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MEMORANDUM

Date: October 13, 2017
To: Ms. Kristy Morris, Ph.D
Environmental Analyst
From: Laith Ezzet and Joseph Santos, HF&H Consultants, LLC
Subject: Athens Services' Commercial Organics Rate Proposal Analysis

I. SUMMARY OF FINDINGS AND OBSERVATIONS

Finding 1: Athens commercial organics cost proposal is based on a source-separated standalone rate structure. Other rate structures and collection options, which have been adopted by some other cities, may provide alternative benefits that the City may wish to consider.

Finding 2: The organics cost proposal submitted by Athens to the City is the same organics cost proposal submitted by Athens to all of the company's regional exclusive commercial franchises. This approach ignores various characteristics specific to the City, which may have resulted in rates that do not reflect the true cost of providing a commercial organics program in the City.

Finding 3: Athens proposed commercial organics rates that are relatively high to the commercial organics rates in many other cities for a similar volume of organics container space.

Finding 4: Based on the City's existing commercial cart rates for refuse service, and adjusting for organics material, the equivalent organics cart rate would be \$77.76 per month for a 96-gallon cart picked up 1x/week versus the \$116.16 per month proposed by Athens. The estimated 64-gallon rate would be \$55.62 per month.

II. BACKGROUND, OBJECTIVES, OBJECTIVE TASKS

Background

The State of California enacted AB 1826 which requires mandatory commercial organics programs to be phased in between April 1, 2016, and January 1, 2020, depending on the amount of organics generated by the customer, as summarized below:

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- Businesses with eight cubic-yards or more per week of organic material were to have a program in place by April 1, 2016.
- Businesses with four or more cubic-yards per week of organics were to have a program by January 1, 2017.
- Two years later, by January 1, 2019, businesses with four or more cubic-yards of solid waste must have an organics program.
- Additionally, if the State determines it has not met its statewide goal for organics recycling, then businesses with two or more cubic-yards per week of solid waste may be required to participate in an organics program in 2020.

Multi-family customers are not required to participate in food waste recycling programs; however, multi-family complexes with five or more dwelling units must divert green waste (landscaping material) through landscapers or the solid waste contractor.

The City of Hermosa Beach (City) contracts with Arakelian Enterprises, Inc., DBA Athens Services, Incorporated (Athens), for exclusive residential and commercial solid waste collection and recycling services. The existing Solid Waste Handling Services Agreement (Agreement) became effective on July 1, 2013, and expires on June 30, 2021. On March 15, 2016, Athens submitted to the City Athens' cost proposal for a commercial organics program, dated March 1, 2016, via email to the City.

Objective

The City requested HF&H to review the supporting documentation provided by Athens to determine the reasonableness of the proposed commercial organics program costs. The results of the review are discussed herein.

Objective Tasks

The objective tasks included the following activities:

1. Reviewing the key legislative requirements of AB 1826.
2. Reviewing the overall reasonableness of the proposed commercial organics program costs, including the underlying cost assumptions.
3. Reviewing relevant publicly available rate documentation from a sample of other Orange County cities that have contracted to provide commercial organics processing services.
4. Preparing this memorandum summarizing our findings.

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III. OVERVIEW AND STATUS OF THE ATHENS ORGANICS PROPOSAL

Proposal Overview

On March 15, 2016, Athens submitted to the City the company's cost proposal for commercial organics services, dated March 1, 2016, via e-mail to the City. The proposal offers commercial organics collection service using 96-gallon carts with collection frequencies up to 6x/week, as well as compactor haul and disposal rates. Organics material collected would be hauled to Athens' owned American Organics facility in Victorville, California, for composting. Table 1 and Table 2 below provides a summary of Athens' proposal.

