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January 29, 2020

Mr. Ken Elwin, P.E.  
Director of Public Works  
City of Merced  
1776 Grogan Avenue  
Merced, CA 95341

**Subject: Final Report on 10-Year Financial Plan and 5-Year Solid Waste Rate Study**

Dear Mr. Elwin:

The City of Merced (City) has engaged R3 Consulting Group, Inc. (R3) to produce a 10-Year Financial Plan and 5-Year Solid Waste and Related Services Rate Study to address the City's need to raise revenue over time to ensure that revenues from solid waste service charges are sufficient to cover projected expenses for solid waste services in the Refuse Operations Fund.

The attached report includes three (3) scenarios for adjusting rates over the next 5 years, all of which demonstrate the need for increases to the rates. These increases are necessary to increase revenues to account for the following factors:

- A FY 18/19 budgeted structural Refuse Operations Fund deficit of \$2.2 million;
- Achievement of Refuse Operations Fund reserves amounting to two months of operating expenses during implementation of the Plan;
- The projected capital outlay of \$3.5 million in capital expenses for the first and second phase of a new corporation yard, anticipated to be paid by FY 23/24, while amortizing \$8.8 million in capital expenses for the third phase of the capital improvement project over a 20-year period; and
- Replacing trucks models built prior to 2010 to meet the California Air Resources Board (CARB) compliance requirements.

The three (3) rate adjustment scenarios provided in this report demonstrate the immediate need for increases in revenues to address the factors stated above. In developing these scenarios, R3 strategized with the City to find the best potential options to meet the City's needs and state compliance requirements. To that end, to mitigate the magnitude of necessary rate increases the 10-year financial plan includes amortizing the third phase of the capital improvement project over a 20-year period.

On December 2, 2019, the City Council voted to support option three, which maintains a minimum fund balance of 16% with the inclusion of the third party community litter abatement program. Attached to the report are the City Council supported Solid Waste Fund 10-Year Financial Plan Summary, as well as a rate sheets with the 5-Year Rate Adjustment Plan applied to maintain the minimum fund balance.

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Mr. Ken Elwin  
January 29, 2020  
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We appreciate the opportunity to submit our report to the City. Should you have any questions regarding our report or need any additional information please contact me by phone at (916) 782-7821 or by email at [cbaxter@r3cgi.com](mailto:cbaxter@r3cgi.com).

Sincerely,

**R3 CONSULTING GROUP**

A handwritten signature in blue ink that reads "Carrie Baxter". The signature is written in a cursive, flowing style.

Carrie Baxter | Project Manager

## Introduction

The City of Merced (City) Public Works Department contracted with R3 Consulting Group, Inc. (R3) to assist with the preparation of a Rate Study to amend solid waste rate and revenue to meet the projected future expenses and obligations for its solid waste program over the coming five years. This amended Rate Study amends the prior rate study conducted by R3 providing calculated rate adjustments following the currently set January 1, 2019 rate adjustment. Finally, this Rate Study incorporates all identified appropriate and necessary cost elements for the City's solid waste operations.

The Refuse Division provides solid waste services to residents and businesses within the City including solid waste collection (residential, commercial, and roll off), green waste collection, and single stream recycling collection. Street sweeping and street tree maintenance activities are also funding through solid waste rates. The Refuse Division operates on a July 1<sup>st</sup> through June 30<sup>th</sup> fiscal year (FY) with customer rates adjusted annually on January 1<sup>st</sup>.

The City has a population of approximately 86,750 and the Division provides service to approximately 19,000 residential accounts, and approximately 4,250 multi-family, commercial and industrial accounts. The Refuse Division's operating budget in Fund 558 for fiscal year ending (FY) 2019 was approximately \$16.2 million. Rates last increased effective January 1, 2019.

## Project Objectives

- Develop a Rate Model that allows the City to evaluate the timing and amount of various rate adjustment options necessary to meet the City's projected revenue requirements and Operating Reserve target funding level at the end of the five-year planning period (FY 2024).
- Develop a Rate Model that allows the City to evaluate impacts from account growth and the points at which additional collection routes will be required.
- Present various rate adjustment scenarios for meeting the City's projected revenue requirements and Operating Reserve target funding level at the end of the five year planning period (FY 2024).<sup>1</sup>

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<sup>1</sup> For purpose of the rate modeling, the Operating Reserves have been targeted at a minimum of approximately 16 percent of budgeted expenses in Fund 558.

## Section 1

## Introduction

# Amended Rate Study for Solid Waste and Related Services

## Current Utility Policies, Procedures, and Regulatory Requirements

R3 reviewed the City's current utility policies, procedures, and regulatory requirements as they relate to the City's solid waste collection operations, capital projects, revenue program requirements, and the rate modeling that is to be performed as part of this engagement. We reviewed the City's Municipal Code as it relates to the collection of solid waste and recyclables within the City.

### Summary Findings

R3 found that there are no substantial changes to the current municipal code from the past code; however, with new regulatory legislation expected to be approved and signed in the coming years. The City should consider:

- Tracking AB 341 and 1826 generator compliance data;
- Developing a food waste collection program including adding the necessary staffing (i.e., monitoring, outreach, drivers), routes, and trucks to accommodate the program;
- Structuring the customer rates in a way that adds more resources into the new food waste and organics diversion requirements; and
- Revising the development fee surcharge on commercial and industrial customers to provide for collection of the surcharge starting with subscription to solid waste services.

## Rate and Services Survey

R3 conducted a residential and commercial rate survey to compare the City's rates and services to jurisdictions throughout the state that similarly operate municipal collection systems. Survey results were based on information obtained from city websites and/or provided by participating jurisdictions through telephone interviews and emails conducted by R3.

### Summary Findings

R3 found that when rates become effective in 2019, Merced's residential rate will be 19 percent higher than the average rate of comparable jurisdictions. On the other hand, Merced's commercial rates are between 28 and 59 percent less than the average rate of comparable jurisdictions. This could be due to a variety of reasons, including unbundled rate services, which are where jurisdictions may offer free recycling and green waste services included in their garbage rate structure as well as service frequencies. As noted in the sections below, this could point towards a need to increase commercial rates more than residential rates to align with the actual cost of services and the market conditions for commercial solid waste services.

The logo for R3, consisting of the letters 'R' and '3' in a stylized, blue, handwritten-style font.

## Refuse Rate Study

## Section 1

### Introduction

Overall, the City's Solid Waste Fund (Fund 558) has a projected Operating Reserve Fund surplus of approximately \$7.3 million as of June 30, 2018; however, a revenue shortfall of approximately \$573,000 is projected for FY 2021. The Solid Waste Fund shortfall is projected to grow to more than \$19.4 million, or approximately 130% of annual revenues, by FY 2024, assuming there are no rate increases. This is largely due to the need for additional solid waste collection vehicles to meet California Air Resources Board (CARB) compliance requirements; the \$3.5 million budgeted for the first and second phase of a new public works corporation yard, anticipated to be paid by FY 23/24, while amortizing \$8.8 million in capital expenses for the third phase of the capital improvement project over a 20-year period<sup>2</sup>; and normal increases in other operating costs.

### Summary Findings

Table 1-1, on page 5, shows actual expenses from Fund 558 for Fiscal Year Ending (FY) 2017 and 2018; and the budget expenses for FY 2019. As shown, overall budgeted expenses for FY 2019 are approximately \$3.6 million (29.0%) more than for FY 2017. The Solid Waste Fund 10-Year Financial Plan Summary with the City Council supported rate adjustment scenario is included as Attachment 1 to this Report. The 10-Year Plan shows:

- FY 2018/19 Revenues and Expenses Based on Adopted FY 2018/19 City Budget:
  - Adjustments have been made to no longer account for Tipping Fee Rebates based on a letter received by the City in September 2018, which is the result of decreased recycling revenues arising from the China National Sword policy.
- Forecasted Revenues and Expenses from FY 2019/20 through FY 2028/29, with the following considerations:
  - Projections of revenues and expenses in forecast years are based on FY 2018/19 figures;
  - Revenue projections are split into halves because service charges are adjusted midway through each FY. Service charge revenues for July - December are shown separately from revenues for January – June; however, in FY 2020 revenue projections are combined with the assumption that customer rates will be adjusted at the beginning of each FY;
  - Expense projections include assumptions for increases in costs for labor, benefits, and other expenses which are consistent with the City's standard budget projections. Expenses for Solid Waste, Recycling, Green Waste, Street Sweeping, and Street Trees Expenses are also projected to increase based on historical rates of adjustment;

<sup>2</sup> Amortization of the third phase of the capital improvement project is based on a 3.00% annual interest rate. This equates to an annual payment of approximately \$590,000 with cumulative interest over the 20-year term of approximately \$3 million.

## Section 1

### Introduction

- Recycling processing fees include the assumption that the cost will increase to \$100 per ton in FY 2020<sup>3</sup>;
- Anticipated increase in expenses to address programmatic changes required under new regulations (AB 341, AB 1826, AB 1594, and SB 1383);
- New residential development projections through FY 2023/24;
- Replacement trucks for models built prior to 2010 to meet the California Air Resources Board (CARB) compliance requirements; and
- Capital improvement projects identified during several meetings with R3 and City staff.



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<sup>3</sup> The Merced County Regional Waste Management Authority contracts recyclables processing for its member agencies, including the City of Merced. The current contract is set to expire in 2020 and it is anticipated that processing rates will increase significantly due decreasing recycling revenues arising from the China National Sword policy.

## Section 1

## Introduction

Table 1-1: Solid Waste Fund Historical and Budgeted

Account	Actual FY 2017	Actual FY 2018	Approved Budget FY 2019
<b>Refuse (1112)</b>	<b>\$8,448,954</b>	<b>\$9,319,879</b>	<b>\$11,236,058</b>
Annual Change		\$870,925	\$1,916,179
Cumulative vs FY 16/17		\$870,925	\$2,787,104
% Increase FY 16/17		10.3%	33.0%
<b>Recycling (1135)</b>	<b>\$936,997</b>	<b>\$1,012,075</b>	<b>\$1,063,961</b>
Annual Change		\$75,078	\$51,886
Cumulative vs FY 16/17		\$75,078	\$126,964
% Increase FY 16/17		8.0%	13.6%
<b>Green Waste (1133)</b>	<b>\$700,736</b>	<b>\$738,499</b>	<b>\$911,461</b>
Annual Change		\$37,763	\$172,962
Cumulative vs FY 16/17		\$37,763	\$210,725
% Increase FY 16/17		5.4%	30.1%
<b>Street Sweeping (1113)</b>	<b>\$1,366,380</b>	<b>\$1,442,453</b>	<b>\$1,394,984</b>
Annual Change		\$76,073	(\$47,469)
Cumulative vs FY 16/17		\$76,073	\$28,604
% Increase FY 16/17		5.6%	2.1%
<b>Street Trees (1122)</b>	<b>\$839,022</b>	<b>\$1,027,563</b>	<b>\$1,169,501</b>
Annual Change		\$188,541	\$141,938
Cumulative vs FY 16/17		\$188,541	\$330,479
% Increase FY 16/17		22.5%	39.4%
<b>Finance (0701)</b>	<b>\$269,010</b>	<b>\$39,000</b>	<b>\$425,739</b>
Annual Change		(\$230,010)	\$386,739
Cumulative vs FY 16/17		(\$230,010)	\$156,729
% Increase FY 16/17		-85.5%	58.3%
<b>Total</b>	<b>\$12,561,099</b>	<b>\$13,579,469</b>	<b>\$16,201,704</b>
Annual Change		\$1,018,370	\$2,622,235
Cumulative vs FY 16/17		\$1,018,370	\$3,640,605
% Increase from FY 16/17		8.1%	29.0%

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## Introduction

To address the projected revenue shortfall and maintain a sufficient operating reserve, the City is faced with the need to increase rates in the near term. Working with the City, R3 developed the following rate adjustment scenarios designed to meet the City's objectives:

#### Scenario 1: Larger Increase for One Year Followed by Annual CPI Increases

- Increase rates by 29.0% in FY 2020, followed by 6.0% in FY 2021, 5% in FY 2022, 4% in FY 2023, and no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the City would only need to adopt an initial large increase, with modest increases projected for all future years.

#### Scenario 1 Results:

- FY 2029 Operating Reserves of \$3.88 million.
- FY 2029 Annual Revenue Shortfall of \$1.49 million.

#### Scenario 2: Gradual Annual Rate Increase Followed by No Increases in Later Years

- Increase rates gradually beginning with a 12.5% increase for FY 2020 through FY 2022 followed by an 8.0% increase in FY 2023. There would be no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the initial increases would be lower than in Scenario 1, but would require approval of several years of slightly larger than normal increases.

#### Scenario 2 Results:

- FY 2029 Operating Reserves of \$3.90 million.
- FY 2029 Annual Revenue Shortfall of \$803,000.

