ITEM NO. 29

# STAFF REPORT

# CITY OF OCEANSIDE

DATE: June 3, 2015

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

SUBJECT: **APPROVAL OF ANNUAL CONSUMER PRICE INDEX ADJUSTMENT TO CONTRACTOR COMPENSATION AND RESOLUTION ESTABLISHING SOLID WASTE USER RATES**

## SYNOPSIS

Staff recommends that the City Council approve the franchise provider's annual request for Consumer Price Index adjustment to contractor compensation under the City's solid waste service contract with Waste Management of California; adopt a resolution establishing 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 year on July first. 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 1.62 percent which is based on the CPI-I, U.S. Average calculation. (Table 1 demonstrates the breakdown and final analysis for FY 15/16 CPI Rate Adjustment to Waste Management.)

The Solid Waste/Rate Stabilization Fund was established in 2005. Benchmarking studies completed in 2005 and in 2008 resulted in rate reductions (4.5 percent and 5.4 percent, respectively) which established the Solid Waste/Rate Stabilization Fund. The purpose of this fund was to offset future rate increases. Under the current contract, a portion of the rate paid by customers is deposited into the Solid Waste Rate Stabilization Fund. Previous rate adjustments since the new contract was executed in

2010 have used funds from the Solid Waste Rate Stabilization Fund to offset increases to the customer. Considering this year's rate increase is minimal at 1.62%, staff is recommending that any remaining Rate Stabilization Funds be saved for future CPI rate increases which are projected to increase as the economy grows.

## ANALYSIS

The 1.62 percent increase requested by Waste Management applies only to the payment paid to Waste Management for solid waste services rendered. All City waste related fees will remain the same.

Table 1: **Consumer Price Index Adjustment**

| Rate Index | Old Index | New Index | Percentage Change in Index | Index Weighting | Total Weighted Change |
|---|---|---|---|---|---|
| CPI – U, San Diego, CACPI | 260.32 | 265.15 | 1.86% | 75.00% | 1.40% |
| CPI –I, U.S. Average | 232.96 | 236.74 | 1.62% | 100.00% | 1.62% |
| Total Percentage Rate Adjust (Total Weighted Percent Index that produces highest change) | | | | | 1.62% |

In addition to the annual rate adjustment, the attached rate sheet reflects a new service and subsequent rate to be provided to commercial customers. In order to increase recycling diversion in compliance with AB 341 Mandatory Commercial Recycling, and to provide a recycling option to those commercial customers who have limited space to accommodate both a trash and recycling container, a commercial split bin service will be provided. Split bin service is an enhanced service that also realizes a cost savings for businesses, rather than procuring services for separate trash and recycling containers. The service will also be a direct benefit to customers in the downtown area, or other areas with limited storage or alley access, that have extreme space limitations for trash and recycling service. The split bin is a modified 3 cubic yard bin that is divided in half, 1.5 cubic yards dedicated to solid waste, and 1.5 cubic yards dedicated to single stream recycling. There are two locking bars and locks attached to the bin, so that only one side can be serviced at one time. This bin is serviced by two different drivers and trucks, and in addition to the split bin service rate, the customer will be charged for two locks, and two rollout fees monthly. Table 2 below outlines the standard cost of commercial service and demonstrates the cost savings for commercial split bin rates.

Table 2: **Commercial Service Cost Comparison**

| **Commercial Service** | Frequency of Service | Service Fee | Roll-Out Fee | Lock Fee | Total Rate | Total cost to Customer |
|---|---|---|---|---|---|---|
| Standard Commercial Service 3 Yard Trash and 3 Yard Recycle | 1 x week Trash | $99.61 | $4.54 | $4.61 | $108.76 | $167.23 |
| | 1 x week Recycle | $49.32 | $4.54 | $4.61 | $58.47 | |
| New Commercial Split Bin Service | 1 x week | $103.70 | $9.08 | $9.22 | $122.00 | $122.00 |

Additionally, Waste Management is requesting to increase the current commercial Overage Fee for solid waste and recycling due to a rise in overload issues. Waste Management is requesting to raise the Solid Waste bin and Recycling bin overload fee from $28.69 to $38.12. Staff does not recommend approval of this request, as it is considered a punitive action that is not appropriate for all affected businesses due to one-time instances and illegal dumping. Staff will work with Waste Management to actively mitigate future repeat overload issues through education and monitoring, and enforcement of adequate service levels per the City Municipal Code.

