

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



ITEM: 12.1
(ID # 25111)

MEETING DATE:
Tuesday, June 25, 2024

FROM : DEPARTMENT OF WASTE RESOURCES

SUBJECT: DEPARTMENT OF WASTE RESOURCES: Approval of Requested Gate Fee Increase at Edom Hill Transfer Station, District 4. [\$0 – Waste Resources Enterprise Funds] (CEQA Exempt per Section 15273 and 15061(b)(3))

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the requested Gate Fee changes at the Edom Hill Transfer Station (EHTS) as proposed by Burrtec Recovery and Transfer (Burrtec) in accordance with the Master Lease Agreement (the Agreement) dated November 5, 2002; and
2. Direct the Department of Waste Resources to file the Notice of Exemption (NOE) with the County Clerk and State Clearinghouse upon approval of the Project.

ACTION:Policy

Hans Keinkamp, General Manager - Chief Engineer 6/12/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Gutierrez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: June 25, 2024
xc: Waste

Kimberly A. Rector
Clerk of the Board
By:
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	24/25

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Agreement between the County and Burrtec as Lessee, states that extraordinary gate fee adjustments (other than CPI) are to be approved by the County Board of Supervisors (Board) following a public hearing. In April 2024, Burrtec contacted the Department of Waste Resources (Department) to request an extraordinary rate increase as outlined in the Agreement. Pursuant to Section 5(d) of the Agreement, the Department, on behalf of Burrtec, presented the request to the Board for consideration at the public hearing on June 4, 2024. At the hearing, staff discussed that due to increased operational costs causing the transfer station to operate at a loss, an extraordinary rate increase was proposed. Staff also clarified Board questions regarding impacts to billing, and no further concerns were raised by the Board during the public hearing. One member of the public spoke in opposition to the rate change.

For residential households, the proposed rate change will result in a cost increase ranging from approximately \$0.23/month to \$0.40/month, depending on jurisdiction. With the proposed rate change, the transfer station will continue to have the lowest rate in Riverside County; therefore, Staff recommends approval of the extraordinary rate increase.

Additional background information is provided below.

The gate fee at the EHTS 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. The Disposal Fee element is based on the long-term hauling contract that Burrtec has with the County. The Operating & Transport Elements are the only components that Burrtec can increase on an annual basis.

Burrtec contends that for the past three fiscal years, EHTS has been operating at a loss due to increased labor benefits, worker's compensation, equipment and fuel cost increases. Department staff reviewed documentation verifying Burrtec's current and historical operating costs. Additionally, Department staff reviewed Burrtec's Financial Statements which indicated that the facility is operating at a loss equating to \$4.21/ton. To address the operating losses, Burrtec is therefore requesting an Extraordinary Rate Adjustment, as allowed for under the Master Lease Agreement, to the Operating & Transport Elements.

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

Gate Fee Components	Gate Fee per Lease Agreement July 1, 2023	Increase based on 2023 CPI (2.88%)	Extraordinary Rate Adjustment	Total Proposed Gate Fee effective July 1, 2024
Facility Element	\$0.89	N/A	N/A	\$0.89
Operating Element	\$7.57	\$0.22	\$0.52	\$8.31
Transport Element	\$12.12	\$0.35	\$3.69	\$16.16
Disposal Fee	\$38.12	N/A	N/A	\$38.12
City Mitigation Fee	\$1.00	N/A	N/A	\$1.00
Total:	\$59.70	\$0.57	\$4.21	\$64.48

Prev. Agn. Ref.: M.O. 12.1 of 6/4/2024 (Public Hearing for Rate Adjustment)

California Environmental Quality Act (CEQA) Findings

On June 4, 2024, the Board found that the extraordinary rate increase (Project) is exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) (General Rule for Exemption), and statutorily exempt from CEQA pursuant to Section 15273 (Rates, Tolls, Fares, and Charges). As such, a NOE will be filed with the County Clerk upon Board approval of the Project.

Impact on Residents and Businesses

The EHTS is an essential service facility that provides a necessary outlet for solid waste in the Coachella Valley. For residential households, the proposed rate increase will result in a cost increase ranging from approximately \$0.23/month to \$0.40/month, depending on jurisdiction.