#### Scenario 3: Larger Increase for One Year Followed by Annual CPI Increases including Cost of Service Adjustment for Commercial Customers

- Increase residential rates by 20.0% in FY 2020, followed by a 5.0% increase in FY 2021 through FY 2023.
- Increase commercial rates by a 35.00% increase in FY 2020, followed by a 10.0% increase in FY 2021 through FY 2023.
- Both residential and commercial customer rates would see no additional increases in FY 2024 through FY 2029.
- Via this Scenario the City's commercial rates would increase to be closer to the average of commercial rates surveyed by R3. Additionally, increasing commercial rates as shown in this Scenario accounts for the fact that the impacts of new state law will primarily require new services and programs to divert higher amounts of waste from the commercial sector.
- Via this Scenario, the Refuse Operations Fund reserves are kept at or above 16% beginning in FY 2020.

#### Scenario 3 Results:

- FY 2029 Operating Reserves of \$7.97 million.
- FY 2029 Annual Revenue Shortfall of \$688,000.





## Litter Abatement Program Findings

The City is also considering adding a Litter Abatement Program to the Solid Waste Division. R3 revised the rate adjustment scenarios described above to show the difference in a rate increase when the Litter Abatement Program is added to the Solid Waste Division Financial Plan. The following is a summary of those results:

### Scenario 1 (with Litter Abatement Program): Larger Increase for One Year Followed by Annual CPI Increases

- Increase rates by 29.0% in FY 2020, followed by 9.0% in FY 2021, 5% in FY 2022, 4% in FY 2023, and no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the City would need to increase rates by 3.0% more in FY 2021 to maintain a surplus in the reserve fund balance with the addition of the Litter Abatement Program.

### Scenario 1 (with Litter Abatement Program) Results:

- FY 2029 Operating Reserves of \$4.14 million.
- FY 2029 Annual Revenue Shortfall of \$1.41 million.

### Scenario 2 (with Litter Abatement Program): Gradual Annual Rate Increase Followed by No Increases in Later Years

- Increase rates gradually beginning with a 14.5% increase for FY 2020 through FY 2022 followed by an 4.5% increase in FY 2023. There would be no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the initial increases would be lower than in Scenario 1, but would require approval of several years of slightly larger than normal increases. The rate adjustment would be increased by 2.0% in FY 2020 through FY 2022, but decreased by 3.5% in FY 2024 to maintain a surplus in the reserve fund balance with the addition of the Litter Abatement Program.

### Scenario 2 (with Litter Abatement Program) Results:

- FY 2029 Operating Reserves of \$4.08 million.
- FY 2029 Annual Revenue Shortfall of \$896,000.

### Scenario 3 (with Litter Abatement Program): Larger Increase for One Year Followed by Annual CPI Increases including Cost of Service Adjustment for Commercial Customers

- Increase residential rates by 26.0% in FY 2020, followed by a 4.5% increase in FY 2021 through FY 2023.
- Increase commercial rates by a 40.0% increase in FY 2020, followed by a 7.5% increase in FY 2021 through FY 2023.
- Both residential and commercial customer rates would see no additional increases in FY 2024 through FY 2029.
- Via this Scenario the City's commercial rates would increase to be closer to the average of commercial rates surveyed by R3. Additionally, increasing commercial rates as shown in this Scenario accounts for the fact that the impacts of new state law will

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### Introduction

primarily require new services and programs to divert higher amounts of waste from the commercial sector.

- The rate adjustment would be increased by 6.0% for residential customers and 5.0% for commercial customers in FY 2020; and 0.5% for residential customers and 2.5% for commercial customers in FY 2021 through FY 2023 to maintain a surplus at or above 16% in the reserve fund balance with the addition of the Litter Abatement Program.

#### Scenario 3 (with Litter Abatement Program) Results:

- FY 2029 Operating Reserves of \$5.75 million.
- FY 2029 Annual Revenue Shortfall of \$1.13 million.

## Current Utility Policies, Procedures, and Regulatory Requirements

R3 reviewed the City's current utility policies, procedures, and regulatory requirements as they relate to the City's solid waste collection operations, capital projects, revenue program requirements, and the rate modeling that is to be performed as part of this engagement. We reviewed the City's Municipal Code as it relates to the collection of solid waste and recyclables within the City.

R3 submitted a data request of the policies, regulations, and municipal code language relevant to the City's solid waste and recycling collection operation. This review is based on information provided by the City, in conjunction with R3's prior knowledge of the City's operations.

### Municipal Code Review

R3 contracted with the City in 2008 and 2014 to conduct rate studies. During the 2014 study, the City was requested to submit the then current municipal codes relevant to solid waste. R3 compared the 2014 municipal code with the current (2018) municipal code and found, with the exception of the rates listed in the code, there are no changes in the municipal code. Of the rate changes, the changes in Developmental Fees are relevant to this financial plan and rate schedule.

#### Residential Development Fee

The changes in development fees for new residents from the 2014 municipal code to the current 2018, pertaining to the collection of garbage, green waste, storm drain, and recycling, in the municipal code are as follows:

**Table 2-1: Residential Development Fees**

	2014	2018
Garbage, Green Waste, Rubbish, Storm Drainage, and Refuse Service Development Fees		
Single-Family Residence	\$415.00	\$419.15
Mobile Home	\$415.00	\$419.15
All other residential dwellings	\$288.00 per unit	\$290.88 per unit
Recycling Development Fees		
Single-Family Residence	\$89.55	\$92.68
Mobile Home	\$89.55	\$92.68
All other residential dwellings	n/a	n/a

*Note: All fees listed in Sections 8.04.235 and 8.04.635 of the Municipal Code*

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## Section 2

Review of  
Current Utility  
Policies,  
Procedures,  
and Regulatory  
Requirements**Commercial/Industrial Surcharge**

The development fees for new commercial and industrial buildings are a surcharge as percentage of their subscribed collection service level. This surcharge is effective for ninety-six (96) months from the issuance of the building permit. The 2014 surcharge rate was listed as 17.2%, which was increased to 17.37% in the current 2018 municipal code. This information is located in Section 8.04.265 of the Municipal Code.

**Services Provided by the City**

The City provides its customers with solid waste collection, recycling and green waste collection. Currently the City does not provide collection for food waste. Residential collection for solid waste, recycling, and green waste occur on a weekly basis. The frequency of commercial pickups depends on customer's subscribed service level.

The City provides the following special collection events or services:

- Disabled/Senior Citizen Pack-Out Service;
- Alley Cleanup / Illegal Dumping;
- Drop-off Site Removal (Spring Cleanup Program);
- Bulky Waste pickup;
- Tire Removal;
- Street Sweeping;
- Street Trees;
- Encampment Cleanup; and
- Christmas Tree Removal.

**New State Legislation**

The follow is a summary of new state legislation that has been recently passed, relevant to the collection of solid waste, recyclable materials, and organic materials (both green waste and food scraps). These laws should be taken into consideration in the process of planning future operational changes or collection programs. Implementation of these laws is known to require additional resources; however, establishing specific estimates of the additional resources needed is not a precise exercise, largely because final rulemaking for certain laws is not yet complete. As such, R3 recommends that the City seek to keep sufficient reserves available to address the potential for higher than anticipated expenses for implementation of new laws. Sufficient reserves that the City should maintain is a minimum target of approximately 16 percent of budgeted expenses annually over the next 5 years.

**AB 341 – Mandatory Commercial Recycling**

In 2012, AB 341 established California's first statewide diversion goal and requires CalRecycle to develop a report to the legislature that identifies strategies that will assist in achieving the 75 percent recycling goal. This state mandate established mandatory commercial and multi-family recycling regulations for all businesses and public entities that generate more than four cubic yards of solid waste per week, and multi-family dwellings of five or more units are required to either: 1) source separate recyclable materials from solid waste, or 2) subscribe to a recycling service that includes mixed waste processing yielding diversion results comparable to source separation.

Requirements on jurisdictions include offering a commercial recycling program with education and outreach, and monitoring for compliance. CalRecycle also requires an annual report from

each jurisdiction or its reporting agency, which includes details on the commercial recycling program implementation, education, and monitoring.

### **AB 1826 – Mandatory Commercial Organics Recycling**

Signed by Governor Brown in 2014, AB 1826 requires commercial businesses and multi-family properties to implement organics recycling programs for the diversion of organic waste from landfills.

Under AB 1826, local jurisdictions are required to implement an organics recycling program appropriate for that jurisdiction, designed specifically to divert commercial organic waste. AB 1826 implementation includes the following four local jurisdiction requirements:

- Identify Covered Generators Component: Identify commercial businesses and multi-family properties (collectively, “covered generators”) that must comply with the regulations of AB 1826;
- Organics Recycling Service Component: Ensure that organics recycling services are available to all covered generators;
- Education and Outreach Component: Conduct education and outreach to covered generators about the state law and how to comply; and
- Compliance Monitoring Component: Identify covered generators that are not in compliance and inform them of their requirements and how they can comply.

### **AB 876 – Organic Management Infrastructure Planning**

The first reporting cycle for AB 876 was in 2017 (for the 2016 reporting year) via the Electronic Annual Report process submitted by jurisdictions. AB 876 was enacted to address long-term planning for organics infrastructure by requiring counties and regional agencies to report the following information to CalRecycle on an annual basis:

- An estimate of the amount of organic waste in cubic yards that will be disposed by the County or region over a 15-year period.
- An estimate of the additional organic waste recycling facility capacity in cubic yards that will be needed to process the amount of organic waste pursuant to paragraph (1) above.
- Areas identified by the County or regional agency as locations for new or expanded organic waste recycling facilities capable of safely meeting the additional organic waste recycling facility capacity need identified pursuant to paragraph (2).

It should also be noted that the SB 1383 draft regulations also contain specific requirements for planning by counties, which are anticipated to take effect on January 1, 2022.

### **AB 901 – Recycling and Disposal Facility Reporting Requirements**

On January 1, 2019, the state is set to take over disposal reporting from the Counties under AB 901. Several changes to statewide disposal reporting are anticipated, including:

- An online disposal reporting system rather than electronic mail;
- Tracking of the amounts of non-disposal material that is transferred and marketed by facilities; and

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## Section 2

Review of  
Current Utility  
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Requirements

- Changes to disposal allocation methodologies, including, the allocation of 100 percent of residual waste from recycling and compost processing to the host jurisdiction, rather than (in some cases) an allocation based on jurisdiction of origin of the material received by the facility.

**AB 1594 – Green Material as Alternative Daily Cover**

AB 1594 changes the way green material used as alternative daily cover (ADC) is accounted for in jurisdiction and statewide disposal reporting. Beginning on January 1, 2020, green material used as ADC will “count” as disposed material, rather than diverted material. Waste haulers can continue to deliver green material to facilities that use green material as ADC; however, they will not be allowed to report the material tonnage as diverted material (particularly important for meeting contractual and/or state diversion requirements). When this law commences, it should be accounted for in revisions to the franchise agreement with waste haulers, in land use permits with facilities, and in municipal codes. This law has the potential to affect jurisdictions throughout the state in the following ways:

- Inability to meet state AB 939 diversion requirements (as reported in the EAR);
- Increase of organic material feedstock to local organic waste facilities; and
- Increased customer rates due to waste hauler alternative method(s) of handling the material (if green material is used as ADC currently, switching to a processing method may be more expensive).

**Land Application Reduction of Contamination**

As of January 1, 2018, CalRecycle requires that organic waste applied to land contain only 0.5 percent of contaminants. The change in state code is intended to protect the state’s waterways and environment; however, it also sets a standard that may be difficult for many facilities to meet, especially with high rates of contamination from some material streams. The impacts of this law include increased costs associated with the following needs:

- Education and outreach to reduce front-end contamination;
- Processing material to remove contamination prior to composting;
- Changing some composting procedures, such as the type of screening applied to separate finished compost from compost overs;
- Processing material that does not meet the contamination threshold after initial processing; and
- Potentially, a need to dispose of material that does not meet contamination thresholds, or the need to use this material as ADC at landfill rather than land applying it.

**SB 1383 – Short-Lived Climate Pollutants**

SB 1383 sets a goal to reduce organic waste by 50 percent from the 2014 level by 2020 and 75 percent from the 2014 level by 2025. It also establishes a target of recovering 20 percent of currently disposed edible food for human consumption by 2025. The law’s requirements will become effective on January 1, 2022. Specific regulatory language and an initial statement of reasoning was released by CalRecycle in January 2019 for public comment. Although the exact

## Section 2

### Review of Current Utility Policies, Procedures, and Regulatory Requirements

language and details of this bill have not been finalized, R3 is aware that potential impacts of SB 1383 to local jurisdictions include the following:

- Local jurisdictions may be required to provide for organics diversion for all generators, either via source separation program or back-end (mixed waste) processing;
- Local jurisdictions may be required to impose subscription and source separation requirements and associated penalties on generators;
- Local jurisdictions may be required to include details on purchasing and procurement of end-use organic waste products internally and/or as a requirement on contractors and/or haulers;
- Local jurisdictions may be required to engage in annual outreach efforts to generators, outreach to edible food generators, and quarterly contamination route monitoring;
- Some edible food generators may be required to donate edible food;
- Self-haulers of organic waste may be required to source-separate, deliver for diversion, keep records of amounts delivered, and report annually to jurisdictions (residential self-haulers are exempt);
- Containers may be required to be replaced by standardized colors statewide; and
- Counties may be required to account for organic waste disposal reductions in landfill financial assurance planning, particularly if 15-year capacity is not adequate (AB 876), and Counties may be required to conduct Edible Food Recovery Capacity planning.