Lastly, Waste Management is requesting to work with the City of Oceanside on bad debt procedures for those customers that Waste Management bills for services and become delinquent on their payments. The customer receives multiple notices, and eventually is placed on a stop-service status if payment is not received within approximately 75 days. After 100 days of no payment, Waste Management will remove their equipment until payment is made in full. In the current rate structure, Waste Management is allowed to charge a reinstatement fee, which is an administrative fee that covers the cost of setting the customer back up for service. Waste Management is also proposing a delivery fee for cost associated with re-delivering the equipment to the customer's location. The proposed delivery fee is $56.76 for bins and roll-offs.

## FISCAL IMPACT

Table 3 below summarizes the City's projected FY 15-16 Contract Waste Disposal Revenues showing projected revenues for full cost recovery of the CPI rate increase, as recommended by staff.

Table 3: **Contract Waste Disposal Revenues**

| **Account Description** | **Account Number** | **No CPI increase** | **1.62% CPI to customer** | **Projected increase to customer** |
|---|---|---|---|---|
| **Contract Service Charge Revenue** | 700010731.4481.0001 | $18,550,154 | $18,850,666 | $300,512 |
| **Contract Service Charge Expense** | 700010731.5305.0001 | $17,195,849 | $17,474,422 | $278,573 |

Table 4 below shows the effects of the proposed options for increase on the typical single family residential household (with one 64 or 96-gallon trash, up to 2 green waste and up to 3 recycling containers).

Table 4: **Single Family Residential Standard**

| Current Rate | Rate with Full Cost Recovery | Amount of Increase with Full Cost Recovery |
|---|---|---|
| $20.00 | $20.30 | **$0.30** |

## COMMISSION OR COMMITTEE REPORT

The Utilities Commission will receive a contract update at its meeting on June 16, 2015.

## 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 Consumer Price Index adjustment to contractor compensation under the City's solid waste service contract with Waste Management of California; adopt a resolution establishing solid waste user rates (Exhibit A); and direct staff to implement the user rates and franchise provider charges.

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Exhibit A: Waste Management Rate Sheet
Exhibit B: Resolution

**City of Oceanside**

**Rate Adjustment Calculations - July 1, 2015**

| Rate Index | | Old Index | New Index | Percent Change in Index | Index Weighting | Total Weighted Change |
|---|---|---|---|---|---|---|
| CPI - All Urban Consumers - San Diego | | 260.32 | 265.15 | 1.86% | 75.00% | 1.40% |
| CPI - All Urban Consumers - U.S. City Average | | 232.96 | 236.74 | 1.62% | 100.00% | 1.62% |
| Total Percentage Rate Adj (Use Total Weighted Percent Index Change that produces the highest change.) | | | | | | 1.62% |

Rate adjustment per Article 9, of the Solid Waste Franchise Agreement. CPI adjustment applies to Contractor Rate only and does not apply to any City service rates.

