RESOLUTION NO. 2025-65

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AMENDING THE RATE ADJUSTMENT CALCULATION OF THE FRANCHISE AGREEMENT WITH GREEN WASTE RECOVERY UTILIZING A SECTOR SPECIFIC UNIFORM PERCENTAGE ADJUSTMENT AND APPROVING MAXIMUM RATES TO BE CHARGED BY GREENWASTE RECOVERY EFFECTIVE JULY 1, 2025, FOR COLLECTION OF FRANCHISED SOLID WASTE, RECYCLING, AND ORGANICS.

WHEREAS, the City of Marina entered into a franchise agreement with GreenWaste Recovery (GWR) on August 19, 2014 for solid waste, recycling, and organics collection services for the period of August 1, 2015 through July 31, 2030, and;

WHEREAS, Section 8.2 of the Franchise Agreement describes the process for an automatic annual adjustment to maximum customer rates on July 1 of each year, based on agreed upon cost indices, changes in tipping fees at the Monterey Regional Waste Management District, and the actual tonnage for materials collected by GWR, and;

WHEREAS, on November 2, 2021, the City Council adopted Resolution No. 2021-114, approving an amendment to the Franchise Agreement with Green Waste Recovery (GRW) to incorporate changes required by Senate Bill 1383 (SB 1383) to divert organic waste from landfills. The amended Agreement retained provisions for automatic annual rate adjustments for GWR's services calculated following either a multi-index rate adjustment methodology or a cost-based rate adjustment methodology, and;

WHEREAS, GWR provided the City with the annual rate adjustment calculation on April 1, 2025 (**EXHIBIT "B"**). Staff and third-party consultant, HF&H, have reviewed GWR's calculation of the rate adjustments for FY 2025/2026 and finds the calculations to be accurate and consistent with the methodology and requirements of the franchise agreement (see **EXHIBIT "A"**), and;

WHEREAS, the rate adjustment that was reviewed by HF&H includes a 3.84% increase to residential rates for period 11 rate increase.

WHEREAS, staff is recommending the sector-based adjustment be used for calculating rates for 2025/2026 in keeping with the methodology approved in 2016.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina hereby resolves to approve the rates in **Exhibit B** that incorporate a 3.84% increase to all single family residential maximum rates authorized to be charged by GWR under the Franchise Agreement, effective July 1, 2025.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 24th day of June 2025, by the following vote:

AYES: COUNCIL MEMBERS: McAdams, McCarthy, Biala, Visscher, Delgado
NOES: COUNCIL MEMBERS: None
ABSENT: COUNCIL MEMBERS: None
ABSTAIN: COUNCIL MEMBERS: None

____

Bruce C. Delgado, Mayor

ATTEST:

____

Anita Sharp, Deputy City Clerk

HF&H Consultants
590 Ygnacio Valley Rd. Suite 105
Walnut Creek, CA 94596
Phone: (925) 977-6950
Web: hfh-consultants.com

May 28, 2025

Ismael Hernandez
Public Works Director
City of Marina

Sent via email

Subject: Review of GreenWaste Recovery's 2025-26 Rate Request – Final Report

Dear Ismael Hernandez:

HF&H Consultants, LLC (HF&H) was retained by ReGen Monterey (ReGen), formerly the Monterey Regional Waste Management District, to assist with a review of GreenWaste Recovery's (GWR) request for an adjustment to customer rates, effective July 1, 2025, submitted to the City of Marina (City) on April 1, 2025. This report presents our findings and recommendations.

Executive Summary

HF&H's review of GWR's Rate Period 11 (RP11) rate request to the City resulted in the following outcomes:

- HF&H has determined a 3.84% increase as appropriate as a result of the following components:
  - 3.80% inflationary increase in labor-related costs
  - 2.80% inflationary increase in vehicle-related costs (excluding fuel)
  - Fuel rate held flat, as set by ReGen
  - 2.80% inflationary increase in other costs
  - Depreciation held flat, per the Agreement
  - 10.10% increase in net processing costs due to an increase in per-ton rates and tonnage
  - 6.79% increase in disposal costs due to an increase in per-ton disposal rate and tonnage

Refer to **Figure 1** below for the impact to sample residential rates.

Figure 1 – Example Rate Impact of Adjustment

Marina Rate Adjustment

	Current Rates (RP10)	RP11
Adjustment		3.84%
Residential 32-gallon rate	$18.43	$19.14
Residential 64-gallon rate	$23.11	$24.00

Background

In 2012, the City, participating with other members of ReGen, issued a competitive request for proposals for collection services and entered into the new Agreement with GWR effective July 1, 2015. The Agreement provides for the following, related to the adjustment of rates:

- Rates are annually adjusted throughout the term of the Agreement, using various inflationary indices, actual tonnage, and changes in the tipping fees at ReGen, unless either the City or GWR request a Cost-Based Rate Adjustment (CBRA).

- The City and GWR may mutually agree upon alternative approaches to structuring rates without amendment to the Agreement (Section 8.2.D).

- During the CBRA review in RP5, a number of issues surrounding the process for setting rates and the resulting rate relationships amongst sectors and materials were identified. As such the City and GWR have negotiated an amendment to the prescribed methodology for the CBRA and index adjustments so as to not alter rate relationships between service sectors and material types.

