



March 3, 2020

Ashlee Stratakis
Management Analyst
City of Encinitas – Public Works Department
160 Calle Magdalena
Encinitas, CA 92024

Re: CPI Rate Adjustment for Solid Waste and Recycling Collection Services

Dear Ashlee:

Section 8.3 of the Solid Waste Franchise between the City and EDCO Waste & Recycling Services allows rate adjustment based on changes in the Consumer Price Index (CPI) and increase in waste disposal fees. Our last rate adjustment occurred on July 1, 2019.

The attached rate adjustment calculations include CPI changes for the Los Angeles-Long Beach-Anaheim Index for All Urban Consumers for the period December 2018 to December 2019 as required in the contract. The Disposal Fee portion of the calculation is based on increases in the Regional Solid Waste Association (RSWA) disposal fee between 2018 and 2019 for all RSWA member cities. Encinitas is a RSWA member.

CPI Adjustment

The December CPI for 2018 was 267.631. The December CPI for 2019 was 275.553 producing a 7.92 point change in the indexes or an increase of 2.96%. This 2.96% CPI increase is applied to the current rate, less the portion of the current rate that includes disposal fees and HHW fees, (adjusted rate) to produce a new CPI escalator. The attached spread sheets illustrate the calculations required to develop the new rates.

RSWA Disposal Fee Adjustment

The disposal fee effective July 1, 2018 was \$49.23. The disposal fee for July 1, 2020 is \$50.50 and has been confirmed by RSWA General Manager (see attached calculation). The difference between these fees is \$1.27 per ton or 2.58%. The disposal fee component of the rates is increased 2.58% to reflect the cost pass-through of higher disposal fees. The attached spread sheets illustrate the calculations required to develop new rates.

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Both the new CPI and Disposal fee components of the rates are added together and multiplied by 5.3% to generate adequate franchise fees paid to the City associated with this rate adjustment.

Anaerobic Digestion Facility

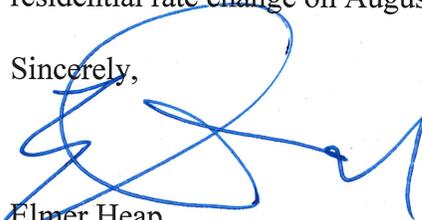
Anticipated completion of the Anaerobic Digestion (AD) facility is projected for beginning of 2021 and once operational, will enable the City to comply with AB 1826 by diverting commercial organics and the future application of SB 1383 by diverting residential organics from being landfilled. This exciting new facility will assist in achieving the Climate Action Plan through the conversion of source separated commingled organics into Renewable Natural Gas that can be directly injected into the pipeline.

As such, also reflected are the proposed residential and commercial organic service rates that would be effective if the AD was completed and accepting organic material. These include commercial rates for a 65 gallon, 95 gallon and two cubic yard bins services at various intervals per week. In addition, converting the existing residential green waste collection to a fully commingled organic program will adjust the current single family residential rate by \$3.88 per month. These rates will be implemented once the facility has opened and organic collection services are provided.

Prior to the implementation of the commingled organic collection program, EDCO will provide an extensive and robust direct educational outreach for commercial and residential customers. In addition, a food scrap container for kitchens will be offered to each single family residential household for the interior collection of food waste to assist in facilitating the material to the current green waste carts. Our collective goal is to educate and create awareness to increase diversion and work cohesively to assist the City in meeting SB 1383 regulations and achieve the goals of the Climate Action Plan.

Please review the information provided and call me with questions at 760 744-5615, extension 140. We propose to implement commercial rate change on July 1, and the residential rate change on August 1.

Sincerely,



Elmer Heap
General Manager

Attachments

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City of Encinitas Residential Rates Effective 7/1/2020

Service Level	Current Rate	Disposal Fee Factor	HHW Fee	Adjusted Rate	CPI Increase	Disposal Fee Increase	Incremental Franchise Fee	Total Rate Increase	New Rate	Percent Incr. (Decr.)
					2.960%	2.58%	5.30%			
35 Gallon Cart	\$14.08	(\$2.94)	(\$0.21)	\$10.93	\$0.32	\$0.08	\$0.02	\$0.42	\$14.50	2.98%
95 Gallon Cart	\$21.50	(\$4.50)	(\$0.21)	\$16.79	\$0.50	\$0.12	\$0.03	\$0.65	\$22.15	3.02%
Yard Stop A	\$33.84	(\$7.14)	(\$0.21)	\$26.49	\$0.78	\$0.18	\$0.05	\$1.01	\$34.85	2.98%
Yard Stop B	\$40.76	(\$8.58)	(\$0.21)	\$31.97	\$0.95	\$0.22	\$0.06	\$1.23	\$41.99	3.02%
Yard Stop C	\$51.33	(\$9.87)	(\$0.21)	\$41.25	\$1.22	\$0.25	\$0.08	\$1.55	\$52.88	3.02%

Series Id: CUURRS49ASAO
 Not Seasonally Adjusted
 Series Title: All Items in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All items
 Base Period: 1982-84=100

Download:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2009	220.719	221.439	221.376	221.693	222.522	223.906	224.01	224.507	225.226	225.284	224.317	223.643	223.219	221.943	224.495
2010	224.61	224.62	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.92	239.219	239.611	239.94	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.7	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.89	258.883	259.135	259.22	256.21	254.439	257.982
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.56	267.631	265.962	264.195	267.73
2019	269.468	269.608	271.311	273.945	274.479	274.38	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.03

7.922
2.96%

RSWA Disposal Rate Change

7/1/2018	\$49.23	/ton
7/1/2019	\$50.50	/ton
Change	\$1.27	/ton
% Change	2.58%	

City of Encinitas

Rates for Anaerobic Digestion of Greenwaste & Foodwaste

7/1/2020

Residential Single Family . \$ 3.88 per month

Commercial Commingled Organics

1st Container

<u>Size</u>	<u>Frequency</u>			<u>Extra Pickup</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Cart (65 gl)	\$82.44	\$164.87	\$247.31	\$32.97
Cart (96 gl)	\$92.98	\$185.95	\$278.93	\$37.19
2 CY	\$150.79	\$301.58	\$452.37	\$60.32

Each Additional Container

<u>Size</u>	<u>1</u>	<u>2</u>	<u>3</u>
Cart (65 gl)	\$78.31	\$156.63	\$234.94
Cart (96 gl)	\$88.33	\$176.66	\$264.98
2 CY	\$143.25	\$286.50	\$429.75

EDCO

WASTE & RECYCLING SERVICES

Memo

To: James Eggart, General Manager- RSWA
From: Steve South, CEO- EDCO
Date: February 5th 2020
Re: RSWA Rebate Adjustment:

As provided on the RSWA contract, attached please find the calculation for this year's Annual Rebate and tip fee adjustments effective 7/1/2020.

The annual rebate will increase from \$274,054.84 to \$283,229.69, for an increase of 3.35%.

Following are the tip fee increases effective 7/1/2020 (there were no increases in 2019);

1. Del Mar, Encinitas, Solana Beach and Vista Tip Fee Calculation.

The current tip fee of \$49.23 per ton will increase 2.58% resulting in an increase of \$1.27 per ton. The new tip fee for these four cities on July 1, 2020 is \$50.50 per ton.

2. National City & Poway

The current tip fee in these two cities of \$44.39 is increase 2.58% resulting in an increase of \$1.15 per ton. The new tip fee for these cities on July 1, 2020 is \$45.54 per ton.

Please let me know if you have any comments or questions.