

CITY OF YUBA CITY  
STAFF REPORT

**Date:** August 16, 2016  
**To:** Honorable Mayor & Members of the City Council  
**From:** Administration  
**Presentation By:** Steven C. Kroeger, City Manager

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**Summary**

**Subject:** Recology Yuba-Sutter Rate Adjustment for Rate Year 2017 and Related Amendment to the 2011 Collection Service Agreement

**Recommendation:** Conduct a Public Hearing and adopt a Resolution:

- A. Amending the 2011 Collection Service Agreement with Recology Yuba-Sutter; and
- B. Approving a 1.18% increase to Recology service rates for the Rate Year 2017; and
- C. Approve distribution of funds from the Rate Stabilization and Capital Fund to the Green Waste Diversion Program not to exceed \$935,996 over a three year period

**Fiscal Impact:** Refuse Service Rates would increase by 1.18%. Included in this amount is a 1.0% increase Franchise Fees that will generate an additional \$100,000 annually to be dedicated to the repair and maintenance of residential roads and/or solid waste activities

Standard 32 gal residential rates would increase \$0.32 per month

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**Purpose:**

To approve an annual adjustment to solid waste service rates.

**Background:**

On December 20, 2011, the City Council approved an eight-year solid waste collection service agreement with Recology Yuba-Sutter. The Collection Service Agreement established a process for annual review of Recology service rates through the submittal and review of Refuse Rate Indexed Applications and Detailed Rate Applications for each four year rate cycle. The collection rates for services are adjusted using the Refuse Rate Index for the first, second and third rate years and the Detailed Rate Methodology is used for Year 4. Rate Year 2017 is considered a Refuse Rate Index year.

On April 30, 2016, Recology Yuba-Sutter submitted a rate application to the Regional Waste Management Authority (RWMA) and member jurisdictions for an adjustment of the service rates that would be effective for Rate Year 2017 (October 1, 2016 to September 30, 2017). In accordance with the Collection Service Agreement, the application was based on the Refuse Rate Index.

**Analysis:**

The RWMA retained the services of Aurora Environmental, Inc. to perform a review and evaluation of Recology's rate application. A summary of that information is attached.

***Refuse Rate Index Adjustment.***

The composite rate index adjustment, referred to in the collection service agreement as the Refuse Rate Index (RRI), is a weighted average of Recology's cost components. The RRI portion of the rate adjustment is calculated to be 0.13%.

	(A) Percent of Total <u>Expenses</u>	(B) Annual Increase <u>in Index</u>	(A X B) <u>Weighted Increase</u>
Labor	40.13%	3.35%	0.59%
Fuel	5.99%	-7.68%	-1.09%
Vehicle and Equip Replacement	7.64%	1.33%	0.03%
Vehicle and Equip Maintenance	5.31%	3.53%	0.11%
Disposal	17.97%	0.00%	0.38%
<u>All Other</u>	<u>22.96%</u>	<u>1.18%</u>	<u>0.11%</u>
TOTAL	100.00%		<u>0.13%</u>

***Rate Stabilization and Capitalization Fund (RSCF).***

The RSCF was established to reduce the volatility in year to year rate adjustments and to fund one-time capital improvement costs. Prior to the establishment of the RSCF in 2008, capital improvement projects and normal cost of service adjustments were incorporated into annual rate adjustments that resulted in significant variations in customer rates year to year.

The table to the right summarizes the last 10 years of rate adjustments, since the RSCF was established. Rate increases have averaged less than 2% per year.

There are six jurisdictions in the RWMA: Sutter County, Yuba City, Live Oak, Yuba County, Marysville and Wheatland. As part of the 2011 Agreement, Yuba City elected to maintain the funds for the RSCF in-house. The other jurisdictions continue to hold their RSCF funds jointly within the RWMA Five Jurisdiction portion. The RSCF funds that were collected prior to the 2011 Agreement are held jointly within the RWMA Six Jurisdiction portion (which includes a 42% share attributable to Yuba City) and has a balance of \$567,000 as of June 30, 2016.

The balance of the Yuba City held RSCF as of June 30, 2016 is \$793,377. Approximately \$300,000 is deposited annually into this fund.

Rate Stabilization Summary	
Rate Year	% Increase
2008	0.00%
2009	6.75%
2010	0.00%
2011	1.00%
2012	0.00%
2013	3.75%
2014	4.52%
2015	0.00%
2016	2.00%
2017	1.18%
<b>Average</b>	<b>1.92%</b>

**Proposed Capital Projects.** As part of the Agreement amendment, Recology has several capital improvement related projects that are being considered by the RWMA jurisdictions for RSCF funding:

Proposed Projects	Total Estimates Project Costs	RWMA Jurisdiction Cost (92.2% of total)	RWMA Five Jurisdiction Portion	Yuba City Portion
2015 Southern Area Project Costs (Stormwater Management)	\$ 713,445	\$ 657,797	\$ 381,391	\$ 276,406
Post Closure Maintenance Costs	\$ 433,217	\$ 399,426	\$ 231,587	\$ 167,839
Estimated Projects:	\$ 1,146,662	\$ 1,057,223	\$ 612,978	\$ 444,425

In March 2016, the City Council approved an amendment to the 2011 agreement with Recology relating to the Green Waste Diversion Program. The maximum City of Yuba City portion of these costs will be paid over a three-year period.

Green Waste Diversion Program Costs (approved March 15, 2016)	Total Estimates Project Costs	RWMA Jurisdiction Cost (81.0% of total)	RWMA Five Jurisdiction Portion	Yuba City Portion
Estimated Project:	\$ 2,750,000	\$ 2,227,500	\$ 1,291,504	\$ 935,996

### **Assembly Bill 1063**

The State of California is currently considering legislation (AB 1063) that would increase State fees imposed on disposal sites from the current \$1.40 per ton to \$4.00 per ton, effective as early as January 1, 2017. If this legislation becomes law, it is expected that the RWMA jurisdictions will need to meet regarding another amendment to the 2011 Agreement. The final amount and implementation schedule of the State fee increase will need to be discussed per the attached Evaluation Report.

### **Fiscal Impact:**

Refuse service rates will increase by 1.18% effective October 1, 2016. The increase includes an additional 1% in Franchise Fees for Rate Year 2017 (from 7% to 8%) as set forth in the 2011 Collection Service Agreement. This will generate an additional \$100,000 in funds that are dedicated to the repair and maintenance of residential roads and/or solid waste activities.

The increase of 1.18% results in standard 32 gal residential rates increasing \$0.32 per month from \$27.31 to \$27.63.

### **Alternatives:**

Do not increase the service fees by 1.18%.

- This increase includes a Rate Index of 0.13% for Recology. Council may elect not to approve this portion of the increase and have the extra costs absorbed by the RSCF, which may impact the funding of capital projects.
- Council may elect to forego the 1% increase in Franchise Fees. If this option is chosen, then there will be less funds available to fund residential road maintenance and repair.

**Recommendation:**

Adopt a Resolution:

- A. Amending the 2011 Collection Service Agreement with Recology Yuba-Sutter; and
- B. Approving a 1.18% increase to Recology service rates for the Rate Year 2017; and
- C. Approve distribution of funds from the Rate Stabilization and Capital Fund to the Green Waste Diversion Program not to exceed \$935,996 over a three year period

*Attachments:*

- A. Resolution Approving the Collection Service Agreement Amendment*
- B. RY 2017 Amendment to the 2011 Collection Service Agreement*
- C. Proposed Rates Effective 10/1/2016*
- D. June 16, 2016 RWMA Collection Service Rate Adjustment Application Report*
- E. Recology Yuba-Sutter Evaluation Report prepared by Aurora Environmental*

Prepared By:

/s/ Terrel Locke

Terrel Locke  
Assistant to the City Manager

Submitted By:

/s/ Steven C. Kroeger

Steven C. Kroeger  
City Manager

Reviewed By:

Finance

City Attorney

RB

TH by email

## ATTACHMENT A

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

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY  
APPROVING AN AMENDMENT TO THE 2011 COLLECTION SERVICE  
AGREEMENT WITH RECOLOGY YUBA-SUTTER FOR RATE YEAR 2017**

**WHEREAS**, on December 20, 2011, the City Council approved a Collection Service Agreement with Recology Yuba-Sutter; and,

**WHEREAS** the Collection Service Agreement includes formal Rate Adjustment Guidelines which provide a standard framework for annual adjustments to the collection service rates; and,

**WHEREAS**, the Regional Waste Management Authority (RWMA), of which the City of Yuba City is a member, retained the services of qualified consultant to review the rate application that was submitted to the City by Recology on April 30, 2016, in accordance with the Rate Adjustment Guidelines; and,

**WHEREAS**, the consultant's review indicated that an increase in the base service rates of 1.18%, is appropriate and justified. This includes a 1% increase in Franchise Fees (from 7% to 8%); and,

**WHEREAS**, it is approved to distribute funds totaling \$444,245 from the Rate Stabilization and Capitalization Fund for identified Capital Projects and authorize future payments, over a three year period, to the Green Waste Diversion Program not to exceed \$935,996; and

**WHEREAS**, the RWMA Board of Directors accepted the consultant's report and associated rate adjustment recommendations to the member jurisdictions as proposed; and,

**WHEREAS**, a public hearing for said increase in rates was duly noticed and considered by the City Council on August 16, 2016; and,

**WHEREAS**, based on the foregoing, good cause has been shown to justify the new rate structure.

**NOW, THEREFORE**, the City Council of the City of Yuba City does hereby resolve as follows:

That the 2017 Amendment to the 2011 Collection Service Agreement with Recology Yuba-Sutter, attached hereto, is hereby approved by the City of Yuba City effective October 1, 2016.