Table 1 – Athens Proposal (Dated March 1, 2016)
96-Gallon Cart Rates

Hermosa Beach Organic Waste - Unit Cost					
Pickup Frequency	Container	Net Contractor Rate	Collector Fee	AB939 Fee	Total Rate
1x / week	Primary Cart	\$104.54	\$11.62	\$0.00	\$116.16
	Additional Carts	\$88.63	\$9.85	\$0.00	\$98.48
2x / week	Primary Cart	\$182.51	\$20.28	\$0.00	\$202.79
	Additional Carts	\$155.20	\$17.24	\$0.00	\$172.44
3x / week	Primary Cart	\$260.49	\$28.94	\$0.00	\$289.43
	Additional Carts	\$221.79	\$24.64	\$0.00	\$246.43
4x / week	Primary Cart	\$338.47	\$37.61	\$0.00	\$376.08
	Additional Carts	\$288.36	\$32.04	\$0.00	\$320.40
5x / week	Primary Cart	\$416.45	\$46.27	\$0.00	\$462.72
	Additional Carts	\$354.95	\$39.44	\$0.00	\$394.39
6x / week	Primary Cart	\$494.43	\$54.94	\$0.00	\$549.37
	Additional Carts	\$366.54	\$40.73	\$0.00	\$407.27

Table 2 – Athens Proposal (Dated March 1, 2016)
Compactor Haul and Disposal Rates

Hermosa Beach Organic Waste - Unit Cost					
Pickup Frequency	Container	Net Contractor Rate	Collector Fee	AB939 Fee	Total Rate
Compactor	Haul	\$192.02	\$21.34	\$0.00	\$213.36
	Disposal / Ton	\$100.00	\$11.11	\$0.00	\$111.11

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Athens' commercial organics cost proposal is based on the following key assumptions:

- A service cost component based on truck operating costs of approximately \$77 per hour, which includes the following estimated cost factors provided by Athens:

Driver labor & benefits	\$	51
Truck operating costs	\$	23
Other direct costs	\$	<u>3</u>
Total Estimated Variable Costs	\$	<u><u>77</u></u>

- An estimated 1 hour per month of service required for 1 cart picked up once per week, with an additional 40 minutes per month of service time required for each additional pickup;
- An estimated 48 minutes per month of service required for 1 additional cart picked up once per week, with an additional 30 minutes of service time required for each additional pickup;
- An organics processing component based on 300 pounds per cubic yard;
- A cart organics disposal component of \$85.00 per ton;
- An estimated 2.5 hours of service required per haul for compactor bins;
- A compactor organics disposal component of \$100 per ton; and,
- A collector fee of 10% of gross receipts.

Detailed rate calculations for Athens' commercial organics cost proposal is provided in Attachment A.

Status of the Organics Proposal

Using the organics generator calculator provided by CalRecycle, Athens has identified potential customers meeting the first two AB 1826 tier requirements, including a total of eight (8) customers who fall under tier 1 (8-CY or more of organics waste/week) and 22 customers who fall under tier 2 (4-CY or more of organics waste/week). These customers have been visited by Athens personnel, and provided with a letter documenting the customer's determined organics tier. Estimates were not provided for additional tiers at lower thresholds beginning January 1, 2019.

Per discussion with Athens personnel, the originally proposed commercial organics cost structure utilizing 96-gallon carts may be no longer preferred by Athens due to the weight of the fully-loaded containers and the strain imposed on Athens' collection vehicles. Athens was to provide an updated cost proposal utilizing 64-gallon carts, however, no proposal has yet been received. Additionally, HF&H requested during a meeting with City and Athens personnel on February 15, 2017, that Athens provide a commercial organics cost proposal that allocated the additional costs of organics collection and processing to all commercial customers (sector-wide cost proposal), however, no proposal has yet been received.

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IV. FINDINGS

Finding 1: Athens' commercial organics cost proposal is based on a source-separated standalone rate structure. Other rate structures and collection options, which have been adopted by some other cities, may provide alternative benefits that the City may wish to consider.