## Recommendations

As previously stated, there are no substantial changes to the current municipal code from the past code, however with new regulatory legislation expected to be approved and signed in the coming years, R3 has some recommendations that the City should consider.

- Track compliance with AB 341 and AB 1826 to address state reporting requirements. City should notify any covered MFD and Commercial generator not participating in the recycling or organic material collection program of the requirements to comply with the law.
  - *AB 341 and 1826 Compliance Data: City shall report the total number of Commercial and/or MFD Service Units serviced and the number of containers, container sizes and frequency of collection for Garbage, Recyclable Material and Organic Waste for each of Commercial and/or MFD Service Units.*
- Address the incoming new food waste requirements. Specifically, address the Food Waste Processing Costs and integrate these costs into the current rate structure.
  - *City will need to develop and maintain an organic material collection program in compliance with the AB 1826 and SB 1383 schedule. City will provide the volume of collection service that businesses require in order to be in compliance with the law.*
- Add organic subscription and source-separation requirements and associated penalties for on all generators in compliance with SB 1383.

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## Section 2

### Review of Current Utility Policies, Procedures, and Regulatory Requirements

- Plan to add additional routes and trucks to accommodate an expanding City, and to accommodate the new Food Waste Processing regulations and City's projected growth.
- Add ordinance language to address contamination issues (based on draft SB 1383 language).
  - **Example Ordinance Language:** *City shall monitor the Recyclable and Organic Materials Collection Containers provided to Service Units to minimize prohibited container contaminants as required by SB 1383 and any other state or federal law. The City shall conduct a route review for prohibited container contaminants on randomly selected containers in a manner that results in all Recyclable and Organic Materials Collection routes being reviewed on a quarterly basis.*
- Structure the refuse, recycling, and organics rates in a way that adds more resources into the new food waste and organics diversion requirements (would result in a shrinking revenue stream).



## Rate and Services Survey

The following jurisdictions were included in the survey. Residential rates were obtained along with various service information, including recycling and green waste collection frequency, bulky item collection services, and E-waste collection services, for purposes of comparing those rates and services to the City's rates and services. Survey results were based on information obtained from city websites and/or provided by participating jurisdictions through telephone interviews and emails conducted by R3. For comparison purposes, R3 chose jurisdictions throughout the state that operate municipal collection systems, like the City, as well as neighboring jurisdictions.

- |                     |           |                   |
|---------------------|-----------|-------------------|
| ▪ Atwater           | ▪ Lompoc  | ▪ Roseville       |
| ▪ El Paso de Robles | ▪ Manteca | ▪ Sacramento City |
| ▪ Escalon           | ▪ Redding | ▪ Santa Cruz      |
| ▪ Folsom            | ▪ Reedley | ▪ Santa Maria     |
| ▪ Hanford           | ▪ Ripon   | ▪ Visalia         |

## Limitations

Many factors can affect the rates in a given jurisdiction, including the rate structure (e.g., variable can rate or unlimited service), the type, frequency and level of services, and the amount of fees. We have not attempted to adjust rates for any such differences. Additionally, the cities of Atwater and El Paso de Robles did not provide any information to their rate structure or services, so they were not included in the following analysis. You will notice that the rate and service comparisons do not have the same number of compared jurisdictions. This is due to a lack of responses or valuable information from several of the jurisdictions.

## Findings

### Rate Comparison

Table 3-1, provides a comparison of the residential solid waste rates in each of the jurisdictions surveyed. Merced's current residential rate is 15% higher than the average of the other 11 jurisdictions for a 64 gallon cart. By 2019, Merced's residential rate will be 19% higher than average jurisdictions (assuming no increases in those jurisdictions, which is not necessarily the case). This could be due to a variety of reasons, including unbundled rate services, which are where jurisdictions may offer free recycling and green waste services included in their garbage rate structure as well as service frequencies.

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Table 3-1: Residential Rates

Jurisdiction	Effective Year	30-35 Gal	60-65 Gal	90-100 Gal
Merced	2019		\$37.08	
Reedley	2018			\$35.21
Hanford	2018		\$19.25	\$23.60
Lompoc	2017		\$30.88	\$39.97
Santa Maria	2017		\$30.69	\$34.81
Visalia	2018			\$23.85
Folsom	2018		\$22.50	\$25.50
Sacramento	2018	\$18.90	\$23.00	
Escalon	2017		\$25.98	\$33.32
Manteca	2018	\$28.48	\$30.28	\$31.97
Ripon	2018		\$29.60	
Santa Cruz	2018	\$36.04	\$77.25	\$123.60
Roseville	2018			\$24.35
Redding	2017	\$21.92	\$22.91	\$24.52
Average without Merced		\$26.34	\$31.23	\$38.25
Merced 2019 vs. Average			\$5.85	
Percentage Difference 2019			19%	

The City also expressed interest in discovering how their commercial rates compared to neighboring jurisdictions. Table 3-2, below, confirms the City's intuition that their commercial rates are lower than other jurisdictions.

Table 3-2: Commercial Garbage Collection Rates

Jurisdiction	Effective Year	1 YD	2 YD	3YD	4YD	6 YD
Merced	2019	\$63.74	\$83.17	\$91.32	\$99.48	\$115.80
Reedley	2018	\$69.98	\$92.05	\$112.35	\$123.55	\$177.06
Hanford	2018	\$40.60	\$67.60	\$94.50		
Lompoc	2017		\$111.31			
Santa Maria	2017		\$166.72	\$190.61	\$214.49	\$262.26
Visalia	2018	\$52.10	\$67.45	\$83.00	\$98.50	\$129.35
Folsom	2017		\$87.00	\$115.00	\$138.00	\$174.00
Manteca	2018	\$122.90	\$136.07	\$256.12	\$259.16	\$265.24
Santa Cruz	2018	\$218.50	\$325.68	\$456.74	\$557.00	\$788.32
Roseville	2018	\$43.29	\$86.58	\$129.87	\$173.16	\$259.74
Redding	2017	\$69.63	\$96.70	\$123.76	\$150.83	\$204.98
Average without Merced		\$88.14	\$123.72	\$173.55	\$214.34	\$282.62
Merced 2019 vs. Average		\$ (24.40)	\$ (40.55)	\$ (82.23)	\$ (114.86)	\$ (166.82)
Percentage Difference 2019		-28%	-33%	-47%	-54%	-59%

The City's commercial garbage collection rates are substantially lower than other jurisdictions, indicating that the rates for those services are not well aligned with the costs of providing those services. As such, the City may wish to consider increasing commercial rates more than residential rates, and thus ensure that the commercial rates are consistent with market conditions.

### Service Comparison

The City of Merced offers residents weekly collection of garbage, recycling, and green waste. Table 3-3 provides an overview of the frequencies of collection and the disposal fees in the surveyed jurisdictions. This table highlights some of the differences in services that can impact rates.

As shown in Table 3-3, of those jurisdictions surveyed:

- 10 have municipal haulers;
- 5 jurisdictions have weekly recycling and green waste pick up;
- 4 have bi-weekly Recycling and green waste pick up;
- 1 offers weekly green waste pick up and bi-weekly recycling pick up;
- 1 has a dirty MRF, which does the sorting for the residents; and
- 1 that does not offer recycling pick up, but does offer green waste every week.

We also found that Merced pays an average of 22% less than similar jurisdictions for disposal of municipal solid waste, and 78% less for green waste processing per ton. However, the green waste disposal fee for many of the other jurisdictions also include food waste, which results in a higher fee.

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Table 3-3: Comparison of Pick-up Frequencies and Disposal Rates

Pick-up Frequencies and Disposal Rates				Frequency		Disposal Fees (per ton)	
Jurisdiction	County	Population	Hauler	Curbside Recycling	Green Waste	MSW	Green Waste
Merced	Merced	86,750	Municipal	Weekly	Weekly	\$43.05	\$21.00
Escalon	San Joaquin	7,558	Gilton Solid Waste	Every other week	Weekly	\$38.11	\$38.11
Folsom	Sacramento	78,447	Municipal	Every other week	Every other week	\$30.00	\$29.42
Lompoc	Santa Barbara	43,599	Municipal	Weekly	Weekly	\$82.34	\$40.00
Manteca	San Joaquin	81,345	Municipal	Every other week	Every other week	\$52.00	\$30.00
Redding	Shasta	91,357	Municipal	Weekly	Weekly	\$44.25	\$24.25
Reedley	Fresno	26,390	Miramonte Sanitation	Weekly	Weekly	\$24.23	\$28.50
Ripon	San Joaquin	15,847	Municipal	Not Offered	Weekly		
Roseville	Placer	137,213	Municipal	Dirty MRF	Every other week	\$70.00	\$38.00
Sacramento	Sacramento	501,344	Municipal	Every other week	Every other week	\$30.00	\$48.00
Santa Cruz	Santa Cruz	66,454	Municipal	Weekly	Weekly	\$90.87	\$46.31
Santa Maria	Santa Barbara	108,470	Municipal	Every other week	Every other week	\$71.00	\$48.00
Visalia	Tulare	136,246	Municipal	Weekly	Weekly	\$45.00	\$40.00
Average without Merced						\$52.53	\$37.33
Merced Vs. Average						-\$9.48	-\$16.33
Percentage Merced Vs. Average						-22%	-78%

In Table 3-4, we compared a variety of services offered by different jurisdictions. These services include bulky waste, street sweeping, and hazardous waste pick-up. In summary:

- 9 jurisdictions offer bulky waste collection services with:
  - 5 being free of charge for curbside collection;
  - 2 that are provided free of charge at a drop off location; and
  - 2 that are provided on-call for an extra fee (curbside).
- The number of bulky waste collections offered to residents per year also vary:
  - 2 have one collection a year;
  - 2 have two collections a year;
  - 2 have 3 collections a year; and
  - 1 has 6 collections a year.

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- Other free services that are offered include:
  - E-waste pick up
    - 5 that pick-up e-waste curbside; and
    - 5 that have drop off locations.
  - Christmas tree pick up
    - 8 that pick up curbside; and
    - 3 that offer drop off locations.
  - Street Sweeping
    - All jurisdictions offer street sweeping services; but
    - 2 jurisdictions fund sweeping outside of refuse rates.
  - Container Cleaning
    - 3 offer container cleaning for a fee;
    - 2 do not provide container cleaning; and
    - The rest did not provide information .
  - Oil & filter collection
    - 4 that pick up curbside; and
    - 6 that offer drop off locations.
  - Household hazardous waste (HHW)
    - 4 with curbside pickup; and
    - 7 that offer drop off locations.

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Comparison of Services

Comparison of Services	Bulky Waste Services						Other Services					
	Jurisdiction	Bulky Waste Curbside	Number of Collections per Year	On-call or City Scheduled	Size Limitations	Appliances?	Curbside E-Waste	Christmas Trees	Street Sweeping	Container cleaning	Curbside Oil & Filter Collection	HHW
	Merced	✓	n/a	n/a	n/a	Drop off	Drop off	✓	✓		Drop off	Drop off
	Escalon	✓	2	On-call		Yes	✓	✓	✓		Drop off	Drop off
	Folsom	✓	3	On-call	5 CY	Yes	×	Drop off or GW	Yes, but not through billing	\$20	Pick up and Drop off	On-Call Pick Up
	Lompoc	✓	3	On Call	2 items	Drop off	Drop off	✓	✓	×	Drop off	Drop off
	Manteca	Extra charge	1	On-call	2 CY		✓	✓	Yes, but not through billing	\$50	Drop off	Pick up
	Redding	\$44 for pick-up and disposal	n/a	On-call	n/a	Drop off for fee	Drop off	✓	✓		Drop off	Drop off
	Reedley	Drop off	n/a	n/a	n/a	Yes; you drop off	✓	Drop off	✓		Pick up and Drop off	Pick up
	Roseville	×	Not specified	On-call	6 cy	No	✓	✓	✓	×	Pick up and Drop off	Drop off
	Sacramento	✓	2	On-call	5.3 CY	Yes; limit 2	✓	✓	✓		Yes; by appointment	Pick up and Drop off
	Santa Cruz	✓	1	On-call	n/a	Yes	Drop off	✓	✓		On-call	Drop off
	Santa Maria	×	n/a	n/a	n/a	n/a	Drop off	✓	✓		Drop off	Drop off
	Visalia	Drop off	6	City Scheduled		Drop off	Drop off	Drop off	✓	Free for Comm., Fee for Residential	Drop off	Drop off

## Other Survey Questions

In addition to the services that are provided by different jurisdictions, the City was also interested in several other questions that we will discuss in the section below:

*What are your diversion requirements and how are they enforced?*

All jurisdictions have set the same diversion requirements as the state.