The foregoing Resolution of the City Council of the City of Yuba City was duly introduced, PASSED AND ADOPTED at a special meeting thereof held on the 16<sup>th</sup> day of August, 2016 by the following vote:

**Ayes:**

**Noes:**

**Absent:**

Attest:

\_\_\_\_\_  
John Buckland, Mayor

\_\_\_\_\_  
Terrel Locke, City Clerk

## **AMENDMENT TO COLLECTION SERVICE AGREEMENT**

**YUBA CITY August 4, 2016**

This Amendment to the Collection Service Agreement for solid waste collection, disposal, and recycling services is made this 16<sup>th</sup> day of August 2016, by and between the City of Yuba City, California (CITY) and Recology Yuba-Sutter.

### **RECITALS**

A. On December 20, 2011, CITY 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. The Agreement expires on September 30, 2019.

B. CITY 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, 2016 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; and, to acknowledge that a replacement rate adjustment may be needed to address possible State Board of Equalization solid waste disposal fee increases per AB 1063. CITY and Recology Yuba-Sutter also mutually desire to amend the Agreement to add certain items and associated costs to the lease schedule. The CITY, with this Amendment is also designating the Contract Administrator for purposes of the Agreement and approving the use of Yuba City Rate Stabilization and Capitalization Funds for certain projects.

C. CITY 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 2017 pursuant to the Agreement are specified in Exhibit 1 to this Amendment. The CITY hereby adjusts the franchise fee percentage to be eight (8) percent. Recology Yuba-Sutter and the CITY agree that the Maximum Service Rates include ongoing remittances to the City of Yuba City of \$24,732.75 per month in Rate Year 2017 for the Rate Stabilization and Capitalization Fund under the Maximum Service Rates.

Recology Yuba-Sutter and the CITY further agree that if AB 1063 becomes law the ongoing remittances to the Yuba City Rate Stabilization and Capitalization Fund would be adjusted per section 2 below.

#### **2. REPLACEMENT RATE ADJUSTMENT FOR A POSSIBLE INCREASE TO THE SOLID WASTE DISPOSAL FEE PAID TO THE STATE BOARD OF EQUALIZATION**

The CITY acknowledges that increases to the solid waste disposal fee now being contemplated by the State of California per AB 1063 may increase disposal costs in Rate Year 2017. As a

result, a replacement rate adjustment factor may need to be established. At the time that AB 1063 becomes law, Recology Yuba-Sutter may submit a request to the CITY to implement the replacement rate adjustment. Such request shall fully document the rate impact of said changes, including any updates relative to the fee amount and implementation consistent with the adopted Rate Adjustment Guidelines.

### 3. CONTRACT ADMINISTRATOR DESIGNATION

CITY designates the City Manager as the Contract Administrator for purposes of the Agreement.

### 4. AUTHORIZATION OF ADDITIONS TO THE LEASE SCHEDULE

Exhibit 2 to the Collection Service Agreement entitled, "MAXIMUM SERVICE RATE ADJUSTMENT GUIDELINES FOR COLLECTION SERVICE AGREEMENT," specifies that acquisitions added to the lease schedule costing \$25,000 or more per individual item require advance written authorization from the Contract Administrator. As requested by Recology Yuba-Sutter, the addition of certain items and associated costs proposed to be added to the lease schedule maintained on a regional basis were reviewed and the CITY hereby authorizes the following additions:

Lease Description	Equipment Cost
CAT 336 excavator for the transfer station	\$370,875.00
Pickup trucks (3 trucks) <sup>1</sup>	\$103,610.94
Front loader truck (40 yd.)	\$333,946.96
Roll-off truck (3 axle)	\$231,014.55
Side loaders, 2 (3 axle, 28 yd.)	\$663,991.21
CAT loader 950	\$372,000.00 <sup>2</sup>
Hyster forklift	\$53,245.92
Capitalize repairs to sort line	\$220,472.43

<sup>1</sup> Recology Yuba-Sutter originally requested, in its 2015 Detailed Rate Application, purchase of (2) 3/4 ton hybrid pick-up trucks in 2015 and an additional planned pick-up truck purchase request for 2017. Recology received an offer to purchase 3 such pick-ups for the price of two plus an additional \$13,611.

<sup>2</sup> Equipment Cost noted is a not to exceed cost and the purchase order/invoice is required to be submitted for this purchase.

### 5. CITY APPROVAL OF USE OF YUBA CITY RATE STABILIZATION AND CAPITALIZATION FUNDS TO REIMBURSE RECOLOGY YUBA-SUTTER FOR ELIGIBLE PROJECTS

Recology Yuba-Sutter has submitted cost estimates and has or will be requesting reimbursement from the Regional Waste Management Authority (RWMA) and CITY from the respective Rate Stabilization and Capitalization Funds for the following projects:



<b>Project Description</b>	<b>Total Project Cost</b>	<b>RWMA Jurisdiction Portion</b>	<b>RWMA Five Jurisdiction Portion (57.98%)</b>	<b>Yuba City Portion (42.02%)</b>
2015 Southern Area Project Costs (Stormwater Management)	\$713,445	\$657,797 (92.2%)	\$381,391	\$276,406
Marysville Landfill Post Closure Trust Fund Shore-Up	\$433,217	\$399,426 (92.2%)	\$231,587	\$167,839
Green Waste Diversion Program Additional Costs <sup>1</sup>	\$2,750,000	\$2,227,500 (81.0%)	\$1,291,504	\$935,996
<b>Total</b>	<b>\$3,896,662</b>	<b>\$3,284,723</b>	<b>\$1,904,482</b>	<b>\$1,380,241</b>

<sup>1</sup> Project described in March 15, 2016 amendment to Agreement.

The CITY hereby authorizes and directs the Contract Administrator to use Yuba City Rate Stabilization and Capitalization Funds for the CITY's portion (42.02%) of the costs above, subject to review and approval of the project documentation by the RWMA staff. The CITY's approval of the use of Yuba City's Rate Stabilization and Capitalization Fund (the Fund) as described above is conditioned, for each requested reimbursement, on the RWMA Board of Directors authorizing funding the remaining portion (57.98%) of such requested reimbursement.

#### 6. 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.

The parties have caused this Agreement to be executed on the date first written above.

CITY OF YUBA CITY

\_\_\_\_\_  
John Buckland, Mayor

Attest:

\_\_\_\_\_  
Terrel Locke, City Clerk

RECOLOGY YUBA-SUTTER DISPOSAL, INC.

By: \_\_\_\_\_

## Exhibit 1

Recology Yuba - Sutter  
City of Yuba City  
Proposed Rates Effective 10/1/16

### Residential Rates

Service Description	Rates Effective 10/1/2015						Rates Effective 10/1/2016					
	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services
Standard 32 - Gallon Refuse Cart*	\$24.45	\$1.84	\$26.29	\$0.27	\$0.75	\$27.31	\$24.48	\$2.13	\$26.61	\$0.27	\$0.75	\$27.63
Low-Income Senior Citizen 32-Gallon Refuse Cart*	\$18.35	\$1.38	\$19.73	\$0.09	\$0.75	\$20.57	\$18.37	\$1.60	\$19.97	\$0.09	\$0.75	\$20.81
64 - Gallon Refuse Cart*	\$36.67	\$2.76	\$39.43	\$0.36	\$0.75	\$40.54	\$36.72	\$3.19	\$39.91	\$0.36	\$0.75	\$41.02
96 - Gallon Refuse Cart*	\$48.89	\$3.68	\$52.57	\$0.46	\$0.75	\$53.78	\$48.95	\$4.26	\$53.21	\$0.46	\$0.75	\$54.42
Extra 32 - Gallon Refuse Cart	\$12.22	\$0.92	\$13.14	\$0.09		\$13.23	\$12.24	\$1.06	\$13.30	\$0.09		\$13.39
Extra 64 - Gallon Refuse Cart	\$24.45	\$1.84	\$26.29	\$0.18		\$26.47	\$24.48	\$2.13	\$26.61	\$0.18		\$26.79
Extra 96 - Gallon Refuse Cart	\$36.67	\$2.76	\$39.43	\$0.28		\$39.71	\$36.72	\$3.19	\$39.91	\$0.28		\$40.19
Extra Bag of Refuse (Per Pickup Rate)	\$4.07	\$0.31	\$4.38			\$4.38	\$4.08	\$0.35	\$4.43			\$4.43

