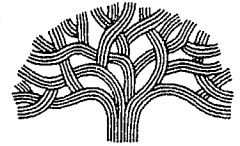




FILE COPY CITY OF OAKLAND



DALZIEL BUILDING • 250 FRANK H. OGAWA PLAZA, SUITE 5301 • OAKLAND, CALIFORNIA 94612-2034

Public Works Agency
Environmental Services

FAX (510) 238-7286
TDD (510) 238-7644

July 16, 2003

Mr. D. David MacDonald, Executive Vice President
Waste Management of Alameda County
172 98th Avenue
Oakland, CA 94603

RE: July 1, 2003 Solid Waste Rate Adjustment with Host Fee

Dear Mr. MacDonald: *DAVE*

Enclosed are the revised rate tables that have been adjusted to reflect the Host Fee settlement approved by the Oakland City Council on July 15, 2003. The City has added 0.60% to the rate tables sent to Waste Management of Alameda County (WMAC) on June 6, 2003. The total adjustment of 7.47% to the rates paid by Oakland solid waste customers to WMAC effective July 1, 2003 is summarized as follows:

July 1, 2003 Rate Adjustment

Rate Adjustment Component	Rate Impact (%)
CPI	1.34%
Measure D Fee Pass-Thru	0.16%
AB 939 Fee Pass-Thru	0.03%
\$3.5 Million City Fees Increase	5.34%
Altamont Landfill Expansion Host Fee Surcharge	0.60%
Total Rate Adjustment	7.47%

As we discussed, on July 29, 2003 the City Council must approve a second reading of the ordinance authorizing a non-consumer price index adjustment of the rates. A copy of the proposed ordinance and the resolution authorizing the settlement are enclosed.

Please initial and return to me each page of the enclosed rate tables. The City will then provide WMAC with a copy of the final approved rate tables to be effective July 1, 2003.

YPM 317

Mr. MacDonald

Page 2

July 16, 2003

Per our conversation, the City is concerned with the timing for implementation of the City-wide on-call bulky pickup program. Given that a large portion of the City has already had or been scheduled for their annual bulky pickup, it appears to make programmatic sense to start the City-wide on-call program in 2004, while continuing on-call pickup in the current pilot area. I would like to have a meeting with our staffs to discuss the parameters of a City-wide on-call bulky pickup program and the public education needed to transition to this change in service, in order to ensure that program parameters are in alignment with the City goal of achieving 75% waste reduction by 2010.

As part of the settlement, WMAC committed to empty street litter containers along International Boulevard and Telegraph Avenue on Saturdays. Please let me know when WMAC will be starting this expanded service. WMAC also agreed to empty additional street litter containers at certain locations specified by individual Councilmembers. Please provide me with a list of these locations and I will request the Maintenance Services Department of the Public Works Agency to install additional containers. WMAC will be notified when the containers are in place.

Finally, Debra Taylor Johnson, the Revenue Manager in the Financial and Management Agency and I, would like to meet with your staff to discuss the delayed mailing of garbage bills and the impact this has on WMAC and City collection staffs, as well as the handling of delinquent notices. This meeting should occur prior to the bills and informational materials being printed so that any changes can be incorporated without undue delay.

Should you have any questions concerning the enclosed rates or other issues referenced in this letter, please contact me at 510-238-6260.

Sincerely,



Harry Schrauth

Interim Recycling & Solid Waste Programs Supervisor

Enclosure

cc: Brooke Levin
Debra Taylor Johnson