

CITY OF YUBA CITY
STAFF REPORT

Date: September 2, 2008
To: Honorable Mayor & Members of the City Council
From: Administration
Presentation By: Steven C. Kroeger, Assistant City Manager

Summary

Subject: Yuba-Sutter Disposal Inc. (YSDI) Rate Adjustment Application for Rate Year 2009 and Related Franchise Amendment

Recommendation: Conduct a public hearing and adopt a resolution

- a. Approving a 6.75% adjustment to YSDI service rates for the Rate Year 2009; and
- b. Establishing a National Pollution Discharge Elimination System (NPDES) Solid Waste Fee to fund activities related to preventing pollutants from entering local waterways and related NPDES compliance activities; and
- c. Amending the 1991 Franchise Agreement with Yuba-Sutter Disposal, Inc.

Fiscal Impact: Rate Adjustments are detailed as part of the attached resolution

Background:

On August 1, 2000, the Council approved Rate Adjustment Guidelines (“Guidelines”) for the refuse collection, recycling, and transfer station operations provided by YSDI. The Guidelines were concurrently adopted by the other member jurisdictions of the Regional Waste Management Authority (RWMA). The Guidelines were developed to provide long-term rate predictability to member jurisdictions while providing fair and adequate compensation to YSDI.

Annually, YSDI is required to submit information so that the member jurisdictions can adjust service rates as appropriate. In every odd-numbered year (i.e., 2007, 2009, etc.), YSDI is required to submit a detailed application that outlines actual operational costs and revenues. In even-numbered years (i.e., 2006, 2008, etc.), YSDI is required to submit an indexed application that adjusts rates based on a CPI adjustment (i.e., 80% of the CPI for All Urban Consumers – West).

A complete history of the rate adjustment process is included as an attachment to this report (RWMA Staff report Agenda Item IV-A).

Analysis:

Rate Adjustment. Pursuant to the Guidelines, YSDI submitted a Rate Application (“Application”) on April 7, 2008 for Rate Year 2009, which is the period from October 1, 2008 – September 30, 2009. This application included the indexed rate adjustment for Rate Year 2009. In addition, due to ongoing volatility in fuel prices, the participating jurisdictions previously agreed to evaluate YSDI’s

recommended rate increase includes fuel price adjustments for July through September 2007; an estimated fuel price adjustment for October 2007 through June 2008; and a recommendation for an additional adjustment to increase the fuel price allowance for Rate Year 2009 from \$3.10 to \$4.00 per gallon.

The breakdown of the recommended rate adjustment of 6.75% is as follows:

- **3.31%** increase per the indexed adjustment.
- **0.12%** increase to adjust for the difference between the Rate Year 2007 fuel price allowance of \$2.66 per gallon and the final weighted average fuel price of \$2.72 per gallon.
- **1.24%** increase to adjust for the difference between the Rate Year 2008 fuel price allowance of \$3.00 per gallon and the final weighted average fuel price of \$3.72 per gallon for the first nine months of Rate Year 2008.
- **2.08%** increase to reflect an increase in the Rate Year 2009 fuel price allowance of \$3.10 per gallon that would have resulted from the indexed computation to a \$4.00 per gallon fuel price allowance.

Rate Stabilization Fund. Last year's approved Franchise Amendment (Rate Year 2008) included a Rate Stabilization Fund for anticipated surplus rather than reducing region-wide service rates by 1.68%. The Rate Stabilization Fund was set up to be used to reduce future rate increases and/or to fund future capital improvements. The RWMA Board of Directors has recommended that the Rate Stabilization Fund of nearly \$700,000 not be used to offset the Rate Year 2009 rate increase, but be retained for use for special capital projects such as the anticipated improvements to the Highway 20 and Levee Road intersection in 2009, or to offset some portion of any Rate Year 2010 adjustment.

For further reference, please see the attached "Evaluation Report Yuba Sutter Disposal, Inc. 2009 Rate Application" and RWMA Staff Report that provide both a comprehensive overview of the rate setting process as well as detailed information regarding the latest review.

NPDES Solid Waste Fee. City staff is proposing the addition of a National Pollution Discharge Elimination System (NPDES) Solid Waste surcharge to fund activities related to preventing pollutants from entering into local waterways and related NPDES compliance activities. The regulatory fee is proposed to be based upon the approximate volumes of waste generated by developed properties, which is proportionally related to the generation of solid wastes in the drainage system. A \$0.0007 per gallon surcharge would be added to the solid waste services (trash collection) bill for NPDES program services. The total amount of revenue generated from the proposed NPDES solid waste fee would be approximately \$102,000 per year. All revenues generated from the fees would be placed in a restricted fund to be used solely for the purpose of the NPDES program.

For further reference, please see the attached "National Pollution Discharge Elimination System (NPDES) Solid Waste Fee Justification Report."

Fiscal Impact:

If approved, the refuse service rates for Rate Year 2009 will be increased by 6.75%. The Rate Stabilization Fund will be retained for special capital projects such as the improvements to the Highway 20 and Levee Road intersection in 2009 or to offset some portion of any Rate Year 2010 adjustment. The addition of the NPDES Solid Waste Fee of \$0.0007 per gallon is estimated to generate \$102,000 annually to fund City activities related to preventing pollutants from entering local waterways.

Alternatives:

- Request that the RWMA Board reconsider its recommendation not to use the Rate Stabilization Fund to offset the Rate Year 2009 rate increase; resulting in an
- Approve the NPDES Solid Waste Fee in an alternate amount or do not approve.

Recommendation:

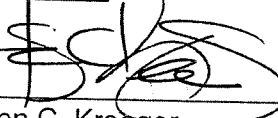
Conduct a public hearing and adopt a resolution

- a. Approving a 6.75% adjustment to YSDI service rates for the Rate Year 2009; and
- b. Establishing a National Pollution Discharge Elimination System (NPDES) Solid Waste Fee to fund activities related to preventing pollutants from entering local waterways and related NPDES compliance activities; and
- c. Amending the 1991 Franchise Agreement with Yuba-Sutter Disposal, Inc.

