



City of Carson

Report to Mayor and City Council

July 1, 2014
Special Orders of the Day

SUBJECT: PUBLIC HEARING TO CONSIDER RESIDENTIAL WASTE SERVICES RATE ADJUSTMENT

Submitted by Massoud Ghiam, P.E.
Acting Director of Public Works/City Engineer

Approved by Nelson Hernandez
City Manager

I. SUMMARY

Waste Management, Inc. (WM), the City's residential waste hauler, has submitted a rate adjustment request of 5.0% for FY 2014/15 for residential waste hauling services (Exhibit No. 1). According to Section 6.3 of the original agreement - "Future Adjustments" (Exhibit No. 2) and Section 6.7 of the First Amendment to Franchise Agreement - "Disposal Price Adjustment," (Exhibit No. 3), WM is entitled to submit data each April for a rate adjustment based upon the change in the Consumer Price Index (CPI) and tipping fees at Puente Hills Landfill to be effective in July of each year the agreement is in effect.

Under the terms of the franchise agreement the City Manager has the authority to grant a rate increase. In order to provide the public an opportunity to express their views, the City Manager requests that the City Council hold a public hearing. Input from the public hearing shall be considered by the City Manager in rendering a decision.

II. RECOMMENDATION

TAKE the following actions:

1. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing.
2. DIRECT the City Manager to consider City Council and public comments when rendering his decision on rate adjustments.

III. ALTERNATIVES

TAKE such other action that the City Council deems appropriate consistent with the requirements of law.

IV. BACKGROUND

Waste Management, Inc. (WM), the City's residential waste hauler has submitted a rate adjustment for residential waste hauling services that includes single family, multi-family, mobilehome parks, and senior citizen housing complexes.

The Residential Franchise Agreement, Article 6.3, states that future rate adjustments shall be based on changes in the Consumer Price Index (CPI), for "All

Urban Consumers, for the Los Angeles-Anaheim-Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics.” As reflected in Exhibit 4, the annual CPI in 2013 increased by 1.08%.

Because CPI increase by 1.08% in 2013 Section 6.7 - Disposal Price Adjustment, of the agreement indicates that WM could be compensated for the average tipping fee per ton charged by the Los Angeles County Landfill/Materials Recovery Facility at Puente Hills and the Downey Area Recycling & Transfer Facility (DART) in Downey. The average tipping fee is the sum of the tipping fees at Puente Hills and DART divided by two. The current tipping fee at DART is \$54.45. And although the Puente Hills facility has been officially closed, it continues to accommodate customers. The current tipping fee is \$45.75. Based on these two rates, the average tipping fee between Puente Hills and DART is \$50.10 which results in an 8.47% disposal increase.

Per Section 6.7 of the agreement, the 1.08% CPI adjustment and the 8.47% disposal increase equates to a rate adjustment of 9.55%. To reduce the financial strain on residents and yet generate income, WM proposed to lower the allowed 9.55% rate adjustment down to 5.0%. For this rate calculation, \$48.13 was used as the average tipping fee, which results in a 3.92% disposal increase. The 1.08% CPI adjustment and the 3.92% disposal increase equates to an overall 5.0% increase to all residential rates. The previous year's rate adjustment was 2.04% and increases prior to that are shown on Exhibit No. 9. The new proposed rate for single family services would be \$20.46 per month or \$245.57 per year (\$10.23 per month or \$122.79 per year for senior citizens), and the proposed rates for various levels of service for Multi-Family, Mobile Home Parks and Senior Housing Complexes are as shown on Exhibit No. 5.

In accordance with the Carson Municipal Code (CMC) Article V, Chapter 2, Section 5229 - Collection of Charges, “The City shall collect fees for residential solid waste collection services by causing fees to be placed on the Los Angeles County Tax rolls through procedures established by the Los Angeles County Tax Collector. No charge shall be made directly to a residential householder by the franchised residential collector, except as otherwise specifically authorized by the City Council. Every commercial/industrial collector shall be solely responsible for collecting the charges for such collector's services for providing commercial/industrial collections pursuant to this Chapter, and the City shall have no liability or responsibility therefor” (Exhibit No. 6).

Furthermore, pursuant to Proposition 218 SEC. 4e of Article XIII D - Procedures and Requirements for All Assessments, “The agency shall conduct a public hearing upon the proposed assessment not less than 45 days after mailing the notice of the proposed assessment to the owners of record of each identified parcel. At the public hearing, the agency shall consider all protests against the proposed assessment and tabulate the ballots. The agency shall not impose an

assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property” (Exhibit No. 7).

According to Section 6.8 of the First Amendment of the Franchise Agreement, - “Compliance with Proposition 218,” the City shall be responsible for the noticing process per Prop 218. In order to comply with the 45 day notice required under Prop 218, in early April over 26,000 notices were mailed. Furthermore, On May 7, 2014, the Notice of Public Hearing regarding the rate adjustment to the City’s waste hauling services was posted at 6 public places within the City (Exhibit No. 8). At the time this staff report was prepared, staff was unaware of any protest relative to the subject issue.

V. FISCAL IMPACT

None. All residential billing is placed on the County Tax Roll and billed to the residents directly on their annual property tax bill. The tax collected by Los Angeles County is then paid to the City. The City then remits those property tax receipts to Waste Management.