*How do you handle illegal dumping/homeless encampment clean ups?*

Four jurisdictions responded with information on how they handle illegal dumping/homeless encampment cleanups. Two of them work with the police department to clean up on the weekends, one of them is investigating solutions, and one has a report/reward program. The Report/Reward program is implemented by the City of Sacramento. This program allows pedestrians to call in and report illegal dumping. Reporters are eligible for a \$500-\$1000 reward if the information provided results in either an administrative penalty for the violator or an arrest and misdemeanor conviction.

*What type of fuel is used in your collection vehicles?*

Five jurisdictions responded to this question. Two of which exclusively use Diesel, one uses Liquid Natural Gas (LNG), one switches between both fuels, and one is using Diesel but is planning on switching to Compressed Natural Gas (CNG).

*Does the utility billing rate incorporate funding for building/maintaining vehicle maintenance?*

Two of the three jurisdictions that provided an answer to this question include building/vehicle maintenance into the customer rates. One of those jurisdictions indicated that the customer rate was the main source of revenue for their solid waste operation.

*What is the lifecycle funding for container replacement for both residential and commercial containers?*

Only three jurisdictions provided information to this question. The City of Roseville incorporates ongoing contributions to a rehabilitation and replacement fund to cover the costs of the container replacement, Manteca does not have a specific method of funding container replacement and Folsom only replaces them when they no longer function.

*Please provide the total number of FTE employees that make up your solid waste division by title:*

For this question, information was obtained either through email correspondence or by analyzing published city budget documents. The FTE employees were categorized into these two categories:

- Equipment Operators: Drivers and other types of Operators
- Lead workers: Mechanics, Engineers, etc.

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**Table 3-5:  
FTE Employees by Title**

<b>Jurisdiction</b>	<b>Equipment Operators</b>	<b>Lead workers</b>
<b>Merced</b>	33	2
<b>Santa Maria</b>	33	4
<b>Folsom</b>	33	5
<b>Manteca</b>	27	3
<b>Santa Cruz</b>	61	8
<b>Roseville</b>	47	8
<b>Redding</b>	45	17
<b>Average without Merced</b>	41	7.5
<b>Merced vs. Average</b>	-8	-5.5

Table 3-5, above, shows the comparison of employees by two categories of work. Merced, on average, employs 8 less equipment operators, and 5.5 less lead worker positions than similar jurisdictions.



## Rate Model Overview

To help achieve the City's objectives of the Rate Study, a Rate Model was developed in Microsoft Excel. The Rate Model was used to project revenues and expenses through FY 2029 and evaluate various rate adjustment scenarios to satisfy the projected annual revenue requirements. The City currently has five divisions within Refuse Fund 558, which are as follows:

1. Refuse Collections: Division 1112
2. Curbside Recycling: Division 1135
3. Green Waste Collection: Division 1133
4. Street Sweeping: Division 1113
5. Street Trees: Division 1122

## 5-Year Financial Plan

During the development of the 5-year Financial Plan, R3 met with City staff several times to produce a plan that met the City's needs and accurately projected the City's current situation. The plan was developed with historical and budgeted financial information provided by the City.

The Rate Model projects revenues and expenses by line item for each division. It also provides for projecting changes based on growth in the number of residential and commercial accounts. The Rate Model includes the projected growth based on the number of accounts currently receiving service through the solid waste program offered by the City. The growth is represented using on the current number of residential accounts (~19,100) and the City's projected growth over the next five years. This number is then used to increase the total revenues and expenses that would be affected by an increase in residential accounts.

The following table isolates the Refuse Personnel Services from the 5-year Financial Plan to show how the expenses were escalated for growth. As calculated, the 5-year Financial Plan includes approximately \$84,000 in additional revenues and expenses for new Refuse Personnel Services in FY 20/21, and averaging about \$80,000 per year from FY 19/20 through FY 23/24. This is equivalent to adding just less than one new employee per year. It should be noted that these additional revenues and expenses are in addition to the prior year, meaning that the additional \$76,000 in FY 19/20 is included in the FY 20/21 baseline before growth, making the total amount for new Refuse Personnel Services increase to about \$156,000.

The logo consists of the letters 'R' and '3' in a stylized, blue, handwritten font. The 'R' is tall and thin, and the '3' is rounded and sits to the right of the 'R'.

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Table 4-1: Rate Model Growth Projections

	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/34
Fund 558 - Refuse					
Personnel Services					
531 1-0 Regular Salaries	\$42,000	\$47,000	\$44,000	\$45,000	\$41,000
531 10-33 Core Allowance	\$12,000	\$13,000	\$12,000	\$13,000	\$12,000
531 4-1 Regular Overtime	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
531 10-73 Retirement UAL Misc	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000
531 10-6 Social Security-OASDI	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
531 10-5 Retirement PERS Classic	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
531 10-12 Workers Compensation	\$2,000	\$3,000	\$2,000	\$2,000	\$2,000
531 3-0 Extra Help	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
531 10-35 Post Employment Benefits	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
531 10-10 Retirement-PERS New Membr	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
531 10-17 Stand By Pay	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
531 10-7 Social Security-Medicare	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
531 10-1 Holiday Pay	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
531 10-23 Uniform Cleaning	\$-	\$-	\$-	\$-	\$-
531 10-9 Retirement-PERS Lateral	\$-	\$-	\$-	\$-	\$-
531 10-2 Unused Sick Leave	\$-	\$-	\$-	\$-	\$-
531 10-20 Earned Benefit	\$-	\$-	\$-	\$-	\$-
531 10-21 Bilingual Pay Program	\$-	\$-	\$-	\$-	\$-
531 10-27 PTS Plan FICA Alternative	\$-	\$-	\$-	\$-	\$-
531 10-75 Ret-EE Share PERS Classic	\$-	\$-	\$-	\$-	\$-
531 10-77 Ret-EE Share PERS NewMemb	\$-	\$-	\$-	\$-	\$-
531 10-8 State Unemployment	\$-	\$-	\$-	\$-	\$-
531 10-76 Ret-EE Share PERS Lateral	\$-	\$-	\$-	\$-	\$-
539 10-23 Uniform Cleaning	\$-	\$-	\$-	\$-	\$-
Subtotal Refuse Personnel Services	<b>\$76,000</b>	<b>\$84,000</b>	<b>\$79,000</b>	<b>\$81,000</b>	<b>\$76,000</b>
FTE	<b>0.84</b>	<b>0.93</b>	<b>0.87</b>	<b>0.89</b>	<b>0.84</b>

**Productivity Review**

As part of our review, R3 interviewed Division management and conducted a desk top analysis of the productivity of the City's solid waste collection systems, based on route workload data provided by the City. That review found that the productivity of the Division's residential, commercial and roll-off solid waste routes fall within what we consider to be industry standard productivity ranges (i.e., the Division appears to be operating with reasonable productivity).

## Improving Productivity and Controlling Costs

Our review found that the Division has, and continues to pursue options to improve productivity and control costs. Those actions include reducing the number of rear loader routes, and working with the City's Planning Department to ensure that all new enclosures provide sufficient space so that collection vehicles have direct access to containers without requiring the driver to push or pull those containers into a position where they can be serviced. Commercial services also start at 3:00 am. Scheduling early morning commercial service start times is considered "best practice".

## Commercial Enclosures

The Division's commercial front-loader collection productivity, and associated cost, is heavily impacted by the predominance of enclosures for collection containers. Management estimates that 98% of commercial accounts have an enclosure, with some of those accounts also having locks on the enclosure or containers. Enclosures require that the driver exit the vehicle to open and then close the enclosure. This significantly increases the time required to service a commercial account, as compared to accounts where the container can be directly serviced by the front-loader vehicle without the driver having to exit the vehicle. It is not uncommon for accounts with enclosures to increase service time by 25% or more. Management reported that the average number of accounts per front loader route has decreased from 120 per day to 85, due in large part to the increased prevalence of enclosures, locks, and push/pull requirement (a 30% decrease in productivity).

## Fleet Maintenance

Both residential and commercial productivity, and cost, are impacted by the number and condition of route vehicles that are available each day to service the daily workload. The City's fleet maintenance division operates a single shift, which has a direct impact on the number of solid waste vehicles that are needed to service the associated workload. It is not uncommon for solid waste fleet maintenance operations to operate a swing shift or second shift that allow regular required preventative maintenance on vehicles to occur after they have completed their daily routes, and thereby keep a lower "spare ratio" of necessary trucks. Without a swing or second shift, the Division needs to have additional spare vehicles to conduct normal collection activities while primary route vehicles are out of service undergoing normal preventative maintenance, which requires a greater level of capital investment.

In addition, The California Air Resources Board (CARB) approved the Solid Waste Collection Vehicle (SWCV) regulation in 2004 to reduce the harmful impacts of exhaust from diesel-fueled waste collection trucks. All solid waste collection vehicles or diesel-fueled trucks over 14,000 pounds gross vehicle weight with model-year engines from 1960 to 2006 must comply with this SWCV regulation by using best available control technology to reduce diesel particulate matter. Trucks with 2007 to 2009 model year engines must meet the CARB compliance requirements of the regulation by January 1, 2023.<sup>4</sup>

Based on the CARB compliance requirements, staff has determined that 8 collection trucks, 2 street sweeper trucks, and 4 street trees maintenance trucks need to be replaced by 2023. Staff has also determined the need for 2 new collection trucks, 1 new street sweeper truck, and 1 new street trees maintenance truck to continue operating efficiently.

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<sup>4</sup> <https://www.arb.ca.gov/msprog/SWCV/SWCV.htm>

## Section 4

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Overview**Safety**

Management reported that historically the Division has had on average 2 to 4 staff unable to work due to injuries; however, this is no longer the case. Safety is the most important factor that contributes to an effective and efficient solid waste collection system. Many of the most successful public and private solid waste management operations have embraced the importance of safety as a critical component of customer service and productivity, and as a central component of controlling costs. Division management appears to have embraced the importance of safety and has taken various steps to improve safety. With that said, while the Division has a dedicated Safety Specialist position (currently unfilled), it is our understanding that OSHA injury metrics are not currently being tracked. It also appears that rigorous ongoing diagnostic review of accidents and injuries, and the implementation of specific training and operational changes based on that review is not currently occurring. Such rigorous diagnostic review has become an industry standard.

We suggest that the City's Risk Management Department track and report the following accident and injury statistics.

- The number of accidents the Division has per 100 employees (OSHA Total Recordable Incident Rate or TRIR);
- The number of days employees are not at work (lost days), have a job restriction, or are transferred / reassigned (DART Rate – Days Away plus Restriction and Transfer), which is also calculated at a rate per 100 employees;
- Vehicle Accident Recordable Rate (VARR) – The number of operational hours between vehicle accidents – the higher the VARR, the better; and
- Property Accident Recordable Rate (PARR) – The number of operational hours between property accidents – the higher the PARR, the better.

We also suggest that the City's Risk Management Department consider providing additional support to the Division, in the form of more active diagnostic review of accidents and injuries, with the goal of identifying specific meaningful changes to training and operating procedures to address the major causes of the Division's accidents and injuries.

**New Operating Expenses**

New operating expenses that were identified during several meetings with R3 and City staff are also shown in Attachment 1 of the Model Financial Plan. These include:

- Public Works Corporate Yard (\$12.3 million):
  - Phase 1 (FY 20/21): Parking Lot (\$219,270)
  - Phase 2 (FY 21/22): Fleet Shop (\$3.3 million)
  - Phase 3 (FY 24/25): Corp Yard Expansion (\$8.7 million)
- Container Maintenance Shed (\$40,000)
- Enterprise Resource Planning (ERP) and Fleet Mind:
  - ERP (\$149,600 + \$176,800 annually)
  - FleetMind (\$400,000 to outfit all trucks + \$2,400 annual subscription)

- Based on the CARB compliance requirements, 8 collection trucks, 2 street sweeper trucks, and 4 street trees maintenance trucks need to be replaced by 2023. In addition, 2 new collection trucks and 1 new street sweeper truck will be needed to continue operating efficiently. New vehicle purchases are scheduled to meet CARB compliance requirements and efficiently continue operations as follows:
  - Between FY 2020 and FY 2022, 3 trucks have been budgeted to be replaced each year:
    - 2 trucks per year (Refuse, Recycling, Green Waste)
    - 1 truck per year (Street Trees)
  - In FY 2023, 5 trucks have been budgeted to be replaced:
    - 2 trucks (Refuse, Recycling, Green Waste)
    - 1 truck (Street Trees)
    - 2 truck (Street Sweeping)
  - In FY 2024, 3 trucks have been budgeted for acquisition to continue operating efficiently:
    - 2 trucks (Refuse, Recycling, Green Waste)
    - 1 truck (Street Sweeping)
- Between FY 19/20 and FY 23/24, new employees would also be necessary for Division operations, based on the average salary and benefits for each of the following positions:
  - 4 Maintenance Workers (1 each year, FY 19/20 through FY 22/23)
  - 1 Street Sweeping Driver (FY 23/24)
  - 1 Tree Trimmer (FY 23/24)
- Container Replacements (\$9,000 annually)
- Litter Abatement Program (\$400,000 annually)

In addition to the above mentioned new operating expenses, the City should seek to maintain a target of approximately 16 percent of operating expenses in reserves in the event of unanticipated cost increases, emergencies or disasters that could impact revenues and/or expenses in the Refuse Fund, including but not limited to:

- Potential increases in City diversion program expenses in response to new state regulations (e.g., tiered participation and outreach requirements of AB 341 and AB 1826), as well as those that are currently being developed and could result in additional City regulatory obligations, required programs, and state reporting (e.g., CalRecycle is currently in the rule-making phase of SB 1383);
- Potential increases in compensation due to the City as a result of a greater than anticipated increase in tipping fees;
- Potential increased disposal expenses resulting from a natural disaster such as storm event, flood, earthquake or fire; and

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- Potential decreased revenues resulting from increased migration and/or economic recession, which generally results in less waste generation and thus revenues from service charges.