The commercial organics cost proposal submitted by Athens to the City is based on a standalone rate structure, in which only the subscribers to the commercial organics program bear the weight of the program's cost. While this rate structure allows for a more straightforward allocation of costs and does not require any changes to existing refuse rates, standalone organics rate structures often result in rates that are significantly higher than other programs. Customers who do choose to participate in the commercial organics program will see a large increase to their monthly trash bills. As a result, reduced participation and reduced CalRecycle compliance can be expected compared to alternative rate and pickup options. Alternative rate and pickup options include, but are not limited to, the following:

Sector-wide Rate Increases: The cost of the organics program is allocated to the entire commercial customer base, not just program participants, resulting in commercial organics containers set at the same, or sometimes lower rates, than a comparably sized refuse container. Service cost increases are generally less for organics customers compared to standalone rate structures, resulting in higher participation in the organics program from customers. However, all commercial customers will have increased trash rates. Additionally, accurate rate setting will depend on an accurate projection of customer participation, which may be difficult to determine.

Example cities that have implemented a sector-wide rate increases are the cities of Inglewood (Republic Services/CDS) and Mission Viejo (Waste Management). The City of Inglewood offers a source-separated commercial organics program utilizing bins with organics rates billed at the same rate as refuse rates. The City of Inglewood funded the organics program by initiating a 4.44% rate increase to commercial rates, phased in over two years. The City of Mission Viejo offers a source separated commercial organics program that utilizes both bins and carts, with organics rates billed at 50% of refuse rates. The City of Mission Viejo funded the organics program by initiating at 5.1% rate increase to commercial rates.

Bag-based Collection Programs: Utilizes a bag-system in which organic waste is placed in specially marked bags and placed in the existing trash or recycling containers, with the organic bags sorted at a material recovery facility (MRF). Bag-based programs keep program costs down by not requiring separate organics collection routes. Since an additional organics container is not required, bag-based programs allow customers to maintain their existing solid waste containers, which may be beneficial in areas in which available container storage space is a concern. However, bag-based programs require additional processing at MRFs and payment for the bags. Additionally, bag-based programs may increase the waste generated due to the use of the special bags if they cannot be recycled or composted.

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Example cities that have implemented bag-based programs are the cities of Lawndale and Laguna Beach. The City of Laguna Beach commercial organics customers receive a yellow-bag for organic waste that is placed in recycling containers. There is no additional charge for the service and the program was funded by a 2.67% rate adjustment to commercial rates. Similarly, the City of Lawndale offers a bag-based program at no additional cost to the customer. However, in order to fund the program, the City of Lawndale decreased the amount of tonnage required to be sent to a transformation facility to offset costs.

Restaurant or Food Establishment Routes: Restaurant and food establishment customers are identified and placed on a specific restaurant or food establishment route. These customers place all trash and organics waste in the same container, and the hauler will reverse sort the material at a MRF for proper processing. This type of commercial organics program may be favorable for densely packed cities. Example cities that have implemented a commercial organics program based on separate restaurant or food establishment routes are the cities of West Hollywood and Beverly Hills.

Finding 2: The organics cost proposal submitted by Athens to the City is reported to be the same organics cost proposal submitted by Athens to all of the company's regional exclusive commercial franchises. This approach does not consider various characteristics specific to each city, and therefore may not reflect the cost of providing a commercial organics program in the City of Hermosa Beach.

Per discussion with Athens personnel, the commercial organics cost proposal submitted by Athens to the City is identical to the proposals submitted to Athens' other cities. As a result, the cost proposal submitted by Athens does not consider various factors unique to the City, including location relative to solid waste facilities, commercial base, commercial density, and other factors that vary among jurisdictions. Had Athens submitted a proposal unique to the City, certain assumptions factoring into the rate calculation may have increased or decreased.

Finding 3: Athens proposed commercial organics rates that are relatively high compared to the commercial organics rates in some other cities for a similar volume of organics container space.

