

REPORT TO CITY COUNCIL

DATE: JANUARY 11, 2023

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: NATHAN HAMBURGER, CITY MANAGER

BY: LOUIS CELAYA, DEPUTY CITY MANAGER

SUBJECT: GI INDUSTRIES/WASTE MANAGEMENT RESIDENTIAL SOLID WASTE RATE ESCALATION; CONSIDER REQUEST FOR ADDITIONAL SOLID WASTE RATE ADJUSTMENT FOR 2023; FRANCHISE AGREEMENT EXTENSION REQUEST 2023-2027

On December 16, 2016, the City Council approved a new solid waste franchise agreement with GI/Waste Management Industries (WM) for the provision of residential solid waste services. The new franchise agreement commenced on January 1, 2017, and will terminate June 30, 2023.

Per Section 5.4.1 of the solid waste agreement, WM is entitled to future adjustments (escalation) annually. All solid waste rates are subject to escalation beginning January 1 of each year, and WM is required to notify its customers at least fifteen (15) days prior to the rate increase. For this escalation request, January 1, 2023, is the beginning date the new rates will become effective. The delay in the WM escalation presentation was the result of rescheduling in response to the December 14, 2022 City Council Re-Organization Meeting. As a result, the notification requirement will still be done prior to the rates becoming effective. Escalation only reflects adjustments in the Consumer Price Index (CPI) for the twelve-month period ending September 30 of each year. For the 2021-2022 period, the CPI adjustment is 7.42%. Staff and the City's solid waste consultant have reviewed and confirmed that the rates being proposed (Table 1, Table 2, attached) reflect the CPI adjustment. Under the current franchise agreement, the CPI adjustment is capped at 3%.

For the standard solid waste residential curbside service level (Level 1 – 64 gal trash, 64 gal recycle, 96 gal yard), this will equate to a monthly \$.88 cost increase. Additional curbside service levels will see monthly increases ranging from \$.61 to \$1.87 depending on the service level being used by the customer. Multi-family complexes will see monthly increases ranging from \$.48 to \$.92 dependent upon the service level used. For the residential bins service rates, the standard service (3 yd. trash bin @ 1x/wk.) will result in a monthly \$2.83 increase. Additional bin service levels will see monthly increases ranging from \$5.31 to \$14.77, depending on the service level being used by the customer. It should be noted that while there are projected increases, two service levels identified as "Minican, and Level 1 will only be adjusted to reflect the neighboring City rate as a result

of rate protection language in the current agreement. Additionally, residential bin customers at the standard service frequency of once per week collection will also be adjusted to reflect the neighboring City rate as a result of rate protection language in the current agreement.

In addition to the CPI escalation for 2023, the current agreement permits WM to request an additional solid waste rate adjustment. For the third consecutive year, WM is requesting an additional solid waste rate adjustment (SWRA) for operation costs. This year's SWRA is being requested to once again reflect the landfill and organics tipping rate increases at the Simi Valley Landfill and Recycling Center for 2023. There is a 5% increase (\$4.01/ton) at the landfill from the 2022 calendar year. The facility is owned and operated by WM.

Should the City Council approve the SWRA request, an additional cost would be added to the CPI adjustment (Table 3, Table 4). For the standard solid waste residential curbside service levels, the overall cost increase would range from \$.51 to \$.98 per month depending on the service level being used, and for multi-family complexes the overall cost increase would range from \$.58 to \$1.20 depending on the service level used. For the residential bins service side, the overall SWRA cost increase would range from \$2.29 to \$13.72 per month depending on the service level being used.

Per the agreement, any SWRA must be substantiated with supporting documentation. The City's solid waste consultant, Solid Waste Solutions Inc. (SWS), has received supporting documentation (attached) from Waste Management and verified these cost increases.

In addition to the SWRA for 2023, WM is also requesting consideration of an increase in the valet services fees. Valet service consist of WM staff pulling out residential refuse carts in multi-family complexes where street placement is not available to accommodate normal refuse and recycling collection. Additionally, it also consists of smaller service trucks pulling out the large 3-cubic yard refuse containers in some residential homes and multi-family complexes. These bins are then collected and emptied by the main WM service vehicle.

For the resident cart valet service fee, WM is requesting \$20.00 monthly service fee. The current valet service fee is \$15.76. This represents a \$4.24 increase (27%). It should be noted, if approved this will be in addition to the 3% CPI increase already provided under the agreement.