## New Residential Development Fees

The City charges Development Fees for all new development. These fees were established to pay for the cost of garbage, green waste, rubbish, storm drainage, refuse and recycling services.

The factors considered in developing these fees were the type of container used to store solid waste at the property, and the type of vehicle used to collect solid waste from the property. Based on these factors, single family and mobile home units, which use plastic carts for storage and side load vehicles for collection, were calculated and set on a per unit basis, as identified in Table 4-2 below.

**Table 4-2: Current Residential Development Fees**

Garbage, Green Waste, Rubbish, Storm Drainage, and Refuse Service Development Fees	
Single-Family Residence / Mobile Home	\$419.15
Multi-Family Units	\$290.88 per unit
Recycling Development Fees	
Single-Family Residence / Mobile Home	\$92.68
Multi-Family Units	n/a

Since those fees were calculated in 2014, the cost of collection trucks, street sweeping trucks service vehicles, residential carts, and commercial containers have all increased.<sup>5</sup> The City may wish to consider increasing the development fees to account for those increased costs.

Attachment 2 is a worksheet developed for the City to estimate the current costs for new development. As shown, R3 recommends that the City increase the residential development fees by approximately 8.25% to cover associated costs.

## Commercial/Industrial Development Fees

R3 does not recommend changing the percentage of the commercial/industrial development fees but does recommend that the City consider revising the Municipal Code to collect the fees for the first ninety-six (96) months from the start of solid waste collection service, not issuance of the building permit. The City has demonstrated that starting collection upon issuance of the building permit is ineffective because solid waste collection service does not start for quite some time – sometimes years – after issuance of the building permit. Based on the current timeframe for collection, the City is not able to collect much of the surcharge for certain projects.

<sup>5</sup> Vehicle costs are estimated to comprise approximately 70% (55% collection trucks, 15% street sweeping and street tree service trucks) of the New Residential Development Fees. Recent tariffs on imported steel and aluminum may further increase truck and commercial bin costs the same.

## Recommendations

### Review of City Municipal Code

R3 has reviewed the City's Municipal Code and identified that amendments should be made to reflect current legislation. The City should consider making changes to the Municipal Code to support the collection of organics and implementation of newly enacted state laws. Specifically, the City should consider making changes to the Municipal Code that includes language that mirrors AB 1826 and SB 1383 (as described in the New State Legislation section above). This would allow for businesses to make these changes and adjust to the new policies as regulations continue to be phased in. R3 recommends that the City amend the Municipal Code to encourage and enforce the diversion of organic material.

### Annual Service Charge Adjustment

To address the projected revenue shortfall and maintain a sufficient operating reserve, the City is faced with the need to increase rates in the near term. Working with the City, R3 developed the following rate adjustment scenarios designed to meet the City's objectives:

#### Scenario 1: Larger Increase for One Year Followed by Annual CPI Increases

- Increase rates by 29.0% in FY 2020, followed by 6.0% in FY 2021, 5% in FY 2022, 4% in FY 2023, and no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the City would only need to adopt an initial large increase, with modest increases projected for all future years.

#### Scenario 1 Results:

- FY 2029 Operating Reserves of \$3.88 million.
- FY 2029 Annual Revenue Shortfall of \$1.49 million.

#### Scenario 2: Gradual Annual Rate Increase Followed by No Increases in Later Years

- Increase rates gradually beginning with a 12.5% increase for FY 2020 through FY 2022 followed by an 8.0% increase in FY 2023. There would be no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the initial increases would be lower than in Scenario 1, but would require approval of several years of slightly larger than normal increases.

#### Scenario 2 Results:

- FY 2029 Operating Reserves of \$3.90 million.
- FY 2029 Annual Revenue Shortfall of \$803,000.

#### Scenario 3: Larger Increase for One Year Followed by Annual CPI Increases including Cost of Service Adjustment for Commercial Customers

- Increase residential rates by 20.0% in FY 2020, followed by a 5.0% increase in FY 2021 through FY 2023.
- Increase commercial rates by a 35.00% increase in FY 2020, followed by a 10.0% increase in FY 2021 through FY 2023.





## Section 4

Rate Model  
Overview

- Both residential and commercial customer rates would see no additional increases in FY 2024 through FY 2029.
- Via this Scenario the City's commercial rates would increase to be closer to the average of commercial rates surveyed by R3. Additionally, increasing commercial rates as shown in this Scenario accounts for the fact that the impacts of new state law will primarily require new services and programs to divert higher amounts of waste from the commercial sector.
- Via this Scenario, the Refuse Operations Fund reserves are kept at or above 16% beginning in FY 2020.

Scenario 3 Results:

- FY 2029 Operating Reserves of \$7.97 million.
- FY 2029 Annual Revenue Shortfall of \$688,000.

**Annual Service Charge Adjustment with the Litter Abatement Program**

The City is also considering adding a Litter Abatement Program to the Solid Waste Division. R3 revised the rate adjustment scenarios described above to show the difference in a rate increase when the Litter Abatement Program is added to the Solid Waste Division Financial Plan. The following is a summary of those results:

Scenario 1 (with Litter Abatement Program): Larger Increase for One Year Followed by Annual CPI Increases

- Increase rates by 29.0% in FY 2020, followed by 9.0% in FY 2021, 5% in FY 2022, 4% in FY 2023, and no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the City would need to increase rates by 3.0% more in FY 2021 to maintain a surplus in the reserve fund balance with the addition of the Litter Abatement Program.

Scenario 1 (with Litter Abatement Program) Results:

- FY 2029 Operating Reserves of \$4.14 million.
- FY 2029 Annual Revenue Shortfall of \$1.41 million.

Scenario 2 (with Litter Abatement Program): Gradual Annual Rate Increase Followed by No Increases in Later Years

- Increase rates gradually beginning with a 14.5% increase for FY 2020 through FY 2022 followed by an 4.5% increase in FY 2023. There would be no rate adjustments from FY 2024 through 2029.
- Via this Scenario, the initial increases would be lower than in Scenario 1, but would require approval of several years of slightly larger than normal increases. The rate adjustment would be increased by 2.0% in FY 2020 through FY 2022, but decreased by 3.5% in FY 2024 to maintain a surplus in the reserve fund balance with the addition of the Litter Abatement Program.

Scenario 2 (with Litter Abatement Program) Results:

- FY 2029 Operating Reserves of \$4.08 million.

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- FY 2029 Annual Revenue Shortfall of \$896,000.

**Scenario 3 (with Litter Abatement Program): Larger Increase for One Year Followed by Annual CPI Increases including Cost of Service Adjustment for Commercial Customers**

- Increase residential rates by 26.0% in FY 2020, followed by a 4.5% increase in FY 2021 through FY 2023.
- Increase commercial rates by a 40.0% increase in FY 2020, followed by a 7.5% increase in FY 2021 through FY 2023.
- Both residential and commercial customer rates would see no additional increases in FY 2024 through FY 2029.
- Via this Scenario the City's commercial rates would increase to be closer to the average of commercial rates surveyed by R3. Additionally, increasing commercial rates as shown in this Scenario accounts for the fact that the impacts of new state law will primarily require new services and programs to divert higher amounts of waste from the commercial sector.
- The rate adjustment would be increased by 6.0% for residential customers and 5.0% for commercial customers in FY 2020; and 0.5% for residential customers and 2.5% for commercial customers in FY 2021 through FY 2023 to maintain a surplus at or above 16% in the reserve fund balance with the addition of the Litter Abatement Program.

**Scenario 3 (with Litter Abatement Program) Results:**

- FY 2029 Operating Reserves of \$5.75 million.
- FY 2029 Annual Revenue Shortfall of \$1.13 million.

**Ending Fund Balance**

The scenarios identified above allow the City to achieve an Ending Fund Balance with Operating Reserves targeting a minimum of approximately 16 percent of budgeted expenses in Fund 558. There are no favorable near term solutions due to the structural deficit in the current FY 2018/19, and capital improvement costs of 12.3 million beginning in FY 2020/21. The City may also consider allowing a negative fund balance to reduce the recommended rate increases.

**5-Year Service Charges Based on 10-Year Financial Plan**

R3 has prepared draft proposed service charge tables of the City's solid waste service charges for the next five years (2020-2024) showing the monthly service charges for single family dwellings, commercial and multi-family, drop-box and suggested organic food waste collection rates.

These proposed service charge tables are based on the City's current solid waste service charges, and an analysis of the cost of service to provide collection, processing, and disposal of solid waste, street sweeping, and street trees services to the residents and businesses in the City. The recycling rate for the 8-CY Bin collected 3 times per week was found to be miscalculated prior to this rate study. To correct this error, the 8-CY Bin collected 3 times per week service charge was adjusted to 15% less than the equivalent refuse container<sup>6</sup>. In

<sup>6</sup> Based on customer accounts as of June 2018, this service charge adjustment will affect three commercial customers.

## Section 4

Rate Model  
Overview

addition, all 2019 service charges for commercial customers were increased by \$10.00 to account for the loss of revenue based on the total expenses associated with each line of business. These rates are then being escalated by the adjustments shown in the 10-Year Plan.

Tables 4-3 and 4-4 show the current 2019 and draft proposed 2020-2024 single-family residential solid waste service charges and an example of an average commercial customer with a 3 CY solid waste and recycling bin, and 64-gallon organic waste cart.

Another option the City may consider in conjunction with the above scenarios is to structure commercial rates to include a universal roll-out with a minimum weekly collection of a 64-gallon organic cart to all commercial customers. With this option, the City could include the cost of a weekly 64-gallon organic cart for every customer in the garbage collection rate and only charge commercial customers if they requested a larger container or more frequent collection services.

**Table 4-3: Current and Draft Proposed Solid Waste Monthly Service Charges by Year  
(Without Litter Abatement Program)**

**Scenario 1: Larger Increase for One Year  
Followed by Annual CPI Increases**

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
<b>Residential</b>							
Garbage (64 gal)	\$25.92	\$33.44	\$35.44	\$37.22	\$38.70	\$38.70	\$12.78
Green Waste (90 gal)	\$5.57	\$7.19	\$7.62	\$8.00	\$8.32	\$8.32	\$2.75
Recycling (64 gal)	\$5.59	\$7.21	\$7.64	\$8.03	\$8.35	\$8.35	\$2.76
<b>Scenario 3 Subtotal</b>	<b>\$37.08</b>	<b>\$47.83</b>	<b>\$50.70</b>	<b>\$53.24</b>	<b>\$55.37</b>	<b>\$55.37</b>	<b>\$18.29</b>
<b>\$ Increase/year</b>		<b>\$10.75</b>	<b>\$2.87</b>	<b>\$2.54</b>	<b>\$2.13</b>	<b>\$0.00</b>	
<b>% Increase/year (Residential)</b>		<b>29.0%</b>	<b>6.0%</b>	<b>5.0%</b>	<b>4.0%</b>	<b>0.0%</b>	
<b>Commercial</b>							
Garbage (3 CY)	\$91.32	\$127.80	\$135.47	\$142.24	\$147.93	\$147.93	\$56.61
Organic (64 gal)	\$32.40	\$51.80	\$54.90	\$57.65	\$59.95	\$59.95	\$27.55
Recycling (3 CY)	\$78.40	\$111.14	\$117.80	\$123.69	\$128.64	\$128.64	\$50.24
<b>Scenario 3 Subtotal</b>	<b>\$202.12</b>	<b>\$290.73</b>	<b>\$308.18</b>	<b>\$323.59</b>	<b>\$336.53</b>	<b>\$336.53</b>	<b>\$134.41</b>
<b>\$ Increase/year</b>		<b>\$88.61</b>	<b>\$17.44</b>	<b>\$15.41</b>	<b>\$12.94</b>	<b>\$0.00</b>	
<b>% Increase/year (Commercial)</b>		<b>29.0%</b>	<b>6.0%</b>	<b>5.0%</b>	<b>4.0%</b>	<b>0.0%</b>	

**Scenario 2: Gradual Annual Rate Increase  
Followed by No Increases in Later Years**

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
<b>Residential</b>							
Garbage (64 gal)	\$25.92	\$29.16	\$32.81	\$36.91	\$39.86	\$39.86	\$13.94
Green Waste (90 gal)	\$5.57	\$6.27	\$7.05	\$7.93	\$8.57	\$8.57	\$3.00
Recycling (64 gal)	\$5.59	\$6.29	\$7.07	\$7.96	\$8.60	\$8.60	\$3.01
<b>Scenario 3 Subtotal</b>	<b>\$37.08</b>	<b>\$41.72</b>	<b>\$46.93</b>	<b>\$52.80</b>	<b>\$57.02</b>	<b>\$57.02</b>	<b>\$19.94</b>
<b>\$ Increase/year</b>		<b>\$4.64</b>	<b>\$5.21</b>	<b>\$5.87</b>	<b>\$4.22</b>	<b>\$0.00</b>	

## Section 4

Rate Model  
Overview

% Increase/year (Residential)		12.5%	12.5%	12.5%	8.0%	0.0%	
Commercial							
Garbage (3 CY)	\$91.32	\$112.74	\$126.83	\$142.68	\$154.09	\$154.09	\$62.77
Organic (64 gal)	\$32.40	\$46.45	\$52.26	\$58.79	\$63.49	\$63.49	\$31.09
Recycling (3 CY)	\$78.40	\$98.20	\$110.48	\$124.28	\$134.23	\$134.23	\$55.83
Scenario 3 Subtotal	\$202.12	\$257.39	\$289.56	\$325.75	\$351.81	\$351.81	\$149.69
\$ Increase/year		\$55.27	\$32.17	\$36.19	\$26.06	\$0.00	
% Increase/year (Commercial)		12.5%	12.5%	12.5%	8.0%	0.0%	

**Scenario 3: Larger Increase for One Year Followed by Annual CPI Increases  
including Cost of Service Adjustment for Commercial Customers**

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
<b>Residential</b>							
Garbage (64 gal)	\$25.92	\$31.10	\$32.66	\$34.29	\$36.01	\$36.01	\$10.09
Green Waste (90 gal)	\$5.57	\$6.68	\$7.02	\$7.37	\$7.74	\$7.74	\$2.17
Recycling (64 gal)	\$5.59	\$6.71	\$7.04	\$7.40	\$7.77	\$7.77	\$2.18
<b>Scenario 2 Subtotal</b>	<b>\$37.08</b>	<b>\$44.50</b>	<b>\$46.72</b>	<b>\$49.06</b>	<b>\$51.51</b>	<b>\$51.51</b>	<b>\$14.43</b>
<b>\$ Increase/year</b>		<b>\$7.42</b>	<b>\$2.22</b>	<b>\$2.34</b>	<b>\$2.45</b>	<b>\$0.00</b>	
<b>% Increase/year (Residential)</b>		<b>20.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>0.0%</b>	
<b>Commercial</b>							
Garbage (3 CY)	\$91.32	\$133.28	\$146.61	\$161.27	\$177.40	\$177.40	\$86.08
Organic (64 gal)	\$32.40	\$53.74	\$59.11	\$65.03	\$71.53	\$71.53	\$39.13
Recycling (3 CY)	\$78.40	\$115.84	\$127.42	\$140.17	\$154.18	\$154.18	\$75.78
<b>Scenario 2 Subtotal</b>	<b>\$202.12</b>	<b>\$302.86</b>	<b>\$333.15</b>	<b>\$366.46</b>	<b>\$403.11</b>	<b>\$403.11</b>	<b>\$200.99</b>
<b>\$ Increase/year</b>		<b>\$100.74</b>	<b>\$30.29</b>	<b>\$33.31</b>	<b>\$36.65</b>	<b>\$0.00</b>	
<b>% Increase/year (Commercial)</b>		<b>35.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>0.0%</b>	

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## Section 4

Table 4-4: Current and Draft Proposed Solid Waste Monthly Service Charges by Year  
(With Litter Abatement Program)Rate Model  
OverviewScenario 1: Larger Increase for One Year  
Followed by Annual CPI Increases

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
<b>Residential</b>							
Garbage (64 gal)	\$25.92	\$33.44	\$36.45	\$38.27	\$39.80	\$39.80	\$13.88
Green Waste (90 gal)	\$5.57	\$7.19	\$7.83	\$8.22	\$8.55	\$8.55	\$2.98
Recycling (64 gal)	\$5.59	\$7.21	\$7.86	\$8.25	\$8.58	\$8.58	\$2.99
<b>Scenario 3 Subtotal</b>	\$37.08	\$47.83	\$52.14	\$54.75	\$56.93	\$56.93	\$19.85
<b>\$ Increase/year</b>		\$10.75	\$4.30	\$2.61	\$2.19	\$0.00	
<b>% Increase/year (Residential)</b>		29.0%	9.0%	5.0%	4.0%	0.0%	
<b>Commercial</b>							
Garbage (3 CY)	\$91.32	\$127.80	\$139.31	\$146.27	\$152.12	\$152.12	\$60.80
Organic (64 gal)	\$32.40	\$51.80	\$56.46	\$59.28	\$61.65	\$61.65	\$29.25
Recycling (3 CY)	\$78.40	\$111.14	\$121.14	\$127.20	\$132.28	\$132.28	\$53.88
<b>Scenario 3 Subtotal</b>	\$202.12	\$290.73	\$316.90	\$332.75	\$346.06	\$346.06	\$143.94
<b>\$ Increase/year</b>		\$88.61	\$26.17	\$15.85	\$13.31	\$0.00	
<b>% Increase/year (Commercial)</b>		29.0%	9.0%	5.0%	4.0%	0.0%	

Scenario 2: Gradual Annual Rate Increase  
Followed by No Increases in Later Years

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
<b>Residential</b>							
Garbage (64 gal)	\$25.92	\$26.96	\$28.04	\$29.16	\$30.32	\$31.54	\$5.62
Green Waste (90 gal)	\$5.57	\$5.79	\$6.02	\$6.27	\$6.52	\$6.78	\$1.21
Recycling (64 gal)	\$5.59	\$5.81	\$6.05	\$6.29	\$6.54	\$6.80	\$1.21
<b>Scenario 3 Subtotal</b>	\$37.08	\$38.56	\$40.11	\$41.71	\$43.38	\$45.11	\$8.03
<b>\$ Increase/year</b>		\$5.38	\$6.16	\$7.05	\$2.50	\$0.00	
<b>% Increase/year (Residential)</b>		14.5%	14.5%	14.5%	4.5%	0.0%	
<b>Commercial</b>							
Garbage (3 CY)	\$91.32	\$114.56	\$131.17	\$150.19	\$156.95	\$156.95	\$65.63
Organic (64 gal)	\$32.40	\$47.10	\$53.93	\$61.75	\$64.53	\$64.53	\$32.13
Recycling (3 CY)	\$78.40	\$99.77	\$114.23	\$130.80	\$136.68	\$136.68	\$58.28
<b>Scenario 3 Subtotal</b>	\$202.12	\$261.43	\$299.33	\$342.74	\$358.16	\$358.16	\$156.04
<b>\$ Increase/year</b>		\$59.31	\$37.91	\$43.40	\$15.42	\$0.00	
<b>% Increase/year (Commercial)</b>		14.5%	14.5%	14.5%	4.5%	0.0%	

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**Scenario 3: Larger Increase for One Year Followed by Annual CPI Increases  
including Cost of Service Adjustment for Commercial Customers**

## Section 4

Model  
view

	Current 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	Total Increase
<b>Residential</b>							
Garbage (64 gal)	\$25.92	\$32.66	\$34.13	\$35.66	\$37.27	\$37.27	\$11.35
Green Waste (90 gal)	\$5.57	\$7.02	\$7.33	\$7.66	\$8.01	\$8.01	\$2.44
Recycling (64 gal)	\$5.59	\$7.04	\$7.36	\$7.69	\$8.04	\$8.04	\$2.45
<b>Scenario 2 Subtotal</b>	<b>\$37.08</b>	<b>\$46.72</b>	<b>\$48.82</b>	<b>\$51.02</b>	<b>\$53.32</b>	<b>\$53.32</b>	<b>\$16.24</b>
<b>\$ Increase/year</b>		<b>\$9.64</b>	<b>\$2.10</b>	<b>\$2.20</b>	<b>\$2.30</b>	<b>\$0.00</b>	
<b>% Increase/year (Residential)</b>		<b>26.0%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>0.0%</b>	
<b>Commercial</b>							
Garbage (3 CY)	\$91.32	\$137.85	\$148.19	\$159.30	\$171.25	\$171.25	\$79.93
Organic (64 gal)	\$32.40	\$55.36	\$59.51	\$63.98	\$68.77	\$68.77	\$36.37
Recycling (3 CY)	\$78.40	\$119.76	\$128.74	\$138.40	\$148.78	\$148.78	\$70.38
<b>Scenario 2 Subtotal</b>	<b>\$202.12</b>	<b>\$312.97</b>	<b>\$336.44</b>	<b>\$361.67</b>	<b>\$388.80</b>	<b>\$388.80</b>	<b>\$186.68</b>
<b>\$ Increase/year</b>		<b>\$110.85</b>	<b>\$23.47</b>	<b>\$25.23</b>	<b>\$27.13</b>	<b>\$0.00</b>	
<b>% Increase/year (Commercial)</b>		<b>40.0%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>0.0%</b>	

## City Council Direction

### November 4, 2019

R3, along with City staff, presented the three recommended scenarios (with and without the annual \$400,000 third party community litter abatement program) at a City Council meeting on November 4, 2019. During this meeting City Council directed R3 and City staff to prepare variations of Scenario 3 and reduce the allocation of the litter abatement program.

### December 2, 2019

During the City Council meeting on December 2, 2019, R3, along with City staff, presented three variations of Scenario 3. In all three scenarios:

- Commercial customers rates saw a larger increase in either year one or two, followed by smaller increases in years three and four;
- Residential customer rates remained unchanged from the adjustments recommended in Scenario 3 during the November 4, 2019 City Council meeting; and
- A third party community litter abatement program was included as an alternative option.

The rates that change when the litter abatement program is added are shown in red. The annual third party community litter abatement program allocation was reduced to \$120,000 in these scenarios from the scenarios presented during the November City Council meeting.

The City Council voted to support option three, which maintains a minimum fund balance of 16% with the inclusion of the third party community litter abatement program.

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## Section 4

Rate Model  
Overview

Table 4-5 shows the current 2019 rates and the City Council supported rate adjustment proposed for 2020-2024 single-family residential solid waste service charges and an example of an average commercial customer with a 3 CY solid waste and recycling bin, and 64-gallon organic waste cart. A complete rate sheet is provided in Attachment 3.

**Table 4-5: City Council Supported Rate Adjustment  
Larger Increase for One Year Followed by Annual CPI Increases  
including Cost of Service Adjustment for Commercial Customers**

	Current 2019	Proposed July 2020	Proposed July 2021	Proposed July 2022	Proposed July 2023	Proposed July 2024	Total Increase
<b>Residential</b>							
Garbage (64 gal)	\$25.92	\$31.10	\$32.66	\$34.29	\$36.01	\$36.01	\$10.09
Green Waste (90 gal)	\$5.57	\$6.68	\$7.02	\$7.37	\$7.74	\$7.74	\$2.17
Recycling (64 gal)	\$5.59	\$6.71	\$7.04	\$7.40	\$7.77	\$7.77	\$2.18
<b>Scenario 2 Subtotal</b>	<b>\$37.08</b>	<b>\$44.50</b>	<b>\$46.72</b>	<b>\$49.06</b>	<b>\$51.51</b>	<b>\$51.51</b>	<b>\$14.43</b>
<b>\$ Increase/year</b>		\$7.42	\$2.22	\$2.34	\$2.45	\$0.00	
<b>% Increase/year (Residential)</b>		20%	5%	5%	5%	0%	
<b>Commercial</b>							
Garbage (3 CY)	\$91.32	\$133.28	\$146.61	\$161.27	\$177.40	\$177.40	\$86.08
Organic (64 gal)	\$32.40	\$53.74	\$59.11	\$65.03	\$71.53	\$71.53	\$39.13
Recycling (3 CY)	\$78.40	\$115.84	\$127.42	\$140.17	\$154.18	\$154.18	\$75.78
<b>Scenario 2 Subtotal</b>	<b>\$202.12</b>	<b>\$302.86</b>	<b>\$333.15</b>	<b>\$366.46</b>	<b>\$403.11</b>	<b>\$403.11</b>	<b>\$200.99</b>
<b>\$ Increase/year</b>		\$100.74	\$30.29	\$33.31	\$36.65	\$0.00	
<b>% Increase/year (Commercial)</b>		37%	10%	10%	10%	0%	

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Attachment 2  
Residential Development Fees Worksheet

Current Residential Development Fees		
Refuse and Green Waste	\$	419.15
Recycling	\$	92.68
Total Development Fee	\$	511.83

Current Multi Family Development Fees		
Refuse and Green Waste	\$	290.88
Recycling	\$	-
Total Development Fee	\$	290.88

**Residential Developer Fee Worksheet**

Assumptions

Homes Served per Vehicle

	Per Day	Per Week
Garbage	600	3,000
Organic Waste	1,200	6,000
Recycling	900	4,500

				Fee	
				per SF Home	per MF Home
<b>1) Cost per Vehicle</b>					
	19/20	Spare Ratio	Adjusted Cost		
Garbage	\$ 355,000	25%	\$ 443,750	\$ 147.92	
Organic Waste	\$ 355,000	25%	\$ 443,750	\$ 73.96	
Recycling	\$ 355,000	25%	\$ 443,750	\$ 98.61	
				\$ 320.49	
<b>2) Cost per Container</b>					
Garbage	\$ 50.00			\$ 50.00	
Organic Waste	\$ 50.00			\$ 50.00	
Recycling	\$ 50.00			\$ 50.00	
				\$ 150.00	
<b>3) Other Potential Costs</b>					
			Corporation Yard Allocation for Growth	\$ -	
			Street Sweeping Allocation for Growth	\$ 54.69	
			Street Trees Allocation for Growth	\$ 28.91	
Subtotal Garbage (Includes Street Sweeping and Street Trees)				\$ 281.51	\$ 159.99
Subtotal Organic Waste				\$ 123.96	\$ 70.45
Subtotal Recycling				\$ 148.61	\$ 84.46
Total =				\$ 554.08	\$ 314.89
Current Fee =				\$ 511.83	\$ 290.88
Percentage Adjustment =				8.25%	8.25%

Street Sweeping				
Cost per Vehicle	\$ 350,000	Spare Ratio 25%	Adjusted Cost \$ 437,500	\$ 54.69
Homes serviced per vehicle				
Street Sweeper	accts/sweeper 8,000	one street sweeper can handle 8,000 residential account lane miles currently 2 street sweepers for 16,000 residential accounts		

Street Trees				
Cost per Vehicle	\$ 185,000	Spare Ratio 25%	Adjusted Cost \$ 231,250	\$ 28.91
Homes serviced per vehicle				
Street Sweeper	accts/street trees truck 8,000	one street trees truck can handle 8,000 residential account lane miles currently 2 street trees trucks for 16,000 residential accounts		



## Attachment 3

Scenario 3: Effective July 1, 2020							
Residential Collection Rates							
Subscription Item					2019 Rate	2020 Rate	
90 Gal Pack-out (Single Family Units)					\$96.16	\$115.39	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$25.92	\$31.10	
90 Gal Green Waste (Green) Container					\$5.57	\$6.68	
64 Gal Recycling (Blue) Container					\$5.59	\$6.71	
90 Gal Disabled Pack-out (Single Family Unit)					\$25.92	\$31.10	
90 Gal Pack-out (Mobile home)					\$92.54	\$111.05	
90 Gal Curbside (Mobile home)					\$19.77	\$23.72	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$16.41	\$19.69	
					per month	per month	
					\$196.98	\$236.38	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$80.32	\$143.58	\$206.84	\$270.09	\$333.34	\$396.60	\$459.86
1 YD	\$96.05	\$172.69	\$249.34	\$325.98	\$402.63	\$479.26	\$555.91
1.5 YD	\$103.76	\$188.11	\$272.45	\$356.79	\$441.12	\$525.47	\$609.82
2 YD	\$122.28	\$225.16	\$328.06	\$430.96	\$533.80	\$636.68	\$739.59
3 YD	\$133.28	\$247.20	\$361.08	\$474.98	\$588.87	\$702.62	\$816.68
4 YD	\$142.98	\$266.65	\$390.34	\$513.98	\$637.66	\$761.32	\$884.98
6 YD	\$166.33	\$313.26	\$460.17	\$607.12	\$754.00	\$900.95	\$1,047.87
8 YD	\$188.34	\$357.29	\$526.24	\$695.18	\$864.15	\$1,033.07	\$1,202.02
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$69.47	\$123.00	\$170.56	\$224.08	\$277.60	\$331.11	\$384.64
1 YD	\$83.86	\$149.67	\$215.47	\$281.27	\$347.07	\$412.85	\$478.68
1.5 YD	\$90.50	\$162.90	\$235.32	\$307.73	\$380.13	\$452.53	\$504.84
2 YD	\$106.39	\$194.72	\$283.05	\$371.40	\$459.69	\$548.02	\$636.35
3 YD	\$115.84	\$213.63	\$311.40	\$409.20	\$506.95	\$604.73	\$702.54
4 YD	\$125.30	\$232.53	\$339.76	\$447.00	\$554.23	\$661.46	\$768.69
6 YD	\$144.20	\$270.36	\$396.46	\$522.64	\$648.73	\$774.88	\$901.00
8 YD	\$163.12	\$308.15	\$448.80	\$598.24	\$743.28	\$888.31	\$1,033.37

## Attachment 3

Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$53.74	\$97.48	\$141.22	\$184.96	\$228.70	\$272.44	\$316.18
300 Gallon	\$84.33	\$151.24	\$210.69	\$277.60	\$344.50	\$411.39	\$478.30
1 YD	\$102.32	\$184.59	\$266.84	\$349.09	\$431.34	\$513.57	\$595.85
1.5 YD	\$110.63	\$201.13	\$291.64	\$382.16	\$472.66	\$563.16	\$628.55
2 YD	\$130.49	\$240.90	\$351.31	\$461.74	\$572.11	\$682.52	\$792.93
3 YD	\$142.30	\$264.54	\$386.75	\$508.99	\$631.19	\$753.41	\$875.67
Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$244.56	\$450.33	\$656.12	\$861.91	\$1,067.60	\$1,273.37	\$1,479.19
3 YD	\$266.56	\$494.39	\$722.16	\$949.96	\$1,177.73	\$1,405.24	\$1,633.36
4 YD	\$285.95	\$533.30	\$780.67	\$1,027.96	\$1,275.31	\$1,522.63	\$1,769.95
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$89.61	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$252.75	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$300.86	
Daily Container Rental Charge for Unscheduled Service						\$6.90	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$160.38	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
					1 YD	\$262.86	
					1.5 YD	\$269.50	
					2 YD	\$285.39	
					3 YD	\$294.84	
					4 YD	\$304.30	
					6 YD	\$323.20	
					8 YD	\$342.12	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$270.00	/Occurrence	
Commercial Recycling Contamination Fee					\$54.54	/Occurrence + \$1/CY	
Return Fee					\$54.00	/Occurrence	

## Attachment 3

Scenario 3: Effective July 1, 2021							
Residential Collection Rates							
Subscription Item					2020 Rate	2021 Rate	
90 Gal Pack-out (Single Family Units)					\$115.39	\$121.16	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$31.10	\$32.66	
90 Gal Green Waste (Green) Container					\$6.68	\$7.02	
64 Gal Recycling (Blue) Container					\$6.71	\$7.04	
90 Gal Disabled Pack-out (Single Family Unit)					\$31.10	\$32.66	
90 Gal Pack-out (Mobile home)					\$111.05	\$116.60	
90 Gal Curbside (Mobile home)					\$23.72	\$24.91	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$19.69	\$20.68	
					per month	per month	
					\$236.38	\$248.19	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$88.35	\$157.94	\$227.52	\$297.10	\$366.68	\$436.26	\$505.85
1 YD	\$105.65	\$189.96	\$274.28	\$358.58	\$442.90	\$527.19	\$611.50
1.5 YD	\$114.13	\$206.92	\$299.70	\$392.47	\$485.23	\$578.02	\$670.80
2 YD	\$134.51	\$247.68	\$360.87	\$474.05	\$587.18	\$700.35	\$813.55
3 YD	\$146.61	\$271.91	\$397.19	\$522.48	\$647.75	\$772.88	\$898.35
4 YD	\$157.27	\$293.31	\$429.37	\$565.38	\$701.42	\$837.45	\$973.47
6 YD	\$182.96	\$344.59	\$506.19	\$667.83	\$829.40	\$991.04	\$1,152.65
8 YD	\$207.17	\$393.02	\$578.86	\$764.70	\$950.56	\$1,136.38	\$1,322.23
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$76.41	\$135.29	\$187.61	\$246.49	\$305.36	\$364.22	\$423.10
1 YD	\$92.24	\$164.64	\$237.02	\$309.40	\$381.77	\$454.14	\$526.55
1.5 YD	\$99.55	\$179.19	\$258.85	\$338.50	\$418.14	\$497.78	\$555.33
2 YD	\$117.03	\$214.19	\$311.36	\$408.53	\$505.65	\$602.82	\$699.98
3 YD	\$127.42	\$235.00	\$342.54	\$450.11	\$557.64	\$665.20	\$772.79
4 YD	\$137.83	\$255.79	\$373.74	\$491.69	\$609.65	\$727.60	\$845.56
6 YD	\$158.62	\$297.40	\$436.11	\$574.90	\$713.60	\$852.37	\$991.10
8 YD	\$179.43	\$338.96	\$493.68	\$658.06	\$817.61	\$977.14	\$1,136.70

## Attachment 3

Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$59.11	\$107.23	\$155.34	\$203.46	\$251.57	\$299.68	\$347.80
300 Gallon	\$92.77	\$166.37	\$231.76	\$305.36	\$378.95	\$452.53	\$526.13
1 YD	\$112.56	\$203.05	\$293.52	\$383.99	\$474.47	\$564.92	\$655.43
1.5 YD	\$121.69	\$221.24	\$320.81	\$420.38	\$519.93	\$619.48	\$691.41
2 YD	\$143.54	\$264.99	\$386.45	\$507.92	\$629.32	\$750.77	\$872.23
3 YD	\$156.53	\$291.00	\$425.43	\$559.89	\$694.30	\$828.75	\$963.24
Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$269.01	\$495.36	\$721.73	\$948.11	\$1,174.36	\$1,400.70	\$1,627.11
3 YD	\$293.22	\$543.83	\$794.38	\$1,044.96	\$1,295.51	\$1,545.76	\$1,796.69
4 YD	\$314.55	\$586.63	\$858.74	\$1,130.76	\$1,402.84	\$1,674.89	\$1,946.95
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$98.57	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$278.02	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$330.95	
Daily Container Rental Charge for Unscheduled Service						\$7.59	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$176.42	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
					1 YD	\$289.14	
					1.5 YD	\$296.45	
					2 YD	\$313.93	
					3 YD	\$324.32	
					4 YD	\$334.73	
					6 YD	\$355.52	
					8 YD	\$376.33	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$297.00	/Occurrence	
Commercial Recycling Contamination Fee					\$59.99	/Occurrence + \$1/CY	
Return Fee					\$59.40	/Occurrence	

## Attachment 3

Scenario 3: Effective July 1, 2022							
Residential Collection Rates							
Subscription Item					2021 Rate	2022 Rate	
90 Gal Pack-out (Single Family Units)					\$121.16	\$127.22	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$32.66	\$34.29	
90 Gal Green Waste (Green) Container					\$7.02	\$7.37	
64 Gal Recycling (Blue) Container					\$7.04	\$7.40	
90 Gal Disabled Pack-out (Single Family Unit)					\$32.66	\$34.29	
90 Gal Pack-out (Mobile home)					\$116.60	\$122.43	
90 Gal Curbside (Mobile home)					\$24.91	\$26.16	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$20.68	\$21.71	
					per month	per month	
					\$248.19	\$260.60	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$97.18	\$173.73	\$250.28	\$326.81	\$403.34	\$479.89	\$556.44
1 YD	\$116.22	\$208.95	\$301.70	\$394.44	\$487.19	\$579.90	\$672.65
1.5 YD	\$125.55	\$227.61	\$329.67	\$431.71	\$533.76	\$635.82	\$737.88
2 YD	\$147.96	\$272.45	\$396.95	\$521.46	\$645.90	\$770.39	\$894.91
3 YD	\$161.27	\$299.11	\$436.91	\$574.73	\$712.53	\$850.17	\$988.18
4 YD	\$173.00	\$322.64	\$472.31	\$621.92	\$771.56	\$921.19	\$1,070.82
6 YD	\$201.26	\$379.05	\$556.81	\$734.61	\$912.34	\$1,090.14	\$1,267.92
8 YD	\$227.89	\$432.32	\$636.75	\$841.17	\$1,045.62	\$1,250.02	\$1,454.45
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$84.06	\$148.82	\$206.37	\$271.14	\$335.89	\$400.64	\$465.41
1 YD	\$101.47	\$181.10	\$260.72	\$340.34	\$419.95	\$499.55	\$579.20
1.5 YD	\$109.51	\$197.11	\$284.73	\$372.35	\$459.96	\$547.56	\$610.86
2 YD	\$128.73	\$235.61	\$342.49	\$449.39	\$556.22	\$663.10	\$769.98
3 YD	\$140.17	\$258.50	\$376.80	\$495.13	\$613.41	\$731.72	\$850.07
4 YD	\$151.62	\$281.37	\$411.12	\$540.86	\$670.61	\$800.36	\$930.11
6 YD	\$174.49	\$327.14	\$479.72	\$632.39	\$784.96	\$937.61	\$1,090.21
8 YD	\$197.37	\$372.86	\$543.05	\$723.86	\$899.37	\$1,074.86	\$1,250.37

