



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared By: Remon Habib, City Engineer

Date: June 14, 2022

Subject: 2022 Annual Consumer Price Index Increase For Refuse Collection Services Provided by CR&R

Recommendation

Receive and file the 2022 Annual Consumer Price Index Increase for refuse collection Services.

Background

CR&R, Incorporated holds an exclusive franchise in the City of Lake Elsinore to collect and dispose of refuse and to collect and process recyclables in the City. The franchise contract specifies that rates be adjusted annually to reflect changes in the Consumer Price Index (CPI) and any increases in the Riverside County Landfill Fees. The current monthly residential rate is \$27.98, which includes the Landfill Fee of \$3.78.

Discussion

City staff has been notified that the County of Riverside Waste Management Department will be requesting an increase to the landfill rates this year of 8.60%, increasing the landfill fees from \$32.71 to \$35.52 per ton.

The CR&R requested increase in service rates is based on the data supplied by the Bureau of Labor Statistics for the 12 months ending March 31, 2022, in which the Consumer Price Index (CPI) for the Los Angeles, Riverside and Orange County area increased by 11.50%.

The proposed rates for fiscal year 2022-2023 reflect the bundled commercial services; per the guidelines from CalRecycle to prepare for the implementation of SB 1383. Due to the large CIP increase and continued ongoing impacts of the import recycling ban, a monthly rate adjustment of \$3.61 per home will become effective (includes Recycling Fee). The monthly residential rate will go from \$27.98 per month to \$30.58 per month. The new enclosed rate sheets also reflect the 4.44% additional SB 1383 State Compliance fee for both standard and organic mandatory commercial recycling programs. This additional 4.44% is not applied to residential services.

Some of the new costs associated with SB 1383 are as follows:

- Additional personnel costs
- Additional reporting requirement costs
- Additional hardware and software costs
- Additional auditing and material characterization cost
- Additional general compliance costs
- Implementation of required public education costs

Annual Consumer Price Index Increase for Refuse Collection Services
June 14, 2022

The new rates are reflected in Exhibit "C" and will become effective July 01, 2022.

Fiscal Impact

No negative fiscal impact on the City. This rate adjustment will result in a slight increase in franchise revenues for the City.

Exhibits

A - 2022 Price Adjustment

B – 2022 Schedule of Rates- Exhibit "C"