



WM  
17700 Indian St  
Moreno Valley, CA 92551

February 26, 2025

Anna Chacon  
Purchasing & Sustainability Division Manager  
Financial & Management Services  
City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, CA 92553

Re: 2025/2026 Annual Rate Adjustment Request

Dear Ms. Chacon,

We would like to take this opportunity to thank you and your staff in advance for your assistance with the rate adjustment process.

Pursuant to Section 16 of the franchise agreement, WM respectfully requests an adjustment of trash and recycling/processing rates to be effective July 1, 2025.

Attached for your review, is the Solid Waste and Recycling Rates that reflects the 2025-2026 rate adjustment along with the supporting Rate Adjustment Percentage Calculation data.

Should you need additional information or have any question regarding this year's annual rate adjustment, please contact me at (951) 415-4389. Thank you for your time.

Respectfully,

A handwritten signature in black ink, appearing to read 'DT', is placed above the printed name of Douglas Tani.

Douglas Tani  
Public Sector Manager  
WM

# EXHIBIT C

## Attachment 1 City of Moreno Valley Solid Waste and Recycling Rates Effective July 1, 2025

Commercial & Multi-Family Service (1)				
Size	Service Frequency	FY 2024/25 Proposed Rate	Rate Adjustment	FY 2025/26 Proposed Rate
1.5	1	\$ 128.82	\$ 2.49	\$ 131.31
1.5	2	\$ 231.42	\$ 4.27	\$ 235.69
1.5	3	\$ 327.60	\$ 5.89	\$ 333.49
1.5	4	\$ 420.66	\$ 7.41	\$ 428.07
1.5	5	\$ 520.00	\$ 9.10	\$ 529.10
1.5	6	\$ 616.17	\$ 10.70	\$ 626.87
2	1	\$ 149.21	\$ 2.72	\$ 151.93
2	2	\$ 268.12	\$ 4.61	\$ 272.73
2	3	\$ 379.37	\$ 6.28	\$ 385.65
2	4	\$ 487.15	\$ 7.86	\$ 495.01
2	5	\$ 602.19	\$ 9.65	\$ 611.84
2	6	\$ 713.43	\$ 11.33	\$ 724.76
3	1	\$ 189.98	\$ 3.15	\$ 193.13
3	2	\$ 341.17	\$ 5.24	\$ 346.41
3	3	\$ 482.87	\$ 7.08	\$ 489.95
3	4	\$ 620.22	\$ 8.79	\$ 629.01
3	5	\$ 766.30	\$ 10.74	\$ 777.04
3	6	\$ 907.99	\$ 12.57	\$ 920.56
4	1	\$ 241.78	\$ 3.89	\$ 245.67
4	2	\$ 434.32	\$ 6.42	\$ 440.74
4	3	\$ 614.66	\$ 8.63	\$ 623.29
4	4	\$ 789.54	\$ 10.70	\$ 800.24
4	5	\$ 975.35	\$ 13.06	\$ 988.41
4	6	\$ 1,155.74	\$ 15.26	\$ 1,171.00
6	1	\$ 303.94	\$ 4.22	\$ 308.16
6	2	\$ 548.39	\$ 6.83	\$ 555.22
6	3	\$ 778.40	\$ 9.04	\$ 787.44
6	4	\$ 1,001.79	\$ 11.08	\$ 1,012.87
6	5	\$ 1,238.47	\$ 13.47	\$ 1,251.94
6	6	\$ 1,468.42	\$ 15.67	\$ 1,484.09

Commercial Compactor Service				
Size	Service Frequency	FY 2024/25 Proposed Rate	Rate Adjustment	FY 2025/26 Proposed Rate
1.5	1	\$ 159.00	\$ 1.29	\$ 160.29
1.5	2	\$ 291.79	\$ 1.87	\$ 293.66
1.5	3	\$ 418.20	\$ 2.27	\$ 420.47
1.5	4	\$ 541.49	\$ 2.58	\$ 544.07
1.5	5	\$ 671.05	\$ 3.08	\$ 674.13
1.5	6	\$ 797.37	\$ 3.47	\$ 800.84
2	1	\$ 189.47	\$ 1.11	\$ 190.58
2	2	\$ 348.67	\$ 1.39	\$ 350.06
2	3	\$ 500.18	\$ 1.46	\$ 501.64
2	4	\$ 648.28	\$ 1.44	\$ 649.72
2	5	\$ 803.52	\$ 1.62	\$ 805.14
2	6	\$ 955.08	\$ 1.69	\$ 956.77
3	1	\$ 250.37	\$ 0.73	\$ 251.10
3	2	\$ 461.97	\$ 0.42	\$ 462.39
3	3	\$ 664.07	\$ (0.16)	\$ 663.91
3	4	\$ 861.87	\$ (0.85)	\$ 861.02
3	5	\$ 1,068.37	\$ (1.32)	\$ 1,067.05
3	6	\$ 1,270.47	\$ (1.89)	\$ 1,268.58
4	1	\$ 322.38	\$ 0.67	\$ 323.05
4	2	\$ 595.44	\$ (0.00)	\$ 595.44
4	3	\$ 856.31	\$ (1.01)	\$ 855.30
4	4	\$ 1,111.73	\$ (2.15)	\$ 1,109.58
4	5	\$ 1,378.09	\$ (3.01)	\$ 1,375.08
4	6	\$ 1,639.04	\$ (4.01)	\$ 1,635.03

Commercial Organics				
Size	Service Frequency	FY 2024/25 Proposed Rate	Rate Adjustment	FY 2025/26 Proposed Rate
2	1	\$ 283.97	\$ 7.74	\$ 291.71
2	2	\$ 567.22	\$ 15.46	\$ 582.68
2	3	\$ 850.46	\$ 23.18	\$ 873.64
2	4	\$ 1,133.65	\$ 30.90	\$ 1,164.55
2	5	\$ 1,416.87	\$ 38.62	\$ 1,455.49
2	6	\$ 1,700.07	\$ 46.34	\$ 1,746.41
64 Gallon Cart	1	\$ 52.90	\$ 1.44	\$ 54.34
64 Gallon Cart	2	\$ 105.80	\$ 2.88	\$ 108.68
64 Gallon Cart	3	\$ 158.71	\$ 4.33	\$ 163.04
64 Gallon Cart	4	\$ 211.61	\$ 5.77	\$ 217.38
64 Gallon Cart	5	\$ 264.51	\$ 7.21	\$ 271.72
64 Gallon Cart	6	\$ 317.42	\$ 8.65	\$ 326.07

Commercial Misc Services				
	FY 2024/25 Proposed Rate	Rate Adjustment	FY 2025/26 Proposed Rate	
Temp bin service (up to 7 days)	\$ 173.71	\$ 4.73	\$ 178.44	
Temp bin service (30 days)	\$ 383.47	\$ 10.45	\$ 393.92	
Extra empty - first bin	\$ 69.88	\$ 1.90	\$ 71.78	
Extra empty - addl bins	\$ 29.97	\$ 0.82	\$ 30.79	
Pull-out service per bin				
0-15 feet	N/C		N/C	
16-35 feet	\$ 20.14	\$ 0.55	\$ 20.69	
36-50 feet	\$ 30.22	\$ 0.82	\$ 31.04	
Over 51 feet	\$ 40.31	\$ 1.10	\$ 41.41	
Locking container	\$ 50.38	\$ 1.37	\$ 51.75	
Restart fee	\$ 60.45	\$ 1.65	\$ 62.10	
Special bin/container lid	\$ 19.88	\$ 0.54	\$ 20.42	
Overage fees	\$ 69.93	\$ 1.91	\$ 71.84	
Bin exchange - over 1 per year	\$ 59.78	\$ 1.63	\$ 61.41	
Bin exchange - service level change	\$ 59.78	\$ 1.63	\$ 61.41	
Bulky item collection	\$ 22.41	\$ 0.61	\$ 23.02	
Set up fee	\$ 35.03	\$ 0.95	\$ 35.98	
Redelivery fee	\$ 70.06	\$ 1.91	\$ 71.97	
Commercial Recycle Contamination	\$ 82.12	\$ 2.24	\$ 84.36	(2)
Replacement Lock	\$ 32.29	\$ 0.88	\$ 33.17	
Replacement Key	\$ 6.46	\$ 0.18	\$ 6.64	
Haul or Call Fee	\$ 32.29	\$ 0.88	\$ 33.17	
Extra empty - Compactor	\$ 103.31	\$ 2.82	\$ 106.13	
AB341 Non compliance fee	\$ 19.38	\$ 0.53	\$ 19.91	

Roll off				
	FY 2024/25 Proposed Rate	Rate Adjustment	FY 2025/26 Proposed Rate	
Hauling fee	\$ 285.84	\$ 7.79	\$ 293.63	(3)
Compactor hauling fee	\$ 413.18	\$ 11.26	\$ 424.44	(3)
Monthly minimum pull fee	\$ 285.84	\$ 7.79	\$ 293.63	
Monthly minimum pull fee (compactor)	\$ 413.18	\$ 11.26	\$ 424.44	
Temporary flat fee (incl 4 tons)	\$ 513.26	\$ 13.99	\$ 527.60	(4)
Organics	\$ 703.77	\$ 19.18	\$ 722.95	(3)
C&D	\$ 554.14	\$ 15.10	\$ 569.24	(3)
Delivery	\$ 99.60	\$ 2.71	\$ 102.31	
Extra trip	\$ 99.60	\$ 2.71	\$ 102.31	
Relocation	\$ 99.60	\$ 2.71	\$ 102.31	
Set up fee	\$ 35.02	\$ 0.95	\$ 35.97	
Recycle Report Fee	\$ 32.27	\$ 0.88	\$ 33.15	

Recycling Bins						
Size	Service Frequency	FY 2024/25		Rate Adjustment	FY 2025/26	
		Proposed Rate			Proposed Rate	
All Sizes	1	\$	84.87	\$	2.31	\$ 87.18 (5)
All Sizes	2	\$	169.71	\$	4.63	\$ 174.34 (5)
All Sizes	3	\$	254.60	\$	6.94	\$ 261.54 (5)
All Sizes	4	\$	339.45	\$	9.25	\$ 348.70 (5)
All Sizes	5	\$	424.33	\$	11.57	\$ 435.90 (5)
All Sizes	6	\$	509.19	\$	13.88	\$ 523.07 (5)
Extra empty		\$	38.73	\$	1.06	\$ 39.79

Residential Service				
	FY 2024/25 Proposed Rate	Rate Adjustment	FY 2025/26 Proposed Rate	
Recycling Material Offset	\$ -	\$ -	\$ -	
Single family rate	\$ 32.99	\$ 0.60	\$ 33.59	
Senior citizen discount rate	\$ 29.69	\$ 0.54	\$ 30.23	
Addl 35 gal solid waste container	\$ 5.66	\$ 0.12	\$ 5.78	
Addl 64 gal solid waste container	\$ 7.18	\$ 0.14	\$ 7.32	
Addl 64 gal organics container	N/C		N/C	(6)
Addl 96 gal solid waste container	\$ 9.43	\$ 0.17	\$ 9.60	
Addl 96 gal organics container	\$ 10.60	\$ 0.06	\$ 10.66	
Addl 96 gal recycle container	\$ 3.93	\$ 0.11	\$ 4.04	
Per bag charge	\$ 3.44	\$ 0.09	\$ 3.53	
Container changes over 1 per year	\$ 13.90	\$ 0.38	\$ 14.28	
Add bulky item pick-up	\$ 22.42	\$ 0.61	\$ 23.03	(7)(8)
Curbside E-waste (over 3 free)	\$ 22.42	\$ 0.61	\$ 23.03	
Temporary bin service	\$ 173.74	\$ 4.74	\$ 178.48	
Temporary bin service	\$ 383.47	\$ 10.45	\$ 393.92	
Set up fee	\$ 16.82	\$ 0.46	\$ 17.28	
Contamination	\$ 16.43	\$ 0.45	\$ 16.88	

### Footnotes

- (1) Includes one 96-gallon recycle cart serviced one time per week and one 64 gallon organics cart serviced 1 timer per week per customer
- (2) Per P/U
- (3) + landfill
- (4) + landfill >4
- (5) Contact WM for recycle compactor rate
- (6) Max one
- (7) minimum
- (8) In excess of one item per week



# MEMORANDUM

**To:** Anna Chacon, Purchasing & Sustainability Division Manager  
**From:** Philip Mainolfi, Senior Project Manager  
**cc:** Caitlin Barboza, Senior Associate  
**Date:** April 3, 2025  
**Re:** Solid Waste Rate Adjustment Review – FY 2025/2026

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Dear Anna Chacon,

HF&H Consultants, LLC (HF&H) is pleased to present its findings in the review of Waste Management of the Inland Empire's (WM) fiscal year 2025/2026 rate adjustment request for the City of Moreno Valley (City).