- Through negotiations of the amendment and as a result of the desire to maintain current rate relationships between sectors and service levels, the City and GWR have prescribed a uniform rate adjustment to be applied to all sectors.

Rate Calculation Review

HF&H Scope of Work

HF&H performed this review of the rate request in accordance with Exhibit E1 (for the index-based rate adjustment). The procedures included:

1. Review of the rate request for completeness and compliance with the procedures contained in Exhibit E1 of the Agreement.

2. Review for mathematical accuracy and logical consistency to determine that the rate request is mathematically correct, that the rows and columns of numbers add down and across as intended, and that the stated assumptions were, in fact, used. Also, to determine that the rate request is internally consistent and that any summary schedules agree to the supporting schedules and worksheets.

3. Verification of the inclusion of the franchise fee calculation in the adjustment.

4. Verification of contract compliance with regard to:

   A. The indices used in the adjustment.

   B. The tip fees reported for the disposal and processing components of the rates.

   C. The use of quarterly-reported tonnage data and allocations among agencies. A detailed audit of tonnage and allocations of tonnage reported by GWR was not a part of this scope of work. HF&H discussed GWR's allocation methodology with them and the methodology appears reasonable and consistent with standard practices within the industry.

   D. Any changes in governmental fees on the fee component of the rates; and the accurate application of the resultant percentage changes in the various rate components to the rate schedule approved by the City through the Agreement.

Review of Rate Request

RP11 Application

HF&H reviewed the rate application for RP11. The results of the calculation of RP11 per methodology of Exhibit E1 of the amendment can be seen in **Figure 2** on the following page.

Figure 2 – City of Marina Application of Index-Based Adjustments to RP11

	Rate Period Ten	Adjustment Factor	Rate Period Eleven
Annual Cost of Operations			
Labor-Related Costs	$641,552	1.038	$665,931
Vehicle-Related Costs	139,197	1.028	143,095
Fuel Costs	105,158	1	105,158
Other Costs	385,210	1.028	395,996
Direct Depreciation	221,602	N.A.	221,602
Total Allocated Costs - Labor, Vehicle, Fuel & Oth	756,864	1.028	778,056
Total Allocated Costs - Depreciation & Start-Up	48,832	N.A.	48,832
Total Annual Cost of Operations	**$2,298,416**		**$2,358,670**
Profit	**$275,398**	**OR=89.3**	**$282,618**
Pass-Through Costs			
Disposal Costs	$713,781	Tons*Tip Fee	$762,269
Curbside Supplemental	(6,198)	1.00	(6,198)
Recycling Processing Costs	104,503	Tons*Tip Fee	108,388
Residue Processing Costs	-	Tons*Tip Fee	-
Yard Trimmings Processing Costs	76,058	Tons*Tip Fee	90,160
Food Waste Processing Costs	19,438	Tons*Tip Fee	21,643
C&D Processing Costs	-	Tons*Tip Fee	-
Interest Expense	65,512	N.A.	65,512
Direct Lease Costs	-	N.A.	-
Total Allocated Costs - Lease	50,221	N.A.	50,221
Total Pass-Through Costs	**$1,023,315**		**$1,091,994**
Total Costs before Agency Fees	**$3,597,129**		**$3,733,282**
Agency Fees/Payments			
Franchise Fee	$430,248	10.00%	$446,779
Vehicle Impact Fee	215,124	5.00%	223,390
ReGen MOU Costs	59,982	Actual	63,431
Other Adjustments (as needed from time to time)			
Adjustment from Tip Fee Estimates			$911
Total Calculated Costs	**$4,302,484**		**$4,467,793**
Rate Increase			**3.84%**

Review of GWR Costs

There are four major components to GWR's rate application: (1) calculation and application of the inflationary indices as prescribed in the Agreement; (2) the disposal and/or processing component; (3) the Agency Fees; and (4) other one-time adjustments.

There are three indices used in the index adjustment: Consumer Price Index (CPI), fuel index, and labor index. The annual percentage change in each index is used to calculate the coming year's cost for the line items to which they apply.

HF&H has reviewed, and GWR has confirmed, the accuracy of each of these indices, and notes that the fuel index remains unchanged, as reported by ReGen management staff.

Review of Disposal/Processing Component

Collected tonnage for Calendar Year 2024 was used for the RP11 review, in accordance with the amendment. The disposal and processing components also consider the tipping fees charged by ReGen to project anticipated disposal and processing costs at ReGen. **Figure 3** below outlines the changes in the City's disposal and processing costs for each material type, based on ReGen's tip fees, effective July 1, 2025, which have been incorporated into our RP11 review.

Figure 3 - Impact of ReGen Tip Fee Changes

Material	2024 Tons	Projected Per Ton Tip Fee	Rate Period 11 Costs
	A	B	A x B
Solid Waste	9,411	$81.00	$762,269
Recycling	2,644	41.00	108,388
Yard Trimmings	1,840	49.00	90,160
Food Waste	314	69.00	21,643

Review of Fee Component

HF&H ensured that the fee component of each rate matches the contractual percentage of 10% for franchise fees, and 5% for vehicle impact fees, which are remitted to the City by GWR.

Additionally, rate application review costs and other identified ReGen costs totaling $63,431 were added as a one-time adjustment to cover the rate review, franchise management, and other identified ReGen costs such as staff time and public education and outreach.

Review of Other One-Time Adjustments

HF&H reviewed the actual tip fees implemented at ReGen in RP10 and compared them to the projected tip fees built into the RP10 application. The result of this review was an increase of $911 to reflect the difference between the estimated tip fees for Food Waste included in the prior rate adjustment and the actual tip fee approved by ReGen.

New Rates

Attached hereto is a table of all rates recommended for RP11 based on the adjustments described in this report (Attachment A). It should be noted there is an increase larger than 3.84% to the following rates: Commercial 64-gallon recycling carts served two to five times per week, as a result of a clerical error in the previous rate sheet. Those rates have been corrected to reflect the appropriate rate in Attachment A and now maintain the intended logical rate relationship amongst other service sizes. HF&H recommends adopting these rates by resolution to be effective July 1, 2025.

*   *   *   *   *

We would like to express our appreciation to GWR staff for their assistance and cooperation in this process. Should you have any questions, please call me at (925) 977-6964 or dhilton@hfh-consultants.com.

Sincerely,
HF&H CONSULTANTS, LLC

Rob Hilton
President

Dave Hilton
Senior Project Manager

EXHIBIT A

Residential Solid Waste Collection Rates

Service Level	Solid Waste	Recycling	Organics
Curbside 32 Gallon	$19.14	Included	Included
Curbside 64 Gallon	$24.00	Included	Included
Curbside 96 Gallon	$27.25	Included	Included
Low Income	$16.41	Included	Included

Notes:
See Exhibit B1 for specific service availability

Commercial/Multi-Family Solid Waste Collection Rates

	Frequency					
Service Level	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
32-Gallon Cart	$20.64	$42.10	$63.16	$84.18	$105.25	$126.29
64-Gallon Cart	$39.58	$80.74	$121.10	$161.45	$201.83	$242.19
96-Gallon Cart	$51.02	$104.06	$156.07	$208.11	$260.15	$312.17
1-Cubic Yard Bin	$110.62	$225.68	$338.54	$451.37	$564.21	$677.04
2-Cubic Yard Bin	$220.10	$449.02	$673.52	$906.30	$1,122.53	$1,347.04
3-Cubic Yard Bin	$330.62	$674.47	$1,011.69	$1,348.93	$1,686.16	$2,023.40
4-Cubic Yard Bin	$440.72	$899.06	$1,348.59	$1,798.13	$2,247.65	$2,697.18
6-Cubic Yard Bin	$520.63	$1,062.10	$1,593.18	$2,124.23	$2,655.28	$3,186.31
8-Cubic Yard Bin	$694.22	$1,416.20	$2,124.30	$2,832.41	$3,540.51	$4,248.61
2-Cubic Yard Compactor	$268.39	$545.58	$818.36	n/a	n/a	n/a
3-Cubic Yard Compactor	$403.03	$819.30	$1,228.96	n/a	n/a	n/a
4-Cubic Yard Compactor	$537.28	$1,092.19	$1,638.27	n/a	n/a	n/a

Commercial/Multi-Family Recycling Collection Rates

	Frequency					
Service Level	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
64-Gallon Cart	$5.94	$12.11	$18.16	$24.22	$30.27	$36.32
96-Gallon Cart	$7.65	$15.61	$23.43	$31.20	$39.02	$46.82
1-Cubic Yard Bin	$16.58	$33.85	$50.79	$67.71	$84.62	$101.55
2-Cubic Yard Bin	$33.02	$67.36	$101.04	$135.94	$168.38	$202.06
3-Cubic Yard Bin	$49.60	$101.16	$151.75	$202.34	$252.93	$303.51
4-Cubic Yard Bin	$66.10	$134.85	$202.29	$269.73	$337.14	$404.57
6-Cubic Yard Bin	$78.09	$159.31	$238.97	$318.64	$398.29	$477.95
8-Cubic Yard Bin	$104.12	$212.43	$318.65	$424.86	$531.08	$637.29
2-Cubic Yard Compactor	$26.73	$54.77	$82.16	n/a	n/a	n/a
3-Cubic Yard Compactor	$40.16	$82.28	$123.44	n/a	n/a	n/a
4-Cubic Yard Compactor	$53.52	$109.69	$164.53	n/a	n/a	n/a

EXHIBIT A

Commercial/Multi-Family Food Waste Collection Rates

	Frequency					
Service Level	**1x/week**	**2x/week**	**3x/week**	**4x/week**	**5x/week**	**6x/week**
64-Gallon Cart	$29.69	$60.54	$90.82	$121.10	$151.36	$181.64
96-Gallon Cart	$38.26	$78.05	$117.06	$156.07	$195.11	$234.13
1-Cubic Yard Bin	$82.97	$169.26	$253.89	$338.54	$423.16	$507.78
2-Cubic Yard Bin	$165.07	$336.77	$505.14	$679.71	$841.90	$1,010.29

