

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



**FROM:** Supervisor Stone

**SUBMITTAL DATE:** February 15, 2013

**SUBJECT:** ARREARS Acquire Retroactive Rents Enhancing Accounts Receivable Strategy

**RECOMMENDED MOTION:** That the Board of Supervisors Join Me to Approve and:

1. Direct the Executive Office, County Counsel and Waste Management Department (Waste) to execute a lease for the Badlands and Lamb Canyon landfills to include present and future rent, and to retroactively recover rent payments not collected in the past in accordance with applicable laws;
2. Direct the Executive Office and Waste to research and report back on any other rent owed from Waste to the General Fund;
3. Reconsider the Board's decision to withdraw its bid to import LA County trash;
4. Direct Waste to pursue any other import opportunities and present the Board with contracts for their consideration; and,
5. Direct the Auditor Controller to make the budget adjustments on Attachment A, committing \$9,380,504 for legal settlements and moving \$6,019,496 to contingency.

**BACKGROUND:** The Board of Supervisors held a workshop on February 26, 2013 to discuss the Riverside County Solid Waste System.

Mr. Kernkamp's options to assist the general fund included monies owed to the general fund for rent, monies that could be loaned to the general fund, and other potential options to generate new revenue. Rent owed will be at least \$15.4 million plus another \$1 million ongoing. The enterprise fund could also provide a loan to the general fund of about \$50 million.

We should capture known revenue now to cover the costs expected for tax fee settlements and an advance recently provided to one of our cities.

Finally, upon further reflection, I hope the Board will agree with me that we should not withdraw our bid to import LA County trash. Should our bid be accepted, we will debate at that time whether or not it makes sense to enter into a contract.

(See Attachment A on page 2)

Jeff Stone, Third District Supervisor

Attachment A

ARREARS Acquire Retroactive Rents Enhancing Accounts Receivable Strategy

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Increase Estimated Revenue 10000-1101000000-741000	Rents	\$15,400,000
Increase Appropriations 10000-1109000000-581000	Contingency	\$6,019,496
Increase Unassigned Fund Balance 10000-1000100000-330155	Committed fund balance – Legal Liabilities	\$9,380,504