Attachment

Attachment A. NOE 24-01 Extraordinary Rate Adjustment at the EHTS


 Jason Farin, Principal Management Analyst 6/18/2024


 Aaron Gettis, Chief of Deputy County Counsel 6/13/2024



Hans W. Kernkamp, General Manager-Chief Engineer

NOTICE OF EXEMPTION

DATE: May 13, 2024

TO: County Clerk, County of Riverside

PROJECT CASE NO/TITLE: NOE 24-01/ Extraordinary Rate Adjustment at Edom Hill Transfer Station (EHTS)

PROJECT LOCATION: 70-100 Edom Hill Rd, Cathedral City, CA 92234

PROJECT DESCRIPTION: The proposed project will increase operating & transport element rates at the EHTS.

PUBLIC AGENCY APPROVING PROJECT: County of Riverside (County)

PROJECT SPONSOR: Riverside County
Department of Waste Resources (RCDWR)

The project is exempt from the provisions of CEQA, specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of categorical exemptions as detailed under State CEQA Guidelines section 15300.2. The project will not cause any impacts to scenic resources, historic resources, or unique sensitive environments. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create a direct or reasonably foreseeable indirect physical environmental impact.

EXEMPT STATUS:

- Ministerial
- Declared Emergency
- Emergency Project
- Statutory Exemption: **Section 15273, Rates, Tolls, Fares and Charges**
- Categorical Exemption
- Other Exemption: **Section 15061(b)(3), General Rule Exemption**

REASONS FOR EXEMPTION:

Section 15061(b)(3) - General Rule Exemption

The activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

This project is exempt under Section 15061(b)(3) because:

The Project proposes to request an Extraordinary Rate Adjustment (other than CPI) as allowed for under the Master Lease Agreement, to the Operating & Transport Elements. Burrtec contends that for the past three fiscal years, EHTS has been operating at a loss due to increased labor benefits, worker's compensation, equipment, fuel cost increases, and SB1383 compliance. Department staff reviewed documentation verifying Burrtec's current and historical operating costs. Additionally, Department staff reviewed Burrtec's Financial Statements which indicated that the facility is operating at a loss equating to \$4.21/ton. The Operating & Transport Elements are the only components that Burrtec can increase on an annual basis. The Extraordinary Rate Adjustment would increase the Operating Element rate by \$0.52 and the Transport Element rate by \$3.69. Changes in the fee structure would not have an effect on environmental resources.

Based upon the entire record, the Project would not result in the potential for any significant effect on the environment. This determination is an issue of fact and sufficient evidence exists in the record that the activity will not have a significant effect on the environment. As such, the exemption applies and no further evaluation under CEQA is required. See *Muzzy Ranch Co. v. Solano County Airport Land Use Comm'n* (2007) 41 Cal. 4th 372.

Section 15273. Rates, Tolls, Fares, and Charges

CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies which the public agency finds are for the purpose of:

- Meeting operating expenses, including employee wage rates and fringe benefits,
- Purchasing or leasing supplies, equipment, or materials,
- Meeting financial reserve needs and requirements,
- Obtaining funds for capital projects, necessary to maintain service within existing service areas, or
- Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter.

This project is exempt under Section 15273 because:

The Project involves the modification and restructuring of fees and approval of rates for the purpose of meeting operating losses due to increased labor benefits, worker's compensation, equipment, fuel cost increases, and SB1383 compliance. As such, due to the administrative nature of the Project, no environmental resources will be affected; therefore, the Project meets the scope and intent of Section 15273, Statutory Exemption.

FINDINGS:


- 1) The EHTS represents a public-private partnership between the RCDWR and Burrtec Waste Industries, Inc. (Burrtec). RCDWR, on behalf of Burrtec (Lessee), is presenting to the County Board of Supervisors (BOS) a request for an Extraordinary Rate Adjustment.
- 2) The gate fee at the EHTS 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. The Disposal Fee element is based on the long-term hauling contract that Burrtec has with

the County. The Operating & Transport Elements are the only components that Burrtec can increase on an annual basis.

- 3) Based upon the identified exemptions and justifications above, the RCDWR, on behalf of the County, hereby concludes that no physical environmental impacts are anticipated to occur and the Project as proposed is exempt under CEQA. No further environmental analysis is warranted.
- 4) The proposed Project is exempt from CEQA pursuant to Section 15061(b)(3), and statutorily exempt from CEQA pursuant to Section 15273.
- 5) It can be seen with certainty that there is no possibility that this Project would have a direct, indirect, or cumulatively significant effect on the environment; therefore, the activity is exempt under CEQA as previously identified.

If there are any questions regarding the above matter, I can be reached at (951) 486-3200.

Hans Kernkamp, General Manager - Chief Engineer
Riverside County Waste Management Department

By: 

Katherine Avila

Title: Urban/Regional Planner II

Date: May 13, 2024

DM# 331351