



CITY OF MERCED NOTICE OF PROPOSED REFUSE RATE INCREASE

April 7, 2008

THE CITY OF MERCED IS PROPOSING AN INCREASE TO THE MONTHLY RATES FOR REFUSE SERVICES.

1. THE PROPOSED RATES FOR REFUSE SERVICE:

Residential Refuse, Green Waste, and Recycling Collection

300 Gallon Collection, Single Family Alley Collection or 2 or Fewer Units with Drive Through Collection

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------|---------|---------|---------|---------|---------|
| Per month | \$14.31 | \$15.03 | \$15.78 | \$16.25 | \$16.74 |

300 Gallon Collection, 3 or more Units with Drive Through Collection

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------|----------|----------|----------|----------|----------|
| Per month | \$ 14.19 | \$ 14.90 | \$ 15.65 | \$ 16.12 | \$ 16.60 |

Single Family Refuse Collection with Packout Service

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------|----------|----------|----------|----------|----------|
| Per month | \$ 69.22 | \$ 72.68 | \$ 76.31 | \$ 78.60 | \$ 80.96 |

Single Family Refuse Collection with Curb Line Service

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------|----------|----------|----------|----------|----------|
| Per month | \$ 18.65 | \$ 19.58 | \$ 20.56 | \$ 21.18 | \$ 21.82 |

Single Family Refuse Collection Packout Service for Disabled/Senior Citizen (requires proof of need)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------|----------|----------|----------|----------|----------|
| Per month | \$ 18.65 | \$ 19.58 | \$ 20.56 | \$ 21.18 | \$ 21.82 |

Mobile Home Refuse Collection with Packout Service

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------|----------|----------|----------|----------|----------|
| Per month | \$ 66.61 | \$ 69.95 | \$ 73.44 | \$ 75.65 | \$ 77.92 |

Mobile Home Refuse Collection with Curb Line Service

| | | | | | |
|-----------|----------|----------|----------|----------|----------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Per month | \$ 14.23 | \$ 14.95 | \$ 15.69 | \$ 16.16 | \$ 16.65 |

Additional Refuse Containers, per Year or Part Thereof (not for multi-unit complexes)

| | | | | | |
|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Per month | \$ 141.79 | \$ 148.88 | \$ 156.33 | \$ 161.02 | \$ 165.85 |

Green Waste Service per Dwelling Unit

| | | | | | |
|-----------|---------|---------|---------|---------|---------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Per month | \$ 4.01 | \$ 4.21 | \$ 4.42 | \$ 4.55 | \$ 4.69 |

Residential Dwelling Unit with Curb Line Recycling Collection

| | | | | | |
|-----------|---------|---------|---------|---------|---------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Per month | \$ 4.03 | \$ 4.23 | \$ 4.44 | \$ 4.57 | \$ 4.71 |

Commercial Property with Curb Line Recycling Collection

| | | | | | |
|-----------|---------|---------|---------|---------|---------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Per month | \$ 4.03 | \$ 4.23 | \$ 4.44 | \$ 4.57 | \$ 4.71 |

Commercial and Industrial:

Proposed fees and charges for collection of garbage, rubbish, storm drainage, refuse, and other wastes for each business are shown in the following charts:

2008

| Container Size, in cubic yards | Number of Pick Ups Per Week | | | | | | |
|--------------------------------|-----------------------------|-----------|---|-----------|-----------|-----------|-----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | \$ 52.37 | \$ 99.01 | \$ 145.66 | \$ 192.30 | \$ 238.95 | \$ 285.60 | \$ 332.24 |
| 1.5 Cardboard Only | \$ 37.27 | \$ 74.55 | Cardboard service offered only once or twice weekly Tuesdays and Thursdays ONLY | | | | |
| 1.5 | \$ 57.06 | \$ 108.39 | \$ 159.72 | \$ 211.05 | \$ 262.38 | \$ 313.71 | \$ 365.04 |
| 2 | \$ 68.33 | \$ 130.95 | \$ 193.57 | \$ 256.19 | \$ 318.78 | \$ 381.40 | \$ 444.02 |
| 3 | \$ 75.03 | \$ 144.35 | \$ 213.67 | \$ 282.98 | \$ 352.30 | \$ 421.61 | \$ 490.94 |
| 4 | \$ 81.73 | \$ 157.76 | \$ 233.78 | \$ 309.79 | \$ 385.81 | \$ 461.82 | \$ 537.83 |
| 5 | \$ 88.43 | \$ 171.16 | \$ 253.86 | \$ 336.15 | \$ 419.31 | \$ 502.02 | \$ 584.74 |
| 6 | \$ 95.14 | \$ 184.56 | \$ 273.97 | \$ 363.40 | \$ 452.80 | \$ 542.22 | \$ 631.64 |
| 8 | \$ 108.54 | \$ 211.36 | \$ 314.18 | \$ 417.00 | \$ 519.83 | \$ 622.63 | \$ 725.46 |

