



**City Manager's Report**  
**May 26, 2015 City Council Meeting**  
**Prepared By: M. Cleve Morris**  
**Item#: 12.1**

**Subject:** Adopt a Resolution of the City Council of the City of Placerville Adopting Rates for the Collection of Solid Waste within the City of Placerville Franchise Area.

**Discussion:** In July of 2009, the Council adopted an ordinance regarding mandatory garbage service. Rates were set at that time based on mandatory service. Included in the ordinance is an inflator provision for rate increases based on two components, fuel surcharge and consumer price index. Staff meets with El Dorado Disposal monthly to review the two indexes and determine the amount of increase, if any. The attached documents outline the proposed adjustment based on the indexes.

The rate increase is based on two factors, the Producer Price Index for #2 Diesel Fuel, and the Consumer Price Index for California. Attached to this report are the data sheets showing the calculation of these two indexes as outlined in the ordinance. The CPI increase is 1.8%, or \$.35, and the fuel adjustment is -.2.26%, or -.44, for a total net adjustment of -.46%. For residential customers with a 35-gallon container, this amounts to a \$.09 per-month decrease. The current rate is \$19.59, decreasing to \$19.50 for the new rate as outlined below.

	<u>EDH</u>	<u>CP</u>	<u>Pville 2013</u>	<u>Pville 2014</u>	<u>County</u>	<u>Sierra Disposal</u>
35G Cart Weekly	\$24.97	\$22.82	<b>\$19.59</b>	<b>\$19.50</b>	\$22.50	\$21.42
35G Cart Weekly Senior	\$20.63	\$19.17	\$16.24	\$16.16	\$20.25	\$20.28
64G Cart Weekly	\$26.77	\$25.64	\$30.47	\$30.33	\$29.00	\$30.59
64G Cart Weekly Senior	\$23.72	\$23.07	\$27.42	\$27.30	\$26.10	\$28.97
96G Cart Weekly	\$36.87	\$32.73	\$36.56	\$36.39	\$34.00	\$34.76

-EDH rates include Recycle Bank for all customers @\$1.50/ea; majority in 64G carts.  
 -CP includes 2 extra GW curbside pickups per customer per year (unlimited); Senior rate held flat last 4 years for 35-gallon size; bulk of customers in 64G carts.  
*-It should be noted that each jurisdiction has different needs and while main services are similar, programs and extra services vary.*  
 -All jurisdictions with the exception of the unincorporated area of El Dorado County are "mandatory service" areas.

Also attached to this report is a resolution adopting the new rates. The resolution includes an attachment outlining all rates for all customers.

Notice of this meeting to consider a rate increase was provided as required by ordinance in the last bill for disposal service.

A review of the status of the disposal service and El Dorado Disposal's compliance with the ordinance will be addressed at the meeting. Jeff England of El Dorado Disposal will make the presentation.

**Cost:** There is no cost to the City at this time.

**Budget Impact:** No budget impact is anticipated.

**Recommendation:** Adopt a Resolution of the City Council of the City of Placerville Adopting Rates for the Collection of Solid Waste within the City of Placerville Franchise Area.



M. Cleve Morris, City Manager

*Attachments:*

*--Letter from El Dorado Disposal*

*--CPI and Fuel Data Sheets*

*--Resolution Adopting Rates*

*--Rate Sheet*

Waste Connections of California, Inc. d/b/a  
El Dorado Disposal Service  
P.O. Box 1270  
Diamond Springs, CA 95619  
(530) 626-4141

Cleve Morris  
City Manager  
City of Placerville  
3101 Cedar Street  
Placerville, CA 95667

Re: CPI Adjustment and Fuel Component Review

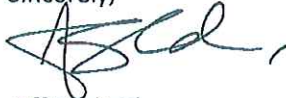
March 25, 2015

Dear Cleve,

Pursuant to Section 19.C. of that certain Collection Franchise Agreement (as such has been amended by that certain First Amendment to Collection Franchise Agreement dated May 13, 2008) (the 'Agreement'), we are formally requesting that the City implement the automatic CPI adjustment for our hauling rates as provided for in Section 19.C of the Agreement. We have attached the CPI calculator as the reference. As you will see, the increase in the Consumer Price Index N All Items N for the State of California for this past year was 1.8%. Accordingly, we are entitled to a 1.8% rate increase effective as of July 1, 2015.

