ITEM NO. 32

STAFF REPORT

CITY OF OCEANSIDE

DATE: June 5, 2013

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

SUBJECT: **ANNUAL CONSUMER PRICE INDEX (CPI) ADJUSTMENT TO WASTE MANAGEMENT COMPENSATION AND RESOLUTION INCREASING MAXIMUM SOLID WASTE USER RATES**

SYNOPSIS

Staff recommends that the City Council approve the franchise provider's annual request for adjustment to the contractor compensation under the City's solid waste service contract with Waste Management of California; adopt a resolution increasing maximum solid waste user rates (Exhibit A); and direct staff to implement the user rates and franchise provider charges.

BACKGROUND

The City contracts with Waste Management of California, Inc. for solid waste disposal services to the City. The current contract, which was approved by Council on October 20, 2010, established initial rates for all user services including both residential and commercial collection. The contract specifies that a portion of the rate is to be paid to Waste Management and a portion of the rate is to be paid to the City for administration of the contract, billing, and other programs.

The new contract eliminated the "benchmarking" process for rates, which was used in the previous contract as a methodology to adjust rates and instead, provides Waste Management the opportunity to request an annual adjustment to be effective each July first. Waste Management's written request for an annual adjustment, per Article 9.03 of the contract, is attached as Exhibit B. The adjustment is based on either 100 percent of the difference in this year's and the previous year's National All-Cities CPI or 75 percent of the difference in this year's and the previous year's San Diego Area CPI, whichever is higher. The effective increase is 1.74 percent which is based on the CPI-I, U.S. Average calculation. (Table 1 demonstrates the breakdown and final analysis for FY 2013/14 CPI Rate Adjustment to Waste Management.)

The 1.74 percent increase requested by Waste Management applies only to the payments paid to Waste Management for solid waste services rendered. All City waste related fees will remain the same.

Table 1

Rate Index	Old Index	New Index	Percentage Change in Index	Index Weighting	Total Weighted Change
CPI – U, San Diego, CACPI	252.91	256.96	1.60%	75.00%	1.20%
(256.96 - 252.91) = 4.05 Change in rate		4.05 / 252.91 = 1.60% Percentage change		1.60% x 0.75 = 1.20% Weighted change	
CPI – I, U.S. Average	225.67	229.60	1.74%	100.00%	1.74%
(229.60 – 225.67) = 3.93 Change in rate		3.93 / 225.67 = 1.74% Percentage change		1.74% X 100% = 1.74% Weighted change	
Total Percentage Rate Adjust (Total Weighted Percent Index that produces highest change)					1.74%

ANALYSIS

The Solid Waste/Rate Stabilization Fund was initially established in 2005 to offset regular rate increases to the waste contract. Benchmarking studies completed in 2005 and in 2008 resulted in rate reductions (4.5 percent and 5.4 percent, respectively) which were then set aside into the Solid Waste/Rate Stabilization Fund to offset future rate increases such as the 2012 CPI rate adjustment and this year's request for rate adjustment. Last year's CPI adjustment made to Waste Management was for 2.9 percent. As noted above, this year's CPI adjustment is for 1.74 percent. Staff recommends that half of the increase, 0.87 percent, be paid for from the Solid Waste Fund/Rate Stabilization Fund and 0.87 percent be an increased cost to ratepayers, effective July 1, 2013. This recommendation is consistent with the methodology used in the FY 2012-13 adjustment.

FISCAL IMPACT

Table 2 below summarizes the City's projected FY 2013-14 Contract Waste Disposal Revenues showing projected revenues and payments both with and without the proposed rate increase of 0.87 percent. The City is contractually obligated to pay the CPI increase amount to Waste Management; the table below is for illustration purposes only.

Table 2

Fund	Projected Revenues (No Rate Increase)	Projected Revenues (0.87% Rate Increase)
Contract Trash P/U-Waste Mgt (700010731.4481.0001)	$16,547,950	$16,691,917
Contract Trash P/U-Rate Stabilization (700010731.4481.0003)	$1,219,131	$ 944,217
Totals:	**$17,767,081**	**$17,636,134**
Fund	**Projected Payment (No CPI increase)**	**Projected Payment (1.74% CPI Increase)**
Professional Services Payment to Waste Mgt (700010731.5305.0001)	$16,775,000	$17,067,000
Excess of Revenues over Expense	$992,081	$569,134

Table 3 below shows the effects of the proposed 0.87 percent increase on the typical single family residential household (with one 64/96-gallon trash, up to 2 green waste and up to 3 recycling containers).

