

William C. Statler

Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

May 5, 2014

REVIEW OF SOUTH COUNTY SANITARY SERVICE INTERIM YEAR RATE REQUEST

**Cities of Arroyo Grande, Grover Beach, Pismo Beach and
Oceano Community Services District**

REPORT PURPOSE

The purpose of this report is to review the rate increase for 2014 requested by South County Sanitary Service (SCSS) in September 2013 for the Cities of Arroyo Grande, Grover Beach, Pismo Beach and the Oceano Community Services District, and to make recommendations to these four agencies as appropriate.

SCSS provides similar services to each of these agencies under formally approved franchise agreements that regulate rates. Each agency's franchise agreement establishes the same procedures for considering rate increases; and the financial information for SCSS is closely related for these four agencies. Accordingly, this report jointly reviews rate requests and recommendations for each agency.

OVERVIEW OF FINDINGS

- SCSS has provided the supporting documentation required for *Interim Year* rate requests under the franchise agreements in Arroyo Grande, Grover Beach, Oceano and Pismo Beach. SCSS's rate increase application for each agency, which requests an across-the-board rate increase of 2.05%, is provided in the Appendix.
- Consideration of the SCSS rate application has been delayed due to concerns by Waste Connections (owner of SCSS) regarding the County's authority to regulate rates at the Cold Canyon Landfill. As discussed below, it is likely that this issue will be resolved at the May 13, 2014 Board of Supervisors meeting.
- The last SCSS rate review was prepared in December 2012. Across-the-board rate increases of 3.2% were subsequently approved by all agencies based on that review. As discussed below, this was less than the rate increase of 5.4% that would otherwise have been allowed under the adopted rate-setting methodology due to the cost of

living “trigger” option (which is discussed below) set forth in the franchise agreements.

Rate Recommendation

It is recommended that the governing bodies of each agency adopt SCSS’s requested *Interim Year* rates for 2014, which reflect a 2.05% across-the-board rate increase for all four agencies. As discussed below, this is less than the rate increase of 2.78% that would otherwise be allowed under the adopted rate-setting methodology due to the cost of living “trigger” option set forth in the franchise agreements. It also assumes that the Board of Supervisors will approve Waste Connections’ proposed tipping fees increase at the Cold Canyon Landfill on May 13, 2014 of \$2.25 per ton, effective July 1, 2014.

Cost of Living “Trigger” Option. Along with establishing the rate review methodology, Section 8.3 of the franchise agreements provides that if the rate increase request compared with the rate in effect at the date of the agreement exceeds the cumulative cost of living increase from that same date, each agency has the option of terminating the agreement at any time within nine months following approval of the requested rate increase (assuming it was submitted in accordance with the rate-setting methodology).

It is important to note that this provision does not directly limit rate increase requests by SCSS to an amount that may be less than that allowed under the rate-setting methodology. However, subjecting the franchise agreement to possible termination if the rate request is greater than the cost of living threshold provides a strong incentive for SCSS to do so. As discussed below, the cost of living increase threshold for SCSS to avoid triggering the potential for termination is 2.05%, which is the requested rate increase. Accordingly, it is recommended that the governing bodies of these four agencies adopt SCSS’s requested *Interim Year* rates for 2014.

Rate Summary for Residential Customers

Table 1 summarizes the current and proposed rates for single-family residential (SFR) customers.

As reflected in this summary, the increases will be very modest. For example, for collection of a 32-gallon garbage container (the most common SFR service level) as well as separate waste wheelers for recycling and green waste, the proposed monthly rate will increase by 30 cents on average for the four agencies.

Table 1. Single Family Residential Rates

	Container Size (Gallons)		
	32	64	96
Proposed			
Arroyo Grande	16.30	\$21.17	\$26.07
Grover Beach	14.77	19.97	25.14
Oceano	13.21	19.00	37.18
Pismo Beach	14.50	29.00	43.50
Current			
Arroyo Grande	15.97	20.75	25.55
Grover Beach	14.47	19.57	24.64
Oceano	12.94	18.62	36.43
Pismo Beach	14.21	28.42	42.63
Increase			
Arroyo Grande	0.33	0.42	0.52
Grover Beach	0.30	0.40	0.50
Oceano	0.27	0.38	0.75
Pismo Beach	0.29	0.58	0.87

BACKGROUND

In establishing a rate-setting process and methodology, each agency's franchise agreement specifically references the City of San Luis Obispo's *Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates (Manual)*. This comprehensive approach to rate reviews was adopted by San Luis Obispo in 1994, and establishes detailed procedures for requesting rate increases and the required supporting documentation to do so. It also sets cost accounting standards and allowable operating profit ratios.

As noted above, the financial information for Arroyo Grande, Grover Beach, Oceano and Pismo Beach is closely related. For this reason, these four agencies jointly contracted with William C. Statler (who has extensive experience in evaluating rate requests in accordance with the adopted methodology) in October 2013 to evaluate SCSS's *Interim Year* rate increase application.

Franchise Agreement Summary

Historically, each agency has had its own approach to determining service levels and adopted differing franchise agreements accordingly. While these became similar beginning in 1999, in 2008 the Cities of Arroyo Grande, Grover Beach and Pismo Beach adopted renewed franchise agreements, followed by the Oceano Community Service District in Summer 2010, which are the same in all key provisions:

Table 2. Franchise Agreement Effective Dates

Arroyo Grande	June 10, 2008
Grover Beach	July 7, 2008
Oceano	July 14, 2010
Pismo Beach	June 3, 2008

- Each agency contracts with SCSS for garbage, green waste and recycling; and SCSS provides the container (waste wheelers) for each service.
- Each agreement is for 15 years.
- As noted above, each agency has adopted the same rate-setting methodology, including the option of terminating the agreement within nine months following approval of the requested rate increase if it exceeds the cost of living threshold.
- All agencies have adopted franchise fees of 10%.

On September 12, 2013, SCSS submitted an *Interim Year* rate increase request for 2014 to the Cities of Arroyo Grande, Grover Beach, Pismo Beach and the Oceano Community Services District.

The following is a brief summary of the differences between the two rate-setting methodologies – Base Year and Interim Year – which follow a three-year cycle:

- **Base Year.** The first year of the cycle—the *Base Year*—requires a comprehensive, detailed analysis of revenues, expenses and operating data. This information is

evaluated in the context of agreed upon factors in the franchise agreements in determining fair and reasonable rates. The last *Base Year* analysis for SCSS under this approach was completed in December 2012.

- **Interim Year.** In both the second and third years of the three-year cycle, SCSS is eligible for *Interim Year* rate adjustments that address two key change factors: changes in the consumer price index for “controllable” operating costs; and changes in “pass-through costs” (primarily tipping fees). These adjustment factors are “weighted” by the proportionate share that these costs represent of total costs. The rate review for the two *Interim Years* requires less information and preparation time than the *Base Year* review, while still providing fair and reasonable rate adjustments.

Rate Review History

The following summarizes the SCSS rate review history since 2004 (last ten years).

Table 3. Rate Review History: 2004 to 2013 (Reflects Year of Rate Application)

Year	Review Type	Arroyo Grande	Grover Beach	Oceano	Pismo Beach (1)
2004	Base Year	5.60%	5.60%	5.60%	5.30%
2005	Interim Year	3.09%	3.09%	3.09%	2.95%
2006	Interim Year	3.76%	3.76%	3.76%	3.60%
2007	Base Year	3.00%	3.00%	3.00%	2.90%
2008	Interim Year	0.00%	0.00%	0.00%	0.00%
2009	Interim Year	0.00%	0.00%	0.00%	0.00%
2010	Interim Year	0.00%	0.00%	0.00%	0.00%
2011	Interim Year (2)	5.15%	5.15%	5.15%	5.15%
2012	Base Year	3.20%	3.20%	3.20%	3.20%
2013	Interim Year (3)	2.05%	2.05%	2.05%	2.05%

1. *In 2007, the franchise fee rate in Pismo Beach was 6% compared with 10% in the other three agencies, and as such, its rate increase was slightly less. In July 2011, Pismo Beach adopted a 10% franchise fee, bringing it in alignment with the other three agencies (as well as most other agencies in San Luis Obispo County). In implementing the 10% rate, Pismo Beach adopted an added 3.9% increase beyond the interim year rate increase of 5.15% requested by SCSS.*
2. *SCSS did not request a rate increase in 2010 (which would have been the “normal” cycle to do so), and accordingly, did not submit a Base Year rate application. However, SCSS did submit a rate request in 2011 using an Interim Year methodology. The reasonableness of using the resulting “hybrid” approach was discussed in detail in the 2011 Interim Year report, which concluded that this approach was reasonable given the circumstances.*
3. *Proposed rate increase, to be effective 2014.*

Assuming the 2013 rate application is approved, this will reflect an average annual rate increase of 2.6%.

RATE REVIEW METHODOLOGY

Under the adopted franchise agreements, there are three major cost categories for revenue recovery through rates:

- **Controllable Costs.** The target is an operating profit ratio of 8% on “allowable costs,” which include direct collection labor, fuel, vehicle maintenance and repairs, depreciation, insurance and billing and collection. Allowable costs plus the operating profit ratio equal “controllable costs.”
- **Pass-Through Costs.** Pass-through costs such as tipping (landfill) and franchise fees may be fully recovered through rates, but no profit is allowed on them.
- **Excluded and Limited Costs.** No revenue recovery through rates are allowed for any excluded costs, which include charitable and political contributions; non-IRS approved profit-sharing plans; entertainment, fines and penalties; and income taxes. Additionally, there are limits on officer compensation.

In the case of SCSS, based on the 2012 *Base Year* analysis, 81.7% of their costs are “controllable” subject to the 8% operating profit ratio; and 18.3% are pass-through costs that may be recovered through rates but no profit is allowed on them. (No recovery is allowed at all for excluded costs.)

2013 Interim Year Request

In evaluating the SCSS 2013 rate application for 2014, the following submittals and documents were reviewed in determining compliance with the *Interim Year* rate adjustment provisions of the franchise agreements.

- Current franchise agreements between SCSS and the Cities of Arroyo Grande, Grover Beach, Pismo Beach and the Oceano Community Services District.
- Prior base year and interim year rate reviews.
- Audited financial statements for 2011 and 2012.
- The correct process, forms and calculations were used in preparing request in accordance with the *Manual* referenced in the franchise agreement as the basis for adjusting rates.
- Consumer price index data was correctly gathered and “weighted” in accordance with the franchise agreements.
- Adjustments to projected tipping fee costs were adequately documented and “weighted” in accordance with the franchise agreements.
- Adjustments to account for franchise fees were correctly calculated.

Rate Calculation Summary

There are three main drivers for *Interim Year* rate increases:

- **Controllable Costs.** Rates attributable to controllable costs are allowed to increase by changes in the U.S. consumer price index for all urban consumers (CPI-U). This increased by 2.0% from July 2012 to July 2013 (the most recent data available at the time the rate application was submitted in September 2013). Based on controllable costs representing 81.7% of total costs (before franchise fees), an adjustment of 1.63% is allowed for increased operating and maintenance costs.
- **Pass-Through Costs: Tipping Fees.** On May 13, 2014, the County is scheduled to approve an increase in tipping fees at the Cold Canyon Landfill of \$2.25 per ton (from \$34.25 per ton to \$36.50), effective July 1, 2014. With tipping fees representing 18.3% of costs, an adjustment of 0.87% is allowed for increased tipping fees.

It should be noted that tipping fees in total are projected to increase by 4.74%, which is less than the 6.6% increase in landfill rates. This appropriately adjusts for two factors: green waste is no longer taken to the Cold Canyon Landfill; and tonnage at the landfill is slightly down from the 2013 *Base Year* projection.

County Review of Cold Canyon Landfill Rates

For many years, the County has reviewed and approved tipping fees at the Cold Canyon Landfill. However, in considering rate increases for 2014 at the landfill, Waste Connections raised concerns about the County's authority to do so. This has delayed County consideration of proposed landfill rates, which in turn has delayed consideration of the SCSS rate application.

On May 13, 2014, the County is scheduled to review a proposed multi-year program of tipping fee increases at the Cold Canyon Landfill in funding expansion costs. The proposed multi-year program increases rates by \$2.25 per ton on July 1, 2014; and eight additional increases of \$2.25 per ton annually thereafter, beginning on January 1, 2015.

- **Pass-Through Costs: Franchise Fees.** The final adjustment in the rate-setting model is to account for pass-through franchise fees. At a 10% franchise fee rate, this results in an overall allowable rate increase of 2.78%.

Table 4 summarizes the *Interim Year* adjustment factors for the SCSS rate increase proposed for 2014:

Table 4. Interim Year Adjustment Factors

Controllable Cost Factors	
Consumer Price Index Increase	2.00%
Percent of Total Costs	81.7%
Allowable Adjustment	1.63%
Tipping Fees	
Tipping Cost Increase	4.74%
Percent of Total Costs	18.3%
Allowable Adjustment	0.87%
Total Before Franchise Fee Adjustment (10%)	2.50%
Total Allowed Increase	2.78%

COST OF LIVING “TRIGGER” OPTION

As noted above, Section 8.3 of the franchise agreements provides that if the rate increase request compared with the rate in effect at the date of the agreement exceeds the cumulative cost of living increase from that same date, each agency has the option of terminating the agreement at any time within nine months following approval of the requested rate increase (assuming it was submitted in accordance with the rate-setting methodology).

While this provision does not directly limit rate increase requests by SCSS to an amount that may be less than that allowed under the rate-setting methodology, subjecting the franchise agreement to possible termination if the rate request is greater than the cost of living threshold provides a strong incentive for SCSS to do so.

As detailed below, the cost of living increase threshold for SCSS to avoid the potential for triggering early termination is 2.05%. This is the rate increase that SCSS is requesting, although it could request 2.78% under the franchise agreement rate-setting methodology.

Calculation of the Cost of Living Threshold

Background

In past rate reviews, SCSS has typically submitted its rate application in October for implementation on January 1 of the next year. Since the *Manual* calls for using the most recent CPI-U index, that has meant consistently using August to August data in calculating the change.

While submission of the rate application in October could conceptually provide enough time for review, notice and scheduling of rate hearings by December (for rate implementation on January 1), as a practical matter this has not occurred. (It should be noted that failure to adopt rates in a timely matter is problematic for SCSS, since there is no provision for retroactivity.)

Although there are other factors that have affected timely adoption of rates in the past, one of the key reasons is the requirement under Proposition 218 for 45-day notice to customers before the rate hearing. Moreover, while dates are not specifically referenced in the *Rate Manual*, it calls for submission of the rate increase application four months before the proposed effective date. In this case, that means September for an increase on January 1, rather than October. However, it should be noted that in setting the four month timeframe, the *Manual* did not assume the need for a 45-day notice period to customers, since this requirement under Proposition 218 (which was approved by voters in 1996) was not in place in when the *Manual* was prepared in 1994.

Given these factors, SCSS submitted its rate application in September 2013, and used July 2012 to July 2013 for its CPI-U adjustment. This was the appropriate timeframe to use, since the *Manual* calls for using the most recent index in calculating the change.

However, the *Manual* does not include guidance in calculating the cumulative CPI-U change, since this provision only became effective in the most recent franchise agreements, long after preparation of the *Manual* in 1994.

For consistency, the cumulative CPI-U increase was appropriately calculated in past rate applications on an August to August basis. For 2014, however, SCSS used a hybrid approach in calculating the cumulative CPI-U: August to August for 2009 to 2012 (as it had in past rate applications); and July 2012 to July 2013 for the last year, since this was the most recent annual data available when SCSS submitted its application in September 2013.

Given the circumstances, the hybrid approach used by SCSS for the 2014 *Interim Year* rate application is reasonable. And as a practical matter, which timeframe is used has no material impact in 2014 (several optional approaches were evaluated, each resulting in monthly rate differences of just a few pennies). However, in future years, it might make a more significant difference. Accordingly, to ensure consistency, the following standards should be used in calculating CPI-U changes in the future, given the 45-day notice period and time needed for review and adoption for rates to be effective January 1 of each year:

- Rate applications should be submitted in August, following publication of June to June CPI-U changes, for implementation the following January 1.
- Regardless of when SCSS submits its rate application, it should consistently use June to June data in calculating annual CPI-U increases and the cumulative CPI-U.
- For the next *Interim Year* rate application, the CPI-U index for June 2013 is 233.504; and the CPI-U for June 2009 (the starting benchmark for the cumulative CPI-U calculation) is 215.693.

Cumulative CPI-U and Remaining Room for an Increase within the “Trigger”

Under the hybrid approach used by SCSS, the cumulative CPI-U increase is 8.70%. The rate increases subject to the “trigger” threshold total 6.65%. This leaves 2.05% available for an increase without triggering an option for early franchise agreement termination. This is the rate increase that SCSS is requesting, although it could request 2.78% under the franchise agreement rate-setting methodology.

SUMMARY

Based on the rate-setting policies and procedures formally adopted by Arroyo Grande, Grover Beach Oceano and Pismo Beach in their franchise agreements, this report concludes that:

- Assuming that the County approves an increase of \$2.25 per ton, effective July 1, 2014, at the Cold Canyon Landfill on May 13, 2014, SCSS is eligible for an *Interim Year* rate increase of 2.78%.

- However, SCSS has requested a lower rate increase of 2.05%, which avoids triggering an option for early franchise agreement termination.
- For future rate applications, whether for a *Base Year* or *Interim Year*, CPI-U factors should be based on June to June changes.



APPENDIX

Interim Year Rate Adjustment Application

Submitted in 2013 for Rates Effective in 2014

- A.1 Arroyo Grande
- A.2 Grover Beach
- A.3 Oceano
- A.4. Pismo Beach

Supporting Schedules

- B.1 Financial Information
- B.2 Annual Consumer Price Index Change: July 2012 to July 2013
- B.3 Cumulative Consumer Price Index Change and “Trigger” Calculation

Interim Year Rate Adjustment Application

Requested Increase

Per rate manual	2.78%
Limitation per contract	-0.73%
1. Rate Increase Requested	2.05%

Rate Schedule

Rate Schedule	Current Rate	Increased Rate	Adjustment (a)	New Rate
Single Family Residential				
2. One Can Service	✓\$15.97	\$16.30		\$16.30
3. Two Can Service	✓\$20.75	\$21.17		\$21.17
4. Three Can Service	✓\$25.55	\$26.07		\$26.07

5 Multiunit Residential and Non-residential

Rate increases of

2.05%

will be applied to all rates in each structure
with each rate rounded up to the nearest \$0.01

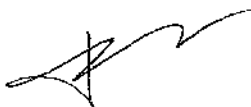
Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the City of Arroyo Grande.

