



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for April 1, 1998, to Consider Refuse Rate Adjustment
Application from California Waste Recovery Systems

MEETING DATE: March 18, 1998

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council set a public hearing for April 1, 1998, to consider the refuse rate adjustment application from California Waste Recovery Systems (CWRS).

BACKGROUND INFORMATION: Over the past six years, City Council has followed a rate methodology, adopted by Council December 4, 1991, for establishing residential and commercial refuse collection rates in the City of Lodi. In accordance with this methodology, the rate adjustment is 1.31%, or an increase of \$0.23 per month on the standard 38-gallon residential rate. Per the adopted methodology, this year the adjustment is based on an index formula. A copy of the methodology and the background adjustment material is attached.

FUNDING: Not applicable.

Richard C. Prima, Jr.
Public Works Director

RCP/Im

Attachments

cc: California Waste Recovery Systems

APPROVED: _____


H. Dixon Flynn -- City Manager

December 4, 1991

Lodi Sanitary City Disposal
Rate Methodology
Detailed Procedure

INTRODUCTION

The purpose of this document is to set forth a methodology for periodically adjusting the rates charged by Lodi Sanitary City Disposal (LSCD) for refuse collection services provided within the City of Lodi. The franchise agreement of September 7, 1988, between LSCD and the City of Lodi (herein referred to as the "Agreement") governing the collection and transportation of refuse, gives the City the discretion to set the rates for these services. This methodology will ensure that the manner in which these rates are set is fair and reasonable.

The procedures set forth below ensure that LSCD faces substantial incentives for efficient operation. Rates are based on agreed-upon reasonable forecasts of expenses and revenues. Once the City adopts such forecasts, it is the company's responsibility, to the extent that expenses are controllable by the company, to live within those forecasts during the period those rates are in effect. If LSCD does not efficiently manage those expenses which it can control, then its profitability will be adversely affected.

I. SERVICES COVERED BY THE RATE METHODOLOGY

The rate methodology specified herein governs the setting of rates for the following categories of services rendered by LSCD in accordance with the franchise agreement between LSCD and the City of Lodi:

- Residential refuse, recyclable material, and yard waste collection and processing,
- Commercial refuse and recyclable material collection and processing, and
- Industrial refuse collection

II. DEFINITIONS

Rate Adjustment Application: The package submitted by LSCD to support its request for rate adjustment which will include the following:

1. The most current budget for the provision by LSCD of the above services.
2. A series of Exhibits that detail the rate request, including an exhibit which details projected test year revenue and related assumptions. Samples of exhibits are included as Attachment A.

Test Year: The 12-month period for which revenue requirements and rates will be estimated. Test years will correspond to the LSCD fiscal year, which begins on April 1 and extends through March 31 of the following year.

Allowable Revenues: Those revenues that correspond to the above services and are included as revenues for the purpose of determining the appropriate rate adjustment (as described in Section IV).

Allowable Expenses: Those expenses that correspond to the above services and are allowed as expenses to be recovered in rates (as described in Section IV).

Projected Test Year Revenue: Allowable test year revenues anticipated by LSCD at existing rates and adjusted for changes in quantity (e.g., projected number of accounts) for the test year.

Projected Test Year Expense: Allowable expenses estimated to be incurred during the test year.

Required Test Year Revenue: The level of test year revenues that will recover projected test year expenses and a reasonable return.

Rate Adjustment Percentage: The percentage by which rates for the test year must be adjusted. The computation of this percentage is described in Section V.

III. RATE ADJUSTMENT PROCESS

LSCD will file a detailed rate application to cover the costs incurred during the fiscal years ending March 31, 1992, March 31, 1993, and March 31, 1994. This application will be filed on an early 1992 date to be mutually determined by LSCD and the City and will propose two equal rate adjustments, the first of which will become effective on a mutually-determined date. The rate adjustments will be based on budget projections for

the test year periods from April 1, 1991 to March 31, 1992, from April 1, 1992 to March 31, 1993, and from April 1, 1993 to March 31, 1994.

LSCD will file a detailed rate application on February 15, 1993, for the period from April 1, 1993 to March 31, 1994. Based on this rate application, the second of the two rate adjustments discussed above will, if necessary, be modified.

The detailed rate application submitted on February 15, 1993 will be the start of a two year rate adjustment cycle. For the first year of each cycle, LSCD will file a detailed rate adjustment application by February 15, as described below, with rates to become effective on April 1. The detailed rate application and rate adjustment will be based on the test year for the period from April 1 to the following March 31. For the second year of each cycle, LSCD will file, by February 15, a rate adjustment request based on a composite cost index formula, as described below, with rates to become effective on April 1.

As specified in the Agreement, LSCD has the right to renegotiate the rates at times other than the regular submission of an application in the event of any unforeseen special occurrences, such as a change in landfill location, stricter environmental requirements on equipment, or change in service levels or frequency. In addition, rates will be adjusted based on any landfill fee adjustments on the provision of 30 days notification to the City of Lodi by LSCD.