The City's solid waste consultant, SWS, has performed a survey of residential cart valet rates. Below is a summary of their findings:

City	Service Definition	Cost	Per	Hauler
Westlake Village	Residential Backyard Service	\$20	Month	Waste Management
Thousand Oaks	On Premises Collection of Carts	\$30	Month	Athens Services

	Blocked Roll-off	\$75	Each	Athens Services
Calabasas	Residential Walk Up	Completely different rate structure.		Waste Management
Ventura County	Special Handling-Push out	10%	Month	EJ Harrison & WM
Simi Valley	Hard to Service Bin Moving	\$0	Month	Waste Management
Moorpark	Hard to Service	Case by Case		Waste Management
Fillmore	Drive in bin truck	\$11.35	Month	EJ Harrison
Ventura	Pull out-bin truck	\$11.46	Bin	EJ Harrison
	Pull out first 50'	\$19.47	Month	EJ Harrison
Camarillo	Drive in bin truck	\$11.01	Bin	EJ Harrison
	Walk in	\$18.70	Month	EJ Harrison

Based on the survey, the proposed \$20 appears to be on the higher end. This proposed valet service fee will impact 348 multi-family customers.

The options available to the City Council for this valet service request increase are 1) approve the valet service fee for \$20.00 or 2) reject the WM request for the \$20.00 service fee and only allow the fee change based on CPI.

For the residential bins service rate, WM is requesting the City Council consider a \$46.59 valet service fee. The current valet service fee is \$27.63. This represents a \$19.76 increase (72%). It should be noted, if approved this is in addition to the 3% CPI increase already provided under the agreement.

SWS also performed a survey of residential bin valet rates. Below is a summary of their findings:

City	Service Definition	Cost	Per	Hauler
Thousand Oaks	Blocked Roll-off	\$75	Each	Athens Services
Calabasas	Pull Out Service Per Bin	\$46.59	Bin	Waste Management
Ventura County	Hard to Service/Off Road	\$59.38	Month	Waste Management
Ventura County	Special Handling-Push out	10%	Month	EJ Harrison & WM
Simi Valley	Hard to Service Bin Moving	\$0	Month	Waste Management
Moorpark	Hard to Service Bin	Case by case		Waste Management
Simi Valley	Hard to Service Bin Moving	\$0	Month	Waste Management
Fillmore	Push Out Bin	\$61.62	Month	EJ Harrison
	Pull out-bin truck	\$11.46	Bin	EJ Harrison
Ventura	Pull out first 50'	\$19.47	Month	EJ Harrison
	Drive in bin truck	\$11.01	Bin	EJ Harrison

Camarillo	Drive in bin truck	\$11.01	Month	EJ Harrison
	Walk in	\$18.70	Month	EJ Harrison

Based on the survey, the proposed \$46.59 appears to be in the middle range. The proposed valet service fees will impact 51 bin service customers primarily in the City's equestrian residential area.

The options available to the City Council for this valet service request increase are: 1) approve the valet service fee for \$46.59; or, 2) reject the WM request for the \$46.59 service fee and only allow the fee change based on CPI.

The final consideration being requested by WM is the modification of the current "Recycling Contamination Fee". WM is requesting it be modified to reflect an "Organics Contamination Fee", with a \$75.00 per incident charge after three warning notifications. The current contamination fee is \$28.83. WM is citing the requirement for annual route monitoring under SB 1383. It should be noted that the WM Smart truck technology was already in existence with WM prior to SB 1383, and while other service collectors possess a contamination fee, other refuse collectors are not assessing a fee for this service. Staff believes the annual escalation rate increases, along with requests for SWRAs that are granted by the City Council is sufficient to cover these costs and so the organic contamination fee is not being recommended.

During the current agreement period, WM has maintained a 57% residential waste diversion average, and for the CalRecycle 2021 reporting year, the City is currently holding an overall 58% diversion based on this year's report. This assists the City with the continued compliance of an overall diversion rate above the 50%, as required by AB 939. With respect to complaints received for WM, the City nor its solid waste consultant have received any complaints for the 2022 calendar year. With respect to the overall collection service, the frequency of reported missed pickups for the first three quarters of 2022 total 137 occurrences out of 6023 households. This equates to 2% of the total customers. While the goal is to not have missed pickups, missed pickups are common in solid waste collection and not unique in Agoura Hills. WM does resolve these issues within one business day.

WM has also been instrumental in establishing the required collection programs to guarantee the City's compliance with SB 1383 (Short Live Climate Pollutants-Organics). Additionally, WM has also increased their education outreach providing periodic social media assets to City staff and established a specific Agoura Hills WM webpage on their company website to assist residents and businesses with their refuse and recycling needs. WM continues to be a supporter and sponsor of community events. This continues to demonstrate that, as a service provider, WM continues to provide very good service and assists with the City's compliance of all state mandates.

There is one area staff wishes to see WM continue it improvements, and that is outreach with respect to recycling and SB 1383 organic education. The new local and regional team at WM continues working hard to provide additional outreach materials and assist the City with its needs.

Franchise Agreement Extension Request

The City also received a request from WM that it desires to exercise the Optional Extension provision within the current residential franchise agreement. The provision provides the agreement to be extended an additional four (4) years, thereby terminating the agreement in June 30, 2027. The request was received in June 2022. The current franchise agreement is scheduled to conclude on June 30, 2023. As part of the extension request, WM is proposing to change the current quarterly residential At Your Door Household Hazardous Waste and E-Waste Collection Program to a monthly collection program, thereby offering residents of Agoura Hills a monthly avenue for removal of these items from their homes. The program would still operate as it does currently, as an appointment based service, and WM would limit the monthly pick-ups to 100 appointments. Those residential customers who call after the monthly appointments become full will automatically be scheduled for the subsequent collection month. This service will continue, as it currently does, as part of the residential service (no additional cost to the City).

WM has demonstrated during its tenure with the City that it is a reliable service provider and partner that has ensured the City remains in compliance with all state solid waste mandates, and has demonstrated its responsiveness to both customer and City requests. As the current agreement contains rate protection language it affords the ability of the City Council to control rate adjustments beyond the set CPI, an extension of the current agreement ensures rate protections for an additional four years. Additionally, WM is currently undertaking projects at their local Simi Valley landfill facility that will extend the useful life of the landfill, thereby also affording the ability to guarantee Agoura Hills continued fair rates. It is also undertaking environmental projects at the landfill that will reduce their carbon footprint in the region. WM staff has indicated that, as a company, it must be an environment steward for the region.

Based on Waste Management's performance and compliance with the agreement, the escalation CPI increase of 3.0% is approved and will be implemented effective January 1, 2023. The additional solid waste adjustment request, and the request to exercise the optional extension of the residential franchise agreement will require consideration by the City Council.

RECOMMENDATION

Staff respectfully recommends:

- 1) The City Council receive and file the report for the solid waste rate escalation increase (3.0%) for residential solid waste services for 2023; and
- 2) Provide direction to staff on:
 - the additional Solid Waste Rate Adjustment request being submitted by Waste Management

- the Valet Service Fee request being submitted by Waste Management
 - the Organics Contamination Fee request being submitted by Waste Management
- 3) Consider approval of the Waste Management's Franchise Agreement Extension Request Option to June 30, 2027.

Attachments: Table 1 - Curbside Service /Condo/Townhome Residential Rates – 2023 (CPI Only)
Table 2 - Residential Bin Rates – 2023 (CPI Only)
Table 3 - Curbside Service /Condo/Townhome Residential Rates – 2023 (CPI & SWRA)
Table 4- Residential Bin Rates – 2023 (CPI & SWRA)
Waste Management Escalation Request Letter Package
Waste Management Option Extension Letter – June 2022

Table 1.
RESIDENTIAL CURBSIDE SERVICE/CONDO-TOWNHOME RATES 2023 (with CPI escalation only)

Curbside Service	Trash Cart	Recycle Cart	Yard Cart	Monthly Rate	2023 Rate		
Minican	Blue 32	Grey 64	Green 96	\$ 20.39	\$21.00		
Level 1	Blue 64	Grey 64	Green 96	\$ 29.34	\$29.35		
Level 2	Blue 96	Grey 64	Green 96	\$ 35.33	\$36.39		
Level 3	2 -Blue 64	Grey 64	Green 96	\$ 54.60	\$56.24		
Level 4	1-64 & 1-96	Grey 64	Green 96	\$ 61.40	\$63.24		
Level 5	2-Blue 96	Grey 64	Green 96	\$ 62.49	\$64.36		
Condos/Townhomes	Trash Cart	Recycle Cart	Yard Cart	Rate per unit			
	Blue 32	Grey 64	n/a	\$ 15.85	\$16.33		
	Blue 64	Grey 64	n/a	\$ 23.25	\$23.95		
	Blue 96	Grey 64	n/a	\$ 30.68	\$31.60		
Valet/pullout service				\$ 15.76	\$16.23		