We are also formally requesting the review and approval of our fuel component. The month of the year we agreed upon previously for the annual review of the index is January. Based on the attached index, we are requesting a fuel component decrease of 2.26%. Accordingly, the net rate decrease effective July 1, 2015 is (-.46%). We look forward to hearing from you so that we can discuss this further. If you have any questions or need further information, please feel free to contact me at (530) 295-2854.

Sincerely,



Jeff England  
District Manager  
Waste Connections, Inc. d/b/a  
El Dorado Disposal Services

Cc: Sue Vandelinder

**STATE OF CALIFORNIA**  
**OFFICE OF THE DIRECTOR - RESEARCH UNIT**  
**CONSUMER PRICE INDEX CALCULATOR**

1. Select an Index	California CPI	
2. Select index type	All Urban Consumers	
3. Select beginning month	Annual Average	Beginning Index Value
4. Select beginning year	2013	241.623
5. Select ending month	Annual Average	Ending Index Value
6. Select ending year	2014	246.055

Based upon the Index, index type, and the time period you have specified, the percent change in the Consumer Price Index is equal to:

1.8%

El Dorado Disposal  
 Fuel Component Calculation  
 For the Period January, 2006 through January, 2015

Item: Diesel Fuel  
 Data Source: PPI Commodity, #2 Diesel Series  
 ID: WPU057303  
 Beginning Period (Jan 06): 197.1  
 Current Period (Jan 15): 183.9  
 Index Change: -13.2  
 % Increase: -6.70%  
 Beginning Fuel Component: 3.57%  
 Ending Fuel Component: 3.33%  
 Fuel Surcharge applied in 2014: 5.59%  
 Change for 2015: -2.26%

[http://data.bls.gov/timeseries/WPU057303?data\\_tool=X-Gtable](http://data.bls.gov/timeseries/WPU057303?data_tool=X-Gtable)  
 Download: 3/11/15

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	141.1	149.5	173.3	175.4	170.8	187.2	189.8	200.6	212.6	264.1	206.2	198.5
2006	197.1	196.2	206.5	230.4	239.6	246.9	237.5	250.2	201.3	197.5	197.2	203
2007	180.9	193.5	220.2	238	226.5	227.6	243.5	231.2	246.2	249.6	296.7	271.9
2008	278.2	287.5	353.7	365.1	398.2	421	431.9	346.7	342.3	281.8	224.1	168
2009	161.6	147.2	139.2	167.4	166.4	191.1	172.8	204.1	193.2	202.8	215.7	205.1
2010	229.4	206.9	225.5	240	235.8	221.8	218.5	231.1	227.7	243.7	255.3	259.2
2011	270	289.3	321.8	339.8	328.4	333.7	327.8	307.3	317.8	310.6	337.1	311
2012	322	329.2	344.3	339.4	325.8	295.4	298.7	324.1	342.4	351	323.8	317.4
2013	318.9	342.4	321	318.3	307.7	304.8	311.6	319.3	328	318.4	307	314.7
2014	308.5	322	318.1	318.7	316.5	308.8	307.8	306.9	302.3	283.4	273.2(P)	222.5(P)
2015	183.9(P)	189.9(P)										

P : Preliminary. All indexes are subject to revision four months after original publication.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
PLACERVILLE ADOPTING RATES FOR THE COLLECTION OF SOLID  
WASTE WITHIN THE CITY OF PLACERVILLE FRANCHISE AREA**

WHEREAS, the City of Placerville and Waste Connections of California, Inc., doing business as El Dorado Disposal Services (“El Dorado”), have entered into a Franchise Agreement, including Amendments thereto (“Agreement”), for the collection of solid waste within the City of Placerville; and

WHEREAS, pursuant to said Agreement El Dorado is entitled to certain rate adjustments periodically; and

