COUNCIL PRESENTATION
MAY 25, 2010

Public Hearing for Adoption of a Resolution Setting the Overall Rates to be Charged to Customers for the Collection and Disposal of Garbage, Clean Green, Recycling, Annual Clean-Up Campaign, and Household Hazardous Waste on May 25, 2010

SOLID WASTE PROGRAM RATE COMPONENTS

- Garbage Collection & Disposal
- Clean Green Collection & Processing
- Residential Recycling Program
- Annual Clean-Up Campaign
- Household Hazardous Waste Program

LONG-TERM AGREEMENTS FOR SOLID WASTE SERVICES

- Long-term agreements in place for solid waste collection services that have terms for cost of living adjustment formulae:
  - Mission Trail Waste Systems: Garbage and Clean Green Collection Exclusive Franchise Agreement
  - Newby Island Landfill: Landfill Disposal & Green Waste Composting
  - Recology Santa Clara: Residential Recycling Program

OTHER SERVICES PROVIDED BY THE SOLID WASTE PROGRAM

- Annual Clean-Up Campaign – completed by a combination of City crews and contractors
- Household Hazardous Waste Program
  - Agreement in place with Santa Clara County Household Hazardous Waste Program to conduct drop-off events

SOLID WASTE RATE SETTING PROCESS

- Goal to increase fees for services to full cost recovery, while maintaining low rates
- April 9, 2010 – Notice of Public Hearing and proposed rate increases mailed out to Solid Waste, Water, and Sewer Utility customers
- April 20, 2010 – City Council set May 25, 2010 for Public Hearing to adopt proposed rates

PROPOSED MONTHLY CHARGES FOR SINGLE CAN/CART SERVICE (32-GALLON)

Garbage:	$9.76	(+$0.51)
Clean Green:	$8.53	(+$0.98)
Recycling:	$2.36	(+1.16)
CUC:	$3.80	(no change)
Hazardous Waste:	$0.30	(+$0.05)
TOTAL:	$24.75	($2.70)

OTHER PROPOSED MONTHLY RATE ADJUSTMENTS

- Additional 32-Gallon Cart/Can: $9.45
- Commercial Front-Load Bin Service: +5.5%
- Drop Body Debris Bin Service: +5.5%
- 20-Gallon Supersaver (+$0.21) +5.5%
- Extra Bag Tags (no change): $3.00 each
- Low Income Rate Discount: $1.25

  (Current is $0.90, qualifying income shifts from $20,000 to $27,500 per year)

GARBAGE COLLECTION & DISPOSAL

- Proposed 5.5% increase on most residential and commercial garbage services
- Council authorized the 2nd Amendment to the Exclusive Franchise Agreement with Mission Trail Waste Systems on December 15, 2009
  - Amendment stipulates increases of 2.0%, effective July 1, 2010; 7.9%, effective January 1, 2011; and 9.9%, effective July 1, 2011 to the Schedule of Tariffs paid for collection
  - Staff is recommending a single increase in FY 2010-11 to Solid Waste Rates to cover the first two contractually negotiated increases to the Schedule of Tariffs

CLEAN GREEN

- Proposed increase to $0.98 per month will shift the monthly charge from $7.55 per month to $8.53 per month
- Proposed rate increase will eliminate the General Fund subsidy for the Clean Green program
- 2nd Amendment stipulates the same compensation adjustment percentages for Clean Green and garbage collection

RESIDENTIAL RECYCLING PROGRAM

- Agreement with Recology Santa Clara took effect on December 7, 2009 to implement a single-stream recycling program
  - Amount paid to Recology shifted from $1.37 to $2.39 per month
  - Customer charge of $1.20/month took into account the average cost of recycling services for FY 2009-10 (the full effect of the increased costs are incorporated into the proposed FY 2010-11 customer charge of $2.36/month)

RESIDENTIAL RECYCLING PROGRAM (FUNDING CHALLENGES)

- Residential Recycling Program is funded through a combination of customer fees, AB 939 Implementation fees, and beverage container revenue distributions from the State (of which the State has withheld a portion)
  - $1.50 fee charged on every ton disposed – fees are collected by County and returned to cities to implement landfill diversion programs
  - Landfill tonnage is down about 10% due to recession
  - Increased recyclables collected through new single-stream program diverts materials away from the landfill and reduces revenues

ANNUAL CLEAN-UP CAMPAIGN

- No proposed increase, monthly fee to remain at $3.80
- Amount of material collected in the last two years has declined by about 30% because of the recession
- Program achieved full cost recovery in both 2009 and 2010
- If set-outs return to pre-recession historical averages the program will fall short of full cost recovery (transfer from the General Fund is required to cover any shortages)

HOUSEHOLD HAZARDOUS WASTE

- Proposed monthly increase of +$0.05 per household shifts rate to $0.30
- Number of Santa Clara residents that utilize household hazardous waste drop-off events provided by the County has increased by more than 20% over the last five years
- The program is funded mostly by a HHW fee of $2.60 per ton disposed at landfills
  - Declining landfill tonnage means declining HHW fees to offset the cost of the countywide program

COMPARISON WITH OTHER SANTA CLARA COUNTY JURISDICTIONS FOR GARBAGE, GREENWASTE, & RECYCLING (CUC-$3.80 and HHW-$0.30 not included)

	1-Can	2-Can	3-Can
Santa Clara *(current)*	$18.00	$26.94	$35.88
Santa Clara **(proposed)**	$20.65	$30.10	$39.55
County Ave. (current)	$24.18	$44.99	$65.71

- Only the City of Mountain View has a current lower rate for 1-Can service than Santa Clara. Santa Clara has the lowest 2-Can and 3-Can rates in the County.

RESOLUTION TO ADOPT OVERALL RATES TO BE CHARGED TO SOLID WASTE CUSTOMERS

- Full slate of proposed rates for FY 2010-11 is presented in Table A of the Resolution
- If approved, new rates will go into effect during the July 2010 billing cycle

STAFF RECOMMENDATION

At the close of the public hearing:

- City Clerk will count the protests of the property owners; if not a majority
- Council may adopt Resolution setting the overall rates to be charged to customers for solid waste collection and disposal services