SERVICE OPTIONS

RATE

Start Charge	\$24.51	
Cut Off Restart Fee	\$23.90	
Customer Service Credit Card Processing Fee	\$9.91	
Senior Discount	15%	
Third Additional 96 gal Trash Cart	\$19.02	
Third Additional 64 gal Trash Cart	\$12.66	
Additional 64 gal Recycle Cart (2 nd N/C)	\$5.12	After two carts
Additional 96 gal Recycle Cart (2 nd N/C)	\$5.12	After two carts
Additional 96 gal Green Waste cart	\$3.82	
96 gal Yard/Manure Cart	\$10.96	
Additional 96 gal Yard/Manure Cart	\$10.96	
Recycle Contamination Fee	\$29.58	
Green Waste Contamination Fee	\$29.58	
Extra Pick Up on scheduled service day (bag)	\$3.80	Per bag
Extra Pick Up on scheduled service day (cart)	\$6.29	Per cart
Extra Pick Up on non-scheduled service day	\$30.45*	
*For 3 carts or 6 bags. Anything over this amount is extra. See Above		
Bulky Items Pick Up	4 items total; 2 trips per calendar year	
Additional Bulky Items Pick-ups	\$30.13	

Table 2

RESIDENTIAL BIN RATES 2023 (w/ CPI escalation only)

RESIDENTIAL & MULTI-FAMILY TRASH BINS RATES

		<u>2023 Rate</u>	<u>2022 Rate</u>		<u>2023 Rate</u>	<u>2022 Rate</u>
1.5 yd. Trash Bin:	1x Week	\$ 86.93	\$84.40	5x Week	\$ 344.05	\$334.03
	2x Week	\$ 151.99	\$151.45	6x Week	\$ 406.75	\$394.90
	3x Week	\$ 218.69	\$212.32			
	4x Week	\$ 276.55	\$268.50			
3 yd. Trash Bin:	1x Week	\$ 100.16	\$97.33	5x Week	\$ 427.72	\$415.26
	2x Week	\$ 182.36	\$177.05	6x Week	\$ 507.14	\$492.37
	3x Week	\$ 268.89	\$261.06			
	4x Week	\$ 348.30	\$338.16			
4 yd. Trash Bin:	1x Week	\$ 106.04	\$103.73	5x Week	\$488.77	\$474.24
	2x Week	\$ 198.66	\$192.87	6x Week	\$580.20	\$563.30
	3x Week	\$ 294.48	\$285.90			
	4x Week	\$ 396.77	\$385.21			

RESIDENTIAL & MULTI-FAMILY RECYCLE BINS RATES

		<u>2023 Rate</u>	<u>2022 Rate</u>		<u>2023 Rate</u>	<u>2022 Rate</u>
1.5 yd. Trash Bin:	1x Week	\$ 38.75	\$37.62	5x Week	\$ 192.83	\$187.21
	2x Week	\$ 77.19	\$74.94	6x Week	\$ 231.40	\$224.66
	3x Week	\$ 115.65	\$112.27			
	4x Week	\$ 154.40	\$149.90			
3 yd. Trash Bin:	1x Week	\$ 46.10	\$44.76	5x Week	\$ 217.44	\$211.11
	2x Week	\$ 90.70	\$88.06	6x Week	\$ 259.68	\$252.14
	3x Week	\$ 132.84	\$128.97			
	4x Week	\$ 175.29	\$170.18			
4 yd. Trash Bin:	1x Week	\$ 52.23	\$50.71	5x Week	\$ 237.17	\$229.00
	2x Week	\$ 99.29	\$96.40	6x Week	\$ 280.60	\$272.43
	3x Week	\$ 146.33	\$142.07			
	4x Week	\$ 191.26	\$185.69			

Table 3

RESIDENTIAL CURBSIDE SERVICE/CONDO-TOWNHOME RATES 2023 (with CPI escalation & SWRA)

Curbside Service	Trash Cart	Recycle Cart	Yard Cart	Monthly Rate	2023 Rate		
Minican	Blue 32	Grey 64	Green 96	\$ 20.39	\$21.14		
Level 1	Blue 64	Grey 64	Green 96	\$ 29.34	\$29.35		
Level 2	Blue 96	Grey 64	Green 96	\$ 35.33	\$36.63		
Level 3	2 -Blue 64	Grey 64	Green 96	\$ 54.60	\$57.04		
Level 4	1-64 & 1-96	Grey 64	Green 96	\$ 61.40	\$64.13		
Level 5	2-Blue 96	Grey 64	Green 96	\$ 62.49	\$65.34		
Condos/Townhomes	Trash Cart	Recycle Cart	Yard Cart	Rate per unit			
	Blue 32	Grey 64	n/a	\$ 15.85	\$16.43		
	Blue 64	Grey 64	n/a	\$ 23.25	\$24.14		
	Blue 96	Grey 64	n/a	\$ 30.68	\$31.88		
Valet/pullout service				\$ 15.76	\$16.23		