HF&H compared the commercial organics rate proposal submitted to the City by Athens to rates reported in a survey of other cities' commercial organics programs. Table 3 shows a comparison of commercial organics cart rates, sorted in ascending order. Additionally, Attachment B shows a comparison of commercial organics 2-yard bin rates.

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**Table 3: Comparison of Commercial Organics Rates
(Sorted by Rate per Month)**

City	Hauler	Container Size Offered (Gallons)	Rate Per Month ⁽¹⁾
Manhattan Beach	Waste Management	64 or 96	\$0.00
Stanton	CR&R	64	\$0.00
Redondo Beach	Athens	32, 64, or 96	\$3.00
Tustin	CR&R	96	\$17.25
San Juan Capistrano	CR&R	64	\$19.12
Orange	CR&R	64	\$19.35
Laguna Hills	CR&R	96	\$19.52
Lake Forest	CR&R	96	\$23.10
Rancho Santa Margarita	CR&R	64	\$24.22
Laguna Woods	Waste Management	96	\$25.65
Huntington Park	UPW	64	\$28.00
Dana Point	CR&R	64 or 96	\$29.85
San Clemente	CR&R	64	\$44.42
Aliso Viejo ⁽²⁾	CR&R	64	\$45.00
Irvine	Waste Management	64	\$46.37
Cypress	Valley Vista Services	96	\$64.99
Covina	Athens	96	\$113.34
Hermosa Beach	Athens	96	\$116.16
West Covina	Athens	96	\$119.23

⁽¹⁾ Negotiated or in effect at various times in 2016 and 2017. Some rates may have been subsequently adjusted.

⁽²⁾ Renegotiated from \$75.87 to \$45. To be approved by council in October 2017.

It is important to note that comparison of proposed rates in Hermosa Beach to the rates implemented by other cities does not take into consideration other factors that weighed in on the negotiations achieving those rates. In some cases, commercial organics rates were included as part of an RFP process that required certain rate reductions for organics services, resulting in higher refuse rates. In other cases, the negotiating city amended their solid waste franchise agreement to lessen requirements placed on the hauler (e.g. transformation tonnage requirements, diversion requirements, etc.) in order to receive lower commercial organics rates, or obtained additional benefits from the hauler (e.g. free composting, allowing food scraps to be placed in residential green-waste carts, etc.) in order to add value to higher commercial organics rates. Alternatively, cities with negotiation leverage (e.g. the agreement was nearing the end of the term, and the hauler desired to remain the franchisee) were sometimes able to negotiate lower commercial organics rates.

What Neighboring Cities, Redondo Beach and Manhattan Beach, Are Doing:

Neighboring cities, Redondo Beach (Athens Services) and Manhattan Beach (Waste Management), have both adopted commercial organics programs. A description of their respective commercial organics programs is provided below.

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Redondo Beach: As part of the original solid waste collection agreement with the City of Redondo Beach, effective July 1, 2011, Athens was to identify all hotels, restaurants, and food establishments and create a separate route for the collection of organic waste. Businesses identified and placed on this route were to be provided green-colored, 100% biodegradable bags at no additional cost. These bags were then to be placed inside existing refuse containers for collection, separation of the bags at a MRF, and eventual composting of the biodegradable material. Additionally, Athens was to process refuse collected on these routes to recover and compost additional organics material that was not placed in the bags. However, per a mutual unwritten agreement with the city, commercial customers are offered separate organic waste carts at the standard commercial green waste cart rate of \$3.00 for a 32, 64, or 96-gallon cart picked up once per week (as of July 1, 2017).

Manhattan Beach: Prior to the start of the City of Manhattan Beach's commercial organics program, the city offered a nursery/florist green-waste commercial cart to the city's businesses. In 2015, Manhattan Beach amended their Agreement with Waste Management to include both a residential food waste program as well as a commercial food waste program.

