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March 23, 2015

Mr. Liam Garland
Administrative Services Manager
City of Alameda
950 West Mall Square, First Floor
Alameda, CA 94501-7552

Subject: Report: Review of Alameda County Industries Rate Period Fourteen Contractor's Compensation Application

Reference Number: S3878

Dear Mr. Garland:

HF&H Consultants, LLC's (HF&H's) is pleased to present our findings and recommendations to the City of Alameda (City) from our review of Alameda County Industries' (ACI) Rate Period Fourteen (RP14) Contractor's Compensation Application (Application), submitted to the City on February 20, 2015. This report presents our findings and recommendations and is organized into four sections:

- I. Summary and Recommendations
- II. Background
- III. HF&H Analyses
- IV. Survey of Comparable Rates

It should be noted this report is based solely on our review of ACI's Application prepared in accordance with the methodology prescribed in its franchise agreement with the City. We have not included any analysis or discussion on the special rate request ACI has submitted to the City related to its materials recovery facility's labor issues.

I. SUMMARY AND RECOMMENDATIONS

A. Review of ACI's RP14 Rate Application (for rates effective 7/1/15)

ACI's Application calculated a total revenue requirement of \$17,782,445 to provide current franchised services for RP14 (see Table 4).

Based on our recommended adjustments to the Application, we have determined that a total revenue requirement of \$17,805,856 (an increase of \$23,411 from ACI's Application) is appropriate and consistent with the rate setting methodology described in the franchise agreement (Agreement). This

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amount results in a 2.80% rate increase to provide the services currently required in the Agreement. Our adjustments to ACI's Application are described in more detail in Section III. HF&H Analyses (Subsection C). We have reviewed our findings with ACI and they are in agreement with the proposed rate adjustment. The 2.80% rate increase to provide current Franchised Services is due to the following:

- **1.32%** increase due to ACI's increased operating costs to collect, process, and dispose of solid waste, recyclable material, and organic materials; calculated in accordance with the Agreement between the City and ACI for Solid Waste, Recyclable Material, and Organic Material services;
- **0.37%** increase due to increases in City Fees (e.g., AB 939 Fee, Doolittle Landfill Maintenance Fee, Infrastructure Impact Fee, etc.); and,
- **1.11%** increase due to a projected revenue shortfall in the forthcoming rate year, attributed to the continued downsizing of service levels and commercial customers switching to more cost-effective compactors.

The following table summarizes the components of the projected rate increase (based on current rates).

Table 1
Components of Rate Impact

	Rate Period 13 Adjusted Compensation	Rate Period 14 HF&H Adjusted Compensation	\$ Change	YOY % Change	Rate Impact
Labor-Related Costs (Driver Wages/Benefits)	\$4,138,496	\$4,265,409	\$126,913	3.1%	0.73%
Route Vehicle-Related Costs (Fuel/Tires/Parts)	915,658	934,825	\$19,167	2.1%	0.11%
Container Capital Costs	209,705	190,150	-\$19,554	-9.3%	-0.11%
Recyclable/Organic Material Processing	1,534,775	1,607,166	\$72,391	4.7%	0.42%
Solid Waste Disposal	2,313,424	2,284,441	-\$28,983	-1.3%	-0.17%
Admin Costs (Rent/Insurance/Customer Service)	4,032,658	4,134,572	\$101,914	2.5%	0.59%
Vehicle Capital Costs/Interest (CNG vehicles)	1,187,309	1,144,711	-\$42,597	-3.6%	-0.25%
Subtotal Operating Costs	\$14,332,024	\$14,561,275	\$229,252	1.6%	1.32%
Other City Fees	1,428,776	1,463,995	\$35,219	2.5%	0.20%
Franchise Fees	1,751,200	1,780,586	\$29,386	1.7%	0.17%
Total Contractor Compensation	\$17,511,999	\$17,805,856	\$293,857	1.7%	1.70%
Revenue at Current Rates	\$17,511,999	\$17,320,214	(\$191,785)	-1.1%	1.11%
Projected Revenue Surplus/(Shortfall) RP14		(\$485,642)			2.80%

