



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

August 22, 2017

SUBJECT: Public Hearing to Consider Recology Yuba-Sutter Rate Adjustment for Rate Year 2018 and Related Amendment to the 2011 Collection Service Agreement

PREPARED BY: Greg Greeson, City Manager

Recommendation

Conduct a Public Hearing, and after consideration, adopt a Resolution approving Amendment No. 7 to the 2011 Collection Service Agreement with Recology Yuba-Sutter, which approves a 1.42% increase to Recology service rates for the Rate Year 2018 and a one (1) percentage point increase in Franchise Fees.

Background/Discussion

In 2011 the City Council approved an eight-year solid waste collection service agreement with Recology Yuba-Sutter. RWMA regularly conducts the review of rate applications for member jurisdictions. The RWMA Board does not have rate setting authority, therefore Recology rate adjustments and fee schedules are adopted by each member jurisdiction.

According to the terms of the Collection Service Agreement, Rate Year 2018 (beginning October 1, 2017) rates are set by an index-based adjustment. At their June 15, 2017 meeting, the Regional Waste Management Authority (RWMA) Board of Directors accepted the collection rate adjustment application evaluation report for the Recology Yuba-Sutter Rate Year 2018 rate adjustment and directed staff to forward the final report to the member jurisdictions for their consideration. Attached for your review is the Final Evaluation Report of the Recology Yuba-Sutter rate application completed by Aurora Environmental, Inc.

The final report results in a 2.42% rate increase for standard, 32-gallon residential service. This increase includes a 1% increase in the franchise fee as part of a five-year plan for all RWMA member jurisdictions to raise the franchise fee from 5 to 10 percent. With this increase, the franchise fee will be at 9% with one remaining adjustment required to reach 10% in Rate Year 2019.

RWMA Executive Director Keith Martin will be available to answer any questions you may have and Recology Yuba-Sutter representatives also will be in attendance.

Alternatives:

If the recommended amendment is not approved, the six jurisdictions comprising the RWMA would need to explore and consider other options.

Attachments:

1. Resolution Amending Collection Service Agreement
2. Proposed Amendment No. 7 to Collection Service Agreement
3. Rate Schedules for City of Wheatland (Effective 10/1/2017)
4. June 15, 2017 RWMA Staff Report
5. Recology Yuba-Sutter 2018 Rate Application Review Report

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHEATLAND
APPROVING AMENDMENT NO. 7 TO COLLECTION SERVICE AGREEMENT
WITH RECOLOGY YUBA-SUTTER REGARDING ADJUSTMENT OF
MAXIMUM SERVICE RATES**

WHEREAS, on December 13, 2011, the City Council approved a Collection Service Agreement (“Agreement”) with Recology Yuba-Sutter (“Recology”), which agreement was subsequently amended on September 11, 2012 (“Amendment No. 1”), September 24, 2013 (“Amendment No. 2”), August 24, 2014 (“Amendment No. 3”), September 22, 2015 (“Amendment No. 4”), and March 22, 2016 (“Amendment No. 5”); and August 23, 2016 (“Amendment No. 6”);

WHEREAS, Recology has requested, and the Regional Waste Management Authority (RWMA) recommends, the approval of a rate adjustment and other related changes to the Agreement, as amended by Amendment Nos. 1 through 6. Such changes, which implement the Refuse Rate Index adjustments more particularly described in the Agreement, reflect the application of a 2.42 percent rate increase in the base service rates, which includes a 1.42% increase to Recology service rates for the Rate Year 2017 and a one (1) percentage point increase in Franchise Fees;

WHEREAS, under the Agreement, as amended, Recology levies, imposes, and collects its own solid waste service charges as an independent contractor, with the City serving as a franchisor with a limited role in reviewing and verifying Recology’s annual rate adjustments. City therefore has determined that it does not impose or increase solid waste service charges within the meaning of section 6 of article XIID of the California Constitution (“Proposition 218”); and

WHEREAS, the City and Recology mutually desire to amend the Agreement to implement the proposed Recology-requested rate adjustments as more particularly described in Amendment No. 7 to the Agreement.

NOW, THEREFORE, the City Council of the City of Wheatland does hereby resolve that Amendment No. 7 to the Collection Service Agreement with Recology, which is on file in the office of the City Clerk and is attached hereto, is hereby approved and the City Manager Greg Greeson is hereby authorized and directed to sign the amendment on behalf of the City.

PASSED AND ADOPTED at a regular meeting thereof held on the 22nd day of August 2017, by the following vote:

AYES:

NOES:

ABSENT:

Attest:

Rick West, Mayor

Lisa J. Thomason, City Clerk

MODEL AMENDMENT TO COLLECTION SERVICE AGREEMENT

DRAFT

This Amendment to the Collection Service Agreement for solid waste collection, disposal, and recycling services is made this _____ day of _____ 2017, by and between the City/County of _____, California (CITY/COUNTY) and Recology Yuba-Sutter.

RECITALS

A. On _____, 2011, CITY/COUNTY entered into a Collection Service Agreement (Agreement) with Recology Yuba-Sutter for solid waste collection, disposal, and recycling services within the corporate limits of CITY/COUNTY. The Agreement expires on September 30, 2019.

B. CITY/COUNTY and Recology Yuba-Sutter mutually desire to amend the Agreement by executing this amendment (Amendment) to adjust Maximum Service Rates for residential, commercial and debris box collection rates effective October 1, 2017 to reflect the Refuse Rate Index Adjustment per the Maximum Service Rate Adjustment Guidelines for the Collection Service Agreement, including a modification of franchise fees.

C. CITY/COUNTY stipulates that this Amendment to the Collection Service Agreement is conditioned upon the mutual commitment of all of the member agencies of the Regional Waste Management Authority to adopt the same base service rate adjustments.

NOW, THEREFORE THE PARTIES TO THE COLLECTION SERVICE AGREEMENT AND THIS AMENDMENT AGREE AS FOLLOWS

1. MAXIMUM SERVICE RATES

The Maximum Service Rates that may be charged by Recology Yuba-Sutter for the services provided in Rate Year 2018 pursuant to the Agreement are specified in Exhibit 1 to this Amendment. The CITY/COUNTY hereby adjusts the franchise fee percentage to be nine (9) percent. Recology Yuba-Sutter and the CITY/COUNTY agree that the Maximum Service Rates include ongoing remittances to the RWMA of _____ per month in Rate Year 2018 for the Rate Stabilization and Capitalization Fund (five jurisdiction) is included in the Maximum Service Rates.

2. CONDITIONS FOR EFFECTIVENESS OF THIS AGREEMENT AMENDMENT

The effectiveness of this Agreement Amendment is expressly conditioned on the mutual written commitment of all the member agencies of the Regional Waste Management Authority to adopt the same base service rate adjustments and the other referenced adjustments to remittances to the Rate Stabilization and Capitalization Funds pursuant to Section 1 above.

Exhibit 1

Recology Yuba - Sutter
 City of Wheatland
 Proposed Rates Effective 10/1/17

Residential Rates

Service Description	Rates Effective 10/1/2016					Rates Effective 10/1/2017				
	Base Rate	Franchise Fees	Base Rate including Franchise Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services	Base Rate	Franchise Fees	Base Rate including Franchise Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services
Standard 32 - Gallon Refuse Cart*	\$24.48	\$2.13	\$26.61	\$0.75	\$27.36	\$24.83	\$2.46	\$27.29	\$0.75	\$28.04
Low-Income Senior Citizen 32-Gallon Refuse Cart*	\$18.37	\$1.60	\$19.97	\$0.75	\$20.72	\$18.63	\$1.84	\$20.47	\$0.75	\$21.22
64 - Gallon Refuse Cart*	\$36.72	\$3.19	\$39.91	\$0.75	\$40.66	\$37.24	\$3.68	\$40.92	\$0.75	\$41.67
96 - Gallon Refuse Cart*	\$48.95	\$4.26	\$53.21	\$0.75	\$53.96	\$49.65	\$4.91	\$54.56	\$0.75	\$55.31
Extra 32 - Gallon Refuse Cart	\$12.24	\$1.06	\$13.30		\$13.30	\$12.41	\$1.23	\$13.64		\$13.64
Extra 64 - Gallon Refuse Cart	\$24.48	\$2.13	\$26.61		\$26.61	\$24.83	\$2.46	\$27.29		\$27.29
Extra 96 - Gallon Refuse Cart	\$36.72	\$3.19	\$39.91		\$39.91	\$37.24	\$3.68	\$40.92		\$40.92
Extra Bag of Refuse (Per Pickup Rate)	\$4.08	\$0.35	\$4.43		\$4.43	\$4.14	\$0.41	\$4.55		\$4.55

* Customer's will be supplied 1 blue 64 - gallon cart for recycling and 1 green 96 - gallon cart for green yard waste.
 The cost of these services is included in the price for refuse service.

