

Heber Public Utility District

MEETING DATE: May 15, 2014

FROM: Laura Fischer, General Manager

SUBJECT: Approve a 1.1% Rate Increase Adjustment for Waste Hauling Services According to Franchise Agreement with CR&R.

ISSUE:

Shall the Heber Public Utility Board of Directors approve a 1.1% Rate Increase Adjustment for Waste Hauling Services According to Franchise Agreement with CR&R?

GENERAL MANAGER RECOMMENDATION:

Approve rate modifications as presented.

FISCAL IMPACT:

Minimal increase to HPUD Franchise Fee. Customers will see a 1.1% rate increase on their bill for trash services starting in July, 2014 and reflected in their utility bill in August 2014. For Standard Residential Services that rate increase will be .21 cents per month.

DISCUSSION

HPUD received the attached letter from CR&R, and according to the Terms of the Franchise Agreement they have calculated the rate increase for FY 2104-15. I submitted a letter to CR&R requesting a waiver from the rate increase, but have not hear back from them yet. I have a meeting scheduled for next week to discuss.

The current Franchise Agreement with CR&R allows for an annual rate increase based on an "Adjustment Formula" which is based on the Consumer Price Index (CPI). The Agreement also allows CR&R to request a rate increase based on increased operating costs due to changes in Federal and State laws, rising cost of fuel, insurance, and other market driven expenses. Staff determined that the CPI rate increase would be approximately 1.1% for FY 2014-15, and CR&R did not request a rate adjustment due to increased operating costs. As you may recall, CR&R did not raise rates last Fiscal Year.

CONCLUSION

A rate adjustment of 1.1% was determined to be appropriated according to the Terms and Conditions of the existing Franchise Agreement with CR&R. Staff recommends approval of the 1.1% increase to HPUD customer's rate for trash services.

Respectfully Submitted,

Laura Fischer, General Manager

Attachments: Letter from CR&R dated April 17, 2014

RECEIVED
APR 21 2014

April 17, 2014

Ms. Laura Fischer, General Manager
Heber Public Utility District
1078 Dogwood Road, Suite 103
Heber, CA 92249

H.P.U.D.

Re: Solid Waste and Recycling Services Annual Rate Adjustment - 2014

Dear Ms. Fischer:

As provided for in Section 8, Compensation for Services (Formula for Changes in Compensation), of the Agreement between the Heber Public Utility District and CR&R Incorporated for The Collection, Transportation, Recycling and Disposal of Solid Waste, Recyclable and Compostable Materials dated June 17, 2010, the rates illustrated in Exhibit "B" shall be adjusted in accordance with the rate adjustment methodology.

The Adjustment methodology utilizes the Consumer Price Index for all Urban Consumers for the 12-month change with the month of February as the basis. The annual adjustment date is July 1st of each year and consists of a 1.1% overall adjustment to the rates. As such, we have supplied copies of the U.S. Department of Labor Statistics for the 12-month percentage change. The calculations utilized in the attached forms give an exact number to each category, based upon our contractual arrangement. Rates for services not listed in the attached worksheets will be adjusted according to the percentage change within each service type category. We believe the information included herein supports the Rate Adjustment mechanism as specified in our Agreement. Should anything further be needed, please do not hesitate to call.

With your review and approval, the adjustments will be implemented as of July 1, 2014 billing for both Utility District billed and CR&R billed accounts. As always, it's a pleasure being of service to the Heber Public Utility District.

Respectfully submitted,



Dean A. Ruffridge,
Senior Vice President

CC: Dan Drewek
Maria Lazaruk
Julie Weaver

CITY OF HEBER
ANNUAL PRICE ADJUSTMENT

RATE YEAR 2014-2015

CPI	New	Previous	% Change
All Urban Consumers (February)	234.781	232.166	1.10%

	Previous Rate	CPI Change	Rate Change	New Rate	Unit Measure
Standard service	\$ 19.12	1.1%	\$ 0.21	\$ 19.33	per month
Additional cart	\$ 8.00	1.1%	\$ 0.09	\$ 8.09	per month
Additional recyc or green cart >2	\$ 4.00	1.1%	\$ 0.04	\$ 4.04	per month
10 and 40 cubic yard roll-off	\$ 203.71	1.1%	\$ 2.24	\$ 205.95	per pull
40 cubic yard COD	\$ 478.71	1.1%	\$ 5.27	\$ 483.98	per pull
10 cubic yard COD	\$ 643.71	1.1%	\$ 7.08	\$ 650.79	per pull
3 yard Clean-up Bin	\$ 71.91	1.1%	\$ 0.79	\$ 72.70	per load
4 yard Clean-up Bin	\$ 95.88	1.1%	\$ 1.05	\$ 96.93	per load

	Previous Rate	CPI Change	Rate Change	New Rate	Unit Measure
Refuse Bin Rates 2-Yard					
1 x week	\$ 68.08	1.1%	\$ 0.75	\$ 68.83	per month
2 x week	\$ 136.16	1.1%	\$ 1.50	\$ 137.66	per month
3 x week	\$ 204.24	1.1%	\$ 2.25	\$ 206.49	per month
4 x week	\$ 272.31	1.1%	\$ 3.00	\$ 275.31	per month
5 x week	\$ 340.39	1.1%	\$ 3.74	\$ 344.13	per month
6 x week	\$ 408.47	1.1%	\$ 4.49	\$ 412.96	per month
Extra Pickup	\$ 34.04	1.1%	\$ 0.37	\$ 34.41	per pickup
Refuse Bin Rates 3-Yard					
1 x week	\$ 102.12	1.1%	\$ 1.12	\$ 103.24	per month
2 x week	\$ 204.24	1.1%	\$ 2.25	\$ 206.49	per month
3 x week	\$ 306.35	1.1%	\$ 3.37	\$ 309.72	per month
4 x week	\$ 408.47	1.1%	\$ 4.49	\$ 412.96	per month
5 x week	\$ 510.59	1.1%	\$ 5.62	\$ 516.21	per month
6 x week	\$ 612.71	1.1%	\$ 6.74	\$ 619.45	per month
Extra Pickup	\$ 42.04	1.1%	\$ 0.46	\$ 42.50	per pickup
Refuse Bin Rates 4-Yard					
1 x week	\$ 136.16	1.1%	\$ 1.50	\$ 137.66	per month
2 x week	\$ 272.31	1.1%	\$ 3.00	\$ 275.31	per month
3 x week	\$ 408.47	1.1%	\$ 4.49	\$ 412.96	per month
4 x week	\$ 544.63	1.1%	\$ 5.99	\$ 550.62	per month
5 x week	\$ 680.79	1.1%	\$ 7.49	\$ 688.28	per month
6 x week	\$ 816.94	1.1%	\$ 8.99	\$ 825.93	per month
Extra Pickup	\$ 50.04	1.1%	\$ 0.55	\$ 50.59	per pickup
Refuse Bin Rates 5-Yard					
1 x week	\$ 170.20	1.1%	\$ 1.87	\$ 172.07	per month
2 x week	\$ 340.39	1.1%	\$ 3.74	\$ 344.13	per month
3 x week	\$ 510.59	1.1%	\$ 5.62	\$ 516.21	per month
4 x week	\$ 680.79	1.1%	\$ 7.49	\$ 688.28	per month
5 x week	\$ 850.98	1.1%	\$ 9.36	\$ 860.34	per month
6 x week	\$ 1,021.18	1.1%	\$ 11.23	\$ 1,032.41	per month
Extra Pickup	\$ 58.04	1.1%	\$ 0.64	\$ 58.68	per pickup
Refuse Bin Rates 6-Yard					
1 x week	\$ 204.24	1.1%	\$ 2.25	\$ 206.49	per month
2 x week	\$ 408.47	1.1%	\$ 4.49	\$ 412.96	per month
3 x week	\$ 612.71	1.1%	\$ 6.74	\$ 619.45	per month
4 x week	\$ 816.94	1.1%	\$ 8.99	\$ 825.93	per month
5 x week	\$ 1,021.18	1.1%	\$ 11.23	\$ 1,032.41	per month
6 x week	\$ 1,225.41	1.1%	\$ 13.48	\$ 1,238.89	per month
Extra Pickup	\$ 66.04	1.1%	\$ 0.73	\$ 66.77	per pickup


	Previous Rate	CPI Change	Rate Change	New Rate	Unit Measure
Bin Replacement	\$ 149.81	1.1%	\$ 1.65	\$ 151.46	per service
Cart Replacement	\$ 89.89	1.1%	\$ 0.99	\$ 90.88	per service
New Acct Delivery Bins and R/O	\$ 29.97	1.1%	\$ 0.33	\$ 30.30	per service
Install Wheels/Locks	\$ 89.79	1.1%	\$ 0.99	\$ 90.78	per service
Bin Locking Charges	\$ 7.19	1.1%	\$ 0.08	\$ 7.27	per service
Roll-Out Charge	\$ 7.19	1.1%	\$ 0.08	\$ 7.27	per service
Steam Cleaning Service	\$ 77.91	1.1%	\$ 0.86	\$ 78.77	per service

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Data extracted on: April 17, 2014 (12:38:43 PM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
Area: U.S. city average
Item: All items
Base Period: 1982-84=100

Download:  .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594	228.850	230.338
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957	232.366	233.548
2014	233.916	234.781	236.293												

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