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II. BACKGROUND

A. General

The City issued a request for proposals for solid waste collection and disposal services, and recyclables and organic materials collection and processing services in August 2001 for services that were scheduled to commence in October 2002. With, and subsequent to, the implementation of the new Agreement, several significant changes have been made to the City's solid waste collection system including:

- Eliminating backyard solid waste collection service at no additional charge;
- Replacing customer-provided solid waste containers with carts provided by the franchisee;
- Switching from biweekly to weekly residential recyclables collection and expanding the list of acceptable materials;
- Switching from biweekly to weekly residential yard waste service and incorporating food scraps; and,
- Expanding the commercial yard waste collection program and incorporating food scraps;
- Adding a 96-gallon commingled recyclables collection cart and 96-gallon organics collection cart to commercial customers, with their solid waste collection container, at no additional charge
- Providing a local office in Alameda;
- Providing education program/outreach to schools;
- Collecting abandoned waste;
- Gratis Integrated Waste Collection services at 12 City selected special events per year;
- Collection from 100 additional public litter containers;
- Household battery and latex paint collection at local Alameda office; and,
- Establishment of the Rate Stabilization Fund.

B. Recyclable Material Commodity Revenue Share

In 2009, the City negotiated with ACI to share in the revenue received from the sale of the recyclable materials collected from the City's residents and businesses. It was agreed that such revenue generated from the sale of recyclable material shall be split as follows: (a) the amount resulting from multiplying the City Tons by the first \$26 of the Average Price will belong to ACI; (b) the amount resulting from multiplying the City Tons by the amount by which the Average Price up to \$80 exceeds \$26, if any, will be shared 75% by ACI and 25% by the City; and (c) the amount resulting from multiplying the City Tons by the amount by which the Average Price exceeds \$80, if any, will be shared 25% by ACI and 75% by the City.

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C. Alternative Fuel Vehicles

In 2009, the City negotiated with ACI to transition the collection fleet to 100% alternative fuel vehicles. ACI successfully completed the transition to 100% alternative fuel collection vehicles in March 2013.

D. Due to / Due from ACI (Balancing Account)

In setting the rates for RP12, ACI agreed to limit the rate increase to 10% (by deferring the balancing account payment) with the understanding the City and ACI management would meet and confer during RP12 to revisit the Agreement. The balancing account representing revenue shortfalls through RP11 was \$1,437,663. In setting the rates for RP14, the revenue shortfalls for RP12 have been added to the balancing account offset by the City's share of commodity revenues. Based on the preliminary review of RP13 financial data, it appears the City's projected share of the commodity revenues may be greater than the projected revenue shortfall. Therefore, it is anticipated the "balancing account" may be reduced as part of the RP15 rate setting process. The table below summarizes the balancing account components through RP12:

Table 2
Due to / Due from ACI through RP 12

"Balancing Account" Summary	
"Balancing Account" through RP 11	\$ 1,437,663
Add: RP 12 Revenue Shortfall (Surplus)	34,552
Less: RP12 Commodity Revenue Share	(406,023)
"Balancing Account" through RP 12	\$1,066,192

E. Rate-Setting Process

In accordance with Article 8 of the Agreement, ACI's compensation was fixed for RP1 and RP2 and shall be adjusted annually, with City Council approval, commencing in RP3 (July 1, 2004 – June 30, 2005), through the remaining term of the Agreement, including any extension periods. The adjustments to ACI's compensation shall be determined using one of two methodologies: (1) an index-based adjustment or, (2) a cost-based adjustment (detailed rate review). The following table summarizes the methodologies to be used during each Rate Period.

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Table 3
Rate Setting Methodology Schedule

Rate Year	Commencement Date	Adjustment Method
1	October 6, 2002	Not Applicable
2	July 1, 2003	Not Applicable
3	July 1, 2004	Cost-Based
4	July 1, 2005	Index-Based
5	July 1, 2006	Index-Based
6	July 1, 2007	Cost-Based
7	July 1, 2008	Index-Based
8	July 1, 2009	Index-Based
9	July 1, 2010	Cost-Based
10	July 1, 2011	Index-Based
11	July 1, 2012	Index-Based
12	July 1, 2013	Cost-Based
13	July 1, 2014	Index-Based
14	July 1, 2015	Index-Based
15	July 1, 2016	Cost-Based
16	July 1, 2017	Index-Based
17	July 1, 2018	Index-Based
18	July 1, 2019	Cost-Based
19	July 1, 2020	Index-Based
20	July 1, 2021	Index-Based