Exhibit 1

Recology Yuba - Sutter
 City of Wheatland
 Proposed Rates Effective 10/1/17

Commercial Container Rates

Service Description	Rates Effective 10/1/2016					Rates Effective 10/1/2017				
	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services
1 Yard										
1 Time per Week	\$106.40	\$9.25	\$115.65	\$3.15	\$118.80	\$107.91	\$10.67	\$118.58	\$3.15	\$121.73
2 Times per Week	\$179.82	\$15.64	\$195.46	\$5.40	\$200.86	\$182.37	\$18.04	\$200.41	\$5.40	\$205.81
3 Times per Week	\$255.27	\$23.07	\$288.34	\$7.95	\$296.29	\$269.04	\$26.61	\$295.65	\$7.95	\$303.60
4 Times per Week	\$326.68	\$28.41	\$355.09	\$9.75	\$364.84	\$331.32	\$32.77	\$364.09	\$9.75	\$373.84
5 Times per Week	\$404.59	\$35.18	\$439.77	\$12.15	\$451.92	\$410.34	\$40.58	\$450.92	\$12.15	\$463.07
6 Times per Week	\$518.45	\$45.08	\$563.53	\$15.60	\$579.13	\$525.81	\$52.00	\$577.81	\$15.60	\$593.41
1.5 Yard										
1 Time per Week	\$142.36	\$12.38	\$154.74	\$4.35	\$159.09	\$144.38	\$14.28	\$158.66	\$4.35	\$163.01
2 Times per Week	\$245.80	\$21.37	\$267.17	\$7.35	\$274.52	\$249.29	\$24.66	\$273.95	\$7.35	\$281.30
3 Times per Week	\$337.23	\$29.32	\$366.55	\$10.20	\$376.75	\$342.02	\$33.83	\$375.85	\$10.20	\$386.05
4 Times per Week	\$437.45	\$38.04	\$475.49	\$13.20	\$488.69	\$443.66	\$43.88	\$487.54	\$13.20	\$500.74
5 Times per Week	\$537.94	\$46.78	\$584.72	\$16.20	\$600.92	\$545.58	\$53.96	\$599.54	\$16.20	\$615.74
6 Times per Week	\$690.85	\$60.07	\$750.92	\$20.70	\$771.62	\$700.66	\$69.30	\$769.96	\$20.70	\$790.66
2 Yard										
1 Time per Week	\$170.92	\$14.86	\$185.78	\$5.10	\$190.88	\$173.35	\$17.14	\$190.49	\$5.10	\$195.59
2 Times per Week	\$272.62	\$23.71	\$296.33	\$8.25	\$304.58	\$276.49	\$27.35	\$303.84	\$8.25	\$312.09
3 Times per Week	\$374.60	\$32.57	\$407.17	\$11.25	\$418.42	\$379.92	\$37.57	\$417.49	\$11.25	\$428.74
4 Times per Week	\$479.50	\$41.70	\$521.20	\$14.40	\$535.60	\$486.31	\$48.10	\$534.41	\$14.40	\$548.81
5 Times per Week	\$595.89	\$50.95	\$636.84	\$17.55	\$654.39	\$594.21	\$58.77	\$652.98	\$17.55	\$670.53
6 Times per Week	\$744.79	\$64.76	\$809.55	\$22.35	\$831.80	\$755.37	\$74.71	\$830.08	\$22.35	\$852.43
3 Yard										
1 Time per Week	\$206.87	\$17.99	\$224.86	\$6.15	\$231.01	\$209.81	\$20.75	\$230.56	\$6.15	\$236.71
2 Times per Week	\$343.28	\$29.85	\$373.13	\$10.35	\$383.48	\$348.15	\$34.43	\$382.58	\$10.35	\$392.93
3 Times per Week	\$500.49	\$43.52	\$544.01	\$15.00	\$559.01	\$507.60	\$50.20	\$557.80	\$15.00	\$572.80
4 Times per Week	\$620.38	\$53.95	\$674.33	\$18.60	\$692.93	\$639.19	\$62.23	\$691.42	\$18.60	\$710.02
5 Times per Week	\$761.27	\$66.20	\$827.47	\$22.80	\$850.27	\$772.08	\$76.36	\$848.44	\$22.80	\$871.24
6 Times per Week	\$973.99	\$84.69	\$1,058.68	\$29.25	\$1,087.93	\$987.82	\$97.70	\$1,085.52	\$29.25	\$1,114.77
4 Yard										
1 Time per Week	\$248.71	\$21.63	\$270.34	\$7.50	\$277.84	\$252.24	\$24.95	\$277.19	\$7.50	\$284.69
2 Times per Week	\$418.02	\$36.35	\$454.37	\$12.60	\$466.97	\$433.96	\$41.93	\$465.89	\$12.60	\$478.49
3 Times per Week	\$590.40	\$51.34	\$641.74	\$17.70	\$659.44	\$598.78	\$59.22	\$658.00	\$17.70	\$675.70
4 Times per Week	\$764.17	\$66.45	\$830.62	\$22.95	\$853.57	\$775.02	\$76.65	\$851.67	\$22.95	\$874.62
5 Times per Week	\$941.10	\$81.83	\$1,022.93	\$28.20	\$1,051.13	\$954.46	\$94.40	\$1,048.86	\$28.20	\$1,077.06
6 Times per Week	\$1,210.79	\$105.29	\$1,316.08	\$36.30	\$1,352.38	\$1,227.98	\$121.45	\$1,349.43	\$36.30	\$1,385.73

