

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



FROM: Waste Management Department

SUBMITTAL DATE:
May 28, 2014

SUBJECT: Public Hearing for Approval of Requested Gate Fee Increase at Edom Hill Transfer Station, District 4/4 [\$0]

RECOMMENDED MOTION: That the Board of Supervisors approve the requested Edom Hill Transfer Station (EHTS) gate fee increases at the close of the June 3, 2014, public hearing, to be effective July 1, 2014.

BACKGROUND:

Summary

On May 6, 2014, the Board approved the introduction of the requested Gate Fee changes at the EHTS as proposed by Burrtec Recovery and Transfer in accordance with the Master Lease Agreement related to operations at the EHTS and entered into on November 5, 2002. The public hearing was set for June 3, 2014.

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 (Burrtec) in 2006. (continued)


Hans Kernkamp
General Manager-Chief Engineer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ N/A	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ N/A	
SOURCE OF FUNDS: N/A				Budget Adjustment: No	
				For Fiscal Year: 14/15	

C.E.O. RECOMMENDATION:

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- Positions Added
- Change Order

- A-30
- 4/5 Vote

Prev. Agn. Ref.: 12-1C (5/6/14) | District:4/4 | Agenda Number:

COUNTY
12-1

Departmental Concurrence

BACKGROUND:
Summary (continued)

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 15, 2014, 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 the 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 is scheduled to be increased effective July 1, 2014. 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, 2014, the percent increase in the Operating and Transport element of the gate fee, based on 80% of the change in CPI on December 31, 2013 is 0.92%.

The proposed adjustments are summarized below:

Gate Fee Components	Gate Fee per Lease Agreement July 1, 2013	Increase based on 2013 CPI *	Total Proposed Gate Fee effective July 1, 2014
Facility Element	\$0.89	N/A	\$0.89
Operating Element	\$5.49	\$0.05	\$5.54
Transport Element	\$6.46	\$0.06	\$6.52
Disposal Fee	\$27.44	\$0.31**	\$27.75
City Mitigation Fee	\$ 1.00	N/A	\$ 1.00
Total:	\$41.28	\$0.42	\$41.70

*80% of CPI for 12 month period ending December 2013

**Approved by BOS on May 6, 2014

Impact on Residents and Businesses

The Edom Hill Transfer Station is an essential service facility that provides a necessary outlet for solid waste in the Coachella Valley. The proposed rate increase, based on 80% of CPI, will result in a small cost increase to customers of the facility.

Contract History and Price Reasonableness

The lease agreement between the County and the lessee was competitively bid and awarded based largely on the gate rates proposed at that time. The gate rate proposed under this action remains the lowest transfer station rate in Riverside County.