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III. HF&H ANALYSES

A. Scope of Work

Our approach to this engagement was to work objectively to follow the compensation adjustment terms of the agreement between ACI and the City. When performing the procedures described in the agreement for the index-based adjustment, we relied on the Company's audited financial statements, current year-to-date financial results of operations data, copies of transactions, reports of operations, and other information provided by ACI, ACI's proposal to the City, and industry standards.

The results of our review and our findings were documented by the HF&H staff that performed the engagement and were consequently objectively reviewed by the Engagement Manager. This documentation and subsequent HF&H adjustments were made available to the City and ACI for review. While taking direction from the City, we worked cooperatively with ACI in an open and transparent manner to ensure that they understood our procedures and preliminary findings. In this capacity, the City and ACI had the opportunity to correct any misunderstandings; and, understand the reasons for any adjustments to the Application that we recommended.

HF&H staff performed this review based upon: procedures agreed to between the City and HF&H, as documented in our proposal; and, the agreement between the City and ACI. These procedures included the following activities:

- We reviewed the application to ensure its completeness and compliance with the methodology described in the Agreement.
- We reviewed the application for mathematical accuracy and internal consistency. We also checked that the summary schedules agreed to the supporting schedules and worksheets.
- We reviewed ACI's rate application by performing: a review of revenue; a variance analysis of RP11 actual expenses to RP12; a verification of solid waste tonnage and disposal expense; a review of organic material tonnage and processing expense; and, a review of recyclable commodity revenue.
- We tested projected revenues to ensure that they are consistent with past trends and anticipated conditions.
- We compared actual costs to projections.
- We verified that the RP14 compensation was correctly calculated.
- We met with the City and ACI management to review the recommended adjustments to the Application described herein.
- We prepared a written draft and final report to document of our findings and recommendations to share at the council meeting.

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B. Limitations

Our review was substantially different in scope than an examination in accordance with Generally Accepted Auditing Standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. Such a review was conducted and an opinion expressed by ACI's independent accountants V T Williams & Associates, LLP.

Our conclusions are based on the review of ACI's projections of its financial results of operations. Actual results of operations will usually differ from projections, because events and circumstances frequently do not occur as expected, and the difference may be significant.

C. ACI's RP14 Rate Application (July 1, 2015 – June 30, 2016)

The City engaged HF&H to perform a review of ACI's Rate Application submitted in accordance with Section 8.5 of the Agreement. ACI submitted its application on February 20, 2015 prior to the required due date (April 1, 2015) in an effort to facilitate the rate adjustment review process with the City. According to ACI, the submission was in "draft" mode, requiring further review. Many of the adjustments proposed by HF&H were clerical in nature and might not have occurred if ACI had performed a "final" review of its application. Additionally, the February inflation indices were not published when ACI submitted its application. HF&H's procedures included the following steps:

Step 1: Verification of the Mathematical Accuracy

HF&H reviewed ACI's application to determine completeness, mathematical accuracy, reasonableness and logical consistency of the assumptions supporting the projected revenues and expenses. This included:

- Verification that all cost indices used to project expenses conformed to Section 8.4.5 of the Agreement. Since the February Consumer Price Indexes were not available at the time the Application was submitted, ACI used the annual change in the December CPIs to estimate projected RP14 costs.
- Verification of the mathematical accuracy of ACI's compensation adjustment calculations.
- Consistency and integrity of spreadsheets housing calculations.

Findings

HF&H noted cell reference errors that lead to errors in calculations, notably in the calculation of Labor, G&A, Vehicle Maintenance, Disposal Costs and City Fees. HF&H revised the Application and the net effect to each cost component is described below.

Additionally, in an index-based cost rate adjustment year, the Agreement requires the percentage change in the Consumer Price Indices (CPI) to be based on February indices. However, at the time of the

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submission of its Application, the February indices were not available and ACI and the City have agreed to use the most readily available indices (December).

