

## Amended Exhibit G

### Annual Rate Adjustment Methodology for Solid Waste Collection Rates

The annual rate adjustment for Service Rates shall be calculated in the following manner:

1. The established percentages for rates for residential, multi-family, and commercial rates, which include a disposal cost component, are: 4.61% Fuel; 25.79% MSW Disposal; 6.13% Organics Disposal; -0.45% Recyclable Material Sales: Paper; -1.36% Recyclable Material Sales: Cardboard; and 65.28% All Other. These established percentages shall be adjusted annually to reflect the weighted percentage change described in Amended Exhibit G, Table 1. See Table 1 for an example of a calculation sheet for these rates.
2. The established percentages for rates for recycling only service, compactors, and debris boxes, which do not have a disposal cost component, are: 6.77% Fuel; -0.66% Recyclable Material Sales: Paper; -1.99% Recyclable Material Sales: Cardboard; and 95.88% All Other. These established percentages shall be adjusted annually to reflect the weighted percentage change described in Amended Exhibit G, Table 2. See Table 2 for an example of a calculation sheet for these rates.
3. The following rates shall be adjusted using the CPI Factor (with a minimum adjustment of 3.2% and a maximum adjustment of 5%): miscellaneous fees for residential, multi-family and commercial rates, emergency rates, bulky item collection services. See Table 3 for an example of a calculation sheet for miscellaneous and special fees.
4. In all cases, the current dollar value of the Franchise Fees shall be removed from the rate calculation prior to making any adjustments. See Table 4 for an example of calculating the rate adjustment for years 1, 2, and 3.
5. The following indices are used to calculate the adjustment for each cost category. The average change in each index is calculated on a twelve-month period from January 1 through December 31. The annual change in each index is calculated by comparing the two prior twelve-month periods with the following exception: Recyclable Materials Sales – Paper and Cardboard. Recyclable Materials Sales – Paper and Cardboard will initially be adjusted using calendar year 2018 as the base year to calculate rates effective April 1, 2021. Effective April 1, 2022 and each year after, the average change in these two indexes will be calculated on a twelve-month period from January 1 through December 31 by comparing the two prior twelve-month periods.

<u>Cost Category</u>	<u>Index</u>
Fuel	Series ID: WPU057303; Commodity Code 573-03 #2 Diesel Fuel
All Other	Consumer Price Index, Series ID: CUURS49BSA0 CPI-All Urban Consumers, All Items – San Francisco-Oakland-Hayward, CA. A minimum 3.2% CPI with a maximum of 5% CPI shall be used for this cost category.
MSW Disposal	Annual tip-fee increase, expressed as a percentage, at the County Facilities.
Organics Disposal	Tip-fee increase at the County Facilities, expressed as a percentage.

Recyclable Material Sales – Paper	PS54 Mixed Paper (Southwest USA Region) – www.recyclingmarkets.net
Recyclable Material Sales - Cardboard	PS11 Corrugated Containers (Southwest USA Region) – www.recyclingmarkets.net

6. Prior to calculating a rate adjustment, the franchise fee portion of the rates shall be subtracted from the current rate.
7. The percentage weight for each cost category is multiplied by the change in each appropriate index to calculate a weighted percentage for each cost category. The weighted percentage changes for each cost category are added together to calculate the percentage increase to be applied to all zones under this Agreement (see example in Table 1 below).
8. After calculating the Service Rate adjustment, the Diversion Adjustment, pursuant to Section 4.5.2, shall be applied to the CPI portion of rate calculation, and the total rate adjustment shall be recalculated. The final rate adjustment shall be applied to all residential service rates for curbside collection for single family dwelling units, mobile home parks, multi-family dwelling units, commercial bins, and debris boxes.

#### Rate Adjustments Calculations for Residential, Multi-Family, and Commercial Rates

<b>TABLE 1</b> <b>COLLECTION RATE ADJUSTMENT</b> <b>SAMPLE CALCULATION SHEET</b>					
Item #	Category	Data Source	% Change	Item Weight*	Weighted Percentage Change
1	Fuel	Series ID: WPU057303 Commodity Code 0573-03 #2 Diesel Fuel	-10.50%	4.61%	-0.48%
2	All Other	Series ID: CUURS49BSA0 CPI-All Urban Consumers, All Items San Francisco-Oakland-Hayward, CA	3.31%	65.28%	2.16%
3	MSW Disposal	Annual Tip-Fee Increase at the County Facilities	3.00%	25.79%	0.77%
4	Organics Disposal	Tip-Fee Increase at the county Facilities	0.00%	6.13%	0.00%
5	Recyclable Material Sales – Paper	PS54 Mixed Paper (Southwest USA Region) – www.recyclingmarkets.net	-110.10%	-0.45%	0.49%
6	Recyclable Material Sales - Cardboard	PS11 Corrugated Containers (Southwest USA Region) – www.recyclingmarkets.net	-70.00%	-1.36%	0.95%
Total Rate Adjustment				100%	3.89%