The residential food waste program offered to customers is primarily a bag based program, in which customers are allowed to place bagged food waste inside residential green-waste containers. Food waste bags do not need to be specially designed bags, however, customers wishing to participate in the program must supply their own bags. Alternatively, residential customers who do not have a green-waste container may request an 18-gallon food waste cart. In order to encourage the adoption of the food-waste program, Waste Management provided each residential customer with a kitchen food waste pail. In order to fund the residential food waste program, a one-time food waste rate increase of 3% (in addition to Waste Management's annual rate increase percentage of 2.8%) was enacted to residential service rates.

For commercial customers, the City of Manhattan Beach offers several food waste collection options at no additional charge to the customer. Commercial customers who do not have space for an additional container have the option to participate in a bag-based food waste collection program, in which yellow bags provided by the hauler are used to dispose food waste inside the customer's existing refuse container. Alternatively, customers may receive either a 64-gallon cart, 96-gallon cart, or a 2-yard bin for the collection of food waste at no additional charge. In order to fund the commercial food waste program, a one-time food waste rate increase of 3.6% (in addition to Waste Management's annual rate increase percentage of 2.8%) was enacted to residential service rates.

Finding 4: Based on the City's existing commercial cart rates for refuse service, and adjusting for organics material, the equivalent organics cart rate would be \$77.76 per month for a 96-gallon cart picked up 1x/week versus the \$116.16 per month proposed by Athens. The estimated 64-gallon rate would be \$55.62 per month.

The City's existing rate structure contains rates for 32-gallon, 64-gallon, and 96-gallon commercial refuse carts. Using these rates, HF&H calculated the estimated rate for 96-gallon and 64-gallon commercial

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organics carts picked up once per week by backing out the disposal component from the existing rates and adding back in an organics processing component. For disposal, we used the following assumptions:

- A refuse disposal component based on 100 pounds per cubic yard; and,
- A refuse processing (at Athens' MRF) and disposal component of \$69 per ton.

The refuse disposal component of 100 lbs./CY is based on industry averages for disposal, whereas the \$69 per ton refuse processing and disposal is based on the \$65 rate Athens included in the company's original competitive solid waste collection proposal to the City received in 2012, and adjusted for the 6.65% of cumulative rate adjustments since the start of the Agreement.

For organics processing, we used the assumptions proposed by Athens in the company's commercial organics cost proposal. The organics processing assumptions are as follows:

- An organics processing component based on 300 pounds per cubic yard; and,
- A cart organics disposal component of \$85.00 per ton.

The resulting calculations are shown in Table 4 for a 96-gallon commercial organics container and Table 5 for a 64-gallon commercial organics container.

Table 4: HF&H Calculation of 96-Gallon Commercial Organics Cart Rate

Description	Subtotal	Total
Existing 96-Gallon Commercial Refuse Rate, effective 11/1/16		\$ 54.13
Organics Processing Adjustment		
Less: Estimated 96-Gallon Cart Refuse Processing and Disposal Cost ⁽¹⁾	\$ (7.89)	
Add: Estimated 96-Gallon Cart Organics Processing Cost ⁽²⁾	\$ 29.16	
Net Processing Adjustment	\$ 21.27	
Collector Fees on Net Processing Adjustment ⁽³⁾	\$ 2.36	\$ 23.63
Total 96-Gallon Commercial Organics Rate		\$ 77.76

⁽¹⁾ Assumes 100 lbs./CY of refuse processed and disposed at \$69/ton.

⁽²⁾ Assumes 300 lbs./CY of organics processed at \$85/ton.

⁽³⁾ Grossed up the pass-through 10% Collector Fee.

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Table 5: HF&H Calculation of 64-Gallon Commercial Organics Cart Rate

Description	Subtotal	Total
Existing 64-Gallon Commercial Refuse Rate, effective 11/1/16		\$ 39.53
Organics Processing Adjustment		
Less: Estimated 64-Gallon Cart Refuse Processing and Disposal Cost ⁽¹⁾	\$ (5.26)	
Add: Estimated 64-Gallon Cart Organics Processing Cost ⁽²⁾	\$ 19.74	
Net Processing Adjustment Subtotal	\$ 14.48	
Collector Fees on Net Processing Adjustment ⁽³⁾	\$ 1.61	\$ 16.09
Total 64-Gallon Commercial Organics Rate		\$ 55.62

⁽¹⁾ Assumes 100 lbs./CY of refuse processed and disposed at \$69/ton.