No Change in Storm Water fees 0%

| | | | CURRENT RATES | | | | CPI INCREASE | | | | NEW RATES EFFECTIVE 7/1/15 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 | $18.29 | $0.64 | 1.07 | $20.00 | $0.30 | $0.00 | | $0.30 | $18.59 | $0.64 | $1.07 | $20.30 |
| Res 1x wk with1 extra cart | | M173 | $20.37 | $0.73 | 1.19 | $22.29 | $0.33 | $0.00 | | $0.33 | $20.70 | $0.73 | $1.19 | $22.62 |
| Res 1x wk with 2 extra carts | | M174 | $22.49 | $0.79 | 1.32 | $24.60 | $0.36 | $0.00 | | $0.36 | $22.85 | $0.79 | $1.32 | $24.96 |
| Res 1x wk with 3 extra carts | | M176 | $24.57 | $0.88 | 1.43 | $26.88 | $0.40 | $0.00 | | $0.40 | $24.97 | $0.88 | $1.43 | $27.28 |
| Residential 1x wk 35 gal-low generator | | M160 | $16.16 | $0.57 | 0.94 | $17.67 | $0.26 | $0.00 | | $0.26 | $16.42 | $0.57 | $0.94 | $17.93 |
| **Commercial Services** | **Frequency** | | | | | | | | | | | | | |
| 2 or 3 Yard Bin Service | 1 | M274 | $89.11 | $3.16 | 5.26 | $97.53 | $1.44 | $0.00 | | $1.44 | $90.55 | $3.16 | $5.26 | $98.97 |
| 2 or 3 Yard Bin Service | 2 | M275 | $161.30 | $5.72 | 9.51 | $176.53 | $2.61 | $0.00 | | $2.61 | $163.91 | $5.72 | $9.51 | $179.14 |
| 2 or 3 Yard Bin Service | 3 | M276 | $233.51 | $8.28 | 13.78 | $255.57 | $3.78 | $0.00 | | $3.78 | $237.29 | $8.28 | $13.78 | $259.35 |
| 2 or 3 Yard Bin Service | 4 | M277 | $305.72 | $10.82 | 18.04 | $334.58 | $4.95 | $0.00 | | $4.95 | $310.67 | $10.82 | $18.04 | $339.53 |
| 2 or 3 Yard Bin Service | 5 | M278 | $377.90 | $13.39 | 22.30 | $413.59 | $6.12 | $0.00 | | $6.12 | $384.02 | $13.39 | $22.30 | $419.71 |
| 2 or 3 Yard Bin Service | 6 | M279 | $450.15 | $15.94 | 26.55 | $492.64 | $7.29 | $0.00 | | $7.29 | $457.44 | $15.94 | $26.55 | $499.93 |
| 2 or 3 Yard Bin Service | Sunday | M284 | $159.16 | $5.69 | 9.39 | $174.24 | $2.58 | $0.00 | | $2.58 | $161.74 | $5.69 | $9.39 | $176.82 |
| 4 Yard Bin Service | 1 | M374 | $117.17 | $4.15 | 6.91 | $128.23 | $1.90 | $0.00 | | $1.90 | $119.07 | $4.15 | $6.91 | $130.13 |
| 4 Yard Bin Service | 2 | M375 | $211.84 | $7.50 | 12.52 | $231.86 | $3.43 | $0.00 | | $3.43 | $215.27 | $7.50 | $12.52 | $235.29 |
| 4 Yard Bin Service | 3 | M376 | $306.53 | $10.86 | 18.12 | $335.51 | $4.97 | $0.00 | | $4.97 | $311.50 | $10.86 | $18.12 | $340.48 |
| 4 Yard Bin Service | 4 | M377 | $401.18 | $14.19 | 23.72 | $439.09 | $6.50 | $0.00 | | $6.50 | $407.68 | $14.19 | $23.72 | $445.59 |
| 4 Yard Bin Service | 5 | M378 | $495.91 | $17.57 | 29.32 | $542.80 | $8.03 | $0.00 | | $8.03 | $503.94 | $17.57 | $29.32 | $550.83 |
| 4 Yard Bin Service | 6 | M379 | $590.50 | $20.92 | 34.91 | $646.33 | $9.57 | $0.00 | | $9.57 | $600.07 | $20.92 | $34.91 | $655.90 |
| 4 Yard Bin Service | Sunday | M384 | $206.22 | $7.31 | 12.18 | $225.71 | $3.34 | $0.00 | | $3.34 | $209.56 | $7.31 | $12.18 | $229.05 |
| 5 Yard Bin Service | 1 | M574 | $146.46 | $5.19 | 8.65 | $160.30 | $2.37 | $0.00 | | $2.37 | $148.83 | $5.19 | $8.65 | $162.67 |
| 5 Yard Bin Service | 2 | M575 | $264.79 | $9.38 | 15.65 | $289.82 | $4.29 | $0.00 | | $4.29 | $269.08 | $9.38 | $15.65 | $294.11 |
| 5 Yard Bin Service | 3 | M576 | $383.16 | $13.58 | 22.65 | $419.39 | $6.21 | $0.00 | | $6.21 | $389.37 | $13.58 | $22.65 | $425.60 |
| 5 Yard Bin Service | 4 | M577 | $501.48 | $17.74 | 29.64 | $548.86 | $8.12 | $0.00 | | $8.12 | $509.60 | $17.74 | $29.64 | $556.98 |
| 5 Yard Bin Service | 5 | M578 | $619.88 | $21.96 | 36.65 | $678.49 | $10.04 | $0.00 | | $10.04 | $629.92 | $21.96 | $36.65 | $688.53 |
| 5 Yard Bin Service | 6 | M579 | $738.12 | $26.15 | 43.64 | $807.91 | $11.96 | $0.00 | | $11.96 | $750.08 | $26.15 | $43.64 | $819.87 |
| 5 Yard Bin Service | Sunday | M584 | $257.76 | $9.14 | 15.24 | $282.14 | $4.18 | $0.00 | | $4.18 | $261.94 | $9.14 | $15.24 | $286.32 |
| 6 Yard Bin Service | 1 | M674 | $175.75 | $6.23 | 10.38 | $192.36 | $2.85 | $0.00 | | $2.85 | $178.60 | $6.23 | $10.38 | $195.21 |
| 6 Yard Bin Service | 2 | M675 | $317.75 | $11.25 | 18.78 | $347.78 | $5.15 | $0.00 | | $5.15 | $322.90 | $11.25 | $18.78 | $352.93 |
| 6 Yard Bin Service | 3 | M676 | $459.81 | $16.29 | 27.18 | $503.28 | $7.45 | $0.00 | | $7.45 | $467.26 | $16.29 | $27.18 | $510.73 |
| 6 Yard Bin Service | 4 | M677 | $601.77 | $21.29 | 35.58 | $658.64 | $9.75 | $0.00 | | $9.75 | $611.52 | $21.29 | $35.58 | $668.39 |
| 6 Yard Bin Service | 5 | M678 | $743.85 | $26.36 | 43.98 | $814.19 | $12.05 | $0.00 | | $12.05 | $755.90 | $26.36 | $43.98 | $826.24 |
| 6 Yard Bin Service | 6 | M679 | $885.75 | $31.38 | 52.36 | $969.49 | $14.35 | $0.00 | | $14.35 | $900.10 | $31.38 | $52.36 | $983.84 |
| 6 Yard Bin Service | Sunday | M684 | $309.32 | $10.97 | 18.28 | $338.57 | $5.01 | $0.00 | | $5.01 | $314.33 | $10.97 | $18.28 | $343.58 |