WHEREAS, El Dorado has requested a rate adjustment to be effective July 1, 2015,

BE IT RESOLVED by the City Council that, effective July 1, 2015, the rates are adjusted for the collection of solid waste within the City of Placerville franchise area, as more particularly set forth on the schedule attached hereto and incorporated herein by reference.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on May 26, 2015, by Councilmember \_\_\_\_\_, who moved its adoption. The motion was seconded by Councilmember \_\_\_\_\_. A poll vote was taken which stood as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Patricia Borelli, Mayor

ATTEST:

\_\_\_\_\_  
Susan Zito, MMC, City Clerk

**Mandatory****2015 Residential Rates**

	2014 Rate	Adjusted CPI		Total New Rate 2015
32 Gallon	\$	19.59	\$(0.09)	\$ 19.50
64 Gallon	\$	30.47	\$(0.14)	\$ 30.33
96 Gallon	\$	36.56	\$(0.17)	\$ 36.39
32 Gallon Senior	\$	16.24	-	\$ 16.24
64 Gallon Senior	\$	27.42	\$(0.13)	\$ 27.30

2015 Rates	
Extra trash per 30 gal bag on scheduled service day (with fuel)	\$ 4.40
Cart exchange charges if used less than 6 months	\$ 16.56
Extra Trash NOT on Same Day of Service	\$ 10.69
Extra Recycling NOT on Same Day of Service	\$ 8.27
Additional Recycling Carts	\$ 6.90

**2015 Roll Off Rates**

	2014 Rate	Adjusted CPI		Total New Rate 2015	Tons Allowed	Price/Ton over allowed tons
6 Yard	\$	147.90	\$(0.68)	\$ 147.22	1	\$ 83.87
10 Yard	\$	190.42	\$(0.88)	\$ 189.54	2	\$ 23.14
20 Yard (GW)	\$	238.77	\$(1.10)	\$ 237.67	3.5	\$ 43.03
20 Yard	\$	379.20	\$(1.74)	\$ 377.46	3.5	\$ 81.65
30 Yard (GW)	\$	358.11	\$(1.65)	\$ 356.46	5	\$ 43.17
30 Yard	\$	477.53	\$(2.20)	\$ 475.33	5	\$ 81.65
40 Yard	\$	589.85	\$(2.71)	\$ 587.14	5	\$ 81.65
50 Yard	\$	758.40	\$(3.49)	\$ 754.92	5	\$ 81.65
Storage Box	\$	122.42	\$(0.56)	\$ 121.86		-

**2015 Commercial Frontload Rates**

Pickups per week includes Adjusted CPI

	1		2		3		4		5		6	
1 Yard	\$	85.92	\$	171.85	\$	257.77	\$	343.70	\$	429.61	\$	515.55
2 Yard	\$	148.69	\$	297.38	\$	446.07	\$	594.75	\$	743.45	\$	892.15
3 Yard	\$	222.07	\$	444.13	\$	666.20	\$	888.26	\$	1,110.32	\$	1,332.39
4 Yard	\$	292.30	\$	584.60	\$	876.90	\$	1,169.20	\$	1,461.50	\$	1,753.80
5 Yard	\$	365.36	\$	730.73	\$	1,096.10	\$	1,461.47	\$	1,826.83	\$	2,192.20
6 Yard	\$	428.92	\$	857.85	\$	1,286.77	\$	1,715.70	\$	2,144.62	\$	2,573.55
8 Yard	\$	559.18	\$	1,118.36	\$	1,677.54	\$	2,236.72	\$	2,795.90	\$	3,355.08

**2015 Commercial Rearload Rates**

Pickups per week includes Adjusted CPI

	1		2		3		4		5		6	
1 Yard	\$	80.37	\$	160.74	\$	241.09	\$	321.46	\$	401.83	\$	482.20
1.5 Yard	\$	120.57	\$	241.14	\$	361.71	\$	482.28	\$	602.85	\$	723.42
2 Yard	\$	160.74	\$	321.47	\$	482.21	\$	642.94	\$	803.68	\$	964.42

Extra Commercial Charge includes Adjusted CPI/Fuel

\$ 19.86