

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

338



FROM: Department of Waste Resources

SUBMITTAL DATE:
September 22, 2015

SUBJECT: Anza Transfer Station Lease Amendment No. 1 and Consent to Assignment of Master Leases for Anza, Idyllwild and Pinyon Flats Transfer Stations to CR&R Incorporated, District 3 [\$0 – Department of Waste Resources Enterprise Funds], CEQA Exempt

RECOMMENDED MOTION: That the Board of Supervisors:

1. Consent to the Assignment from USA Waste of California (USA Waste), as Assignor, to CR&R Incorporated (CR&R) as Assignee for the Anza, Idyllwild and Pinyon Flats lease; and
2. Authorize the General Manager-Chief Engineer to execute the Consent to the Assignment of the Master Leases and other documents necessary to complete this transaction, upon legal counsel's review and approval of the required insurance and bonds; and
3. Approve Amendment No. 1 to the Anza Transfer Station Master Lease between CR&R and the County of Riverside (COUNTY); and
4. Authorize the Chairman to execute the Amendment to the Agreement on behalf of the Department; and
(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 | \$ 0 | Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/> |
| NET COUNTY COST | \$ | \$ | \$ | \$ | |

SOURCE OF FUNDS: _____ **Budget Adjustment:** _____
For Fiscal Year: _____

C.E.O. RECOMMENDATION: APPROVE
County Executive Office Signature BY: 
 Steven C. Horn

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
 BY: 
 GREGORY P. PRIAMOS
 DATE: 9/23/15
 Departmental Concurrence

- A-30
- 4/5
- Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 12.2 (6/16/09); 10.3 (4/11/00) | **District:** 3 | **Agenda Number:** 12-3 **COUNTY**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Anza Transfer Station Lease Amendment No. 1 and Consent to Assignment of Master
Lease for Anza, Idyllwild and Pinyon Flats Transfer Stations to CR&R Incorporated, District 3 [\$0 –
Department of Waste Resources Enterprise Funds], CEQA Exempt.**

September 22, 2015

PAGE: 2 of 2

Recommended Motions (Continued)

5. Authorize the Chairman to execute the attached Waste Delivery Agreement on behalf of the Department; and
6. Find that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities; and 15061(b)(3).

BACKGROUND:

Summary

The County entered into a Master Lease with USA Waste on June 16, 2009 for the operation of the Anza Transfer Station. The master lease commenced on December 1, 2008, and was for a seven (7) year term. CR&R is acquiring the exclusive rights for waste disposal services in Franchise Area 8 from USA Waste, which results in the need to assign the Anza, Idyllwild, and Pinyon Flats Master Leases from USA Waste to CR&R. Along with the consent to assign the leases to CR&R, the related Waste Delivery Agreement (WDA) that requires the waste be delivered to the County waste system and rides with the term of the Franchise Area, has also been revised.

In addition, the County and CR&R Inc. desire to amend the Anza Master Lease to extend the term ten (10) years, as well as provide additional operational services at the transfer station, including: an Anti-freeze, Battery, Oil, and Paint (ABOP) collection service to operate one weekend per month during the facility's normal hours of operation (the ABOP collection will include a "PaintCare" program in order to accept oil-based paint); a load-check program to prevent hazardous waste from entering landfills; and, two (2) tire collection events per year.

California Environmental Quality Act (CEQA) Findings

Approval of both the proposed amendment to the Anza Transfer Station Master Lease and revised WDA, in addition to consent to assignment of the Master Leases for the Anza, Idyllwild, and Pinyon Flats transfer stations to CR&R (Project), have been reviewed and determined to be exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) and Section 15301 (Existing Facilities). County consent to the assignment of the Anza and Idyllwild/Pinyon Flats transfer station leases, as well as the proposed amendment to the WDA, are purely administrative actions, and would not have a significant adverse effect on the environment. The additional operational services contemplated in the lease amendment involve activities commonly associated with an active transfer station and represents a negligible expansion of existing uses. A Notice of Exemption to this effect will be filed with the County Clerk upon Project approval.

Impact on Residents and Businesses

The amended master lease, consent to assignment and amended WDA will allow the waste services to the mountain community to continue uninterrupted and in an orderly fashion, while also providing additional benefits to residents at the Anza Transfer Station by offering household hazardous waste and tire collection services.

Contract History and Price Reasonableness

Not applicable.

1 another lease agreement at the end of the term, providing however, nothing herein implies any
2 commitment whatsoever on the part of the COUNTY to execute another lease.