Attachments:


1. *Resolution, Franchise Amendment and Rate Tables*
2. *RWMA Staff Report (Agenda Item IV-A) dated July 17, 2008, titled "Collection Rate Adjustment Application Evaluation Report"*
3. *Evaluation Report Yuba Sutter Disposal, Inc. 2009 Rate Application prepared by Aurora Environmental, Inc.*
4. *National Pollution Discharge Elimination System (NPDES) Solid Waste Fee Justification Report*

Prepared By:



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Submitted By:



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Reviewed By:

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Front Load Compactor Rates

Service Description	Rates Effective 10/1/2007				Rates Effective 10/1/2008				
	Base Rate *	Franchise Fees	Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge **	Base Rate *	Franchise Fees	Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge **	Total Rate for Services
1.3 Yd Compactor									
1 time per week	\$205.76	\$10.83	\$216.59	\$2.90	\$219.49	\$11.56	\$231.21	\$2.90	\$234.11
2 times per week	\$411.53	\$21.66	\$433.19	\$4.90	\$438.09	\$23.12	\$462.43	\$4.90	\$467.33
3 times per week	\$617.28	\$32.49	\$649.77	\$6.80	\$656.57	\$34.68	\$693.63	\$6.80	\$700.43
4 times per week	\$823.04	\$43.32	\$866.36	\$8.80	\$875.16	\$46.24	\$924.84	\$8.80	\$933.64
5 times per week	\$1,028.80	\$54.15	\$1,082.95	\$10.80	\$1,093.75	\$57.80	\$1,156.04	\$10.80	\$1,166.84
6 times per week	\$1,234.58	\$64.98	\$1,299.56	\$13.80	\$1,313.36	\$69.36	\$1,387.27	\$13.80	\$1,401.07
2 Yd Compactor									
1 time per week	\$316.56	\$16.66	\$333.22	\$3.40	\$336.62	\$17.79	\$355.72	\$3.40	\$359.12
2 times per week	\$633.09	\$33.32	\$666.41	\$5.50	\$671.91	\$35.57	\$711.39	\$5.50	\$716.89
3 times per week	\$949.66	\$49.98	\$999.64	\$7.50	\$1,007.14	\$53.36	\$1,067.12	\$7.50	\$1,074.62
4 times per week	\$1,266.22	\$66.64	\$1,332.86	\$9.60	\$1,342.46	\$71.14	\$1,422.83	\$9.60	\$1,432.43
5 times per week	\$1,582.76	\$83.30	\$1,666.06	\$11.70	\$1,677.76	\$88.93	\$1,778.53	\$11.70	\$1,790.23
6 times per week	\$1,899.31	\$99.96	\$1,999.27	\$14.90	\$2,014.17	\$106.71	\$2,134.22	\$14.90	\$2,149.12
3 Yd Compactor									
1 time per week	\$474.84	\$24.99	\$499.83	\$4.10	\$503.93	\$26.68	\$533.57	\$4.10	\$537.67
2 times per week	\$949.67	\$49.98	\$999.65	\$6.90	\$1,006.55	\$53.36	\$1,067.13	\$6.90	\$1,074.03
3 times per week	\$1,424.51	\$74.97	\$1,499.48	\$10.00	\$1,509.48	\$80.03	\$1,609.69	\$10.00	\$1,619.69
4 times per week	\$1,899.32	\$99.96	\$1,999.28	\$12.40	\$2,011.68	\$106.71	\$2,134.23	\$12.40	\$2,146.63
5 times per week	\$2,374.17	\$124.96	\$2,499.13	\$15.20	\$2,514.33	\$133.39	\$2,667.82	\$15.20	\$2,683.02
6 times per week	\$2,849.00	\$149.95	\$2,998.95	\$19.50	\$3,018.45	\$160.07	\$3,201.38	\$19.50	\$3,220.88
4 Yd Compactor									
1 time per week	\$633.10	\$33.32	\$666.42	\$5.00	\$671.42	\$35.57	\$711.40	\$5.00	\$716.40
2 times per week	\$1,266.23	\$66.64	\$1,332.87	\$8.40	\$1,341.27	\$71.14	\$1,422.84	\$8.40	\$1,431.24
3 times per week	\$1,899.32	\$99.96	\$1,999.28	\$11.80	\$2,011.08	\$106.71	\$2,134.23	\$11.80	\$2,146.03
4 times per week	\$2,532.44	\$133.29	\$2,665.73	\$15.30	\$2,681.03	\$142.28	\$2,845.66	\$15.30	\$2,860.96
5 times per week	\$3,165.55	\$166.61	\$3,332.16	\$18.80	\$3,350.96	\$177.85	\$3,557.07	\$18.80	\$3,575.87
6 times per week	\$3,798.67	\$199.93	\$3,998.60	\$24.20	\$4,022.80	\$213.43	\$4,288.51	\$24.20	\$4,292.71
5 Yd Compactor									
1 time per week	\$791.37	\$41.65	\$833.02	\$5.20	\$838.22	\$44.46	\$889.25	\$5.20	\$894.45
2 times per week	\$1,582.78	\$83.30	\$1,666.08	\$9.20	\$1,675.28	\$88.93	\$1,778.55	\$9.20	\$1,787.75
3 times per week	\$2,374.17	\$124.96	\$2,499.13	\$13.20	\$2,512.33	\$133.39	\$2,667.82	\$13.20	\$2,681.02
4 times per week	\$3,165.55	\$166.61	\$3,332.16	\$17.30	\$3,349.46	\$177.85	\$3,557.07	\$17.30	\$3,574.37
5 times per week	\$3,956.95	\$208.26	\$4,165.21	\$21.50	\$4,186.71	\$222.32	\$4,446.36	\$21.50	\$4,467.86
6 times per week	\$4,748.33	\$249.91	\$4,998.24	\$27.80	\$5,026.04	\$266.78	\$5,335.62	\$27.80	\$5,363.42
6 Yd Compactor									
1 time per week	\$949.67	\$49.98	\$999.65	\$5.30	\$1,004.95	\$53.36	\$1,067.13	\$5.30	\$1,072.43
2 times per week	\$1,899.32	\$99.96	\$1,999.28	\$9.90	\$2,009.18	\$106.71	\$2,134.23	\$9.90	\$2,144.13
3 times per week	\$2,849.00	\$149.95	\$2,998.95	\$14.60	\$3,013.55	\$160.07	\$3,201.38	\$14.60	\$3,215.98
4 times per week	\$3,798.67	\$199.93	\$3,998.60	\$19.30	\$4,017.90	\$213.43	\$4,268.51	\$19.30	\$4,287.81
5 times per week	\$4,748.33	\$249.91	\$4,998.24	\$24.10	\$5,022.34	\$266.78	\$5,335.62	\$24.10	\$5,359.72
6 times per week	\$5,697.99	\$299.89	\$5,997.88	\$31.30	\$6,029.18	\$320.14	\$6,402.74	\$31.30	\$6,434.04

* Base Rate is based on 4.3333 pick-ups per month at \$38.99/cu.yd. or \$168.96 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.