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

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Commercial Can (1-96 gal trash, 1-96 gal recy) | 1 | M270 | $34.38 | $0.88 | 1.62 | $36.88 | $0.56 | $0.00 | | $0.56 | $34.94 | $0.88 | $1.62 | $37.44 |
| Commercial Can (1-96 gal trash, 1-96 gal recy) | 2 | M271 | $59.87 | $0.88 | 1.62 | $62.37 | $0.97 | $0.00 | | $0.97 | $60.84 | $0.88 | $1.62 | $63.34 |
| Extra cart | Extra cart | M273 | $2.10 | $0.07 | 0.11 | $2.28 | $0.03 | $0.00 | | $0.03 | $2.13 | $0.07 | $0.11 | $2.31 |
| 3 yd Commingled Recycling | 1 | M181 | $43.52 | $1.56 | 3.21 | $48.29 | $0.71 | $0.00 | | $0.71 | $44.23 | $1.56 | $3.21 | $49.00 |
| 3 yd Commingled Recycling | 2 | M191 | $87.02 | $3.12 | 6.42 | $96.56 | $1.41 | $0.00 | | $1.41 | $88.43 | $3.12 | $6.42 | $97.97 |
| 3 yd Commingled Recycling | 3 | M192 | $130.54 | $4.68 | 9.65 | $144.87 | $2.11 | $0.00 | | $2.11 | $132.65 | $4.68 | $9.65 | $146.98 |
| 3 yd Commingled Recycling | 4 | M193 | $174.05 | $6.24 | 12.87 | $193.16 | $2.82 | $0.00 | | $2.82 | $176.87 | $6.24 | $12.87 | $195.98 |
| 3 yd Commingled Recycling | 5 | M194 | $217.56 | $7.80 | 16.08 | $241.44 | $3.52 | $0.00 | | $3.52 | $221.08 | $7.80 | $16.08 | $244.96 |