VI. EXHIBITS

1. Waste Management Residential rate adjustment letter, April 16, 2014. (pg. 5)
2. Original Residential Waste Hauling Franchise Agreement - Section 6.3. (pg. 6)
3. First Amendment to the Residential Waste Hauling Franchise Agreement - Section 6.7. (pgs. 7-8)
4. Consumer Price Index (CPI), All Urban Consumers, for the Los Angeles-Anaheim-Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics. (pg. 9)
5. Proposed Residential Rates FY 2014/15. (pgs. 10-11)
6. Carson Municipal Code Article V, Chapter 2, Section 5229 - Collection of Charges. (pg. 12)
7. Proposition 218 Section 4e of Article XIII D - Procedures and Requirements for All Assessments. (pgs. 13 – 165).
8. Notice of Public Hearing dated May 7, 2014. (pgs. 17-19)
9. Residential Rate increases for the last ten years. (pg. 20)

Prepared by: Raymond Velasco, PW Program Administrator

G:\PUBLIC WORKS DIVISION\AGENDA REPORTS\2014\07-01-2014 CC Solid Waste Residential Rate Adjustment\07-01-2014 CC WM Residential Rate Adjustment.docx

TO: Rev05-13-2014

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

Action taken by City Council	
Date_____	Action_____



April 16, 2014

Ms. Jackie Acosta
City Manager
City of Carson
701 E Carson Street
Carson, CA 90745

Re: 2014 Residential and Commercial Rate Adjustments

Dear Ms. Acosta:

Waste Management deeply values the partnership that we have developed with the City, residents and businesses in the City of Carson. Given that, and as noted in my letter of March 27, 2014, we have spent some time looking at the contractual annual price adjustment to see if there's a way to develop a less impactful adjustment for 2014.

As you know, the contractual formula for 2014 has a blended formula for the disposal component that includes Puente Hills. The dramatic increase in that rate has created a rate increase of 9.55% for both the residential and commercial lines of business. Waste Management understands the effect that would have on residents and businesses and, therefore, would like to offer the following accommodation for 2014/2015.

As the rates at the Puente Landfill have been constant since July 2010, WM hasn't had an increase in disposal since 2009 although WM's disposal costs have increased without any compensation for that. Over that four-year period, CPI has averaged 1.7% per year. Had WM received a 1.7% increase in the disposal component over those four years, our disposal rate today would be \$41 per ton, resulting in an effective rate increase of 4.07%. WM is proposing a rate adjustment of 5% total for 2014 instead of the contractual increase of 9.55%.

Thank you for your consideration. Please let me know if you have any questions.

Sincerely,

Janine Hamner
Manager, Community and Municipal Affairs

CC: Mark Stackle
Doug Corcoran
Raymond Velasco
Frank Guercio
Mike Grim

EXHIBIT NO. 01



ARTICLE 6

COMPANY COMPENSATION AND RATES

6.1 General

- A. The compensation provided for in this Article 6 shall be the full compensation due to the Company under this Agreement for all labor, equipment, materials, supplies, taxes, insurance, bonds, overhead, disposal, transfer, profit and all other things necessary to perform all services required by this Agreement.
- B. The Company shall perform the duties described in this Agreement in consideration of the right to receive compensation for such services rendered at maximum rates fixed from time-to-time by the City.

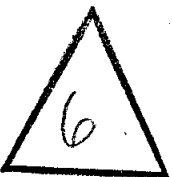
6.2 Compensation to the Company

The compensation paid to the Company for services rendered from the Effective Date through June 30, 2005, shall not exceed that set forth in Exhibit 1, unless otherwise provided for in a written amendment to this Agreement. Unless and until the maximum rates set forth on Exhibit 1 are adjusted, the Company shall provide the services required by this Agreement, charging no more than the maximum rates authorized by Exhibit 1, except as provided herein and in Section 6.4.

6.3 Future Adjustments

Effective July 1, 2005, and on each July 1 thereafter, the compensation paid to the Company shall be adjusted annually to maximum rates that are based upon changes in the Consumer Price Index ("CPI"), All Urban Consumers, for the Los Angeles-Anaheim-Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics. The Company shall submit to the City, each April, beginning in April 2005, information in support of an annual adjustment. This information will include changes in the CPI that have occurred during the preceding calendar year. The City Manager or his designee shall review the information submitted by Company and approve the rate adjustment if the information submitted is determined to be accurate. As an alternative, the City Manager may refer the proposed adjustment to the City Council for approval, in its reasonable judgment.

EXHIBIT NO. 0



FIRST AMENDMENT TO THE ORIGINAL RESIDENTIAL FRANCHISE AGREEMENT

services required by this Agreement, charging no more than the maximum rates authorized by Exhibit 1, except as provided herein.

11. New Sections 6.6 through 6.10 are added to the Agreement, as follows:

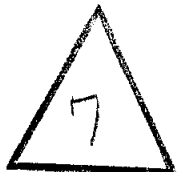
6.6 Compensation for Additional Services

In the event the Company provides other services desired by residential accounts for which a rate is not established in Exhibit 1, including but not limited to Bagster® Service, the Company and the residential account shall agree on a rate for such services, subject to review and approval by the City Manager in the event of dispute. Any rate established by this method shall only apply as between the Company and the individual residential account so negotiating the rate. New rates for any service shall not become generally applicable to residential accounts unless and until such rates are enacted into the rate schedule at Exhibit 1, subject to Section 6.8.