Table 3

Current Rate	Rate with 0.87% Increase	Amount of Increase
$19.72	$19.87	$0.15

If the requested adjustment is approved, Waste Management will receive $18.03 of the $19.87 residential rate and the remaining $1.84 would fund storm drain cleaning, city contract administration and billing services for trash.

Historically, excess revenues would be deposited into the Solid Waste/Rate Stabilization Fund. This year in addition to paying for half of the increase, the city will realize additional costs of $194,200 to implement the Zero Waste Plan, resulting in no excess revenues being deposited to the Solid Waste/Stabilization Fund.

Table 4

Proposed Rate			Allocations	
		Purpose	Account	Amount
Rate to Customer:	$19.87	Storm Water	707702731.4481.0002	$ 0.64
Payment to WM:	$18.03	Contract Admin	700010731.4481.0003	$ 1.20
Balance:	$ 1.84	Rate Stabilization	700010731.4481.0003	$ 0

Additionally, in reviewing all rates for this proposed increase, staff determined that three rate classes, M281, M285 and M286, which are for pull-out service, initial lock and additional lock charges, were being charged to customers at a rate lower than that paid to Waste Management. This was due to an internal error with the billing rates during last year's adjustment calculations. The proposed rates correct this error and charge customers the cost of providing the services. The number of accounts impacted is approximately 13% of the total City accounts; the revenue generated from these accounts is less than 1% of the total revenue on an annualized basis.

COMMISSION OR COMMITTEE REPORT

The Integrated Waste Commission reviewed staff's recommendation at a special meeting on April 30, 2013. At that meeting, the commission made the following recommendations:

1. Council should consider establishing a "low-income" rate for residential customers with limited means. Staff has investigated this option previously, and was advised that any "discount" for one rate class would have to be borne by the other rate payers, or offset by General fund monies.
2. Special large-volume rates should be established to differentiate commercial customers from residential type commercial customers like Homeowners

Associations, Apartment Buildings and Senior Communities that currently pay commercial rates because they use large bins as opposed to 96 gallon carts. If so directed by Council, staff can investigate this possibility, but there are concerns about whether this is feasible under the current billing system, and contract language. The effect of such a change would be that commercial accounts would bear the full impact of the discount for residential type commercial customers, and would also be held accountable for any future rate increases while not benefiting from the rate stabilization fund. Such an action would also require renegotiation of the Waste Management franchise agreement.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATIONS

Staff recommends that the City Council approve the franchise provider's annual request for adjustment to the contractor compensation under the City's solid waste service contract with Waste Management of California; adopt a resolution increasing maximum solid waste user rates (Exhibit A); and direct staff to implement the user rates and franchise provider charges.

PREPARED BY:

Cari Dale
Director of Water Utilities

SUBMITTED BY:

Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Teri Ferro, Financial Services Director

Exhibit A: Proposed 2013-14 Solid Waste Rate Sheet
Exhibit B: Rate Request Letter from Waste Management
Exhibit C: Resolution

City of Oceanside
Rate Adjustment Calculations - July 1, 2013

Rate Index		Old Index	New Index	Percent Change in Index	Index Weighting	Total Weighted Change
CPI - All Urban Consumers - San Diego		252.91	256.96	1.60%	75.00%	1.20%
CPI - All Urban Consumers - U.S. City Average		225.67	229.60	1.74%	100.00%	1.74%
Total Percentage Rate Adj (Use Total Weighted Percent Index Change that produces the highest change.)						1.74%

NOTE: CPI applies to our service component, not the published rate to the customer. It's up to the city if they want to pass on the increase to the customer or if they want to absorb it in the rate stabilization fund or some combination.