Step 2: Determine Current Cost Components

As required by Section 8.4.5 of the Agreement, we found that ACI correctly used the City-approved Rate Period 13 cost components approved last year (i.e., Labor-related costs, Vehicle-related costs, fuel, etc.) as the starting point for calculating their RP14 allowable compensation (see Table 1 Components of Rate Impact). We have included a summary of the major cost components of the 32-gallon single family service as Attachment 2.

Step 3: Adjust Each Cost Component

Cost components were adjusted to reflect changes in CPI and other corrections and are summarized in Table 5.

Labor-Related Costs:

Non-Collective Bargaining Agreement Labor Costs: In accordance with Section 8.4.5.A.1a of the Agreement, we adjusted ACI's calculation to reflect the agreed upon December CPI and applied the change in the Consumer Price Index for Urban Wage Earners (CPI-W) of 2.09% to Non-CBA Labor Costs. Due to a cell reference error in ACI's calculation ACI escalated wages by 2.60% the adjusted calculation decreased total labor costs by \$2,916.

Collective Bargaining Agreement Labor Costs: In accordance with Section 8.4.5.A.1b of the Agreement, Collective Bargaining Agreement (CBA)-related Labor Costs shall be calculated by adjusting costs in accordance with the procedures described in the then-current CBA.

The CBA specifies that the annual cost of living percentage increase be determined on the basis of the Consumer Price Index for the San Francisco/Oakland/San Jose Metropolitan Area (All urban consumers)(CPI-U) but in no event shall such annual percentage increase to be paid be less than 2.7% or more than 12%. In its Application, ACI correctly calculated an hourly wage rate of \$34.34 using the minimum percentage change of 2.7%. The change in the CPI-U for this year's Application is 2.67% which was below the minimum percentage allowed per the labor agreement. No adjustment is recommended.

Vehicle-Related Costs (excluding capital costs): In Section 8.4.5.A.2, the Agreement states that projected vehicle-related costs for the coming rate year shall equal the allowable vehicle-related costs approved last year multiplied by one plus the percentage change in the Motor Vehicle Related Index, All Urban Consumers, and U.S. City Average. No adjustment is recommended.

Organic Materials Processing Costs: Section 8.4.5.A.4 of the Agreement describes the projected cost to process organic materials shall be calculated based on the total tons of organic materials collected during the period from January 1, 2014 through December 31, 2014 multiplied by the allowable per-ton processing fee.

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ACI referenced the prior year's CPI-U of 2.45% in its calculation. HF&H adjusted ACI's calculation of the annual processing per ton fee to reflect the change in the December CPI-U of 2.67%.

We recommend an increase of \$134 in processing costs, for total projected costs of \$600,036.

Other Costs: In accordance with Section 8.4.5.A.5 of the Agreement, we adjusted ACI's calculation using 2.58% to reflect the agreed upon December CPI and applied the change in the Consumer Price Index - All Urban Consumers (CPI-U) of 2.67% to all other operating costs (i.e., corporate overhead, billing costs, customer service labor costs, bad debt, etc.) for a \$623 increase to projected costs.

Depreciation: In accordance with Section 8.4.5.A.6 of the Agreement, depreciation expense shall be the amount specified in Exhibit J which was \$0 at the commencement of the Agreement because ACI leased its vehicles. However, having purchased vehicles with City approval, ACI's Application included depreciation expense of \$891,242 the majority of which, \$856,852, was for the purchase of new alternative fuel vehicles, placed in service in the first quarter of 2013. The RP12 costs of the vehicles include a projection of the purchase price, the cost to refurbish the collection trailers, the CNG rebate, and interest and other loan origination costs. Since the actual purchase prices and refurbishment costs may differ, the City and ACI agreed to make an adjustment for the actual costs as part of the RP12 revenue reconciliation performed during the RP14 rate setting process. The actual depreciation expense for the vehicles was \$850,253. HF&H recommends a decrease to depreciation expense for RP14 of \$6,710 and an adjustment of the same amount to the RP12 revenue reconciliation (see Balancing Account, Table 2).