Commercial Can and Cart Rates

Service Description	Rates Effective 10/1/2007					Rates Effective 10/1/2008				
	Base Rate	Franchise Fees	Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services	Base Rate	Franchise Fees	Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services
Commercial Can	\$21.82	\$1.15	\$22.97	\$0.50	\$23.47	\$23.29	\$1.23	\$24.52	\$0.50	\$25.02
Additional Commercial Can	\$20.19	\$1.06	\$21.25	\$0.50	\$21.75	\$21.55	\$1.13	\$22.68	\$0.50	\$23.18
Commercial Cart	\$43.75	\$2.30	\$46.05	\$1.00	\$47.05	\$46.70	\$2.46	\$49.16	\$1.00	\$50.16
Additional Commercial Cart	\$43.75	\$2.30	\$46.05	\$1.00	\$47.05	\$46.70	\$2.46	\$49.16	\$1.00	\$50.16

To determine the rate for additional service days per week, multiply the rate above by the number of pickups per week.

Debris Box Rates

Service Description	Rates Effective 10/1/2007					Rates Effective 10/1/2008				
	Base Rate	Franchise Fees	Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services	Base Rate	Franchise Fees	Including Franchise Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services
09 Yd Dirt/Concrete Debris	\$336.13	\$17.69	\$353.82	5.00	\$358.82	\$358.82	\$18.89	\$377.71	\$5.00	\$382.71
15 Yd Debris Box	\$270.74	\$14.25	\$284.99	4.20	\$289.19	\$289.19	\$15.21	\$304.22	\$4.20	\$308.42
20 Yd Debris Box	\$312.38	\$16.44	\$328.82	5.00	\$333.82	\$333.82	\$17.55	\$351.02	\$5.00	\$356.02
25 Yd Debris Box	\$336.21	\$17.70	\$353.91	5.40	\$359.31	\$359.31	\$18.89	\$377.79	\$5.40	\$383.19
30 Yd Debris Box	\$368.97	\$19.42	\$388.39	6.00	\$394.39	\$394.39	\$20.73	\$414.61	\$6.00	\$420.61
40 Yd Debris Box	\$434.43	\$22.86	\$457.29	7.20	\$464.49	\$464.49	\$24.41	\$488.16	\$7.20	\$495.36
Compactor Rate Per Cubic Yard	\$38.04	\$2.00	\$40.04	\$0.60	\$40.64	\$40.61	\$2.14	\$42.75	\$0.60	\$43.35
Wood Debris Box	\$147.27	\$7.75	\$155.02		\$155.02	\$157.21	\$8.27	\$165.48		\$165.48
15 Yard Tires	\$496.47	\$26.13	\$522.60	\$6.80	\$529.40	\$529.98	\$27.89	\$557.87	\$6.80	\$564.67
20 Yard Tires	\$628.88	\$33.10	\$661.98	\$8.60	\$670.58	\$671.33	\$35.33	\$706.66	\$8.60	\$715.26
25 Yard Tires	\$752.45	\$39.60	\$792.05	\$10.30	\$802.35	\$803.24	\$42.28	\$845.52	\$10.30	\$855.82
30 Yard Tires	\$876.07	\$46.11	\$922.18	\$12.00	\$934.18	\$935.20	\$49.22	\$984.42	\$12.00	\$996.42
40 Yard Tires	\$1,050.44	\$55.29	\$1,105.73	\$14.30	\$1,120.03	\$1,121.34	\$59.02	\$1,180.36	\$14.30	\$1,194.66
Trip Charge / Same Day Service	\$61.47	\$3.24	\$64.71		\$64.71	\$65.62	\$3.45	\$69.07		\$69.07
Demurrage Charge	\$15.14	\$0.80	\$15.94		\$15.94	\$16.16	\$0.85	\$17.01		\$17.01

EXHIBIT B

NPDES Solid Waste Fee Structure

<u>Residential Service</u>	<u>per month</u>
<u>Weekly Service</u>	
for every 32 gallon cart	\$ 0.09
for every 64 gallon cart	\$ 0.18
for every 96 gallon cart	\$ 0.28

<u>Example NPDES Solid Waste Fees</u>	
32 gallon cart / 64 gallon recycle cart	\$ 0.28
64 gallon cart / 64 gallon recycle cart	\$ 0.37
96 gallon cart / 64 gallon recycle cart	\$ 0.46

<u>Commercial Service</u>	
<u>Weekly Service</u>	
for every 32 gallon cart	\$ 0.14
for every 64 gallon cart	\$ 0.28
for every 96 gallon cart	\$ 0.42

Container Size	Frequency of Service	
1 yard container	1X Week	\$ 0.58
	2X Week	\$ 1.16
	3X Week	\$ 1.74
	4X Week	\$ 2.31
	5X Week	\$ 2.89
	6X Week	\$ 3.47
1 1/2 yard container	1X Week	\$ 0.87
	2X Week	\$ 1.74
	3X Week	\$ 2.60
	4X Week	\$ 3.47
	5X Week	\$ 4.34
	6X Week	\$ 5.21
2 yard container	1X Week	\$ 1.16
	2X Week	\$ 2.31
	3X Week	\$ 3.47
	4X Week	\$ 4.63
	5X Week	\$ 5.79
	6X Week	\$ 6.94

EXHIBIT B

NPDES Solid Waste Fee Structure

Commercial Service (con't)

3 yard container	1X Week	\$ 0.58
	2X Week	\$ 1.16
	3X Week	\$ 1.74
	4X Week	\$ 2.31
	5X Week	\$ 2.89
	6X Week	\$ 3.47
4 yard container	1X Week	\$ 2.31
	2X Week	\$ 4.63
	3X Week	\$ 6.94
	4X Week	\$ 9.26
	5X Week	\$ 11.57
	6X Week	\$ 13.89
5 yard container	1X Week	\$ 2.89
	2X Week	\$ 5.79
	3X Week	\$ 8.68
	4X Week	\$ 11.57
	5X Week	\$ 14.47
	6X Week	\$ 17.36
6 yard container	1X Week	\$ 3.47
	2X Week	\$ 6.94
	3X Week	\$ 10.42
	4X Week	\$ 13.89
	5X Week	\$ 17.36
	6X Week	\$ 20.83
7 yard container	1X Week	\$ 4.05
	2X Week	\$ 8.10
	3X Week	\$ 12.15
	4X Week	\$ 16.20
	5X Week	\$ 20.25
	6X Week	\$ 24.30
2 yard compactor	1X Week	\$ 1.16
15 yard compactor	1X Week	\$ 8.68
25 yard compactor	1X Week	\$ 14.47
27 yard compactor	1X Week	\$ 15.62
30 yard compactor	1X Week	\$ 17.36
34 yard compactor	1X Week	\$ 19.67
40 yard compactor	1X Week	\$ 23.15

ATTACHMENT 2

**REGIONAL WASTE MANAGEMENT AUTHORITY
STAFF REPORT FOR AGENDA ITEM IV-A
JULY 17, 2008**

COLLECTION RATE ADJUSTMENT APPLICATION EVALUATION REPORT

INTRODUCTION

Attached is the Final Draft Report prepared by Aurora Environmental, Inc. on the review of the rate adjustment application that was submitted by Yuba-Sutter Disposal, Inc. (YSDI) for the rate year beginning October 1, 2008 (Rate Year 2009). This rate adjustment application is the ninth annual application submitted by YSDI pursuant to the Rate Adjustment Guidelines adopted by the RWMA member jurisdictions in July 2000. The Final Draft Report and rate adjustment recommendation to the member jurisdictions are now being presented to the RWMA Board for review and acceptance.