**EXHIBIT A**

| | | | CURRENT RATES | | | | CPI INCREASE | | | | NEW RATES EFFECTIVE 7/1/15 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 Commingled Recycling | 6 | M195 | $261.08 | $9.36 | 19.30 | $289.74 | $4.23 | $0.00 | | $4.23 | $265.31 | $9.36 | $19.30 | $293.97 |
| 4 yd Commingled Recycling | 1 | M484 | $57.87 | $2.07 | 4.28 | $64.22 | $0.94 | $0.00 | | $0.94 | $58.81 | $2.07 | $4.28 | $65.16 |
| 4 yd Commingled Recycling | 2 | M485 | $115.75 | $4.15 | 8.54 | $128.44 | $1.88 | $0.00 | | $1.88 | $117.63 | $4.15 | $8.54 | $130.32 |
| 4 yd Commingled Recycling | 3 | M486 | $173.62 | $6.22 | 12.83 | $192.67 | $2.81 | $0.00 | | $2.81 | $176.43 | $6.22 | $12.83 | $195.48 |
| 4 yd Commingled Recycling | 4 | M487 | $231.49 | $8.30 | 17.12 | $256.91 | $3.75 | $0.00 | | $3.75 | $235.24 | $8.30 | $17.12 | $260.66 |
| 4 yd Commingled Recycling | 5 | M488 | $289.36 | $10.37 | 21.40 | $321.13 | $4.69 | $0.00 | | $4.69 | $294.05 | $10.37 | $21.40 | $325.82 |
| 4 yd Commingled Recycling | 6 | M489 | $347.24 | $12.45 | 25.67 | $385.36 | $5.63 | $0.00 | | $5.63 | $352.87 | $12.45 | $25.67 | $390.99 |
| 6 yd Commingled Recycling | 1 | M685 | $86.81 | $3.11 | 6.42 | $96.34 | $1.41 | $0.00 | | $1.41 | $88.22 | $3.11 | $6.42 | $97.75 |
| 6 yd Commingled Recycling | 2 | M686 | $173.62 | $6.22 | 12.83 | $192.67 | $2.81 | $0.00 | | $2.81 | $176.43 | $6.22 | $12.83 | $195.48 |
| 6 yd Commingled Recycling | 3 | M687 | $260.43 | $9.34 | 19.25 | $289.02 | $4.22 | $0.00 | | $4.22 | $264.65 | $9.34 | $19.25 | $293.24 |
| 6 yd Commingled Recycling | 4 | M688 | $347.24 | $12.45 | 25.67 | $385.36 | $5.63 | $0.00 | | $5.63 | $352.87 | $12.45 | $25.67 | $390.99 |
| 6 yd Commingled Recycling | 5 | M689 | $434.04 | $15.56 | 32.09 | $481.69 | $7.03 | $0.00 | | $7.03 | $441.07 | $15.56 | $32.09 | $488.72 |
| 6 yd Commingled Recycling | 6 | M690 | $520.84 | $18.67 | 38.51 | $578.02 | $8.44 | $0.00 | | $8.44 | $529.28 | $18.67 | $38.51 | $586.46 |
| 3 yd Green Waste Bin Service | 1 | M182 | $71.71 | $2.59 | 5.50 | $79.80 | $1.16 | $0.00 | | $1.16 | $72.87 | $2.59 | $5.50 | $80.96 |
| 96 Gal Toter-Commercial Recycling | Comm/MF Complex Green WasteToter- 1 x week | M183 | $15.54 | $0.56 | 1.15 | $17.25 | $0.25 | $0.00 | | $0.25 | $15.79 | $0.56 | $1.15 | $17.50 |
| 96 Gal Toter-Commercial Recycling | Commercial Commingle Toter- 1 x wk | M184 | $13.77 | $0.50 | 1.01 | $15.28 | $0.22 | $0.00 | | $0.22 | $13.99 | $0.50 | $1.01 | $15.50 |
| 96 Gal Toter-Commercial Recycling | Multi Family Recycling- per unit charge | M180 | $1.08 | $0.04 | 0.08 | $1.20 | $0.02 | $0.00 | | $0.02 | $1.10 | $0.04 | $0.08 | $1.22 |
| 2 or 3 yard Compactor Service | 1 | M874 | $175.55 | $6.23 | 10.34 | $192.12 | $2.84 | $0.00 | | $2.84 | $178.39 | $6.23 | $10.34 | $194.96 |
| 2 or 3 yard Compactor Service | 2 | M875 | $317.75 | $11.27 | 18.75 | $347.77 | $5.15 | $0.00 | | $5.15 | $322.90 | $11.27 | $18.75 | $352.92 |
| 2 or 3 yard Compactor Service | 3 | M876 | $460.00 | $16.31 | 27.15 | $503.46 | $7.45 | $0.00 | | $7.45 | $467.45 | $16.31 | $27.15 | $510.91 |
| 2 or 3 yard Compactor Service | 4 | M877 | $602.27 | $21.32 | 35.52 | $659.11 | $9.76 | $0.00 | | $9.76 | $612.03 | $21.32 | $35.52 | $668.87 |
| 2 or 3 yard Compactor Service | 5 | M878 | $744.45 | $26.38 | 43.92 | $814.75 | $12.06 | $0.00 | | $12.06 | $756.51 | $26.38 | $43.92 | $826.81 |
| 2 or 3 yard Compactor Service | 6 | M879 | $886.79 | $31.40 | 52.33 | $970.52 | $14.37 | $0.00 | | $14.37 | $901.16 | $31.40 | $52.33 | $984.89 |
| Roll Out Fees -up to 15 ft./per bin times # of pickups/wk | | M281 | $4.00 | $0.14 | 0.34 | $4.48 | $0.06 | $0.00 | | $0.06 | $4.06 | $0.14 | $0.34 | $4.54 |
| Roll Out Fees -16 ft-50 ft/per bin times # of pickups/wk | | | $8.00 | $0.28 | 0.69 | $8.97 | $0.13 | $0.00 | | $0.13 | $8.13 | $0.28 | $0.69 | $9.10 |
| 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 | $4.06 | $0.14 | 0.34 | $4.54 | $0.07 | $0.00 | | $0.07 | $4.13 | $0.14 | $0.34 | $4.61 |
| Add'l Lock Fee per add'l pickup/wk, per container | | M286 | $2.03 | $0.06 | 0.16 | $2.25 | $0.03 | $0.00 | | $0.03 | $2.06 | $0.06 | $0.16 | $2.28 |
| 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 | $38.23 | $1.36 | 2.25 | $41.84 | $0.62 | $0.00 | | $0.62 | $38.85 | $1.36 | $2.25 | $42.46 |
| Scout Service - Bins or Compactor Bins | 2 | M775 | $76.46 | $2.71 | 4.51 | $83.68 | $1.24 | $0.00 | | $1.24 | $77.70 | $2.71 | $4.51 | $84.92 |
| Scout Service - Bins or Compactor Bins | 3 | M776 | $114.69 | $4.07 | 6.76 | $125.52 | $1.86 | $0.00 | | $1.86 | $116.55 | $4.07 | $6.76 | $127.38 |
| Scout Service - Bins or Compactor Bins | 4 | M777 | $152.91 | $5.41 | 9.03 | $167.35 | $2.48 | $0.00 | | $2.48 | $155.39 | $5.41 | $9.03 | $169.83 |
| Scout Service - Bins or Compactor Bins | 5 | M778 | $191.14 | $6.77 | 11.28 | $209.19 | $3.10 | $0.00 | | $3.10 | $194.24 | $6.77 | $11.28 | $212.29 |