\* Customers 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 Yuba City  
Proposed Rates Effective 10/1/16

### Commercial Container Rates

Service Description	Rates Effective 10/1/2015						Rates Effective 10/1/2016					
	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services
<b>1 Yard</b>												
1 Time per Week	\$106.26	\$8.00	\$114.26	\$0.58	\$3.15	\$117.99	\$106.40	\$9.25	\$115.65	\$0.58	\$3.15	\$119.38
2 Times per Week	\$179.59	\$13.52	\$193.11	\$1.16	\$5.40	\$199.67	\$179.82	\$15.64	\$195.46	\$1.16	\$5.40	\$202.02
3 Times per Week	\$264.93	\$19.94	\$284.87	\$1.74	\$7.95	\$294.66	\$265.27	\$23.07	\$288.34	\$1.74	\$7.95	\$298.03
4 Times per Week	\$326.26	\$24.56	\$350.82	\$2.31	\$9.75	\$362.88	\$326.68	\$28.41	\$355.09	\$2.31	\$9.75	\$367.15
5 Times per Week	\$404.06	\$30.41	\$434.47	\$2.89	\$12.15	\$449.51	\$404.59	\$35.18	\$439.77	\$2.89	\$12.15	\$454.81
6 Times per Week	\$517.78	\$38.97	\$556.75	\$3.47	\$15.60	\$575.82	\$518.45	\$45.08	\$563.53	\$3.47	\$15.60	\$582.60
<b>1.5 Yard</b>												
1 Time per Week	\$142.18	\$10.70	\$152.88	\$0.87	\$4.35	\$158.10	\$142.36	\$12.38	\$154.74	\$0.87	\$4.35	\$159.96
2 Times per Week	\$245.48	\$18.48	\$263.96	\$1.74	\$7.35	\$273.05	\$245.80	\$21.37	\$267.17	\$1.74	\$7.35	\$276.26
3 Times per Week	\$336.79	\$25.35	\$362.14	\$2.60	\$10.20	\$374.94	\$337.23	\$29.32	\$366.55	\$2.60	\$10.20	\$379.35
4 Times per Week	\$436.88	\$32.88	\$469.76	\$3.47	\$13.20	\$486.43	\$437.45	\$38.04	\$475.49	\$3.47	\$13.20	\$492.16
5 Times per Week	\$537.24	\$40.44	\$577.68	\$4.34	\$16.20	\$598.22	\$537.94	\$46.78	\$584.72	\$4.34	\$16.20	\$605.26
6 Times per Week	\$689.95	\$51.93	\$741.88	\$5.21	\$20.70	\$767.79	\$690.85	\$60.07	\$750.92	\$5.21	\$20.70	\$776.83
<b>2 Yard</b>												
1 Time per Week	\$170.70	\$12.85	\$183.55	\$1.16	\$5.10	\$189.81	\$170.92	\$14.86	\$185.78	\$1.16	\$5.10	\$192.04
2 Times per Week	\$272.27	\$20.49	\$292.76	\$2.31	\$8.25	\$303.32	\$272.62	\$23.71	\$296.33	\$2.31	\$8.25	\$306.89
3 Times per Week	\$374.11	\$28.16	\$402.27	\$3.47	\$11.25	\$416.99	\$374.60	\$32.57	\$407.17	\$3.47	\$11.25	\$421.89
4 Times per Week	\$478.88	\$36.04	\$514.92	\$4.63	\$14.40	\$533.95	\$479.50	\$41.70	\$521.20	\$4.63	\$14.40	\$540.23
5 Times per Week	\$585.13	\$44.04	\$629.17	\$5.79	\$17.55	\$652.51	\$585.89	\$50.95	\$636.84	\$5.79	\$17.55	\$660.18
6 Times per Week	\$743.82	\$55.99	\$799.81	\$6.94	\$22.35	\$829.10	\$744.79	\$64.76	\$809.55	\$6.94	\$22.35	\$838.84
<b>3 Yard</b>												
1 Time per Week	\$206.60	\$15.55	\$222.15	\$1.74	\$6.15	\$230.04	\$206.87	\$17.99	\$224.86	\$1.74	\$6.15	\$232.75
2 Times per Week	\$342.83	\$25.80	\$368.63	\$3.47	\$10.35	\$382.45	\$343.28	\$29.85	\$373.13	\$3.47	\$10.35	\$386.95
3 Times per Week	\$499.84	\$37.62	\$537.46	\$5.21	\$15.00	\$557.67	\$500.49	\$43.52	\$544.01	\$5.21	\$15.00	\$564.22
4 Times per Week	\$619.57	\$46.63	\$666.20	\$6.94	\$18.60	\$691.74	\$620.38	\$53.95	\$674.33	\$6.94	\$18.60	\$699.87
5 Times per Week	\$760.28	\$57.23	\$817.51	\$8.68	\$22.80	\$848.99	\$761.27	\$66.20	\$827.47	\$8.68	\$22.80	\$858.95
6 Times per Week	\$972.73	\$73.22	\$1,045.95	\$10.42	\$29.25	\$1,085.62	\$973.99	\$84.69	\$1,058.68	\$10.42	\$29.25	\$1,098.35
<b>4 Yard</b>												
1 Time per Week	\$248.39	\$18.70	\$267.09	\$2.31	\$7.50	\$276.90	\$248.71	\$21.63	\$270.34	\$2.31	\$7.50	\$280.15
2 Times per Week	\$417.48	\$31.42	\$448.90	\$4.63	\$12.60	\$466.13	\$418.02	\$36.35	\$454.37	\$4.63	\$12.60	\$471.60
3 Times per Week	\$589.63	\$44.38	\$634.01	\$6.94	\$17.70	\$658.65	\$590.40	\$51.34	\$641.74	\$6.94	\$17.70	\$666.38
4 Times per Week	\$763.18	\$57.44	\$820.62	\$9.26	\$22.95	\$852.83	\$764.17	\$66.45	\$830.62	\$9.26	\$22.95	\$862.83
5 Times per Week	\$939.88	\$70.74	\$1,010.62	\$11.57	\$28.20	\$1,050.39	\$941.10	\$81.83	\$1,022.93	\$11.57	\$28.20	\$1,062.70
6 Times per Week	\$1,209.22	\$91.02	\$1,300.24	\$13.89	\$36.30	\$1,350.43	\$1,210.79	\$105.29	\$1,316.08	\$13.89	\$36.30	\$1,366.27