The Rate Adjustment Guidelines 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 been providing this service for the member jurisdictions since the first Detailed Rate Application was submitted. The RWMA does not have any rate setting authority and conducts the application review only as a service to the member jurisdictions.

RATE ADJUSTMENT HISTORY

In May 1998, YSDI submitted a request for a "Proposed Rate Increase" to the RWMA Member Agencies. A rate increase of 14.11 percent was requested to be effective July 1, 1998. The RWMA member jurisdictions retained the services of a consultant to review the proposed rate increase. The consultant recommended an interim rate adjustment of 9.0 percent effective January 1, 1999, pending the adoption of a standard rate setting methodology and subsequent reconsideration of the support for the interim rate adjustment. Rate Adjustment Guidelines dated July 11, 2000, were adopted by all of the RWMA Member Agencies in July 2000. With the adoption of the Guidelines, the member jurisdictions and YSDI agreed to accept the interim rate adjustment of 9.0 percent effective January 1, 1999, and to forgo any further review and adjustments to the 1998 rate application.

The Rate Adjustment Guidelines established a process for submittal and review of Detailed Applications and Indexed Applications for rate adjustments. Detailed Applications are to be submitted in each odd-numbered year and Indexed Applications are to be submitted in each even-numbered year. Because the initial review occurred in an even-numbered year, 2000, and a Detailed Application and Review had not yet been conducted under the newly adopted Guidelines, Detailed Applications were submitted in 2000 and 2001 for both Rate Years 2001 and 2002. Per the adopted Rate Adjustment Guidelines, for indexed rate adjustments, the rate adjustment requested is to be based on 80 percent of the one year change (December to December) in the specified Consumer Price Index (CPI).

The first Detailed Application (RY 2001) requested a rate increase of 1.35 percent. Through the review process, that request was reduced to 0.47 percent as a result of changes in implementation dates for the new diversion programs and review of the landfill post-closure expenses. This rate increase became effective January 1, 2001. Because there were only nine months left in the Rate Year, the rate adjustment was annualized to 0.62 percent.

The second Detailed Application (RY 2002) requested a rate increase of 8.34 percent. As a result of the detailed review of the application and several discussions with YSDI personnel, some of the expenses and revenue projections for RY 2002 were adjusted, which resulted in reducing the rate adjustment to 6.03 percent. Because of reductions in the costs of Member Agency specific programs for Marysville and Yuba County, the resulting rate adjustments requested for these jurisdictions were 4.92 percent and 3.30 percent respectively. For Marysville, street sweeping expenses were reduced to reflect the expiring leases for equipment that was on hand as of September 30, 2000. For Yuba County, expenses were reduced to remove the Ponderosa Landfill closure liability that would be paid off in RY 2002. At this time, universal base rates and several other policy changes were also approved and implemented including an extension of all franchise agreements to December 31, 2011.

The first Indexed Application (RY 2003) requested a 2.0 percent rate adjustment. This rate adjustment application only computed the rate adjustment percentage to one decimal place rather than the two-decimal place adjustment approved in the two prior Detailed Applications. The rate application and rate structures were subsequently revised to reflect the two decimal-place figure, and the universal base rates were increased by 2.03 percent.

The third Detailed Application (RY 2004) calculated a revenue shortfall for RY 2004 of \$2,195,283 requiring a rate increase of 13.08 percent. As a result of the detailed review of the application and several discussions between YSDI personnel and the RWMA member jurisdiction administrators, some of the expenses and revenue projections for RY 2004 were adjusted. As a result, the revenue shortfall for RY 2004 was reduced to \$1,640,475 requiring an overall rate increase of 9.80 percent for Tier 1 rates or 10.81 percent for Tier 2 rates which included the projected increase in State vehicle license and weight fees. During this rate adjustment cycle, in light of a significant average disparity in debris box service rates in comparison with surrounding jurisdictions, debris box rates were increased by 30 percent resulting in a 5.64 percent increase in all residential and commercial rates under Tier 1 and a 6.85 percent increase under Tier 2.

Because of cost increases for the Marysville street sweeping service, the resulting rate adjustments for Marysville were 6.29 percent and 7.44 percent for residential and commercial services respectively for Tier 1 and Tier 2 rates. For debris box services, the total rate increase for Marysville for Tier 1 was 30.79 percent and 30.70 percent for Tier 2. A revenue surplus was projected for the Ponderosa Transfer Station, which is a Member Agency specific program for Yuba County, resulting in 5.05 percent and 6.24 percent rate increases for residential and commercial services respectively for Tier 1 and Tier 2 rates for Yuba County. For debris box services, the total rate increase for Yuba County for Tier 1 was 29.28 percent and 29.26 percent for Tier 2.

Most of the revenue shortfall projected in the RY 2004 application was traced back to the significant revenue shortfall that resulted from the reasonable, but ultimately inaccurate assumptions made in the RY 2002 Detailed Rate Application. Approximately two-thirds of

the RY 2002 shortfall of \$1,472,000 was due to significant reductions in the value of recyclable materials; the less than anticipated volume of recyclable materials collected; and, the significant and unanticipated increase in the amount of material being disposed of in RY 2002.

A major cost saving factor that was included in the RY 2004 application was a reduction in Ostrom Road disposal fees from \$26.60 per ton in 2002 to \$23.40 per ton in 2004. This reduction in disposal fees occurred because the Ostrom Road Landfill began accepting refuse from Nevada County on December 1, 2002 at a rate of \$23.00 per ton under a new long-term transfer, haul, and disposal contract. The tip fee charged to Nevada County was scheduled to increase on December 1, 2003 by 90 percent of the change in the California CPI (as measured by the California Department of Industrial Relations). The RY 2004 disposal cost included in the rate application was based on the RY 2004 disposal tip fee of \$23.40 per ton. It was expected that the Ostrom Road Landfill tip fee charged to Nevada County would increase to between \$23.42 per ton and \$23.62 per ton in RY 2004, depending on the actual change in the CPI.