No Change in Storm Water fees 0%

			CURRENT RATES				CPI INCREASE				NEW RATES EFFECTIVE 7/1/13			
			Total Rate to Contractor Current	Storm Water Fee	Rate Stabilization	Total Rate to Customer Current	CPI increase	Storm Water Fee	Rate Stabilization change	CPI impact to Customer	Total New Rate to Contractor	Storm Water Fee	Rate Stabilization	Total New Rate to Customer
Residential Services														
Residential 1x wk service-96/64 gal		M170	$17.72	$0.64	1.36	$19.72	$0.31	$0.00	($0.16)	$0.15	$18.03	$0.64	$1.20	$19.87
Res 1x wk with1 extra cart		M173	$19.74	$0.73	1.51	$21.98	$0.34	$0.00	($0.17)	$0.17	$20.08	$0.73	$1.34	$22.15
Res 1x wk with 2 extra carts		M174	$21.79	$0.79	1.67	$24.25	$0.38	$0.00	($0.19)	$0.19	$22.17	$0.79	$1.48	$24.44
Res 1x wk with 3 extra carts		M176	$23.80	$0.88	1.82	$26.50	$0.41	$0.00	($0.21)	$0.20	$24.22	$0.88	$1.61	$26.71
Residential 1x wk 35 gal-low generator		M160	$15.66	$0.57	1.20	$17.43	$0.27	$0.00	($0.14)	$0.13	$15.93	$0.57	$1.06	$17.56
Res 1x wk 35 gal with 1 extra cart		M163	$17.70	$0.64	1.35	$19.69	$0.31	$0.00	($0.16)	$0.15	$18.01	$0.64	$1.19	$19.84
Res 1x wk 35 gal with 2 extra carts		M164	$19.73	$0.72	1.50	$21.95	$0.34	$0.00	($0.17)	$0.17	$20.07	$0.72	$1.33	$22.12
Res 1x wk 35 gal with 3 extra carts		M166	$21.77	$0.79	1.65	$24.21	$0.38	$0.00	($0.19)	$0.19	$22.15	$0.79	$1.46	$24.40
Commercial Services	**Frequency**													
2 or 3 Yard Bin Service	1	M274	$86.32	$3.16	6.65	$96.13	$1.50	$0.00	($0.75)	$0.75	$87.83	$3.16	$5.90	$96.89
2 or 3 Yard Bin Service	2	M275	$156.26	$5.72	12.03	$174.01	$2.72	$0.00	($1.36)	$1.36	$158.98	$5.72	$10.67	$175.37
2 or 3 Yard Bin Service	3	M276	$226.21	$8.28	17.43	$251.92	$3.94	$0.00	($1.97)	$1.97	$230.15	$8.28	$15.46	$253.89
2 or 3 Yard Bin Service	4	M277	$296.16	$10.82	22.82	$329.80	$5.15	$0.00	($2.58)	$2.57	$301.32	$10.82	$20.24	$332.38
2 or 3 Yard Bin Service	5	M278	$366.08	$13.39	28.21	$407.68	$6.37	$0.00	($3.19)	$3.18	$372.46	$13.39	$25.02	$410.87
2 or 3 Yard Bin Service	6	M279	$436.08	$15.94	33.59	$485.61	$7.59	$0.00	($3.80)	$3.79	$443.67	$15.94	$29.79	$489.40
2 or 3 Yard Bin Service	Sunday	M284	$154.19	$5.69	11.88	$171.76	$2.68	$0.00	($1.34)	$1.34	$156.87	$5.69	$10.54	$173.10
4 Yard Bin Service	1	M374	$113.51	$4.15	8.75	$126.41	$1.98	$0.00	($0.99)	$0.99	$115.48	$4.15	$7.76	$127.39
4 Yard Bin Service	2	M375	$205.21	$7.50	15.84	$228.55	$3.57	$0.00	($1.79)	$1.78	$208.79	$7.50	$14.05	$230.34
4 Yard Bin Service	3	M376	$296.95	$10.86	22.92	$330.73	$5.17	$0.00	($2.59)	$2.58	$302.12	$10.86	$20.33	$333.31
4 Yard Bin Service	4	M377	$388.64	$14.19	29.99	$432.82	$6.76	$0.00	($3.38)	$3.38	$395.41	$14.19	$26.61	$436.21
4 Yard Bin Service	5	M378	$480.40	$17.57	37.07	$535.04	$8.36	$0.00	($4.18)	$4.18	$488.77	$17.57	$32.89	$539.23
4 Yard Bin Service	6	M379	$572.04	$20.92	44.14	$637.10	$9.95	$0.00	($4.98)	$4.97	$582.00	$20.92	$39.16	$642.08
4 Yard Bin Service	Sunday	M384	$199.77	$7.31	15.41	$222.49	$3.48	$0.00	($1.74)	$1.74	$203.25	$7.31	$13.67	$224.23
5 Yard Bin Service	1	M574	$141.88	$5.19	10.95	$158.02	$2.47	$0.00	($1.24)	$1.23	$144.35	$5.19	$9.71	$159.25
5 Yard Bin Service	2	M575	$256.52	$9.38	19.79	$285.69	$4.46	$0.00	($2.23)	$2.23	$260.98	$9.38	$17.56	$287.92
5 Yard BIn Service	3	M576	$371.19	$13.58	28.64	$413.41	$6.46	$0.00	($3.23)	$3.23	$377.65	$13.58	$25.41	$416.64
5 Yard Bin Service	4	M577	$485.80	$17.74	37.48	$541.02	$8.45	$0.00	($4.23)	$4.22	$494.26	$17.74	$33.25	$545.25
5 Yard Bin Service	5	M578	$600.50	$21.96	46.34	$668.80	$10.45	$0.00	($5.23)	$5.22	$610.96	$21.96	$41.11	$674.03
5 Yard Bin Service	6	M579	$715.05	$26.15	55.17	$796.37	$12.44	$0.00	($6.22)	$6.22	$727.50	$26.15	$48.95	$802.60
5 Yard Bin Service	Sunday	M584	$249.71	$9.14	19.27	$278.12	$4.34	$0.00	($2.17)	$2.17	$254.05	$9.14	$17.10	$280.29
6 Yard Bin Service	1	M674	$170.26	$6.23	13.13	$189.62	$2.96	$0.00	($1.48)	$1.48	$173.22	$6.23	$11.65	$191.10
6 Yard Bin Service	2	M675	$307.82	$11.25	23.75	$342.82	$5.36	$0.00	($2.68)	$2.68	$313.18	$11.25	$21.07	$345.50
6 Yard Bin Service	3	M676	$445.43	$16.29	34.37	$496.09	$7.75	$0.00	($3.88)	$3.87	$453.19	$16.29	$30.49	$499.97
6 Yard Bin Service	4	M677	$582.96	$21.29	44.98	$649.23	$10.14	$0.00	($5.07)	$5.07	$593.11	$21.29	$39.91	$654.31
6 Yard Bin Service	5	M678	$720.60	$26.36	55.60	$802.56	$12.54	$0.00	($6.27)	$6.27	$733.15	$26.36	$49.33	$808.84
6 Yard Bin Service	6	M679	$858.06	$31.38	66.21	$955.65	$14.93	$0.00	($7.47)	$7.46	$873.00	$31.38	$58.74	$963.12
6 Yard Bin Service	Sunday	M684	$299.66	$10.97	23.12	$333.75	$5.21	$0.00	($2.61)	$2.60	$304.87	$10.97	$20.51	$336.35