⁽²⁾ Assumes 300 lbs./CY of organics processed at \$85/ton.

⁽³⁾ Grossed up the pass-through 10% Collector Fee.

Finding 5: The compactor haul rate proposed by Athens equals the existing City-approved haul rates, less AB 939 fees. The \$100 organics processing charge per ton proposed by Athens for compactor roll-off boxes is higher than the \$85 organics processing charge per ton used for by Athens for 96-gallon cart service.

The rates proposed by Athens for commercial organics compactor service consist of a haul component and a disposal (i.e. processing) component. The haul component proposed by Athens matches the City-approved haul rate, less AB 939 fees. However, we noted that the \$100 organics processing charge per ton for compactor roll-off boxes is higher than the \$85 charge per ton proposed for cart service. We would expect these figures to be the same at \$85 since there are no economies of scale related to organics material collected in compactor roll-off boxes to be considered.

ATTACHMENT A – DETAILED CART RATE CALCULATIONS

Table 1: Disposal Cost Detailed Rate Calculation as Proposed by Athens

Days/week	Container	Container Size In CY ⁽¹⁾	x	# of Pickups/Week	x	Weeks Per Month	x	Organics Weight (Tons/CY) ⁽²⁾	x	Barrel Disposal Rate ⁽³⁾⁽⁴⁾	=	Total Disposal Cost
1x / week	Primary Cart	0.5		1		4.33		0.15		\$85.00		\$27.60
	Additional Carts	0.5		1		4.33		0.15		\$85.00		\$27.60
2x / week	Primary Cart	0.5		2		4.33		0.15		\$85.00		\$55.21
	Additional Carts	0.5		2		4.33		0.15		\$85.00		\$55.21
3x / week	Primary Cart	0.5		3		4.33		0.15		\$85.00		\$82.81
	Additional Carts	0.5		3		4.33		0.15		\$85.00		\$82.81
4x / week	Primary Cart	0.5		4		4.33		0.15		\$85.00		\$110.42
	Additional Carts	0.5		4		4.33		0.15		\$85.00		\$110.42
5x / week	Primary Cart	0.5		5		4.33		0.15		\$85.00		\$138.02
	Additional Carts	0.5		5		4.33		0.15		\$85.00		\$138.02
6x / week	Primary Cart	0.5		6		4.33		0.15		\$85.00		\$165.62
	Additional Carts	0.5		6		4.33		0.15		\$85.00		\$165.62
Compactor	Haul	N/A		N/A		N/A		N/A		N/A		N/A
	Disposal / Ton	N/A		N/A		N/A		N/A		\$100.00		\$100.00

⁽¹⁾ One 96 gallon barrel is roughly equivalent to 0.5 cubic yards

⁽²⁾ Organics waste is estimated at 300 lbs./cubic yard, which equates to 0.15 tons/cubic yard.

⁽³⁾ Barrel organics disposal is estimated at \$85/ton.

⁽⁴⁾ Compactor organics disposal is estimated at \$100/ton due to additional contamination compared to standard organics barrels.