Another important adjustment to the initial rate application for RY 2004 was a reduction of the projected \$1.78 per gallon diesel fuel cost to a lower average fuel cost of \$1.51 per gallon based on the then current pricing and certain published reports on projected future fuel costs. This reduction was agreed to with the provision that any significant increase in fuel cost forecast for RY 2005 related to the use of reformulated diesel fuel and any associated vehicle modification costs be added to the CPI indexed rate adjustment for RY 2005. Additionally, a two tier rate structure was adopted for RY 2004 with one incorporating the projected increase in the State vehicle license and weight fees (Tier 2) and one without these fees (Tier 1). The projected fee increase added 1.01 percentage points to the overall RY 2004 rate adjustment. While the initial RY 2004 rates were set at the Tier 2 level including these fee increases, the retroactive cancellation of these fees on November 17, 2003, resulted in the RY 2004 rates being reduced to the Tier 1 rates and a rate reduction of 0.20 percent for RY 2005 to credit the rate payers for the period in which the higher rates were collected.

The second Indexed Application was submitted on April 28, 2004 for Rate Year 2005 (October 1, 2004 to September 30, 2005). However, the franchise agreement amendments and associated rate structures that were adopted by the RWMA member jurisdictions for RY 2004 included provisions allowing for special consideration in RY 2005 for any significant increase in fuel costs directly related to the reformulation of diesel fuel and related truck modifications forecast for RY 2005.

YSDI's initial application included a requested rate adjustment of 1.21 percent for the change in the CPI; a rate reduction (credit) of 0.20 percent for the period in RY 2004 prior to the roll-back of collection rates to the Tier 1 level; a rate increase of 0.23 percent for the projected first year cost for the use of ultra-low-sulfur diesel (ULSD) fuel; and, a rate increase of 1.99 percent for the projected first year cost for related truck modifications required by the new California Air Resources Board (CARB) regulations pertaining to particulate matter emissions. The combined initial rate adjustment request was equal to a 3.23 percent increase.

In the rate application, YSDI proposed to retrofit one-third of the total vehicles in RY 2005 that were designated for retrofitting pursuant to the new CARB regulations and to retain the rate adjustment through both RY 2006 and RY 2007 to provide for the retrofit of the balance

of the fleet. As a result of the application review, the number of vehicles designated for retrofitting was reduced in order to implement the retrofits on a schedule more closely matching the regulation requirements. The option to also apply Nitrogen Oxides (NOx) control technology was eliminated. In summary, as recommended by staff and the RWMA member jurisdiction administrators with the concurrence of YSDI, the combined rate adjustment for RY 2005 was reduced to an increase of 1.49 percent versus the combined 3.23 rate increase request in the initial rate application.

In addition to the Indexed Rate Application for RY 2005 and pursuant to the adopted Rate Adjustment Guidelines, YSDI submitted a supplemental Special Adjustment request dated July 14, 2004, in which they asked for an additional collection rate increase of 1.20 percent to compensate for projected increases in fuel expenses for RY 2005. YSDI also recommended in this request, based on the instability of fuel prices, that any excess or shortfall between the actual and projected fuel and oil cost for RY 2005 be reconciled in the Indexed Rate Application for RY 2007. As required by the Rate Adjustment Guidelines, a meeting between YSDI and the RWMA member jurisdiction administrators was scheduled to discuss this supplemental Special Adjustment request. The Administrators present at this meeting unanimously concluded that the projected fuel price increase did not constitute an extraordinary or unanticipated event that would materially affect YSDI's cost of operations. This decision was documented in letters from the jurisdictions to YSDI, and YSDI opted to drop this issue rather than submit a Detailed Application.

The fourth Detailed Rate Application for Rate Year 2006 (October 1, 2005 to September 30, 2006) was submitted on March 31, 2005. This application calculated a projected revenue shortfall for RY 2006 of \$2,440,507 requiring a rate adjustment of 11.92 percent. As a result of the detailed review of the application and several discussions with YSDI personnel and the RWMA Administrators, some of the expenses and revenue projections for RY 2006 were adjusted. As a result, the revenue shortfall for RY 2006 was reduced to \$1,809,684 requiring a rate adjustment of 8.74 percent. While revenue from all sources was projected to increase significantly; increased labor, fuel and disposal costs along with increased equipment lease expenses due to the on-going mandated retrofit of the collection vehicles and other miscellaneous cost increases were projected to well exceed the additional revenue during this time period. Most of these cost increases include both projected increases due to growth as well as the increased cost of these services.

The franchise agreement amendments adopted to establish the Rate Year 2006 rate structures included provisions for rate adjustments in future rate years related to the price of ultra-low-sulfur diesel fuel (ULSD). Specifically, a lower average price of \$2.60 per gallon was agreed to with the provision that the service rates can be adjusted in both Rate Year 2007 and Rate Year 2008 to reflect any difference between the agreed to and weighted average of the actual fuel prices for the previous rate year multiplied by the 496,509 gallon fuel allowance. The franchise agreement amendments reflected this provision and also required YSDI to provide documentation regarding each ULSD fuel purchase, including the number of gallons purchased, the cost, document number, date, and vendor name. This amendment also required that YSDI obtain a minimum of three quotes for each fuel purchase; purchase the lowest cost ULSD fuel for each purchase; and provide documentation regarding the minimum three quotes obtained for each fuel purchase.

It is also important to note that the rate increase varied from the 8.74 percent adjustment for Marysville and Yuba County due to the presence of member agency specific programs. The Marysville street sweeping service was projected to experience a revenue shortfall of approximately \$27,000 in RY 2006, resulting in an increase in the total revenue requirement for Marysville of 9.19 percent. Similarly, the rate application projected an additional revenue requirement of approximately \$35,000 for the Ponderosa Transfer Station which is a member agency specific program of Yuba County bringing the total percentage revenue requirement for Yuba County to 9.10 percent.

The third Indexed Application was submitted on May 1, 2006 for Rate Year 2007 (October 1, 2006 to September 30, 2007). The application calculated an indexed rate adjustment for RY 2007 of 2.39 percent. The franchise agreement amendments and associated rate structures that were adopted by the RWMA member jurisdictions for RY 2006 included provisions for an adjustment for the price of ultra-low-sulfur diesel fuel compared to the \$2.60 per gallon allowance established for Rate Year 2006. It was ultimately agreed that the 2007 Rates should be adjusted for the actual weighted fuel price for the period, October 1, 2005 through July 31, 2006, and then to incorporate any additional adjustments for the average fuel price through the end of the 2006 Rate Year in the 2008 Rate Year rate adjustment. The actual weighted average fuel price for the first tens months of Rate Year 2006 was \$2.79 per gallon--\$0.19 more than the allowance price--resulting in a rate adjustment of 0.41 percent in addition to the 2.39 percent.