** 5 & 6 Yard Solid Waste Service Rates will only be ava ** 5 & 6 Yard Solid Waste Service Rates will only be available after we roll out the new commercial fleet

Commercial Can (2-96 gal carts)	1	M270	$24.01	$0.88	1.83	$26.72	$0.42	$0.00	($0.21)	$0.21	$24.43	$0.88	$1.62	$26.93
Commercial Can (2-96 gal carts)	2	M271	$43.65	$1.59	3.33	$48.57	$0.76	$0.00	($0.38)	$0.38	$44.41	$1.59	$2.95	$48.95
Extra cart	Extra cart	M273	$2.04	$0.07	0.15	$2.26	$0.04	$0.00	($0.02)	$0.02	$2.07	$0.07	$0.13	$2.27

EXHIBIT A

			CURRENT RATES				CPI INCREASE				NEW RATES EFFECTIVE 7/1/13			
			Total Rate to Contractor Current	Storm Water Fee	Rate Stabilization	Total Rate to Customer Current	CPI Increase	Storm Water Fee	Rate Stabilization change	CPI impact to Customer	Total New Rate to Contractor	Storm Water Fee	Rate Stabilization	Total New Rate to Customer
3 yd Commingle or Cardboard/Mixed Paper	1	M181	$42.15	$1.56	3.90	$47.61	$0.73	$0.00	($0.37)	$0.36	$42.89	$1.56	$3.53	$47.98
3 yd Commingle or Cardboard/Mixed Paper	2	M191	$84.31	$3.12	7.79	$95.22	$1.47	$0.00	($0.74)	$0.73	$85.77	$3.12	$7.05	$95.94
3 yd Commingle or Cardboard/Mixed Paper	3	M192	$126.46	$4.68	11.69	$142.83	$2.20	$0.00	($1.10)	$1.10	$128.66	$4.68	$10.59	$143.93
3 yd Commingle or Cardboard/Mixed Paper	4	M193	$168.61	$6.24	15.59	$190.44	$2.93	$0.00	($1.47)	$1.46	$171.55	$6.24	$14.12	$191.91
3 yd Commingle or Cardboard/Mixed Paper	5	M194	$210.76	$7.80	19.49	$238.05	$3.67	$0.00	($1.84)	$1.83	$214.43	$7.80	$17.65	$239.88
3 yd Commingle or Cardboard/Mixed Paper	6	M195	$252.92	$9.36	23.38	$285.66	$4.40	$0.00	($2.20)	$2.20	$257.32	$9.36	$21.18	$287.86
4 yd Commingle or Cardboard/Mixed Paper	1	M484	$56.06	$2.07	5.19	$63.32	$0.98	$0.00	($0.49)	$0.49	$57.04	$2.07	$4.70	$63.81
4 yd Commingle or Cardboard/Mixed Paper	2	M485	$112.13	$4.15	10.36	$126.64	$1.95	$0.00	($0.98)	$0.97	$114.08	$4.15	$9.38	$127.61
4 yd Commingle or Cardboard/Mixed Paper	3	M486	$168.19	$6.22	15.55	$189.96	$2.93	$0.00	($1.47)	$1.46	$171.12	$6.22	$14.08	$191.42
4 yd Commingle or Cardboard/Mixed Paper	4	M487	$224.25	$8.30	20.74	$253.29	$3.90	$0.00	($1.95)	$1.95	$228.16	$8.30	$18.79	$255.25
4 yd Commingle or Cardboard/Mixed Paper	5	M488	$280.32	$10.37	25.92	$316.61	$4.88	$0.00	($2.44)	$2.44	$285.20	$10.37	$23.48	$319.05
4 yd Commingle or Cardboard/Mixed Paper	6	M489	$336.38	$12.45	31.10	$379.93	$5.85	$0.00	($2.93)	$2.92	$342.24	$12.45	$28.17	$382.86
6 yd Commingle or Cardboard/Mixed Paper	1	M685	$84.09	$3.11	7.78	$94.98	$1.46	$0.00	($0.73)	$0.73	$85.56	$3.11	$7.05	$95.72
