

JUN 08 2022

10:00 AM

**City of South Gate**  
CITY COUNCIL

## AGENDA BILL

For the Regular Meeting of: **June 14, 2022**Originating Department: **Public Works**

Department Director:

  
Arturo Cervantes

Interim City Manager:

  
Chris Jeffers

**SUBJECT: PUBLIC HEARING AND RESOLUTION AMENDING THE SCHEDULE OF FEES TO INCREASE THE RESIDENTIAL REFUSE COLLECTION AND RECYCLING SERVICES RATES FOR FISCAL YEAR 2022/23**

**PURPOSE:** The City has a Franchise Agreement with USA Waste of California, Inc., dba Waste Management of Los Angeles (WM) that stipulates automatic annual rate increases to the residential and commercial refuse collection and recycling services rates based on the Consumer Price Index (CPI). Accordingly, the City Council must adopt a Resolution to amend the Schedule of Fees for Fiscal Year 2022/23 to reflect the rate increase for the residential customers. Also, the City Manager must issue a letter to WM authorizing the rate increase for residential and commercial customers.

**RECOMMENDED ACTION:** Following the conclusion of the Public Hearing, the City Council will consider:

- a. Adopting a Resolution amending Resolution No. 2021-02-CC (Schedule of Fees) applying a 5% CPI increase to the residential refuse collection and recycling services rates for Fiscal Year 2022/23, effective July 1, 2022;
- b. Receiving and filing the 5% CPI rate increase for commercial refuse collection and recycling services for Fiscal Year 2022/23, effective July 1, 2022; and
- c. Receiving and filing a letter from the City Manager to Waste Management approving a 5% rate increase to the residential and commercial refuse collection and recycling services for Fiscal Year 2022/23, effective July 1, 2022.

**FISCAL IMPACT:** There is no fiscal impact to the General Fund. The residential refuse collection and recycling service rates for WM services will increase by 5%. As an example of the new service rates, the standard monthly service charge for a single-family account will increase from \$19.60 to \$20.58. Commercial collection and recycling service rates will also increase by 5%. The City will receive franchise fees of 15% of the gross receipts for commercial accounts which is estimated to be \$500,000 in the Fiscal Year 2022/23, for a six-month period as the contract expires December 31, 2022.

**NOTICING REQUIREMENTS:** A public hearing notice was duly published in the *Los Angeles Wave*, a newspaper of general circulation on Thursday, May 19, 2022.

**ANALYSIS:** The City has a Schedule of Fees that sets the annual schedule of fees for all rates, fees, charges, deposits, refunds, reimbursements and other City fees imposed or collected by the City. The Schedule of Fees contains the rates for residential refuse collection and recycling services but does not contain the rates for commercial refuse collection and recycling services. The Schedule of Fees must be amended to include the proposed 5% rate increase. The Schedule of Fees must be amended by Resolution according to the South Gate Municipal Code Section 2.76.010, (Fee resolution established), of Chapter 2.76 (South Gate Fee Resolution), of Title 2 (Licenses – Business Regulations). The proposed Resolution will amend the Schedule of Fees, which is established by Resolution No. 2021-02-CC.

Should the City Council not approve the rate increase, the City would be required to pay the difference to WM, which is approximately \$30,500 monthly from July 1, 2022 to December 31, 2022.

The proposed rates will be effective July 1, 2022 through December 31, 2022, as WM's contract will expire on December 31, 2022. A typical household can expect to pay \$20.58 monthly, as compared to the \$19.60 monthly currently paid. The City will begin billing residential customers at the increased service rate starting July 1, 2022. WM will also begin charging commercial customers the increased service rate, as well as invoice the City for its services to residential accounts.

As noted, a CPI increase of 5% will also be applied to commercial rates. Commercial rate increases are not included in the Fee Resolution because the City does not bill commercial customers. The current and proposed commercial rates can be reviewed in Attachment A.