6.7 Disposal Price Adjustment

Beginning July 1, 2011, the compensation paid to Company shall be adjusted by Company each July 1 during the term of the Agreement to reflect the percentage increase or decrease since the Effective Date, or the date of any prior adjustment, or, if the amount of the per ton tipping fee to be charged in the future is known in advance, to reflect the per ton tipping fee that will be in effect, in the average tipping fee per ton charged by the Los Angeles County Landfill/Materials Recovery Facility at Puente Hills and the DART Materials Recovery Facility in Downey. The average tipping fee is the sum of the tipping fees at Puente Hills and DART, and then divided by two. For purposes of the first such adjustment to occur on July 1, 2011, the initial tipping fees utilized in the computation shall be \$38.26 per ton at Puente Hills and \$54.15 per ton at DART, or an average tipping fee of \$46.20. The tipping fee used for this calculation shall exclude all federal, state and local taxes, fees and assessments levied on or applicable to the processing, transportation or disposal of solid waste at Puente Hills or DART. The City Manager or his designee shall review the information submitted by Company and recommend the rate adjustment for approval by the City Council if the information submitted is determined to be accurate. Thereafter, the City Manager shall refer the proposed adjustment to the City Council for approval in its reasonable judgment, subject to Section 6.8. In addition, in light of

EXHIBIT NO. 03



the scheduled closure of the Puente Hills Landfill in late 2013, the parties agree to meet and confer in good faith beginning in July 2013 regarding the need for an adjustment to the methodology for calculating the disposal price adjustment.

6.8 Compliance with Proposition 218

To the extent required under Proposition 218 and other applicable laws, the City must undertake the Proposition 218 notice and protest process, or other required actions, with respect to Adjustments and/or increases to the maximum rates, including future adjustments under Section 6.3, extraordinary adjustments under Section 6.4, adjustments for additional services under Section 6.6, and disposal price adjustments under Section 6.7, and any other request for rate increases.

6.9 No Waiver of Police Powers Or Discretion

City has no legal obligation to accept adjustments to the maximum rate requested by Company. Accordingly, the City Council is completely free to exercise its discretion and police powers in considering such matters, and the City has not contracted away any of its police powers or duties to protect the public health, safety or general welfare of its citizens pursuant to State and Federal law. The City's decision on matters submitted to a public hearing will be made in good faith at or after the public hearing, not beforehand, consistent with the intent and language of this Agreement.

6.10 Proposition 218 Protest Contract Remedy

If any rate adjustment requested by Company is verified for accuracy by the City and not implemented as a result of a 50% protest in accordance with Proposition 218, Company may either: 1) accept that the rate will remain at the rates in effect prior to the requested rate increase, or 2) submit in writing to the City its intent to terminate the Agreement. A request to terminate the Agreement under this section would require a nine (9) month advance written notice and must be submitted within ninety (90) days of the denial of the rate increase request as a result of the 50% protest. During the nine (9) month notice period, the City may re-institute the Proposition 218 notice and protest process with respect to the proposed adjustment, and if the proposed adjustment does not receive a 50% protest and is implemented by the City, Company's notice of termination shall be deemed withdrawn.



Consumer Price Index - All Urban Consumers Original Data Value

Series Id: CUURA421SA0
 Not Seasonally Adjusted
 Area: Los Angeles-Riverside-Orange County, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2002 to 2013

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2002	178.9	180.1	181.1	182.2	182.6	181.9	182.2	183.0	183.4	183.7	184.0	183.7	182.2	181.1	183.3
2003	185.2	186.5	188.2	187.6	186.4	186.3	186.3	186.9	188.2	187.8	187.1	187.0	187.0	186.7	187.2
2004	188.5	190.1	191.5	191.9	193.3	193.7	193.4	193.1	194.5	196.3	196.9	195.2	193.2	191.5	194.9
2005	195.4	197.4	199.2	201.1	201.5	200.7	201.4	203.1	205.8	206.9	205.6	203.9	201.8	199.2	204.5
2006	206.0	207.5	208.5	210.5	212.4	211.1	211.4	211.9	212.9	211.4	211.1	210.6	210.4	209.3	211.6
2007	212.584	214.760	216.500	217.845	218.596	217.273	217.454	217.330	217.697	218.696	219.943	219.373	217.338	216.260	218.416
2008	220.918	221.431	223.606	224.625	226.651	229.033	229.886	228.484	227.449	226.159	222.229	219.620	225.008	224.377	225.638
2009	220.719	221.439	221.376	221.693	222.522	223.906	224.010	224.507	225.226	225.264	224.317	223.643	223.219	221.943	224.495
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185

EXHIBIT NO. 04

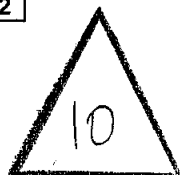


Carson Rates for Residential Services
Effective 7/1/2014

2013 Single Family Rate:	\$ 19.49	per Residential Unit per month
2014 Single Family Rate:	\$ 20.47	per Residential Unit per month
2013 Senior Citizen Single Family Rate:	\$ 9.73	per Residential Unit per month
2014 Senior Citizen Single Family Rate:	\$ 10.22	per Residential Unit per month
2013 Extra Trash Cart:	\$ 9.73	per month (billed by WM to customer)
2014 Extra Trash Cart:	\$ 10.22	per month (billed by WM to customer)

