

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

126



FROM: Department of Environmental Health

SUBMITTAL DATE:
April 11, 2013

SUBJECT: Annual Rate Adjustment to the Waste Collection Agreements for Riverside County

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Introduce and set for public hearing the adoption of Resolution No. 2013-072 Adjusting Waste Hauler Fees for All Franchise Areas;
- 2) Authorize the Clerk of the Board to place an advertisement for the public hearing in the appropriate local publications; and
- 3) Upon the close of the Public Hearing, adopt Resolution No. 2013-072 Adjusting Waste hauler Fees for All Franchise Areas.

BACKGROUND: Waste Collection Franchise Agreements covering all unincorporated portions of Riverside County were phased in between 1997 and 1998.

(continued)

Steve Van Stockum
Steve Van Stockum, Director

SVS: JW

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Cnt Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	13/14

SOURCE OF FUNDS: Contract revenue and Department budget	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE
Steven C. Horn
BY: Steven C. Horn, MPA

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended, and is set for public hearing on Tuesday, May 14, 2013, at 9:30 a.m.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: April 23, 2013
xc: Environmental Health, Auditor, COB

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 3/27/12 3:9 District: All Agenda Number:

3-18

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *[Signature]*
 RUSSELL S. DOMINSKI 4-9-13
 FORM APPROVED COUNTY COUNSEL
 BY: ERIC STOPHER
 DATE: 4/9/13
 Departmental Conference

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

BACKGROUND (continued):

In each of the existing twelve Franchise Agreements there is a provision for an adjustment of the rates the customers are charged for regular services, to be implemented annually in July.

This adjustment allows a "pass through" for any changes to landfills including the Alternative Daily Cover (ADC) surcharge or transfer station fees, and a cost of living increase, based on Consumer Price Index for All Urban Consumers (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/Riverside Metropolitan Area, as published by the United States Department of Labor, Bureau of Labor Statistics. The proposed rates implement the adjustment methodology using a CPI of 1.9% for the twelve (12) month period January 2012 through December 2012.

PROPOSED ADJUSTMENT DETAILS

The proposed rate adjustments are a 1.9% increase for all Franchise Areas (1-13), based on the CPI, as described above.

Some of the Franchise solid waste hauling companies have requested additional changes to their rate structure to cover the costs to provide services. These services were either provided at no charge in the past, were provided at a rate that did not cover the cost, or is a new service. The changes/additions are as follows:

Franchise Areas 1, 3, and 4 (within portions of Board of Supervisors Districts 1, 2, 3, & 5) serviced by Waste Management of the Inland Empire.

1. Rural Rate – This \$25.00 charge will provide a lower amount residents can pay who are located in a "Hard to Service" area as defined in the Waste Franchise Agreement and can still be serviced by a regular size collection truck. Other areas needing a smaller collection truck due to narrow roads would still be charged the existing "Hard to Service" rate. Within these Franchise Areas, there are existing customers who currently pay a rate that is less than the authorized \$25.00 amount. For these customers, their rates will increase in three equal installments over the course of three consecutive years, beginning in July 2013, at an amount necessary to ensure that the customer is at \$25.00 at the end of the third increase.

Franchise Areas 5,6,7,9, & 13 (within portions of Board of Supervisors Districts 3, 4, & 5) serviced by CR&R.

1. Commercial Recycle Bin Contamination Fee – As commercial recycling services are increased due to implementation of AB 341, the need has arisen to address contamination by non-recyclable materials being introduced into the bin. This charge will be assessed if an excessive

amount of solid waste has been placed in the recycling container, thereby rendering it useless for recycling and requiring a separate solid waste truck to be dispatched to pick up the waste. The amount of the charge would be \$70.00 per violation/occurrence.

2. Commercial Bin Overage Fee – Commercial bins need to be sized properly for the waste generated on site. By accommodating their service levels to their demand, they avoid overloading the bin. This charge is incurred only if a customer overloads the bin more than once in a twelve month period and may be waived if the customer adjusts their service level in order to mitigate a future re-occurrence. The charge would be \$40.00 per violation/occurrence.

Franchise Area 12 (within portions of Board of Supervisors District 4) serviced by Burrtec.

1. Rolloff Rental Charge – Typically rolloff containers are emptied by the waste hauler on a weekly basis. This charge would be assessed when the rolloff container is not receiving weekly service to encourage its use and to minimize hauler assets staying at the site unnecessarily. The fee would be the same as Burrtec's Franchise Area 2, \$26.35.

Franchise Area 13 (within portions of Board of Supervisors District 4) serviced by CR&R.

1. Residential/Commercial/Rolloff Set Up Charge - This will establish a charge of \$26.04 to cover the costs associated with the set up for new accounts. It considers the initial administrative time to set up the customer in the billing system, answer customer questions and initiate invoicing.
2. Re-delivery fee for Delinquent Residential Accounts - This will establish a charge of \$50.00 for delinquent accounts. It considers the cost associated with re-establishing the account in the billing system and redelivering the containers to the resident.
3. Re-delivery fee for Delinquent Commercial Accounts- This will establish a charge of \$75.00 for delinquent accounts. It considers the cost associated with re-establishing the account in the billing system and redelivering the containers to the business.

SUMMARY

The approval of the proposed 1.9% increase would raise the typical residential rate in the Franchise Areas approximately \$0.30 to \$0.35 per month. The detailed rate sheets will be provided to the Clerk of the Board upon completion of the final calculations no later than July 31, 2013.

FISCAL

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