

Heber Public Utility District

REPORT TO THE

BOARD OF DIRECTORS

MEETING DATE: May 16, 2024

FROM: Madeline Dessert, General Manager

SUBJECT: Discussion/Action to Accept the Proposed Rate Increase by the City's Solid Waste Hauler, CR&R, Incorporated

ISSUE:

Shall the Heber Public Utility Board of Directors accept the Rate Increase proposed by contracted trash hauler, CR&R, Incorporated, as detailed in Franchise Agreement?

GENERAL MANAGER RECOMMENDATION:

It is recommended that the proposal be accepted as presented.

FISCAL IMPACT:

No fiscal impact to the District, residents will see a fee increase of approximately \$0.85 per month.

BACKGROUND:

On June 17, 2010, an Agreement was entered into between Heber Public Utility District and Palo Verde Valley Disposal Service for the collection and disposal of solid waste, among other things, and the terms and conditions of said Agreement.

In September, 2011, the assets of Palo Verde Valley Disposal Service were purchased by CR&R Incorporated, who assumed the rights and responsibilities of Palo Verde Valley Disposal Service under said agreement. The Heber Public Utility District authorized the transfer of the Franchise Agreement from Palo Verde Disposal Service to CR&R Incorporated via Resolution Number 2011-14.

Pursuant to Section 5 of the current Agreement, CR&R Incorporated submitted a request to the HPUD Board for a seven (7) year extension of the Agreement, through June 30, 2024. At the August 20, 2015 HPUD Board meeting, representatives from CR&R presented their request as well as a list of certain contract enhancements in return for the contract extension, which was approved.

On October 20, 2022, staff prepared a report to the Board recommending approval of a restated agreement that had several new services including recycling of organic waste as required by SB 1383. The Board was also provided a rate schedule that had a rate increase of 4.7% for residential customer. In return for the additional services and meeting SB 1383 mandates, CR&R requested a contract term extension through June 2027.

At the October meeting, the Board tabled the item and expressed concerns with current service levels provided by CR&R. The Board gave direction to staff to negotiate with CR&R for the following terms: Not extend the contract past the current term ending June 30, 2024 and implement one rate increase during that time period.

At the November 17, 2022 meeting the Board heard presentations from a customer regarding service levels, and from representatives from CR&R explaining the industry conditions, and local service improvements. At that meeting, there was no action taken by the Board, and the direction to negotiate with CR&R with no contract term extension and one rate increase remained in place. The District staff held several discussions with CR&R to amend and restate the Agreement between the Heber Public Utility District and CR&R to include increased required services and related costs associated with compliance with new State regulations.

On December 15, 2024, the BOD adopted resolution 2022-19, approving the amended, restated agreement between HPUD and CR&R Incorporated for Integrated Solid Waste Management Services.

DISCUSSION:

Resolution 2022-19 approved the modified service agreement that included an annual adjustment to reflect the change in various cost categories of the Consumer Price Index (CPI) as detailed in Article 6, sections 6.3 and 6.4 of the Franchise Agreement. The contract caps the annual CPI increase at 4%.

CR&R is requesting a 3.5% increase across all service categories.

CONCLUSION:

It is recommended the proposal be accepted as presented to remain in compliance with franchise agreement as staff already requested a reduction in the increase without success.

Respectfully Submitted,

Madeline Dessert, General Manager

Attachments: CR&R CPI Annual Increase Request, March 27, 2024



March 26, 2024

Mrs. Madeline Dessert Martinez
Heber Public Utility District
1078 Dogwood Road #103
Heber, California 92249

Re: Annual Rate adjustment for Solid Waste and Recycling Services for 2024-2025

Dear Mrs. Madeline Dessert Martinez:

We have prepared for your review the solid waste rate adjustments based upon the formulas within our Franchise Agreement.

As provided for in the 2022 restated and amended agreement in Article 6, Sections 6.3 through 6.4 of the Franchise Agreement between the Heber Public Utility District and CR&R Incorporated for Integrated Solid Waste Management, the rates illustrated in Exhibit "2" shall be adjusted annually to reflect the change in various cost categories of the Consumer Price Index (CPI), all urban consumers for Los Angeles-Long Beach. The index used is the annual 12-month average ending December 2023. The annual adjustment is limited to a maximum of 4% annually and is implemented July 1st of each year.

Rates for services not listed in the attached worksheets will be adjusted according to the percentage change within each service type category.

With your review and approval, the adjustments will be implemented with both the City and CR&R's July 1, 2024 billing.

As always, it is a pleasure being of service to the Heber Public Utility District.

