

Waste Management Annual Rate Adjustment Request

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Background

June 2011

- The City of Eastvale entered into a Franchise Agreement with Waste Management to provide refuse and recycling services to residential, commercial and industrial properties south of Bellegrave Avenue
- The Franchise Agreement term is from July 1, 2011 and ends on June 30, 2022

What is Included in Waste Management Rate?

- ✓ Service Component
- ✓ Recycling Processing Component
- ✓ Street Sweeping

Rate Adjustment Components

- Per the Franchise Agreement Waste Management is permitted to request a rate adjustment for the upcoming fiscal year based on:
 1. Rate adjustment for inflation based on the Consumer Price Index (CPI) to the service component. The CPI component is sixty -five percent (65%) of the rate adjustment
 2. Updated pass -through solid waste and green waste per ton disposal costs. These disposal components encompasses thirty -five percent (35%) of the rate adjustment

2020-2021 Rate Adjustment

- This year's Waste Management rate adjustment requests consists of:
 - A CPI increase of 3.03% for all service components;
 - A solid waste disposal cost increase of 3.03% attributed to the disposal rate increasing from \$40.51 to \$41.74 per ton; and
 - An increase in green waste disposal of 42.86%, associated to the disposal rate increasing from \$31.50 to \$45.00
 - The total rate adjustment is 7.01%, which will bring the current standard monthly residential rate of \$27.70 to \$29.60.

2020-2021 Rate Adjustment Cont

- This year's Waste Management rate adjustment

What Services are Included in Waste Management Rate?

- ✓ Weekly trash services
- ✓ Street Sweeping
- ✓ Free Bulky Item Collection
- ✓ Residential Community Clean Ups
- ✓ Disposal of Used Motor Oil
- ✓ Christmas Tree Recycling

History of Rate Increase Request

- ✓ Franchise agreement entered with Waste Management in June 2011
 - ✓ Established for residential and commercial properties south of Bellegrave Avenue
 - ✓ Section 17.8 allows for an annual rate increase request to be approved by City Council

History of Rate Increase Request

Fiscal Year	Rate Request	CPI	Solid Waste	Disposal/ Green Waste	Council Action
16/17	2.33%	0.91%	2.03%	\$29.08 to \$29.58/ton	Approved 6/8/16
17/18 (March 2017)	4.87%	3.60%	1.97%	\$29.25 to \$35.45/ton	Negotiated over 4 months
17/18* (October 2017)	2.06%	1.89%	1.97%	\$29.25 to \$35.45/ton	Approved 10/11/17
18/19**	3.08%	2.97%	3.61%	\$30.25 to \$31.00/ton	<i>WM Deferred Request</i>
19/ 20	2.90%	3.05%	3.05%	\$31.00 to \$31.50/ ton	Approved 6/ 29/ `19
20/ 21	7.01%	3.03%	3.03%	\$31.50 to \$45.00/ton	Submitted for Approval

FY20/21 Rate Increase Request

- ✓ Viramontes has increased rates to WM from **\$31.50 to \$45.00 a ton**
 - ✓ Have hired staff to physically remove solid waste from contaminated green waste collections
 - ✓ Now hauling solid waste from their facility to landfill (Trucks, gas, staff, time)
 - ✓ Cost of labor has increased

Questions?