3
4 2. **Section 2(c) and 2(d)** of the MASTER LEASE are replaced as follows:

5 (c) LESSEE shall operate a household hazardous waste (HHW) collection site at the
6 Facility, paying for operations and disposal costs of the HHW. This collection site will be the
7 ABOP (i.e. Antifreeze, Batteries, Oil and Paint) variety (accepting up to 15 gallons of liquid
8 waste or a total of 125 pounds with multiple trips allowed) and will be open during the second
9 weekend of each calendar month (a total of twelve weekends per year). The ABOP shall be for
10 residential waste only and proof of residency will be required. Proof of residency will be in the
11 form of a valid picture identification and a recent utility bill showing residence in the Anza area.
12 In order to accept oil-based paint, LESSEE agrees to participate in the "PaintCare" program as
13 well (which will also serve to reduce costs associated with the acceptance of all paint products).

14 After one year of operations, LESSEE and COUNTY agree to review the proposed
15 operating frequency in order to review costs and evaluate the need for additional operating
16 frequency of the ABOP service.

17 LESSEE will implement a rigorous load checking program to prevent hazardous
18 materials from being disposed of in the bins and being brought to the landfill. LESSEE shall
19 transfer any non-ABOP type of hazardous waste received and generated at this site and
20 identified through its load check program with no charge to COUNTY. ABOP materials
21 generated at the site or identified during load checking activities shall be the responsibility of
22 LESSEE. LESSEE is responsible for providing staff at the Facility for load checking, and shall
23 be receptive to periodic unannounced site inspections by COUNTY personnel to confirm
24 compliance.

25 (d) LESSEE will be responsible for staffing the entire Facility, maintaining the spare parts
inventory, supplying consumables, providing mobile operations equipment, transferring residue,

1 and providing all other accommodations. Furthermore, with the exception of COUNTY reviews
2 for contract compliance, the LESSEE shall secure, pay for and maintain all certificates, permits,
3 government fees, licenses, and Local Enforcement Agency charges and any other inspections
4 necessary for the operation of the Facility (the Approvals) COUNTY shall take all actions as
5 appropriate to assist and coordinate with LESSEE in LESSEE'S efforts to secure and maintain
6 the Approvals. The LESSEE will be responsible for all costs associated with the operations
7 including but not limited to accounting, purchasing, payroll, personnel, and material marketing
8 functions and general and administrative overhead costs. In addition, the LESSEE will be
9 responsible for all costs of electricity, water, and other utilities required for operations. The
10 LESSEE will also pay for all taxes relating to the project.

11
12 3. **Section 2(f)** of the MASTER LEASE is replaced with the following:

13 (f) LESSEE shall sponsor and pay for at least 2 tire events (minimum of 6 bins each) on
14 an annual basis. LESSEE shall use its best efforts to advertise each event within the
15 community. COUNTY shall have the option to direct LESSEE to place any of the 12 bins for
16 tires in locations determined by COUNTY to be advantageous for use in COUNTY's illegal
17 dumping program. The Tire Events shall be for residential customers only and proof of
18 residency will be required. Proof of residency will be in the form of a valid picture identification
19 and a recent utility bill showing residence in the Anza area. Bins may also be staged at the
20 Anza Collection Center to fulfill this requirement.

21 4. The persons executing this First Amendment hereby warrant and represent that they
22 have the authority to execute this First Amendment and have the authority to bind the respective
23 Parties to this First Amendment.

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25 5. Except to the extent modified by this First Amendment, all other terms and conditions of
the MASTER LEASE remain in full force and effect as originally written.

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6. The effective date of this First Amendment is the date the parties sign the First Amendment. If the Parties sign the First Amendment on more than one date, then the last date the First Amendment is signed by a party shall be the effective date.

1 IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year
2 set forth below.

3
4 RIVERSIDE COUNTY
5 DEPARTMENT OF WASTE RESOURCES
6 14310 Frederick Street
7 Moreno Valley, CA 92553

CR&R INCORPORATED
11292 Western Avenue
Stanton, CA 90680

8
9 Date: 9/22/15

Date: 9/21/15
By: [Signature]
Name: J. A. BRANCOVICH
Title: SR. REGIONAL V.P.

12 RECOMMENDED FOR APPROVAL

13
14 By: [Signature]
15 Name: HANS KERNKAMP
16 Title: GEN. MGR - CHIEF ENGR.

FORM APPROVED COUNTY COUNSEL
BY: [Signature] 9/22/15
NEAL R. KIPNIS DATE

18 RIVERSIDE COUNTY
19
20 By: _____
21 Chairman, Board of Supervisors

22
23 ATTEST:
24
25 By: _____
Clerk of the Board

EXCLUSIVE WASTE DELIVERY AGREEMENT

THIS AGREEMENT, made and entered into as of the ____ day of _____, 2015, by and between COUNTY OF RIVERSIDE, a subdivision of the State of California ("County"), and CR&R INCORPORATED, a California corporation ("Collector").