The fifth Detailed Rate Application for Rate Year 2008 (October 1, 2007 to September 30, 2008) was submitted on March 30, 2007. This application calculated a projected revenue shortfall for RY 2008 of \$151,980, requiring a rate adjustment of 0.60 percent. As a result of the detailed review of the application and several discussions with YSDI personnel and the RWMA Administrators, some of the expenses and revenue projections for RY 2008 were adjusted. As a result, the revenue shortfall for RY 2008 was changed to a surplus of \$424,231 that would effectively reduce the base service rates by 1.68 percent. Rather than reducing the base region-wide service rates, the RWMA Administrators and YSDI agreed to recommend the establishment of a Rate Stabilization Fund with no change in base service rates. This fund is to be used to reduce future rate increases and/or to fund anticipated future capital improvements including stormwater management projects at YSDI's MRF/Transfer Station; improvements to Levee Road; and, improvements to the intersection of Levee Road and Highway 20.

Even with the Rate Stabilization Fund, due to the presence of member agency specific programs in Marysville and Yuba County, the service rates for these jurisdictions were still adjusted for RY 2008. The Marysville street sweeping service was projected to experience a revenue shortfall of \$45,622 in RY 2008 resulting in a rate increase request for Marysville of 1.95 percent. The Rate Application projected a reduction in the revenue requirement of \$54,545 for the Ponderosa Transfer Station which is a member agency specific program of Yuba County resulting in a rate reduction for Yuba County of 0.72 percent.

RATE ADJUSTMENT APPLICATION EVALUATION REPORT FOR RY 2009

On April 7, 2008, YSDI submitted its ninth annual rate adjustment application to the RWMA and Member Agencies for Rate Year 2009 (October 1, 2008 to September 30, 2009) subject

to the adopted Rate Adjustment Guidelines. Per the Rate Adjustment Guidelines, RY 2009 is an Indexed Rate Year. This application included the indexed rate adjustment for Rate Year 2009, plus the fuel price adjustment for July through September 2007; an estimated fuel price adjustment for October 2007 through June 2008; and a recommendation for an additional adjustment to increase the fuel price allowance for Rate Year 2009 from \$3.10 to \$4.00 per gallon. The indexed rate application submitted by YSDI was found to be complete and prepared in accordance with the Rate Adjustment Guidelines.

The attached Evaluation Report describes the indexed fuel price adjustment; adjustments for fuel prices through June 2008; and an adjustment for the fuel price allowance for Rate Year 2009. The total recommended rate adjustment is 6.75 percent and includes:

- 3.31 percent increase per the indexed adjustment based on the difference in the Consumer Price Index and formula prescribed in the Rate Adjustment Guidelines dated July 11, 2000
- 0.12 percent increase to adjust for the difference between the Rate Year 2007 fuel price allowance of \$2.66 per gallon and the final weighted average fuel price of \$2.72 per gallon
- 1.24 percent increase to adjust for the difference between the Rate Year 2008 fuel price allowance of \$3.00 per gallon and the weighted average fuel price of \$3.72 per gallon for the first nine months of Rate Year 2008
- 2.08 percent increase to reflect an increase in the Rate Year 2009 fuel price allowance of \$3.10 per gallon that would have resulted from the indexed computation to a \$4.00 per gallon fuel price allowance.

RWMA staff met with the RWMA Administrators to discuss the indexed application, and in particular, the proposal to increase the Rate Year 2009 fuel price allowance to \$4.00 per gallon and the potential use of Rate Stabilization Funds to offset some of the rate increase. The RWMA Administrators recommended that the Rate Year 2009 fuel price allowance be increased to \$4.00 per gallon and that the Rate Stabilization Fund not be used to offset the Rate Year 2009 rate increase, but be retained for use for special projects, such as the anticipated improvements to the Highway 20 and Levee Road intersection in 2009, or to offset some portion of any Rate Year 2010 adjustment.

THE NEXT STEPS

Assuming RWMA acceptance, the Final Evaluation Report will immediately be distributed to the RWMA jurisdictions along with model franchise amendment language for use in the consideration of rate structure adjustments. The Rate Adjustment Guidelines 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. Meetings to consider the adoption of the adjusted rate structures and franchise amendments by City Councils and Boards of Supervisors have already been scheduled for late August and early September and the effective date of the new rate structures will be October 1st.

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 and adjustment for fuel prices.

RWMA staff will be available at the Board meeting along with representatives of YSDI 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.

July 17, 2008

ATTACHMENT 3

**EVALUATION REPORT
YUBA SUTTER DISPOSAL, INC.
2009 RATE APPLICATION**

FINAL REPORT

Presented to

Regional Waste Management Authority

July 21, 2008

Prepared by

Aurora Environmental, Inc.

1.0 INTRODUCTION

Per the Rate Adjustment Guidelines (dated July 11, 2000) adopted by each of the Regional Waste Management Authority (RWMA) jurisdictions, rates for Yuba-Sutter Disposal, Inc.'s (YSDI's) refuse collection, waste diversion services and transfer station operations for each odd-numbered Rate Year are to be adjusted using an index rather than a detailed analysis of revenues and expenses and operating margin calculation. YSDI is required to submit an Indexed Application by May 1st of every even-numbered year for the rate adjustment to be effective October 1st of the odd-numbered rate year.

Member Agencies (or consultant) are required to review the Indexed Application and issue a letter regarding the completeness of the Indexed Application by mid-May. Member Agencies (or consultant) are required to complete the review of the Indexed Application and issue a draft report to YSDI and the jurisdictions by early June. Since the RWMA and its consultant are conducting the review of this Indexed Application, the report was also the subject of an RWMA Board meeting agenda item in July. Member Agencies (or consultant) are required to incorporate comments received and issue a final report to YSDI and the Member Agencies by mid-July. Approval of the revised rates by each Member Agency is required to be completed by August 31st and the effective date for the new rates will be October 1st. Per the Rate Adjustment Guidelines, each Member Agency or its chief administrative officer is required to approve in writing the adjusted rates.

2.0 INDEXED RATE ADJUSTMENT

On April 7, 2008, YSDI submitted a rate application to the RWMA and member jurisdictions for an adjustment of the service rates that would be effective for Rate Year 2009 (October 1, 2008 to September 30, 2009). This application included the indexed rate adjustment for Rate Year 2009, plus the fuel price adjustment for July through September 2007; an estimated fuel price adjustment for October 2007 through June 2008; and a recommendation for an additional adjustment to increase the fuel price allowance for Rate Year 2009 from \$3.10 to \$4.00 per gallon. The indexed rate application submitted by YSDI was found to be complete and prepared in accordance with the Rate Adjustment Guidelines (dated July 11, 2000) that were adopted by each of the RWMA jurisdictions.

