



February 26, 2021

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P.O. Box 60009
City of Industry, CA 91716-0009
Fax (626) 330-4686
(626) 336-3636

City of Hermosa Beach
Suja Lowenthal, City Manager
1315 Valley Drive
Hermosa Beach, CA 90254

Re: Annual Rate Adjustment to the Maximum Rates

Ms. Lowenthal:

In accordance with our Integrated Solid Waste Management Services Agreement (Agreement) with the City of Hermosa Beach, and pursuant to Article 6 of this Agreement, please accept this letter and enclosed documentation as Athens Services request to adjust the maximum rates for Waste Management services, to be effective July 1, 2021.

The enclosed calculation pages and documentation supporting the rate adjustment factors are consistent with the rate adjustment methods described, and formulas shown, in Article 6, and are subject to review and approval of the City Manager.

Please review and handle the approval and processing of this request to make the rates effective July 1, 2021 and call me at (626) 855-7230 with any questions or to discuss. Thank you in advance for your handling of this matter and we look forward to your response.

Sincerely,

Christian Warner
Vice President of Government Affairs

Enclosure

CC: Doug Krauss, Environmental Programs Manager, City of Hermosa Beach
Gary Clifford, Executive Vice President, Athens Services
Michael Leidelmeyer, Division Vice President, Athens Services
Clint Bartlett, Senior Director of Finance, Athens Services
Amanda Mejia, Senior Manager of Government Affairs, Athens Services

Hermosa Beach

Annual Rate Adjustment Calculation for Carts & Bins

For Rates Effective: July 1, 2021

Step One: Calculate percentage change in indices

Row	Adjustment Factor	Index	A Old Index Value	B New Index Value	C % Change In Index ((Column B / Column A) - 1)
1	Labor	(1)	140.150	145.150	3.57%
2	Fuel	(2)	98.892	64.942	-34.33%
3	Equipment	(3)	150.700	151.850	0.76%
4	Disposal	(4)	261.723	266.616	1.87%
5	All Other	(5)	261.723	266.616	1.87%

Step Two: Determine components

Row	Adjustment Factor	Index	D Cost Factor Category Weighted as a % of Component Total (6)	E Percent Change In Index (from Column C)	F Total Weighted Change (Column D x E)
6	Labor	(1)	26.49%	3.57%	0.94%
7	Fuel	(2)	3.59%	-34.33%	-1.23%
8	Equipment	(3)	12.80%	0.76%	0.10%
9	Disposal	(4)	27.06%	1.87%	0.51%
10	All Other	(5)	30.06%	1.87%	0.56%
11	Total		100.00%		0.88%

Step Three: Apply percentage change to rates

Row	Rate Category	G Existing Customer Rate (7)	H Customer Net Rate of AB 939 Fees (Column G - L)	I Total Weighted % Change (Row 11, Column F)	J Rate Increase or Decrease (Column H x I)	K Adjusted Customer Net Rate (Column H + J)	L AB 939 Fee	M Adjusted Customer Total Rate (Column K + L)
12	Res service w/96 gal, refuse	\$17.23	\$16.98	0.88%	\$0.15	\$17.13	\$0.25	\$17.38
13	Res service w/64 gal, refuse	\$12.63	\$12.38	0.88%	\$0.11	\$12.49	\$0.25	\$12.74
14	Res service w/32 gal, refuse	\$8.00	\$7.75	0.88%	\$0.07	\$7.82	\$0.25	\$8.07
15	Extra 96 gal refuse cart	\$9.25	\$9.25	0.88%	\$0.08	\$9.33	\$0.00	\$9.33
16	Extra 64 gal refuse cart	\$6.93	\$6.93	0.88%	\$0.06	\$6.99	\$0.00	\$6.99
17	Extra 32 gal refuse cart	\$4.61	\$4.61	0.88%	\$0.04	\$4.65	\$0.00	\$4.65
18	Alternative Residential Rate	\$12.63	\$12.38	0.88%	\$0.11	\$12.49	\$0.25	\$12.74
19	3 cubic yard bin, 1X week	\$160.29	\$157.04	0.88%	\$1.38	\$158.42	\$3.25	\$161.67
20	3 cubic yard bin, 2X week	\$248.35	\$241.85	0.88%	\$2.12	\$243.97	\$6.50	\$250.47
21	3 yard bin, extra pick-up	\$76.66	\$76.66	0.88%	\$0.67	\$77.33	\$0.00	\$77.33
22	Commercial 96 gal cart	\$74.38	\$73.87	0.88%	\$0.65	\$74.52	\$0.51	\$75.03