Bin Rate Schedule for Residential/Multi-Family - Billcycle CMF							
Bin Size	Collections per Week						
	1 x	2 x	3 x	4 x	5 x	6 x	7 x
2 Cubic yards (13)	\$ 116.04	\$ 207.81	\$ 294.28	\$ 384.75	\$ 462.10	\$ 575.82	\$ 696.25
2 Cubic yards (14)	\$ 121.85	\$ 218.21	\$ 309.01	\$ 404.01	\$ 485.23	\$ 604.64	\$ 731.10
3 Cubic yards (13)	\$ 126.57	\$ 252.01	\$ 359.87	\$ 459.24	\$ 571.90	\$ 711.09	\$ 859.91
3 Cubic yards (14)	\$ 132.90	\$ 264.62	\$ 377.88	\$ 482.22	\$ 600.52	\$ 746.68	\$ 902.95
4 Cubic yards (13)	\$ 175.64	\$ 294.28	\$ 423.46	\$ 558.79	\$ 677.83	\$ 818.64	\$ 1,022.11
4 Cubic yards (14)	\$ 184.43	\$ 309.01	\$ 444.65	\$ 586.76	\$ 711.76	\$ 859.61	\$ 1,073.27
6 Cubic yards (13)	\$ 220.11	\$ 378.89	\$ 550.64	\$ 730.73	\$ 889.71	\$ 1,111.30	\$ 1,346.46
6 Cubic yards (14)	\$ 231.13	\$ 397.85	\$ 578.20	\$ 767.30	\$ 934.24	\$ 1,166.92	\$ 1,413.85
Optional Services							
Locking Lids (13)	\$ 11.59	\$ 18.43	\$ 25.78	\$ 33.48	\$ 42.93	\$ 49.67	\$ 60.33
Locking Lids (14)	\$ 12.17	\$ 19.35	\$ 27.07	\$ 35.16	\$ 45.08	\$ 52.16	\$ 63.35
Scout Service (13)	\$ 38.69	\$ 71.69	\$ 107.45	\$ 145.07	\$ 190.72	\$ 224.66	\$ 277.95
Scout Service (14)	\$ 40.63	\$ 75.28	\$ 112.83	\$ 152.33	\$ 200.27	\$ 235.90	\$ 291.86
Push Out Service (13)	\$ 27.63	\$ 48.77	\$ 71.64	\$ 95.67	\$ 124.90	\$ 146.42	\$ 180.25
Push Out Service (14)	\$ 29.01	\$ 51.21	\$ 75.23	\$ 100.46	\$ 131.15	\$ 153.75	\$ 189.27

Bin Rate Schedule for Mobile Home Parks - Billcycle CMH							
Bin Size	Collections per Week						
	1 x	2 x	3 x	4 x	5 x	6 x	7 x
2 Cubic yards (13)	\$ 68.08	\$ 113.26	\$ 151.02	\$ 188.79	\$ 225.55	\$ 312.29	\$ 321.30
2 Cubic yards (14)	\$ 71.49	\$ 118.93	\$ 158.58	\$ 198.24	\$ 236.84	\$ 327.92	\$ 337.38
3 Cubic yards (13)	\$ 71.77	\$ 139.50	\$ 187.21	\$ 234.93	\$ 282.62	\$ 330.31	\$ 401.86
3 Cubic yards (14)	\$ 75.36	\$ 146.48	\$ 196.58	\$ 246.69	\$ 296.77	\$ 346.84	\$ 421.97
4 Cubic yards (13)	\$ 100.07	\$ 153.32	\$ 207.08	\$ 260.85	\$ 370.16	\$ 368.42	\$ 449.05
4 Cubic yards (14)	\$ 105.08	\$ 160.99	\$ 217.44	\$ 273.91	\$ 388.69	\$ 386.86	\$ 471.52
6 Cubic yards (13)	\$ 126.34	\$ 194.51	\$ 265.15	\$ 357.24	\$ 406.42	\$ 477.00	\$ 582.91
6 Cubic yards (14)	\$ 132.66	\$ 204.25	\$ 278.42	\$ 375.12	\$ 426.76	\$ 500.87	\$ 612.08
Optional Services							
Locking Lids (13)	\$ 8.24	\$ 12.37	\$ 16.48	\$ 20.61	\$ 24.73	\$ 28.85	\$ 35.04
Locking Lids (14)	\$ 8.65	\$ 12.99	\$ 17.30	\$ 21.64	\$ 25.97	\$ 30.29	\$ 36.79
Scout Service (13)	\$ 27.49	\$ 48.08	\$ 68.70	\$ 89.27	\$ 109.87	\$ 130.46	\$ 161.37
Scout Service (14)	\$ 28.87	\$ 50.49	\$ 72.14	\$ 93.74	\$ 115.37	\$ 136.99	\$ 169.45
Push Out Service (13)	\$ 20.61	\$ 34.33	\$ 48.08	\$ 61.82	\$ 75.55	\$ 89.27	\$ 109.92
Push Out Service (14)	\$ 21.64	\$ 36.05	\$ 50.49	\$ 64.91	\$ 79.33	\$ 93.74	\$ 115.42