6 yd Commingle or Cardboard/Mixed Paper	2	M686	$168.19	$6.22	15.55	$189.96	$2.93	$0.00	($1.47)	$1.46	$171.12	$6.22	$14.08	$191.42
6 yd Commingle or Cardboard/Mixed Paper	3	M687	$252.28	$9.34	23.33	$284.95	$4.39	$0.00	($2.20)	$2.19	$256.68	$9.34	$21.13	$287.15
6 yd Commingle or Cardboard/Mixed Paper	4	M688	$336.38	$12.45	31.10	$379.93	$5.85	$0.00	($2.93)	$2.92	$342.24	$12.45	$28.17	$382.86
6 yd Commingle or Cardboard/Mixed Paper	5	M689	$420.47	$15.56	38.88	$474.91	$7.32	$0.00	($3.66)	$3.66	$427.79	$15.56	$35.22	$478.57
6 yd Commingle or Cardboard/Mixed Paper	6	M690	$504.57	$18.67	46.65	$569.89	$8.78	$0.00	($4.39)	$4.39	$513.35	$18.67	$42.26	$574.28
3 yd Green Waste 8in Service	1	M182	$69.47	$2.59	6.63	$78.69	$1.21	$0.00	($0.61)	$0.60	$70.68	$2.59	$6.02	$79.29
96 Gal Toter-Commercial Recycling	Comm/MF Complex Green WasteToter-1 x week	M183	$15.05	$0.56	1.39	$17.00	$0.26	$0.00	($0.13)	$0.13	$15.32	$0.56	$1.26	$17.14
96 Gal Toter-Commercial Recycling	Commercial Commingle Toter- 1 x wk	M184	$13.33	$0.50	1.23	$15.06	$0.23	$0.00	($0.12)	$0.11	$13.57	$0.50	$1.11	$15.18
96 Gal Toter-Commercial Recycling	Multi Family Recycling-per unit charge	M180	$1.04	$0.04	0.10	$1.18	$0.02	$0.00	($0.01)	$0.01	$1.06	$0.04	$0.09	$1.19
2 or 3 yard Compactor Service	1	M874	$170.06	$6.23	13.09	$189.38	$2.96	$0.00	($1.48)	$1.48	$173.02	$6.23	$11.61	$190.86
2 or 3 yard Compactor Service	2	M875	$307.82	$11.27	23.72	$342.81	$5.36	$0.00	($2.68)	$2.68	$313.18	$11.27	$21.04	$345.49
2 or 3 yard Compactor Service	3	M876	$445.63	$16.31	34.34	$496.28	$7.75	$0.00	($3.88)	$3.87	$453.38	$16.31	$30.46	$500.15
2 or 3 yard Compactor Service	4	M877	$583.44	$21.32	44.94	$649.70	$10.15	$0.00	($5.08)	$5.07	$593.60	$21.32	$39.86	$654.78
2 or 3 yard Compactor Service	5	M878	$721.18	$26.38	55.56	$803.12	$12.55	$0.00	($6.28)	$6.27	$733.74	$26.38	$49.28	$809.40
2 or 3 yard Compactor Service	6	M879	$859.07	$31.40	66.19	$956.66	$14.95	$0.00	($7.48)	$7.47	$874.03	$31.40	$58.71	$964.14
Roll Out Fees -up to 15 ft./per bin times # of pickups/wk		M281	$3.87	$0.14	0.41	$3.83	$0.07	$0.00	($0.04)	$0.03	$3.94	$0.14	$0.37	$4.45
Roll Out Fees -16 ft-50 ft/per bin times # of pickups/wk			$7.74	$0.28	0.82	$8.84	$0.13	$0.00	($0.07)	$0.06	$7.88	$0.28	$0.75	$8.91
Each add'l 50 ft - add $4.46/per bin times # of pickups/wk														
Initial Lock Fee-per mo charge for 1x/wk service per container		M285	$3.93	$0.14	(0.19)	$3.89	$0.07	$0.00	($0.04)	$0.03	$4.00	$0.14	$0.37	$4.51