Exhibit 1

Recology Yuba - Sutter
 City of Wheatland
 Proposed Rates Effective 10/1/17

Commercial Container Rates

Service Description	Rates Effective 10/1/2016				Rates Effective 10/1/2017			
	Base Rate	Franchise Fees	Household Hazardous Waste / RWMA Franchise Fees	Total Rate for Services	Base Rate	Franchise Fees	Household Hazardous Waste / RWMA Franchise Fees	Total Rate for Services
5 Yard								
1 Time per Week	\$257.63	\$22.40	\$280.03	\$7.80	\$287.83	\$261.29	\$25.84	\$287.13
2 Times per Week	\$456.94	\$39.73	\$496.67	\$13.80	\$510.47	\$463.43	\$45.83	\$509.26
3 Times per Week	\$655.34	\$57.33	\$716.67	\$19.80	\$736.47	\$668.70	\$66.14	\$734.84
4 Times per Week	\$866.19	\$75.32	\$941.51	\$25.95	\$967.46	\$878.49	\$86.88	\$965.37
5 Times per Week	\$1,071.50	\$93.17	\$1,164.67	\$32.25	\$1,196.92	\$1,086.72	\$107.48	\$1,194.20
6 Times per Week	\$1,387.53	\$120.65	\$1,508.18	\$41.70	\$1,549.88	\$1,407.23	\$139.18	\$1,546.41
6 Yard								
1 Time per Week	\$265.27	\$23.07	\$288.34	\$7.95	\$296.29	\$269.04	\$26.61	\$295.65
2 Times per Week	\$494.50	\$43.00	\$537.50	\$14.85	\$552.35	\$501.52	\$49.60	\$551.12
3 Times per Week	\$728.19	\$63.32	\$791.51	\$21.90	\$813.41	\$738.53	\$73.04	\$811.57
4 Times per Week	\$965.07	\$83.92	\$1,048.99	\$28.95	\$1,077.94	\$978.77	\$96.80	\$1,075.57
5 Times per Week	\$1,204.83	\$104.77	\$1,309.60	\$36.15	\$1,345.75	\$1,221.94	\$120.85	\$1,342.79
6 Times per Week	\$1,561.32	\$135.77	\$1,697.09	\$46.95	\$1,744.04	\$1,583.49	\$156.61	\$1,740.10
7 Yard								
1 Time per Week	\$296.77	\$25.81	\$322.58	\$8.85	\$331.43	\$300.98	\$29.77	\$330.75
2 Times per Week	\$551.42	\$47.95	\$599.37	\$16.50	\$615.87	\$559.25	\$55.31	\$614.56
3 Times per Week	\$809.17	\$70.36	\$879.53	\$24.30	\$903.83	\$820.66	\$81.16	\$901.82
4 Times per Week	\$1,071.50	\$93.17	\$1,164.67	\$32.25	\$1,196.92	\$1,086.72	\$107.48	\$1,194.20
5 Times per Week	\$1,333.60	\$115.97	\$1,449.57	\$40.05	\$1,489.62	\$1,352.54	\$133.77	\$1,486.31
6 Times per Week	\$1,732.24	\$150.63	\$1,882.87	\$52.05	\$1,934.92	\$1,756.84	\$173.75	\$1,930.59
8 Yard								
1 Time per Week	\$338.59	\$29.44	\$368.03	\$10.20	\$378.23	\$343.40	\$33.96	\$377.36
2 Times per Week	\$605.40	\$52.64	\$658.04	\$18.15	\$676.19	\$614.00	\$60.73	\$674.73
3 Times per Week	\$901.96	\$78.43	\$980.39	\$27.15	\$1,007.54	\$914.77	\$90.47	\$1,005.24
4 Times per Week	\$1,198.73	\$104.24	\$1,302.97	\$36.00	\$1,338.97	\$1,215.75	\$120.24	\$1,335.99
5 Times per Week	\$1,488.00	\$129.39	\$1,617.39	\$44.70	\$1,662.09	\$1,509.13	\$149.25	\$1,658.38
6 Times per Week	\$1,826.64	\$158.84	\$1,985.48	\$54.90	\$2,040.38	\$1,852.58	\$183.22	\$2,035.80

Exhibit 1

Recology Yuba - Sutter
 City of Wheatland
 Proposed Rates Effective 10/1/17

Commercial Container Rates

Service Description	Rates Effective 10/1/2016					Rates Effective 10/1/2017				
	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services
1 Yard Bin - Extra Service Only	\$28.91	\$2.51	\$31.42	\$31.42	\$29.32	\$2.90	\$32.22	\$32.22	\$32.22	\$32.22
1.5 Yard Bin - Extra Service Only	\$32.05	\$2.79	\$34.84	\$34.84	\$32.51	\$3.22	\$35.73	\$35.73	\$35.73	\$35.73
2 Yard Bin - Extra Service Only	\$38.56	\$3.35	\$41.91	\$41.91	\$39.11	\$3.87	\$42.98	\$42.98	\$42.98	\$42.98
3 Yard Bin - Extra Service Only	\$44.95	\$3.91	\$48.86	\$48.86	\$45.59	\$4.51	\$50.10	\$50.10	\$50.10	\$50.10
4 Yard Bin - Extra Service Only	\$51.33	\$4.46	\$55.79	\$55.79	\$52.06	\$5.15	\$57.21	\$57.21	\$57.21	\$57.21
5 Yard Bin - Extra Service Only	\$54.57	\$4.75	\$59.32	\$59.32	\$55.34	\$5.47	\$60.81	\$60.81	\$60.81	\$60.81
6 Yard Bin - Extra Service Only	\$57.85	\$5.03	\$62.88	\$62.88	\$58.67	\$5.80	\$64.47	\$64.47	\$64.47	\$64.47
7 Yard Bin - Extra Service Only	\$61.22	\$5.58	\$69.80	\$69.80	\$65.13	\$6.44	\$71.57	\$71.57	\$71.57	\$71.57
8 Yard Bin - Extra Service Only	\$70.39	\$6.14	\$76.73	\$76.73	\$71.59	\$7.08	\$78.67	\$78.67	\$78.67	\$78.67
Temporary 7 Yard Bin (available to residences)	\$138.68	\$12.06	\$150.74	\$3.00	\$153.74	\$140.65	\$154.56	\$13.91	\$157.56	\$157.56