SERVICE OPTIONS

RATE

Start Charge	\$24.51	
Cut Off Restart Fee	\$23.90	
Customer Service Credit Card Processing Fee	\$9.91	
Senior Discount	15%	
Third Additional 96 gal Trash Cart	\$19.30	
Third Additional 64 gal Trash Cart	\$12.85	
Additional 64 gal Recycle Cart (2 nd N/C)	\$5.12	After two carts
Additional 96 gal Recycle Cart (2 nd N/C)	\$5.12	After two carts
Additional 96 gal Green Waste cart	\$4.24	
96 gal Yard/Manure Cart	\$11.38	
Additional 96 gal Yard/Manure Cart	\$11.38	
Recycle Contamination Fee	\$29.69	
Green Waste Contamination Fee	\$29.69	
Extra Pick Up on scheduled service day (bag)	\$3.86	Per bag
Extra Pick Up on scheduled service day (cart)	\$6.48	Per cart
Extra Pick Up on non-scheduled service day	\$30.64*	
*For 3 carts or 6 bags. Anything over this amount is extra. See Above		
Bulky Items Pick Up	4 items total; 2 trips per calendar year	
Additional Bulky Items Pick-ups	\$30.32	

Table 4

RESIDENTIAL BIN RATES 2023 (w/ CPI escalation & SWRA)**RESIDENTIAL & MULTI-FAMILY TRASH BINS RATES**

		<u>2023 Rate</u>	<u>2022 Rate</u>		<u>2023 Rate</u>	<u>2022 Rate</u>
1.5 yd. Trash Bin:	1x Week	\$ 88.07	\$84.40	5x Week	\$ 349.76	\$334.03
	2x Week	\$ 158.28	\$151.45	6x Week	\$ 413.61	\$394.90
	3x Week	\$ 222.12	\$212.32			
	4x Week	\$ 281.12	\$268.50			
3 yd. Trash Bin:	1x Week	\$ 100.16	\$97.33	5x Week	\$ 439.16	\$415.26
	2x Week	\$ 184.26	\$177.05	6x Week	\$ 520.86	\$492.37
	3x Week	\$ 275.75	\$261.06			
	4x Week	\$ 357.44	\$338.16			
4 yd. Trash Bin:	1x Week	\$ 108.61	\$103.73	5x Week	\$ 499.62	\$474.24
	2x Week	\$ 199.85	\$192.87	6x Week	\$ 598.49	\$563.30
	3x Week	\$ 296.31	\$285.90			
	4x Week	\$ 399.70	\$385.21			

RESIDENTIAL & MULTI-FAMILY RECYCLE BINS RATES

		<u>2023 Rate</u>	<u>2022 Rate</u>		<u>2023 Rate</u>	<u>2022 Rate</u>
1.5 yd. Trash Bin:	1x Week	\$ 38.75	\$37.62	5x Week	\$ 192.83	\$187.21
	2x Week	\$ 77.19	\$74.94	6x Week	\$ 231.40	\$224.66
	3x Week	\$ 115.64	\$112.27			
	4x Week	\$ 154.40	\$149.90			
3 yd. Trash Bin:	1x Week	\$ 46.10	\$44.76	5x Week	\$ 217.44	\$211.11
	2x Week	\$ 88.06	\$90.70	6x Week	\$ 259.68	\$252.12
	3x Week	\$ 128.97	\$132.84			
	4x Week	\$ 175.29	\$170.18			
4 yd. Trash Bin:	1x Week	\$ 52.23	\$50.71	5x Week	\$ 235.87	\$229.00
	2x Week	\$ 99.29	\$96.40	6x Week	\$ 280.60	\$272.43
	3x Week	\$ 146.33	\$142.07			
	4x Week	\$ 191.26	\$185.69			



October 29, 2022

Mr. Louis Celaya
City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA

RE: 2023 Rate Adjustment Review

Dear Mr. Celaya,

In accordance with Article 5.3.1 of the amended Franchise Agreement between the City of Agoura Hills and WM, we respectfully request an annual adjustment of service rates.

Summary of Adjustments Requested:

Contractual Annual Adjustment of Rates Per CPI: 7.42%

- 2022 Current Residential Rate: \$29.34 Basic Service
- 2022 CPI = 7.42% Capped at 3% Per Franchise Agreement (\$0.88)
- 2022 MSW Disposal Adjustment: \$0.19
- 2022 Organics Disposal Adjustment: \$0.42
- 2023 New Residential Rate: \$30.83 Basic Service (with 3% Rate Cap)

As you know, the US economy is experiencing adverse impacts caused by inflation driven primarily by the current economic climate as well as labor market and supply chain constraints. For WM, disruptions in the supply chain for critical materials and equipment, labor shortages and significant increases in the cost of fuel have substantially increased the cost to provide services. As an example, Front Line labor costs have nearly doubled since 2020 and the price of fuel has increased more than 63% as measured over the last 52 weeks.