			CURRENT RATES				CPI INCREASE				NEW RATES EFFECTIVE 7/1/13			
			Total Rate to Contractor Current	Storm Water Fee	Rate Stabilization	Total Rate to Customer Current	CPI Increase	Storm Water Fee	Rate Stabilization change	CPI impact to Customer	Total New Rate to Contractor	Storm Water Fee	Rate Stabilization	Total New Rate to Customer
Add'l Lock Fee per add'l pickup/wk, per container		M286	$1.97	$0.06	(0.09)	$1.93	$0.03	$0.00	($0.02)	$0.01	$2.00	$0.06	$0.18	$2.24
Example: 1 bin with 1 lock serviced 3 times per/wk = $8.99 ($4.51 + $2.24 + $2.24)														
Scout Service - Bins or Compactor Bins	1	M774	$37.04	$1.36	2.85	$41.25	$0.64	$0.00	($0.32)	$0.32	$37.68	$1.36	$2.53	$41.57
Scout Service - Bins or Compactor Bins	2	M775	$74.07	$2.71	5.71	$82.49	$1.29	$0.00	($0.65)	$0.64	$75.36	$2.71	$5.06	$83.13
Scout Service - Bins or Compactor Bins	3	M776	$111.11	$4.07	8.56	$123.74	$1.93	$0.00	($0.97)	$0.96	$113.04	$4.07	$7.59	$124.70
Scout Service - Bins or Compactor Bins	4	M777	$148.13	$5.41	11.42	$164.96	$2.58	$0.00	($1.29)	$1.29	$150.71	$5.41	$10.13	$166.25
Scout Service - Bins or Compactor Bins	5	M778	$185.17	$6.77	14.27	$206.21	$3.22	$0.00	($1.61)	$1.61	$188.39	$6.77	$12.66	$207.82
Scout Service - Bins or Compactor Bins	6	M779	$222.21	$8.12	17.12	$247.45	$3.87	$0.00	($1.94)	$1.93	$226.07	$8.12	$15.18	$249.37

Scout Service charges are in addition to the bin service charge and any lock or roll out fees.