Step Four: Re-weight cost components

Row	Adjustment Factor	Index	N Cost Component Weighting (Column D)	O Percent Change in Index (Column E)	P Change in Cost Component Weighting (Column N x Column O)	Q Adjusted Cost Component Weighting (Column N + Column P)	R Cost Components Re-weighted to Equal 100% (Column Q Row / Total)
23	Labor	(1)	26.49%	3.57%	0.94%	27.43%	27.19%
24	Fuel	(2)	3.59%	-34.33%	-1.23%	2.36%	2.34%
25	Equipment	(3)	12.80%	0.76%	0.10%	12.90%	12.78%
26	Disposal	(4)	27.06%	1.87%	0.51%	27.57%	27.33%
27	All Other	(5)	30.06%	1.87%	0.56%	30.62%	30.36%
28	Total		100.00%		0.88%	100.88%	100.00%

(1) Employment costs index CIU20100005200001, Total Compensation, Private Industry, Index Number, Transportation and material moving - average annual change *

(2) Producer Price Index WPU0531, not seasonally adjusted, Fuels and related products and power, natural gas - average annual change *

(3) Producer Price Index, PCU336120336120, Heavy duty truck manufacturing - average annual change *

(4) Consumer Price Index for All Urban Consumers, less food and energy, U.S. city average - average annual change * or 5%, whichever is lower.

(5) Consumer Price Index for All Urban Consumers, less food and energy, U.S. city average - average annual change *

(6) First year based on Section 6.4. After the first adjustment, this column comes from Column O of the previous year's rate adjustment worksheet.

(7) Example rates listed. Adjustment applies to all applicable rate categories.

* See Exhibit 3C.

Hermosa Beach

Annual Rate Adjustment Calculation for Compactor Roll-off & Disposal Rate

For Rates Effective: July 1, 2021

Step One: Calculate percentage change in indices

Row	Adjustment Factor	Index	A Old Index Value	B New Index Value	C % Change in Index ((Column B / Column A) - 1)
1	Service Comp (Pull Rate)				
2	Labor	(1)	140.150	145.150	3.57%
3	Fuel	(2)	98.892	64.942	-34.33%
4	Equipment	(3)	150.700	151.850	0.76%
5	All Other	(4)	261.723	266.616	1.87%
6	Refuse Ton	(5)	261.723	266.616	1.87%

Step Two: Determine components

Row	Adjustment Factor	Index	D Cost Component Weighted as a % of Component Total (6)	E Percent Change in Index (from Column C)	F Total Weighted Change (Column D x E)
7	Service Comp (Pull Rate)				
8	Labor	(1)	44.64%	3.57%	1.59%
9	Fuel	(2)	13.32%	-34.33%	-4.57%
10	Equipment	(3)	13.15%	0.76%	0.10%
11	All Other	(4)	28.89%	1.87%	0.54%
12	Service Comp Total (or 5%)		100.00%		-2.34%
13	Refuse Ton	(5)	100.00%	1.87%	1.87%

Step Three: Apply percentage change to rates

		G	H	I	J	K	L	M	
Row	Rate Category	Current Customer Rate	Customer Rate Net of AB 939 Fees (Column G - L)	Total Weighted % Change (Column F or 5%)	Rate Increase or Decrease (Column H x I)	Adjusted Customer Net Rate (Column H + J)	AB 939 Fee	Adjusted Customer Total Rate (Column K + L)	
14	Standard Rolloff Box Pull Rate	\$251.20	\$241.20	-2.34%	-\$5.64	\$235.56	\$10.00	\$245.56	
15	30yd Compactor Rolloff Box Pull Rate	\$279.51	\$272.01	-2.34%	-\$6.37	\$265.64	\$7.50	\$273.14	
16	Refuse Ton	(5)	\$90.84	\$90.84	1.87%	\$1.70	\$92.54	\$0.00	\$92.54
17	Demurrage Charge		\$14.05	\$14.05	-2.34%	-\$0.33	\$13.72	\$0.00	\$13.72

