

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

715



**SUBMITTAL DATE:**  
May 24, 2016

**FROM:** Department of Environmental Health

**SUBJECT:** Annual Rate Adjustment for Waste Collection within Riverside County Waste Franchise Areas [All Districts, \$0]

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

1. Schedule for public hearing to receive public comments on the Annual Adjustment to the Waste Collection Rates within the County Franchise Areas; and
2. Direct the Clerk of the Board to advertise said public hearing for June 21, 2016 at the hour of 9:30 a.m.; and,
3. At the conclusion of the public hearing, adopt Resolution No. 2016- 116 adjusting the rates by the Consumer Price Index (CPI) and incorporate one additional fee related to the processing of past due invoices for the collection of waste within specific County Franchise Areas.

  
Steve Van Stockum  
Director

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	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:**

**Budget Adjustment:** No

**For Fiscal Year:** 16/17

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

APPROVE

BY:

  
Steven C. Horn

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

**FISCAL PROCEDURES APPROVED**  
PAUL LANGUILL, CPA, AUDITOR-CONTROLLER  
BY:   
Xene Casillas

**FORM APPROVED COUNTY COUNSEL**  
BY:   
GREGORY P. PRIAMOS  
DATE

Departmental Concurrence

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

Prev. Agn. Ref.: 4/07/2015 3.19

District: All

Agenda Number:

3-9

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

**FORM 11: RE: Adjusting Waste Hauler Fees for All Franchise Areas**

May 24, 2016

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**BACKGROUND:**

**Summary**

Waste Collection Franchise Agreements covering most unincorporated portions of Riverside County were phased in between 1997 and 1998. Within each of the existing twelve Franchise Agreements is a provision for an annual adjustment of the rates effective each July. The franchise areas (Areas) are spread throughout the entire county. Board of Supervisors District 1 has portions of Areas 1,3, and 4 served by Waste Management Inc., and Area 5 served by CR &R. Board of Supervisors District 2 contains portions of Areas 1,3, and 4 served by Waste Management Inc and Area 2 served by Burrtec Waste. Board of Supervisors District 3 has portions of Area 3 served by Waste Management Inc. and Areas 5,6,7,8 and 9 served by CR &R. Board of Supervisors District 4 contains Area 10 served by Desert Valley Disposal, Area 12 served by Burrtec Waste and Area 13 served by CR&R. Board of Supervisors District 5 contains a portion of Areas 1 and 3 served by Waste Management Inc, Areas 6,7, and 9 served by CR &R.

This adjustment allows a "pass through" for any changes to landfills costs including the Alternative Daily Cover (ADC) surcharge or transfer station fees, plus an increase based on Consumer Price Index (CPI) for the balance of the rate. There will also be the continued adjustment of fees charged in Desert Center due to the reduction of the County subsidy. All non-disposal costs are adjusted by the CPI for the Los Angeles/Anaheim/Orange County, CA, as published by the United States Department of Labor, Bureau of Labor Statistics. The proposed rates were adjusted as delineated in the franchise agreement using a CPI of 2% for the twelve (12) month period January 2015 through December 2015. The increase would only affect the service component of the rate and not the disposal costs.

CR&R, the franchisee that services Areas 5,6,7,8,9, and 13, requests the addition of one fee. This would be a one-time charge of a \$31.50 administrative fee that would be added to any past due waste collection accounts. This administrative fee would be added to the property taxes and would only be imposed after meeting the established process of the Department of Environmental Health and County Ordinance 745. The fee would cover the costs of CR&R staff and consultant time expended in preparing the past due amounts placed on the property taxes.

The detailed rate calculation worksheets factoring in the CPI increase and any other increases controlled by other agencies will be reviewed by the Riverside County Auditor Controller's Office for accuracy and maintained by the Department of Environmental Health.

**Impact on Residents and Businesses**

The current typical residential accounts pay between \$17.92 and \$32.91 depending on the distance to disposal sites, geographic conditions and types of services requested. The approval of the proposed 2% increase would raise the typical residential rate in the Franchise Areas by approximately \$0.35 per month. The typical commercial customer pays between \$95 and \$1500 per month depending on the level of service and frequency requested. The proposed 2% increase could result in an approximate increase of between \$1.43 and \$24.00 per month.

The processing charge of \$31.50 proposed by CR&R would affect any property owners with numerous past due waste collection invoices that remain unpaid and that are subject to the established property tax lien procedure of Ordinance 745.

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

1 Board of Supervisors

County of Riverside

2 **RESOLUTION NO. 2016-116**

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 4  
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 an additional reasonable charge have been requested by the waste hauler for  
23 Franchise Areas 5,6,7,8, 9 and 13 to cover costs associated with processing past due accounts in the  
24 amount of \$31.50;

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

1 BE IT RESOLVED AND ORDERED that the Board of Supervisors of the County of Riverside,  
2 State of California, in regular session assembled on \_\_\_\_\_, finds that the waste hauler fees in  
3 Franchise Areas 1-13 shall receive an increase, based on the CPI of 2% to the service component of their  
4 fees for fiscal year 2016-2017 and the new processing charge noted above;