



**THINK GREEN.®**

March 29, 2017

Mr. Ken Farfsing  
City Manager  
City of Carson  
701 E Carson Street  
Carson, CA 90745

**SUBJECT: July 2017 Residential Rate Adjustment**

Dear Mr. Farfsing:

Waste Management deeply appreciates the long partnership that we have enjoyed with the City of Carson. In celebration of this partnership, Waste Management would like to extend to the City a reduction in the contractually-obligated rate increases for 2017. Pursuant to Article 6 of the Integrated Residential Waste Management Services Agreement between Waste Management and the City of Carson. The 2017/2018 Residential Rates should increase by 7.29%. However, to demonstrate its commitment to the City, its residents and your business community, Waste Management is requesting only the CPI-portion of the rate adjustment, which is 1.89%, a discount of 5.4% of the allowable amount in Article 6 of the Agreement. Calculations are attached for your review and approval.

In addition to the annual rate adjustment, Pursuant to Section 6.4 – Extraordinary Adjustments contained within the Franchise Agreement between Waste Management and the City of Carson, Waste Management respectfully requests the ability to discuss the changes in State law and recycling enhancement programs below, prior to staff seeking City Council's approval of our offered rate modifications.

**Changes In Law – SB 3 (Leno) Minimum Wage Increase**

On April 4, 2016, California Governor Jerry Brown signed the SB 3, which raised the statewide minimum wage, into law. The amended law provides for six stepped annual statewide increases of the current minimum wage of \$10.50 per hour, starting on January 1, 2017 and increasing annually to \$15 per hour over time. This change in law has increased our costs at our local processing facilities. It is our hope to continue this discussion and identify a reasonable and fair approach going forward for both parties. Waste Management would like an opportunity to discuss these costs with you to ensure that they are included in the rates effective July 1, 2017.

**Proposed Updates to Rate Adjustment Calculations**

Waste Management also wishes to discuss an update to the current rate calculation methodology from the current "Consumer Price Index for All Urban Consumers (CPI-U), Los Angeles-Anaheim-Riverside Area as identified in Section 6.3 of the Franchise Agreement.

Over the past two decades, there have been significant changes across the country as to how we view and handle waste, most visibly in California. The State legislature and regulatory agencies have enacted first-in-the-nation policies to address waste diversion, materials recycling and greenhouse gas emissions. Working closely with your staff, we have been successful in the City of Carson meeting these regulatory requirements. We believe that examining newer calculation methodologies could be mutually beneficial.

Waste Management is proud to be your partner in providing meaningful environmental programs to the residents and businesses of Carson and remains committed to assisting the City in complying with State mandates, increasing diversion, being stewards of the environment and being active participants in the community.

Sincerely,

A handwritten signature in black ink, appearing to read "Chip Monaco".

**CHIP MONACO**

Municipal Market Manager

Waste Management of Southern California

Enclosures:

2017 Rate Adjustment Calculation Tables

c: Robin Wilson  
Darrel Kato  
Bill Higginbotham  
Fatima Haidin

# Carson Rates for Residential Services

Effective 7/1/2016

2016 Single Family Rate:	\$ 21.22	per Residential Unit per month
2017 Single Family Rate:	\$ 21.62	per Residential Unit per month
2016 Senior Citizen Single Family Rate:	\$ 10.61	per Residential Unit per month
2017 Senior Citizen Single Family Rate:	\$ 10.81	per Residential Unit per month
2016 Extra Trash Cart:	\$ 10.61	per month (billed by WM to customer)
2016 Extra Trash Cart:	\$ 10.81	per month (billed by WM to customer)

Bin Rate Schedule for Residential/Multi-Family - Billcycle CMF							
Bin Size	Collections per Week						
	1 x	2 x	3 x	4 x	5 x	6 x	7 x
2 Cubic yards (16)	\$ 126.83	\$ 221.74	\$ 314.00	\$ 410.54	\$ 493.06	\$ 614.41	\$ 742.90
2 Cubic yards (17)	\$ 129.22	\$ 225.92	\$ 319.92	\$ 418.28	\$ 502.36	\$ 626.00	\$ 756.91
3 Cubic yards (16)	\$ 135.06	\$ 268.89	\$ 383.98	\$ 490.01	\$ 610.22	\$ 758.75	\$ 917.54
3 Cubic yards (17)	\$ 137.61	\$ 273.96	\$ 391.22	\$ 499.25	\$ 621.73	\$ 773.06	\$ 934.85
4 Cubic yards (16)	\$ 187.41	\$ 314.00	\$ 451.83	\$ 596.23	\$ 723.25	\$ 873.50	\$ 1,090.60
4 Cubic yards (17)	\$ 190.94	\$ 319.92	\$ 460.35	\$ 607.48	\$ 736.89	\$ 889.98	\$ 1,111.17
6 Cubic yards (16)	\$ 234.86	\$ 404.28	\$ 587.54	\$ 779.70	\$ 949.33	\$ 1,185.77	\$ 1,436.69
6 Cubic yards (17)	\$ 239.29	\$ 411.91	\$ 598.62	\$ 794.41	\$ 967.24	\$ 1,208.13	\$ 1,463.79
<b>Optional Services</b>							
Locking Lids (16)	\$ 12.37	\$ 19.66	\$ 27.51	\$ 35.72	\$ 45.80	\$ 53.00	\$ 64.38
Locking Lids (17)	\$ 12.60	\$ 20.03	\$ 28.03	\$ 36.39	\$ 46.66	\$ 54.00	\$ 65.59
Scout Service (16)	\$ 41.28	\$ 76.49	\$ 114.65	\$ 154.80	\$ 203.51	\$ 239.72	\$ 296.58
Scout Service (17)	\$ 42.06	\$ 77.93	\$ 116.81	\$ 157.72	\$ 207.35	\$ 244.24	\$ 302.17
Push Out Service (16)	\$ 29.48	\$ 52.04	\$ 76.44	\$ 102.08	\$ 133.27	\$ 156.23	\$ 192.32
Push Out Service (17)	\$ 30.04	\$ 53.02	\$ 77.88	\$ 104.01	\$ 135.78	\$ 159.18	\$ 195.95