2009

| Container Size, in cubic yards | Number of Pick Ups Per Week | | | | | | |
|--------------------------------|-----------------------------|-----------|---|-----------|-----------|-----------|-----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | \$ 54.99 | \$ 103.97 | \$ 152.94 | \$ 201.92 | \$ 250.90 | \$ 299.87 | \$ 348.85 |
| 1.5 Cardboard Only | \$ 39.13 | \$ 78.28 | Cardboard service offered only once or twice weekly Tuesdays and Thursdays ONLY | | | | |
| 1.5 | \$ 59.91 | \$ 113.81 | \$ 167.71 | \$ 221.61 | \$ 275.49 | \$ 329.39 | \$ 383.29 |
| 2 | \$ 71.75 | \$ 137.50 | \$ 203.25 | \$ 269.00 | \$ 334.72 | \$ 400.47 | \$ 466.22 |
| 3 | \$ 78.78 | \$ 151.57 | \$ 224.35 | \$ 297.13 | \$ 369.91 | \$ 442.69 | \$ 515.48 |
| 4 | \$ 85.82 | \$ 165.64 | \$ 245.47 | \$ 325.28 | \$ 405.10 | \$ 484.91 | \$ 564.72 |
| 5 | \$ 92.85 | \$ 179.72 | \$ 266.56 | \$ 352.96 | \$ 440.28 | \$ 527.12 | \$ 613.98 |
| 6 | \$ 99.89 | \$ 193.79 | \$ 287.67 | \$ 381.57 | \$ 475.44 | \$ 569.34 | \$ 663.22 |
| 8 | \$ 113.97 | \$ 221.92 | \$ 329.89 | \$ 437.85 | \$ 545.82 | \$ 653.76 | \$ 761.73 |

2010

| Container Size, in cubic yards | Number of Pick Ups Per Week | | | | | | |
|--------------------------------|-----------------------------|-----------|---|-----------|-----------|-----------|-----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | \$ 57.74 | \$ 109.16 | \$ 160.59 | \$ 212.02 | \$ 263.44 | \$ 314.87 | \$ 366.30 |
| 1.5 Cardboard Only | \$ 41.09 | \$ 82.19 | Cardboard service offered only once or twice weekly Tuesdays and Thursdays ONLY | | | | |
| 1.5 | \$ 62.90 | \$ 119.50 | \$ 176.09 | \$ 232.69 | \$ 289.27 | \$ 345.86 | \$ 402.46 |
| 2 | \$ 75.34 | \$ 144.37 | \$ 213.41 | \$ 282.45 | \$ 351.46 | \$ 420.50 | \$ 489.53 |
| 3 | \$ 82.72 | \$ 159.15 | \$ 235.57 | \$ 311.99 | \$ 388.41 | \$ 464.83 | \$ 541.26 |
| 4 | \$ 90.11 | \$ 173.93 | \$ 257.74 | \$ 341.54 | \$ 425.35 | \$ 509.16 | \$ 592.96 |
| 5 | \$ 97.49 | \$ 188.70 | \$ 279.89 | \$ 370.61 | \$ 462.29 | \$ 553.47 | \$ 644.68 |
| 6 | \$ 104.89 | \$ 203.48 | \$ 302.06 | \$ 400.65 | \$ 499.21 | \$ 597.80 | \$ 696.38 |
| 8 | \$ 119.67 | \$ 233.02 | \$ 346.39 | \$ 459.74 | \$ 573.11 | \$ 686.45 | \$ 799.82 |

2011

| Container Size, in cubic yards | Number of Pick Ups Per Week | | | | | | |
|--------------------------------|-----------------------------|-----------|---|-----------|-----------|-----------|-----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | \$ 59.47 | \$ 112.44 | \$ 165.41 | \$ 218.38 | \$ 271.35 | \$ 324.31 | \$ 377.28 |
| 1.5 Cardboard Only | \$ 42.32 | \$ 84.66 | Cardboard service offered only once or twice weekly Tuesdays and Thursdays ONLY | | | | |
| 1.5 | \$ 64.79 | \$ 123.08 | \$ 181.38 | \$ 239.67 | \$ 297.95 | \$ 356.24 | \$ 414.53 |
| 2 | \$ 77.60 | \$ 148.70 | \$ 219.81 | \$ 290.92 | \$ 362.00 | \$ 433.11 | \$ 504.22 |
| 3 | \$ 85.20 | \$ 163.92 | \$ 242.64 | \$ 321.35 | \$ 400.06 | \$ 478.77 | \$ 557.49 |
| 4 | \$ 92.82 | \$ 179.14 | \$ 265.47 | \$ 351.79 | \$ 438.11 | \$ 524.43 | \$ 610.75 |
| 5 | \$ 100.42 | \$ 194.36 | \$ 288.28 | \$ 381.72 | \$ 476.16 | \$ 570.08 | \$ 664.02 |
| 6 | \$ 108.04 | \$ 209.58 | \$ 311.12 | \$ 412.67 | \$ 514.19 | \$ 615.74 | \$ 717.27 |
| 8 | \$ 123.26 | \$ 240.01 | \$ 356.78 | \$ 473.53 | \$ 590.30 | \$ 707.04 | \$ 823.81 |