New bin lock fee (including removal of non-locking bin - one time charge)				
Per bin	$21.05	$0.37	$21.41	
Lock Replacement charge				
Per bin	$9.80	$0.17	$9.97	
Extra Dump Fee Compactor - 3 yard bin extra dump fee shall be charged per compactor for an additional pickup when such pickup is requested by a customer.				
Per Load	$115.81	$2.02	$117.82	
Extra Dump Fee 3 yard bin- An extra dump fee shall be charged per bin for an additional bin pickup when such pickup is requested by a customer.				
Per Load	$50.45	$0.88	$51.33	
Extra Dump Fee 4 yard bin - An extra dump fee shall be charged per bin for an additional bin pickup when such pickup is requested by a customer.				
Per Load	$67.96	$1.18	$69.14	
Extra Dump Fee 5 yard bin - An extra dump fee shall be charged per bin for an additional bin pickup when such pickup is requested by a customer.				
Per Load	$85.46	$1.49	$86.95	
Extra Dump Fee 6 yard bin - An extra dump fee shall be charged per bin for an additional bin pickup when such pickup is requested by a customer.				
Per Load	$102.96	$1.79	$104.75	
Extra Dump Fee 3,4 or 6 yard bin Recycling - An extra dump fee shall be charged per bin for an additional bin pickup when such pickup is requested by a customer.				
Per Load	$40.16	$0.70	$40.85	
Instabin, general clean up, residential user, household material, average weight				
Per pickup	$91.64	$1.59	$93.23	
Instabin for remodel/construction, resident or contractor user, wood/other material, heavy weight				
Per pickup	$124.58	$2.17	$126.75	
Instabin, demolition, resident or contractor user, concrete, asphalt, rock, tile, other similar heavy material				
Per pickup	$124.58	$2.17	$126.75	
Contamination Fee-to recover costs for separating solid waste placed in Recycling Material or Green Waste containers or for arranging special, unscheduled collection due to contamination. For MF and Commercial customers only.				
Per pickup	$51.48	$0.90	$52.38	

Roll-Off Service (Haul Component Only)
Disposal and Franchise Fees are Charged In Addition to the below fees
Each Haul is Charged at a 3 tin minimum

	CURRENT RATES				CPI INCREASE				NEW RATES EFFECTIVE 7/1/13			
	Total Rate to Contractor Current	Storm Water Fee	Rate Stabilization	Total Rate to Customer Current	CPI Increase	Storm Water Fee	Rate Stabilization change	CPI impact to Customer	Total New Rate to Contractor	Storm Water Fee	Rate Stabilization	Total New Rate to Customer
RO Haul Service												
40/20/10 Yard-haul to Escondido	$276.97				$4.82				$281.79			
Compactor haul to Escondido	$280.06				$4.87				$284.93			
40/20/10 Yard-haul to Palomar	$208.51				$3.63				$212.14			
Compactor -haul to Palomar	$210.50				$3.66				$214.16			
40/20/10 Yard-haul to El Cajon	$352.66				$6.14				$358.80			
Compactor-haul to El Cajon	$356.25				$6.20				$362.45			
40/20/10 Yard-haul to Otay	$352.66				$6.14				$358.80			
Compactor-haul to Otay	$356.25				$6.20				$362.45			
40/20/10 Yard-haul to Sycamore	$311.47				$5.42				$316.89			
Compactor-haul to Sycamore	$315.07				$5.48				$320.55			
40/20/10 Yard-haul to Miramar	$270.29				$4.70				$274.99			
Compactor-haul to Miramar	$272.85				$4.75				$277.60			
40/20/10 Yard-haul to San Marcos-C&D	$256.71				$4.47				$261.18			
40/20/10 Yard-haul to AgriService	$208.51				$3.63				$212.14			
Standby Time per minute	$2.12				$0.04				$2.16			
charge starts after 5 min with a 15 min maximum												
Demurrage charges per day-starts day 1	$11.17				$0.19				$11.37			
Dry Run Chg/Trip Fee Chg-if box is unserviceable	$146.78				$2.55				$149.34			
Relocate Off Site	$49.25				$0.86				$50.10			
Relocate On site	$53.13				$0.92				$54.05			
Delivery	$49.25				$0.86				$50.10			

