

Solid Waste Rate Increases & Proposition 218 Notice

October 30, 2018

Solid Waste Utility Status

- Solid Waste Fund is in deficit, need to balance revenue and expenditures
 - Spending roughly \$90,000 per month more than receiving in revenue
- The factors impacting the fund briefly include:
 - Previously approved increases (in 2013) did not fully support the Solid Waste Enterprise
 - Increases in landfill tipping fees over past few years
 - Implementation of Organics program that included container collection and loose in the street collection of yard materials

URAC Recommendation

Recommend the City Council adopt alternative #1 [of staff recommendations] but remove the bike path sweeping and old Davis landfill mitigation costs from the revenue requirement without any adjustment to the option #1 rate.

Rate Year	2018	2019	2020	2021	2022	2023
% Increase in Base Service Charges	N/A	13.50%	10.00%	8.00%	5.00%	5.00%
No Change to LITS (Current Program Offering)	\$34.32	\$38.95	\$42.85	\$46.28	\$48.59	\$51.02
Anticipated Ending Fund Balance	NA	\$1.3M*	\$841K	\$847K	\$1.2M	\$1.55M

*due to \$3M loan from Wastewater fund

Proposed Proposition 218 Schedule

Date	Action
October 30, 2018	City Council approval of Prop 218 Notice
November 14, 2018	Notices sent to property owners (Postmarked by)
January 8, 2019	Public Hearing/Protest Hearing at City Council meeting
February 1, 2019	Rates become effective

Staff Recommendation

Approve the following items associated with the solid waste utility rates:

- Receive and accept the Solid Waste Rate Report by R3 Consulting (Attachment 1); and
- Approve the Proposition 218 Notices containing solid waste rate adjustments for single family residential customers and commercial/multifamily customers to be effective beginning February 1, 2019.

Recommended Service Charge Adjustments				
2018-2019	2109-2020	2020-2021	2021-2022	2022-2023
13.5%	10.0%	8.0%	5.0%	5.0%

Alternative 1A

Rate Year	2018	2019	2020	2021	2022	2023
% Increase in Base Service Charges	N/A	11.5%	10.0%	8.0%	5.0%	5.0%
No Change to LITS (Current Program Offering)	\$34.32	\$38.27	\$42.10	\$45.47	\$47.74	\$50.13
Reduction from Staff Recommendation	N/A	0.68	0.75	0.81	0.85	0.89

Rate Comparison

Jurisdiction	Franchised Hauler					Included Basic Services			
		Effective Date	32-35 gal	64-68 gal	95-96 gal	Refuse	Recycling	Yard Waste	Food Waste
Davis	Recology Davis (Current)	12/1/2017	\$ 31.00	\$ 34.32	\$ 40.94	Weekly	Weekly	Weekly	Weekly
Dixon	Recology Dixon	1/1/2018	N/A	N/A	\$ 26.89	Weekly	Weekly	Weekly	Weekly
Vacaville	Recology Vacaville Solano	1/1/2018	\$ 24.74	N/A	\$ 28.00	Weekly	Weekly	Weekly	Weekly
Rancho Cordova	Republic Services	7/1/2018	\$ 21.57	\$ 25.95	\$ 33.97	Weekly	Biweekly	Biweekly	X
West Sacramento	Waste Management	7/1/2018	\$ 20.98	\$ 26.15	\$ 33.37	Weekly	Biweekly	Biweekly	X
Woodland	Waste Management	1/1/2018	\$ 28.99	\$ 30.99	\$ 41.48	Weekly	Weekly	Weekly	Weekly
Sacramento	City of Sacramento	1/1/2017	\$ 31.00	\$ 35.55	\$ 39.65	Weekly	Biweekly	Biweekly	X
Palo Alto	GreenWaste of Palo Alto	7/1/2017	\$ 50.07	\$ 100.15	\$ 150.22	Weekly	Weekly	Weekly	Weekly
Winters	Waste Management	11/7/2018	\$ 35.31	\$ 39.00	\$ 45.77	Weekly	Weekly	Weekly	Weekly
Elk Grove	Republic Services	7/1/2018	\$ 23.70	\$ 27.01	\$ 33.68	Weekly	Biweekly	Biweekly	X
Lodi	Waste Management	4/1/2018	\$ 27.41	\$ 41.24	\$ 89.88	Weekly	Biweekly	Biweekly	X
San Francisco	Recology	7/1/2018	\$ 56.50	\$ 80.71	\$ 94.17	Weekly	Weekly	Weekly	X
Castro Valley	Waste Management	7/1/2018	\$ 41.37	\$ 71.80	\$ 102.26	Weekly	Weekly	Weekly	Weekly
Roseville	City of Roseville	7/1/2018	N/A	N/A	\$ 24.35	Weekly	X	Biweekly	X
Santa Rosa	Recology	1/1/2018	\$ 27.05	\$ 41.11	\$ 64.77	Weekly	Weekly	Weekly	Weekly
San Mateo	Recology	1/1/2018	\$ 21.88	\$ 48.19	\$ 74.67	Weekly	Weekly	Weekly	Weekly