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(s) 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 8, as defined in Collector's franchise with "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

- A. Collector shall Deliver all Solid Waste, collected pursuant to the Franchise Area 8 Agreement(s) with the County to the Lamb Canyon Facility ("Designated System Facility"), utilizing a transfer rig or commercial waste hauling vehicles (compacted/noncompacted), or if required by the County, deliver all Solid Waste, to an alternative System Facility designated by the County.

If Collector cannot deliver Solid Waste from Franchise Area 8 to the Lamb Canyon Facility on the day it is picked up because it would have arrived after the landfill had closed or because of mechanical failure, it may take the waste material to the Perris Valley Transfer Station. For Area 8 waste which is taken to the Perris Valley Transfer Station, Collector agrees to make County whole by bringing a corresponding amount in a transfer vehicle to the Lamb Canyon Facility or the Badlands Facility within thirty (30) days of the original diversion. The rate for this tonnage from the Perris Valley Transfer Station will be equal to the then current rate for Area 8 tonnage as it is adjusted according to Section 5 herein. County and Collector shall reconcile tonnage numbers quarterly.

- B. Collector shall cause Source Separated Pine Needles, brush, slash and green waste collected at the Idyllwild Brush Collection Center and the Anza Collection Center to be removed by vendors or sent to vendors who provide alternatives for use other than disposal, and shall not be accepted at the Designated System Facility.
- C. Collector shall not dispose of waste collected within Franchise Area 8, as defined in Collector's franchise with County, to any facility other than a System Facility.
- 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. Collector shall institute a load checking and inspection program using a reasonable level of effort for the purpose of detecting unacceptable Solid Waste, such as, but not limited to, 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.
- F. Collector shall notify County which vehicles it intends to use to transport waste to System Facilities under this Agreement. Collector shall notify County of any vehicles that replace others formerly used under this Agreement.

County shall have the right to reasonably refuse the use of Collector vehicles under this Agreement after analyzing notification of their intended use. Collector vehicles that have not been identified to County as being used under this Agreement shall be ineligible for the disposal rate of this Agreement.

- G. Collector shall 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.

In recognition of the delayed payments to Franchisee by County (as detailed in the Fifth Amendment to the Area 8 Franchise Collection Agreement), the standard Deferred Payment Agreement is hereby modified to allow payment of disposal fees within forty-five (45) days from the date of the billing statement for waste delivered from this Franchise area. All other terms of the standard County Deferred Payment Agreement remain in effect.

SECTION 4. COUNTY OBLIGATIONS

- A. County shall 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. County shall 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. County shall accept Solid Waste, delivered by Collector to the Designated System Facility, or to an alternative Designated System Facility, for disposal.

- D. County shall 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

County will accept Solid Waste from Collector at the rate approved by the County Board of Supervisors which shall be \$28.59 per ton on the effective date for waste delivered to the Designated System Facility in a transfer rig (i.e. typical minimum 16+ tons per pay load) or other commercial waste hauling vehicles (compacted/non-compacted) 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 or Franchise Area 8, 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 effective on July 1, 2016. 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.

- A. 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, 2016, based upon changes in the CPI formula for the period January, 2015 through December, 2015.

SECTION 6. 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 7. 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
Resources Department
14310 Frederick Street
Moreno Valley, CA 92553

If to Collector: CR&R INCORPORATED

11292 Western Avenue
Stanton, CA 90680

SECTION 8. 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 9. 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 County.

SECTION 10. WAIVER OF PERFORMANCE.

No waiver by County at any time of any of the terms and conditions of this Agreement shall be deemed or construed as a waiver at any time thereafter of the same or of any other terms or conditions contained herein or of the strict and timely performance of such terms and conditions.

SECTION 11. EFFECTIVE DATE

Regardless of the date(s) of signature for this agreement, the agreement is effective only when the following occurs:

The Collector and County have executed a franchise agreement for the area designated in Section 1.

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

COUNTY:

Riverside County

COLLECTOR:

CR&R INCORPORATED

BY: _____

TITLE: _____

DATE: _____

BY: [Signature]

TITLE: SR. REGION V.P.

DATE: 9/21/15

APPROVED AS TO FORM:
County Counsel

FORM APPROVED COUNTY COUNSEL

BY: [Signature]
NEAL R. KIPNIS

DATE: 9/22/15

DATE:

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)

On September 21, 2015, before me, the undersigned, A Notary Public in and for the State of California, personally appeared

Jose A. Braicovich, personally known to me (or 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 signatures is on the instrument the Person(s) or the entity upon behalf of which the Person(s) acted, executed the instrument.

Signature: [Signature]