IV. ALLOWABLE REVENUES, EXPENSES, and REASONABLE RETURN

Sections A and B below define the categories of revenues and expenses that are allowable. For all of these categories, there is a presumption of reasonableness. LSCD must, at the request of the City, demonstrate that any projected revenue or expense included in the ratemaking calculation is reasonable.

A. Allowable Revenues: Allowable revenues corresponding to the services specified in Section I shall include the following revenue categories:

1. Refuse, Recycling, and Yard Waste Collection Revenues
2. Revenues from the sale of recyclable and compostable material
3. Workers' Compensation Dividends
4. Other revenue, such as payments made to LSCD by the City of Lodi to cover the cost of the services described in Section I.

B. Allowable Expenses: Allowable expenses corresponding to the services specified in Section I shall include:

- Refuse, recycling, and yard waste collection expenses

- Recyclable and compostable material processing expenses
- Transfer station charges
- Disposal charges
- Franchise fees

Allowable expenses can either be exclusive to the City of Lodi franchise or shared with other jurisdictions. The rate application will identify shared expenses and document the formula used to allocate a portion of shared expenses to the City. LSCD will provide organization and staffing charts specifying numbers of employees, salaries, and allocation formulas where appropriate to support the payroll expenses of the budget projections.

B.1 Refuse, Recycling, and Yard Waste Collection Expenses:

- Payroll expenses
 - Salaries
 - Payroll Taxes and Workers' Compensation Insurance
 - Group Insurance and Pension Plan
 - Laundry and Uniforms

- Equipment expenses
 - Repairs and Maintenance - Parts, Supplies, and Tires
 - Fuel and Oil
 - Equipment Leases
 - Licenses and Fuel Use Tax
 - Insurance General

- Other Expenses
 - Interest
 - Depreciation
 - Debt Service
 - Telephone
 - Utilities
 - Computer Expenses
 - Equipment Rental
 - Office Supplies and Expenses
 - Facility Rental
 - Property Taxes
 - Permits and Licenses
 - Officers' Life Insurance
 - Accounting
 - Legal
 - Consulting
 - Education and Training
 - Public Awareness

- Subcontract Hauling
- Administrative Expenses
- Shop Expenses
- Miscellaneous (e.g., auto expense, repairs & maintenance - general, dues and subscriptions, freight, radio expense, 401k plan administration)

- Government imposed expenses due to regulatory or legal mandate

Depreciation expenses (not already included in the debt service, lease, or rental expense categories) will follow the straight line method. The depreciation life will be the lesser of the life permitted by the Internal Revenue Service, the financing terms for the particular asset, or the expected economic life for the level of use.

Interest expenses will be subject to an interest rate “cap” of the prime rate plus 2.75% multiplied by the projected capital amounts to be financed.

B.2 Recyclable and Compostable Material Processing Expenses: These expenses shall be calculated according to the following formula:

$$R = A \times (B/C) \quad \text{where:}$$

R is the portion of the allowable projected recyclable and compostable material, processing expenses assigned to the LSCD franchise.

A is the total projected CWRS recyclable and compostable material processing facility expenses that fall into the categories specified above in paragraph B.1.

B is the number of recyclable and compostable material tons from the City of Lodi franchise projected to be delivered in the test year by LSCD to the CWRS material processing facility.

C is the total number of tons projected to be received in the test year from all regulated jurisdictions by the CWRS material processing facility.

LSCD will provide documentation of recyclable and compostable material tons delivered to the CWRS material processing facility from all regulated jurisdictions for the most recent obtainable 12 month period preceding the test year of the rate application.

B.3 Transfer Station Charges: Charges assessed by the CWRS transfer station to process, transport, and dispose of refuse.

- B.4 Disposal Charges: Tipping fee charges assessed by a landfill for refuse disposal.
- B.5 Franchise Fees: Franchise fees as specified by the City of Lodi.
- B.6 Community Programs: Community contributions promoting recycling as specified by the City of Lodi.
- C. Reasonable Return: The allowed reasonable return is 12% of the allowed reasonable expenses included in paragraphs B.1 and B.2.

In order to ensure that LSCD has the opportunity to earn a reasonable return while, at the same time, providing incentives for efficient operation, LSCD shall be allowed a return that is based on the forecasted expenses judged by the City to be reasonable. If actual test year expenses or revenues differ from these forecasts, then earned return will likewise differ from the allowed return. Thus, if LSCD spends more than is forecast, its return will be less than authorized.

V. PROCEDURE FOR SETTING RATES

V.1 Detailed Rate Application Procedure

For the initial period through March 31, 1994, as well as the first year of each two year cycle, rates will be adjusted following the submission of a detailed rate application. The basis for the rates, revenues, expenses, and return shall be the annual budget for the provision of the services specified in Section I. The rate adjustment will be determined by the following steps:

- The application will include a budget for the provision of the above services for the test year. The budget will be adjusted so that only allowable revenues and expenses, as described in Section IV, are included.
- The Required Test Year Revenue (RTYR) will be calculated by adding the reasonable return to the allowable expenses presented in the budget.
- The Recycling Revenue Adjustment (RRA) will be calculated as follows:

$$RRA = REVACT - REVEST, \quad \text{where:}$$

REVACT is the actual revenue realized by LSCD from the sale of recyclables from the City of Lodi franchise during the prior fiscal year, and

REVEST is the estimate of LSCD recycling revenue from the City of Lodi franchise included in the prior test year's rate calculation.

[Note that in 1991, RRA is zero.]

The source and tonnage of recyclable and compostable material is tracked and documented using LSCD tonnage reports and the California State Recycling Center/Curbside Certification Number for each jurisdiction. Material is collected and sorted, and then weighed by commodity by jurisdiction. Revenue from the sale of recyclable and compostable material is documented by sale invoice. The City of Lodi franchise will be credited 100% of the actual commodity sales price.

- Projected Test Year Revenue (PTYR) will be calculated by estimating the allowable revenues expected to be received at existing rates during the test year.
- The Additional Required Revenue (ARR) is computed as follows:

$$ARR = RTYR - RRA - PTYR$$

- The Rate Adjustment Percentage (RAP) will be calculated by dividing the Additional Required Revenue (ARR) by the Projected Test Year Revenue (PTYR). An adjustment will be made to the ARR to reflect any timing lag in rate adjustment in the prior year due to the rate adjustment becoming effective after the start of the test year. The adjustment is based on the number of months delay during the prior fiscal year.

The Rate Adjustment Percentage (RAP) is calculated as follows:

$$RAP = \frac{ARR + PREVARR \times M/12 \times (1+r)}{PTYR} \quad \text{where:}$$

PREVARR is the previous year's additional required revenue

M is the number of months between the start of the previous test year and the effective date of the previous year's rate change

r is the most current interest rate on 1-year Treasury Bills

V.2 Index Year Rate Adjustment Procedure

In the second year of each two year cycle, rate adjustments will be determined following the calculation of a Composite Cost Index (CCI). Rates for the index year will be computed by multiplying the prior year rates by the CCI. The CCI includes an adjustment for new revenues and expenses due to growth, adjustment for the increased cost of serving all customers, and adjustment for delay in implementing prior year rates. The CCI is calculated as follows:

$$\text{CCI} = 1 - 0.50 \cdot \text{uu}\% + [\text{A} \cdot \text{vv}\% + \text{B} \cdot \text{ww}\% + \text{C} \cdot \text{xx}\% + \text{D} \cdot \text{yy}\% + \text{E} \cdot \text{zz}\%] + (\text{Prior Year Delay})$$

where,

uu% = Projected percentage change in customer accounts (Note: uu% is multiplied by 50% to reflect the fact that only 50% of costs remain fixed as new customers are served),

A = Prior Year Detailed Rate Application Payroll & Payroll Burden Expenses as a percent of total expenses,

vv% = Percentage change in the Employment Cost Index - Civilian Workers/Service-producing for the most recent 12 month period where information is available,

B = Prior Year Detailed Rate Application Equipment Expenses (except Equipment Leases) as a percent of total expenses,

ww% = Percentage change in the US CPI-U for Gasoline for the most recent 12 month period where information is available,

C = Prior Year Detailed Rate Application Depreciation, Interest, Equipment Leases, and Debt Service as a percent of total expenses,

xx% = Anticipated percent change in annual expense due to new capital additions through purchase or lease,

D = Prior Year Detailed Rate Application Transfer Station and Disposal Charges as a percent of total expenses,

- yy% = Anticipated percentage change in annual transfer station and disposal fees,
- E = Prior Year Detailed Rate Application All Other Expenses as a percent of total expenses,
- zz% = Percentage change in the US CPI-U for All Items during the prior fiscal year for the most recent 12 month period where information is available, and

Prior Year Delay = $RAP \times M/12 \times (1+r)$ where:

RAP is the previous year's rate adjustment percentage

M is the number of months between the start of the previous test year and the effective date of the previous year's rate change

r is the most current interest rate on 1-year Treasury Bills

V.3 Rate Adjustment

The Rate Adjustment Percentage (RAP) resulting from the submission of a detailed rate application or the Composite Cost Index (CCI) calculated during an index year will be applied uniformly to all rates for the services listed in Section I.

LSCD or the City of Lodi may, either as part of the rate application process or separate from that process, propose alternative rate structures. Alternative rate structures are subject to the City's review. Any such proposed change will have no effect on the amount of projected revenues.