For an indexed rate adjustment, the Rate Adjustment Guidelines specify that the rates from the last Detailed Review are to be adjusted by 1 plus 80% of the percentage change in the Consumer Price Index for All Urban-Consumers (West Urban 1982-84=100) between the monthly index for the month of December prior to submission of the Indexed Application and the corresponding monthly index published twelve (12) months earlier. This means that for Rate Year 2009, the rates from the last Detailed Rate Review will be adjusted by 1 plus 80% of the percentage change in the Consumer Price Index for All Urban-Consumers (West Urban 1982-84=100) between the monthly index for December 2007 and for December 2006. The Consumer Price Indexes for these two months and rate adjustment calculation are as follows:

Consumer Price Index for All Urban-Consumers (West Urban 1982-84=100)

December 2007	214.733
December 2006	206.200

Percentage Change $(214.733 / 206.200) - 1 = 4.14\%$

80% of Percentage Change $4.14\% \times 80\% = 3.31\%$

Adjustment Factor (1 + 80% of Percentage Change) $1 + 3.31\% = 1.0331$

For the 2009 Rate Year, the resulting adjustment figure is 3.31 percent, which will be applied to both the base rates and franchise fees, effective October 1, 2008.

3.0 FUEL PRICE RATE ADJUSTMENTS

The Rate Year 2009 Rate Application also included two adjustments for the price of fuel that were agreed to in the franchise agreement amendments adopted with the Rate Year 2007 and Rate Year 2008 rate structures. The franchise agreement amendments for Rate Year 2008 specified the following conditions relative to fuel price allowances and adjustments:

“As previously agreed, the Rate Year 2008 service rates were also to be adjusted to reflect the difference between the agreed to fuel price for Rate Year 2007, which is the \$2.60 per gallon price figure established for Rate Year 2006 adjusted per the Indexed Rate Adjustment for Rate Year 2007 (calculated at \$2.66 per gallon for Rate Year 2007), and the weighted average of the actual fuel prices for Rate Year 2007. The surplus to be remitted by YSDI for the Rate Stabilization Fund for Rate Year 2008 reflects the fuel price difference for the first nine months of Rate Year 2007. YSDI and the CITY/COUNTY agree that the Rate Year 2009 service rates will be adjusted to reflect any difference between the rate adjustment calculated for the fuel price difference for the first nine months of Rate Year 2007 and the total rate adjustment calculated based on the fuel price difference for all of Rate Year 2007.”

For the first nine months of Rate Year 2007, the weighted average fuel price was \$2.66 per gallon, the same as the fuel price allowance for Rate Year 2007. Higher fuel prices in the last three months of Rate Year 2007 resulted in an overall weighted average fuel price of \$2.72 per gallon for Rate Year 2007. The resulting rate adjustment for the Rate Year 2009 application is \$32,520, including the operating margin and franchise fees, representing a 0.12 percent rate increase for Rate Year 2009.

The Rate Year 2009 Rate Application also includes an adjustment for the price of diesel fuel for the period of October 2007 through June 2008 that was agreed to in the franchise agreement amendments adopted with the rate structures for Rate Year 2008. These franchise agreement amendments specified the following conditions relative to fuel price allowances and adjustments:

"This Amendment provides for YSDI to purchase 513,805 gallons of ultra-low-sulfur diesel (ULSD) fuel (539,989 gallons x 95.151 percent RWMA-related activities) at a cost of \$3.00 per gallon during Rate Year 2008. In Rate Year 2009, the \$3.00 per gallon price shall be adjusted by 80 percent of the annual change in the Consumer Price Index for all Urban Consumers (West Urban 1982-84 = 100) published by the Department of Labor, Bureau of Labor Statistics. The Surplus to be remitted by YSDI for the Rate Stabilization Fund for Rate Year 2008 reflects the provision for this allowance. YSDI and the CITY/COUNTY agree that the service rates shall be adjusted in Rate Year 2009 and Rate Year 2010 to reflect the difference between the agreed to and weighted average of the actual fuel prices for Rate Year 2008, multiplied by the 513,805 gallon fuel allowance. The Rate Year 2009 service rates will be adjusted to reflect the pro-rated (9/12) fuel price difference for the first nine months of Rate Year 2008 and the Rate Year 2010 service rates will be adjusted to reflect the fuel price difference for all of Rate Year 2008 and the difference already accounted for in the Rate Year 2009 service rates. The same procedure will be followed for the Rate Year 2009 fuel price difference and the Rate Year 2010 and Rate Year 2011 service rates will be adjusted to reflect the Rate Year 2009 fuel price difference."

For the October 1, 2007 through June 30, 2008 time period, the weighted average fuel price was \$3.72 per gallon, appreciably higher than the \$3.00 per gallon fuel price allowance provided in the Rate Year 2008 rate structure and the resulting rate adjustment for the Rate Year 2009 application is \$323,157, including the operating margin and franchise fees, representing a 1.24 percent rate increase for Rate Year 2009. This is in addition to the 3.31 percent indexed adjustment and the 0.12 percent rate increase for fuel purchases in Rate Year 2007, bringing the total potential rate adjustment on October 1, 2008 to a 4.67 percent increase.

In the 2009 Rate Application, YSDI suggested that an additional adjustment be considered to increase the fuel price allowance for Rate Year 2009 from its current level of \$3.10 per gallon to \$4.00 per gallon. This would result in an additional Rate Year 2009 rate increase of 2.08 percent and would bring the total rate adjustment on October 1, 2008 to a 6.75 percent increase.

RWMA staff met with the RWMA Administrators and representatives of Yuba-Sutter Disposal, Inc. and Norcal Waste Systems, Inc. to discuss this suggested approach to the fuel price allowance, including the possible use of some or all of the nearly \$700,000 Rate Stabilization Fund balance for Rate Year 2008 and Rate Year 2009 to offset some of the Rate Year 2009 rate increase. The RWMA Administrators recommended that the fuel price allowance for Rate Year 2009 be increased to \$4.00 per gallon. The 2010 Rate Year rate adjustment will incorporate any additional adjustments for the average fuel price through the end of the 2008 Rate Year. Any variance from the \$4.00 per gallon figure occurring in the 2009 Rate Year will also be incorporated into the 2010 and 2011 Rate Year rate adjustments. The RWMA Administrators also recommended that the Rate Stabilization Fund not be used to offset the Rate Year 2009 rate increase, but be retained for use for special projects, such as the anticipated improvements to the Highway 20 and Levee Road intersection in 2009.