Allocated Costs: General and Administrative, Vehicle Maintenance, Container Maintenance and Billing Costs were all adjusted to correct for ACI's cell reference error when using the CPI-Wage and CPI-U indices. HF&H recalculated using the December change in CPI-W and CPI-U, for a combined reduction of \$8,399 to ACI's total projected allocated costs.

Profit: We found that ACI correctly calculated its allowable profit by applying a 90% operating ratio (approximately a 10% profit) to its allowable operating costs; however, due to the calculated adjustments in Steps 2a through 2e above, we recommend a \$1,919 decrease to ACI's profit.

Disposal: Sections 8.4.5.C.1 of the Agreement states the projected cost to dispose of solid waste is calculated based on the total tons of solid waste collected during the period from January 1, 2014 through December 31, 2014 multiplied by the projected per-ton disposal fees at the City-designated disposal facility (Waste Management Inc.'s (WMI) Davis Street Transfer Station).

ACI calculated the annual disposal costs of \$2,279,463 using the projected per-ton disposal fee multiplied by the tons collected in 2014 (26,266 – a 4.0% decrease in tons from prior year). ACI referenced the prior year's CPI-U of 2.45% in its calculation. HF&H adjusted ACI's calculation of the annual disposal per ton fee to reflect the change in the December CPI-U of 2.67%.

HF&H recalculated the per-ton disposal fee in accordance with the agreement. We are not aware of any WMI adjustment for increases or decreases in governmental fees related to disposal. HF&H recommends an increase of \$4,978 to the total projected disposal cost. The adjusted annual disposal costs are \$2,284,441

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Interest Expense: Section 8.4.5.C.2 of the Agreement states interest expense shall be zero. However, ACI's Application included interest expense of \$260,180 to reflect interest expense from the purchase of new alternative fuel vehicles that were put in place the first quarter of 2013. For projection purposes, ACI has assumed an annual interest rate of 4.0%. ACI has financed the purchase of new alternative fuel vehicles using loans from the California Pollution Control Financing Authority (CPCFA). The CPCFA assists California businesses with the acquisition of qualified pollution-control equipment. The interest rate fluctuates based on the market. The City and ACI agreed to make an adjustment to ACI's future compensation based on the actual interest paid by ACI. The difference between the interest calculated at 4% and the actual interest paid will be part of the annual revenue reconciliation. This began with the RP12 revenue reconciliation performed as part of the RP14 rate setting process. HF&H recommends a decrease of \$838 to the RP14 Interest expense and a reduction of \$182,478 to the RP12 true up of interest to actual expense incurred as part of the revenue reconciliation (see Balancing Account, Table 2).

Container Reimbursement: ACI included \$190,150 for container replacement costs in RP14. The City and ACI agreed (during the RP11 rate negotiations) to limit (cap) the annual container purchases to \$300,646 (based on the average purchases during the previous three-year period). ACI would be responsible for reporting actual container purchases to the City on a quarterly basis. It was further agreed that should ACI spend less than the cap, the amount would be netted against the cap in the current expense projection. ACI spent less than the cap amount in RP12. HF&H netted the RP12 savings of \$110,496, against the RP14 allowable cap of \$300,646 resulting in a net RP14 cost of \$190,150. No adjustment recommended.

Pass-Through Franchise Fees and Other City Fees:

Other City Fees: Other City Fees (e.g., AB939 Fee, Infrastructure Impacts Mitigation Fee, Doolittle Landfill Maintenance Fee, and City Parks Fee) will increase by the change in CPI-U (2.67%). ACI did not include an increase in its application. Therefore, HF&H calculated an increase of \$35,219 to City Fees.

Rate Stabilization Fund: In RP12, the City established a rate stabilization fund to reduce future rate volatility. The Rate Stabilization Fund is currently being funded at \$110,000 per year. ACI include the continued funding in its Application. HF&H recommends no adjustment to ACI's application.

Franchise Fees: According to Article 7 of the Agreement, ACI is required to remit Franchise Fees and Other City Fees to the City. Franchise Fees have been calculated at 10% of gross revenues. HF&H recommends increasing franchise fees by a net \$2,341 as a result of the recommended reductions in Operating Expenses Eligible for Profit, Operating Profit, and the Pass-Through Costs.