Bin Rate Schedule for Senior Citizen Housing Complexes - Billcycle CSC

Bin Size	Collections per Week						
	1 x	2 x	3 x	4 x	5 x	6 x	7 x
2 Cubic yards (13)	\$ 44.65	\$ 74.30	\$ 99.06	\$ 123.83	\$ 147.93	\$ 347.67	\$ 210.74
2 Cubic yards (14)	\$ 46.88	\$ 78.02	\$ 104.02	\$ 130.03	\$ 155.33	\$ 365.07	\$ 221.29
3 Cubic yards (13)	\$ 47.07	\$ 87.80	\$ 117.81	\$ 147.83	\$ 177.84	\$ 207.87	\$ 252.87
3 Cubic yards (14)	\$ 49.43	\$ 92.19	\$ 123.71	\$ 155.23	\$ 186.74	\$ 218.27	\$ 265.53
4 Cubic yards (13)	\$ 65.64	\$ 100.56	\$ 135.82	\$ 171.08	\$ 206.76	\$ 241.65	\$ 294.53
4 Cubic yards (14)	\$ 68.93	\$ 105.59	\$ 142.62	\$ 179.64	\$ 217.11	\$ 253.74	\$ 309.27
6 Cubic yards (13)	\$ 80.30	\$ 126.06	\$ 171.84	\$ 217.59	\$ 263.40	\$ 309.15	\$ 377.80
6 Cubic yards (14)	\$ 84.32	\$ 132.37	\$ 180.44	\$ 228.48	\$ 276.58	\$ 324.62	\$ 396.71
Optional Services							
Locking Lids (13)	\$ 5.05	\$ 7.57	\$ 10.12	\$ 12.65	\$ 15.17	\$ 17.71	\$ 21.49
Locking Lids (14)	\$ 5.30	\$ 7.95	\$ 10.63	\$ 13.28	\$ 15.93	\$ 18.60	\$ 22.57
Scout Service (13)	\$ 16.85	\$ 29.49	\$ 42.13	\$ 54.75	\$ 67.37	\$ 80.03	\$ 98.98
Scout Service (14)	\$ 17.69	\$ 30.97	\$ 44.24	\$ 57.49	\$ 70.74	\$ 84.04	\$ 103.93
Push Out Service (13)	\$ 12.65	\$ 21.07	\$ 29.00	\$ 37.91	\$ 46.32	\$ 54.75	\$ 67.41
Push Out Service (14)	\$ 13.28	\$ 22.12	\$ 30.45	\$ 39.81	\$ 48.64	\$ 57.49	\$ 70.78



commercial/industrial business owner and residential owner shall pay the rates established from time to time by the City Council for collection services rendered pursuant to this Chapter in the manner set forth in Section 5229. The City Council shall establish rate categories as may be appropriate for collection services provided by the commercial/industrial collectors. (Ord. 91-956, § 2; Ord. 91-959, § 1)

5229 Collection of Charges.

The City shall collect fees for residential solid waste collection services by causing fees to be placed on the Los Angeles County Tax rolls through procedures established by the Los Angeles County Tax Collector. No charge shall be made directly to a residential householder by the franchised residential collector, except as otherwise specifically authorized by the City Council. Every commercial/industrial collector shall be solely responsible for collecting the charges for such collector's services for providing commercial/industrial collections pursuant to this Chapter, and the City shall have no liability or responsibility therefor. (Ord. 91-956, § 2)

5229.1 Permits and Licenses.

Every collector shall obtain and maintain at all time during the collector's operations a permit and business license issued by the City, and all applicable permits and licenses required by any public agency having jurisdiction. (Ord. 91-956, § 2)

5229.2 Seamless Service Requirements.

(a) Definitions. Whenever the terms set forth below are used in this Section, they shall have the meanings set forth herein below:

(1) "Change in contract" shall mean any change of any provider with whom the City contracts to provide waste collection and recycling services including the pick-up, transfer, disposal and sorting of residential and commercial solid waste and recycling.

(2) "Change in control" shall mean any sale, assignment, transfer, or other disposition of all or substantially all of the assets or a controlling interest (including by consolidation, merger, or reorganization) of the incumbent operator, or any person who controls such incumbent operator, to a new operator.

(3) "City" shall mean the City of Carson.

(4) "Provider" shall mean any corporation, company, partnership, trust, estate, association, joint venture or other legal or commercial entity, as well as any subcontractor of such an entity, operating within the City that employs workers to perform waste collection and recycling services under contract with the City, including the pick-up, transfer, disposal and sorting of residential, commercial, and industrial solid waste and recycling.

(5) "Incumbent operator" shall mean any person, as defined herein, who owns, controls, and/or operates a provider prior to a change in control or change in contract.

(6) "New operator" shall mean any person, as defined herein, who owns, controls, and/or operates any provider following a change in control or change in contract.

(7) "Person" shall mean an individual, corporation, partnership, limited partnership, trust, estate, association, joint venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.

(8) "Qualified displaced worker" shall mean any person employed by an incumbent operator, or any subcontractor of an incumbent operator, who:

(i) Is not an "exempt" employee within the meaning of the Fair Labor Standards Act ("FLSA"); and

CALIFORNIA CONSTITUTION

ARTICLE 13D (ASSESSMENT AND PROPERTY-RELATED FEE REFORM)

<http://www.leginfo.ca.gov/const-toc.html>

<http://www.leginfo.ca.gov/.const/.article.13D>

SECTION 1. Application. Notwithstanding any other provision of law, the provisions of this article shall apply to all assessments, fees and charges, whether imposed pursuant to state statute or local government charter authority. Nothing in this article or Article XIIIIC shall be construed to:

- (a) Provide any new authority to any agency to impose a tax, assessment, fee, or charge.
- (b) Affect existing laws relating to the imposition of fees or charges as a condition of property development.
- (c) Affect existing laws relating to the imposition of timber yield taxes.

SEC. 2. Definitions. As used in this article:

- (a) "Agency" means any local government as defined in subdivision (b) of Section 1 of Article XIIIIC.
- (b) "Assessment" means any levy or charge upon real property by an agency for a special benefit conferred upon the real property. "Assessment" includes, but is not limited to, "special assessment," "benefit assessment," "maintenance assessment" and "special assessment tax."
- (c) "Capital cost" means the cost of acquisition, installation, construction, reconstruction, or replacement of a permanent public improvement by an agency.
- (d) "District" means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service.
- (e) "Fee" or "charge" means any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.
- (f) "Maintenance and operation expenses" means the cost of rent, repair, replacement, rehabilitation, fuel, power, electrical current, care, and supervision necessary to properly operate and maintain a permanent public improvement.
- (g) "Property ownership" shall be deemed to include tenancies of real property where tenants are directly liable to pay the assessment, fee, or charge in question.
- (h) "Property-related service" means a public service having a direct relationship to property ownership.
- (i) "Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."

SEC. 3. Property Taxes, Assessments, Fees and Charges Limited. (a) No tax, assessment, fee, or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except:

- (1) The ad valorem property tax imposed pursuant to Article XIII and Article XIIIIA.
- (2) Any special tax receiving a two-thirds vote pursuant to Section 4 of Article XIIIIA.
- (3) Assessments as provided by this article.
- (4) Fees or charges for property related services as provided by this article.

(b) For purposes of this article, fees for the provision of electrical or gas service shall not be deemed charges or fees imposed

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as an incident of property ownership.

SEC. 4. Procedures and Requirements for All Assessments. (a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.

(c) The amount of the proposed assessment for each identified parcel shall be calculated and the record owner of each parcel shall be given written notice by mail of the proposed assessment, the total amount thereof chargeable to the entire district, the amount chargeable to the owner's particular parcel, the duration of the payments, the reason for the assessment and the basis upon which the amount of the proposed assessment was calculated, together with the date, time, and location of a public hearing on the proposed assessment. Each notice shall also include, in a conspicuous place thereon, a summary of the procedures applicable to the completion, return, and tabulation of the ballots required pursuant to subdivision (d), including a disclosure statement that the existence of a majority protest, as defined in subdivision (e), will result in the assessment not being imposed.

(d) Each notice mailed to owners of identified parcels within the district pursuant to subdivision (c) shall contain a ballot which includes the agency's address for receipt of the ballot once completed by any owner receiving the notice whereby the owner may indicate his or her name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment.

(e) The agency shall conduct a public hearing upon the proposed assessment not less than 45 days after mailing the notice of the proposed assessment to record owners of each identified parcel. At the public hearing, the agency shall consider all protests against the proposed assessment and tabulate the ballots. The agency shall not impose an assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.

(f) In any legal action contesting the validity of any assessment, the burden shall be on the agency to demonstrate that the property or properties in question receive a special benefit over and above the benefits conferred on the public at large and that the amount of any contested assessment is proportional to, and no greater than, the

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benefits conferred on the property or properties in question.

(g) Because only special benefits are assessable, electors residing within the district who do not own property within the district shall not be deemed under this Constitution to have been deprived of the right to vote for any assessment. If a court determines that the Constitution of the United States or other federal law requires otherwise, the assessment shall not be imposed unless approved by a two-thirds vote of the electorate in the district in addition to being approved by the property owners as required by subdivision (e).

SEC. 5. Effective Date. Pursuant to subdivision (a) of Section 10 of Article II, the provisions of this article shall become effective the day after the election unless otherwise provided. Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:

(a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.

(b) Any assessment imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.

(c) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the Contract Impairment Clause of the Constitution of the United States.

(d) Any assessment which previously received majority voter approval from the voters voting in an election on the issue of the assessment. Subsequent increases in those assessments shall be subject to the procedures and approval process set forth in Section 4.

SEC. 6. Property Related Fees and Charges. (a) Procedures for New or Increased Fees and Charges. An agency shall follow the procedures pursuant to this section in imposing or increasing any fee or charge as defined pursuant to this article, including, but not limited to, the following:

(1) The parcels upon which a fee or charge is proposed for imposition shall be identified. The amount of the fee or charge proposed to be imposed upon each parcel shall be calculated. The agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge.

(2) The agency shall conduct a public hearing upon the proposed fee or charge not less than 45 days after mailing the notice of the proposed fee or charge to the record owners of each identified parcel upon which the fee or charge is proposed for imposition. At the public hearing, the agency shall consider all protests against the proposed fee or charge. If written protests against the proposed fee

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or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.

(b) Requirements for Existing, New or Increased Fees and Charges. A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

(1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.

(2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.

(3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.

(4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4.

(5) No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Reliance by an agency on any parcel map, including, but not limited to, an assessor's parcel map, may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership for purposes of this article. In any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance with this article.

(c) Voter Approval for New or Increased Fees and Charges. Except for fees or charges for sewer, water, and refuse collection services, no property related fee or charge shall be imposed or increased unless and until that fee or charge is submitted and approved by a majority vote of the property owners of the property subject to the fee or charge or, at the option of the agency, by a two-thirds vote of the electorate residing in the affected area. The election shall be conducted not less than 45 days after the public hearing. An agency may adopt procedures similar to those for increases in assessments in the conduct of elections under this subdivision.

(d) Beginning July 1, 1997, all fees or charges shall comply with this section.

CERTIFICATE OF POSTING

NOTICE OF

PUBLIC HEARING

The undersigned hereby certifies:

That all times herein mentioned, he/she was and now is the duly qualified and acting City Clerk/Deputy City Clerk of the City of Carson, California;

That on the 7th day of May, 2014, he/she caused to be posted in three conspicuous places, as required by law, regarding the City's Refuse Fee and increases to such City Refuse Fee, a copy of which is attached hereto, in the following public places in this City (CMC Sec. 2800 et seq.):

Los Angeles County Regional Library at Carson
151 East Carson Street
Carson, California 90745 - (310) 830-0901

Dominguez Park
21330 Santa Fe Avenue
Long Beach, California 90810 - (310) 549-3962

Los Angeles County Library
Victoria Park Branch
17906 South Avalon Boulevard
Carson, California 90746 - (310) 327-4830

City Offices (2)
701 East Carson Street
Carson, California 90745 - (310) 830-7600

Los Angeles County Sheriff's Department
Carson Station
21356 South Avalon Boulevard (at Desford Street)
Carson, California 90745 - (310) 830-1123

Courtesy Posting:

Congresswoman Juanita Millender-McDonald Community Center (2)
3 Civic Plaza Drive
Carson, California 90745 - (310) 835-0212

RECEIVED
CITY CLERK
14 MAY - 7 AM 9:04
CITY OF CARSON

I certify under penalty of perjury that the foregoing is true and correct. Executed at Carson, California, this 7 day of May, 20 14.

Meeting Date: 07/01/2014
Time: 6:00 PM

Donesia L. Gause, CMC
City Clerk

By: [Signature]
Deputy City Clerk, City of Carson

ORIGINAL - CITY CLERK

COPY - R. Velasco - Public Works
K. McKay - Pub. Safety
P. Nguyen - Accounting

EXHIBIT NO. 08





CITY OF CARSON

**NOTICE OF PUBLIC HEARING
BY THE CITY COUNCIL OF THE CITY OF CARSON
REGARDING THE CITY'S REFUSE COLLECTION CHARGES AND INCREASES
TO SUCH CITY REFUSE CHARGES**

NOTICE IS HEREBY GIVEN that the City Council (the "City Council") of the City of Carson (the "City") will hold a public hearing to consider a rate increase to its refuse collection and disposal fees and its resulting new fees charged to property owners and/or residents for solid waste disposal services within the City. Said public hearing will be held at a regular meeting of the Carson City Council as follows:

DATE: Tuesday, July 1, 2014

TIME: 6:00 p.m.

PLACE: City Hall, Council Chambers
701 East Carson Street
Carson, California 90745

The solid waste disposal services in the City are performed by Waste Management and the charges are billed on the County tax roll to property owners within the City as the "City Refuse Fee".

The solid waste disposal fees charged on your tax bill will increase as shown below on a monthly basis and on a yearly basis (the monthly basis multiplied by 12):

Type of Service	<u>Current</u> <u>Monthly Rate</u> (Effective July 1, 2013)	<u>Proposed</u> <u>Monthly Rate</u> (Effective July 1, 2014)	<u>Proposed Yearly</u> <u>Rate</u> (from July 1, 2014) (Billed in two installments on Tax Bill)	Approximate Percentage Increase in Rate
Regular Residential	\$19.49	\$20.46	\$245.52	5.0%
Senior Residential (Over 62 years and subject to certain qualifications)	\$ 9.75	\$10.23	\$122.76	5.0%

These fees (half the new yearly fee) will be billed every six months on your tax bill. These increases will go into effect on July 1, 2014, and be billed initially on the tax bill due December 2014. These increases are due to increases in the annual U.S. Department of Labor, Bureau of Labor and Statistics, Consumer Price Index, All Urban Consumers, Los Angeles-Anaheim-Riverside, reflecting among other things, increases in the costs of labor, electricity, supplies, equipment and gasoline. These increases also reflect increases in the cost of disposal fees (due to operational cost increases and regulatory requirements) by virtue of a prorated disposal fee increase (per parcel) based on an average disposal rate at two publicly owned disposal sites over the prior year. Waste Management disposes of the refuse at its own disposal site but is limited by the fees charged at the public sites. The fees charged for waste services include the household collection fee (reflecting such items as trucks, fuel, labor, equipment, and operational necessities) and the disposal fee (which includes such items as tipping, diversion, recycling and other regulatory requirement costs or operational items related to disposal). Adoption of the increases will validate all prior increases and the amount charged for the new fees.