Exhibit 1

Recology Yuba - Sutter
City of Wheatland
Proposed Rates Effective 10/1/17

Front Load Compactor Rates

Service Description	Rates Effective 10/1/2016						Rates Effective 10/1/2017					
	Base Rate *	Franchise Fees	Including Franchise Fees	Hazardous Waste / RWMA Fees	Total Rate for Services	Base Rate *	Franchise Fees	Including Franchise Fees	Hazardous Waste / RWMA Fees	Total Rate for Services	Base Rate *	Franchise Fees
1.3 Yd Compactor												
1 time per week	\$225.84	\$19.64	\$245.48	\$4.35	\$249.83	\$229.05	\$22.65	\$251.70	\$4.35	\$256.05		
2 times per week	\$451.69	\$39.28	\$490.97	\$7.35	\$496.32	\$458.10	\$45.31	\$503.41	\$7.35	\$510.76		
3 times per week	\$677.52	\$58.91	\$736.43	\$10.20	\$746.63	\$687.14	\$67.96	\$755.10	\$10.20	\$765.30		
4 times per week	\$903.35	\$78.55	\$981.90	\$13.20	\$995.10	\$916.18	\$90.61	\$1,006.79	\$13.20	\$1,019.99		
5 times per week	\$1,129.19	\$98.19	\$1,227.38	\$16.20	\$1,243.58	\$1,145.22	\$113.26	\$1,258.48	\$16.20	\$1,274.68		
6 times per week	\$1,355.05	\$117.83	\$1,472.88	\$20.70	\$1,493.58	\$1,374.29	\$135.92	\$1,510.21	\$20.70	\$1,530.91		
2 Yd Compactor												
1 time per week	\$347.45	\$30.21	\$377.66	\$5.10	\$382.76	\$352.38	\$34.85	\$387.23	\$5.10	\$392.33		
2 times per week	\$694.87	\$60.42	\$755.29	\$8.25	\$763.54	\$704.74	\$69.70	\$774.44	\$8.25	\$782.69		
3 times per week	\$1,042.33	\$90.64	\$1,132.97	\$11.25	\$1,144.22	\$1,057.13	\$104.55	\$1,161.68	\$11.25	\$1,172.93		
4 times per week	\$1,389.77	\$120.85	\$1,510.62	\$14.40	\$1,525.02	\$1,409.50	\$139.40	\$1,548.90	\$14.40	\$1,563.30		
5 times per week	\$1,737.21	\$151.06	\$1,888.27	\$17.55	\$1,905.82	\$1,761.88	\$174.25	\$1,936.13	\$17.55	\$1,953.68		
6 times per week	\$2,084.64	\$181.27	\$2,265.91	\$22.35	\$2,288.26	\$2,114.24	\$209.10	\$2,323.34	\$22.35	\$2,345.69		
3 Yd Compactor												
1 time per week	\$521.17	\$45.32	\$566.49	\$6.15	\$572.64	\$528.57	\$52.28	\$580.85	\$6.15	\$587.00		
2 times per week	\$1,042.34	\$90.64	\$1,132.98	\$10.35	\$1,143.33	\$1,057.14	\$104.55	\$1,161.69	\$10.35	\$1,172.04		
3 times per week	\$1,563.50	\$135.96	\$1,699.46	\$15.00	\$1,714.46	\$1,585.70	\$156.83	\$1,742.53	\$15.00	\$1,757.53		
4 times per week	\$2,084.65	\$181.27	\$2,265.92	\$18.60	\$2,284.52	\$2,114.25	\$209.10	\$2,323.35	\$18.60	\$2,341.95		
5 times per week	\$2,605.82	\$226.59	\$2,832.41	\$22.80	\$2,855.21	\$2,642.82	\$261.38	\$2,904.20	\$22.80	\$2,927.00		
6 times per week	\$3,126.99	\$271.91	\$3,398.90	\$29.25	\$3,428.15	\$3,117.39	\$313.65	\$3,485.04	\$29.25	\$3,514.29		
4 Yd Compactor												
1 time per week	\$694.88	\$60.42	\$755.30	\$7.50	\$762.80	\$704.75	\$69.70	\$774.45	\$7.50	\$781.95		
2 times per week	\$1,389.78	\$120.85	\$1,510.63	\$12.60	\$1,523.23	\$1,499.51	\$139.40	\$1,548.91	\$12.60	\$1,561.51		
3 times per week	\$2,084.65	\$181.27	\$2,265.92	\$17.70	\$2,283.62	\$2,114.25	\$209.10	\$2,323.35	\$17.70	\$2,341.05		
4 times per week	\$2,779.54	\$241.70	\$3,021.24	\$22.95	\$3,044.19	\$2,819.01	\$278.80	\$3,097.81	\$22.95	\$3,120.76		
5 times per week	\$3,474.42	\$302.12	\$3,776.54	\$28.20	\$3,804.74	\$3,523.76	\$348.50	\$3,872.26	\$28.20	\$3,900.46		
6 times per week	\$4,169.32	\$362.55	\$4,531.87	\$36.30	\$4,568.17	\$4,228.52	\$418.21	\$4,646.73	\$36.30	\$4,683.03		
5 Yd Compactor												
1 time per week	\$868.60	\$75.53	\$944.13	\$7.80	\$951.93	\$880.93	\$87.12	\$968.05	\$7.80	\$975.85		
2 times per week	\$1,737.23	\$151.06	\$1,888.29	\$13.80	\$1,902.09	\$1,761.90	\$174.25	\$1,936.15	\$13.80	\$1,949.95		
3 times per week	\$2,605.82	\$226.59	\$2,832.41	\$19.80	\$2,852.21	\$2,642.82	\$261.38	\$2,904.20	\$19.80	\$2,924.00		
4 times per week	\$3,474.42	\$302.12	\$3,776.54	\$25.95	\$3,802.49	\$3,533.76	\$348.50	\$3,872.26	\$25.95	\$3,898.21		
5 times per week	\$4,343.05	\$377.66	\$4,720.71	\$32.25	\$4,752.96	\$4,494.72	\$435.63	\$4,840.35	\$32.25	\$4,872.60		
6 times per week	\$5,211.65	\$453.19	\$5,664.84	\$41.70	\$5,706.54	\$5,235.66	\$522.76	\$5,808.42	\$41.70	\$5,850.12		
6 Yd Compactor												
1 time per week	\$1,042.34	\$90.64	\$1,132.98	\$7.95	\$1,140.93	\$1,057.14	\$104.55	\$1,161.69	\$7.95	\$1,169.64		
2 times per week	\$2,084.65	\$181.27	\$2,265.92	\$14.85	\$2,280.77	\$2,114.25	\$209.10	\$2,323.35	\$14.85	\$2,338.20		
3 times per week	\$3,26.99	\$271.91	\$3,398.90	\$21.90	\$3,420.80	\$3,171.39	\$313.65	\$3,485.04	\$21.90	\$3,506.94		
4 times per week	\$4,169.32	\$362.55	\$4,531.87	\$28.95	\$4,560.82	\$4,228.52	\$418.21	\$4,646.73	\$28.95	\$4,675.68		
5 times per week	\$5,211.65	\$453.19	\$5,664.84	\$36.15	\$5,700.99	\$5,235.66	\$522.76	\$5,808.42	\$36.15	\$5,844.57		
6 times per week	\$6,253.97	\$543.82	\$6,797.79	\$46.95	\$6,844.74	\$6,342.78	\$627.31	\$6,970.09	\$46.95	\$7,017.04		

* Base Rate is based on 4,333.3 pick-ups per month at \$40.66/cu.yd. or \$176.19 per month times the compactor size and frequency of pick-ups per week.

** Household Hazardous Waste / RWMA Surcharge Rates are based on rates for the same size of commercial containers and service frequency. Rates for the 1.3 Yard Compactor are based on the rates for the 1.5 Yard Commercial Container.

Exhibit 1

Recology Yuba - Sutter
 City of Wheatland
 Proposed Rates Effective 10/1/17

Commercial Can and Cart Rates

Service Description	Rates Effective 10/1/2016				Rates Effective 10/1/2017			
	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge
Commercial Can	\$23.94	\$2.08	\$26.02	\$0.75	\$24.28	\$2.40	\$26.68	\$0.75
Additional Commercial Can	\$22.16	\$1.93	\$24.09	\$0.75	\$22.47	\$2.22	\$24.69	\$0.75
Commercial Cart	\$48.02	\$4.18	\$52.20	\$1.50	\$53.70	\$48.70	\$44.82	\$53.52
Additional Commercial Cart	\$48.02	\$4.18	\$52.20	\$1.50	\$53.70	\$48.70	\$44.82	\$53.52

Exhibit 1

Recology Yuba - Sutter
 City of Wheatland
 Proposed Rates Effective 10/1/17

Debris Box Rates

Service Description	Rates Effective 10/1/2016						Rates Effective 10/1/2017							
	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	Hazardous Waste / RWMA Fees	Total Services Surchage	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	Hazardous Waste / RWMA Fees	Total Household Waste / RWMA Surchage	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	Hazardous Waste / RWMA Fees
09'yd Dirt/Concrete Debris	\$392.95	\$34.17	\$427.12	\$434.62	\$398.53	\$39.42	\$437.95	\$39.42	\$437.95	\$7.50	\$445.45			
15 Yd Debris Box	\$316.50	\$27.52	\$344.02	\$350.32	\$320.99	\$31.75	\$352.74	\$31.75	\$352.74	\$6.30	\$359.04			
20 Yd Debris Box	\$365.17	\$31.75	\$396.92	\$7.50	\$404.42	\$370.36	\$36.63	\$406.99	\$36.63	\$7.50	\$414.49			
25 Yd Debris Box	\$393.03	\$34.18	\$427.21	\$8.10	\$435.31	\$398.61	\$39.42	\$438.03	\$39.42	\$8.10	\$446.13			
30 Yd Debris Box	\$431.35	\$37.51	\$468.86	9.00	\$477.86	\$437.48	\$43.27	\$480.75	\$43.27	\$9.00	\$489.75			
40 Yd Debris Box	\$507.84	\$44.16	\$552.00	10.80	\$562.80	\$515.05	\$50.94	\$565.99	\$50.94	\$10.80	\$576.79			
Compactor Rate Per Cubic Yard														
Wood Debris Box	\$44.47	\$3.87	\$48.34	\$0.90	\$49.24	\$45.10	\$4.46	\$49.56	\$4.46	\$0.90	\$50.46			
	\$172.16	\$14.97	\$187.13	\$0.00	\$187.13	\$174.60	\$17.27	\$191.87	\$17.27	\$0.00	\$191.87			
15 Yard Tires	\$580.37	\$50.47	\$630.84	\$10.20	\$641.04	\$588.61	\$58.21	\$646.82	\$58.21	\$10.20	\$657.02			
20 Yard Tires	\$735.17	\$63.93	\$799.10	\$12.90	\$812.00	\$745.61	\$73.74	\$819.35	\$73.74	\$12.90	\$832.25			
25 Yard Tires	\$879.62	\$76.49	\$956.11	\$15.45	\$971.56	\$892.11	\$88.23	\$980.34	\$88.23	\$15.45	\$985.79			
30 Yard Tires	\$1,024.13	\$89.05	\$1,113.18	\$18.00	\$1,131.18	\$1,038.67	\$102.73	\$1,141.40	\$102.73	\$18.00	\$1,159.40			
40 Yard Tires	\$1,227.97	\$106.78	\$1,334.75	\$21.45	\$1,356.20	\$1,245.41	\$123.17	\$1,368.58	\$123.17	\$21.45	\$1,390.03			
Trip Charge / Same Day Service	\$71.86	\$6.25	\$78.11		\$78.11	\$72.88	\$7.21	\$80.09	\$7.21		\$80.09			
Demurrage Charge		\$17.69	\$1.54	\$19.23	\$19.23	\$17.94	\$1.77	\$19.71	\$1.77		\$19.71			

AGENDA ITEM IV – B
STAFF REPORT

**COLLECTION SERVICE RATE ADJUSTMENT APPLICATION
EVALUATION REPORT**

BACKGROUND

Attached for Board review and consideration is the Draft Evaluation Report prepared by Aurora Environmental, Inc. on the rate adjustment application that was submitted by Recology Yuba-Sutter for the rate year beginning October 1, 2017 (Rate Year 2018). This is the sixth rate adjustment application submitted by Recology Yuba-Sutter pursuant to the Maximum Service Rate Adjustment Guidelines for the Collection Service Agreement, Exhibit 2 in the Collection Service Agreements that were adopted by the RWMA member jurisdictions in December 2011.

