



## REPORT TO CITY COUNCIL

**To:** Honorable Mayor and Members of the City Council

**From:** Jason Simpson, City Manager

**Prepared by:** Remon Habib, City Engineer

**Date:** June 13, 2023

**Subject:** 2023 Annual Consumer Price Index Increase for Refuse Collection Services Provided by CR&R

### **Recommendation**

Receive and file this report and the proposed rate increases since the rate increases fall within the allowable amount per the franchise agreement.

### **Background**

CR&R, Incorporated holds an exclusive franchise in the City of Lake Elsinore to collect and dispose of refuse and to collect and process recyclables in the City. The franchise contract specifies that rates be adjusted annually to reflect changes in the Consumer Price Index (CPI) and any increases in the Riverside County Landfill Fees. Pursuant to the formula established in the Franchise Agreement, increases in the landfill tipping fee are passed through on a pro-rata basis effective at the start of the first full billing period after the landfill fee is adjusted. The current monthly residential rate is \$30.58, which includes the Landfill Fee of \$3.78.

### **Discussion**

The CR&R requested increase in service rates is based on the data supplied by the Bureau of Labor Statistics for the 12 months ending March 31, 2023, in which the Consumer Price Index (CPI) for the Los Angeles, Riverside and Orange County area increased by 2.49%.

In addition, City staff has been notified that the County of Riverside Waste Management Department will be requesting an increase to the landfill rates this year of 7.33%, increasing the landfill fees from \$35.52 to \$38.12 per ton.

Due to the increase in landfill fees and CPI adjustment factors, a monthly rate adjustment will become effective for residential and commercial accounts. The monthly residential rate will go from \$30.58 per month to \$31.55 per month. The commercial rates for fiscal year 2023-2024 reflect the bundled services; per the guidelines from CalRecycle to prepare for the implementation of SB 1383.

## 2023 Consumer Price Index Increase

The new rates are reflected in Exhibit "C" and will become effective July 01, 2023.

### **Fiscal Impact**

No negative fiscal impact to the City. This rate adjustment will result in a slight increase in franchise revenues to the City.

### **Attachments**

Attachment 1- 2023 Price Adjustment

Exhibit A- 2023 Schedule of Rates Exhibit "C"