The CPI, All Urban Consumers, for the Los Angeles/Long Beach/Anaheim, as published by the United States Department of Labor, Bureau of Labor Statistics for the period of March 2021 to February 2022 is 7.4%. Contract No. 2222 limits the maximum CPI increase to 5%. As such, the CPI increase for residential refuse collection and recycling services is 5%.

**BACKGROUND:** On May 10, 2005, the City Council approved Contract No. 2222, a Franchise Agreement with USA Waste of California, Inc., dba Waste Management of Los Angeles, authorizing WM to be the exclusive provider of refuse collection and recycling services in the City. As the City's franchise refuse hauler, WM services residential, commercial and industrial properties. WM provides numerous services which include but are not limited to refuse collection, recyclables collection, green waste collection, sharps collection by mail, roll off bins, free back yard service for disabled residents and bulky item pick up once a month.

On January 25, 2011, the City Council approved an amended Contract No. 2222 with WM for the Commercial/Industrial and Residential Refuse Collection and Recycling Services. The amended contract replaced and superseded the prior agreement in its entirety, except for Contractor's indemnification of the City arising from matters occurring prior to the effective date of this Agreement. Section 18.5 (Rate Adjustments) of Contract No. 2222 stipulates that the service rates shall be increased annually by an annual CPI adjustment for both commercial and residential refuse collection and recycling services. The Resolution before the City Council is specifically for the residential refuse collection and recycling services rates. These rates are

applied by Resolution as specified in the Schedule of Fees. However, the same CPI rate increase is being applied to commercial customers.

In accordance with Section 18.5.3 (Rate Adjustments Methodology), of Contract No. 2222, as amended in 2011, WM is entitled to annually increase all components of the residential, commercial and industrial service rates by the percentage increase in the "*Consumer Price Index (CPI), All Urban Consumers, for the Los Angeles/Riverside/Orange County metropolitan area, as published by the United States Department of Labor, Bureau of Labor Statistics.*" However, this CPI no longer exists and has been replaced with the CPI, All Urban Consumers, for the Los Angeles/Long Beach/Anaheim metropolitan area, as published by the United States Department of Labor, Bureau of Labor Statistics. According to the Franchise Agreement, in the event that the CPI is "discontinued, the parties shall utilize the index most nearly the same." Accordingly, the agreement was to use the Los Angeles/Long Beach/Anaheim CPI.

**ATTACHMENTS:**

- A. Proposed Resolution
- B. Notice of Public Hearing
- C. Letter from the City Manager
- D. Letter from WM requesting rate increase
- E. Section 18.5 (Rate Adjustments) of Contract No. 2222

GD:lc

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

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, AMENDING RESOLUTION NO. 2021-02-CC (SCHEDULE  
OF FEES) APPLYING A 5% INCREASE TO THE RESIDENTIAL REFUSE  
COLLECTION AND RECYCLING SERVICES RATES FOR FISCAL YEAR  
2022/23, EFFECTIVE JULY 1, 2022**

**WHEREAS**, the City of South Gate ("City") must, from time to time, adjust the schedule of fees charged for various services provided to the residents of the City;

**WHEREAS**, on May 10, 2005, the City Council approved Contract No. 2222, a Franchise Agreement with USA Waste of California, Inc., dba Waste Management of Los Angeles ("Agreement"), authorizing Waste Management ("WM") to be the exclusive provider of refuse collection and recycling services in the City for residential, commercial and industrial services;

**WHEREAS**, on January 25, 2011, the City Council approved an amendment to Contract No. 2222 with WM for the commercial/industrial and residential refuse collection and recycling services, authorizing WM to continue to be the exclusive provider of refuse collection and recycling services in the City for residential and commercial;

**WHEREAS**, Section 18.5 (Rate Adjustments) of Contract No. 2222 stipulates that the service rates shall be increased annually, by an annual CPI adjustment, for residential and commercial refuse collection and recycling services, based on the percentage increase in the Consumer Price Index (CPI), All Urban Consumers, for the Los Angeles/Riverside/Orange County metropolitan area, as published by the United States Department of Labor, Bureau of Labor Statistics;

**WHEREAS**, the CPI, All Urban Consumers, for the Los Angeles/Riverside/Orange County, as published by the United States Department of Labor, Bureau of Labor Statistics no longer exists and has been replaced with the CPI, All Urban Consumers, for the Los Angeles/Long Beach/Anaheim metropolitan area, as published by the United States Department of Labor, Bureau of Labor Statistics;

**WHEREAS**, the CPI, All Urban Consumers, for the Los Angeles/Long Beach/Anaheim, as published by the United States Department of Labor, Bureau of Labor Statistics for the period of February 2021 to February 2022 is 7.4%;

**WHEREAS**, Contract No.2222 limits the maximum CPI increase that shall be applied to 5%, which is therefore the CPI increase that shall be applied in Fiscal Year 2022/23 to the rates increase for the residential refuse collection and recycling services: and

**WHEREAS**, a duly noticed Public Hearing concerning this matter was published in the *Los Angeles Wave* on May 19, 2022, as required by law, and the Public Hearing was held on June 14, 2022.

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the above recitals are true and correct and are incorporated herein by reference.

**SECTION 2.** The City Council does hereby amend the residential refuse collection and recycling services fees contained in Resolution No. 2021-02-CC (Schedule of Fees) as follows:

<b>Standard Monthly Service Charge for Residential Customers:</b>	<b>Current Fees For Fiscal Year 2021/22:</b>	<b>Fees for Fiscal Year 2022/23:</b>
101 Gallon Bin	\$19.60	\$20.58
Extra Bin	\$12.61	\$13.24
67 Gallon Bin	\$17.77	\$18.66
Extra Bin	\$8.78	\$9.22

**SECTION 3.** The City Council hereby approves the refuse collection and recycling services fees as noted in this Resolution which shall be effective from July 1, 2022 to December 31, 2022.

[The remainder of this page left blank intentionally.]

**SECTION 4.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 14<sup>th</sup> day of **June 2022**.


**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

**ATTEST:**

By: \_\_\_\_\_  
Yodit Glaze, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By: Raul F. Salinas   
Raul F. Salinas, City Attorney

CITY OF SOUTH GATE  
NOTICE OF PUBLIC HEARING

Office of the  
South Gate City Clerk  
MAY 16 2022  
FILED

NOTICE IS HEREBY GIVEN that the City Council of South Gate, California will conduct a public hearing for the purpose of adopting a resolution amending the City's Schedule of Fees to establish the Fiscal Year 2022/23 residential refuse collection and recycling service fees. The Public Hearing is scheduled for:

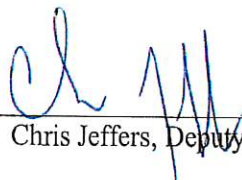
**DATE:** June 14, 2022  
**TIME:** 6:30 p.m.  
**LOCATION:** COUNCIL CHAMBERS  
SOUTH GATE CITY HALL  
8650 CALIFORNIA AVENUE  
SOUTH GATE, CA 90280

The Public Hearing meeting will be conducted in person or through videoconferencing. Any comments may be made in person at the hearing or in writing to the City Clerk or the City Council prior to the hearing.

You may access the hearings through Zoom or a phone call. For the updated Dial-in Number and Conference Code for the June 14, 2022 City Council meeting, please visit the City's website at [www.cityofsouthgate.org/AgendaCenter](http://www.cityofsouthgate.org/AgendaCenter).

NOTICE IS HEREBY GIVEN that any and all persons interested in the matter hereinabove set forth are privileged to attend said hearing and then and there testify or present evidence upon any matter relating thereto.