**California Waste
Systems, Inc.**

A USA WASTE SERVICES COMPANY



March 10, 1998

Mr. Richard C. Prima, Jr.
Public Works Director
City of Lodi
P. O. Box 3006
Lodi, California 95241

Re: California Waste Systems, Inc. Rate Application

Dear Mr. Prima:

Attached is the 1998 California Waste Systems, Inc. rate adjustment application. The application has been prepared in accordance with the Index Year Rate Procedure specified in the rate methodology.

The Index Year Rate Adjustment formula results in a requested increase of 1.35% for residential and commercial service. This calculates to a \$.23 increase for basic residential service. The majority of the increase is necessary to cover inflationary increases and rising costs in depreciation, interest and equipment leasing.

In addition, please note that California Waste Systems, Inc. has uncovered a rate calculation error. The error resulted from a miscalculation of recycling revenues in the rate application for the fiscal year 1997/1998, as submitted by California Waste Recovery Systems, Inc. The correction of this error requires a rate reduction of 1.14% and has been incorporated in this application.

The attached application provides the details of the requested rate adjustment, the resulting rates, as well as explanatory notes. The requested rate change is assumed to be effective April 1, 1998.

If you have any questions, please call me.

Respectfully yours,

Wayne Moeller
Controller

WM:cdm

attachments



CALIFORNIA WASTE SYSTEMS, INC.
1998 RATE APPLICATION

Explanation of Composite Cost Index

1. **Payroll:** As specified in the Index Year Rate procedure of the Rate Methodology, payroll expenses have been increased by the percentage change in the Employment Cost Index for the most recent twelve month period. The Employment Cost Index for the period December 1996 through December 1997 increased by 4.1%. The 4.1% indexed increase in payroll expenses results in the .70% Composite Cost Index component.
2. **Equipment:** As specified in the Index Year Rate Procedure of the Rate Methodology, equipment expenses have been adjusted by the percentage change in the U.S. CPI for gasoline for the most recent 12 month period. The CPI for gasoline for the period December 1996 through December 1997 declined by 15.1%. The 15.1% indexed decline in equipment expenses results in a (.83%) Composite Cost Index component.
3. **Depreciation, Interest, Equipment Leases, and Debt Service:** As specified in the Index Year Rate Procedure of the Rate Methodology, depreciation, interest, equipment leases and debt service have been updated to include capital additions. Capital additions are anticipated for the replacement of fully depreciated equipment. The impact on the Composite Cost Index is 2.01%.
4. **Disposal, Transfer and Materials Processing:** As specified in the Index Year Rate Procedure of the Rate Methodology, expenses related to disposal, transfer and materials processing have been calculated to reflect the change in the costs associated with these functions. Changes in disposal and transfer are not material. The .18% Composite Cost Index component is the net result of the following:
 - .18% The volume of recyclable materials processed for the City of Lodi is expected to remain flat, thus allocated material processing charges are projected to increase only slightly. The increase is due to CPI increases for goods and services consumed by the material recovery facility.
5. **Other Expenses:** As specified in the Index Year Rate Procedure of the Rate Methodology, all other expenses have been increased by the percentage change in the U.S. CPI for the most recent twelve month period. The U.S. CPI for the period December 1996 through December 1997 increased by 1.7%. The 1.7% increase in other expenses results in a .43% Composite Cost Index component.

Explanation of Composite Cost Index
Page Two

6. **Rate Application Error:** During the process of computing the adjustment of revenues for the application year 1997/1998, California Waste Recovery Systems, Inc. miscalculated by including an incorrect amount in the final number. This error was discovered when California Waste Systems, Inc. undertook the task of compiling the 1998/1999 rate application package. The incorrect amount in question totaled \$33,070.00. Because this error occurred in the 1997 package, California Waste over-collected revenues during the period 1997/1998. In this application, California Waste Systems is "giving back" the excess revenue collected and has also included an adjustment of the rate for the coming year. The total adjustment amounts to a reduction of \$66,140.00 or 1.14%.

CALIFORNIA WASTE SYSTEMS, INC.