2012

| Container Size, in cubic yards | Number of Pick Ups Per Week | | | | | | |
|--------------------------------|-----------------------------|-----------|---|-----------|-----------|-----------|-----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | \$ 61.25 | \$ 115.81 | \$ 170.37 | \$ 224.93 | \$ 279.49 | \$ 334.04 | \$ 388.60 |
| 1.5 Cardboard Only | \$ 43.59 | \$ 87.20 | Cardboard service offered only once or twice weekly Tuesdays and Thursdays ONLY | | | | |
| 1.5 | \$ 66.74 | \$ 126.78 | \$ 186.82 | \$ 246.86 | \$ 306.89 | \$ 366.93 | \$ 426.97 |
| 2 | \$ 79.92 | \$ 153.16 | \$ 226.41 | \$ 299.65 | \$ 372.86 | \$ 446.10 | \$ 519.35 |
| 3 | \$ 87.76 | \$ 168.84 | \$ 249.91 | \$ 330.99 | \$ 412.06 | \$ 493.13 | \$ 574.22 |
| 4 | \$ 95.60 | \$ 184.52 | \$ 273.44 | \$ 362.34 | \$ 451.26 | \$ 540.16 | \$ 629.07 |
| 5 | \$ 103.43 | \$ 200.19 | \$ 296.93 | \$ 393.18 | \$ 490.44 | \$ 587.18 | \$ 683.94 |
| 6 | \$ 111.28 | \$ 215.87 | \$ 320.45 | \$ 425.05 | \$ 529.61 | \$ 634.21 | \$ 738.79 |
| 8 | \$ 126.95 | \$ 247.21 | \$ 367.48 | \$ 487.74 | \$ 608.01 | \$ 728.26 | \$ 848.53 |

Roll Off Container Fees

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|-----------|-----------|-----------|-----------|
| <u>Scheduled Service</u> | \$ 152.50 | \$ 160.12 | \$ 168.13 | \$ 173.17 | \$ 178.37 |
| | Per service, landfill fees not included | | | | |
| <u>Unscheduled Service</u> | \$ 181.29 | \$ 190.35 | \$ 199.87 | \$ 205.87 | \$ 212.04 |
| | Per service, landfill fees not included. Daily rental fee charged as shown below | | | | |
| <u>Daily Rental</u> | \$ 4.16 | \$ 4.37 | \$ 4.58 | \$ 4.72 | \$ 4.86 |
| | Daily rental fee assessed for unscheduled containers. | | | | |
| <u>After Hours Unscheduled Service Additional Fee</u> | \$ 96.64 | \$ 101.47 | \$ 106.54 | \$ 109.74 | \$ 113.03 |
| | Additional fee assessed for servicing unscheduled containers nights, weekends, or holidays. | | | | |
| <u>Move Container</u> | \$ 54.00 | \$ 56.70 | \$ 59.54 | \$ 61.32 | \$ 63.16 |
| | Fee to move container from one spot to another after initial placement on site. | | | | |
| Note: Landfill charges are not part of the fees shown above, and will be added to those fees. Actual landfill charges will vary based on the type of material hauled, and the actual weight of said material. | | | | | |

Developer Fee for New Service

Charges assessed for the purchase of additional vehicles and containers required to service new, additional refuse customers.

| | |
|--|----------|
| <u>New Single Family Residential, including Mobile Homes</u> Fee due when building permit is issued | \$415.00 |
| <u>New Multi Family Development</u> Fee is paid per unit, due when building permit is issued | \$288.00 |
| <u>Commercial Surcharge</u> Monthly surcharge added to new commercial accounts in effect for 96 months from issuance of building permit | 17.2% |

2. THE BASIS UPON WHICH THE AMOUNT OF THE PROPOSED REFUSE RATES WERE CALCULATED: The "cash needs" approach was used to establish the appropriate refuse rates. In order to develop adequate revenues from a system of utility rates, the annual revenue requirements of the utility must be determined. Under the "cash needs" approach, the basic revenue-requirement components include:

- Operating and maintenance (O&M) expenses;
- Debt service costs (principal and interest on utility-related debt instruments);
- Capital expenditures funded directly from current revenues or accruals on a pay-as-you-go basis;
- Reserves for future repairs and/or emergency;
- Other elements such as interdepartmental expenses (cost allocation), and interest earnings (considered as a credit to the expenses)

In order to ensure that the resulting refuse rates are fair and equitable, the revenue requirements were distributed amongst the customer classifications based on cost of service analyses for actual services provided to customers.

3. REASONS FOR THE REFUSE RATE INCREASE:

- Operating expenses have increased dramatically over recent years;
- Increased regulatory standards have led to escalating equipment and professional services costs;
- Maintaining appropriate financial reserves

4. A PUBLIC HEARING ON THE PROPOSED REFUSE RATE INCREASE WILL BE HELD ON JUNE 2, 2008 AT 7:00 PM IN CITY COUNCIL CHAMBERS, 678 WEST 18TH STREET, 2ND FLOOR, MERCED, CALIFORNIA 95340.