To provide direct relief to the franchise, we request that the 4.42% above the 3% annual rate adjustment cap, be exempted from the cap and implemented January 1, 2023.

In addition to the rate adjustment, WM proposes the following amendments and additions to the scope of services and rates stated in the agreement:

Proposed Increase to Valet Service Rates

WM would like to request an increase to valet service charges. This specialized service is for customers who require an additional truck, separate from the regular collection vehicle, to move the collection containers from underground or hard to service areas to street level for service. Valet services are a costly endeavor that require additional equipment, experienced drivers and time that extends well beyond traditional daily service. Over the



years we have provided this service to improve outcomes for trash and recycling recovery, however fee structures have not progressed nearly as much as the service.

- Bin Service Valet Rate Increase from \$27.63 to \$67.08 per month
- Cart Service Valet Rate Increase from \$15.76 to \$20.00 per month

Proposed Memorialization of Three Cart Rate for Townhomes and Condominiums

As a result of requirements under SB1383, residents and businesses with two cart service are required to have three cart service including trash, recycling and now, organics. As of August 2022, WM has provided this expanded service to multifamily cart customers formerly without greenwaste collection at no charge in good faith in anticipation of a rate being established as part of our annual rate adjustment process.

Customers with two cart services previously will be transitioned to the established three cart service rate as outlined in the rate sheet which includes their current services and the addition of one -32 gallon organics cart serviced once weekly. Valet services may apply.

Proposed New Service to Comply with SB1383 – Route Monitoring Using WM Smart TruckSM Technology

We are pleased to offer the City of Agoura Hills Route Monitoring using our WM Smart TruckSM technology to meet the contamination monitoring requirements set forth in SB 1383 regulations, Section 18984.5(b) which requires that each route be monitored annually for contaminants and that educational outreach be provided in instances where contamination is identified. As part of this program, we will offer digital monitoring of routes as required and real time customer communication with a link to actual footage captured during collection. We recommend the following modifications to the approved rate sheet:

- Rename “Green Waste Contamination Fee” currently on rate sheet to “Organics Contamination Fee”
- Establish Bin Service Contamination and Overage charge of \$75.00 per incident after three warnings

Supporting Agoura Hills High Quality of Life - 2021/2022 Service Highlights

WM is proud to be a partner to the City of Agoura Hills and is committed to assisting the city in complying with state mandates, increasing diversion, being stewards of the environment and active participants in the community. We would like to take this opportunity to highlight just a few of our mutual successes:

- Expanded Curbside Greenwaste Collection to Include Foodwaste at no additional charge
- Offered Organics Collection Services to customers formerly with two cart service to meet SB1383 requirements



- Removed 2700 items which is nearly 150 tons of bulky items through our Neighborhood Clean Up events in 2022
- Honored a 15% Senior Discount program to 562 Senior residents
- Participated in community events to promote recycling participation, sustainability and community safety including Reyes Adobe Days, Coastal Clean-up, The Great Race, Planet Earth Day, Agoura Hills Relay for Life and Concerts in the Park
- Offered convenient HHW Collection to customers annually offered through quarterly events, ongoing offer to extend to year-round collection to simplify the sign-up process for residents
- Enhanced diversion outreach education through social media platforms to reach a wider range of customers
- Connected with customers through our online WM platforms including the WM app and dedicated City website with enhanced self-service features that allow customers to connect with us anytime, anywhere and on any device

We are privileged to be a reliable partner to the City of Agoura Hills and are grateful for the confidence and support you have given us. As a follow up to our request to exercise the option for a contract extension, we look forward to meeting with you to discuss these recommendations along with minor modifications needed to the agreement to maintain and boost compliance with SB1383.

Sincerely,

Denise Kane

Denise Kane
Public Sector Solutions
WM/GI – Simi Valley

Enclosures:

- Exhibit A – 2023 Rate Adjustment Calculations
- Exhibit B – SVLF 2022 Annual Report Approval Letter (2023 pending from County)
- Exhibit C – 2023 Agoura Hills Rates
- Exhibit D – WM Statement of Review
- Exhibit E – City Comparison Rates

Central Services Engineering Services Roads & Transportation Water & Sanitation Watershed Protection
Joan Araujo, Director Christopher Cooper, Director Christopher Kurgan, Director Joseph Pope, Director Glenn Shephard, Director