Respectfully submitted,

Matthew Gray
Sustainability Specialist II
CR&R Environmental Services

cc: Dean Ruffridge
Francisco Ochoa
Maria Lazaruk
Chrystal Denning
Victor Carrillo

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CITY OF HEBER
ANNUAL PRICE ADJUSTMENT

RATE YEAR 2024 - 2025

CPI All Urban, Los Angeles-Long Beach-Anh. New Previous % Change % Cap
CUURS49ASA0 - Annual 321.583 310.782 3.5% 4.0%
12-Month Average Ending December

	Previous Rate	CPI Change	Rate Change	New Rate	Unit Measure	% Change
Standard service	\$ 24.20	3.5%	\$ 0.85	\$ 25.05	per month	3.5%
Senior service (10% Discount)	\$ 21.78	3.5%	\$ 0.77	\$ 22.55	per month	3.5%
Additional cart	\$ 11.00	3.5%	\$ 0.39	\$ 11.39	per month	3.5%
Additional recyc or green cart >2	\$ 11.00	3.5%	\$ 0.39	\$ 11.39	per month	3.5%
10 and 40 cubic yard roll-off	\$ 235.23	3.5%	\$ 8.23	\$ 243.46	per pull	3.5%
40 cubic yard COD	\$ 552.81	3.5%	\$ 19.35	\$ 572.16	per pull	3.5%
10 cubic yard COD	\$ 743.32	3.5%	\$ 26.02	\$ 769.34	per pull	3.5%
3 yard Clean-up Bin	\$ 99.00	3.5%	\$ 3.47	\$ 102.47	per load	3.5%
4 yard Clean-up Bin	\$ 130.00	3.5%	\$ 4.55	\$ 134.55	per load	3.5%
Refuse Bin Rates 2-Yard						
1 x week	\$ 78.62	3.5%	\$ 2.75	\$ 81.37	per month	3.5%
2 x week	\$ 157.24	3.5%	\$ 5.50	\$ 162.74	per month	3.5%
3 x week	\$ 235.84	3.5%	\$ 8.25	\$ 244.09	per month	3.5%
4 x week	\$ 314.45	3.5%	\$ 11.01	\$ 325.46	per month	3.5%
5 x week	\$ 393.06	3.5%	\$ 13.76	\$ 406.82	per month	3.5%
6 x week	\$ 471.68	3.5%	\$ 16.51	\$ 488.19	per month	3.5%
Extra Pickup	\$ 39.31	3.5%	\$ 1.38	\$ 40.69	per pickup	3.5%
Refuse Bin Rates 3-Yard						
1 x week	\$ 117.93	3.5%	\$ 4.13	\$ 122.06	per month	3.5%
2 x week	\$ 235.84	3.5%	\$ 8.25	\$ 244.09	per month	3.5%
3 x week	\$ 353.76	3.5%	\$ 12.38	\$ 366.14	per month	3.5%
4 x week	\$ 471.68	3.5%	\$ 16.51	\$ 488.19	per month	3.5%
5 x week	\$ 589.62	3.5%	\$ 20.64	\$ 610.26	per month	3.5%
6 x week	\$ 707.52	3.5%	\$ 24.76	\$ 732.28	per month	3.5%
Extra Pickup	\$ 48.55	3.5%	\$ 1.70	\$ 50.25	per pickup	3.5%
Refuse Bin Rates 4-Yard						
1 x week	\$ 157.24	3.5%	\$ 5.50	\$ 162.74	per month	3.5%
2 x week	\$ 314.45	3.5%	\$ 11.01	\$ 325.46	per month	3.5%
3 x week	\$ 471.68	3.5%	\$ 16.51	\$ 488.19	per month	3.5%
4 x week	\$ 628.92	3.5%	\$ 22.01	\$ 650.93	per month	3.5%
5 x week	\$ 786.14	3.5%	\$ 27.51	\$ 813.65	per month	3.5%
6 x week	\$ 943.37	3.5%	\$ 33.02	\$ 976.39	per month	3.5%
Extra Pickup	\$ 57.78	3.5%	\$ 2.02	\$ 59.80	per pickup	3.5%
Refuse Bin Rates 5-Yard						
1 x week	\$ 196.55	3.5%	\$ 6.88	\$ 203.43	per month	3.5%
2 x week	\$ 393.06	3.5%	\$ 13.76	\$ 406.82	per month	3.5%
3 x week	\$ 589.62	3.5%	\$ 20.64	\$ 610.26	per month	3.5%
4 x week	\$ 786.14	3.5%	\$ 27.51	\$ 813.65	per month	3.5%
5 x week	\$ 982.68	3.5%	\$ 34.39	\$ 1,017.07	per month	3.5%
6 x week	\$ 1,179.22	3.5%	\$ 41.27	\$ 1,220.49	per month	3.5%
Extra Pickup	\$ 67.02	3.5%	\$ 2.35	\$ 69.37	per pickup	3.5%
Refuse Bin Rates 6-Yard						
1 x week	\$ 235.84	3.5%	\$ 8.25	\$ 244.09	per month	3.5%
2 x week	\$ 471.68	3.5%	\$ 16.51	\$ 488.19	per month	3.5%
3 x week	\$ 707.52	3.5%	\$ 24.76	\$ 732.28	per month	3.5%
4 x week	\$ 943.37	3.5%	\$ 33.02	\$ 976.39	per month	3.5%
5 x week	\$ 1,179.22	3.5%	\$ 41.27	\$ 1,220.49	per month	3.5%
6 x week	\$ 1,415.06	3.5%	\$ 49.53	\$ 1,464.59	per month	3.5%
Extra Pickup	\$ 76.25	3.5%	\$ 2.67	\$ 78.92	per pickup	3.5%
Refuse Cart Service						
1 x week	\$ 40.05	3.5%	\$ 1.40	\$ 41.45	per month	3.5%
Recycle Bin Rates						
3-Yard 1x week	\$ 88.43	3.5%	\$ 3.10	\$ 91.53	per month	3.5%
6-Yard 1x week	\$ 176.88	3.5%	\$ 6.19	\$ 183.07	per month	3.5%
90 Gal Cart 1x week	\$ 24.03	3.5%	\$ 0.84	\$ 24.87	per month	3.5%
Organics Rates						
35 / 60 Gal Food - 1x week	\$ 40.05	3.5%	\$ 1.40	\$ 41.45	per month	3.5%
35 / 60 Gal Food - 2x week	\$ 80.10	3.5%	\$ 2.80	\$ 82.90	per month	3.5%
2 Yard Food - 1x week	\$ 161.81	3.5%	\$ 5.66	\$ 167.47	per month	3.5%
90 Gal Green - 1x week	\$ 40.05	3.5%	\$ 1.40	\$ 41.45	per month	3.5%
90 Gal Green - 2x week	\$ 80.10	3.5%	\$ 2.80	\$ 82.90	per month	3.5%
300 Gal Tub Green - 1x week	\$ 120.16	3.5%	\$ 4.21	\$ 124.37	per month	3.5%
300 Gal Tub Green - 1x week	\$ 240.31	3.5%	\$ 8.41	\$ 248.72	per month	3.5%
Other Services						
Bin Replacement	\$ 172.99	3.5%	\$ 6.05	\$ 179.04	per service	3.5%
Cart Replacement	\$ 103.81	3.5%	\$ 3.63	\$ 107.44	per service	3.5%
New Acct Delivery Bins and R/O	\$ 34.60	3.5%	\$ 1.21	\$ 35.81	per service	3.5%
Install Wheels/Locks	\$ 103.67	3.5%	\$ 3.63	\$ 107.30	per service	3.5%
Bin Locking Charges	\$ 8.29	3.5%	\$ 0.29	\$ 8.58	per service	3.5%
Roll-Out Charge	\$ 8.29	3.5%	\$ 0.29	\$ 8.58	per service	3.5%
Steam Cleaning Service	\$ 89.97	3.5%	\$ 3.15	\$ 93.12	per service	3.5%
Bulk Compost	\$ 25.00	3.5%	\$ 0.88	\$ 25.88		3.5%