Step Four: Re-weight cost components

Row	Adjustment Factor	Index	N Cost Component Weighting (Column D)	O Percent Change in Index (Column E)	P Change in Cost Component Weighting (Column K x Column L)	Q Adjusted Cost Component Weighting (Column K + Column M)	R Cost Components Re-weighted to Equal 100%
18	Labor	(1)	44.64%	3.57%	1.59%	46.23%	47.34%
19	Fuel	(2)	13.32%	-34.33%	-4.57%	8.75%	8.96%
20	Equipment	(3)	13.15%	0.76%	0.10%	13.25%	13.57%
21	All Other	(4)	28.89%	1.87%	0.54%	29.43%	30.13%
22	Total		100.00%		-2.34%	97.66%	100.00%

(1) Employment costs Index CIU20100005200001, Total Compensation, Private Industry, Index Number, Transportation and material moving - avg annual change *

(2) Producer Price Index WPU0531, not seasonally adjusted, Fuels and related products and power, natural gas - average annual change *

(3) Producer Price Index, PCU336120336120, Heavy duty truck manufacturing - average annual change *

(4) Consumer Price Index for All Urban Consumers, less food and energy, U.S. city average - average annual change *

(5) Consumer Price Index for All Urban Consumers, less food and energy, U.S. city average - average annual change * or 5%, whichever is lower.

(6) First year based on Section 6.4. After the first adjustment, this column comes from Column O of the previous year's rate adjustment worksheet.

* See Exhibit 3C.

Hermosa Beach

Annual Rate Adjustment Calculation for Indices

For Rates Effective: July 1, 2021

Calculated percentage change in indices

Labor

Employment Cost Index, Total Compensation, Private Industry, Index Number, Transportation and Material Moving (CIU2010000520000I)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2018												137.8	
2019			140.1			140.7			142.0				140.150
2019												143.2	
2020			144.8			145.7			146.9				145.150

Fuel

Producer Price Index - Fuels and related products and power, natural gas (WPU0531)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2018										108.3	126.0	165.5	
2019	126.9	102.4	96.6	84.3	80.2	76.6	74.2	70.6	75.1				98.892
2019										72.6	85.4	81.3	
2020	70.7	59.7	55.4	48.5	59.9	56.3	53.3	64.2	72.0				64.942

Equipment

Producer Price Index - Heavy duty truck manufacturing (PCU336120336120)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2018										150.4	150.4	150.4	
2019	150.6	150.6	150.6	150.6	150.6	150.6	151.2	151.2	151.2				150.700
2019										151.1	151.1	151.1	
2020	151.8	151.8	151.8	151.8	151.8	151.8	152.7	152.7	152.7				151.850

Disposal

Consumer Price Index - All Urban Consumers, all items less food & energy index, US City average (CUUR0000SA0L1E)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2018										259.063	259.105	259.083	
2019	260.122	261.114	261.836	262.332	262.590	263.177	263.566	264.169	264.522				261.723
2019										265.059	265.108	264.935	
2020	266.004	267.268	267.312	266.089	265.799	266.302	267.703	268.756	269.054				266.616

All Other

Consumer Price Index - All Urban Consumers, all items less food & energy index, US City average (CUUR0000SA0L1E)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2018										259.063	259.105	259.083	
2019	260.122	261.114	261.836	262.332	262.590	263.177	263.566	264.169	264.522				261.723
2019										265.059	265.108	264.935	
2020	266.004	267.268	267.312	266.089	265.799	266.302	267.703	268.756	269.054				266.616