Recyclable Materials Processing Costs. In Section 8.4.5.A.3 of the Agreement, projected recyclable material processing costs for the coming rate year shall equal the allowable recyclable material processing costs approved last year multiplied by one plus the percentage change in the CPI-W. We adjusted ACI's calculation which due to a cell reference error used 2.58% to reflect the December CPI-W and applied the proper index increase of 2.67% resulting in an increase to costs of \$897.

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Table 4
ACI's RP14 Rate Application

Rate Period 14 Revenue Requirement	
Operating Exp. Eligible for Profit	
Labor-Related Costs	\$4,268,325
Vehicle-Related Costs	934,825
Processing Costs	599,902
Other Costs	699,381
Depreciation	891,242
G&A and Billing Costs	1,176,945
Vehicle Maintenance Costs	733,225
Container Maintenance Costs	218,847
Billing	232,012
Total Operating Exp. Eligible for Profit	\$9,754,705
 Profit (90% Operating Ratio)	 \$1,083,856
Pass-Through Costs	
Disposal	\$2,279,463
Container Reimbursement	190,150
Franchise Fees	1,778,245
City Fees	1,318,776
Interest	261,018
Total Pass-Through Costs	\$5,827,651
 Recycling Processing	 \$1,006,233
 Rate Stabilization	 \$110,000
Total Revenue Requirement	\$17,782,445
 Projected Revenue	 \$17,320,214
 Increase/(Decrease)	 (\$462,231)
Rate Increase/(Decrease)	2.67%

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Table 5
HF&H Adjusted Rate Application

	RP14 Rev. Req. Per Rate App.	HF&H Adjustments	HF&H Adj. Rate App.
Rate Period 14 Revenue Requirement			
Operating Exp. Eligible for Profit			
Labor-Related Costs	\$4,268,325	(\$2,916)	\$4,265,409
Vehicle-Related Costs	934,825	-	934,825
Processing Costs	599,902	134	600,036
Other Costs	699,381	623	700,004
Depreciation	891,242	(6,710)	884,531
G&A and Billing Costs	1,176,945	(2,957)	1,173,988
Vehicle Maintenance Costs	733,225	(3,105)	730,120
Container Maintenance Costs	218,847	(1,781)	217,066
Billing	232,012	(556)	231,456
Total Operating Exp. Eligible for Profit	\$9,754,705	(\$17,268)	\$9,737,436
Profit (90% Operating Ratio)	\$1,083,856	(\$1,919)	\$1,081,937
Pass-Through Costs			
Disposal	\$2,279,463	\$4,978	\$2,284,441
Container Reimbursement	190,150	-	190,150
Franchise Fees	1,778,245	2,341	1,780,586
City Fees	1,318,776	35,219	1,353,995
Interest	261,018	(838)	260,180
Total Pass-Through Costs	\$5,827,651	\$41,701	\$5,869,352
Recycling Processing	\$1,006,233	\$897	\$1,007,130
Rate Stabilization Fund	\$110,000	\$0	\$110,000
Total Revenue Requirement	\$17,782,445	\$23,411	\$17,805,856
Projected Revenue	\$17,320,214	\$0	\$17,320,214
Projected Revenue Surplus/(Shortfall) RP14	(\$462,231)		(\$485,642)
Rate Increase/(Decrease)	2.67%		2.80%

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SECTION IV. SURVEY OF COMPARABLE RATES

Attachment 1 shows the results of HF&H's survey of solid waste rates for jurisdictions located throughout Alameda County as of March 4, 2015). We have applied the recommended rate increases specific to each service level for purposes of comparing ACI's rates to other jurisdictions. It should be noted that the comparable jurisdictions will be considering rate increases either July 1, 2015 or January 1, 2016, but they are unknown at this time.

Residential rates for a 30-35 gallon container range from \$18.10/month (Emeryville) to \$51.88/month (Piedmont), while ACI's proposed rate is \$36.93/month. Commercial rates for a 1-yard bin serviced one time per week range from \$86.95/month (Fremont) to \$261.83/month (Castro Valley Sanitary District), while ACI's proposed rate is \$140.65/month.