1998 RATE APPLICATION PACKAGE

1997 DETAILED RATE APPLICATION EXPENSES
AND CALCULATED 1998 - 1999 PERCENTAGE INCREASES

| <u>EXPENSE ITEM</u> | <u>1997 - 1998 RATE APPLICATION EXPENSES</u> | <u>PERCENT OF TOTAL EXPENSES</u> | <u>1998 - 1999 RATE APPLICATION EXPENSES</u> | <u>INDEX PERCENTAGE CHANGE</u> | <u>NOTES</u> | <u>CCI (COMPOSIT COST INDE</u> |
|---|--|--|--|--|--------------|--|
| PAYROLL: | | | | | | |
| Labor | \$762,859 | | | | | |
| Labor Burden | 200,472 | | | | | |
| TOTAL PAYROLL | <u>\$963,331</u> | 16.99% | | 4.10% | #1 | 0.70% |
| EQUIPMENT: | | | | | | |
| Repairs & Maintenance | 84,526 | | | | | |
| Fuel & Oil | 116,962 | | | | | |
| Equipment Leases | 20,160 | | | | | |
| Supplies | 10,429 | | | | | |
| Tires | 30,210 | | | | | |
| Licenses | 40,753 | | | | | |
| Insurance, General | 22,534 | | | | | |
| Radio Expense | 5,250 | | | | | |
| | 330,824 | | | | | |
| Less Equipment Leases | (20,160) | | | | | |
| TOTAL EQUIPMENT | <u>\$310,664</u> | 5.48% | | -15.10% | #2 | -0.83% |
| DEPRECIATION, INTEREST, EQUIPMENT LEASES AND DEBT SERVICE: | | | | | | |
| Depreciation | \$693,837 | | 748,687 | | | |
| Interest | 212,015 | | 214,390 | | | |
| Equipment Leases | 20,160 | | 76,690 | | | |
| Debt Service | 0 | | 0 | | | |
| TOTAL DEPRECIATION, INTEREST, ETC. | <u>\$926,012</u> | 16.34% | <u>\$1,039,767</u> | 12.30% | #3 | 2.01% |
| TRANSFER STATION, DISPOSAL AND ALLOCATED MATERIAL PROCESSING CHARGES: | | | | | | |
| Transfer Station | \$552,017 | | \$552,017 | | | |
| Disposal Fees | 548,525 | | 548,525 | | | |
| Allocated Material Processing | 946,510 | | 955,975 | | | |
| TOTAL TRANSFER STATION, DISPOSAL AND ALLOCATED MATERIAL PROCESSING CHARGES | <u>\$2,047,052</u> | 36.11% | <u>\$2,056,517</u> | 0.50% | #4 | 0.18% |
| OTHER EXPENSES: | | | | | | |
| Telephone | \$2,962 | | | | | |
| Property Taxes | 35,387 | | | | | |
| Permits and Licenses | 3,076 | | | | | |
| Public Awareness | 13,668 | | | | | |
| Administrative Expenses | 478,379 | | | | | |
| Shop Expenses | 318,845 | | | | | |
| Miscellaneous | 19,068 | | | | | |
| Community Contributions | 25,000 | | | | | |
| Franchise Fees | 264,891 | | | | | |
| Subcontract Hauling | 260,460 | | | | | |
| TOTAL OTHER EXPENSES | <u>\$1,421,736</u> | 25.08% | | 1.70% | #5 | 0.43% |
| LESS: 1997/1998 RATE APPLICATION ERROR | | | <u>(66,140.00)</u> | -1.14% | | -1.14% |
| TOTAL EXPENSES | <u>\$5,668,795</u> | <u>100.00%</u> | | | | 1.35% |
| COMBINED COMPOSITE COST INDEX (CCI) | | | | | | <u>1.35%</u> |
| CURRENT RATE | | | | | | \$17.52 |
| PROJECTED RATE ADJUSTMENT | | | | | | <u>0.23</u> |
| PROJECTED NEW RATE | | | | | | \$17.75 |

California Waste Systems, Inc. - City of Lodi Franchise
Commercial Rate Design
Proposed Rates - 1.35 % Increase
Effective Date: April 1, 1998