# Exhibit 1

Recology Yuba - Sutter  
City of Yuba City  
Proposed Rates Effective 10/1/16

## Commercial Container Rates

Service Description	Rates Effective 10/1/2015						Rates Effective 10/1/2016					
	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services
<b>5 Yard</b>												
1 Time per Week	\$257.30	\$19.37	\$276.67	\$2.89	\$7.80	\$287.36	\$257.63	\$22.40	\$280.03	\$2.89	\$7.80	\$290.72
2 Times per Week	\$456.35	\$34.35	\$490.70	\$5.79	\$13.80	\$510.29	\$456.94	\$39.73	\$496.67	\$5.79	\$13.80	\$516.26
3 Times per Week	\$658.48	\$49.56	\$708.04	\$8.68	\$19.80	\$736.52	\$659.34	\$57.33	\$716.67	\$8.68	\$19.80	\$745.15
4 Times per Week	\$865.07	\$65.11	\$930.18	\$11.57	\$25.95	\$967.70	\$866.19	\$75.32	\$941.51	\$11.57	\$25.95	\$979.03
5 Times per Week	\$1,070.11	\$80.55	\$1,150.66	\$14.47	\$32.25	\$1,197.38	\$1,071.50	\$93.17	\$1,164.67	\$14.47	\$32.25	\$1,211.39
6 Times per Week	\$1,385.73	\$104.30	\$1,490.03	\$17.36	\$41.70	\$1,549.09	\$1,387.53	\$120.65	\$1,508.18	\$17.36	\$41.70	\$1,567.24
<b>6 Yard</b>												
1 Time per Week	\$264.93	\$19.94	\$284.87	\$3.47	\$7.95	\$296.29	\$265.27	\$23.07	\$288.34	\$3.47	\$7.95	\$299.76
2 Times per Week	\$493.86	\$37.17	\$531.03	\$6.94	\$14.85	\$552.82	\$494.50	\$43.00	\$537.50	\$6.94	\$14.85	\$559.29
3 Times per Week	\$727.24	\$54.74	\$781.98	\$10.42	\$21.90	\$814.30	\$728.19	\$63.32	\$791.51	\$10.42	\$21.90	\$823.83
4 Times per Week	\$963.82	\$72.55	\$1,036.37	\$13.89	\$28.95	\$1,079.21	\$965.07	\$83.92	\$1,048.99	\$13.89	\$28.95	\$1,091.83
5 Times per Week	\$1,203.27	\$90.57	\$1,293.84	\$17.36	\$36.15	\$1,347.35	\$1,204.83	\$104.77	\$1,309.60	\$17.36	\$36.15	\$1,363.11
6 Times per Week	\$1,559.29	\$117.37	\$1,676.66	\$20.83	\$46.95	\$1,744.44	\$1,561.32	\$135.77	\$1,697.09	\$20.83	\$46.95	\$1,764.87
<b>7 Yard</b>												
1 Time per Week	\$296.38	\$22.31	\$318.69	\$4.05	\$8.85	\$331.59	\$296.77	\$25.81	\$322.58	\$4.05	\$8.85	\$335.48
2 Times per Week	\$550.70	\$41.45	\$592.15	\$8.10	\$16.50	\$616.75	\$551.42	\$47.95	\$599.37	\$8.10	\$16.50	\$623.97
3 Times per Week	\$808.12	\$60.83	\$868.95	\$12.15	\$24.30	\$905.40	\$809.17	\$70.36	\$879.53	\$12.15	\$24.30	\$915.98
4 Times per Week	\$1,070.11	\$80.55	\$1,150.66	\$16.20	\$32.25	\$1,199.11	\$1,071.50	\$93.17	\$1,164.67	\$16.20	\$32.25	\$1,213.12
5 Times per Week	\$1,331.87	\$100.25	\$1,432.12	\$20.25	\$40.05	\$1,492.42	\$1,333.60	\$115.97	\$1,449.57	\$20.25	\$40.05	\$1,509.87
6 Times per Week	\$1,729.99	\$130.21	\$1,860.20	\$24.30	\$52.05	\$1,936.55	\$1,732.24	\$150.63	\$1,882.87	\$24.30	\$52.05	\$1,959.22
<b>8 Yard</b>												
1 Time per Week	\$338.15	\$25.45	\$363.60	\$4.63	\$10.20	\$378.43	\$338.59	\$29.44	\$368.03	\$4.63	\$10.20	\$382.86
2 Times per Week	\$604.61	\$45.51	\$650.12	\$9.26	\$18.15	\$677.53	\$605.40	\$52.64	\$658.04	\$9.26	\$18.15	\$685.45
3 Times per Week	\$900.79	\$67.80	\$968.59	\$13.89	\$27.15	\$1,009.63	\$901.96	\$78.43	\$980.39	\$13.89	\$27.15	\$1,021.43
4 Times per Week	\$1,197.17	\$90.11	\$1,287.28	\$18.52	\$36.00	\$1,341.80	\$1,198.73	\$104.24	\$1,302.97	\$18.52	\$36.00	\$1,357.49
5 Times per Week	\$1,486.07	\$111.85	\$1,597.92	\$23.15	\$44.70	\$1,665.77	\$1,488.00	\$129.39	\$1,617.39	\$23.15	\$44.70	\$1,685.24
6 Times per Week	\$1,824.27	\$137.31	\$1,961.58	\$27.78	\$54.90	\$2,044.26	\$1,826.64	\$158.84	\$1,985.48	\$27.78	\$54.90	\$2,068.16

## Exhibit 1

Recology Yuba - Sutter  
City of Yuba City  
Proposed Rates Effective 10/1/16

### Commercial Container Rates

Service Description	Rates Effective 10/1/2015						Rates Effective 10/1/2016					
	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services
1 Yard Bin - Extra Service Only	\$28.87	\$2.17	\$31.04			\$31.04	\$28.91	\$2.51	\$31.42			\$31.42
1.5 Yard Bin - Extra Service Only	\$32.01	\$2.41	\$34.42			\$34.42	\$32.05	\$2.79	\$34.84			\$34.84
2 Yard Bin - Extra Service Only	\$38.51	\$2.90	\$41.41			\$41.41	\$38.56	\$3.35	\$41.91			\$41.91
3 Yard Bin - Extra Service Only	\$44.89	\$3.38	\$48.27			\$48.27	\$44.95	\$3.91	\$48.86			\$48.86
4 Yard Bin - Extra Service Only	\$51.26	\$3.86	\$55.12			\$55.12	\$51.33	\$4.46	\$55.79			\$55.79
5 Yard Bin - Extra Service Only	\$54.50	\$4.10	\$58.60			\$58.60	\$54.57	\$4.75	\$59.32			\$59.32
6 Yard Bin - Extra Service Only	\$57.77	\$4.35	\$62.12			\$62.12	\$57.85	\$5.03	\$62.88			\$62.88
7 Yard Bin - Extra Service Only	\$64.14	\$4.83	\$68.97			\$68.97	\$64.22	\$5.58	\$69.80			\$69.80
8 Yard Bin - Extra Service Only	\$70.50	\$5.31	\$75.81		\$0.00	\$75.81	\$70.59	\$6.14	\$76.73		\$0.00	\$76.73
Temporary 7 Yard Bin (available to residences)	\$138.50	\$10.42	\$148.92		\$3.00	\$151.92	\$138.68	\$12.06	\$150.74		\$3.00	\$153.74

