

Unified Franchise Agreement RRI Rate Adjustment Request and Agreement Update

Monterey County Environmental Health

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Public Hearing

- a. Conduct a public hearing to consider and adopt Resolution to approve Amendment No. 1 to Unified Franchise Agreement between the County of Monterey and USA Waste of California dba Carmel Marina Corp., relating to proposed rates for services and adjustments to current rates;
- b. Approve and authorize the Director of Health to execute Amendment No. 1 to the Unified Franchise Agreement between the County of Monterey and USA Waste of California, Inc., dba Carmel Marina Corporation, for the Exclusive Collection of Solid Waste and Recyclables in Unincorporated Monterey County.

Refuse Rate Index

COST CATEGORIES for RRI (Annual Price Increase):

- Labor
- Diesel Fuel
- CNG Fuel
- Vehicle Replacement
- Vehicle Maintenance
- All Other-Water, Sewer & Trash
- AB 939 Fees: Pass Through Item based on the Exhibit from SVSWA
- Disposal: All Disposal Accounts per the relevant UFA Exhibit

Refuse Rate Index - Breakdown

| | Monterey County West | Monterey County East |
|--------------------------------|----------------------|----------------------|
| <u>Cost Categories</u> | | |
| Labor | 2.18% | 1.78% |
| Diesel Fuel | -0.07% | -0.06% |
| CNG Fuel | 0.34% | 0.28% |
| Vehicle Replacement | 0.27% | 0.22% |
| Vehicle Maintenance | 0.26% | 0.22% |
| All Other-Water, Sewer & Trash | 0.77% | 0.63% |
| AB 939 | 0% | 1.34% |
| Disposal | 1.29% | 1.64% |
| TOTAL | 5.03% | 6.05% |

Rate Adjustment

Rate adjustment for **2026** under current UFA:

- **5.03%** increase for the commercial and residential customers within the jurisdiction of the Monterey Regional Waste Management District (MRWMD)
- **6.05%** increase for the commercial and residential customers within the jurisdiction of the Salinas Valley Solid Waste Authority (SVSWA)

Rate Adjustment Examples

| Adjustment | Service Level | Current Rate | New Rate | Difference |
|-------------|---|--------------|----------|--|
| MRWMD 5.03% | *Residential: 35 gal cart | \$47.92 | \$50.33 | \$2.41 per month (\$28.92 per year) |
| | Commercial: 3 Cubic Yards Once per week | \$299.68 | \$314.75 | \$15.07 per month (\$180.84 per year) |
| SVSWA 6.05% | *Residential: 35 gal cart | \$48.21 | \$51.12 | \$2.91 per month (\$34.92 per year) |
| | Commercial: 3 Cubic Yards Once per week | \$443.68 | \$470.52 | \$26.84 per month (\$322.08 per year) |

*Residential service includes trash, recycle, and organics service, and special curbside programs i.e., oil, bulky item, and battery collection.

2025 Accomplishments

- Bad debt removed from rate setting process and implemented special assessment process.
- Local customer service office established in Castroville.
- Eliminated overage and contamination charges effective 1/1/2025. Replaced with upsizing of applicable container after 3 warnings in a 12-month period.
- **Drop-off events:** Collected 159.53 tons of material. Avg. diversion rate of 47%. 1,294 attendees. 6.46 tons of household hazardous waste collected via SVR.
- **Outreach through October:** 193 site visits and/or trainings to businesses and schools conducted. 18 events attended and/or hosted.
- Reached 100% compliance for multi-family recycling.
- Reinstated weekly collection south of Regent's slide in Big Sur in partnership with WM SoCal.

Commercial Rate Review – Status Update

- On 11/17, EHB received the outstanding data requested from Waste Management that is necessary to complete our review.
- Currently preparing our internal First Draft analysis. Final findings remain pending a full and comprehensive evaluation of the data provided, including assessment of historical rate methodologies and current RRI inputs.
- A Working Draft is anticipated December 15–17.
- Progress is steady; however, additional data from WM was required to ensure that our assessment of the commercial rate disparity is accurate, objective, and supported by quantifiable, data-driven analysis.

Recommendation

- a) Approve and authorize the execution of Amendment No. 1 of the Unified Franchise Agreement to incorporate the Refuse Rate Index rates for 2026.
- b) Authorize the Director of Health to execute Amendment No.1.

Questions?