The Draft Evaluation Report and associated adjustment recommendations to the member jurisdictions are now being presented to the RWMA Board for review and acceptance. The Maximum Service Rate Adjustment Guidelines for the Collection Service Agreements allow for the RWMA to conduct the review of rate applications, but do not specifically require that this function be performed by the RWMA. The RWMA has provided this service for the member jurisdictions beginning with Rate Year 2001. The RWMA does not have any rate setting authority and conducts the application review only as a service to the member jurisdictions.

The 2011 Collection Service Agreements established a process for the submittal and review of Detailed Rate Applications and Refuse Rate Indexed Applications. Under these agreements, rates for Recology Yuba-Sutter's collection services are to be adjusted using a Refuse Rate Index (RRI) for the first, second and third Rate Years of each four year rate cycle of the Collection Service Agreement. In the fourth year of each four year rate cycle, rates are to be adjusted by the detailed rate adjustment methodology in Exhibit 2 of the Collection Service Agreements. For the first four year rate cycle, the Collection Service Agreements specified that there would only be RRI based adjustments in the first and second rate years with Rate Year 2015 being a detailed rate adjustment year. Rate Year 2018 (October 1, 2017 – September 30, 2018) is the third year of the next four year rate cycle and a Refuse Rate Index Application was submitted pursuant to the Collection Service Agreements.

RATE APPLICATION REVIEW & NEXT STEPS

The Draft Evaluation Report describes the Refuse Rate Index (RRI) rate adjustment resulting in a 1.42 percent increase in the base service rates. In addition to the RRI adjustment, a separate policy issue for consideration in the attached Model Amendment is another increase in the franchise fee of each jurisdiction from 8 to 9 percent as part of a planned five year increase from 5 to 10 percent. This question applies to all of the member jurisdictions except the City of Marysville which increased their franchise fee to 10 percent two years ago. Assuming the one percentage point increase in the franchise fees for five of the six RWMA jurisdictions and accounting for any member agency specific programs, the net rate adjustments for the selected service levels are as follows:

Jurisdiction	Standard 32-Gallon Residential Service (Program Areas)	96-Gallon Refuse Cart Residential Service (Non-Program Areas)	4 Yard Commercial Bin Service (Collected 1X/Week)
Live Oak	2.49%	Not applicable	2.47%
Marysville	1.39%	Not applicable	1.38%
Sutter County	2.49%	2.48%	2.47%
Wheatland	2.49%	Not applicable	2.47%
Yuba City	2.46%	Not applicable	2.45%
Yuba County	2.47%	2.49%	2.47%

Because the RWMA Board does not have rate setting authority, specific rate adjustments and fee schedules for individual member jurisdictions are not included in this report and this recommendation is for a region-wide rate adjustment percentage based on the indexed calculation as described in the Draft Evaluation Report and the Recology Yuba-Sutter Rate Application (Attachments 1 – 3 to the Draft Evaluation Report).

Upon acceptance, the Final Evaluation Report will be distributed to the RWMA jurisdictions along with model franchise amendment language for use in the consideration of rate structure adjustments. The Maximum Service Rate Adjustment Guidelines for the Collection Service Agreement specify that the adjusted rate structures be adopted by each of the RWMA jurisdictions by August 31st and be effective on October 1st each year. It is anticipated that rate adoption hearings, as necessary, will be held by the RWMA jurisdictions in July and August and that the adjusted rates will be effective October 1, 2017.

RWMA staff will be available at the Board meeting along with representatives of Recology Yuba-Sutter to review the evaluation report and the rate adjustment process in detail.

RECOMMENDATION: Accept the report and associated rate adjustment recommendations to the member jurisdictions as proposed.

**EVALUATION REPORT
RECOLOGY YUBA-SUTTER
2018 RATE APPLICATION**

FINAL REPORT

Presented to

Regional Waste Management Authority

June 16, 2017

Prepared by

Aurora Environmental, Inc.

1.0 INTRODUCTION

Per the Collection Service Agreements and the Maximum Service Rate Adjustment Guidelines for the Collection Service Agreements (Exhibit 2 of the franchise agreements) adopted by each of the Regional Waste Management Authority (RWMA) jurisdictions, rates for Recology Yuba-Sutter's collection services are to be adjusted using a Refuse Rate Index (RRI) for the first, second and third Rate Years of each four year rate cycle of the Collection Service Agreement. In the fourth year of each four year rate cycle, rates are to be adjusted by the detailed rate adjustment methodology in Exhibit 2 of the Collection Service Agreements. Rate Year 2018 (October 1, 2017 to September 30, 2018) is the third rate year of the second four year rate cycle under the new franchise agreements.

Per the Collection Service Agreements, Recology Yuba-Sutter is required to submit an RRI Rate Application by May 1st of each calendar year in which an RRI rate adjustment is to occur. The RRI rate adjustment methodology requires that Recology Yuba-Sutter provide financial expense information for the following cost categories:

- Labor
- Fuel
- Vehicle and Equipment Replacement
- Vehicle and Equipment Maintenance
- Disposal
- All Other

The weighted percentage of each cost category is determined based on the proportionate share of the expenses in each cost category compared to the total cost. The weighted percentage of each cost category is then multiplied by the percent change in the annual average of each associated index between the 12-month period ending March 31 of the calendar year in which the RRI adjustment is to occur and the preceding 12-month period. The RRI adjustment is the sum of these products.

Contract Administrators for each jurisdiction (or the RWMA and/or a consultant engaged by a jurisdiction(s) or the RWMA) are required to check the calculations in the application and promptly notify Recology Yuba-Sutter of any errors. Recology Yuba-Sutter then has the opportunity to submit a corrected application. The Contract Administrator is required to notify Recology Yuba-Sutter by July 15th that the RRI adjustment to the Maximum Service Rates set forth in the application (as so corrected) is correct. Recology Yuba-Sutter will then provide adjusted rate sheets by July 31st for consideration and action by the member jurisdictions, or their delegated authority, by August 31st to become effective on the subsequent October 1st.

2.0 REFUSE RATE INDEX (RRI) RATE ADJUSTMENT EVALUATION

On May 1, 2017, Recology Yuba-Sutter submitted a rate application to the RWMA and member jurisdictions for an adjustment of the service rates that would be effective for Rate Year 2018 (October 1, 2017 to September 30, 2018). The RRI rate adjustment requested in this application was for a 1.42% increase in the base service rates.

The following describes the different components of the rate adjustment request:

1. Cost Category Detail – The financial expense statement by cost category was reviewed and the non-allowable expenses adjusted out per the rate adjustment guidelines include such items as donations; company promotions; road maintenance fees; late fees/penalties; HHW Facility expenses; street sweeping services; Ponderosa Transfer Station expenses; Marysville Landfill post closure expenses; processing of recyclables and green waste from Colusa and Butte counties; and, expenses for the temporary processing of recyclable materials from Marin and Sonoma counties. Expenses to address state storm water management requirements and Waste Discharge Requirements that are anticipated to be funded by Rate Stabilization and Capitalization Funds are also adjusted out of the financial expense statement. The non-allowable expenses related to the non-RWMA activities of collection service to Beale Air Force Base and the foothill areas of Butte and Placer counties are still included in the expenses based on the assumption that this activity has roughly the same percentage mix of expenses as the RWMA activities.