CITY OF HERMOSA BEACH
MAXIMUM RATES
Effective July 1, 2021 through June 30, 2022

Monthly Residential Cart Service Rates	Net of AB939	AB939	Total Rate
Standard Service includes one refuse cart and one or more recycling carts. Green waste carts are provided on a subscription basis.			
Cart Size:			
Standard Service - based upon refuse cart size			
20-gallon	\$6.66	\$0.25	\$6.91
35-gallon	\$7.82	\$0.25	\$8.07
64-gallon	\$12.49	\$0.25	\$12.74
96-gallon	\$17.13	\$0.25	\$17.38
Additional Refuse Cart - above one			
35-gallon	\$4.65	\$0.00	\$4.65
64-gallon	\$6.99	\$0.00	\$6.99
96-gallon	\$9.33	\$0.00	\$9.33
Each Yard Waste Cart			
35-gallon	\$4.30	\$0.00	\$4.30
64-gallon	\$4.91	\$0.00	\$4.91
96-gallon	\$5.49	\$0.00	\$5.49
Alternative "Can" Service (if carts not feasible) - Equivalent cart rates based on capacity			
Active Military Rate Reduction - above rates reduced by 25%			
Senior Low Income Discount - above rates (excluding 20-gallon rate) reduced by 10%			
Other Cart Rates and Services (Charged in Addition to Monthly Cart Service Rates)			
Walk-out Service - upon request	\$4.65	\$0.00	\$4.65
Walk-out Service - authorized disabled customers	No charge	\$0.00	No charge
Additional Special Overage Pickup for Automated Cart Customer (in excess of six pickups per year)	\$5.82	\$0.00	\$5.82
Additional Bulky Item pickups (in excess of two free pickups per dwelling unit per year)	\$34.95	\$0.00	\$34.95
Cart Exchanges (in excess of free exchanges to be provided)	\$17.48	\$0.00	\$17.48
Returned Check (NSF) Fee (applicable to all customers)	\$25.73	\$0.00	\$25.73
Credit Card Declined Fee (applicable to all customers)	\$25.73	\$0.00	\$25.73
Optional HHW Door-to-Door Collection - per dwelling unit	\$0.52	\$0.00	\$0.52

* Including all City fees, including \$0.25/home/month AB939 fee.

CITY OF HERMOSA BEACH
MAXIMUM RATES
Effective July 1, 2021 through June 30, 2022

Monthly Bin Rates (1)								
Container Size	Pickups per week							Extra Empty
	1.00	2.00	3.00	4.00	5.00	6.00	7.00	
Refuse								
32-gallon cart (2)	\$34.58	\$60.53	\$85.07	\$111.07	\$135.57	\$161.52	\$201.85	\$22.31
64-gallon cart (2)	\$54.80	\$95.30	\$134.35	\$173.38	\$212.45	\$252.93	\$313.47	\$22.31
96-gallon cart (2)	\$75.03	\$125.70	\$176.38	\$227.08	\$277.71	\$328.41	\$379.08	\$22.31
1 yard bin	\$102.49	\$154.22	\$207.60	\$259.40	\$309.59	\$362.95	\$424.22	\$60.15
1.5 yard bin	\$114.11	\$172.76	\$245.67	\$290.05	\$347.13	\$464.39	\$543.68	\$60.15
2 yard bin	\$138.43	\$213.46	\$290.08	\$365.15	\$429.07	\$494.65	\$577.62	\$60.15
3 yard bin	\$161.67	\$250.47	\$337.69	\$426.50	\$513.68	\$600.91	\$705.57	\$77.33
4 yard bin	\$194.44	\$300.16	\$453.39	\$513.20	\$618.92	\$726.22	\$849.36	\$77.33
6 yard bin	\$244.14	\$377.38	\$512.20	\$645.44	\$780.28	\$913.50	\$1,068.95	\$77.33
8 yard bin	\$303.31	\$470.41	\$632.75	\$793.49	\$947.94	\$1,110.25	\$1,301.09	\$91.50
Recycling								
18-gallon cart (3)	\$11.01	n/a						
32-gallon cart (3)	\$17.20	\$30.10	\$42.28	\$55.17	\$67.39	\$80.29	\$101.81	\$11.08
64-gallon cart (3)	\$27.24	\$47.26	\$66.64	\$86.02	\$105.35	\$125.41	\$155.49	\$11.08
96-gallon cart (3)	\$37.26	\$62.35	\$87.44	\$112.50	\$137.59	\$162.68	\$187.75	\$11.08
1 yard bin	\$45.86	\$68.80	\$92.44	\$115.37	\$137.59	\$161.23	\$188.49	\$26.78
1.5 yard bin	\$50.88	\$76.69	\$108.92	\$128.29	\$153.35	\$205.67	\$240.79	\$26.78
2 yard bin	\$61.64	\$94.60	\$128.29	\$161.23	\$189.19	\$217.86	\$254.40	\$26.78
3 yard bin	\$71.66	\$110.39	\$148.33	\$187.05	\$225.04	\$262.98	\$308.84	\$34.21
4 yard bin	\$86.02	\$131.86	\$199.24	\$224.28	\$270.15	\$316.75	\$370.49	\$34.21
Locking Bin Service	\$8.28	\$16.56	\$24.84	\$33.12	\$41.40	\$49.68	\$57.96	
Scout Truck Service	\$16.71	\$33.42	\$50.13	\$66.84	\$83.55	\$100.26	\$116.97	
Bin Push-Out 10-50 FT	\$16.71	\$33.42	\$50.13	\$66.84	\$83.55	\$100.26	\$116.97	
Bin Push-Out 51-100 FT	\$33.40	\$66.80	\$100.20	\$133.60	\$167.00	\$200.40	\$233.80	
Bin Push-Out 101-150 FT	\$50.11	\$100.22	\$150.33	\$200.44	\$250.55	\$300.66	\$350.77	
Bin Push-Out 151+ FT	\$66.80	\$133.60	\$200.40	\$267.20	\$334.00	\$400.80	\$467.60	