October 28, 2022

Mr. Mark Grady, District Manager
Waste Management of California
Simi Valley Landfill and Recycling Center
2801 Madera Road
Simi Valley, CA 93065

**SUBJECT: SUBMITTAL OF FINAL 2022 SIMI VALLEY LANDFILL AND
RECYCLING CENTER ANNUAL REPORT - 2023 PROPOSED GATE RATES**

Dear Mr. Grady:

Pursuant to Section 4.2 of the *Amended and Restated Agreement for the Operation and Closure of the Simi Valley Landfill and Recycling Center* between the County of Ventura and Waste Management of California (WMC), the County has completed our review of the Final 2022 Annual Report for the Simi Valley Landfill and Recycling Center for the period July, 2021 through June, 2022. The Service & Fee Schedule attached to the Annual Report is **approved**, effective January 1, 2023.

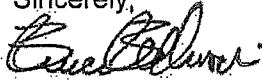
The approved Maximum and Posted Gate Rates, effective January 1, 2023 through December 31, 2023 unless adjusted per applicable provisions in the Operating Agreement or a subsequent modification thereof, are as follows:

2023 WMC Posted Gate Rate for MSW - Ventura County (or outside CA)	\$79.40/ton
2023 Maximum Allowable Gate Rate for MSW – Ventura County (or outside CA)	\$79.78/ton
2023 WMC Posted Gate Rate for MSW – Non-Ventura County (within CA)	\$83.40/ton
2023 Maximum Allowable Gate Rate for MSW – Non-Ventura County (within CA)	\$83.40/ton

In reference to Section 10 of the Annual Report, you have revised the "Volume Discount" rate to the "Ventura County Jurisdictional Discount Rate" for municipal solid waste (MSW), set at \$54.31 for 2023. Finally, you have committed to provide the *Waste Type by Jurisdiction of Origin* by the end of October. Accordingly, please provide Lisa McCullough, of my staff, with this data no later than November 1, 2022.

If you should have any questions, please do not hesitate to contact Lisa at (805) 658-4320.

Sincerely,



Bruce Belluschi
Manager

Cc: Joseph Pope, Director, Water and Sanitation Department
Michael Kumazawa, Analyst, CEO
Lisa McCullough, Analyst, IWMD

Central Services Engineering Services Roads & Transportation Water & Sanitation Watershed Protection
Joan Araujo, Director Christopher Cooper, Director Christopher Kurgan, Director Joseph Pope, Director Glenn Shephard, Director

October 13, 2021

Mr. Mark Grady, District Manager
Waste Management of California
Simi Valley Landfill and Recycling Center
2801 Madera Road
Simi Valley, CA 93065

**SUBJECT: SUBMITTAL OF FINAL 2021 SIMI VALLEY LANDFILL AND
RECYCLING CENTER ANNUAL REPORT - 2022 PROPOSED GATE RATES**

Dear Mr. Grady:

Pursuant to Section 4.2 of the *Amended and Restated Agreement for the Operation and Closure of the Simi Valley Landfill and Recycling Center* between the County of Ventura and Waste Management of California (WMC), the County has completed our review of the Final 2021 Annual Report for the Simi Valley Landfill and Recycling Center for the period July, 2020 through June, 2021. The Service & Fee Schedule attached to the Annual Report is **approved**, effective January 1, 2022.

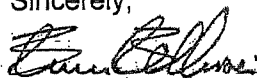
The approved Maximum and Posted Gate Rates, effective January 1, 2022 through December 31, 2022 unless adjusted per applicable provisions in the Operating Agreement or a subsequent modification thereof, are as follows:

2022 WMC Posted Gate Rate for MSW - Ventura County (or outside CA)	\$75.39/ton
2022 Maximum Allowable Gate Rate for MSW – Ventura County (or outside CA)	\$75.94/ton
2022 WMC Posted Gate Rate for MSW – Non-Ventura County (within CA)	\$79.39/ton
2022 Maximum Allowable Gate Rate for MSW – Non-Ventura County (within CA)	\$79.39/ton

In reference to Section 10 of the Annual Report, you have committed to provide the "Volume Discount" rate for municipal solid waste (MSW) after publishing of the September CPI. Accordingly, please provide Lisa McCullough, of my staff, with the volume discount rate no later than November 1, 2021.

If you should have any questions, please do not hesitate to contact Lisa at (805) 658-4320.

Sincerely,



Bruce Belluschi
Manager

Cc: Joseph Pope, Director, Water and Sanitation Department
Michael Kumazawa, Analyst, CEO
Lisa McCullough, Analyst, IWMD



Statement for Rate Review

Collection Reliability

Waste Management has always met or exceeded all collection requirements in accordance with the Residential Franchise Agreement. WM has furnished new start customers with necessary equipment within 24 hours of notice of start date. To date WM has never failed to complete any route collection service on a scheduled day, all miss picks will be collected within 24 hours of notification.