| Container Capacity in Yards | Number of Containers | Total Capacity | Frequency / Week | | | | | |
|--------------------------------------|----------------------------|-------------------|------------------|------------|------------|------------|------------|-------------|
| | | | 1 | 2 | 3 | 4 | 5 | 6 |
| 1 | 1 | 1 | \$80.43 | \$160.85 | \$385.40 | \$706.01 | \$1,122.70 | \$1,635.48 |
| | 2 | 2 | \$122.43 | \$244.85 | \$540.21 | \$950.87 | \$1,476.81 | \$2,118.04 |
| | 3 | 3 | \$164.42 | \$328.85 | \$695.03 | \$1,195.72 | \$1,830.91 | \$2,600.61 |
| | 4 | 4 | \$206.42 | \$412.84 | \$849.84 | \$1,440.56 | \$2,185.01 | \$3,083.18 |
| | 5 | 5 | \$248.42 | \$496.83 | \$1,004.66 | \$1,685.41 | \$2,539.12 | \$3,565.75 |
| | 6 | 6 | \$290.42 | \$580.83 | \$1,159.46 | \$1,930.27 | \$2,893.21 | \$4,048.31 |
| | 7 | 7 | \$332.41 | \$664.83 | \$1,314.29 | \$2,175.11 | \$3,247.31 | \$4,530.88 |
| | 8 | 8 | \$374.41 | \$748.81 | \$1,469.10 | \$2,419.96 | \$3,601.41 | \$5,013.44 |
| | 9 | 9 | \$416.41 | \$832.81 | \$1,623.92 | \$2,664.82 | \$3,955.52 | \$5,496.02 |
| | 10 | 10 | \$458.40 | \$916.80 | \$1,778.72 | \$2,909.66 | \$4,309.61 | \$5,978.58 |
| 2 | 1 | 2 | \$120.53 | \$241.04 | \$515.51 | \$892.63 | \$1,372.38 | \$1,954.77 |
| | 2 | 4 | \$199.99 | \$399.97 | \$784.70 | \$1,292.61 | \$1,923.65 | \$2,677.89 |
| | 3 | 6 | \$279.46 | \$558.90 | \$1,053.90 | \$1,692.58 | \$2,474.94 | \$3,401.01 |
| | 4 | 8 | \$358.91 | \$717.84 | \$1,323.08 | \$2,092.54 | \$3,026.22 | \$4,124.13 |
| | 5 | 10 | \$438.38 | \$876.76 | \$1,592.28 | \$2,492.52 | \$3,577.51 | \$4,847.26 |
| | 6 | 12 | \$517.85 | \$1,035.70 | \$1,861.44 | \$2,892.49 | \$4,128.80 | \$5,570.38 |
| | 7 | 14 | \$597.32 | \$1,194.63 | \$2,130.65 | \$3,292.46 | \$4,680.08 | \$6,293.50 |
| | 8 | 16 | \$676.78 | \$1,353.57 | \$2,399.84 | \$3,692.43 | \$5,231.36 | \$7,016.62 |
| | 9 | 18 | \$756.25 | \$1,512.50 | \$2,669.03 | \$4,092.41 | \$5,782.65 | \$7,739.74 |
| | 10 | 20 | \$835.71 | \$1,671.42 | \$2,938.21 | \$4,492.38 | \$6,333.94 | \$8,462.87 |
| 3 | 1 | 3 | \$155.13 | \$310.25 | \$619.32 | \$1,031.03 | \$1,545.38 | \$2,162.36 |
| | 2 | 6 | \$269.20 | \$538.38 | \$992.32 | \$1,569.40 | \$2,269.66 | \$3,093.10 |
| | 3 | 9 | \$383.26 | \$766.52 | \$1,365.31 | \$2,107.79 | \$2,993.96 | \$4,023.82 |
| | 4 | 12 | \$497.32 | \$994.64 | \$1,738.29 | \$2,646.16 | \$3,718.25 | \$4,954.56 |
| | 5 | 15 | \$611.39 | \$1,222.78 | \$2,111.28 | \$3,184.54 | \$4,442.55 | \$5,885.28 |
| | 6 | 18 | \$725.46 | \$1,450.91 | \$2,484.28 | \$3,722.91 | \$5,166.83 | \$6,816.01 |
| | 7 | 21 | \$839.52 | \$1,678.74 | \$2,857.27 | \$4,261.29 | \$5,891.11 | \$7,746.74 |
| | 8 | 24 | \$953.59 | \$1,907.17 | \$3,230.26 | \$4,799.67 | \$6,615.41 | \$8,677.48 |
| | 9 | 27 | \$1,067.66 | \$2,135.31 | \$3,603.26 | \$5,338.04 | \$7,339.70 | \$9,608.20 |
| | 10 | 30 | \$1,181.73 | \$2,363.44 | \$3,976.24 | \$5,876.43 | \$8,063.98 | \$10,538.93 |

California Waste Systems, Inc. - City of Lodi Franchise
Commercial Rate Design
Proposed Rates - 1.35 % Increase
Effective Date: April 1, 1998