Other excluded items are the landfill trust fund interest and franchise fees from the All Other cost category. The landfill trust fund interest is excluded from the calculation because it is not a true expense. The franchise fees are excluded from the All Other cost category because the RRI adjustment is applied to the base service rates. Franchise fees are then charged on the resulting adjusted base service rates.

A copy of the expense statement is included in **Attachment 1**.

2. Cost Category (Expense) Weight Percentage Calculations – The cost category weight percentage calculations based on the expense statement in **Attachment 1** were reviewed and found to be correctly calculated and rounded as presented on the Refuse Rate Index Calculation sheet in **Attachment 2**. The following presents the cost category (expense) weight percentages:

39.37% Labor
3.93% Fuel

5.62%	Vehicle and Equipment Replacement
5.00%	Vehicle and Equipment Maintenance
19.09%	Disposal
<u>26.99%</u>	<u>All Other</u>
100.00%	TOTAL

3. RRI Indices and Calculations of the Percentage Change in the Annual Average of each Index – Each of the monthly, quarterly or annual indices on the Refuse Rate Index Calculation sheet in **Attachment 3** was verified with the source documentation. The calculations of the annual average and the percent change in the annual averages and rounding for each index was confirmed to be calculated correctly.

It was noted that as of the application submittal due date, only preliminary indices were available for Vehicle and Equipment Replacement and Vehicle and Equipment Maintenance for the months of December 2016 through March 2017. The following presents the percent change for each index:

1.62%	Labor
-1.39%	Fuel
0.71%	Vehicle and Equipment Replacement
1.39%	Vehicle and Equipment Maintenance
2.06%	Disposal
1.27%	All Other

There were no significant changes in the indices from the April 2015 – March 2016 time frame to the April 2016 – March 2017 time frame.

4. Weighted Percentage and Refuse Rate Index (RRI) Calculations – The results of multiplying each cost category (expense) weight percentage by the percent change in the associated index and rounding and the sum total (**Attachment 2**) were confirmed. The following presents the resulting weighted percent change for each index and the sum total RRI:

0.64%	Labor
-0.06%	Fuel
0.04%	Vehicle and Equipment Replacement
0.07%	Vehicle and Equipment Maintenance
0.39%	Disposal
<u>0.34%</u>	<u>All Other</u>
1.42%	TOTAL = Refuse Rate Index (RRI)

From the weighted percentage calculations above, the RRI figure for Rate Year 2018 was verified to be 1.42%.

3.0 REVIEW SUMMARY AND NET RATE YEAR 2018 RATE ADJUSTMENT

The RRI rate application submitted by Recology Yuba-Sutter (**Attachments 1-3**) is confirmed to be complete and prepared in accordance with the relevant provisions of the RWMA jurisdictions' Collection Service Agreements. The net rate adjustment for Rate Year 2018 was calculated to be 1.42%.

4.0 2018 RATE YEAR RATE ADJUSTMENT EVALUATION REPORT REVIEW

A draft of this evaluation report was reviewed by Recology Yuba-Sutter and the RWMA Administrators and no comments or revisions were provided. This evaluation report was also reviewed by the RWMA Board at the June 15th meeting. This final report is being submitted to the RWMA jurisdictions along with the final rate adjustment figure and rate sheets. Rate adoption hearings, as necessary, will be held by the RWMA jurisdictions in July and August and the adjusted rates will be effective October 1, 2017.

Attachment 1: Expense Statement

Biology Yuba-Sutter
Expense Statement Excluding
Street Sweeping, HWY Facility, Ponderosa, Landfill Closure, and Projects

	3rd Qtr 2016 Actual	4th Qtr 2016 Actual	1st Qtr 2017 Actual	2nd Qtr 2017 Actual	Adjust Taxes and Depreciation	Adjust Deductions and Event Permits	Adjust Franchise Fees, and Road Maint	Adjust Stormwater & WDR	Adjust Recology Butterfly/Comox	Adjust Temp/Recycle Processing	Adjust Member Agency Specific Maint	Ap'y 2015 - Mar 2016 Actual
Labor Expenses												
Regular Hours	1,104,978.49	1,105,150.88	1,081,041.65	1,071,001.52								4,432,152.54
Overetime Hours	367,880.27	362,197.88	372,322.31	356,886.05								1,393,286.51
Sickpay	23,752.80	26,552.80	27,001.20	29,175.40								106,482.20
Holiday Worked	87,318.41	87,318.02	85,619.05	94,975.74								311,355.23
Holiday Not Worked	6,725.02	9,500.48	28,613.19	12,010.53								56,849.22
Vacation/PTO	57,518.74	58,060.53	60,031.86	68,111.56								243,762.29
PTO	34,215.76	34,215.41	34,592.57	31,510.86								134,536.60
Other (Payroll)	13,192.90	10,264.74	29,839.50	32,238.50								(684,209.93)
Labor Billing	0.00	0.00	0.00	0.00								0.00
Labor Billing	0.00	0.00	0.00	0.00								0.00
Saturday	0.00	0.00	0.00	0.00								0.00
Sunday	0.00	0.00	0.00	0.00								0.00
Accrued Bonuses	0.00	0.00	0.00	0.00								0.00
Labor Transfer	130,462.40	132,428.51	137,468.65	134,786.95								515,146.75
Payroll	1,721,987.29	1,826,703.25	1,886,703.20	1,904,703.14								6,570,387.31
Payroll Taxes												
O/F5 Person	309,854.37	314,979.41	293,817.21	289,921.29								1,208,577.28
Other Pension	0.00	0.00	0.00	0.00								0.00
401K Employer Pention	938.35	(202,511)	1,142,722	531,820								2,410.46
I/C Pension	42,485.25	40,039.30	59,027.52	51,440.84								192,992.91
Pension	353,278.57	344,816.20	363,386.55	341,832.92								1,403,397.55
C/5 Health Insurance	416,912.00	415,442.00	43,030.00	43,030.00								1,616,913.00
I/C Health Cat/NV	101,132.45	90,350.54	91,216.18	99,874.94								342,774.11
I/C Health OR	0.00	0.00	0.00	0.00								0.00
W/C Self Insurance	0.00	0.00	0.00	0.00								0.00
I/C Premium OR	0.00	0.00	0.00	0.00								0.00
I/C Premium WOW	0.00	0.00	0.00	0.00								0.00
Health Benefits Payments	0.00	0.00	0.00	0.00								0.00
Health Benefits Payments WOW	0.00	0.00	0.00	0.00								0.00
Health Benefits Payments OR	0.00	0.00	0.00	0.00								0.00
Health Insurance	518,244.45	505,794.34	514,296.18	511,351.94								2,069,987.11
I/C Workers Compensation OR	0.00	0.00	0.00	0.00								0.00
I/C Workers Compensation OR	158,275.02	122,641.72	139,137.21	125,125.74								545,179.69
Insurance Comp Premiums	0.00	0.00	0.00	0.00								0.00
W/C Insurance Premiums OR	0.00	0.00	0.00	0.00								0.00
Workers Comp	158,275.02	122,641.72	139,137.21	125,125.74								545,179.69
Other Benefits	0.00	0.00	0.00	0.00								0.00
Other Benefits	0.00	0.00	0.00	0.00								0.00
Labor	2,872,398.58	2,941,568.07	3,037,812.14	3,068,370.79								11,150,947.31
Fuel	275,393.22	287,993.29	295,655.88	282,667.98								39.4%
Fuel Allocation	0.00	0.00	0.00	0.00								
Fuel	275,393.22	287,993.29	295,655.88	282,667.98								
O/S Equipment Rental	188,484.04	186,311.69	193,324.56	15,044.87	(262,284.34)							54,004.69
Depreciation	89,029.10	68,991.66	88,795.46	139,045.45	(46,716.68)							143,383.35
Amortization	11,678.67	11,578.67	11,658.67	11,678.67								1,131,377.84
Equipment Rental	327,948.06	366,771.93	362,906.34	367,038.43	14,022.59							1,393,880.79
Vehicle and Equipment Replacement	647,419.87	653,155.95	676,105.21	662,076.42	(794,371.41)							1,118,371.25
O/S Repairs	91,554.48	112,014.18	88,850.47	110,242.11								234,234.44
I/C Repairs	0.00	0.00	0.00	0.00								0.00
Equipment Maint Contract	19,306.82	21,130.79	20,719.62	20,339.94								82,197.17
Tires	72,956.21	105,246.82	34,165.21	69,011.65								241,189.59
Parts	158,655.28	187,458.16	209,380.41	223,342.65								779,447.35
T & G Maintenance Allocation	0.00	0.00	0.00	0.00								(78,100.75)
T & G Overhead Allocation	0.00	0.00	0.00	0.00								(20,364.35)

