



REPORT TO CITY COUNCIL

DATE: FEBRUARY 13, 2019

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER 

BY: LOUIS CELAYA, DEPUTY CITY MANAGER 

SUBJECT: GI INDUSTRIES/WASTE MANAGEMENT RESIDENTIAL SOLID WASTE RATE ADJUSTMENT FOR 2019

On December 16, 2016, the City Council approved a new solid waste franchise agreement with GI/Waste Management Industries (Waste Management) for the provision of residential solid waste services. The new franchise agreement commenced on January 1, 2017, and will terminate June 30, 2023. The agreement was established to ensure the provision of future residential refuse services, for the protection of the residents, in light of the changing solid waste industry and pending State legislation, the rates the residents pay in the future, and securing of necessary services to insure all refuse and recycling disposal needs were conveniently met.

Per Section 5.4.1 of the solid waste agreement, Waste Management is entitled to future adjustments (escalation) annually. All solid waste rates are subject to escalation beginning January 1 of each year, and Waste Management is required to notify its customers at least fifteen (15) days prior to the effected increase. For this escalation request, March 1 is the beginning date. Escalation is to only reflect adjustments in the Consumer Price Index (CPI) for the twelve-month period ending September 30 of each year. For the 2017-2018 period, the CPI adjustment is three point five percent (3.50%). The current agreement established a maximum CPI escalation of 3.0%, therefore the CPI adjustment for 2019 will be 3.0%. Staff has reviewed and confirmed that the rates being proposed (attached) reflect the CPI adjustment.

In addition to the CPI escalation for 2019, Waste Management also requested an additional solid waste rate adjustment (SWRA) for operation costs, to reflect a \$5.00 per ton residential curbside recycling cost increase. The request would have resulted in overall increase, ranging from 4% to 9%, in applicable service categories. Per the agreement, any SWRA must be substantiated with supporting documentation. As the request did not include definitive supporting documentation to allow staff to verify the request, and requests for additional information were not provided, the SWRA was denied.

For 2018, Waste Management continued to demonstrate compliance with its agreement by providing the required residential refuse services and timely submittals of diversion

reports and fees. They successfully continue to implement the Household Hazardous Waste and Electronic Waste Collection Program at no cost, continue to implement the limited residential organics program as required under the agreement, and continue to assist the City with its State mandatory solid waste diversion requirement. There are two areas where Waste Management requires improvement, one is the Public Education element, and the second is compliance with multi-family organic recycling as mandated by AB 1826. While these areas do require improvement, they are not to the point that would justify a denial of the annual escalation request. However, it should be noted that for the 2020 request, if no improvements are made in these identified areas, an escalation request may not be granted.

As part of the residential agreement, Waste Management is required to adhere to specific service performance standards (i.e., collection reliability, collection quality, customer responsiveness, etc.) that are connected to monetary penalties for non-compliance. For 2018, the City and its solid waste consultant received no complaints attributed to service performance standards. Additionally, Waste Management reported 60 complaints received that were attributed to missed pickups. The missed pickup complaints represent approximately zero point one percent (0.1%) of the total customers served.

In general, Waste Management continues to provide excellent customer service, with same-day or next-day responses or actions and immediate responses to staff inquiries and requests. Waste Management continues their long-term involvement in many community programs and events, and has sponsored several City events. Based on Waste Management's performance and compliance with the agreement, escalation is approved and will be implemented effective March 1, 2018.

RECOMMENDATION

Staff respectfully recommends the City Council receive and file the report for solid waste rate adjustments for residential solid waste services for 2019.

Attachment: Curbside Service /Condo/Townhome Residential Rates - 2019
Residential Bin Rates - 2019

RESIDENTIAL CURBSIDE SERVICE/CONDO-TOWNHOME RATES 2019

Curbside Service	Trash Cart	Recycle Cart	Yard Cart	Monthly Rate			
Minican	Blue 32	Grey 64	Green 96	\$ 19.47			
Level 1	Blue 64	Grey 64	Green 96	\$ 26.80			
Level 2	Blue 96	Grey 64	Green 96	\$ 32.63			
Level 3	2 -Blue 64	Grey 64	Green 96	\$ 47.51			
Level 4	1-64 & 1-96	Grey 64	Green 96	\$ 53.63			
Level 5	2-Blue 96	Grey 64	Green 96	\$ 53.93			
Condos/Townhomes	Trash Cart	Recycle Cart	Yard Cart	Rate per unit			
	Blue 32	Grey 64	n/a	\$ 13.98			
	Blue 64	Grey 64	n/a	\$ 20.14			
	Blue 96	Grey 64	n/a	\$ 26.31			
Valet/pullout service				\$ 14.60			

SERVICE OPTIONS

RATE

Start Charge	\$19.41	
Cut Off Restart Fee	\$22.35	
Customer Service Credit Card Processing Fee	\$9.15	
Senior Discount	15%	
Cut off/Start Activation Fee	\$22.35	
Third Additional 64 gal Trash Cart	\$11.45	
Third Additional 96 gal Trash Cart	\$17.19	
Additional 96 gal Green Waste cart	\$3.44	
Additional 64 gal Recycle Cart (2 nd N/C)	\$3.54	After two carts
Additional 96 gal Recycle Cart (2 nd N/C)	\$3.54	After two carts
96 gal Yard/Manure Cart	\$9.85	
Additional 96 gal Yard/Manure Cart	\$9.85	
Recycle Contamination Fee	\$27.41	
Greenwaste Contamination Fee	\$27.41	
Extra Pick Up on scheduled service day (bag)	\$3.44	Per bag
Extra Pick Up on scheduled service day (cart)	\$5.72	Per cart
Extra Pick Up on non-scheduled service day	\$28.60*	
*For 3 carts or 6 bags. Anything over this amount is extra. See Above		
Bulky Items Pick Up	4 items total; 2 trips per calendar year	
Additional Bulky Items Pick-ups	\$28.60	

RESIDENTIAL BIN RATES 2019

RESIDENTIAL & MULTI-FAMILY TRASH BINS RATES

1.5 yd. Trash Bin:	1x Week	\$ 75.84	5x Week	\$ 303.07
	2x Week	\$ 137.76	6x Week	\$ 358.18
	3x Week	\$ 192.87		
	4x Week	\$ 243.64		
3 yd. Trash Bin:	1x Week	\$ 90.57	5x Week	\$ 371.94
	2x Week	\$ 165.30	6x Week	\$ 440.82
	3x Week	\$ 234.19		
	4x Week	\$ 303.07		
4 yd. Trash Bin:	1x Week	\$ 99.44	5x Week	\$ 440.82
	2x Week	\$ 187.25	6x Week	\$ 523.49
	3x Week	\$ 267.96		
	4x Week	\$ 358.18		

RESIDENTIAL & MULTI-FAMILY RECYCLE BINS RATES

1.5 yd. Trash Bin:	1x Week	\$ 31.52	5x Week	\$ 156.79
	2x Week	\$ 62.77	6x Week	\$ 188.15
	3x Week	\$ 94.02		
	4x Week	\$ 125.55		
3 yd. Trash Bin:	1x Week	\$ 34.81	5x Week	\$ 162.28
	2x Week	\$ 68.26	6x Week	\$ 193.63
	3x Week	\$ 99.50		
	4x Week	\$ 131.03		
4 yd. Trash Bin:	1x Week	\$ 38.10	5x Week	\$ 167.76
	2x Week	\$ 71.54	6x Week	\$ 199.11
	3x Week	\$ 104.99		
	4x Week	\$ 136.51		