| | | | CURRENT RATES | | | | CPI INCREASE | | | | NEW RATES EFFECTIVE 7/1/15 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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 |
| Scout Service - Bins or Compactor Bins | 6 | M779 | $229.37 | $8.12 | 13.53 | $251.02 | $3.72 | $0.00 | | $3.72 | $233.09 | $8.12 | $13.53 | $254.74 |

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 | | | $21.72 | | | | $0.35 | | | | $22.07 | | | $22.07 |
| Lock Replacement charge | | | | | | | | | | | | | | |
| Per bin | | | $10.12 | | | | $0.16 | | | | $10.28 | | | $10.28 |
| 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 | | | $119.54 | | | | $1.94 | | | | $121.48 | | | $121.48 |
| 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 | | | $52.08 | | | | $0.84 | | | | $52.92 | | | $52.92 |
| 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 | | | $70.15 | | | | $1.14 | | | | $71.29 | | | $71.29 |
| 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 | | | $88.22 | | | | $1.43 | | | | $89.65 | | | $89.65 |
| 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 | | | $106.28 | | | | $1.72 | | | | $108.00 | | | $108.00 |
| 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 | | | $41.45 | | | | $0.67 | | | | $42.12 | | | $42.12 |
| Instabin, general clean up, residential user, household material, average weight | | | | | | | | | | | | | | |
| Per pickup | | | $94.59 | | | | $1.53 | | | | $96.12 | | | $96.12 |
| Instabin for remodel/construction, resident or contractor user, wood/other material, heavy weight | | | | | | | | | | | | | | |
| Per pickup | | | $128.60 | | | | $2.08 | | | | $130.68 | | | $130.68 |
| Instabin, demolition, resident or contractor user, concrete, asphalt, rock, tile, other similar heavy material | | | | | | | | | | | | | | |
| Per pickup | | | $128.60 | | | | $2.08 | | | | $130.68 | | | $130.68 |
| 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 | | | $53.14 | | | | $0.86 | | | | $54.00 | | | $54.00 |