## Exhibit 1

Recology Yuba - Sutter  
City of Yuba City  
Proposed Rates Effective 10/1/16

### Front Load Compactor Rates

Service Description	Rates Effective 10/1/2015						Rates Effective 10/1/2016					
	Base Rate *	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge **	Total Rate for Services	Base Rate *	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge **	Total Rate for Services
<b>1.3 Yd Compactor</b>												
1 time per week	\$225.55	\$16.98	\$242.53	\$0.75	\$4.35	\$247.63	\$225.84	\$19.64	\$245.48	\$0.75	\$4.35	\$250.58
2 times per week	\$451.10	\$33.95	\$485.05	\$1.50	\$7.35	\$493.90	\$451.69	\$39.28	\$490.97	\$1.50	\$7.35	\$499.82
3 times per week	\$676.64	\$50.93	\$727.57	\$2.25	\$10.20	\$740.02	\$677.52	\$58.91	\$736.43	\$2.25	\$10.20	\$748.88
4 times per week	\$902.18	\$67.91	\$970.09	\$3.00	\$13.20	\$986.29	\$903.35	\$78.55	\$981.90	\$3.00	\$13.20	\$998.10
5 times per week	\$1,127.72	\$84.88	\$1,212.60	\$3.75	\$16.20	\$1,232.55	\$1,129.19	\$98.19	\$1,227.38	\$3.75	\$16.20	\$1,247.33
6 times per week	\$1,353.29	\$101.86	\$1,455.15	\$4.50	\$20.70	\$1,480.35	\$1,355.05	\$117.83	\$1,472.88	\$4.50	\$20.70	\$1,498.08
<b>2 Yd Compactor</b>												
1 time per week	\$347.00	\$26.12	\$373.12	\$1.16	\$5.10	\$379.38	\$347.45	\$30.21	\$377.66	\$1.16	\$5.10	\$383.92
2 times per week	\$693.97	\$52.23	\$746.20	\$2.31	\$8.25	\$756.76	\$694.87	\$60.42	\$755.29	\$2.31	\$8.25	\$765.85
3 times per week	\$1,040.98	\$78.35	\$1,119.33	\$3.47	\$11.25	\$1,134.05	\$1,042.33	\$90.64	\$1,132.97	\$3.47	\$11.25	\$1,147.69
4 times per week	\$1,387.97	\$104.47	\$1,492.44	\$4.63	\$14.40	\$1,511.47	\$1,389.77	\$120.85	\$1,510.62	\$4.63	\$14.40	\$1,529.65
5 times per week	\$1,734.95	\$130.59	\$1,865.54	\$5.79	\$17.55	\$1,888.88	\$1,737.21	\$151.06	\$1,888.27	\$5.79	\$17.55	\$1,911.61
6 times per week	\$2,081.93	\$156.70	\$2,238.63	\$6.94	\$22.35	\$2,267.92	\$2,084.64	\$181.27	\$2,265.91	\$6.94	\$22.35	\$2,295.20
<b>3 Yd Compactor</b>												
1 time per week	\$520.49	\$39.18	\$559.67	\$1.74	\$6.15	\$567.56	\$521.17	\$45.32	\$566.49	\$1.74	\$6.15	\$574.38
2 times per week	\$1,040.99	\$78.35	\$1,119.34	\$3.47	\$10.35	\$1,133.16	\$1,042.34	\$90.64	\$1,132.98	\$3.47	\$10.35	\$1,146.80
3 times per week	\$1,561.47	\$117.53	\$1,679.00	\$5.21	\$15.00	\$1,699.21	\$1,563.50	\$135.96	\$1,699.46	\$5.21	\$15.00	\$1,719.67
4 times per week	\$2,081.94	\$156.71	\$2,238.65	\$6.94	\$18.60	\$2,264.19	\$2,084.65	\$181.27	\$2,265.92	\$6.94	\$18.60	\$2,291.46
5 times per week	\$2,602.44	\$195.88	\$2,798.32	\$8.68	\$22.80	\$2,829.80	\$2,605.82	\$226.59	\$2,832.41	\$8.68	\$22.80	\$2,863.89
6 times per week	\$3,122.93	\$235.06	\$3,357.99	\$10.42	\$29.25	\$3,397.66	\$3,126.99	\$271.91	\$3,398.90	\$10.42	\$29.25	\$3,438.57
<b>4 Yd Compactor</b>												
1 time per week	\$693.98	\$52.24	\$746.22	\$2.31	\$7.50	\$756.03	\$694.88	\$60.42	\$755.30	\$2.31	\$7.50	\$765.11
2 times per week	\$1,387.98	\$104.47	\$1,492.45	\$4.63	\$12.60	\$1,509.68	\$1,389.78	\$120.85	\$1,510.63	\$4.63	\$12.60	\$1,527.86
3 times per week	\$2,081.94	\$156.71	\$2,238.65	\$6.94	\$17.70	\$2,263.29	\$2,084.65	\$181.27	\$2,265.92	\$6.94	\$17.70	\$2,290.56
4 times per week	\$2,775.93	\$208.94	\$2,984.87	\$9.26	\$22.95	\$3,017.08	\$2,779.54	\$241.70	\$3,021.24	\$9.26	\$22.95	\$3,053.45
5 times per week	\$3,469.91	\$261.18	\$3,731.09	\$11.57	\$28.20	\$3,770.86	\$3,474.42	\$302.12	\$3,776.54	\$11.57	\$28.20	\$3,816.31
6 times per week	\$4,163.91	\$313.41	\$4,477.32	\$13.89	\$36.30	\$4,527.51	\$4,169.32	\$362.55	\$4,531.87	\$13.89	\$36.30	\$4,582.06
<b>5 Yd Compactor</b>												
1 time per week	\$867.47	\$65.29	\$932.76	\$2.89	\$7.80	\$943.45	\$868.60	\$75.53	\$944.13	\$2.89	\$7.80	\$954.82
2 times per week	\$1,734.97	\$130.59	\$1,865.56	\$5.79	\$13.80	\$1,885.15	\$1,737.23	\$151.06	\$1,888.29	\$5.79	\$13.80	\$1,907.88
3 times per week	\$2,602.44	\$195.88	\$2,798.32	\$8.68	\$19.80	\$2,826.80	\$2,605.82	\$226.59	\$2,832.41	\$8.68	\$19.80	\$2,860.89
4 times per week	\$3,469.91	\$261.18	\$3,731.09	\$11.57	\$25.95	\$3,768.61	\$3,474.42	\$302.12	\$3,776.54	\$11.57	\$25.95	\$3,814.06
5 times per week	\$4,337.41	\$326.47	\$4,663.88	\$14.47	\$32.25	\$4,710.60	\$4,343.05	\$377.66	\$4,720.71	\$14.47	\$32.25	\$4,767.43
6 times per week	\$5,204.88	\$391.77	\$5,596.65	\$17.36	\$41.70	\$5,655.71	\$5,211.65	\$453.19	\$5,664.84	\$17.36	\$41.70	\$5,723.90
<b>6 Yd Compactor</b>												
1 time per week	\$1,040.99	\$78.35	\$1,119.34	\$3.47	\$7.95	\$1,130.76	\$1,042.34	\$90.64	\$1,132.98	\$3.47	\$7.95	\$1,144.40
2 times per week	\$2,081.94	\$156.71	\$2,238.65	\$6.94	\$14.85	\$2,260.44	\$2,084.65	\$181.27	\$2,265.92	\$6.94	\$14.85	\$2,287.71
3 times per week	\$3,122.93	\$235.06	\$3,357.99	\$10.42	\$21.90	\$3,390.31	\$3,126.99	\$271.91	\$3,398.90	\$10.42	\$21.90	\$3,431.22
4 times per week	\$4,163.91	\$313.41	\$4,477.32	\$13.89	\$28.95	\$4,520.16	\$4,169.32	\$362.55	\$4,531.87	\$13.89	\$28.95	\$4,574.71
5 times per week	\$5,204.88	\$391.77	\$5,596.65	\$17.36	\$36.15	\$5,650.16	\$5,211.65	\$453.19	\$5,664.84	\$17.36	\$36.15	\$5,718.35
6 times per week	\$6,245.85	\$470.12	\$6,715.97	\$20.83	\$46.95	\$6,783.75	\$6,253.97	\$543.82	\$6,797.79	\$20.83	\$46.95	\$6,865.57

\* Base Rate is based on 4.3333 pick-ups per month at \$40.09/cu.yd. or \$173.72 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 Yuba City  
Proposed Rates Effective 10/1/16

### Commercial Can and Cart Rates

Service Description	Rates Effective 10/1/2015						Rates Effective 10/1/2016					
	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services
Commercial Can	\$23.91	\$1.80	\$25.71	\$0.09	\$0.75	\$26.55	\$23.94	\$2.08	\$26.02	\$0.09	\$0.75	\$26.86
Additional Commercial Can	\$22.13	\$1.67	\$23.80	\$0.09	\$0.75	\$24.64	\$22.16	\$1.93	\$24.09	\$0.09	\$0.75	\$24.93
Commercial Cart	\$47.96	\$3.61	\$51.57	\$0.28	\$1.50	\$53.35	\$48.02	\$4.18	\$52.20	\$0.28	\$1.50	\$53.98
Additional Commercial Cart	\$47.96	\$3.61	\$51.57	\$0.28	\$1.50	\$53.35	\$48.02	\$4.18	\$52.20	\$0.28	\$1.50	\$53.98

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

# Exhibit 1

Recology Yuba - Sutter  
City of Yuba City  
Proposed Rates Effective 10/1/16

## Debris Box Rates

Service Description	Rates Effective 10/1/2015						Rates Effective 10/1/2016					
	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services	Base Rate	Franchise Fees	Base Rate Including Franchise Fees	NPDES Fees	Household Hazardous Waste / RWMA Surcharge	Total Rate for Services
09Yd Dirt/Concrete Debris	\$392.44	\$29.54	\$421.98		7.50	\$429.48	\$392.95	\$34.17	\$427.12		\$7.50	\$434.62
15 Yd Debris Box	\$316.09	\$23.79	\$339.88		6.30	\$346.18	\$316.50	\$27.52	\$344.02		\$6.30	\$350.32
20 Yd Debris Box	\$364.70	\$27.45	\$392.15		7.50	\$399.65	\$365.17	\$31.75	\$396.92		\$7.50	\$404.42
25 Yd Debris Box	\$392.52	\$29.54	\$422.06		8.10	\$430.16	\$393.03	\$34.18	\$427.21		\$8.10	\$435.31
30 Yd Debris Box	\$430.79	\$32.43	\$463.22		9.00	\$472.22	\$431.35	\$37.51	\$468.86		\$9.00	\$477.86
40 Yd Debris Box	\$507.18	\$38.17	\$545.35		10.80	\$556.15	\$507.84	\$44.16	\$552.00		\$10.80	\$562.80
Compactor Rate Per Cubic Yard * NPDES fee is \$0.13355107/Cubic Yard	\$44.41	\$3.34	\$47.75	\$0.13*	\$0.90	\$48.78	\$44.47	\$3.87	\$48.34	\$0.13*	\$0.90	\$49.37
Wood Debris Box	\$171.94	\$12.94	\$184.88		\$0.00	\$184.88	\$172.16	\$14.97	\$187.13		\$0.00	\$187.13
15 Yard Tires	\$579.62	\$43.63	\$623.25		\$10.20	\$633.45	\$580.37	\$50.47	\$630.84		\$10.20	\$641.04
20 Yard Tires	\$734.22	\$55.26	\$789.48		\$12.90	\$802.38	\$735.17	\$63.93	\$799.10		\$12.90	\$812.00
25 Yard Tires	\$878.48	\$66.12	\$944.60		\$15.45	\$960.05	\$879.62	\$76.49	\$956.11		\$15.45	\$971.56
30 Yard Tires	\$1,022.80	\$76.98	\$1,099.78		\$18.00	\$1,117.78	\$1,024.13	\$89.05	\$1,113.18		\$18.00	\$1,131.18
40 Yard Tires	\$1,226.38	\$92.31	\$1,318.69		\$21.45	\$1,340.14	\$1,227.97	\$106.78	\$1,334.75		\$21.45	\$1,356.20
Trip Charge / Same Day Service	\$71.77	\$5.40	\$77.17		-	\$77.17	\$71.86	\$6.25	\$78.11		-	\$78.11
Demurrage Charge	\$17.67	\$1.33	\$19.00		-	\$19.00	\$17.69	\$1.54	\$19.23		-	\$19.23



**REGIONAL WASTE MANAGEMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
JUNE 16, 2016**

**AGENDA ITEM IV – B  
STAFF REPORT**

**COLLECTION SERVICE RATE ADJUSTMENT APPLICATION  
EVALUATION REPORT**

**BACKGROUND**

Included as a separate document with the agenda packet is the Draft Evaluation Report prepared by Aurora Environmental, Inc. on the review and evaluation of the rate adjustment application that was submitted by Recology Yuba-Sutter for the rate year beginning October 1, 2016 (Rate Year 2017). This is the fifth 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 Collection Service Agreements establish 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 2017 (October 1, 2016 – September 30, 2017) is the second 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 and potential adjustments related to proposed state legislation, AB 1063, that would increase state fees imposed on disposal sites from the current \$1.40 per ton to \$4.00 per ton effective as early as January 1,

2017. The Draft Evaluation Report states that the RRI Rate Application as revised by Recology Yuba-Sutter is confirmed to be complete and prepared in accordance with the relevant provisions of the RWMA jurisdictions' franchise agreements. The originally requested RRI adjustment to the base collection service rates was for a 0.14 percent increase and the revised rate adjustment for Rate Year 2017 was calculated to be a 0.13 percent increase as a result of adjustments to the financial expense statement. The originally noted adjustment with the implementation of AB 1063 of a 1.45 percent increase was revised to a 1.46 percent increase as a result of adjustments to the financial expense statement. As noted in the attached report, should AB 1063 become law, the amount and implementation schedule of the fee adjustment should be reviewed and adjustments be made to account for the final amount of the fee adjustment and the timing of the fee implementation.

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 modified 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 31<sup>st</sup> and be effective on October 1<sup>st</sup> 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, 2016.

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  
2017 RATE APPLICATION**

**FINAL REPORT**

**Presented to**

**Regional Waste Management Authority**

**June 17, 2016**

**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 2017 (October 1, 2016 to September 30, 2017) is the second 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 1<sup>st</sup> 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 15<sup>th</sup> 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 31<sup>st</sup> for consideration and action by the member jurisdictions, or their delegated authority, by August 31<sup>st</sup> to become effective on the subsequent October 1<sup>st</sup>.

## 2.0 REFUSE RATE INDEX (RRI) RATE ADJUSTMENT EVALUATION

On April 30, 2016, 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 2017 (October 1, 2016 to September 30, 2017). The RRI rate adjustments requested in this application were for a 0.14% increase in the base service rates or a 1.45% increase in the base service rates if proposed state legislation, AB 1063, becomes law and increases state fees imposed on disposal sites from the current \$1.40 per ton to \$4.00 per ton effective January 1, 2017. The RRI adjustments have since been revised to reflect correct adjustments to the financial expense statement resulting instead in a 0.13% increase in the base service rates, or a 1.46% increase in the base service rates if AB 1063 becomes law. Should AB 1063 become law, the amount and implementation schedule of the fee adjustment should be reviewed and adjustments be made to account for the final amount of the fee adjustment and the timing of the fee implementation.

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; penalties and citations; HHW Facility expenses; street sweeping services; Ponderosa Transfer Station expenses; and, processing of recyclables and green waste from Colusa and Butte 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:

42.36%	Labor	
4.33%	Fuel	
5.59%	Vehicle and Equipment Replacement	
5.69%	Vehicle and Equipment Maintenance	
19.98%	Disposal	
22.06%	All Other	
100.01%	TOTAL	(0.01 percentage points over 100.00% due to rounding of individual components, but does not effect the final weighted percentages)

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 2015 through March 2016. The following presents the percent change for each index:

<b>Without AB 1063</b>	<b>With AB 1063</b>	
1.39%	1.39%	Labor
-25.22%	-25.22%	Fuel
0.53%	0.53%	Vehicle and Equipment Replacement
1.97%	1.97%	Vehicle and Equipment Maintenance
1.92%	8.57%	Disposal
0.50%	0.50%	All Other

The Fuel index reflects the most significant change at -25.22% due to a reduction in fuel prices beginning in late 2014.

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 with and without AB 1063:

<b>Without AB 1063</b>	<b>With AB 1063</b>	
0.59%	0.59%	Labor
-1.09%	-1.09%	Fuel
0.03%	0.03%	Vehicle and Equipment Replacement
0.11%	0.11%	Vehicle and Equipment Maintenance
0.38%	1.71%	Disposal
0.11%	0.11%	All Other
0.13%	1.46%	TOTAL = Refuse Rate Index (RRI)

From the weighted percentage calculations above, the RRI figure for Rate Year 2016 was verified to be 0.13% without the added expenses from AB 1063 and 1.46% with the added expenses of AB 1063. Should AB 1063 become law, the amount and implementation schedule of the fee adjustment should be reviewed and adjustments be made to account for the final amount of the fee adjustment and the timing of the fee implementation.

### **3.0 REVIEW SUMMARY AND NET RATE YEAR 2017 RATE ADJUSTMENT**

The revised 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 revised net rate adjustment for Rate Year 2017 was calculated to be 0.13% without the added expenses from AB 1063 and 1.46% with the added expenses of AB 1063. Should AB 1063 become law, the amount and implementation schedule of the fee adjustment should be reviewed and adjustments be made to account for the final amount of the fee adjustment and the timing of the fee implementation.

### **4.0 2017 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 16<sup>th</sup> 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, 2016.

## Attachment 1

Recology Yuba-Sutter  
Expense Statement Excluding  
Street Sweeping, HHW Facility, Ponderosa, Landfill Closure, and Projects

	3rd Qtr 2015 Actual	4th Qtr 2015 Actual	1st Qtr 2016 Actual	2nd Qtr 2016 Actual	Adjust Leases and Depreciation	Adjust Donations and Event Promo	Adjust Franchise Fees and Road Maint	Adjust Stormwater & WDR	Adjust Recology Butte/Colusa	Adjust Member Agency Specific Maint	Apr 2015 - Mar 2016 Actual	
<b>Labor Expenses</b>												
Regular Hours	1,143,449.78	1,081,338.48	1,115,651.22	1,152,000.66							4,492,440.14	
Overtime Hours	251,963.16	265,194.45	269,686.01	277,919.70							1,064,763.32	
Sickpay	23,818.83	24,411.23	24,098.30	24,016.73							96,345.09	
Holiday Worked	38,978.57	84,666.40	98,026.42	51,690.51							273,361.90	
Holiday Not-Worked	(8,429.57)	10,280.15	36,483.29	10,601.08							48,934.95	
Vacation/PTO	59,034.30	57,451.09	58,191.32	58,083.39							232,760.10	
PTO	31,215.38	33,408.76	28,759.18	33,899.11							127,282.43	
Other (payroll)	12,179.91	11,757.70	15,843.05	16,083.64					(472,702.00)		(416,837.70)	
Labor Transfer	131,730.54	132,804.92	129,521.63	131,661.10							525,718.19	
Payroll	1,683,940.90	1,701,313.18	1,776,260.42	1,755,955.92	0.00	0.00	0.00	0.00	(472,702.00)	0.00	6,444,768.42	
Payroll Taxes	120,260.34	121,992.66	133,915.44	158,210.14							534,378.58	
Payroll Taxes	120,260.34	121,992.66	133,915.44	158,210.14	0.00	0.00	0.00	0.00	0.00	0.00	534,378.58	
O/S Pension	265,925.52	257,609.52	301,136.80	331,468.69							1,156,140.53	
Other Pension	0.00	0.00	24,810.23	(24,810.23)							0.00	
401K Employer Portion	231.34	246.38	760.56	1,055.07							2,293.35	
I/C Pension	41,902.76	38,634.97	40,451.88	34,851.99							155,841.60	
Pension	308,059.62	296,490.87	367,159.47	342,565.52	0.00	0.00	0.00	0.00	0.00	0.00	1,314,275.48	
O/S Health Insurance	422,820.00	421,362.00	413,026.01	422,784.00							1,679,992.01	
I/C Health CA/NV	81,221.34	78,157.62	84,303.16	103,800.75							347,482.87	
Health Insurance	504,041.34	499,519.62	497,329.17	526,584.75	0.00	0.00	0.00	0.00	0.00	0.00	2,027,474.88	
I/C Workers Compensation	143,267.18	210,164.70	109,996.50	111,173.31							574,601.69	
Workers Comp	143,267.18	210,164.70	109,996.50	111,173.31							574,601.69	
Labor	2,759,569.38	2,829,481.03	2,884,661.00	2,894,489.64	0.00	0.00	0.00	0.00	(472,702.00)	0.00	10,895,499.05	42.4%
Fuel	331,517.56	308,694.91	276,109.22	230,469.16					(16,377.00)		1,130,413.85	
Fuel Allocation	0.00	0.00	0.00	0.00						(17,723.40)	(17,723.40)	
Fuel	331,517.56	308,694.91	276,109.22	230,469.16	0.00	0.00	0.00	0.00	(16,377.00)	(17,723.40)	1,112,690.45	4.3%
O/S Equipment Rental	204,812.29	219,107.28	330,773.69	128,440.33				(816,907.69)			66,225.90	
Depreciation	93,708.43	91,412.32	47,788.83	102,132.54	(236,477.92)						98,564.20	
Amortization	11,678.67	11,678.67	11,678.67	11,678.67	(46,714.68)						0.00	
Equipment Rental	344,121.50	357,424.23	406,465.06	386,887.93	(89,120.87)				(132,945.00)		1,272,832.85	
Vehicle and Equipment Replacem	654,320.89	679,622.50	796,706.25	629,139.47	(372,313.47)	0.00	0.00	(816,907.69)	(132,945.00)	0.00	1,437,622.95	5.6%
O/S Repairs	106,196.89	82,512.34	96,954.38	111,185.16					(59,914.00)		336,934.77	
Equipment Maint Contract	24,166.13	23,159.82	24,082.24	23,350.61							94,758.80	
Tires	63,892.45	77,480.74	51,134.73	59,319.92							251,827.84	
Parts	185,232.27	188,851.12	163,373.78	247,485.42							784,942.59	
T&G Maintenance Allocation	0.00	0.00	0.00	0.00						(49,602.29)	(49,602.29)	
T&G Overhead Allocation	0.00	0.00	0.00	0.00						(16,149.45)	(16,149.45)	
Oil	23,442.95	16,813.36	9,831.10	11,771.48							61,858.89	
Vehicle and Equipment Maintena	402,930.69	388,817.38	345,376.23	453,112.59	0.00	0.00	0.00	0.00	(59,914.00)	(65,751.74)	1,464,571.15	5.7%
O/S Disposal	30,466.78	33,173.68	14,200.50	35,960.37				0.00			113,801.33	
I/C Disposal	1,264,456.61	1,301,247.78	1,287,787.38	1,350,793.59					(117,420.01)		5,086,865.35	
I/D Disposal	1,586,527.05	1,624,591.99	1,492,511.64	1,432,120.27							6,135,750.95	
I/D Disposal	(1,602,099.75)	(1,638,534.49)	(1,507,672.89)	(1,449,902.97)							(6,198,210.10)	
Disposal	1,279,350.69	1,320,478.96	1,286,826.63	1,368,971.26	0.00	0.00	0.00	0.00	(117,420.01)	0.00	5,138,207.53	20.0%
Temporary Labor	39,278.00	57,053.81	13,195.13	17,595.40							127,122.34	
Subcontractors	58,037.63	(23,630.28)	14,432.46	3,522.11							52,361.92	
Insurance Premium Cost	5,222.00	100.00	0.00	0.00							5,322.00	



## Attachment 1

Recology Yuba-Sutter  
Expense Statement Excluding  
Street Sweeping, HHW Facility, Ponderosa, Landfill Closure, and Projects

	3rd Qtr 2015 Actual	4th Qtr 2015 Actual	1st Qtr 2016 Actual	2nd Qtr 2016 Actual	Adjust Leases and Depreciation	Adjust Donations and Event Promo	Adjust Franchise Fees and Road Maint	Adjust Stormwater & WDR	Adjust Recology Butte/Colusa	Adjust Member Agency Specific Maint	Apr 2015 - Mar 2016 Actual
I/C Insurance	16,219.50	(17,223.80)	54,258.00	54,258.00							107,511.70
Insurance Department Fee	51,975.75	73,845.44	67,644.00	67,644.00							261,109.19
Operational Supplies	0.00	0.00	0.00	0.00							0.00
Expendables	16,836.60	11,605.51	12,804.39	10,070.17							51,316.67
Maintenance	54,743.99	69,989.32	71,024.26	86,347.63							282,105.20
Office	11,597.06	16,143.75	8,862.54	17,393.02							53,996.37
Safety	12,832.87	10,078.63	16,409.90	14,511.48							53,832.88
Small Tools and Equipment	17,454.21	12,323.26	21,638.13	24,939.60							76,355.20
Shoes and Uniforms	12,074.72	5,058.66	7,904.46	40,857.21							65,895.05
Franchise Fees	402,181.61	409,117.25	489,222.14	503,863.04			(1,804,384.04)				0.00
Surcharge	66,652.98	67,811.41	67,761.28	67,797.72			(270,023.39)				0.00
Building and Facility	29,184.74	120,863.68	134,088.52	232,334.03				(444,978.78)			71,492.19
I/C Bldg & Facility Repairs	0.00	78,096.91	86,186.59	2,412.20							166,695.70
Security	27,015.76	26,210.73	25,870.63	30,635.62							109,732.74
Janitorial	5,589.44	4,664.75	6,858.15	6,760.89							23,873.23
Licenses and permits	38,599.74	40,069.34	44,298.71	47,455.06							170,422.85
Electricity	43,596.29	57,003.98	41,174.60	35,285.93							177,060.80
Water	6,105.94	79.81	4,780.85	3,891.11							14,857.71
Gas	(7,423.75)	(239.26)	4,770.18	9,713.80							6,820.97
O/S Freight	19,360.91	64,762.89	28,191.71	30,893.00							143,208.51
Equipment Transportation	17,688.25	2,388.20	4,618.65	5,532.53				(18,825.15)			11,402.48
I/C Freight	0.00	0.00	0.00	5,442.78							5,442.78
Deferred Landfill	0.00	0.00	0.00	0.00							0.00
Landfill Permits	124,074.98	127,398.17	120,611.22	128,414.62							500,498.99
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	5,137.42	4,423.36	706.86	525.93							10,793.57
Purchases-Aluminum	40,324.85	40,703.45	26,254.11	29,866.68							137,149.09
Purchases-Cardboard	8,653.03	10,800.60	9,876.53	9,835.20							39,165.36
Purchases-Glass	7,294.05	6,400.17	4,203.31	4,920.58							22,818.11
Purchases-Junk	16.00	0.00	5.20	0.00							21.20
Purchases-Metal	0.00	0.00	0.52	0.00							0.52
Purchases-Newspaper	1,674.62	1,286.34	1,680.89	1,473.16							6,115.01
Purchases-Paper	412.20	471.22	318.76	300.00							1,502.18
Purchases-Plastic	20,954.45	27,654.69	20,978.99	19,249.82							88,837.95
Cost of Goods Sold	8,849.45	4,568.97	(3,702.79)	(18,311.00)							(8,595.37)
Professional Services-Other	87,115.02	(43,421.11)	20,156.03	(12,338.49)				(123,662.38)			(72,150.93)
Professional Services-Accounting	12,230.06	11,637.67	11,824.74	12,026.37							47,718.84
Professional Services-Legal	285,299.73	25,104.56	20,321.62	12,420.61				(313,188.60)			29,957.92
Professional Services-Engineering	46,087.62	21,562.64	27,393.40	26,446.47				(121,490.13)			0.00
Lab Analysis	2,146.50	1,048.00	16.00	1,304.00							4,514.50
Bad Debts	(972.37)	31,819.98	11,100.00	3,974.22							45,921.83
Business Meals	2,560.28	3,743.02	2,735.60	3,116.03							12,154.93
Travel	6,382.28	3,224.31	894.60	2,305.30							12,806.49
Telephone	17,416.93	21,634.25	21,674.81	17,729.56							78,455.55
Advertising	30,710.48	15,563.27	24,590.56	23,601.86							94,466.17
Promotion and Special Events	53,422.59	35,223.44	49,983.75	33,714.44		(163,594.31)					8,749.91
Donations	4,201.25	3,270.00	8,445.00	1,623.18		(17,539.43)					0.00
Dues and Subscriptions	976.75	422.09	792.27	599.75							2,790.86
Employee Recognition	1,644.39	1,216.82	5,489.40	6,639.14							14,989.75
Employee Training	5,219.06	299.00	339.99	2,578.00							8,436.05
Office Expense	0.00	0.00	426.75	136.07							562.82
Postage	15,424.11	9,539.24	4,758.51	7,461.10							37,182.96
Taxes-Business and Other	1,846.10	1,770.35	1,760.14	2,747.76							8,124.35
Taxes-Secured Property	43,247.62	43,247.64	41,184.76	42,255.31							169,935.33
Taxes-Unsecured Property	29,149.31	27,174.57	27,174.57	27,174.57							110,673.02
Regional Management	188,535.72	187,627.09	193,331.40	237,429.09							806,923.30
Miscellaneous	7,329.38	121.41	(38.43)	98.30					(168,802.00)		(161,291.34)

## Attachment 1

Recology Yuba-Sutter  
Expense Statement Excluding  
Street Sweeping, HHW Facility, Ponderosa, Landfill Closure, and Projects

	3rd Qtr 2015 Actual	4th Qtr 2015 Actual	1st Qtr 2016 Actual	2nd Qtr 2016 Actual	Adjust Leases and Depreciation	Adjust Donations and Event Promo	Adjust Franchise Fees and Road Maint	Adjust Stormwater & WDR	Adjust Recology Butte/Colusa	Adjust Member Agency Specific Maint	Apr 2015 - Mar 2016 Actual	
Refunds	84.80	29.77	13.66	0.00							128.23	
Propane Fuel	6,328.04	(1,677.73)	3,396.65	4,111.00							12,157.96	
Transfer to CIP (Contra)	0.00	0.00	0.00	0.00							0.00	
Environmental Remediation	393,440.00	0.00	0.00	0.00				(393,440.00)			0.00	
Late fees /penalties	271.49	5,305.05	(736.94)	54.92							4,894.52	
Customer Training	1,403.92	686.84	6,924.29	3,291.89							12,306.94	
Medical Expenses	2,730.50	4,112.30	1,921.90	3,088.55							11,853.25	
Citations	560.00	0.00	0.00	102.30		(662.30)					0.00	
Bank Service Charges	16,329.52	17,536.77	15,717.65	17,194.77							66,778.71	
O/S Billing Service	33,638.82	34,495.12	32,438.20	35,993.45							136,565.59	
Relocation	0.00	0.00	44,425.42	0.00							44,425.42	
Returned Checks	(335.91)	550.62	(617.46)	(515.93)							(918.68)	
Corporate Accounting	41,851.34	49,336.40	38,013.51	30,119.00							159,320.25	
IT Fee	178,836.87	203,192.73	168,109.87	168,728.10							718,867.57	
Environmental Compliance	19,055.83	16,084.11	9,507.71	12,263.43							56,911.08	
Legislative Compliance	6,862.80	7,781.62	5,820.60	6,273.43							26,738.45	
Human Resources	41,350.92	23,759.14	38,858.13	44,740.81							148,709.00	
Corporate Management	50,441.26	50,326.56	36,189.78	40,125.34							177,082.94	
All Other	2,795,038.30	2,123,228.50	2,281,267.32	2,314,045.02	0.00	(181,796.04)	(2,074,407.43)	(1,415,585.04)	(168,802.00)	0.00	5,672,988.63	22.1%
Total Operating Expenses	8,222,727.51	7,650,323.28	7,870,946.65	7,890,227.14	(372,313.47)	(181,796.04)	(2,074,407.43)	(2,232,492.73)	(968,160.01)	(83,475.14)	25,721,579.76	100.0%

## Attachment 2

**Recology Yuba-Sutter  
Refuse Rate Index Calculation  
For Rate Year 2017 (October 1, 2016 to September 30, 2017)**

	Index Percentage Change	Expense Weight	Weighted Percentage
Labor	1.39%	42.36%	0.59%
Fuel	-25.22%	4.33%	-1.09%
Vehicle and Equipment Replacement	0.53%	5.59%	0.03%
Vehicle and Equipment Maintenance	1.97%	5.69%	0.11%
Disposal	1.92%	19.98%	0.38%
All Other	0.50%	22.06%	0.11%
<b>Total Weighted Percentage</b>			<b>0.13%</b>

**Recology Yuba-Sutter  
Refuse Rate Index Calculation  
For Rate Year 2017 (October 1, 2016 to September 30, 2017)  
AB1063 Alternative**

	Index Percentage Change	Expense Weight	Weighted Percentage
Labor	1.39%	42.36%	0.59%
Fuel	-25.22%	4.33%	-1.09%
Vehicle and Equipment Replacement	0.53%	5.59%	0.03%
Vehicle and Equipment Maintenance	1.97%	5.69%	0.11%
Disposal	8.57%	19.98%	1.71%
All Other	0.50%	22.06%	0.11%
<b>Total Weighted Percentage</b>			<b>1.46%</b>

## Attachment 3

### Recology Yuba-Sutter Refuse Rate Index Calculation For Rate Year 2017 (October 1, 2016 to September 30, 2017)

<b>Labor Index</b> Series ID CIU2015000000510I (B,H) Employment Cost Index not seasonally adjusted, total compensation, private industry, union, service providing industries (Bureau of Labor Statistics)													
Average 2015	2nd Qtr 2014	3rd Qtr 2014	4th Qtr 2014	1st Qtr 2015									
129.5250	128.3	129.0	130.0	130.8									
Average 2016	2nd Qtr 2015	3rd Qtr 2015	4th Qtr 2015	1st Qtr 2016									
131.3250	130.4	130.8	131.4	132.7									
Percentage change	1.39%		Weight	42.36%	Weighted percentage		0.59%						
<b>Fuel</b> Energy Information Administration (U.S. Department of Energy California #2 Diesel Fuel, Retail sales by all sellers. (DDR007)													
Average 2015	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	
3.7796	4.089	4.119	4.101	4.110	4.085	4.054	3.938	3.813	3.542	3.212	3.110	3.182	
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	2.335	2.387	
Percentage change	-25.22%		Weight	4.33%	Weighted percentage		-1.09%						
<b>Vehicle and Equipment Replacement</b> Series ID: wpu141301 Truck and Bus Bodies sold separately (Bureau of Labor Statistics)													
Average 2015	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	
232.1500	230.8	231.4	231.4	231.8	231.8	231.8	232.7	232.7	232.7 P	232.9 P	232.9 P	232.9 P	
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	
Percentage change	0.53%		Weight	5.59%	Weighted percentage		0.03%						
<b>Vehicle and Equipment Maintenance</b> Series ID: pcu333924333924 Parts & attachment of Industrial work trucks & tractors (Bureau of Labor Statistics)													
Average 2015	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	
230.8833	227.1	229.6	230.2	230.2	230.1	230.2	230.2	230.2	230.2 P	231.0 P	237.0 P	234.6 P	
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	
Percentage change	1.97%		Weight	5.69%	Weighted percentage		0.11%						
<b>Disposal</b>													
April 2015													
\$39.10	Disposal rate												
April 2016													
\$39.85	Disposal rate												
Percentage change	1.92%		Weight	19.98%	Weighted percentage		0.38%						
<b>All Other</b> 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 2015	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	
143.6921	143.077	144.253	144.522	144.435	144.317	144.506	144.214	143.398	142.669	142.022	143.005	143.887	
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	
Percentage change	0.50%		Weight	22.06%	Weighted percentage		0.11%						
Total Weighted Percentage Increase									0.13%				

## Attachment 3

**Recology Yuba-Sutter  
Refuse Rate Index Calculation  
For Rate Year 2017 (October 1, 2016 to September 30, 2017)  
AB1063 Alternative**

<b>Labor Index</b> Series ID CIU201S000000510I (B,H) Employment Cost Index not seasonally adjusted, total compensation, private industry, union, service providing industries (Bureau of Labor Statistics)													
Average 2015	2nd Qtr 2014	3rd Qtr 2014	4th Qtr 2014	1st Qtr 2015									
129.5250	128.3	129.0	130.0	130.8									
Average 2016	2nd Qtr 2015	3rd Qtr 2015	4th Qtr 2015	1st Qtr 2016									
131.3250	130.4	130.8	131.4	132.7									
Percentage change	1.39%		Weight	42.36%	Weighted percentage		0.59%						
<b>Fuel</b> Energy Information Administration (U.S. Department of Energy) California #2 Diesel Fuel, Retail sales by all sellers. (DDR007)													
Average 2015	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	
3.7796	4.089	4.119	4.101	4.110	4.085	4.054	3.938	3.813	3.542	3.212	3.110	3.182	
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	2.335	2.387	
Percentage change	-25.22%		Weight	4.33%	Weighted percentage		-1.09%						
<b>Vehicle and Equipment Replacement</b> Series ID: wpu141301 Truck and Bus Bodies sold separately (Bureau of Labor Statistics)													
Average 2015	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	
232.1500	230.8	231.4	231.4	231.8	231.8	231.8	232.7	232.7	232.7 P	232.9 P	232.9 P	232.9 P	
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	
Percentage change	0.53%		Weight	5.59%	Weighted percentage		0.03%						
<b>Vehicle and Equipment Maintenance</b> Series ID: pcu333924333924 Parts & attachment of Industrial work trucks & tractors (Bureau of Labor Statistics)													
Average 2015	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	
230.8833	227.1	229.6	230.2	230.2	230.1	230.2	230.2	230.2	230.2 P	231.0 P	237.0 P	234.6 P	
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	
Percentage change	1.97%		Weight	5.69%	Weighted percentage		0.11%						
<b>Disposal</b>													
April 2015													
\$39.10 Disposal rate													
April 2016													
\$42.45 Disposal rate													
Percentage change	8.57%		Weight	19.98%	Weighted percentage		1.71%						
<b>All Other</b> 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 2015	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	
143.6921	143.077	144.253	144.522	144.435	144.317	144.506	144.214	143.398	142.669	142.022	143.005	143.887	
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	
Percentage change	0.50%		Weight	22.06%	Weighted percentage		0.11%						
Total Weighted Percentage Increase									1.46%				