## Attachment 3

Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$65.03	\$117.95	\$170.88	\$223.80	\$276.73	\$329.65	\$382.58
300 Gallon	\$102.04	\$183.00	\$254.94	\$335.90	\$416.84	\$497.78	\$578.74
1 YD	\$123.81	\$223.35	\$322.87	\$422.39	\$521.92	\$621.42	\$720.98
1.5 YD	\$133.86	\$243.36	\$352.89	\$462.42	\$571.92	\$681.43	\$760.55
2 YD	\$157.89	\$291.49	\$425.09	\$558.71	\$692.25	\$825.85	\$959.45
3 YD	\$172.18	\$320.10	\$467.97	\$615.88	\$763.73	\$911.63	\$1,059.56
Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$295.92	\$544.89	\$793.91	\$1,042.92	\$1,291.80	\$1,540.77	\$1,789.82
3 YD	\$322.54	\$598.21	\$873.82	\$1,149.45	\$1,425.06	\$1,700.33	\$1,976.36
4 YD	\$346.00	\$645.29	\$944.61	\$1,243.84	\$1,543.13	\$1,842.38	\$2,141.64
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$108.43	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$305.82	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$364.04	
Daily Container Rental Charge for Unscheduled Service						\$8.35	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$194.06	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$318.06	
1.5 YD						\$326.10	
2 YD						\$345.32	
3 YD						\$356.76	
4 YD						\$368.21	
6 YD						\$391.08	
8 YD						\$413.96	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$326.70	/Occurrence	
Commercial Recycling Contamination Fee					\$65.99	/Occurrence + \$1/CY	
Return Fee					\$65.34	/Occurrence	

## Attachment 3

Scenario 3: Effective July 1, 2023							
Residential Collection Rates							
Subscription Item					2022 Rate	2023 Rate	
90 Gal Pack-out (Single Family Units)					\$127.22	\$133.58	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$34.29	\$36.01	
90 Gal Green Waste (Green) Container					\$7.37	\$7.74	
64 Gal Recycling (Blue) Container					\$7.40	\$7.77	
90 Gal Disabled Pack-out (Single Family Unit)					\$34.29	\$36.01	
90 Gal Pack-out (Mobile home)					\$122.43	\$128.55	
90 Gal Curbside (Mobile home)					\$26.16	\$27.46	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$21.71	\$22.80	
					per month	per month	
					\$260.60	\$273.63	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$106.90	\$191.10	\$275.30	\$359.49	\$443.68	\$527.88	\$612.08
1 YD	\$127.84	\$229.85	\$331.87	\$433.88	\$535.91	\$637.90	\$739.92
1.5 YD	\$138.10	\$250.37	\$362.64	\$474.88	\$587.13	\$699.40	\$811.67
2 YD	\$162.75	\$299.69	\$436.65	\$573.60	\$710.49	\$847.43	\$984.40
3 YD	\$177.40	\$329.02	\$480.60	\$632.20	\$783.78	\$935.18	\$1,087.00
4 YD	\$190.30	\$354.91	\$519.54	\$684.11	\$848.72	\$1,013.31	\$1,177.90
6 YD	\$221.39	\$416.95	\$612.49	\$808.07	\$1,003.57	\$1,199.16	\$1,394.71
8 YD	\$250.67	\$475.55	\$700.43	\$925.28	\$1,150.18	\$1,375.02	\$1,599.89
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$92.46	\$163.71	\$227.01	\$298.25	\$369.48	\$440.71	\$511.95
1 YD	\$111.62	\$199.21	\$286.79	\$374.37	\$461.95	\$549.51	\$637.12
1.5 YD	\$120.46	\$216.82	\$313.20	\$409.59	\$505.95	\$602.32	\$671.95
2 YD	\$141.61	\$259.17	\$376.74	\$494.33	\$611.84	\$729.41	\$846.98
3 YD	\$154.18	\$284.35	\$414.47	\$544.64	\$674.75	\$804.89	\$935.08
4 YD	\$166.78	\$309.50	\$452.23	\$594.95	\$737.67	\$880.40	\$1,023.12
6 YD	\$191.93	\$359.85	\$527.69	\$695.63	\$863.45	\$1,031.37	\$1,199.23
8 YD	\$217.11	\$410.14	\$597.36	\$796.25	\$989.31	\$1,182.34	\$1,375.41

### Attachment 3

Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$71.53	\$129.75	\$187.96	\$246.18	\$304.40	\$362.62	\$420.84
300 Gallon	\$112.25	\$201.31	\$280.43	\$369.49	\$458.52	\$547.56	\$636.61
1 YD	\$136.19	\$245.69	\$355.16	\$464.63	\$574.11	\$683.56	\$793.08
1.5 YD	\$147.24	\$267.70	\$388.18	\$508.66	\$629.11	\$749.57	\$836.60
2 YD	\$173.68	\$320.64	\$467.60	\$614.58	\$761.47	\$908.43	\$1,055.39
3 YD	\$189.40	\$352.11	\$514.77	\$677.47	\$840.11	\$1,002.79	\$1,165.52
Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$325.51	\$599.38	\$873.30	\$1,147.21	\$1,420.98	\$1,694.85	\$1,968.80
3 YD	\$354.80	\$658.03	\$961.20	\$1,264.40	\$1,567.56	\$1,870.37	\$2,174.00
4 YD	\$380.60	\$709.82	\$1,039.07	\$1,368.22	\$1,697.44	\$2,026.62	\$2,355.80
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$119.27	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$336.41	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$400.45	
Daily Container Rental Charge for Unscheduled Service						\$9.18	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$213.47	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$349.86	
1.5 YD						\$358.71	
2 YD						\$379.85	
3 YD						\$392.43	
4 YD						\$405.03	
6 YD						\$430.18	
8 YD						\$455.36	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$359.37	/Occurrence	
Commercial Recycling Contamination Fee					\$72.59	/Occurrence + \$1/CY	
Return Fee					\$71.87	/Occurrence	



## Attachment 3

Scenario 3: Effective July 1, 2024							
Residential Collection Rates							
Subscription Item					2023 Rate	2024 Rate	
90 Gal Pack-out (Single Family Units)					\$133.58	\$133.58	
64 Gal (Gray) Curbside (Single Family Unit & Multi Unit extra cans).					\$36.01	\$36.01	
90 Gal Green Waste (Green) Container					\$7.74	\$7.74	
64 Gal Recycling (Blue) Container					\$7.77	\$7.77	
90 Gal Disabled Pack-out (Single Family Unit)					\$36.01	\$36.01	
90 Gal Pack-out (Mobile home)					\$128.55	\$128.55	
90 Gal Curbside (Mobile home)					\$27.46	\$27.46	
Extra 64 Gal Refuse (Gray) Container single Residential only NOT MULTI UNITS					\$22.80	\$22.80	
					per month	per month	
					\$273.63	\$273.63	
					per year	per year	
Residential Go-Back Fee All Cans					\$25.00		
Residential Special Pick Up Fee Any single can or All Cans (includes extra service or refilling of cans) Courtesy call back not allowed.					\$25.00		
Contamination Fee (Garbage in Green or Blue can)					\$25.00		
Commercial and Industrial Collection Rates							
Solid Waste Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$106.90	\$191.10	\$275.30	\$359.49	\$443.68	\$527.88	\$612.08
1 YD	\$127.84	\$229.85	\$331.87	\$433.88	\$535.91	\$637.90	\$739.92
1.5 YD	\$138.10	\$250.37	\$362.64	\$474.88	\$587.13	\$699.40	\$811.67
2 YD	\$162.75	\$299.69	\$436.65	\$573.60	\$710.49	\$847.43	\$984.40
3 YD	\$177.40	\$329.02	\$480.60	\$632.20	\$783.78	\$935.18	\$1,087.00
4 YD	\$190.30	\$354.91	\$519.54	\$684.11	\$848.72	\$1,013.31	\$1,177.90
6 YD	\$221.39	\$416.95	\$612.49	\$808.07	\$1,003.57	\$1,199.16	\$1,394.71
8 YD	\$250.67	\$475.55	\$700.43	\$925.28	\$1,150.18	\$1,375.02	\$1,599.89
Recycling Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
300 Gallon	\$92.46	\$163.71	\$227.01	\$298.25	\$369.48	\$440.71	\$511.95
1 YD	\$111.62	\$199.21	\$286.79	\$374.37	\$461.95	\$549.51	\$637.12
1.5 YD	\$120.46	\$216.82	\$313.20	\$409.59	\$505.95	\$602.32	\$671.95
2 YD	\$141.61	\$259.17	\$376.74	\$494.33	\$611.84	\$729.41	\$846.98
3 YD	\$154.18	\$284.35	\$414.47	\$544.64	\$674.75	\$804.89	\$935.08
4 YD	\$166.78	\$309.50	\$452.23	\$594.95	\$737.67	\$880.40	\$1,023.12
6 YD	\$191.93	\$359.85	\$527.69	\$695.63	\$863.45	\$1,031.37	\$1,199.23
8 YD	\$217.11	\$410.14	\$597.36	\$796.25	\$989.31	\$1,182.34	\$1,375.41

### Attachment 3

Organics Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
64 Gallon	\$71.53	\$129.75	\$187.96	\$246.18	\$304.40	\$362.62	\$420.84
300 Gallon	\$112.25	\$201.31	\$280.43	\$369.49	\$458.52	\$547.56	\$636.61
1 YD	\$136.19	\$245.69	\$355.16	\$464.63	\$574.11	\$683.56	\$793.08
1.5 YD	\$147.24	\$267.70	\$388.18	\$508.66	\$629.11	\$749.57	\$836.60
2 YD	\$173.68	\$320.64	\$467.60	\$614.58	\$761.47	\$908.43	\$1,055.39
3 YD	\$189.40	\$352.11	\$514.77	\$677.47	\$840.11	\$1,002.79	\$1,165.52
Solid Waste Compactor Collection Rates							
Bin Size	Frequency of Weekly Pickup						
	1	2	3	4	5	6	7
2 YD	\$325.51	\$599.38	\$873.30	\$1,147.21	\$1,420.98	\$1,694.85	\$1,968.80
3 YD	\$354.80	\$658.03	\$961.20	\$1,264.40	\$1,567.56	\$1,870.37	\$2,174.00
4 YD	\$380.60	\$709.82	\$1,039.07	\$1,368.22	\$1,697.44	\$2,026.62	\$2,355.80
Roll Off Rates							
10 Cubic Yards (16' x 8' x 3')							
20 Cubic Yards (16' x 6' x 5')							
30 Cubic Yards (18' x 8' x 6')							
MOVE CONTAINER FEE after intial placement. Customers must give specific placement instructions, or have a spotter on site.						\$119.27	
SCHEDULED PICK-UPS per empty plus actual landfill charges. No container rental fee and MUST KEEP Roll Off bin for at least 90 days to qualify for scheduled pick-ups.						\$336.41	
UNSCHEDULED PICK-UPS per empty plus actual landfill charges plus oer day container charge as shown below.						\$400.45	
Daily Container Rental Charge for Unscheduled Service						\$9.18	
UNSCHEDULED PICK-UPS additional fee for nights, weekends, or holidays						\$213.47	
Temporary Construction Recycle Rates (Service < 90 Days, includes Delivery & Removal)							
1 YD						\$349.86	
1.5 YD						\$358.71	
2 YD						\$379.85	
3 YD						\$392.43	
4 YD						\$405.03	
6 YD						\$430.18	
8 YD						\$455.36	
Special Service Rates							
Subscription Item					Rate	Frequency of Charge	
Can/Bin Cleaning					\$25.00	/Request	
Can/Bin Re-Deliver Fee (after removal for missed payments)					\$25.00	/Occurrence	
Rear Loader Bulky Waste Pickup					\$25.00	/Request	
Roll-Off Overweight Charge					\$359.37	/Occurrence	
Commercial Recycling Contamination Fee					\$72.59	/Occurrence + \$1/CY	
Return Fee					\$71.87	/Occurrence	