| Container Capacity in Yards | Number of Containers | Total Capacity | Frequency / Week | | | | | |
|--------------------------------------|----------------------------|-------------------|------------------|------------|------------|-------------|-------------|-------------|
| | | | 1 | 2 | 3 | 4 | 5 | 6 |
| 4 | 1 | 4 | \$189.73 | \$379.44 | \$723.12 | \$1,169.44 | \$1,718.39 | \$2,369.98 |
| | 2 | 8 | \$338.39 | \$676.78 | \$1,199.91 | \$1,846.21 | \$2,615.68 | \$3,508.31 |
| | 3 | 12 | \$487.06 | \$974.12 | \$1,676.71 | \$2,523.00 | \$3,512.97 | \$4,646.64 |
| | 4 | 16 | \$635.73 | \$1,271.46 | \$2,153.51 | \$3,199.78 | \$4,410.27 | \$5,784.98 |
| | 5 | 20 | \$784.39 | \$1,568.79 | \$2,630.30 | \$3,876.57 | \$5,307.57 | \$6,923.32 |
| | 6 | 24 | \$933.06 | \$1,866.13 | \$3,107.10 | \$4,553.34 | \$6,204.86 | \$8,061.65 |
| | 7 | 28 | \$1,081.73 | \$2,163.47 | \$3,583.89 | \$5,230.13 | \$7,102.16 | \$9,199.99 |
| | 8 | 32 | \$1,230.41 | \$2,460.80 | \$4,060.70 | \$5,906.91 | \$7,999.45 | \$10,338.32 |
| | 9 | 36 | \$1,379.07 | \$2,758.14 | \$4,537.49 | \$6,583.70 | \$8,896.75 | \$11,476.65 |
| | 10 | 40 | \$1,527.74 | \$3,055.47 | \$5,014.28 | \$7,260.46 | \$9,794.04 | \$12,615.00 |
| 5 | 1 | 5 | \$224.33 | \$448.65 | \$826.92 | \$1,307.84 | \$1,891.39 | \$2,577.57 |
| | 2 | 10 | \$407.59 | \$815.18 | \$1,407.53 | \$2,123.03 | \$2,961.69 | \$3,923.51 |
| | 3 | 15 | \$590.86 | \$1,181.73 | \$1,988.12 | \$2,938.21 | \$4,032.00 | \$5,269.47 |
| | 4 | 20 | \$774.12 | \$1,548.26 | \$2,568.72 | \$3,753.41 | \$5,102.29 | \$6,615.41 |
| | 5 | 25 | \$957.40 | \$1,914.80 | \$3,149.32 | \$4,568.58 | \$6,172.59 | \$7,961.35 |
| | 6 | 30 | \$1,140.67 | \$2,281.34 | \$3,729.92 | \$5,383.77 | \$7,242.90 | \$9,307.28 |
| | 7 | 35 | \$1,323.94 | \$2,647.88 | \$4,310.52 | \$6,198.95 | \$8,313.19 | \$10,653.23 |
| | 8 | 40 | \$1,507.21 | \$3,014.42 | \$4,891.12 | \$7,014.15 | \$9,383.49 | \$11,999.18 |
| | 9 | 45 | \$1,690.48 | \$3,380.95 | \$5,471.71 | \$7,829.33 | \$10,453.80 | \$13,345.12 |
| | 10 | 50 | \$1,873.75 | \$3,747.49 | \$6,052.31 | \$8,644.51 | \$11,524.09 | \$14,691.06 |
| 6 | 1 | 6 | \$258.93 | \$517.85 | \$930.74 | \$1,446.24 | \$2,064.39 | \$2,785.19 |
| | 2 | 12 | \$476.79 | \$953.59 | \$1,615.13 | \$2,399.84 | \$3,307.70 | \$4,338.73 |
| | 3 | 18 | \$694.67 | \$1,389.33 | \$2,299.54 | \$3,353.42 | \$4,551.01 | \$5,892.29 |
| | 4 | 24 | \$912.54 | \$1,825.07 | \$2,983.93 | \$4,307.01 | \$5,794.31 | \$7,445.83 |
| | 5 | 30 | \$1,130.41 | \$2,260.80 | \$3,668.33 | \$5,260.61 | \$7,037.62 | \$8,999.38 |
| | 6 | 36 | \$1,348.27 | \$2,696.56 | \$4,352.74 | \$6,214.20 | \$8,280.93 | \$10,552.94 |
| | 7 | 42 | \$1,566.15 | \$3,132.30 | \$5,037.14 | \$7,167.79 | \$9,524.24 | \$12,106.48 |
| | 8 | 48 | \$1,784.01 | \$3,568.04 | \$5,721.54 | \$8,121.38 | \$10,767.54 | \$13,660.03 |
| | 9 | 54 | \$2,001.89 | \$4,003.78 | \$6,405.95 | \$9,074.97 | \$12,010.85 | \$15,213.58 |
| | 10 | 60 | \$2,219.76 | \$4,439.52 | \$7,090.34 | \$10,028.55 | \$13,254.16 | \$16,767.13 |

CITY OF LODI
COMMERCIAL WASTE CART RATES
EFFECTIVE APRIL 1, 1998

COMMERCIAL 38 GALLON WASTE CART 1 X PER WEEK:

| # of Waste Carts | Current Rate | New Rate |
|---------------------|-----------------|-------------|
| 1 Waste Cart | \$16.53 | \$16.75 |
| 2 Waste Carts | \$41.33 | \$41.89 |
| 3 Waste Carts | \$66.13 | \$67.02 |

COMMERCIAL 38 GALLON WASTE CART 1 X PER WEEK:

| # of Waste Carts | 1 x Wk Rate | 2 x Wk Rate | 1 x Wk Rate | 2 x Wk Rate |
|---------------------|----------------|----------------|----------------|----------------|
| 1 Waste Cart | \$57.86 | \$115.72 | \$58.64 | \$117.28 |
| 2 Waste Carts | \$115.72 | | \$117.28 | |
| 3 Waste Carts | \$173.58 | | \$175.92 | |