4.0 2009 RATE YEAR RATE ADJUSTMENT EVALUATION REPORT REVIEW

A draft of this evaluation report was distributed to YSDI and the RWMA Administrators for review and comment, and only two minor comments were received. The report was revised to address these comments and to reflect the final figure for the weighted average fuel price through June 30, 2008. The evaluation report was reviewed and accepted by the RWMA Board at the July 17th meeting. Following RWMA Board acceptance, the final report was submitted to the member jurisdictions along with the final rate adjustment figure and rate structures. Rate adoption hearings will be held by each of the RWMA jurisdictions in August and September and the adjusted rates will be effective October 1, 2008.

ATTACHMENT 4

National Pollution Discharge Elimination System (NPDES) Solid Waste Fee Justification Report

Recommendation: Establish a solid waste fee to fund activities related to preventing pollutants from entering local waterways and other NPDES compliance activities.

Background: The City is required to comply with the requirements of the National Pollution Discharge Elimination System (NPDES). The NPDES prescribes requirements for pollution reduction related to the discharge of urban runoff into the City's storm drainage system.

Storm drainage systems convey pollutants into receiving water bodies. The vast majority of pollutants can be defined as solid waste and their removal from the streets and storm drainage system is essentially part of the City's solid waste removal program.

A regulatory fee added to the solid waste services (trash collection) bill for NPDES program services is proposed to be paid by users of developed properties (the properties that contribute pollutants into the City's storm drainage system). The fee is based upon the approximate volumes of waste generated by developed properties, which is proportionally related to the generation of solid wastes in the drainage system. Undeveloped property generates minimal pollutants of concern and its inclusion in the fee program is therefore not proposed.

NPDES program services include street sweeping, and storm system inlet, pipe, channel and basin cleaning. The NPDES solid waste fee is proposed so that funds are available for the City to provide NPDES program services. The fee will pay for the portions of the NPDES program that are related to the prevention, reduction, removal, transport, and disposal of solid waste pollutants from the storm drain system.

No funding was provided to local governments to pay for the costs of complying with NPDES regulatory activities (i.e., it is an unfunded mandate).

Analysis: In order to relate a developed property's proportional contribution of solid waste to the drainage system with the approximate volumes of waste it generates, the NPDES solid waste fee is proposed to be based upon the size, quantities and frequency of user service. In other words, there will be a direct

nexus between what a customer pays and the amount of potential pollutants attributable to their property (e.g., a 32 gallon container user will pay half as much as a 64 gallon container user).

Exhibit A. The annual NPDES Program Service costs are estimated to be approximately \$102,000. The services for which the funds will be used are detailed in Exhibit A.

Exhibit B. The revenue requirement of \$102,000 equates to a “per gallon” NPDES solid waste fee of \$0.0007. The calculation of the proposed fee, based on the YSDI’s current number and frequency of services for the various container sizes, is detailed in Exhibit B.

Exhibit C. The resulting NPDES Solid Waste Fee structure is provided as Exhibit C.

All revenues generated from the fees would be placed in a restricted fund to be used solely for the purpose of the NPDES program.

EXHIBIT A

NPDES Program Service Enhancement Costs

<u>Service</u>	<u>Unit Cost</u>	<u>Units</u>	<u>Unit Count</u>	<u>Annual Budget</u>
Public Street Sweeping				
Streets	\$ 20,000.00	LS	1	\$ 20,000
Litter Removal				
Litter Removal	\$ 33.43	Hr.	104	\$ 3,477
Storm Drainage Cleaning and Light Maintenance				
Inspection	\$ 44.10	Hr.	208	\$ 9,173
Clean Storm Drain Drop Inlets	\$ 33.43	Hr.	416	\$ 13,907
Clean Storm Drain Manholes	\$ 33.43	Hr.	416	\$ 13,907
Storm Drainage Cleaning and Light Maintenance Total				\$ 36,987
Compliance Officer	\$ 40.13	Hr.	1040	\$ 41,735
Program Total				\$ 102,198

EXHIBIT C

NPDES Solid Waste Fee Structure

<u>Residential Service</u>	<u>per month</u>
<u>Weekly Service</u>	
for every 32 gallon cart	\$ 0.09
for every 64 gallon cart	\$ 0.18
for every 96 gallon cart	\$ 0.28
<u>Example NPDES Solid Waste Fees</u>	
32 gallon cart / 64 gallon recycle cart	\$ 0.28
64 gallon cart / 64 gallon recycle cart	\$ 0.37
96 gallon cart / 64 gallon recycle cart	\$ 0.46

<u>Commercial Service</u>	
<u>Weekly Service</u>	
for every 32 gallon cart	\$ 0.09
for every 64 gallon cart	\$ 0.18
for every 96 gallon cart	\$ 0.28

Container Size	Frequency of Service	
1 yard container	1X Week	\$ 0.58
	2X Week	\$ 1.16
	3X Week	\$ 1.74
	4X Week	\$ 2.31
	5X Week	\$ 2.89
	6X Week	\$ 3.47
1 1/2 yard container	1X Week	\$ 0.87
	2X Week	\$ 1.74
	3X Week	\$ 2.60
	4X Week	\$ 3.47
	5X Week	\$ 4.34
	6X Week	\$ 5.21
2 yard container	1X Week	\$ 1.16
	2X Week	\$ 2.31
	3X Week	\$ 3.47
	4X Week	\$ 4.63
	5X Week	\$ 5.79
	6X Week	\$ 6.94

EXHIBIT C

NPDES Solid Waste Fee Structure

Commercial Service (con't)

3 yard container	1X Week	\$	0.58
	2X Week	\$	1.16
	3X Week	\$	1.74
	4X Week	\$	2.31
	5X Week	\$	2.89
	6X Week	\$	3.47
4 yard container	1X Week	\$	2.31
	2X Week	\$	4.63
	3X Week	\$	6.94
	4X Week	\$	9.26
	5X Week	\$	11.57
	6X Week	\$	13.89
5 yard container	1X Week	\$	2.89
	2X Week	\$	5.79
	3X Week	\$	8.68
	4X Week	\$	11.57
	5X Week	\$	14.47
	6X Week	\$	17.36
6 yard container	1X Week	\$	3.47
	2X Week	\$	6.94
	3X Week	\$	10.42
	4X Week	\$	13.89
	5X Week	\$	17.36
	6X Week	\$	20.83
7 yard container	1X Week	\$	4.05
	2X Week	\$	8.10
	3X Week	\$	12.15
	4X Week	\$	16.20
	5X Week	\$	20.25
	6X Week	\$	24.30
2 yard compactor	1X Week	\$	1.16
15 yard compactor	1X Week	\$	8.68
25 yard compactor	1X Week	\$	14.47
27 yard compactor	1X Week	\$	15.62
30 yard compactor	1X Week	\$	17.36
34 yard compactor	1X Week	\$	19.67
40 yard compactor	1X Week	\$	23.15