**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 ton minimum**

| | CURRENT RATES | | | | CPI INCREASE | | | | NEW RATES EFFECTIVE 7/1/14 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Rate to Contractor Current | Franchise Fee | Rate Stabilization | Total Rate to Customer Current | CPI Increase | Franchise Fee | Rate Stabilization change | CPI impact to Customer | Total New Rate to Contractor | Franchise Fee | Rate Stabilization | Total New Rate to Customer |
| RO Haul Service | | | | | | | | | | | | |
| 40/20/10 Yard-haul to Escondido | $285.90 | 28.28 | $0.00 | $314.18 | $4.63 | $0.45 | | $5.08 | $290.53 | 28.73 | $0.00 | $319.26 |
| Compactor haul to Escondido | $289.09 | 28.59 | $0.00 | $317.68 | $4.68 | $0.46 | | $5.14 | $293.77 | 29.05 | $0.00 | $322.82 |
| | | | | | | | | | | | | |
| 40/20/10 Yard-haul to Palomar | $215.24 | 21.29 | $0.00 | $236.53 | $3.49 | $0.34 | | $3.83 | $218.73 | 21.63 | $0.00 | $240.36 |
| Compactor -haul to Palomar | $217.29 | 21.49 | $0.00 | $238.78 | $3.52 | $0.35 | | $3.87 | $220.81 | 21.84 | $0.00 | $242.65 |
| | | | | | | | | | | | | |
| 40/20/10 Yard-haul to El Cajon | $364.04 | 36.00 | $0.00 | $400.04 | $5.90 | $0.59 | | $6.49 | $369.94 | 36.59 | $0.00 | $406.53 |
| Compactor-haul to El Cajon | $367.74 | 36.37 | $0.00 | $404.11 | $5.96 | $0.59 | | $6.55 | $373.70 | 36.96 | $0.00 | $410.66 |

| | CURRENT RATES | | | | CPI INCREASE | | | | NEW RATES EFFECTIVE 7/1/15 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 |
| 40/20/10 Yard-haul to Otay | $364.04 | 36.00 | $0.00 | $400.04 | $5.90 | $0.59 | | $6.49 | $369.94 | 36.59 | $0.00 | $406.53 |
| Compactor-haul to Otay | $367.74 | 36.37 | $0.00 | $404.11 | $5.96 | $0.59 | | $6.55 | $373.70 | 36.96 | $0.00 | $410.66 |
| 40/20/10 Yard-haul to Sycamore | $321.52 | 31.80 | $0.00 | $353.32 | $5.21 | $0.51 | | $5.72 | $326.73 | 32.31 | $0.00 | $359.04 |
| Compactor-haul to Sycamore | $325.23 | 32.17 | $0.00 | $357.40 | $5.27 | $0.52 | | $5.79 | $330.50 | 32.69 | $0.00 | $363.19 |
| 40/20/10 Yard-haul to Miramar | $279.00 | 27.59 | $0.00 | $306.59 | $4.52 | $0.45 | | $4.97 | $283.52 | 28.04 | $0.00 | $311.56 |
| Compactor-haul to Miramar | $281.65 | 27.86 | $0.00 | $309.51 | $4.56 | $0.45 | | $5.01 | $286.21 | 28.31 | $0.00 | $314.52 |
| 40/20/10 Yard-haul to San Marcos-C&D | $264.99 | 26.21 | $0.00 | $291.20 | $4.29 | $0.42 | | $4.71 | $269.28 | 26.63 | $0.00 | $295.91 |
| 40/20/10 Yard-haul to AgriService | $215.24 | 21.29 | $0.00 | $236.53 | $3.49 | $0.34 | | $3.83 | $218.73 | 21.63 | $0.00 | $240.36 |
| Standby Time per minute | $2.19 | 0.22 | $0.00 | $2.41 | $0.04 | $0.00 | | $0.04 | $2.23 | 0.22 | $0.00 | $2.45 |
| charge starts after 5 min with a 15 min maximum | | | | | | | | | | | | |
| Demurrage charges per day-starts day 1 | $11.54 | 1.14 | $0.00 | $12.68 | $0.19 | $0.02 | | $0.21 | $11.73 | 1.16 | $0.00 | $12.89 |
| Dry Run Chg/Trip Fee Chg-if box is unserviceable | $151.52 | 14.99 | $0.00 | $166.51 | $2.45 | $0.24 | | $2.69 | $153.97 | 15.23 | $0.00 | $169.20 |
| Relocate Off Site | $50.83 | 5.03 | $0.00 | $55.86 | $0.82 | $0.08 | | $0.90 | $51.65 | 5.11 | $0.00 | $56.76 |
| Relocate On site | $54.84 | 5.42 | $0.00 | $60.26 | $0.89 | $0.09 | | $0.98 | $55.73 | 5.51 | $0.00 | $61.24 |
| Delivery | $50.83 | 5.03 | $0.00 | $55.86 | $0.82 | $0.08 | | $0.90 | $51.65 | 5.11 | $0.00 | $56.76 |