Collection Quality

Waste Management performs ongoing routine inspections on all residential carts to ensure containers are in good working order, left standing after collection and uniform color with appropriate markings. Never at any time do WM drivers leave a site that has had a spill occurrence, Route Supervisors are notified and clean up starts immediately. WM starts collection at 7 am as stated in the Franchise Agreement. All equipment requests are delivered within 24 to 48 hours, in some cases if possible same day.

Customer Responsiveness

At this time Waste Management has no unresolved complaints to address with any residential customer. WM is always quick to find solutions and resolve every issue because our Route Supervisors perform personal visits to each and every situation that may arise. WM is committed to providing the highest level of customer service. No equipment is allowed out of facility that is not in like new condition.

Timeliness of Submissions to the City

Pursuant to the Franchise Agreement, Waste Management is in compliance with all reporting requirements, quarterly and annually.

Accuracy of Billing

Waste Management has billed all residential customers by type of service, with a due date and in accordance with the approved rate schedule.

Implementation of Public Education Plan

Waste Management has performed all public education plans set forth to meet all required deadlines.

Imposition of Liquidated Damages

Waste Management is not aware of any occurrences of events at this time through customer complaints or other investigation that would require liquidated damages. WM has not received a notice from the city of an incident of non-performance.

Amount & Timing of Payment

Waste Management has never been assessed by the City of Agoura Hills to pay for an assessment of Liquidated Damages.

Extension of Time of Performance

Since the inception of the Franchise Agreement July 2007 there has not been any interruption or discontinuance of service due to natural causes or other. WM has never asked for an extension for delayed services.

Assurance of Performance

Waste Management has made a commitment to the City of Agoura Hills to provide world class service to their customers and the environment. At no time during the beginning of the Franchise Agreement has WM provided untimely or unsatisfactory service.



G.I. INDUSTRIES

195 W. Los Angeles Avenue
Simi Valley, California 93065
(661) 316-9877

June 28, 2022

City of Agoura Hills
Louis Celaya - Deputy City Manager
City Manager's Office
30001 Ladyface Court
Agoura Hills, CA 91301

Dear Mr. Celaya;

Per Section 2.4.1 of the current agreement, WM is requesting the option for extension pursuant to subsection 2.4.2 where upon mutual agreement of the parties this agreement shall continue for four additional years of services commencing on July 1, 2023 through June 30, 2027.

We are privileged to be a reliable partner to the City of Agoura Hills and are grateful for the confidence and support you have given us.

We are excited about the additional enhancements we are offering including those to meet the latest in regulations:

- **Technology to Meet Regulatory Route Monitoring Requirements.** WM Smart TruckSM (On Board Cameras, GPS Tracking, Monitoring & Reporting Capabilities) to Fully Comply with SB1383 Required Route Reviews
- **Expanded Collection to Meet SB1383.** We have already partnered with the City to include food scrap collection in the existing Organics container (formerly referred to as Yard waste.) Under the extended agreement, we would like to formalize this offering and associated contract definitions to include food scraps and the acceptance of food scraps in both plastic and paper bags
- **Enhanced Customer Connection.** Under the extended agreement, we will continue to work with the City to engage residents about their services and how to maximize their diversion efforts, including food waste recycling in the existing Organics container
- **Consistent and Reliable.** We will continue to provide the most appropriate, highest quality waste collection services without the headache of a risky transition and while maintaining diversion program momentum to satisfy Cal Recycle
- **Dedicated Local Experts.** We offer Technical Assistance through our local team of dedicated Recycling Coaches to assist the City in complying with solid waste legislation
- **Cleaner Air.** We proudly serve you with our 100% Natural Gas Fleet

- **Added Convenience.** Since November 2021, we have been working with City Staff to boost convenience offered through scheduled HHW collection. Based on this discussion, we would like to formalize an enhanced Monthly offering of HHW collection in lieu of the existing service schedule that includes April, August and December. We suggest using the WM standard year- round collection schedule which will provide 18 appointments each month/ 216 appointments per year at no additional cost.

At WM, we're driven to create a more sustainable tomorrow for the residents and businesses we serve. We are committed to the City's success, bringing meaningful SB1383 compliance support while offering best value to our customers. Thank you for your consideration. As always, we look forward to our continued partnership with the City of Agoura Hills.

Sincerely,

Denise Kane

WM – G.I. Industries
Denise Kane
Public Sector Services

(661) 316-9877 | dkane1@wm.com