



March 15, 2021

Mr. Pat Thomas  
Director of Public Works  
City of Temecula  
41000 Main Street  
Temecula, Ca. 92590

Re: Annual Rate Adjustment

Dear Pat,

Pursuant to our current Solid Waste and Recycling Services Agreement with the City of Temecula, CR&R Incorporated (CR&R) respectfully submits the attached information which outlines our Annual Rate Adjustment request for fiscal year 2021-2022. As you are aware, our current agreement stipulates the conditions upon which our rates may be adjusted on an annual basis. Per the agreement, these rates shall be adjusted each July 1st to reflect the changes in various applicable indices.

In reviewing the data from the Bureau of Labor Statistics (BLS) for January 2020 through December 2020, the designated CPI Index has increased by .78%. In addition, the County of Riverside's Waste Management Department has indicated that they will adjust their landfill disposal rate by 2.25% from \$31.99 per ton to \$32.71 per ton.

After these adjustments are made, the new standard residential rate for fiscal year 2021-2022 will be \$22.55 per month, a very modest increase of 1.3%. Therefore, based upon the data supplied by both the BLS and the County of Riverside, we have prepared the attached rate schedules which pass these adjustments through to the various rates. These new rates would become effective July 1, 2021.

As discussed previously, CR&R does not intend to pass on any additional costs related to the implementation of SB 1383 at this time. We are in the process of hiring an individual to help us manage the process as we begin to plan for rollouts in 2022 but we don't have a firm number yet on what the total additional costs will be. If things don't change we will need to add resources for route audits, material sampling and a significant amount of additional reporting. Since we don't have a firm number on those exact costs yet, we don't believe it is fair to add them at this time. We expect to know what those costs are for your July 2022 rate adjustments.

We are however proposing to memorialize a few on-demand fees that we do not have currently listed in our rate sheets. These are fees for services requested by individual customers, not cost increases that will affect all customers. The fees are as follows:

Commercial Bin Delivery Fee: \$49.87

This fee pays for the delivery of a commercial dumpster. It is a one-time cost when we deliver a dumpster.

Rolloff False Run Fee: \$73.56

We would charge this fee after a customer has called us to go out and service their rolloff box and when we get there, it is not ready for service. It could be because the box is blocked, the gates are closed or for whatever reason, we can't get to it. That is when a "False Run Fee" would be applied.

Locking Bin Fee: \$25.16/bin/occurrence

This fee would be applied to a customer who requests a locking bar be placed on his/her dumpster. It is only applied upon request.

Commercial Bin Stinger Fee: \$28.98/bin/occurrence

This fee is applied to customers who have placed their bin in a location that is not accessible by our regular collection truck. As a result of the location requested by the customer, we have to send out a separate smaller truck to pull the bin out every week so that the larger collection truck can empty the container. Once it's emptied, the smaller bin truck puts the bin back where the customer wants it to go.

Extra Residential Recycling Cart: \$10.35/month

If a customer calls us and requests an extra trash or greenwaste cart we currently charge them an additional \$10.35 per month for that cart. We currently do not charge for extra recycling carts. Due to the drastic change in global recycling markets, we can no longer provide this service for free. We propose to charge the same amount for recycling as for trash and greenwaste,

All of these fees are included in your proposed rate sheets.

As we have stated in prior years, we greatly appreciate our long standing relationship with the City of Temecula, as well as the opportunity that we have had to be of service to your residents and businesses. It truly has been and continues to be an honor and a privilege to be of service to the City. Please do not hesitate to call us if you should have any questions or comments. We look forward to any further assistance that we may be able to provide.

Respectfully,



J. Alex Braicovich  
Senior Regional Vice President  
CR&R Incorporated

Cc: Julie Tarrant, Principal Management Analyst  
Rodney Tidwell, Public Works  
Chrystal Denning, CR&R  
Bill Higginbotham, CR&R