Attachment 1: Expense Statement

Recology Yuba-Sutter Expense Statement - Building Street Sweeping, HWY Facility, Ponderosa, Landfill Closure, and Projects															
	3rd Qtr 2016 Actual	4th Qtr 2016 Actual	1st Qtr 2017 Actual	2nd Qtr 2017 Actual	Adjust Leases and Depreciation	Adjust Donations and Event Fomo	Adjust Franchise Fees and Road Maint	Adjust Stormwater & WDR	Adjust Solidwaste Bottle/Cans/Case	Adjust Temp Recycle Processing	Adjust Member Agency Specific Maint	Apr 2015 - Mar 2016 Actual	79,000.77	14,609.67	5.0%
Oil	Vehicle and Equipment Maintenance	27,269.00	23,104.12	10,843.50	17,784.15	461,620.50	0.00	0.00	(73,265.00)	(56,107.60)	(95,265.10)	1,456,093.67			
O/S Disposal		34,808.41	27,531.35	32,184.58	28,442.16							12,266.50			
I/C Disposal	I/C Disposal Compost	1,356,622.51	1,372,448.37	1,367,925.97	1,484,967.11							5,395,163.24			
I/D Disposal Compost		1,472,053.91	1,491,946.56	1,388,982.35	1,976,333.14							6,278,925.96			
I/D Disposal	I/C Disposal Compost	11,421,885.41	11,417,459.46	11,412,084.60	11,412,084.60	0.00	0.00	0.00				0.00			
I/C Commercial Waste Collection		0.00	0.00	0.00	0.00							(6,391,942.11)			
I/C Disposal		1,381,599.42	1,384,465.82	1,376,600.90	1,439,162.17	0.00	0.00	0.00	(142,367.10)	(32,655.62)	0.00	5,406,111.59	18.1%		
Temporary Labor		51,768.99	68,069.38	51,566.34	223,631.55							23,340.37			
Subcontractors		(13,450.46)	51,165.37	0.00	18,399.77							24,442.74			
Insurance - Claim Payments		0.00	0.00	0.00	0.00							5,901.99			
Insurance Premium Cost OR		5,767.99	102.00	0.00	0.00							5,901.99			
I/C Insurance		0.00	0.00	0.00	0.00							169,210.61			
Insurance Department Fee		40,101.55	20,207.54	54,550.71	54,550.71							287,558.57			
O/S Property Rental		20,-50.23	69,739.46	73,634.49	73,634.49							0.00			
Operational Supplies		0.00	0.00	0.00	0.00							0.00			
Expendables		18,144.89	14,039.73	13,662.08	13,662.08							63,332.56			
Maintenance		82,372.95	85,952.87	75,720.27	67,346.77							311,039.30			
Office		12,353.89	17,829.24	8,705.37	8,340.40							47,028.90			
Other Supplies		0.00	0.00	0.00	0.00							0.00			
Project		0.00	0.00	0.00	0.00							0.00			
Safety		8,122.14	17,565.22	22,482.27	26,793.76							74,486.51			
Small Tools and Equipment		5,601.59	19,198.71	23,702.69	33,405.17							81,315.16			
Maintenance		5,710.90	3,422.75	5,455.25	26,051.70							40,249.60			
Merchandise		0.00	0.00	0.00	0.00							0.00			
Franchise Fees		512,216.80	54,610.11	560,611.53	524,431.72							191,341.17			
Surcharge		69,843.81	70,595.59	69,775.33	69,775.33							21,069.82			
Building and Facility		29,100.75	24,675.17	19,412.57	79,395.32							475,487.11			
VC Bldg & Facility Repairs		0.00	0.00	0.00	0.00							1,985.20			
Security		34,316.87	31,245.58	33,756.40	31,422.58							130,241.43			
Janitorial		10,125.54	9,287.87	9,293.42	8,112.46							37,022.29			
Licenses and Permits		40,065.24	43,065.04	43,067.91	50,764.66							178,068.82			
Electricty		46,452.22	57,557.35	45,392.59	41,031.21							191,341.17			
Water		5,516.36	2,467.25	7,744.21	6,141.21							21,069.82			
Gas		795.01	0.00	795.01	6,061.50							14,765.06			
Q/S Freight		173,396.10	185,231.24	251,856.90	572,681.91							1,163,017.15			
Equipment Transportation		0.00	7,100.00	0.00	0.00							1,150.87			
I/C Freight		0.00	0.00	0.00	0.00							122.00			
Deferred Landfill		(125,00)	0.00	0.00	0.00							(125,00)			
Landfill Trust Interest		0.00	0.00	0.00	0.00							0.00			
Landfill Covers		0.00	0.00	0.00	0.00							0.00			
AB120 Subchang-		0.00	0.00	0.00	0.00							0.00			
County Landfill fees		0.00	0.00	0.00	0.00							0.00			
Landfill Permits		136,460.10	132,891.43	127,899.39	132,801.19							\$1,949.11			
Operator Liability		0.00	0.00	0.00	0.00							0.00			
Article 5		0.00	0.00	0.00	0.00							0.00			
Landfill Regulatory		0.00	0.00	0.00	0.00							0.00			
Processing Fees		0.00	4,454.02	70.40	12,177.81							16,597.23			
I/C Processing Fees		0.00	0.00	0.00	0.00							0.00			
I/C Purchases-Glass		4,886.46	5,057.15	4,115.17	3,713.38							57,321.46			
Purchases-Junk		15.00	4.00	17.20	12.00							17,771.17			
Purchases-Material		0.00	0.00	0.00	0.00							49.80			
Purchases-Newspaper		2,310.13	5,318.60	2,373.18	1,930.67							0.00			
												13,531.78			