**Other Fees and Charges:**

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Delivery of extra cart | | | | | | | | | | | | |
| Per Cart | $10.63 | | | $10.63 | $0.17 | | | | $10.80 | | | $10.80 |
| Restart Fee- The fee for Restarting commercial service when a permanent account has been terminated for non payment. | | | | | | | | | | | | |
| Per Occurrence | $18.17 | | | $18.17 | $0.29 | | | | $18.46 | | | $18.46 |
| Bin exchange/steam clean fee - allowed 1 per year. After first exchange within one year, there will be a charge per exchange. | | | | | | | | | | | | |
| Per Bin | $58.46 | | | $58.46 | $0.95 | | | | $59.41 | | | $59.41 |
| Bin paint charge fee | | | | | | | | | | | | |
| Per Bin | $92.47 | | | $92.47 | $1.50 | | | | $93.97 | | | $93.97 |
| 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 | $3.19 | | | $3.19 | $0.05 | | | | $3.24 | | | $3.24 |
| 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 | $41.45 | | | $41.45 | $0.67 | | | | $42.12 | | | $42.12 |
| Bulky Item - Exceeding 5 per pickup-each add'l item | $10.63 | | | $10.63 | $0.17 | | | | $10.80 | | | $10.80 |
| Multi Family and Commercial Bin Customers shall be charged for bulky item pickups. | | | | | | | | | | | | |
| Per Bulky Item- first item | $41.45 | | | $41.45 | $0.67 | | | | $42.12 | | | $42.12 |
| Per Bulky Item -each add'l item | $10.63 | | | $10.63 | $0.17 | | | | $10.80 | | | $10.80 |
| Bulky item requiring 2 people to handle | | | | | | | | | | | | |
| Per Bulky Item Trip | $59.52 | | | $59.52 | $0.96 | | | | $60.48 | | | $60.48 |
| Bins that are overloaded can be charged a fee. | | | | | | | | | | | | |
| Overload Bin Fee | $28.69 | | | $28.69 | $0.46 | | | | $29.15 | | | $29.15 |

| | | CURRENT RATES | | | | CPI INCREASE | | | | NEW RATES EFFECTIVE 7/1/15 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 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 |
| BAGSTER | | | | | | | | | | | | | |
| Per Collection | | $137.10 | | | $137.10 | $2.22 | | | | $139.32 | | | $139.32 |
| Split Bin Rate | Frequency | | | | | | | | | | | | |
| 3 yd Bin with Commingle Recycling | 1 | $103.70 | $2.36 | $4.72 | $110.78 | $0.00 | $0.00 | | $0.00 | $103.70 | $2.36 | $4.72 | $110.78 |
| 3 yd Bin with Commingle Recycling | 2 | $188.62 | $4.42 | $8.86 | $201.90 | $0.00 | $0.00 | | $0.00 | $188.62 | $4.42 | $8.86 | $201.90 |
| 3 yd Bin with Commingle Recycling | 3 | $273.56 | $6.48 | $13.03 | $293.07 | $0.00 | $0.00 | | $0.00 | $273.56 | $6.48 | $13.03 | $293.07 |
| 3 yd Bin with Commingle Recycling | 4 | $358.50 | $8.53 | $17.18 | $384.21 | $0.00 | $0.00 | | $0.00 | $358.50 | $8.53 | $17.18 | $384.21 |
| 3 yd Bin with Commingle Recycling | 5 | $443.42 | $10.60 | $21.34 | $475.36 | $0.00 | $0.00 | | $0.00 | $443.42 | $10.60 | $21.34 | $475.36 |
| 3 yd Bin with Commingle Recycling | 6 | $528.39 | $12.65 | $25.49 | $566.53 | $0.00 | $0.00 | | $0.00 | $528.39 | $12.65 | $25.49 | $566.53 |
| Commercial Bin Delivery - Bad Debt | | | | | | | | | | $51.65 | 5.11 | $0.00 | $56.76 |

*Bins that are redelivered after removal for non-payment*

EXHIBIT B

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.

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PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this _____day of _____, 2015, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

_____
MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney