



CITY OF OAKLAND



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

Public Works Agency
Environmental Services

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April 8, 2009

Mr. Bob Angell, District Manager
Waste Management of Alameda County
172 98th Avenue
Oakland, CA 94603

RE: July 1, 2009 Solid Waste Rate Adjustment

Dear Mr. Angell:

Detailed below is the proposed FY 2009/2010 solid waste rate adjustment for services provided by Waste Management of Alameda County (WMAC) in accordance with the Franchise Agreement between WMAC and the City of Oakland (City). The new solid waste rates are to become effective July 1, 2009, and include a proposed total rate increase of 2.68%, based on the following components:

1. CPI Component, per Franchise Agreement 6th Amendment Section 15.3

The Franchise Agreement provides for an annual rate adjustment based on CPI.

2007 Annual Average CPI-W:	211.37
2008 Annual Average CPI-W:	218.441
Change in CPI:	7.071
Percent Change in CPI	3.35%
80% of Percent Change in CPI	2.68%
July 1, 2009 CPI-Based Rate Adjustment	2.68%

2. Measure D Fee Increase, per Franchise Agreement Section 15.8.3

The Alameda County Board of Supervisors, at the request of the Alameda County Source Reduction and Recycling Board approved, on September 30, 2008, a 3.3% (\$0.25) per ton increase, based on CPI, in the Measure D Fee effective January 1, 2009. Accordingly, there is an 18-month fee increase effect (from January 1, 2009 to June 30, 2010) to be included in the rates charged to Oakland ratepayers during the entire 12-month period beginning July 1, 2009. However, the 18-month effect of the \$0.24 per ton January 1, 2008 increase over prior year

(which was included in the July 1, 2008 rate adjustment) needs to be corrected to provide for a 12-month effect of that same \$0.24 per ton for rates effective July 1, 2009 and beyond. This correction is included in the following calculation:

Measure D Fee Prior to January 1, 2009 Fee Increase	\$7.67
Measure D Fee Increase Effective January 1, 2009	\$0.25
Total FY 2007/2008 Franchise Tons	218,495
Total Increased Fees (18-month effect) = $\{\$ 0.25\} * \{218,495\} * \{1.5\}$	\$81,935
Deduct One-Third July 1, 2008 18-Month Rate Effect = $-\{81,733\} / 3$	\$27,244
Net Measure D Fee Adjustment for July 1, 2009 Rates	\$54,691
Total FY 2007/2008 Franchise Revenue	\$80,233,975
Rate Adjustment Calculation: $\{\$54,691\} / \{\$80,233,975\}$	0.07%
July 1, 2009 Measure D Fee-Based Rate Adjustment	0.07%

July 1, 2009 Rate Adjustment Summary

Rate Adjustment Component	Rate Impact (%)
CPI	2.68%
Measure D Fee Pass-Thru	0.07%
Total Rate Adjustment	2.75%

Please confirm in writing by April 17, 2009 that WMAC accepts and approves the rate adjustment calculations and total rate adjustment amounts identified in this letter.

Following WMAC's confirmation the City will generate a rate schedule for each class of ratepayers, which WMAC and the City can then initial as final approved rates to be charged to ratepayers. The City notes that WMAC and the City should continue to apply the backyard premium surcharge as a flat rate differential for all Single Family Residential container sizes.

Please note that per Section 15.13 (Publication of Rates) of the Franchise Agreement, WMAC shall provide written notice to ratepayers at least thirty (30) days prior to the implementation of the new rates.

Should there be any questions, please contact Peter Slote at 510-238-7432.

Sincerely,



Becky Dowdakin
Recycling & Solid Waste Program Supervisor

cc: Brooke A. Levin
Susan Kattchee
Peter Slote
Greg Ong, WMAC
Dave Horn, WMAC