Attachment 1: Expense Statement

Recology Yuba-Sutter Expense Statement Excluding Street Sweeping, HW Facility, Ponderosa, Landfill Closure, and Projects									
	3rd Qtr 2016 Actual	4th Qtr 2016 Actual	1st Qtr 2017 Actual	2nd Qtr 2017 Actual	2nd Qtr 2017 Budget	Adjust Leases and Depreciation	Adjust Donations and Event Prima	Adjust Franchise Fees and Road Maint	Adjust Stormwater & WDR
	400.00	300.00	200.00	300.00	20,265.41				
Purchases: Paper									
Purchases: Plastic	26,724.54	26,439.75	20,868.13						
Purchases: Wood	0.00	0.00	0.00	0.00					0.00
Purchases: Conta	0.00	0.00	0.00	0.00					0.00
Cost of Goods Sold	61,497.27	12,350.42	[2,927.69]	12,165.36					83,083.16
U/C Cost of Goods Sold	1,252.80	0.00	0.00	0.00					1,252.80
Professional Services: Other	7,675.01	4,339.23	2,591.94	3,339.60					19,055.78
Professional Services: Accounting	12,103.83	13,411.02	12,244.93	13,626.24					51,406.09
Professional Services: Legal	(115.00)	3,054.36	0.00	7,500.00					10,433.36
Professional Services: Engineering	18,755.00	28,054.14	5,158.75	9,172.37					61,140.36
Lab Analysis	1,423.96	703.30	349.00	2,681.00					5,077.26
Bad Debts	14,070.38	5,387.06	7,512.48	8,019.56					35,190.26
Business Meals	5,049.42	4,003.59	4,127.30	3,689.04					16,869.35
Travel	2,557.80	1,553.88	1,738.11	989.75					6,639.54
Entertainment:	0.00	0.00	0.00	0.00					0.00
Telephone:	20,348.44	22,685.05	24,270.36	24,037.51					91,341.36
Advertising:	34,912.01	5,689.17	21,395.43	35,677.31					97,056.42
Promotion and Special Events	78,835.40	45,538.81	43,234.16	41,454.81					8,749.51
Dues and Subscriptions	465.00	3,427.90	4,766.51	38,712.49					0.00
Employee Recognition	3,186.51	683.50	2,967.98	250.00					7,087.59
Employee Training	2,394.13	8,106.08	3,815.55	5,297.87					19,613.53
Office Expense	978.31	3,281.39	1,617.97	269.41					6,147.20
Postage	1.12	614.85	240.66	240.14					1,096.57
Project Costs	8,324.19	7,010.29	6,945.89	7,557.43					29,837.90
Taxes-Business and Other	1,630.03	0.00	0.00	0.00					0.00
Taxes-Unsecured Property	42,177.09	38,996.01	45,711.11	42,194.46					169,078.57
U/C Management Fees	27,174.57	32,247.72	32,247.72	32,247.72					123,917.73
Regional Accounting	0.00	0.00	0.00	0.00					0.00
Frigidaire Management	0.00	0.00	0.00	0.00					843,342.27
General Admin Allocation	0.00	0.00	0.00	0.00					0.00
Miscellaneous	8,994.83	(6.02)	53.38	(22.13)					(152,659.32)
Misc Expenses: A/R Interface	0.00	0.00	0.00	0.00					0.00
Refunds:	0.00	0.00	0.00	0.10					0.10
Bridge Toll	11.00	0.00	0.00	0.00					11.00
Propane Fuel	2,774.42	3,066.27	4,134.07	7,452.65					17,417.41
Transfer to C/P [Cont'd]	207,452.45	203,177.59	279,925.94						0.00
Environmental Remediation	0.00	0.00	0.00	0.00					0.00
Late Fees/Penalties	484.68	18,158	0.22	(17.97)					0.00
Earned Income Credit	0.00	0.00	0.00	0.00					0.00
Customer Training	1,156.86	4,403.38	0.00	0.00					5,350.24
Schiffmeyer Fees	0.00	0.00	0.00	0.00					1,749.60
Safety Meetings	0.00	0.00	0.00	0.00					0.00
Medical Expenses	2,850.65	2,146.60	1,443.60	1,813.70					8,254.55
Union Dues	0.00	0.00	0.00	0.00					0.00
Caterers	0.00	0.00	0.00	0.00					0.00
Tax Penalties	1,156.86	4,403.38	0.00	0.00					0.00
Bank Service Charges	18,056.27	18,317.75	16,432.51	16,526.51					69,333.04
O/S Billing Service	33,608.92	33,602.30	33,864.53	33,116.61					134,394.76
Relocation	0.00	0.00	0.00	0.00					0.00
Returned Checks	2,285.87	(2,339.47)	173.23	221.79					944.42
Sales Commission	0.00	0.00	0.00	0.00					0.00
Community Outreach	0.00	0.00	0.00	0.00					0.00
Corporate Accounting	17,382.04	66,981.03	53,547.40	64,013.00					22,621.47
IT Fee	192,745.62	24,631.20	18,458.78	21,134.57					817,138.75
Environmental Compliance	7,740.56	15,778.01	11,761.45	12,958.92					\$3,380.26
Litigation Compliance	0.00	0.00	0.00	0.00					34,243.57
Human Resources	38,293.11	16,494.26	37,989.42	14,966.56					128,192.91
Legal	0.00	0.00	0.00	0.00					29,745.49
Corporate Management	43,974.90	62,428.41	26,210.00	33,707.84					166,331.20
All Other	2,374,470.17	2,591,004.53	2,587,443.99	3,179,464.55					7,564,955.07
Total Operating Expenses	7,921,703.85	8,307,882.73	8,299,073.25	9,084,102.41					28,321,473.32
					(114,390.00)				100.0%
					(53,492.97)				
					(934,101.10)				
					(58,298.26)				
					(18,764.69)				

Attachment 2: Refuse Rate Index Calculation

Recology Yuba-Sutter
Refuse Rate Index Calculation
For Rate Year 2018 (October 1, 2017 to September 30, 2018)

	Index Percentage Change	Expense Weight	Weighted Percentage
Labor	1.62%	39.37%	0.64%
Fuel	-1.39%	3.93%	-0.06%
Vehicle and Equipment Replacement	0.71%	5.62%	0.04%
Vehicle and Equipment Maintenance	1.39%	5.00%	0.07%
Disposal	2.06%	19.09%	0.39%
All Other	1.27%	26.99%	<u>0.34%</u>
Total Weighted Percentage			<u><u>1.42%</u></u>

Attachment 3

RRI Indices and Calculations of the Percentage Change in the Annual Average of Each Index

**Recology Yuba-Sutter
Refuse Rate Index Calculation
For Rate Year 2018 (October 1, 2017 to September 30, 2018)**

Labor Index Series ID: CIU20150000005101 (B,H) Employment Cost Index not seasonally adjusted, total compensation, private industry, union, service providing industries (Bureau of Labor Statistics)																					
Average 2016	2nd Qtr 2015	3rd Qtr 2015	4th Qtr 2015	1st Qtr 2016																	
131.8250	130.4	130.8	131.4	132.7																	
Average 2017	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	1st Qtr 2017																	
133.4500	132.7	133.2	133.1	134.8																	
Percentage change	1.62%			Weight	89.37%			Weighted percentage	0.64%												
Fuel Energy Information Administration (U.S. Department of Energy) California #2 Diesel Fuel, Retail sales by all sellers (DDR007)																					
Average 2016	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016									
2.8265	3.098	3.254	3.192	3.115	2.935	2.850	2.814	2.768	2.644	2.526	2.385	2.387									
Average 2017	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017									
2.7871	2.459	2.636	2.782	2.785	2.722	2.749	2.817	2.820	2.851	2.932	2.957	2.935									
Percentage change	-1.39%			Weight	3.93%			Weighted percentage	-0.06%												
Vehicle and Equipment Replacement Series ID: wpu141301 Truck and Bus Bodies sold separately (Bureau of Labor Statistics)																					
Average 2016	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016									
233.3833	232.9	233.3	233.3	233.4	233.4	233.4	233.5	233.4	233.3 P	233.7 P	233.5 P	233.5 P									
Average 2017	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017									
235.0500	234.1	234.3	234.4	234.7	235.0	234.9	235.0	235.1	235.2 P	235.8 P	235.7 P	236.4 P									
Percentage change	0.71%			Weight	5.62%			Weighted percentage	0.04%												
Vehicle and Equipment Maintenance Series ID: pcu33524333924 Parts & attachment of Industrial work trucks & tractors (Bureau of Labor Statistics)																					
Average 2016	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016									
235.4333	234.9	235.1	235.0	235.0	235.0	235.0	235.4	235.4	235.8 P	235.7 P	236.4 P	236.5 P									
Average 2017	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017									
238.7083	236.9	237.3	237.3	237.4	238.4	238.5	238.5	238.6	238.6 P	240.8 P	241.1 P	241.1 P									
Percentage change	1.39%			Weight	5.00%			Weighted percentage	0.07%												
Disposal																					
April 2016	\$39.85 Disposal rate																				
April 2017	\$40.67 Disposal rate																				
Percentage change	2.06%			Weight	19.09%			Weighted percentage	0.39%												
All Other Series ID: cuurx400sa0 Consumer Price Index, All Urban Consumers, All Items, West-Size Class B/C (U.S. Department of Labor, Bureau of Labor Statistics)																					
Average 2016	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016									
144.4035	144.426	145.346	145.198	144.917	144.752	144.507	144.379	143.595	143.398	143.932	144.128	144.264									
Average 2017	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017									
146.2329	145.128	145.942	145.866	145.850	145.829	146.130	146.328	146.004	145.918	146.469	147.451	147.880									
Percentage change	1.27%			Weight	26.99%			Weighted percentage	0.34%												
Total Weighted Percentage Increase	1.44%																				