

**From:** [Gerry Beaudin](#)  
**To:** [CityCouncil-List](#)  
**Cc:** [Eric Levitt](#); [Yibin Shen](#); [Lara Weisiger](#); [Liz Acord](#)  
**Subject:** ACI Council Questions & Answers  
**Date:** Tuesday, May 4, 2021 6:01:01 PM  
**Attachments:** [image001.png](#)

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Good evening, Mayor and Councilmembers –

Here are responses to a few questions that came in this afternoon regarding the ACI Solid Waste, Recycling, and Compost Franchise Agreement item on tonight's agenda:

1. Rate Comparison – Are we the most expensive in the area? (summary on page 9 of report) – No, the rates proposed in the recommended Franchise Agreement are not the most expensive in the area. If approved, Alameda's rates would be just above average rate at this time for the jurisdictions shown. However, several agencies are in the process of updating their agreements to address recent regulatory changes/requirements, and they will likely see increases to meet the new requirements.
2. Amortization – If the Franchise Agreement term was lengthened from 12 years to 20 years, would the rates decrease? Not from a pure cost structure perspective. This is an issue of capital cycles, which are about 10-12 years.
3. Rate Calculation – What is the formula for the rate calculation?//Is ACI making more profit than before? The rate structure is included in Exhibit E-1 and E-2 of the agreement. ACI's margin has been held fairly constant between agreements.
4. Maintenance Costs and Electrification – Shouldn't maintenance costs go down, thereby saving ACI money when more electric vehicles are brought online? The higher costs for electric vehicles coupled with charging infrastructure upgrades (and possibly shorter life cycle of the vehicles) may nullify the savings. The City and ACI will monitor these costs as part of the ongoing rate evaluations throughout the term of the agreement. Each future cost/rate review, we will be able to evaluate this and ensure that costs are controlled.

Kind regards,  
Gerry

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