-to-handle tire rate.

SECTION 6. IMPORTATION OF OUT-OF-COUNTY WASTE

Collector may import out-of-County waste in an amount not to exceed an average of ten (10) tons per day providing, however, County retains the right to terminate all such imports upon thirty (30) days notice. All imports shall be reported at the gate and shall be charged the normal price per ton for disposing waste at the Blythe Landfill, plus an import charge. The import charge shall be initially set at \$5.00 per ton as compensation for increased costs incurred as a result of the importation with the revenue to be used for County's unfunded liabilities for closure, postclosure, and remediation costs. This fee may be revised at the sole discretion of the County's Board of Supervisors upon thirty (30) days notice.

SECTION 7. ASSIGNMENT

No assignment of this Agreement, or delegation of duties hereunder, whether voluntary or involuntary shall be made in whole or in part without the prior written approval of the County.

SECTION 8. NOTICES

All notices, demands, requests, or other communications between the parties shall be in writing and addressed as follows:

If to County: Riverside County Waste Management Department
14310 Frederick Street
Moreno Valley, CA 92553

If to Collector: Alex Braicovich
Senior Region Vice-President
CR&R, Inc.
P.O. Box 1208
Perris, CA 92572

SECTION 9. ENTIRETY

County and Collector agree that this Agreement and the separately executed agreement between the County and Collector for the collection and transportation of solid waste and other specified services, represent the full and entire agreement between the parties hereto with respect to matters covered herein. This Agreement supersedes any and all other communications, representations, proposals, understandings or agreements, either written or oral, between the parties hereto with respect to such subject matter.

SECTION 10. TERM

This Agreement shall become effective upon the date stated in the first paragraph of the Agreement and shall continue in full force and effect for the term of Collector's applicable franchise agreement, including extensions, with Riverside County.

SECTION 11. EFFECTIVE DATE

Regardless of the date(s) of signature for this agreement, the agreement is effective on the first day of July 2012 providing, however, the related changes to the Franchise Collection Agreement for Franchise Area 13 have been completed.

[Remainder of page intentionally left blank. Text continues on next page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date hereof.

COUNTY:

County of Riverside

COLLECTOR:

CR&R, Inc.

BY: _____

TITLE: _____

DATE: _____

BY:  _____

TITLE: Division President

DATE: 4/11/12

APPROVED AS TO FORM:

County Legal Counsel

DATE:  _____

ACKNOWLEDGMENT

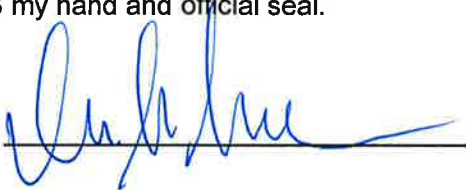
State of California
County of Orange)

On 04/11/2012 before me, Kim U. Nguyen, Notary Public
(insert name and title of the officer)

personally appeared David Erich Fahrion,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)



2 **RESOLUTION NO. 2012-110**

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

4 **WASTE HAULER FEES FOR THE COMMUNITY OF DESERT CENTER IN FRANCHISE AREA 13**

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

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

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

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

18 WHEREAS, the County of Riverside has entered into Waste Hauler Franchise Agreements with
19 the waste haulers that covers the Desert Center community of Franchise Areas 13; and

20 WHEREAS, the County subsidy to provide low cost waste collection service in the Desert Center
community shall end;

21 WHEREAS, the Board of Supervisors acknowledges the need for the increase of 4.85% of the
22 residential rate for the next seven years in addition to the usual annual Consumer Price Index (CPI)
23 increase to lessen the effect of the end of the subsidy on the residents;
24

25 BE IT RESOLVED AND ORDERED that the Board of Supervisors of the County of Riverside,
26 State of California, in regular session assembled on _____, finds that the residential waste
27 hauler fees in the community of Desert Center in Franchise Area 13 shall receive an increase of 4.85% to
28 the service component of their fees beginning fiscal year 2012-2013 and for the next seven fiscal years;

FORM APPROVED COUNTY COUNSEL
BY:  ERIC STOPHER
DATE: 4/12/12

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

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