Other Fees and Charges:

Delivery of extra cart												
Per Cart	$10.30				$0.18				$10.48			
Restart Fee- The fee for Restarting commercial service when a permanent account has been terminated for non payment.												
Per Occurrence	$17.61				$0.31				$17.91			
Bin exchange/steam clean fee - allowed 2 per year. After second exchange within one year, there will be a charge per exchange.												
Per Bin	$56.63				$0.99				$57.62			
Bin paint charge fee - allowed 1 per year. After first paint within one year, there will be a charge per exchange												
Per Bin	$89.58				$1.56				$91.14			
Interest Charge-Contractor may charge 1.5% interest per month on any delinquent account for such time as the bill remains unpaid after its due date.												
Late Fee - There will be a minimum fee on any delinquent account - $3 minimum charge												
Per Account	$3.09				$0.05				$3.14			

	CURRENT RATES				CPI INCREASE				NEW RATES EFFECTIVE 7/1/13			
	Total Rate to Contractor Current	Storm Water Fee	Rate Stabilization	Total Rate to Customer Current	CPI Increase	Storm Water Fee	Rate Stabilization change	CPI impact to Customer	Total New Rate to Contractor	Storm Water Fee	Rate Stabilization	Total New Rate to Customer
Single and Multi-Family Cart customers - 3 bulky item pickups per calendar year with 5 items maximum per pickup).												
Bulky Item - Exceeding 5 per pickup-1st item	$40.16				$0.70				$40.85			
Bulky Item - Exceeding 5 per pickup-each add'l item	$10.30				$0.18				$10.48			
Multi Family and Commercial Bin Customers shall be charged for bulky item pickups.												
Per Bulky Item- first item	$40.16				$0.70				$40.85			
Per Bulky Item -each add'l item	$10.30				$0.18				$10.48			
Bulky Item requiring 2 people to handle												
Per Bulky Item Trip	$57.66				$1.00				$58.66			
Bins that are overloaded can be charged a fee.												
Overload bin Fee	$27.80				$0.48				$28.28			
BAGSTER												
Per Collection	$132.82				$2.31				$135.13			

EXHIBIT B

WASTE MANAGEMENT

WASTE MANAGEMENT OF NORTH COUNTY
2141 Oceanside Blvd.
Oceanside, CA 92054
(800) 596-7444
(760) 754-4109 Fax

March 28, 2013

City of Oceanside
Colleen Foster
300 N. Coast Hwy
Oceanside, CA 92054

Re: July 2013 CPI Adjustment to Rates

Dear Colleen:

Pursuant to Article 9 of our contract with the City of Oceanside, we request a CPI increase to our current service fee. Attached is the rate schedule updated with CPI increase calculations for WM service fees (Contractor component) and customer rates effective July 1, 2013.

I will work with you and your billing department on adjustments needed to the current service fee payment calculations effective for services performed after July 1, 2013.

Sincerely,

Lori Somers

Lori Somers
Community & Municipal Relations Manager

cc: Ken Ryan
Jean Zanco
Bill Higginbotham

Enclosures

RECEIVED
APR 02 2013

EXHIBIT C

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE FIXING MAXIMUM RATES FOR THE COLLECTION OF WASTE MATTER WITHIN THE CITY OF OCEANSIDE

WHEREAS, the City contracts with Waste Management of California, Inc. ("Waste Management") for solid waste disposal services to the City.

WHEREAS, pursuant to said contract, Waste Management has requested an annual adjustment to increase the maximum contractor compensation for solid waste services provided, based on the change in Consumer Price Index; and

WHEREAS, in order to accommodate this request, it will be necessary to adjust the maximum rates to be charged for solid waste services for both residential and commercial customers, in accordance with Oceanside City Code, Chapter 13 (Solid Waste and Recycling).

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

SECTION 1. The City Council having approved the request made by Waste Management to adjust the maximum contractor compensation for solid waste and franchise provider services, hereby determines and fixes the maximum monthly rates for collection of solid waste in accordance with the schedule attached hereto and incorporated herein by reference.

SECTION 2. This rate increase shall be effective as of July 1, 2013.

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PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this _____day of _____, 2013, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

_____
MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney