

**FREQUENTLY ASKED QUESTIONS
RECYCLA RATE ADJUSTMENT
JANUARY, 2021**

How much is the rate increase for 2021?

Effective January 1, 2021, the rate increase is 6.15%, in accordance with the contracts between the City and the recycLA service providers (RSPs). This adjustment affects base rates as well as extra service charges.

Why is there a rate increase?

The rate adjustments are made due to the following:

1. 2.40% – The calculated consumer price index (CPI), which is the cost of doing business annually. This annual adjustment is a weighted price index made up of three price indices computed and published by the U.S. Department of Labor, Bureau of Labor Statistics and the Saint Louis Federal Reserve. *The CPI is out of the City's control – sometimes it goes up and sometimes it goes down.*
2. 0.25% – Cost adjustments to cover the rising costs associated with the fluctuation in recycling commodity markets
3. 3.5% – The development and implementation of organics recycling processing capacity. This is necessary for customers and haulers to comply with *Assembly Bill 1826*, the state mandated organics recycling.

What if I have concerns or difficulties with the rate increase?

Call the LASAN Call Center at **1-800-773-2489**. In response to your concerns, the Customer Care representatives are trained to help according to the following steps:

- The rep will create a Billing Inquiry Service Request ticket and if necessary, warm transfer the call to the RSP for further discussion.
- For more complex and urgent inquiries, LASAN will also send an escalated email to the RSP and copy LASAN staff, including the Contract Manager and the Billing Dispute Resolution Unit

How are customers rates expected to change?

- Approx. 60 percent (37,666) of customers will see an increase between \$6 to \$25 monthly
- Approx. 27 percent (16,987) of customers will see an increase between \$25 to \$50 monthly
- Approx. 13 percent (8,560) of customers will see an increase over \$50 monthly

What can customers do if they have been impacted by the **Covid-19 Pandemic?**

They can contact their RSP's billing contact (located on their bill), or LASAN's Customer Care Center at 1-800-773-2489, to discuss service adjustments or payment arrangements that may be available.

During the **Covid-19** crisis, how have the RSPs assisted their customers?

- The RSPs temporarily suspended service to thousands of impacted Customers. In some cases where the RSP could make the determination a business had closed, they suspended the service on behalf of the customer.
- The RSPs have also reduced the service for customers that needed it. Compared to February 2020, there has been a reduction of nearly 160,000 cubic yards of black bin service per month and over 70,000 cubic yards of blue bin service.

How can customers lower their costs, even with higher rates?

Although recycLA rates increase in accordance with the contract terms, customers have the opportunity to decrease their cost through **increased recycling and decreased solid waste service**. Decreasing black bin collection will directly reduce an overall bill, and LASAN encourages all customers to ask their RSP for a *waste assessment* to determine how to best reduce their overall black bin tonnage.

Why is there a rate increase for organics? I thought that was part of the program?

California state law (*AB 1826 and SB 1383*) established the requirement for all businesses, apartment complexes and single-family homes to recycle organic material separate from the black bin. The City, along with the RSPs are working to build up the processing capacity in order to meet these state laws.

When the recycLA contracts were first developed, the need to develop organic processing capacity was contemplated, and two rate adjustments were written into the contract agreement to take effect in 2019 and 2020 to cover the cost of establishing organic collection routes and processing. The 2019 amendment to the contract deferred these rate adjustments for one year, to 2020 and 2021.

Why did the City amend the recycLA contracts in 2019?

In 2019 the City approved changes to the recycLA contracts that provided a number of benefits to recycLA customers. These changes resulted in:

- Clarity on Applicability of Extra Service Fees
- Removed Barriers to Recycling
- Improved Outreach and Education to Customers
- Delayed Certain Rate Increases
- 2019 - Rate increase reduced from 6.41% to 3.41% (CPI only)
- 2019 - Additional rate increase due downturn in recycling market eliminated