**CITY OF LODI
COMMERCIAL 10 TO 50 CUBIC YARD ROLL-OFF BOX
RATE STRUCTURE SCHEDULE
EFFECTIVE APRIL 1, 1998**

CONTRACT HIGH FREQUENCY DROP RATES:

| | Current Rate | New Rate |
|---|-------------------------|---------------------|
| 1. Drop-off/Pick-up Charge Per Box | \$122.34 | \$123.99 |
| 2. Tons Disposed/Box X Processing Charge | X \$27.55 | \$27.92 |
| | | |
| 3. Franchise Fee (4.8% of 1 + 2) | | |
| TOTAL BILL (1+2+3) | | |

ONE-TIME DROP RATE

| | | |
|---|----------|----------|
| 1. Drop-off/Pick-Up Charge Per Box | \$199.81 | \$202.51 |
| 2. Tons Disposed/Box X Processing Charge | \$27.55 | \$27.92 |
| | | |
| 3. Franchise Fee (4.8% of 1 + 2) | | |
| TOTAL BILL (1+2+3) | | |

**CITY OF LODI
RESIDENTIAL CURBSIDE SERVICE RATES
EFFECTIVE APRIL 1, 1998**

| | <u>Current Per Mo.</u> | <u>New Rate Per Mo.</u> |
|--|----------------------------|-----------------------------|
| 1. <u>38 GALLON WASTE CART 1X PER WEEK:</u> | | |
| Single Family | | |
| 1 Waste Cart | \$17.52 | \$17.76 |
| 2 Waste Carts | \$43.80 | \$44.39 |
| 3 Waste Carts | \$70.08 | \$71.03 |
| 4 Waste Carts | \$96.36 | \$97.66 |
| Duplex and more, and Mobile Homes | | |
| 1 Waste Cart per Customer | \$16.42 | \$16.64 |
| 2 Waste Carts per Customer | \$41.05 | \$41.60 |
| 3 Waste Carts per Customer | \$65.68 | \$66.57 |
| 2. <u>64 GALLON WASTE CART 1X PER WEEK</u> | | |
| 1 Waste Cart | \$26.35 | \$26.71 |
| 2 Waste Cart | \$65.88 | \$66.77 |
| 3 Waste Cart | \$105.40 | \$106.82 |
| 3. <u>20 GALLON WASTE CART 1X PER WEEK</u> | | |
| LOW VOLUME USERS | | |
| 1 Waste Cart | \$11.93 | \$12.09 |
| 4. <u>BACK YARD SERVICE CHARGE: \$10.00 MONTH</u> | | |



CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: SET PUBLIC HEARING FOR APRIL 1, 1998 TO CONSIDER REFUSE RATE
ADJUSTMENT APPLICATION FROM CALIFORNIA WASTE RECOVER
SYSTEMS

PUBLISH DATES: SATURDAY, MARCH 21, 1998

TEAR SHEETS WANTED: ONE

AFFIDAVIT AND BILL TO:

ALICE M. REIMCHE
CITY CLERK

DATED: MARCH 19, 1998

ORDERED BY:

JENNIFER M. PERRIN
DEPUTY CITY CLERK



JACQUELINE L. TAYLOR
DEPUTY CITY CLERK

SUSAN SEWARD-LAKE
ADMINISTRATIVE CLERK

Faxed to the Sentinel at 369-1084 at _____ (time) on _____ (date) _____ (pages)

_____ Phoned to confirm receipt of all pages. _____ Jackie _____ Jennifer



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: April 1, 1998

Time: 7:00 p.m.

For information regarding this notice please contact:

Alice M. Reimche

City Clerk

Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Wednesday, April 1, 1998 at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a Public Hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) Refuse Rate Adjustment Application from California Waste Recovery Systems

All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, P.O. Box 3006, at or prior to the Public Hearing.

Alice M. Reimche
City Clerk

Dated: March 18, 1998

Approved as to form:

Randall A. Hays
City Attorney



DECLARATION OF MAILING

SET PUBLIC HEARING FOR 4/1/98 RE: REFUSE RATE ADJUSTMENT

On March 19, 1998, in the City of Lodi, San Joaquin County, California, I deposited in the United States mail, envelopes with first-class postage prepaid thereon, containing a copy of the Notice attached hereto, marked Exhibit "A"; said envelopes were addressed as is more particularly shown on Exhibit "B" attached hereto.

There is a regular daily communication by mail between the City of Lodi, California, and the places to which said envelopes were addressed.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 19, 1998, at Lodi, California.

ORDERED BY:

**ALICE M. REIMCHE
CITY CLERK**



Jacqueline L. Taylor
Deputy City Clerk

Jennifer M. Perrin
Deputy City Clerk

Susan Seward-Lake
Administrative Clerk

MAILING LIST

California Waste Recovery Systems
1333 East Turner Road
Lodi, CA 95240