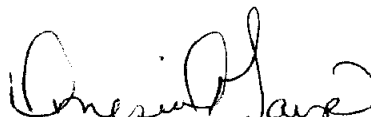
Owners of real property subject to the fee increases (and renters of such property who actually pay the fee) in the City of Carson, who wish to protest the increases or the new fees can send in a written protest to the City Clerk at address below or attend the public hearing on the increases to register their written protest at the hearing. Only one written protest per residential parcel in the city's service area (i.e. address/assessor parcel number) will be counted. Written protests must be received by the City Clerk prior to or during the public hearing on **Tuesday, July 1, 2014**. Any written protests received following the close of the public hearing will not be counted. All written protests must (at a minimum) include the following information to be counted: (a) address or assessor parcel numbers of property subject to the fee increase, (b) name and signature of protester and whether the protester is a property owner or renter and (c) a clear statement protesting the fee pursuant to this notice. Written protests by electronic mail will not be accepted. This protest hearing is being conducted in accordance with Article XIID of the Constitution. The City Council will not implement the rate increases and new fees should a majority written protest against the proposed increased fees be received on all residential parcels in the City's service area.

Persons wishing to protest must submit such protests to the City Clerk at 701 East Carson Street, Carson, California, 90745 before the public hearing or appear at the public hearing and submit their written protests at the hearing.

Any additional information on the increase may be obtained from the City's Public Works department at: 2390 E. Dominguez St, Carson CA, 90810. (310)847-3520.

If you challenge this proposal in court, you may be limited to raising only those issues you, or someone else raised at the public hearing described in this Public Hearing Notice, or in written correspondence delivered to the City Clerk at, or prior to the Public Hearing.

DATED: This 7th day of May, 2014


Donesia Gause, City Clerk

ATTACHMENT A											
Formula to Determine Residential Disposal and CPI Price Adjustment											
Effective Date		7/1/2007	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013	7/1/2014		
Current Base	\$26.06										
Per Contract Agreement Section 6.6											
Puente Hills											
California Integrated Solid Waste Fee:	\$ 20.88	\$ 24.43	\$ 26.21	\$ 29.42	\$ 33.86	\$ 38.26	\$ 38.41	\$ 38.41	\$ 38.41	\$ 41.81	
Los Angeles County Solid Waste Fee:	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	
Los Angeles County Department of Health Services Regulatory Fee:	\$ 0.86	\$ 0.86	\$ 0.86	\$ 0.86	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	
	\$ 0.16	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	
Total	\$ 18.46	\$ 21.98	\$ 23.75	\$ 26.95	\$ 30.75	\$ 35.15	\$ 35.30	\$ 35.30	\$ 35.30	\$ 38.70	
Downey Area Recycling & Transfer Facility (D.A.R.T)											
California Integrated Solid Waste Fee:	\$ 36.75	\$ 40.32	\$ 42.10	\$ 45.31	\$ 49.75	\$ 54.15	\$ 54.45	\$ 54.45	\$ 54.45	\$ 54.45	
Los Angeles County Solid Waste Fee:	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	
Los Angeles County Department of Health Services Regulatory Fee:	\$ 0.86	\$ 0.86	\$ 0.86	\$ 0.86	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	
	\$ 0.16	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	
Total	\$ 34.33	\$ 37.87	\$ 39.64	\$ 42.84	\$ 46.64	\$ 51.04	\$ 51.34	\$ 51.34	\$ 51.34	\$ 51.34	
New Base											
Formula Per Contract Agreement Section 6.6											
Disposal Increase / (Decrease)	\$ 0.34	\$ 29.93	\$ 31.70	\$ 34.90	\$ 38.70	\$ 43.10	\$ 43.32	\$ 43.32	\$ 43.32	\$ 45.02	
Percentage Change	1.30%		\$ 1.77	\$ 3.20	\$ 3.80	\$ 4.40	\$ 0.23	\$ -	\$ -	\$ 1.70	
			5.91%	10.10%	10.9%	11.4%	0.5%	0.0%	0.0%	3.92%	

Formula to Determine Commercial CPI Price Adjustment Section 6.3

U.S. Department of Labor Bureau of Labor Statistics

Annual Previous	182.2	201.8	201.8	210.4	217.338	225.008	223.219	225.894	231.928	236.648			
Annual Current	187	210.4	210.4	217.338	225	223.219	225.894	231.928	236.648	239.207			
Index Change	4.8	8.6	8.6	6.938	7.662	-1.789	2.675	6.034	4.72	2.559			
Divided By Previous Index Multiply By 100 for Percent Change	2.63%	4.26%	4.26%	3.30%	3.5%	-0.8%	1.2%	2.7%	2.0%	1.08%			

Fuel Adjustment Section 6.7

	1.07%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
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Total Price effective July 1													
Disposal	1.30%	0.00%	5.91%	10.10%	10.90%	11.37%	0.00%	0.52%	0.00%	3.92%			
CPI	2.63%	4.26%	4.26%	3.30%	3.53%	-0.80%	1.20%	2.67%	2.04%	1.08%			
Fuel	3.93%	4.26%	10.18%	13.39%	14.43%	10.58%	1.20%	3.19%	2.04%	5.01%			
Total													