Commercial/Multi-Family Yard Trimmings Collection Rates

	Frequency					
Service Level	**1x/week**	**2x/week**	**3x/week**	**4x/week**	**5x/week**	**6x/week**
64-Gallon Cart	$29.69	$60.54	$90.82	$121.10	$151.36	$181.64
96-Gallon Cart	$38.26	$78.05	$117.06	$156.07	$195.11	$234.13
1-Cubic Yard Bin	$82.97	$169.26	$253.89	$338.54	$423.16	$507.78
2-Cubic Yard Bin	$165.07	$336.77	$505.14	$679.71	$841.90	$1,010.29
3-Cubic Yard Bin	$247.96	$505.85	$758.77	$1,011.69	$1,264.62	$1,517.55
4-Cubic Yard Bin	$330.53	$674.29	$1,011.44	$1,348.59	$1,685.74	$2,022.88
6-Cubic Yard Bin	$390.49	$796.58	$1,194.88	$1,593.18	$1,991.46	$2,389.74
8-Cubic Yard Bin	$520.65	$1,062.16	$1,593.23	$2,124.31	$2,655.38	$3,186.47

Roll-Off Collection Rates (Per Pull)

	Material				
Service Level	**MSW**	**REC**	**FW**	**YT**	**C&D**
10 YD	$332.01	$248.69	$248.69	$248.69	$332.01
20 YD	$478.38	$248.69	$248.69	$248.69	$478.38
30 YD	$624.77	$248.69	$248.69	$248.69	$624.77
40 YD	$771.13	$248.69	$248.69	$248.69	$771.13
Per Ton	$95.29	$48.24	$81.18	$57.65	$95.29

Additional Service Rates

Service	**Sector**	**Charge Per Event**
Cart Rental - All Sizes	RES	$3.79
Cart Replacement	RES	$75.78
Re-Delivery or Re-Start	RES	$31.58
Cart Cleaning	RES	$31.58
Non-Scheduled Collection	RES	$24.00
Difficult to Service Cart	COM	$1.27
Difficult to Service Bin	COM	$3.79
Locking Bin	COM	$63.16
Cart Replacement	COM	$75.78
Cart Cleaning	COM	$31.58
Bin Swap- Cleaning or Repainting	COM	$94.74
Bulky - Recyclable	RES/COM	$25.25
Bulky - Non Recyclable	RES/COM	$31.58
Bulky - Event	RES/MFD	$37.88
Covered Box	RO	$94.74
Driver Time per Hour	RO	$138.93
Dry Run or Relocation	RO	$94.74
Extra Days	RO	$31.58

*Note: All rates charged monthly unless stated otherwise

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April 1, 2025

Ismael Hernandez
Public Works Director
211 Hillcrest Avenue
Marina, CA 93933

Dear Mr. Hernandez:

We have performed the calculations of the Refuse Rate Index for the rate adjustment effective July 1, 2025. Enclosed are the following:

1. The Marina Index Based Rate Adjustment table showing a weighted rate increase of 2.23%.
2. Marina Agreement Rate Tables
3. Copies of the Index tables used from the Bureau of Labor Statistics/Federal Reserve.

If you have any questions, please feel free to call me at (347) 602-1131 or e-mail me at James.Redmond@greenwaste.com.

Yours very truly,

James Redmond
Chief Financial Officer

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GreenWaste Recovery, LLC Index Based Rate Adjustment - Rate Period 11
Marina

	Rate Period Ten	SB 1383 Costs	Sub-total	Adjustment Factor	Rate Period Eleven
Annual Cost of Operations					
Labor-Related Costs	$641,552		$ 641,552	1.038	$ 665,931
Vehicle-Related Costs	$139,197		$ 139,197	1.028	$ 143,095
Fuel Costs	$105,158		$ 105,158	1	$ 105,158
Other Costs	$385,210		$ 385,210	1.028	$ 395,996
Direct Depreciation	$221,602		$ 221,602	N.A.	$ 221,602
Total Allocated Costs - Labor, Vehicle, Fuel & Other	$756,864		$ 756,864	1.028	$ 778,056
Total Allocated Costs - Depreciation & Start-Up	$48,832		$ 48,832	N.A.	$ 48,832
Total Annual Cost of Operations	**$2,298,416**	**$ -**	**$ 2,298,416**		**$ 2,358,670**
Profit	**$275,398**	**$ -**	**$ 275,398**	**OR=89.3**	**$ 282,618**
Pass-Through Costs					
Disposal Costs	$713,781		$ 713,781	Tons*Tip Fee	$ 745,510
Curbside Supplemental	($6,198)		$ (6,198)	1.00	$ (6,198)
Recycling Processing Costs	$104,503		$ 104,503	Tons*Tip Fee	$ 106,980
Residue Processing Costs	$0		$ -	Tons*Tip Fee	$ -
Yard Trimmings Processing Costs	$76,058		$ 76,058	Tons*Tip Fee	$ 83,532
Food Waste Processing Costs	$19,438		$ 19,438	Tons*Tip Fee	$ 21,643
C&D Processing Costs	$0		$ -	Tons*Tip Fee	$ -
Interest Expense	$65,512		$ 65,512	N.A.	$ 65,512
Direct Lease Costs	0		$ -	N.A.	$ -
Total Allocated Costs - Lease	$50,221		$ 50,221	N.A.	$ 50,221
Total Pass-Through Costs	**$1,023,315**	**$ -**	**$ 1,023,315**	**N.A.**	**$ 1,067,200**
Total Costs before Agency Fees	**$3,597,129**	**$ -**	**$ 3,597,129**	**N.A.**	**$ 3,708,488**
Agency Fees/Payments					
Franchise Fee	$ 430,248	$ -	$ 430,248	10.00%	$ 439,822
Administrative Fee	0			0.00%	$ -
AB 939/341 Fee	0			0.00%	$ -
HHW Fee	0			0.00%	$ -
Vehicle Impact Fee	$ 215,124	$ -	$ 215,124	5.00%	$ 219,911
Litter Abatement Fee	0			0.00%	$ -
Rate Application Review Costs	$59,982		$ 59,982	Actual	$ 30,000
Other Adjustments (as needed from time to time)					
Use of Reserves			$ -	N.A.	$ -
Surplus Credit Review			$ -	N.A.	
Adjustment From PY Calculation					$ -
Adjustment from MRWMD Tip Fee Estimates			$ -		$ -
Total Calculated Costs	**$4,302,484**	**$ -**	**$ 4,302,484**		**$ 4,398,222**
Rate Increase					**2.23%**

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Residential Solid Waste Collection Rates			
Service Level	**Solid Waste**	**Recycling**	**OrgAPics**
Curbside 32 Gallon	$18.84	Included	Included
Curbside 64 Gallon	$23.62	Included	Included
Curbside 96 Gallon	$26.82	Included	Included
Low Income	$16.15	Included	Included
Notes:			
See Exhibit B1 for specific service availability			

Commercial/Multi-Family Solid Waste Collection Rates						
	Frequency					
Service Level	**1x/week**	**2x/week**	**3x/week**	**4x/week**	**5x/week**	**6x/week**
32-Gallon Cart	$20.32	$41.44	$62.17	$82.87	$103.62	$124.33
64-Gallon Cart	$38.97	$79.48	$119.22	$158.94	$198.68	$238.42
96-Gallon Cart	$50.22	$102.44	$153.64	$204.87	$256.09	$307.31
1-Cubic Yard Bin	$108.90	$222.17	$333.26	$444.34	$555.42	$666.50
2-Cubic Yard Bin	$216.68	$442.03	$663.03	$892.19	$1,105.05	$1,326.07
3-Cubic Yard Bin	$325.47	$663.96	$995.94	$1,327.93	$1,659.90	$1,991.89
4-Cubic Yard Bin	$433.85	$885.06	$1,327.59	$1,770.13	$2,212.65	$2,655.18
6-Cubic Yard Bin	$512.53	$1,045.56	$1,568.37	$2,091.15	$2,613.93	$3,136.70
8-Cubic Yard Bin	$683.41	$1,394.15	$2,091.22	$2,788.30	$3,485.38	$4,182.45
2-Cubic Yard Compactor	$264.21	$537.08	$805.62	n/a	n/a	n/a
3-Cubic Yard Compactor	$396.76	$806.55	$1,209.82	n/a	n/a	n/a
4-Cubic Yard Compactor	$528.91	$1,075.18	$1,612.76	n/a	n/a	n/a

Commercial/Multi-Family Recycling Collection Rates						
	Frequency					
Service Level	**1x/week**	**2x/week**	**3x/week**	**4x/week**	**5x/week**	**6x/week**
64-Gallon Cart	$5.85	$7.53	$15.36	$23.05	$30.72	$35.76
96-Gallon Cart	$7.53	$15.36	$23.05	$30.72	$38.42	$46.09
1-Cubic Yard Bin	$16.33	$33.33	$50.00	$66.65	$83.30	$99.97
2-Cubic Yard Bin	$32.51	$66.31	$99.47	$133.82	$165.76	$198.91
3-Cubic Yard Bin	$48.82	$99.59	$149.39	$199.19	$248.99	$298.78
4-Cubic Yard Bin	$65.07	$132.75	$199.14	$265.53	$331.89	$398.27
6-Cubic Yard Bin	$76.87	$156.83	$235.25	$313.68	$392.08	$470.51
8-Cubic Yard Bin	$102.50	$209.12	$313.69	$418.24	$522.81	$627.37
2-Cubic Yard Compactor	$26.31	$53.91	$80.88	n/a	n/a	n/a
3-Cubic Yard Compactor	$39.53	$81.00	$121.52	n/a	n/a	n/a
4-Cubic Yard Compactor	$52.69	$107.98	$161.97	n/a	n/a	n/a

Commercial/Multi-Family Food Waste Collection Rates						
	Frequency					
Service Level	**1x/week**	**2x/week**	**3x/week**	**4x/week**	**5x/week**	**6x/week**
64-Gallon Cart	$29.23	$59.60	$89.41	$119.22	$149.00	$178.81
96-Gallon Cart	$37.66	$76.83	$115.24	$153.64	$192.07	$230.49
1-Cubic Yard Bin	$81.68	$166.63	$249.94	$333.26	$416.57	$499.87
2-Cubic Yard Bin	$162.50	$331.53	$497.27	$669.13	$828.79	$994.56