THIS NOTICE IS GIVEN by the order of the City Clerk of said City and is dated this May 16, 2022.

  
Chris Jeffers, Deputy City Clerk

Publication date: Thursday, May 19, 2022

Account No.: 100-701-31-6302



June 15, 2022

Mr. Erick Quintero  
Public Sector Representative  
Waste Management  
9081 Tujunga Avenue  
Sun Valley, CA 91352

**RE: 2022/2023 Residential, Commercial and Industrial Rate Adjustment**

Dear Mr. Quintero:

This letter is in response to your letter dated March 31, 2022, and subsequent discussions by which Waste Management (WM) has requested rate adjustments in accordance with the Solid Waste and Recycling Collection Services Franchise Agreement (Contract No. 2222) with the City of South Gate (City).

WM requested an increase to the current residential and commercial solid waste collection and recycling services rates effective July 1, 2022, by a CPI increase of 5%. As an example of the rate increases, the current residential rate of \$19.60 would increase to \$20.58. Commercial and industrial rates would also increase by 5%.

In accordance with Section 18.5 Rate Adjustment of the Franchise Agreement, as amended in 2011, WM is entitled to increase annually all components of the residential, commercial, and industrial service rates by the percentage increase in the Consumer Price Index (CPI), All Urban Consumers, for the Los Angeles/Riverside/Orange County metropolitan area, as published by the United States Department of Labor, Bureau of Labor Statistics. However, because this CPI is no longer published, it has been replaced with CPI, All Urban Consumers, for the Los Angeles/Long Beach/Anaheim metropolitan area, as published by the United States Department of Labor, Bureau of Labor Statistics. According to the Franchise Agreement, in the event that the CPI is "discontinued, the parties shall utilize the index most nearly the same." Accordingly, the agreement was to use the Los Angeles/Long Beach/Anaheim CPI. The CPI increase for this year is 7.4%, however the existing Franchise Agreement stipulates that the maximum CPI increase allowable per year is 5%.

As such, the City approves the proposed CPI increase of 5% to be applied to residential, commercial, and industrial service rates in accordance with Exhibit A, starting July 1, 2022.



Prior to implementing the rate increase, and conforming to the Franchise Agreement, WM shall distribute information to all persons and parties impacted by the increase of rates as well as other pertinent information about WM's fees and services that may affect them.

Should you have any questions, please contact Mr. Arturo Cervantes P.E., Assistant City Manager/Director of Public Works at (323) 563-9567 or Mr. Isaac Bravo, Management Analyst at (323) 563-9579.

Best Regards,

Chris Jeffers  
Interim City Manager

cc: Arturo Cervantes P.E., Assistant City Manager/Director of Public Works  
Kristopher Ryan, Director of Administrative Services  
Isaac Bravo, Management Analyst



March 31, 2022

Mr. Chris Jeffers  
City Manager  
City of South Gate  
8650 California Avenue  
South Gate, CA 90280

***Re: 2022 Residential, Commercial, and Industrial Rate Adjustment***

Dear Mr. Jeffers,

According to Section 18.5 of the exclusive solid waste agreement, we respectfully request an adjustment of service rates. Please find the attached files in support of this request. The index outlined in the agreement cites usage of the Los Angeles-Riverside-Orange County for the rate adjustment calculation. However, the index referenced has been eliminated and is no longer in existence; therefore, as in previous years, we have used the Los Angeles-Long Beach-Anaheim Index for the rate adjustment calculation that goes into effect July 1, 2022.

Calculated Adjustment Per Approved Rate Calculation Methodology: 7.40%  
Actual Adjustment Pursuant to Section 18.5.4.2: 5.00%

**Inflationary Impacts Overview**

Throughout 2021, the U.S. economy has been experiencing the unexpected adverse impacts of inflation caused in large part by an economy re-emerging from COVID-19 but hampered by labor and supply chain constraints. Not since the years immediately following WWII or the late-1970s has the U.S. experienced inflationary price increases at these levels. For WM, disruptions in the supply chain for critical materials and equipment, labor shortages, and significant increases in fuel costs have substantially increased our cost to provide services to your community. More specifically, our cost of acquiring Compressed Natural Gas (CNG) has increased by 99% in the past year, the cost of residential carts is up 50% due to the shortage of resin, the cost of commercial bins is up over 200% due to production delays and labor shortages, and our preventative maintenance costs have increased by 29%.

Many economists are projecting continued labor shortages and upward pressure on labor and critical material costs. On average, inflation alone has resulted in an increase of approximately 7.5% across the board. Regulatory changes in California have also increased processing costs at recycling and organics processing facilities.



Inflation, supply chain disruptions, and labor costs have placed a financial strain in the solid waste industry.

For the past sixteen years, we have proudly served as a sustainability partner to the City of South Gate, assisting the City in complying with State mandates, being good stewards of our environment and actively participating in the projects and programs that make South Gate a great place to live and do business. We continue to collaborate with various community-based organizations to contribute back to the residents of South Gate like the South Gate Rotary Club, South Gate Police Officers Association and the South Gate Chamber of Commerce. We pride ourselves for not being just a "trash service provider," but a community service provider. By continuing to work together, we can meet today's challenges and prepare for the future ahead.

Thank you for your favorable consideration. We look forward to discussing this request letter with you in further detail at your earliest convenience.

Erick Quintero

A handwritten signature in blue ink, appearing to read 'Erick Quintero', is written over a horizontal line.

Public Sector Services Manager  
[equinter@wm.com](mailto:equinter@wm.com) | (562) 335-3143

CC: Arturo Cervantes  
David Torres

Consumer Price Index - All Urban Consumers  
Original Data Value

Series Id: CUURS49ASA0, CUUS549ASA0  
Not Seasonally Adjusted  
Area: Los Angeles-Long Beach-Anaheim, CA  
Item: All items  
Base Period: 1982-84=100  
Years:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2002	178.900	180.100	181.100	182.200	182.600	181.900	182.200	183.000	183.400	183.700	184.000	183.700	182.200	181.100	183.300
2003	185.200	186.500	188.200	187.600	186.400	186.300	186.300	186.900	188.200	187.800	187.100	187.000	187.000	186.700	187.200
2004	188.500	190.100	191.500	191.900	193.300	193.700	193.400	193.100	194.500	196.300	196.900	195.200	193.200	191.500	194.900
2005	195.400	197.400	199.200	201.100	201.500	200.700	201.400	203.100	205.800	206.900	205.600	203.900	201.800	199.200	204.500
2006	206.000	207.500	208.500	210.500	212.400	211.100	211.400	211.900	212.900	211.400	211.100	210.600	210.400	209.300	211.600
2007	212.584	214.760	216.500	217.845	218.596	217.273	217.454	217.330	217.697	218.696	219.943	219.373	217.338	216.260	218.416
2008	220.918	221.431	223.606	224.625	226.651	229.033	229.886	228.484	227.449	226.159	222.229	219.620	225.008	224.377	225.638
2009	220.719	221.439	221.376	221.693	222.522	223.906	224.010	224.507	225.226	225.264	224.317	223.643	223.219	221.943	224.495
2010	224.610	224.620	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	238.920	239.219	239.611	239.940	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	242.122	242.746	239.185
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	249.700	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	257.890	258.883	259.135	259.220	256.210	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	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121	279.899	280.116	279.366	279.947	280.102	279.560	278.567	277.303	279.832
2021	280.178	281.347	282.648	285.808	287.620	289.218	290.890	291.333	292.209	294.961	296.790	297.925	289.244	284.470	294.018
2022	301.209	302.164													

Feb v Feb	7.4%
Applied PI	5.0%

18.5.3. Rate Adjustment Methodology. The rate will be adjusted by the percentage increase in the Consumer Price Index, All Urban Consumers, for the Los Angeles/Riverside/Orange County metropolitan area, as published by the United States Department of Labor Bureau of Labor Statistics ("CPI"), for the March through February immediately prior to the date of the adjustment.

18.5.4. Special Rules Related to Rate Adjustments. Notwithstanding any provision herein to the contrary:

18.5.4.1. For rate adjustments taking place on July 1, 2011, July 1, 2012 and July 1, 2013, respectively, the adjustment shall be 4.0% for the residential rate and 4.25% for the commercial/industrial rate.

18.5.4.2. For rate adjustments beginning of July 1, 2014 and for the remainder of the Term, the adjustment shall not be greater than 5.0% or less than 0.0% (e.g. no rate reduction), notwithstanding the percentage change in the CPI.

Source: Bureau of Labor Statistics



## Schedule of Rates

**Residential Collection Services Fees**

For each single family residence and for each dwelling-unit within a multiple-unit residential complex (excluding those residences or dwelling units occupied by a qualified low income senior citizen), Effective as of the Effective date: July 1, 2022

a. Standard Monthly service charge for recycling services and for servicing one (1) standard residential refuse container of a 96 to 101-gallon capacity (including an administrative fee of \$2.02)	\$	20.58
b. Reduced monthly service charge for recycling services and for servicing one (1) standard residential refuse container of a 60 to 67-gallon capacity (including an administrative fee of \$1.91)	\$	18.66
c. Extra monthly service charge for each additional standard refuse container of a 96 to 101-gallon capacity (including an administrative fee of \$.43)	\$	13.24
d. Extra monthly service charge for each additional standard refuse container of a 60 to 67-gallon (including an administrative fee of \$.30)	\$	9.22

**Senior Citizen-Residential**

For each single family residence and for each dwelling-unit within a multiple-unit residential complex which is occupied by a low-income senior citizen, effective as of the Effective date: Discontinued by the City

a. Standard Monthly service charge for recycling services and for servicing one (1) standard residential refuse container of a 96 or 101-gallon capacity. (This reflects a discount of \$4.00 per month and includes an administrative fee of \$2.02.)	\$	13.87
b. Reduced monthly service charge for recycling services and for servicing one (1) standard residential refused container of a 60 or 67-gallon capacity. (This reflects a discount of \$4.00 per month and includes an administrative fee of \$1.91)	\$	11.97
c. Extra monthly service charge for each additional standard refuse container of a 96 to 101-gallon capacity. (This includes an administrative fee of \$.43)	\$	13.24
d. Extra monthly service charge for each additional standard refuse container of a 60 to 67-gallon (This includes an administrative fee of \$.30)	\$	9.22

**Ancillary Rates**

a. Loss/Stolen Replacement are applied when a customers container is lost/stolen due to negligence (e.g. left out on non-service day).	\$	61.77
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**City of South Gate 2022 Commercial and Industrial Rates**Commercial/Industrial Service Rates (Effective July 1, 2022)**1. Commercial Service**

Bin Size	1X WK	2X WK	3X WK	4X WK	5X WK	6X WK
64 gallon container	\$33.48	\$66.98	\$100.45	\$133.95	\$167.43	\$200.93
96 gallon container	\$42.07	\$84.17	\$126.24	\$168.33	\$210.41	\$252.48
2 cy rate/month	\$132.17	\$213.49	\$294.44	\$375.60	\$489.57	\$573.26
3 cy rate/month	\$170.15	\$268.35	\$363.87	\$460.78	\$556.88	\$651.84
4 cy rate/month	\$196.37	\$314.17	\$435.92	\$556.33	\$676.77	\$780.18
5 cy rate/month	NA	NA	NA	NA	NA	NA

6 cy rate/month	\$298.47	\$491.67	\$681.75	\$879.63	\$1,068.12	\$1,270.87
Extra pick up charges per bin	2 yard	3 yard	4 yard	5 yard	6 Yard	
	\$60.13	\$77.29	\$94.53	\$111.66	\$128.84	
Extra RCY pick up charges per bin	2 yard	3 yard	4 yard	5 yard	6 Yard	
	\$30.07	\$38.65	\$47.27	\$55.83	\$64.42	
Overage fee per bin	2 yard	3 yard	4 yard	5 yard	6 Yard	
	\$60.13	\$77.29	\$94.49	\$111.66	\$128.84	
Overage fee RCY	2 yard	3 yard	4 yard	5 yard	6 Yard	
	\$30.07	\$38.65	\$47.25	\$55.83	\$64.42	
Front Load Compactor	1X/WK	2X/WK	3X/WK	4X/WK	5X/WK	6X/WK
	2 yard	\$393.99	\$621.38	\$842.56	\$1,066.96	\$1,289.48
3 yard		\$510.45	\$824.51	\$1,137.15	\$1,450.59	\$1,890.75
	2 yard Compactor XPU	\$120.27				\$2,213.97
3 yard Compactor XPU	\$154.61					

**2. Other Services and Fees**

<b>a. Push Out</b>						
Per bin per month	\$33.81	\$65.77	\$93.95	\$122.13	\$150.33	\$169.11
<b>b. Scout Service -</b>						
Per bin per month	\$52.22	\$92.22	\$136.41	\$173.97	\$212.24	\$252.27
<b>c. Locking Lids</b>						
Per bin per month	\$16.91	\$24.43	\$33.81	\$43.21	\$51.68	\$60.13
<b>d. Bulky item pick-up (including e-waste)</b>						
		\$34.90				
<b>e. Commercial Recycling Contamination Fee:</b>						
		\$27.92				
<b>f. Commercial Reactivation from bad debt:</b>						
		\$27.89				

**Commercial Recycling Rate**

South Gate Commercial Single Stream Recycling Rate						
<u>Commercial Recycle</u>	Ratepayer Charges					
Bin Size	1X WK	2X WK	3X WK	4X WK	5X WK	6X WK
35 gallon container	\$21.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
64 gallon container	\$26.04	\$42.09	\$0.00	\$0.00	\$0.00	\$0.00
96 gallon Container	\$24.56	\$49.13	\$73.70	\$0.00	\$0.00	\$0.00
2 cy rate/month	\$68.48	\$110.60	\$152.52	\$194.57	\$0.00	\$0.00
3 cy rate/month	\$80.80	\$127.41	\$172.77	\$218.79	\$264.42	\$309.51
4 cy rate/month	\$84.76	\$135.62	\$188.17	\$240.15	\$292.13	\$336.78
6 cy rate/month	\$115.95	\$191.00	\$264.84	\$341.73	\$414.95	\$493.73

**Organics Service**

Bin Size	1	2	3
64 gallon container			
Collection	\$23.12	\$46.25	\$69.37
Processing	\$42.37	\$84.74	\$127.10
<b>Total</b>	<b>\$65.50</b>	<b>\$130.99</b>	<b>\$196.49</b>
<b>Each Additional Cart</b>	<b>\$58.55</b>	<b>\$117.11</b>	<b>\$175.65</b>
2 cy rate/month			
Collection	\$91.28	\$147.43	\$203.33
Processing	\$169.46	\$338.93	\$508.39
<b>Total</b>	<b>\$260.75</b>	<b>\$486.36</b>	<b>\$711.72</b>
<b>Each Additonal Cart</b>	<b>\$233.35</b>	<b>\$442.12</b>	<b>\$650.73</b>

Organics collections is currently offered on Mondays, Wednesday and Fridays only

**3. ROLL OFF SERVICE Including C&D****Commercial - 5 ton minimum; Residential C&D - 3 ton minimum**

All Containers - any size	Haul Rate	\$369.95
	Delivery Fee	\$132.63
	Trip Charge	\$139.60
	Relocation Charge	\$139.60
Compactor Service	Haul Rate	\$487.14
Disposal Fee per ton		\$72.86
Roll off Weekly Rental Fee		\$62.81