Name: TOM MARTIN

Title: General Manager

Signature:



Date: 09/12/13

Interim Year Rate Adjustment Application

Requested Increase

	Per rate manual	2.78%
	Limitation per contract	-0.73%
1.	Rate Increase Requested	2.05%

Rate Schedule

	Rate Schedule	Current Rate	Increased Rate	Adjustment (a)	New Rate
	Single Family Residential				
2.	One Can Service	✓\$14.47	\$14.77		\$14.77
3.	Two Can Service	✓\$19.57	\$19.97		\$19.97
4.	Three Can Service	✓\$24.64	\$25.14		\$25.14

5 **Multiunit Residential and Non-residential**

Rate increases of **2.05%**
will be applied to all rates in each structure
with each rate rounded up to the nearest \$0.01

Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the City of Grover Beach.

Name: TOM MARTIN

Title: General Manager

Signature: 

Date: 09/12/13

Interim Year Rate Adjustment Application

Requested Increase

	Per rate manual	2.78%
	Limitation per contract	-0.73%
1.	Rate Increase Requested	2.05%

Rate Schedule

	Rate Schedule	Current Rate	Increased Rate	Adjustment (a)	New Rate
	Single Family Residential				
2.	One Can Service	\$12.94	\$13.21		\$13.21
3.	Two Can Service	\$18.62	\$19.00		\$19.00
4.	Three Can Service	\$36.43	\$37.18		\$37.18

5 Multiunit Residential and Non-residential

Rate increases of **2.05%**
will be applied to all rates in each structure
with each rate rounded up to the nearest \$0.01

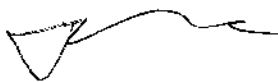
Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the Oceano Community Service District.

Name: TOM MARTIN

Title: General Manager

Signature:



Date: 09/12/13

Appendix A.4

South County Sanitary Service

CITY OF PISMO BEACH

Interim Year Rate Adjustment Application

Requested Increase

Per rate manual	2.78%
Limitation per contract	-0.73%
1. Rate Increase Requested	2.05%

Rate Schedule

Rate Schedule	Current Rate	Increased Rate	Adjustment (a)	New Rate
Single Family Residential				
2. One Can Service	✓ \$14.21	\$14.50		\$14.50
3. Two Can Service	✓ \$28.42	\$29.00		\$29.00
4. Three Can Service	✓ \$42.63	\$43.50		\$43.50

5. Multiunit Residential and Non-residential

Rate increases of

2.05%

will be applied to all rates in each structure
with each rate rounded up to the nearest \$0.01

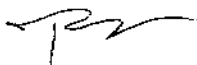
Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the City of Pismo Beach.

Name: TOM MARTIN

Title: General Manager

Signature:



Date: 09/13/13

Interim Year Rate Adjustment Application

Financial Information

Section I-Base Year Costs

Base Year Controllable Costs

6.	Total Allowable Costs	\$7,592,310	
7.	Plus Allowable Operating Profit	\$660,200	
8.	Plus Lease Payments to Affiliated Companies	\$0	
9.	Equals Total Controllable costs	\$8,252,510	81.7%

Base Year Pass Through Costs

10.	Tipping Fees	\$1,844,193	
11.	Plus AB 939 and Regulatory Fees	\$0	
12.	Equals Total Pass Through Costs	\$1,844,193	18.3%

13.	Base Year Revenue Requirements (less Franchise Fee)	\$10,096,703	100%
-----	---	--------------	------

Section II-Changes in Costs

Change in Controllable Cost

14.	Historical Percentage Change in Consumer Price Index	2.0%
-----	--	------

Change in Pass Through Cost

15.	Projected Base Year 2013 Tipping Fees	\$1,844,193	
16.	Plus Projected Year 2013 AB939 Fees	\$0	
17.	Equals Total Base Year Pass Through Costs	\$1,844,193	

18.	Projected Interim Year 2014 Tipping Fees	\$1,931,590	
19.	Projected Interim Year 2014 AB939 Fees	\$0	
20.	Equals Total Projected Interim Year Pass Through costs	\$1,931,590	

21.	Projected Percentage Change in Pass Through Costs	4.74%
-----	---	-------

Section III- Calculation of Percent Change in Rates

Weighted Change in Controllable Costs

22.	Controllable Costs as a Percent of Base Year Revenue Requirements	81.7%
23.	Multiplied Percent change in CPI	2.0%
24.	Equals Weighted Percent Change in Controllable Costs	1.63%

Weighted Change in Pass Through Costs

25.	Pass Through Costs as a Percent of Base Yr Revenue Requirements	18.3%
26.	Multiplied Percent Change in Pass Through Costs	4.74%
27.	Equals Weighted Percent Change in Pass Through Costs	0.87%

Total Change

28.	Total Percent Change in Cost (Line 24+ Line 27+ Line 28)	2.50%	
29.	Divided Adjustment for Franchise Fee (1-10.0 percent)	90.0%	
30.	Equals Percent change in Existing Rates		2.78%

[A to Z Index](#) | [FAQs](#) | [About BLS](#) | [Contact Us](#) | [Subscribe to E-mail Updates](#)
[Follow Us](#) | [What's New](#) | [Release Calendar](#) | [Site Map](#)
[Search BLS.gov](#)
[Home](#)
[Subject Areas](#)
[Databases & Tools](#)
[Publications](#)
[Economic Releases](#)
[Beta](#)

Databases, Tables & Calculators by Subject

FONT SIZE:

Change Output Options: From: To:
☒ include graphs[More Formatting Options](#) ➔

Data extracted on: September 5, 2013 (2:12:28 PM)

Consumer Price Index - All Urban Consumers

12

Month
Percent
Change

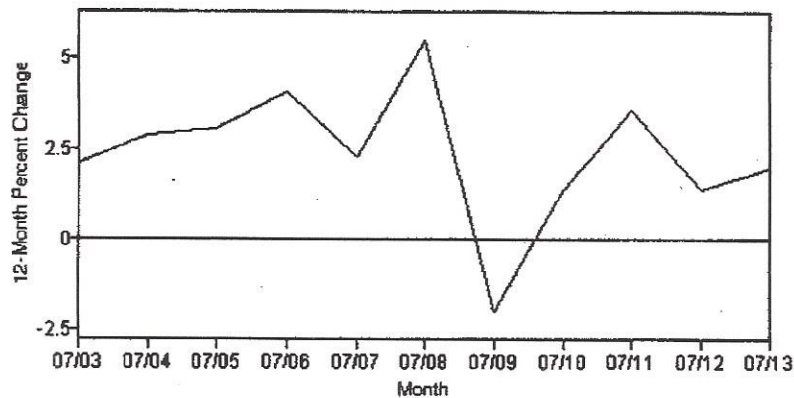
Series Id: CUSR0000SA0

Seasonally Adjusted

Area: U.S. city average

Item: All items

Base Period: 1982-84=100



Download:

.xls

Year	Jul
2003	2.1
2004	2.9
2005	3.1
2006	4.1
2007	2.3
2008	5.5
2009	-2.0
2010	1.4
2011	3.6
2012	1.4
2013	2.0

Appendix B.3

SOUTH COUNTY SANITARY SERVICE Allowable Increase Per Contract

BLS
at Aug 31

Note: CPI-U Change
for 2013 is July to July

2010	1.20%
2011	3.80%
2012	1.70%
2013	2.00%
	<u>8.70%</u>

approved increase	approved exception greenwaste	approved per contract
0.00%		0.00%
5.15%	-1.70%	3.45%
0.00%		0.00%
		3.20%
<u>5.15%</u>	<u>-1.70%</u>	<u>6.65%</u>

cumulative cola	8.70%
cumulative approved increases	<u>-6.65%</u>
maximum allowable increase	<u>2.05%</u>