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Commercial/Multi-Family Yard Trimmings Collection Rates						
	Frequency					
Service Level	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
64-Gallon Cart	$29.23	$59.60	$89.41	$119.22	$149.00	$178.81
96-Gallon Cart	$37.66	$76.83	$115.24	$153.64	$192.07	$230.49
1-Cubic Yard Bin	$81.68	$166.63	$249.94	$333.26	$416.57	$499.87
2-Cubic Yard Bin	$162.50	$331.53	$497.27	$669.13	$828.79	$994.56
3-Cubic Yard Bin	$244.10	$497.97	$746.96	$995.94	$1,244.93	$1,493.92
4-Cubic Yard Bin	$325.38	$663.79	$995.69	$1,327.59	$1,659.49	$1,991.38
6-Cubic Yard Bin	$384.41	$784.18	$1,176.27	$1,568.37	$1,960.45	$2,352.53
8-Cubic Yard Bin	$512.55	$1,045.62	$1,568.42	$2,091.23	$2,614.03	$3,136.85

Roll-Off Collection Rates (Per Pull)					
	Material				
Service Level	MSW	REC	FW	YT	C&D
10 YD	$326.84	$244.82	$244.82	$244.82	$326.84
20 YD	$470.93	$244.82	$244.82	$244.82	$470.93
30 YD	$615.04	$244.82	$244.82	$244.82	$615.04
40 YD	$759.12	$244.82	$244.82	$244.82	$759.12
Per Ton	$90.00	$45.56	$76.67	$54.44	$90.00

Additional Service Rates		
Service	Sector	Charge Per Event
Cart Rental - All Sizes	RES	$3.73
Cart Replacement	RES	$74.60
Re-Delivery or Re-Start	RES	$31.09
Cart CleAPing	RES	$31.09
Non-Scheduled Collection	RES	$23.62
Difficult to Service Cart	COM	$1.25
Difficult to Service Bin	COM	$3.73
Locking Bin	COM	$62.17
Cart Replacement	COM	$74.60
Cart CleAPing	COM	$31.09
Bin Swap- CleAPing or Repainting	COM	$93.26
Bulky - Recycllabe	RES/COM	$24.86
Bulky - Non Recyclable	RES/COM	$31.09
Bulky - Event	RES/MFD	$37.29
Covered Box	RO	$93.26
Driver Time per Hour	RO	$136.77
Dry Run or Relocation	RO	$93.26
Extra Days	RO	$31.09

*Note:All rates charged monthly unless stated otherwise

Data extracted on: March 24, 2025 (1:03:57 PM)

Consumer Price Index for All Urban Consumers (CPI-U)

Series Id: CUURS49BSA0
Not Seasonally Adjusted
Series Title: All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted
Area: San Francisco-Oakland-Hayward, CA
Item: All items
Base Period: 1982-84=100

Download: xlsx

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2015		254.910		257.622		259.117		259.917		261.019		260.289	258.572	256.723	260.421
2016		262.600		264.565		266.041		267.853		270.306		269.483	266.344	263.911	268.777
2017		271.626		274.589		275.304		275.893		277.570		277.414	274.924	273.306	276.542
2018		281.308		283.422		286.062		287.664		289.673		289.896	285.550	282.666	288.435
2019		291.227		294.801		295.259		295.490		298.443		297.007	295.004	293.150	296.859
2020		299.690		298.074		300.032		300.182		301.736		302.948	300.084	299.109	301.059
2021		304.387		309.419		309.497		311.167		313.265		315.805	309.721	306.724	312.718
2022		320.195		324.878		330.539		328.871		332.062		331.222	327.060	323.408	330.711
2023		337.173		338.496		340.056		340.094		341.219		339.915	339.050	337.689	340.411
2024		345.151		351.247		351.064		349.290		349.370		348.001	348.417	347.857	348.977
2025		354.432													

EXHIBIT B

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CUURX400SA0 Consumer Price Index for All Urban Consumers: All Items in West - Size Class B/C, Index Dec

Frequency: Monthly

observation_date	CUURX400SA0
2018-12-01	154.228
2019-01-01	154.328
2019-02-01	154.671
2019-03-01	155.178
2019-04-01	156.523
2019-05-01	157.488
2019-06-01	157.564
2019-07-01	157.465
2019-08-01	157.654
2019-09-01	157.738
2019-10-01	158.635
2019-11-01	158.482
2019-12-01	158.496
2020-01-01	158.599
2020-02-01	159.183
2020-03-01	159.129
2020-04-01	158.824
2020-05-01	158.301
2020-06-01	158.857
2020-07-01	159.752
2020-08-01	160.528
2020-09-01	160.846
2020-10-01	161.141
2020-11-01	161.069
2020-12-01	160.840
2021-01-01	161.199
2021-02-01	162.042
2021-03-01	163.257
2021-04-01	165.088
2021-05-01	166.813
2021-06-01	168.425
2021-07-01	169.267
2021-08-01	169.477
2021-09-01	169.977
2021-10-01	171.226
2021-11-01	172.214
2021-12-01	172.722
2022-01-01	174.269
2022-02-01	175.890
2022-03-01	178.019
2022-04-01	179.339
2022-05-01	180.810
2022-06-01	182.790
2022-07-01	183.277
2022-08-01	183.543
2022-09-01	184.088
2022-10-01	185.410
2022-11-01	184.626
2022-12-01	183.686
2023-01-01	184.717
2023-02-01	185.968
2023-03-01	187.301
2023-04-01	188.008
2023-05-01	188.833
2023-06-01	189.295
2023-07-01	189.737
2023-08-01	190.368
2023-09-01	191.238
2023-10-01	191.321
2023-11-01	190.409
2023-12-01	190.095
2024-01-01	191.586
2024-02-01	191.874
2024-02-01	191.874
2024-03-01	194.047
2024-04-01	194.913
2024-05-01	194.709
2024-06-01	194.203
2024-07-01	193.360
2024-08-01	193.662
2024-09-01	194.320
2024-10-01	194.632
2024-11-01	194.491
2024-12-01	194.384