**4. Residential services offered - 3-yard temporary bin**

Cost per container (includes 7 day rental & disposal)	\$251.49	
Additional pick-up	\$99.34	
Weekly rental beyond initial 7 days	\$55.84	\$7.98

**RO Rate Extended Businesses**

	Delivery	Open Top w/ 5 tons	Compactor w/5 tons	Over Tons	Relocate	Trip	Daily Rental
Perm	\$132.63	\$734.23	\$851.41	\$72.86	\$139.60	\$139.60	\$8.97
Temporary	\$132.63	\$734.23	N/A	\$72.86	\$139.60	\$139.60	\$8.97

**RO Rate Extended Residential**

Temporary	\$132.63	\$588.51	N/A	\$72.86	\$139.60	\$139.60	\$8.97
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**5. Religious and Non-Profit commercial discount services**

Religious institutions or non-profit organizations registered under Section 501(c)(3) of the

**Ancillary Rates**

R/O recycling rate- per haul	\$	183.82
Recycling Extra Pick-up fee- \$ 50% of MSW rate		
CM delivery fee	\$	35.53
R/O auto resume	\$	27.73
Commercial Auto Resume Fee	\$	27.73
CM Set-up Fee	\$	27.73
R/O Set-up Fee	\$	18.53

**Proposed Rates**

AB 341 Non-Compliance Fee - per month	\$	75.33
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Contractor, or the reasonableness of charges for Bagster® Service, will be referred to the City Manager for determination. Thereafter, either Contractor or the account may appeal the City Manager's determination to the City Council, whose decision shall be final.

18.5. Rate Adjustments.

18.5.1. Annual Adjustment. The initial rates for service as of the effective date are set forth in Exhibit A. All of the rate components set forth in Exhibit A (without considering franchise and AB 939 administrations fees), including all ancillary fees and charges, must be adjusted as set forth below.

18.5.2. Rate Adjustment Timing and Procedure.

18.5.2.1. All components of the residential service rate must be adjusted beginning July 1, 2012, and every July 1 thereafter. All components of the commercial/industrial service rate must be adjusted beginning July 1, 2011, and every July 1 thereafter. Contractor shall submit to the City Manager, on or before the April 1 prior to the effective date of the proposed adjustment, information in support of the adjustment. The City Manager shall review the information submitted by Company for completeness and accuracy, and, if accurate, approve the requested adjustment. The parties agree to negotiate in good faith regarding any dispute regarding the accuracy of information submitted by Contractor.

18.5.3. Rate Adjustment Methodology. The rate will be adjusted by the percentage increase in the Consumer Price Index, All Urban Consumers, for the Los Angeles/Riverside/Orange County metropolitan area, as published by the United States Department of Labor, Bureau of Labor Statistics ("CPI"), for the March through February immediately prior to the date of the adjustment.

18.5.4. Special Rules Related to Rate Adjustments. Notwithstanding any provision herein to the contrary:

18.5.4.1. For rate adjustments taking place on July 1, 2011, July 1, 2012 and July 1, 2013, respectively, the adjustment shall be the greater of the percent change based on the CPI or 4.0% for the residential rate and 4.25% for the commercial/industrial rate. Notwithstanding the above, no adjustment to the residential rate or the commercial/industrial rate shall be greater than 5.0%.

18.5.4.2. For rate adjustments beginning of July 1, 2014 and for the remainder of the Term, the adjustment shall not be greater than 5.0% or less than 0.0% (e.g. no rate reduction), notwithstanding the percentage change in the CPI.

18.5.5. Extraordinary Adjustments.

18.5.5.1. In addition to the annual adjustment provided in Section 18.5.1 through