(1) Including all City fees.

(2) Applicable to businesses. All residential cart customers are charged in accordance with the Residential Cart Service Rates.

(3) Not applicable to residents with cart refuse service; such customers receive recycling service at no additional charge.

CITY OF HERMOSA BEACH
MAXIMUM RATES
Effective July 1, 2021 through June 30, 2022

Roll-off Box Charges	Net of AB939	AB939	Total Rate
Roll-off Box Service - Pull Plus Dump			
Standard Roll-off Box (any size) - Rate/pull (incl. delivery & re	\$235.56	\$10.00	\$245.56
Compactor roll-off box - Rate per pull			
- 20 yard compactor	\$265.64	\$5.00	\$270.64
- 30 yard compactor	\$265.64	\$7.50	\$273.14
- 40 yard compactor	\$265.64	\$10.00	\$275.64
Compactor Monthly Lease	\$693.18	\$0.00	\$693.18
Per Ton Rate	\$92.54	\$0.00	\$92.54
Per Ton Rate - Pier Compactor Roll-off Only, for composting	\$97.69	\$0.00	\$97.69
Per day rental after 7 days without a pull	\$13.72	\$0.00	\$13.72
Additional Roll-off Box Fees			
Overweight charge (per ton over ten tons/load)	25% of Per Ton Rate		
Dry run/redelivery/return trip/relocation fee)	\$68.64	\$0.00	\$68.64

* Including all City fees, inclusive of AB939 fees.

CITY OF HERMOSA BEACH
MAXIMUM RATES
Effective July 1, 2021 through June 30, 2022

Additional Service Charges	Net of AB939	AB939	Total Rate
Porter Service (total to be shared by affected customers per Sec 4.1.14)	\$8,168.59	\$0.00	\$8,168.59
Commercial Bulky Item Pickup:			
- 1 to 2 items	\$40.57	\$0.00	\$40.57
- 3 to 5 items	\$81.10	\$0.00	\$81.10
- 6 to 10 items	\$162.21	\$0.00	\$162.21
- Each additional item on same pickup	\$40.57	\$0.00	\$40.57
Bin Return Trip / Dry Run Fee	\$74.27	\$0.00	\$74.27
Bin Re-delivery Fee (if bins are pulled for non-payment)	\$66.83	\$0.00	\$66.83
Bin Cleaning (over once per year)	\$59.42	\$0.00	\$59.42
3-yard Temporary Bin			
- Per dump (delivery, disposal and 7-day rental included)	\$146.94	\$0.75	\$147.69
- Rental per day after 7 days without a dump	\$0.00	\$0.00	\$0.00
Special Event Litter Boxes			
- Rate per box	\$6.69	\$0.00	\$6.69
- Rate per box of 200 liners	\$74.27	\$0.00	\$74.27
Emergency Service Rates - one crew and one collection truck	\$126.23	\$0.00	\$126.23

* Including all City fees, inclusive of AB939 fees.