## Background

WM submitted its initial rate adjustment request to the City in February 2025; the City subsequently requested that HF&H review WM's rate adjustment request, subject to approval by the City. HF&H immediately requested additional backup data for the commercial and multi-family adjustments, residential cart counts, and blended organics processing rate supporting the rate adjustment request. HF&H reviewed the initial application and supporting documentation and requested updates from WM on March 11, 2025. WM resubmitted the rate application on March 17, 2025. HF&H performed the following steps in completing the review of the rate adjustment application:

- Reviewed contractual requirements for WM's rate adjustment (see Attachment A)
- Reviewed the initial proposed rate adjustment calculation submittal and one resubmittal from WM
- Communicated with the City and WM regarding any additional information required
- Requested that WM make adjustments in the proposed rate application, as necessary

## Findings

### CONSUMER PRICE INDEX

- The change in the 12-month average Consumer Price Index (CPI), used for calculation of the rates (Series ID: CUURS49CSA0; Series Title: All items in Riverside-San Bernardino-Ontario, CA, all urban consumers, not seasonally adjusted), corresponds to a 2.73% increase in the service component of the rates as well as ancillary services, such as extra charges, delivery fees, and distance charges.
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## DISPOSAL AND PROCESSING COSTS

### ***Solid Waste Disposal***

- HF&H confirmed with Riverside County (County) that the disposal rate for County landfills will increase from \$49.75 to \$51.18 beginning July 1, 2025. The change in gate rate coupled with a change in disposal tonnage per household results in a 1.29% increase in the residential solid waste disposal component.
- Commercial tonnage increased by approximately 2.69%, while the number of commercial accounts increased by 12.84%. When factoring in the gate rate increase and reduction in pounds per customer, the commercial disposal component decreased by 6.43%.

### ***Organic Materials Processing***

- WM used a blended rate for organics processing based on the tonnage transported to two facilities and the per ton gate rates at those facilities. There is not language in the Agreement that specifies how the organics rate should be calculated. WM provided, and HF&H confirmed, that the blended rate was calculated as shown in the table below.

Facility	Tons from Dec 2023 - Dec 2024	Cost per Ton	% of Total Tons	Weighted Cost per Ton
Ecology Compost Facility	23,921.75	\$94.04	97.8%	\$91.97
Pala Compost Facility	538.12	\$100.57	2.2%	\$2.21
Total	24,459.87	N/A	100%	\$94.18

## RATE CALCULATIONS

The final rates for commercial and multi-family services, residential, and compactor fees include a service component as well as a disposal and/or processing component.

### ***Residential Service***

- For the standard service residential rate, there is a service component as well as separate components for solid waste disposal and organic materials processing. HF&H recalculated the rate based on the current County landfill rate and confirmed the rates submitted from WM were calculated consistently with the franchise agreement amendment.
- WM applied the CPI increase of 2.73% to the residential service component. Additionally, WM applied the County landfill rates and blended organics processing rates to the disposal and processing components. WM calculated, and HF&H confirmed, an overall 1.82% increase in the standard service residential rate.

### ***Commercial and Multi-Family Service***

- For commercial and multi-family accounts, the service component will increase by the CPI index of 2.73%. The disposal component of the commercial and multi-family rate



adjustment decreased by 6.43% as described in the Solid Waste Disposal section on page 2 of this memorandum.

- The base roll-off service includes the haul rate plus four tons of disposal per haul. HF&H confirmed that the calculations WM used to calculate the change in the haul rate and the disposal rate for County landfills were accurate.

## Recommendations

HF&H suggests that the City implement improvements to the rate adjustment application going forward. The Commercial Rate Calculation excel file should be imported as a tab in the rate application document to provide transparency on how the rates are calculated and avoid potential future technical issues with cells linking to external documents. Additionally, the City would benefit from requiring WM to submit all backup documentation upfront (including calculations for blended organic materials processing rates and raw residential customer and cart count data) to expedite review of the rate application.

## Limitations

Our review was different in scope than an examination in accordance with Generally Accepted Auditing Standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

HF&H did not independently verify WM's tons disposed or processed at the reported facilities; however, to ensure consistency, HF&H compared the tonnage included in WM's rate adjustment calculations to the tonnage reports WM submitted to the City.

\* \* \* \*

HF&H appreciates the opportunity to be of service to the City and thanks WM staff for their cooperation throughout our review. Should you have any questions or concerns, please do not hesitate to reach out to me directly at (949) 504-5150 or [pmainolfi@hfh-consultants.com](mailto:pmainolfi@hfh-consultants.com).

Sincerely,

A handwritten signature in dark ink, reading 'Philip Mainolfi'. The signature is fluid and cursive, with the first name 'Philip' and last name 'Mainolfi' clearly legible.

Philip Mainolfi  
Senior Project Manager

## **Attachments**

Attachment A – Rate Methodology

Attachment B – Rate Adjustment Application