Bin Rate Schedule for Mobile Home Parks - Billcycle CMH							
Bin Size	Collections per Week						
	1 x	2 x	3 x	4 x	5 x	6 x	7 x
2 Cubic yards (16)	\$ 72.64	\$ 120.85	\$ 161.14	\$ 201.44	\$ 240.66	\$ 333.22	\$ 342.83
2 Cubic yards (17)	\$ 74.01	\$ 123.13	\$ 164.18	\$ 205.24	\$ 245.20	\$ 339.50	\$ 349.30
3 Cubic yards (16)	\$ 76.58	\$ 148.85	\$ 199.76	\$ 250.67	\$ 301.56	\$ 352.44	\$ 428.78
3 Cubic yards (17)	\$ 100.07	\$ 153.32	\$ 207.08	\$ 260.85	\$ 370.16	\$ 368.42	\$ 449.05
4 Cubic yards (16)	\$ 106.77	\$ 163.59	\$ 220.96	\$ 278.33	\$ 394.97	\$ 393.11	\$ 479.14
4 Cubic yards (17)	\$ 108.78	\$ 166.68	\$ 225.13	\$ 283.58	\$ 402.42	\$ 400.52	\$ 488.18
6 Cubic yards (16)	\$ 134.81	\$ 207.54	\$ 282.92	\$ 381.17	\$ 433.65	\$ 508.97	\$ 621.97
6 Cubic yards (17)	\$ 137.35	\$ 211.45	\$ 288.26	\$ 388.36	\$ 441.83	\$ 518.57	\$ 633.70
<b>Optional Services</b>							
Locking Lids (16)	\$ 8.80	\$ 13.20	\$ 17.58	\$ 21.99	\$ 26.39	\$ 30.78	\$ 37.39
Locking Lids (17)	\$ 8.97	\$ 13.45	\$ 17.91	\$ 22.40	\$ 26.89	\$ 31.36	\$ 38.10
Scout Service (16)	\$ 29.33	\$ 51.30	\$ 73.30	\$ 95.25	\$ 117.23	\$ 139.20	\$ 172.18
Scout Service (17)	\$ 29.88	\$ 52.27	\$ 74.68	\$ 97.05	\$ 119.44	\$ 141.83	\$ 175.43
Push Out Service (16)	\$ 21.99	\$ 36.64	\$ 51.30	\$ 65.97	\$ 80.61	\$ 95.25	\$ 117.29
Push Out Service (17)	\$ 22.40	\$ 37.33	\$ 52.27	\$ 67.21	\$ 82.13	\$ 97.05	\$ 119.50

Bin Rate Schedule for Senior Citizen Housing Complexes - Billcycle CSC							
Bin Size	Collections per Week						
	1 x	2 x	3 x	4 x	5 x	6 x	7 x
2 Cubic yards (16)	\$ 47.64	\$ 79.28	\$ 105.69	\$ 132.13	\$ 157.84	\$ 370.97	\$ 224.87
2 Cubic yards (17)	\$ 48.54	\$ 80.78	\$ 107.68	\$ 134.62	\$ 160.82	\$ 377.97	\$ 229.11
3 Cubic yards (16)	\$ 50.22	\$ 93.69	\$ 125.70	\$ 157.73	\$ 189.75	\$ 221.80	\$ 269.82
3 Cubic yards (17)	\$ 51.17	\$ 95.46	\$ 128.07	\$ 160.70	\$ 193.33	\$ 225.98	\$ 274.91
4 Cubic yards (16)	\$ 70.04	\$ 107.29	\$ 144.92	\$ 182.55	\$ 220.62	\$ 257.84	\$ 314.27
4 Cubic yards (17)	\$ 71.36	\$ 109.31	\$ 147.65	\$ 185.99	\$ 224.78	\$ 262.70	\$ 320.20
6 Cubic yards (16)	\$ 85.68	\$ 134.51	\$ 183.35	\$ 232.17	\$ 281.06	\$ 329.86	\$ 403.11
6 Cubic yards (17)	\$ 87.30	\$ 137.05	\$ 186.81	\$ 236.55	\$ 286.36	\$ 336.08	\$ 410.71
<b>Optional Services</b>							
Locking Lids (16)	\$ 5.39	\$ 8.08	\$ 10.80	\$ 13.50	\$ 16.19	\$ 18.90	\$ 22.93
Locking Lids (17)	\$ 5.49	\$ 8.23	\$ 11.00	\$ 13.75	\$ 16.50	\$ 19.26	\$ 23.36
Scout Service (16)	\$ 17.97	\$ 31.46	\$ 44.95	\$ 58.42	\$ 71.89	\$ 85.39	\$ 105.62
Scout Service (17)	\$ 18.31	\$ 32.05	\$ 45.80	\$ 59.52	\$ 73.25	\$ 87.00	\$ 107.61
Push Out Service (16)	\$ 13.50	\$ 22.48	\$ 30.94	\$ 40.45	\$ 49.43	\$ 58.42	\$ 71.93
Push Out Service (17)	\$ 13.75	\$ 22.90	\$ 31.52	\$ 41.21	\$ 50.36	\$ 59.52	\$ 73.29