CITY OF HERMOSA BEACH
MAXIMUM RATES
Effective July 1, 2021 through June 30, 2022

Rates for Additional Services	Net of AB939	AB939	Total Rate
All Accounts: Stop Service Charge	\$35.31	\$0.00	\$35.31
All Accounts: Resume Charge	\$35.31	\$0.00	\$35.31
All Accounts: Stand-By Time (each portion of 15 minutes)	\$35.31	\$0.00	\$35.31
All Accounts: Shred Services	\$45.39	\$0.00	\$45.39
Commercial: Bin Excess Waste	\$40.35	\$0.00	\$40.35
Commercial: Bin Excess Weight	\$40.35	\$0.00	\$40.35
Commercial: Bin Delivery	\$55.48	\$0.00	\$55.48
Commercial: Bin Removal	\$55.48	\$0.00	\$55.48
Commercial: Bin Exchange	\$85.75	\$0.00	\$85.75
Commercial: Bin Exchange with Metal Lids	\$116.01	\$0.00	\$116.01
Commercial: Lock Lid One-Time Set-Up (per lock)	\$40.35	\$0.00	\$40.35
Commercial: On-Call Bin Rental	\$85.75	\$0.00	\$85.75
Commercial: Custom Bin Fabrication (per cubic yard)	\$226.97	\$0.00	\$226.97
Compactor: Repair (per hour, plus parts)	\$105.92	\$0.00	\$105.92
Compactor: Wash-Out	\$252.19	\$0.00	\$252.19
Residential: Dead-Run or Go-Back	\$25.22	\$0.00	\$25.22
Residential: Bulky Item Dead-Run or Go-Back	\$40.35	\$0.00	\$40.35
Residential: Compost Bin Delivery	\$42.37	\$0.00	\$42.37
Residential: Worm Bin Delivery	\$82.72	\$0.00	\$82.72
Roll-Off: Plastic Liners	\$40.35	\$0.00	\$40.35
Roll-Off: Roll-Top Monthly Rental	\$55.48	\$0.00	\$55.48
Roll-Off: Box Monthly Rental (permanent accounts)	\$196.71	\$0.00	\$196.71
Roll-Off: Impound of Illegal Box (plus disposal)	\$857.45	\$0.00	\$857.45
Roll-Off: Per Ton Disposal Rate - C&D	\$85.75	\$0.00	\$85.75
Roll-Off: Per Ton Disposal Rate - Wood	\$68.09	\$0.00	\$68.09
Roll-Off: Per Ton Disposal Rate - Organics	\$116.01	\$0.00	\$116.01
Roll-Off: Per Ton Disposal Rate - Concrete	\$85.75	\$0.00	\$85.75
Roll-Off: Per Ton Disposal Rate - Inerts	\$68.09	\$0.00	\$68.09
Storage Box: Delivery	\$136.18	\$0.00	\$136.18
Storage Box: Removal	\$136.18	\$0.00	\$136.18
Temporary Bin: 3 Yard Recycling - Delivery	\$146.27	\$0.00	\$146.27
Temporary Bin: 3 Yard Recycling - Removal/Dump	\$146.27	\$0.00	\$146.27
Temporary Bin: 3 Yard Trash with Scout - Delivery	\$161.40	\$0.00	\$161.40
Temporary Bin: 3 Yard Trash with Scout - Removal/Dump	\$161.40	\$0.00	\$161.40
Temporary Bin: Extra Days (with no dump within one week)	\$12.11	\$0.00	\$12.11
Temporary Bin: Lock Lid One-Time Set-Up (per lock)	\$40.35	\$0.00	\$40.35