\* Item Weight must be recalculated and adjusted after each rate adjustment to reflect the Weighted Percentage Change impact on the Item Weight. The sum of the item Weight and the Weighted

Percentage Change will be divided by One plus the Total Rate Adjustment. This establishes the new item weights as adjusted by the Weighted Percentage Change after each rate adjustment.

### Rate Adjustments Calculations for Recycling Only Service, Compactors, and Debris Boxes

<b>TABLE 2 COLLECTION RATE ADJUSTMENT SAMPLE CALCULATION SHEET</b>					
Item #	Category	Data Source	% Change	Item Weight*	Weighted Percentage Change
1	Fuel	Series ID: WPU057303 Commodity Code 0573-03 #2 Diesel Fuel	-10.50%	6.77%	-0.71%
2	All Other	Series ID: CUURS49BSA0 CPI-All Urban Consumers, All Items San Francisco-Oakland-Hayward, CA	3.31%	95.88%	3.17%
3	Recyclable Material Sales – Paper	PS54 Mixed Paper (Southwest USA Region) – www.recyclingmarkets.net	-110.10%	-0.66%	0.72%
4	Recyclable Material Sales - Cardboard	PS11 Corrugated Containers (Southwest USA Region) – www.recyclingmarkets.net	-70.00%	-1.99%	1.40%
Total Rate Adjustment				100%	4.58%

\* Item Weight must be recalculated and adjusted after each rate adjustment to reflect the Weighted Percentage Change impact on the Item Weight. The sum of the item Weight and the Weighted Percentage Change will be divided by One plus the Total Rate Adjustment. This establishes the new item weights as adjusted by the Weighted Percentage Change after each rate adjustment.

### Rate Adjustments Calculations for Miscellaneous and Special Fees

<b>TABLE 3 COLLECTION RATE ADJUSTMENT SAMPLE CALCULATION SHEET</b>					
Item #	Category	Data Source	% Change	Item Weight	Weighted Percentage Change
1	All Items	Series ID: CUURS49BSA0 CPI-All Urban Consumers, All Items San Francisco-Oakland-Hayward, CA	3.31%	100%	3.31%
Total Rate Adjustment				100%	3.31%

## Rate Adjustment Formula Example

<b>TABLE 4</b> <b>EXAMPLE OF RATE ADJUSTMENT FORMULA</b> <b>For years 1, 2, and 3.</b>		
Example Assumptions:	Base rate = \$30.00 Franchise fee = 10% Annual adjustment = 5%	
Year 1	$  \begin{array}{r}  \$30.00 \\  + \quad 3.00 \\  \hline  = \$33.00  \end{array}  $	Base rate <u>10% Franchise Fee</u> Adjusted rate
Year 2	$  \begin{array}{r}  \$33.00 \\  - \quad 3.00 \\  \hline  = \$30.00 \\  \times 5.0\% \\  \hline  = \$ 1.50  \end{array}  $ $  \begin{array}{r}  = \$31.50 \\  + \quad 3.15 \\  \hline  = \$34.65  \end{array}  $	Current rate <u>10% Franchise fee</u> Base rate <u>Total percent rate adjustment</u> Collection rate adjustment  Base rate plus rate adjustment <u>10% Franchise Fee</u> New collection rate after rate adjustment and 10% franchise fee
Year 3	$  \begin{array}{r}  \$34.65 \\  - \quad 3.15 \\  \hline  = \$31.50 \\  \times 5.0\% \\  \hline  = \$ 1.58  \end{array}  $ $  \begin{array}{r}  = \$33.08 \\  + \quad 3.31 \\  \hline  = \$36.39  \end{array}  $	Current rate <u>10% Franchise fee</u> Base rate <u>Total percent rate adjustment</u> Collection rate adjustment  Base rate plus rate adjustment <u>10% Franchise Fee</u> New collection rate after rate adjustment and 10% franchise fee