

	Old	New	Change	% Change
CPI	589.3437	615.5059	26.1623	4.44%
Riverside County Disposal Fee	\$ 49.75	\$ 51.18	\$ 1.43	2.88%

Rate Component	Weight	Percentage	Weighted Percentage
Service Component - CPI	80%	4.00%	3.20%
Disposal Component - Landfill	20%	4.44%	0.89%
<b>Adjusted Weighted Percentage</b>			<b>4.09%</b>

Not to exceed 4%

**WM Franchise Agreement Annual Rate Adjustments**

Section 24.3.1                      Service Component comprises 80% of the rate, adjusted annually by CPI-U Garbage and Trash Collections, US City Average not seasonally adjusted January to December  
 Section 24.3.2                      Disposal Component 20% of rate, adjusted by greater of CPI-U Garbage and Trash Collections or % increase to landfill tipping fee January to December  
 Section 24.4                        Service Component may not be increased by more than 4% in any one year

**24.3.1 Service Component.**

The Service Component comprises eighty percent (80%) of the maximum rates set forth in Exhibit A. The Service Component will be adjusted by the percentage increase (if any) in the Consumer Price Index CUSR0000SEHG02 CPI-U Garbage and Trash Collection, US City Average, not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, for the January to December period immediately preceding the Adjustment Date.

**24.3.2 Disposal/Green Waste Processing Component.**

The Disposal/Green Waste Component comprises twenty percent (20%) of the maximum rates set forth in Exhibit A. The Disposal/Green Waste Component will be adjusted by the greater of (i) the percentage increase (if any) in the Consumer Price Index CUSR0000SEHG02 CPI-U Garbage and Trash Collection, US City Average, not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, for the annual January to December period immediately preceding the Adjustment Date, and (ii) the percentage increase (if any) in the tipping fees or other charges established by the Riverside County Department of Waste Resources for disposal of Solid Waste generated within Riverside County at landfills comprising the County system (Badlands Landfill, Lamb Canyon Landfill, El Sobrante Landfill) for the January to December period immediately preceding the Adjustment Date. Notwithstanding anything to the contrary in this Agreement, the Disposal/Green Waste Component shall be utilized only for purposes of calculating rate increases, and shall not be utilized in calculating Gross Receipts and/or in the Franchise Fee to be paid to City. The Franchise Fee shall be determined pursuant to the provisions of Section 11.2 of this Agreement, utilizing the definition of Gross Receipts set forth in Section 2.34 of this Agreement.

**24.4 Limitations to Annual Adjustments**

Notwithstanding anything to the contrary in Section 24.3 above, the portion of the maximum rate comprised by the Service Component may not be increased in any given year by more than four percent (4%), nor decreased (e.g., reduced more than zero percent (0%)); excepting increases associated with “discretionary adjustments” approved by the City Council pursuant to Section 24.6. In the event the formula set forth in Section 24.3 would have allowed for a greater than four percent (4%) increase or a decrease in any given year, but such increase or decrease does not occur as a result of this Section, the unused percentage increase or decrease otherwise permitted by Section 24.3 may be carried over until such time as it may be applied without violating the