We caution the City that this survey is presented for information only. They should not draw conclusions from this information, because rate comparisons are intrinsically difficult and often misleading. This difficulty results from differences in items such as:

- Services provided by ACI that may not be provided (or only partially provided) to other jurisdictions;
- The terrain in which the service is performed;
- Disposal costs;
- Rate structures (as illustrated in the rate survey where three jurisdictions have higher 32-gallon rates than Alameda's proposed 32-gallon rate; however, six jurisdictions have a higher rate for commercial 1 cubic yard bin serviced once per week); and,
- Governmental fees (e.g., franchise fees, vehicle impact fees, etc.)

* * * * *

We would like to express our appreciation to ACI's management and staff for their assistance. In addition, we express our appreciation to you for your assistance and guidance during the course of the review. Should you have any questions, please contact me directly at (925) 977-6961 or msheehan@hfh-consultants.com.

Sincerely,

HF&H CONSULTANTS, LLC



Marva M. Sheehan, CPA
Vice President

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**ATTACHMENT 1
ALAMEDA COUNTY RATE SURVEY
(RATES IN EFFECT ON MARCH 4, 2015)**

Residential Single - Family					Commercial			
Jurisdiction	20-Gal.	30-35 Gal.	60-64 Gal.	90-96 Gal.	1 YD Bin 1X/Week	1YD Bin 3X/Week	3 YD Bin 1X/Week	3 YD Bin 3X/Week
City of Alameda - Current	\$28.46	\$35.92	\$59.02	\$82.42	\$136.82	\$418.66	\$410.47	\$1,256.00
City of Alameda - Proposed	\$29.26	\$36.93	\$60.67	\$84.73	\$140.65	\$430.38	\$421.96	\$1,291.17
City of Albany	\$35.92	\$40.23	\$69.53	\$98.82	\$160.30	\$480.90	\$480.90	\$1,442.70
City of Berkeley	\$23.10	\$36.93	\$73.83	\$110.71	\$147.00	\$414.21	\$406.85	\$1,208.45
City of Dublin	N/A	\$21.10	\$38.75	\$56.40	\$102.35	\$357.99	\$307.05	\$972.09
City of Emeryville	\$10.93	\$18.10	\$36.19	\$54.29	\$107.78	\$323.34	\$323.34	\$970.02
City of Fremont	\$29.89	\$30.51	\$33.39	\$48.93	\$86.95	\$250.10	\$195.45	\$575.58
City of Hayward	\$20.40	\$29.81	\$53.16	\$76.48	\$116.61	\$316.24	\$300.45	\$829.23
City of Livermore	\$19.36	\$28.76	\$53.34	\$86.21	\$116.72	\$364.16	\$350.16	\$1,115.62
City of Newark	\$24.93	\$27.72	\$49.09	\$70.44	\$112.31	\$350.41	\$297.13	\$810.32
City of Oakland ¹	\$32.10	\$36.82	\$67.19	\$102.43	\$194.10	\$582.30	\$462.27	\$1,386.81
City of Piedmont	\$49.45	\$51.88	\$60.57	\$70.97	\$162.69	\$458.61	NA	NA
City of Pleasanton	N/A	\$33.80	N/A	\$41.43	\$205.95	\$467.86	\$467.86	\$1,253.58
City of San Leandro	\$21.06	\$26.23	\$43.66	\$61.07	\$115.01	\$347.71	\$347.71	\$1,043.12
City of Union City	\$36.75	\$42.95	\$73.99	\$104.99	\$128.16	\$353.98	\$335.85	\$915.30
Castro Valley Sanitary District	\$23.80	\$36.92	\$64.11	\$91.33	\$261.83	\$785.60	\$696.78	\$1,952.78

Note: Oro Loma Sanitary District is not included in the survey; Oro Loma customers receive bi-weekly recycling service, while all other jurisdictions represented above receive weekly service.

1 The City of Oakland rates are effective 7/1/2015

ATTACHMENT 2
RATE COMPONENTS OF 32 GALLON SF SERVICE

Monthly Rate	RP10	RP11	RP12	RP13	RP14
	\$31.45	\$33.02	\$35.00	\$35.92	\$36.93

