




City Council Meeting

Item #10. – 20-134 Public Hearing: Adoption of a Resolution Setting Rates for Overall Solid Waste Services, Annual Clean-up Campaign, and Household Hazardous Waste in the Exclusive Franchise Area

June 23, 2020

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Background/Communications/Approvals

- 5/17/17 – Council approved pilot food scraps recycling program
- 9/28/17 & 10/30/17 – Pilot food scraps outreach meetings
- 1/30/18 & 10/9/18 – Council update on pilot and survey results
- 7/12/18 – Council update on SB 1383 and organics options
- **11/13/18** – Council approval to enter negotiations with Mission Trail Waste Systems (MTWS) and Recology
- 1/29/19 – Council approval of Amendment with Recology
- **9/17/19** – Council approval to enter negotiations with Green Waste Recovery (GWR) and proceed with developing MTWS agreement

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Background/Communications/Approvals

- 10/21/19 & 10/24/19 – Public outreach meetings on organics collection program options
- 11/4/19 – 11/22/19 – Public outreach survey on organics collection program options
- 12/3/19 – Council authorizes City Manager to execute agreement with Recology
- **12/10/19**
 - Council selects mixed waste processing option
 - Council authorizes City Manager to execute agreements with MTWS and GWR

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Solid Waste Rate Components

- Garbage Collection & Disposal
- Yard Trimmings Collection & Processing
- Residential Recycling Program
- Annual Clean-up Campaign
- Household Hazardous Waste Program (no increase)

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Garbage and Yard Trimmings Rate Increases

- Implementation of organic waste diversion programs (SB 1383)
 - New agreement with GWR to secure mixed waste processing
 - More expensive to recover organics than to dispose in a landfill
- New agreement with MTWS increased collection tariffs by 6 percent
- Existing Agreement with IDC/BFI for disposal and composting
 - COLA increase 2.9 percent

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Residential Recycling Rate Increase

- New agreement with Recology raised compensation by 14.3 percent effective July 1, 2020
 - Operating costs outpaced the Consumer Price Index (CPI)
 - Revenue for recyclable materials dropped significantly due to China's National Sword Policy
- New agreement is a good value for the City
 - Recent proposals for similar service for San Jose almost double
 - Actual Recology San Mateo costs per unit nearly double

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Clean-up Campaign (CUC) Rate Increase

- Monthly CUC charge has not been increased since July 2018
- Increase of \$0.23 per month (+4.1 percent) needed to pay for cost increases for contractual services following competitive procurements
 - Trucking
 - Equipment rental
 - Temporary staffing
- IDC/BFI disposal cost increases (+2.9 percent)

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Cost of Service/Rate Analysis

- Staff & R3 Consulting, Inc. established the proposed rates that are inclusive of:
 - Increasing costs due to new contract terms and conditions with MTWS, GWR & Recology
 - New mixed waste processing and composting costs compliant with SB 1383
- Proposed rates:
 - should be sufficient to meet City's costs for providing solid waste services in FY 2020/21
 - are in line with the estimates provided to Council on 12/10/19

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FY 2020/21 Proposed Rates



Single-Family Rates

	Current Charge	Proposed Charge	Difference	% Change
20-gallon Supersaver	\$29.04	\$35.80	\$6.76	+ 23.3%
Small Cart (32-gallon)	\$36.59	\$44.10	\$7.51	+ 20.5%
Medium Cart (64-gallon)	\$51.10	\$61.90	\$10.80	+ 21.1%
Large Cart (96-gallon)	\$65.61	\$79.80	\$14.19	+ 21.6%

Rates include: Yard trimmings charge (\$11.24 current/\$11.80 proposed); Residential recycling (\$4.40 current/\$5.30 proposed); Clean-up Campaign (\$5.67 current/\$5.90 proposed); and Household Hazardous Waste (\$0.30 current/\$0.30 proposed)



Commercial Rates

- Commercial front-load bin garbage service: + 23.1%
- Commercial front-load bin recycling service: + 6.0%
- MTWS special charges: + 6.0%
 - Includes push/pull, lock jam, driver time, and bin cleaning charges
- Roll-Off Debris bin collection: MTWS taking over billing services from City. All collection tariffs increased by 6 percent. MTWS to bill customers the actual cost to recycle or dispose of container contents



Countywide Rate Comparison

	Countywide Average FY 19/20	Santa Clara Proposed FY 20/21
20-gallon Supersaver *	\$26.08	\$35.80
Small Cart (32-gallon) *	\$34.87	\$44.10
Medium Cart (64-gallon) *	\$61.28	\$61.90
Large Cart (96-gallon) *	\$87.56	\$79.80
3 CY bin service 1 time/week	\$334.85	\$322.03
3 CY bin service 5 times/week	\$1,652.31	\$1,465.26

* Santa Clara rates have \$5.90/month CUC charge included. No other city provides comparable service



Coordination On Proposed Rate Increase

- 5/1/20 – Notice of Public Hearing and proposed rate increases mailed to 25,837 customers
- Information page on the City's website
- Established a Public Hearing for tonight
- Staff responded to questions from the public
- If approved, new rates will be effective July 1, 2020

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Alternatives & Recommendation

- At the close of the Public Hearing:
 - City Clerk counts the protests of the property owners;
 - Alternative 1 - Adopt the Resolution setting the overall rates to be charged to customers for solid waste collection and disposal services;
 - Alternative 2 - Do not adopt the Resolution and the City subsidizes the increase from the General Fund.
- Staff recommends Alternative 1.

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City of Santa Clara

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Estimated Rate Impacts of New Agreements Presented on 12/10/19

	7/1/19 (current)	7/1/2020	7/1/2021	7/1/2022	Change (19–22)
32-Gallon Single-Family	\$36.59	\$45.10	\$53.90	\$57.50	57%
32-Gallon Townhouse	\$25.35	\$31.30	\$37.40	\$39.90	57%
3-Cubic Yard Commercial Dumpster (1x week)	\$261.60	\$322.00	\$384.20	\$409.60	57%
3-Cubic Yard Multi-Family Dumpster (1x week/20 units)	\$349.60	\$430.30	\$513.50	\$547.50	57%

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Item# 10.20-134 Residential Rate Hike Analysis for Garbage

Split Bin option vs Green Waste Recovery Contract
How Green Waste Contract will cost residents millions of \$
- By Raj Chahal

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Table 7 Analysis for Proposed hike in garbage rates

Monthly Residential Garbage Rates	Current Rates	Proposed 2020-2021 Rates	% age hike current vs proposed*	Comments	
A1	Super saver (20 gallon) garbage cart charge	\$7.43	\$12.50	68.24%	Too steep
A2	Small (32 gallon) garbage cart charge	\$14.98	\$20.80	38.85%	Too steep
A3	Medium (64 gallon) garbage cart charge	\$29.49	\$38.60	30.89%	Too steep
A4	Large (96 gallon) garbage cart charge	\$44.00	\$56.50	28.41%	Too steep
B	Yard trimmings per unit	\$11.24	\$11.80	4.98%	
C	Annual Cleanup	\$5.67	\$5.90	4.06%	
D	Recycling per unit	\$4.40	\$5.30	20.45%	
E	Household Hazardous waste	\$0.30	\$0.30	0.00%	
Total of above 4 misc services(B+C+D+E)		\$21.61	\$23.30	7.82%	
Extra Grabage		\$4.50	\$5.70	26.67%	

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Residential Rate Comparison - Breakdown

	Current Option Year 2019-2020	With Green Waste Option for 6 months Year 2020-2021	%age Hike
Mission Trail Services	\$3,313,125	\$3,495,913	5.52%
Program Costs 2019-2020	\$4,364,219	\$6,253,306	43.79% ?
Green Waste Charges	\$0	\$1,237,500	
Landfill Disposal Costs 2019-2020	\$745,688	\$384,375	-48.45% ?
Residential Total Aggregate Base Garbage Revenues A1+A2+A3+A4 (Estimated)	\$8,423,032	\$11,371,094	35.00%
% hike from 2019-2020		35.00%	
Residents will pay more		\$2,948,062	

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Residential Rate comparison - with Split Bin option

	Current Option Year 2019-2020	With Green Waste Option for 6 months Year 2020-2021	If we had Split bin Option Year 2020-2021
Mission Trail Services	\$3,313,125	\$3,495,913	\$3,561,874
Program Costs 2019-2020	\$4,364,219	\$6,253,306	\$6,253,306
Green Waste Charges	\$0	\$1,237,500	\$0
Landfill Disposal Costs 2019-2020	\$745,688	\$384,375	\$384,375
Residential Total Aggregate Base Garbage Revenues A1+A2+A3+A4 (Estimated)	\$8,423,032	\$11,371,094	\$10,199,555
% hike from 2019-2020		35.00%	21.09%
Residents will pay more Compared to 2019-20		\$2,948,062	\$1,776,523
Savings compared to GWR		\$1,171,539	

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Residential Rate comparison - Split Bin vs GWR - Annualized

	Current Option Year 2019-2020	If we had Split bin Option Year 2020-2021	Annualized basis GWR Service
Mission Trail Services	\$3,313,125	\$3,561,874	\$3,495,913
Program Costs 2019-2020	\$4,364,219	\$6,253,306	\$6,253,306
Green Waste Charges	\$0	\$0	\$2,475,000
Landfill Disposal Costs 2019-2020	\$745,688	\$384,375	\$384,375
Residential Total Aggregate Base Garbage Revenues A1+A2+A3+A4 (Estimated)	\$8,423,032	\$10,199,555	\$12,608,594
% hike from 2019-2020		21.09%	49.69%
Residents will pay more		\$1,776,523	\$4,185,562
		Extra Payment by Residents annually	\$2,409,039
		Using GWR will cost us \$2,475,000 vs \$65,961	
		Compared to 2019-20 in 2020-2021 will pay almost 50% more	

6/23/20

Item #10

Julie Minot

From: webmanager@santaclaraca.gov
Sent: Monday, June 22, 2020 2:07 PM
To: Mayor and Council
Subject: Contact City Council

A new entry to a form/survey has been submitted.

Form Name: Contact City Council
Date & Time: 06/22/2020 2:06 PM
Response #: 234
Submitter ID: 74399
IP address: 2601:647:4601:e4a1:d088:712e:4704:977a
Time to complete: 2 min. , 46 sec.

Survey Details

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1. NAME

Teresa O'Neill

POST MEETING MATERIAL

2. EMAIL ADDRESS

toneill@santaclaraca.gov

3. COMMENTS

Hello - I am writing in regard to the proposed rate increase for Santa Clara's water, sewer and solid waste. I do not think this is the right time to make increases. Many people have lost their job, are unemployed. All utilities are increasing, but the extremely large increase is to the solid waste rates! Small garbage cart increase: \$5.82 Medium cart increase: \$9.11 Large cart increase: \$12.50!! These rates are way above average and there is no stated reason for such a huge increase. Only after several phone calls, and being rerouted several times, was I directed to the city website "Proposed Utility Rates". I feel like the city is not transparent at all, gives us as little information as possible, explains nothing and citizens have to do all the researching to get answers. In the Notice of Public Hearing, at first it directed us to attend a meeting or write a letter. Again, I had to make several phone calls to find out how to attend the meeting on Tuesday online. Colleen from the Environmental Dept. was extremely knowledgeable and helpful regarding the Food Scrap Recovery Program. Again, the city has given us very little information about this and the Notice of Public Hearing mentions a "mandated organics diversion requirement". I am sure the average citizen has very little understanding of what that means. I do know that we have new contracts about to be initiated, only because of my own inquiries. I do not understand why Recology is not doing the food scrap recovery program/composting! They have been doing it in San Francisco since 2002, so certainly know how to do it well. We have not been informed about this upcoming program, how it will work, and most important - when it is to begin. Please stress to the Mayor and City Clerk how important it is to communicate with the citizens of this city. They have not been doing a good job of this, especially in recent months. (One example: Declaring a State of Emergency on May 31 at 8:30pm and not informing the citizens! - I only found out about it the next day!). I wish they would ask for more citizen input on important matters, instead of "how we like the new City Newsletter". Thank you so much for listening to my concerns. I do hope they will be addressed at the City Council meeting on Tuesday, June 22, 2020. Thank you also for the good job you are doing, and for being a person I feel will listen to the people of Santa

Clara.

Judy M. Hight - Long-time Santa Clara resident

Thank you,
City of Santa Clara

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