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CIS201S000000000I — Employment Cost Index: Total compensation for Private industry workers in Service-providing industries, Index Dec 2005=100, Quarterly, Seasonally Adjusted

Frequency: Quarterly

observation_date	CIS201S000000000I
2015-01-01	123.8
2015-04-01	123.7
2015-07-01	124.5
2015-10-01	125.1
2016-01-01	125.8
2016-04-01	126.6
2016-07-01	127.3
2016-10-01	127.9
2017-01-01	128.8
2017-04-01	129.6
2017-07-01	130.5
2017-10-01	131.2
2018-01-01	132.4
2018-04-01	133.4
2018-07-01	134.5
2018-10-01	135.4
2019-01-01	136.2
2019-04-01	137.0
2019-07-01	138.0
2019-10-01	138.9
2020-01-01	140.1
2020-04-01	140.6
2020-07-01	141.4
2020-10-01	142.6
2021-01-01	144.2
2021-04-01	145.1
2021-07-01	147.3
2021-10-01	149.1
2022-01-01	151.2
2022-04-01	153.4
2022-07-01	155.1
2022-10-01	156.8
2023-01-01	158.7
2023-04-01	160.3
2023-07-01	161.9
2023-10-01	163.3
2024-01-01	165.2
2024-04-01	166.7
2024-07-01	167.8
2024-10-01	169.3

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WPU057303 Producer Price Index by Commodity: Fuels and Related Products and Power: No. 2 Diesel Fuel,

Frequency: Monthly

observation_date	WPU057303
2020-01-01	214.500
2020-02-01	193.300
2020-03-01	169.700
2020-04-01	123.600
2020-05-01	108.300
2020-06-01	137.800
2020-07-01	179.200
2020-08-01	191.000
2020-09-01	177.500
2020-10-01	187.300
2020-11-01	201.100
2020-12-01	224.600
2021-01-01	232.900
2021-02-01	264.400
2021-03-01	304.100
2021-04-01	282.000
2021-05-01	318.800
2021-06-01	317.800
2021-07-01	326.966
2021-08-01	322.279
2021-09-01	334.175
2021-10-01	374.107
2021-11-01	366.731
2021-12-01	346.234
2022-01-01	365.449
2022-02-01	415.354
2022-03-01	503.052
2022-04-01	528.256
2022-05-01	587.939
2022-06-01	665.720
2022-07-01	568.603
2022-08-01	497.425
2022-09-01	548.658
2022-10-01	605.641
2022-11-01	585.306
2022-12-01	419.191
2023-01-01	449.169
2023-02-01	435.578
2023-03-01	406.306
2023-04-01	387.167
2023-05-01	363.260
2023-06-01	342.988
2023-07-01	322.199
2023-08-01	428.045
2023-09-01	446.947
2023-10-01	407.772
2023-11-01	393.711
2023-12-01	342.052
2024-01-01	327.029
2024-02-01	387.007
2024-02-01	383.570
2024-03-01	384.276
2024-04-01	395.872
2024-05-01	319.052
2024-06-01	306.904
2024-07-01	342.037
2024-08-01	334.785
2024-09-01	289.007
2024-10-01	318.340
2024-11-01	311.919
2024-12-01	294.577

June 24, 2025 Item No. **10f(3)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of June 24, 2025

CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2025-, AMENDING THE RATE ADJUSTMENT CALCULATION OF THE FRANCHISE AGREEMENT WITH GREEN WASTE RECOVERY UTILIZING A SECTOR SPECIFIC UNIFORM PERCENTAGE ADJUSTMENT AND APPROVING MAXIMUM RATES TO BE CHARGED BY GREENWASTE RECOVERY EFFECTIVE JULY 1, 2025 FOR COLLECTION OF FRANCHISED SOLID WASTE, RECYCLING, AND ORGANICS.

REQUEST:
It is requested that the City Council consider:

1. Adopting Resolution No. 2025- amending the rate adjustment calculation of the franchise agreement with Green Waste Recovery utilizing a sector specific uniform percentage adjustment and approving maximum rates to be charged by Green Waste Recovery effective July 1, 2025, for collection of franchised solid waste, recycling, and organics.

BACKGROUND:
On August 19, 2014, the City Council adopted Resolution No. 2014-98, and entered into a new exclusive 15-year Franchise Agreement with Green Waste Recovery (GRW) to provide solid waste, recycling, and organics collection services for the City of Marina. The Agreement provides for automatic annual rate adjustments for GWR's services calculated following either a multi-index rate adjustment methodology or a cost-based rate adjustment methodology.

On November 2, 2021, the City Council adopted Resolution No. 2021-114, approving an amendment to the Franchise Agreement with Green Waste Recovery (GRW) to incorporate changes required by Senate Bill 1383 (SB 1383) to divert organic waste from landfills. The amended Agreement retained provisions for automatic annual rate adjustments for GWR's services calculated following either a multi-index rate adjustment methodology or a cost-based rate adjustment methodology.

Cost-based Rate Adjustment Methodology
The cost-based adjustment involves an extensive and detailed review of GWR's actual cost of operations, changes in inflation, the number of customers, and the service level provided and comparing this to actual gross receipts collected to determine GWR's compensation for the current rate period and to forecast the future rates. A cost-based rate adjustment was performed for rate period 5 in 2019. Adjustments to the GWR compensation resulted in rate-payer surpluses of $540,298 in rate period 5, $258,203 in rate period 6, and $175,891 in rate period 7.

At the meeting on June 7, 2022, the City Council adopted Resolution No. 2022-74, approving rate increases that were offset by applying $89,227 of the surplus generated in rate period 7 which reduced the increase from 5.82% to 3.10%. The remaining half of the surplus generated in rate period 7 was retained to offset rate increases in rate period 9.

At the meeting on June 7, 2022, the City Council adopted Resolution No. 2022-75, approving an agreement between the City of Marina and HF&H Consultants, LLC (HF&H) to perform an analysis of an equitable method of crediting surplus solid waste collection fees back to rate payers.

At the meeting on October 18, 2022, the City Council adopted Resolution No. 2022-75, approving a credit of surplus solid waste collection fees back to rate payers that paid for service in rate period 5 and rate period 6.

In accordance with the methodology developed by HF&H, GWR made on-bill credits to eligible customers in the months of January, February, and March, of 2023. The credits resulted in a distribution of $658,795 of the $798,501 surplus generated in rate periods 5 and 6. The remaining surplus of $139,706 will be available to apply in future rate periods to limit the amount of rate increase to Marina customers.

Multi-index Rate Adjustment Methodology
Each service level rate in the Franchise Agreement rate schedule is comprised of an operating component, disposal/processing component and a fee component. The annual rate adjustment consists of adjusting each of the rate components as follows: <u>Operating Component Factor</u>:

- Labor Component: Labor costs from the prior year are adjusted by the annual percentage change in the Employment Cost Index (ECI)
- Fuel Component: Fuel costs from the prior year are adjusted by the actual volume of fuel purchased in the prior year and the annual percentage change in the Fuel Index
- Other Component: Non labor/fuel related costs from the prior year are adjusted by the annual percentage change of the Consumer Price Index (CPI)

<u>Disposal/Processing Component</u>: This component is automatically adjusted as a direct passthrough based on MRWMD fees and the City's prior year's tonnages by material type. The disposal and processing component(s) are based on the difference between the City's actual tonnage by material type and what was proposed by GWR in their initial proposal to the City. The disposal and processing components also consider the tipping fee charged by the Monterey Regional Waste Management District (MRWMD).

<u>Fee Component</u>: This component is a direct pass through of Franchise fees, calculated as a percent of the total rate by service level.

The rate adjustment for the 2025/2026 fiscal year was conducted using a variation of the multi-index methodology which was distributed across sectors by weighted averages in accordance with the methodology agreed upon in 2016. The changes implemented in 2016 allow for a uniform percentage increase for services.

The Franchise Agreement stipulates that the City of Marina shall make a good faith effort to approve the accuracy of the calculated rates by June 1 of each year, and such rates shall be effective on each subsequent July 1. This allows noticing all customers of rate increases. If rates are not effective by July 1 due to a delay caused solely by the City of Marina, GWR may retroactively bill customers for the amount of the rate increase.

<u>ANALYSIS</u>:
GWR provided the City with the annual rate adjustment calculation on April 1, 2025. "**EXHIBIT A"** is an executive summary from HF&H reporting the finding that the application for the annual rate adjustment by GWR is consistent with the approved methodology.

The rate adjustment that was reviewed by HF&H includes a 3.84% increase to residential rates for period 11 rate increase. The increase in dollars equals $.89 per month for residents with 64gallon containers and $.71 increase for customers with 32-gallon containers.

Staff is recommending the sector-based adjustment be used for calculating rates for 2025/2026 in keeping with the methodology approved in 2016.

FISCAL IMPACT:
The FY2025/2026 proposed rate adjustment would have no effect on City expenses, as this is a cost to the rate payers. The Franchise Agreement has a 15% franchise fee of gross receipts. Any rate increase provides a corresponding increase in franchise fee revenue to the City.

CONCLUSION:
This request is submitted for City Council consideration and possible action.

Respectfully submitted,

____
Ismael Hernandez
Public Works Director
City of Marina

____
Layne Long
City Manager
City of Marina