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ATTACHMENT A – DETAILED BARREL RATE CALCULATIONS

Table 2: Service Cost Detailed Rate Calculation as Proposed by Athens

Days/week	Container	Truck Costs per		Total Variable Cost
		Hours/Month	x Hour ⁽¹⁾	
1x / week	Primary Cart	1.0000	\$76.94	\$76.94
	Additional Carts	0.7932	\$76.94	\$61.03
2x / week	Primary Cart	1.6546	\$76.94	\$127.30
	Additional Carts	1.2996	\$76.94	\$99.99
3x / week	Primary Cart	2.3093	\$76.94	\$177.68
	Additional Carts	1.8063	\$76.94	\$138.98
4x / week	Primary Cart	2.9641	\$76.94	\$228.06
	Additional Carts	2.3128	\$76.94	\$177.95
5x / week	Primary Cart	3.6188	\$76.94	\$278.43
	Additional Carts	2.8195	\$76.94	\$216.93
6x / week	Primary Cart	4.2735	\$76.94	\$328.80
	Additional Carts	2.6114	\$76.94	\$200.92
Compactor	Haul	2.4957	\$76.94	\$192.02
	Disposal / Ton	N/A	N/A	N/A

⁽¹⁾ The \$76.94/hour of truck costs include the following estimated costs:

Driver labor and benefits.....	\$51
Truck operating costs.....	\$23
Other direct costs.....	\$3

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ATTACHMENT A – DETAILED BARREL RATE CALCULATIONS

Table 3: Detailed Total Rate Calculation as Proposed by Athens

Days/week	Container	Total Disposal Cost ⁽¹⁾	Total Variable Cost ⁽²⁾	Collector Fees ⁽³⁾	Total Rate
1x / week	Primary Cart	\$27.60	\$76.94	\$11.62	\$116.16
	Additional Carts	\$27.60	\$61.03	\$9.85	\$98.48
2x / week	Primary Cart	\$55.21	\$127.30	\$20.28	\$202.79
	Additional Carts	\$55.21	\$99.99	\$17.24	\$172.44
3x / week	Primary Cart	\$82.81	\$177.68	\$28.94	\$289.43
	Additional Carts	\$82.81	\$138.98	\$24.64	\$246.43
4x / week	Primary Cart	\$110.42	\$228.06	\$37.61	\$376.08
	Additional Carts	\$110.42	\$177.95	\$32.04	\$320.40
5x / week	Primary Cart	\$138.02	\$278.43	\$46.27	\$462.72
	Additional Carts	\$138.02	\$216.93	\$39.44	\$394.39
6x / week	Primary Cart	\$165.62	\$328.80	\$54.94	\$549.36
	Additional Carts	\$165.62	\$200.92	\$40.73	\$407.27
Compactor	Haul	N/A	\$192.02	\$21.34	\$213.36
	Disposal / Ton	\$100.00	N/A	\$11.11	\$111.11

⁽¹⁾ Total Disposal Cost obtained from Attachment A, Table 1.

⁽²⁾ Total Service Cost obtained from Attachment A, Table 2.

⁽³⁾ Collector Fees are equal to 10% of the Total Rate.

ATTACHMENT B – COMMERCIAL ORGANICS BIN RATES

Table 1: Comparison of Commercial Organics Bin Rates
2-Yard Bins 1x/Week
(Sorted by Rate per Month)

City	Hauler	Rate Per Month ⁽¹⁾	Notes
Manhattan Beach	Waste Management	\$0.00	Organics offered at no additional charge
Mission Viejo	Waste Management	\$28.39	Organics rates less than refuse rates
Lake Forest	CR&R	\$31.66	Organics rates less than refuse rates
Tustin	CR&R	\$40.55	Organics rates less than refuse rates
Laguna Hills	CR&R	\$68.16	Organics rates less than refuse rates
Cypress	Valley Vista	\$125.20	Organics rates higher than refuse rates
Inglewood	CDS/Republic	\$134.21	Organics rates equal to refuse rates
Irvine	Waste Management	\$185.47	Organics rates higher than refuse rates
El Monte	Valley Vista	\$195.96	Organics rates higher than refuse rates
Aliso Viejo	CR&R	\$217.11	Organics rates higher than refuse rates
San Clemente	CR&R	\$257.93	Organics rates higher than refuse rates

⁽¹⁾ Negotiated at various times in 2016 and 2017. Some rates may have been subsequently adjusted.