Databases, Tables & Calculators by Subject

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Data extracted on: March 14, 2024 (4:38:22 PM)

Consumer Price Index for All Urban Consumers (CPI-U)

Series Id: CUURS49ASAO
 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: [.xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
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	249.700	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	306.679	308.302	310.649	314.072	313.415	313.608	315.033	317.014	314.633	312.601	310.782	307.179	314.384
2023	318.591	317.571	317.873	320.089	320.514	322.055	321.931	324.050	324.984	324.545	323.341	323.456	321.583	319.449	323.718
2024	326.640	328.232													

12-Month Percent Change

Series Id: CUURS49ASAO
 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: [.xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2014	0.8	0.5	1.0	1.4	1.7	1.8	2.0	1.8	1.7	1.4	1.3	0.7	1.3	1.2	1.5
2015	-0.1	0.1	0.5	0.5	1.1	0.8	1.4	1.1	0.7	1.0	1.6	2.0	0.9	0.5	1.3
2016	3.1	2.4	1.7	2.0	1.4	1.8	1.1	1.4	1.9	2.2	1.8	2.0	1.9	2.1	1.7
2017	2.1	2.7	2.7	2.7	2.5	2.2	2.5	2.8	3.1	3.1	3.6	3.6	2.8	2.5	3.1
2018	3.5	3.6	3.8	4.0	4.1	4.0	3.9	3.9	3.9	4.1	3.6	3.2	3.8	3.8	3.8
2019	3.2	2.5	2.7	3.3	3.1	3.3	3.3	3.0	3.0	3.2	3.2	3.0	3.1	3.0	3.1
2020	3.1	3.4	1.9	0.7	0.9	1.4	1.9	2.0	1.2	0.7	1.0	1.5	1.6	1.9	1.4
2021	0.9	1.0	2.2	3.6	3.9	4.0	3.9	4.0	4.6	5.4	6.0	6.6	3.8	2.6	5.1
2022	7.5	7.4	8.5	7.9	8.0	8.6	7.7	7.6	7.8	7.5	6.0	4.9	7.4	8.0	6.9
2023	5.8	5.1	3.7	3.8	3.2	2.5	2.7	3.3	3.2	2.4	2.8	3.5	3.5	4.0	3.0
2024	2.5	3.4													

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