



CONSENT CALENDAR

Agenda Item # 2

AGENDA REPORT SUMMARY

Meeting Date: May 12, 2020

Subject: Resolution No. 2020-13: Solid Waste Rate Adjustment

Prepared by: Aida Fairman, Engineering Services Manager

Reviewed by: James Sandoval, Engineering Services Director

Approved by: Chris Jordan, City Manager

Attachments:

1. Resolution No. 2020-13
2. Maximum Rates for Adoption (FY 2020/21)
3. Corrected Rate Adjustment Calculation Tables (dated 5/10/2019)

Initiated by:

Staff; Solid Waste Franchise Agreement

Previous Council Consideration:

May 28, 2019; August 27, 2019 and October 22, 2019

Fiscal Impact:

An 8.48% increase in rates charged for service affects all ratepayers, including the City.

Environmental Review:

Statutorily Exempt – CEQA Section 15273(a)

Policy Question(s) for Council Consideration:

None

Summary:

- The City of Los Altos Municipal Code Section 6.12.020 - Charge for solid waste collection service states that “Any and all charges for solid waste collection service shall be set forth in the franchise agreement, contract or the collection service agreement between the city and its franchised hauler”
- The Franchise Agreement with Mission Trail Waste Systems (MTWS) provides for periodic rate adjustments based on the Water-Sewer-Trash Consumer Price Index
- The negotiations for an extension of the Franchise Agreement concluded in 2020 resulted in an extension and restatement of the agreement, which specifies rate increases at 8.48% in each year 2020, 2021, and 2022
- The increase that will be applied to the existing Solid Waste Collection rates is 8.48% and is captured in the Maximum Service Rates exhibit in Attachment 2

Reviewed By:

City Manager

CJ

City Attorney

CD

Finance Director

SE



Subject: Resolution No. 2020-13: Solid Waste Rate Adjustment

- Additionally, the May 28, 2019 staff report for the 2019 Solid Waste Rate Adjustment contained a superseded copy of the Los Altos rates calculation tables in the attachment

Staff Recommendation:

Adopt Resolution No. 2020-13, authorizing the increase of Solid Waste Collection Rates by 8.48% effective July 1, 2020, and approve correction to the May 28, 2019 staff report attachment to replace the original attachment (dated 4/29/2019) with Attachment 3 in this staff report (dated 5/10/2019)



Subject: Resolution No. 2020-13: Solid Waste Rate Adjustment

Purpose

Adopt Resolution No. 2020-13, authorizing the increase of Solid Waste Collection Rates by 8.48% effective July 1, 2020, and approve correction to the May 28, 2019 staff report attachment to replace the original attachment (dated 4/29/2019) with Attachment 3 in this staff report.

Background

The City of Los Altos Municipal Code Section 6.12.020 - Charge for solid waste collection service states that “Any and all charges for solid waste collection service shall be set forth in the franchise agreement, contract or the collection service agreement between the city and its franchised hauler.” The Franchise Agreement with Mission Trail Waste Systems (MTWS) provides for periodic rate adjustments based on an inflationary index, as defined below, and establishes that the next adjustment would apply to service beginning July 1, 2020.

The Franchise Agreement provides that MTWS shall charge service recipients an amount not to exceed the Maximum Service Rates (Attachment 2) approved by City Resolution as may be adjusted under the terms of the agreement.

Last year, an incorrect version of the service rates was attached to the 2019 rate adjustment staff report, which was approved on May 28, 2019. The report contained the correct rates and information; however, the Attachment 1 in that staff report was a superseded version (dated 4/29/2019). The correct attachment for the 2019 rates adjustment is included as Attachment 3 in this staff report. The rates given in Attachment 3 are about 3.24% higher than the incorrect rates that were attached to the 2019 rate adjustment staff report. MTWS began charging Service Recipients the correct rates in January 2020.

Discussion/Analysis

At its October 22, 2019 meeting, the City Council approved an extension of the Franchise Agreement concluded in 2020, which resulted in an amended and restated Franchise Agreement that specifies rate increases of 8.48% on each July 1st of 2020, 2021, and 2022. Thereafter, annual rate adjustments will be based upon the inflationary index measure for Water-Sewer-Trash (U.S. Department of Labor, Bureau of Labor Statistics, Series Id: CUSR0000SEHG, Water and sewer, and trash collection services in U.S. city average, all urban consumers, seasonally adjusted, U.S. city average) as well as an adjustment for organics processing cost increases and, in one year, a change in the cost of disposal. The 8.48% increases include CPI adjustments each year.

At the October 22, 2019 City Council Meeting, the Council directed the city manager to finalize negotiations and amendment language according to Council direction and execute the amended Franchise Agreement without returning to Council. The amended and restated Franchise Agreement was executed by the city manager and the president of Mission Trail Waste Systems.



Subject: Resolution No. 2020-13: Solid Waste Rate Adjustment

Options

- 1) Adopt Resolution No. 2020-13, authorizing the increase of Solid Waste Collection Rates by 8.48% effective July 1, 2020; and approve correction to the May 28, 2019 staff report attachment.

Advantages: The rate increase is in accordance with the newly executed Amended and Restated Collection Service Agreement (i.e., Franchise Agreement)

Disadvantages: None

- 2) Do not adopt Resolution No. 2020-13, authorizing the increase of Solid Waste Collection Rates by 8.48% effective July 1, 2020, and approve correction to May 28, 2019 staff report attachment.

Advantages: None

Disadvantages: The rates will not be adjusted as agreed upon in the Franchise Agreement.

Recommendation

The staff recommends Option 1.

RESOLUTION NO. 2020-13

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
AUTHORIZING THE INCREASE OF SOLID WASTE COLLECTION RATES
BY 8.48% EFFECTIVE JULY 1, 2020**

WHEREAS, the City of Los Altos Municipal Code Section 6.12.020 (Charge for solid waste collection service) states that “Any and all charges for solid waste collection service shall be set forth in the franchise agreement, contract or the collection service agreement between the City and its franchised hauler.”; and

WHEREAS, the agreement between the City of Los Altos and Mission Trail Waste Systems (MTWS) provides for periodic rate adjustments based on the Water-Sewer-Trash inflation index (i.e., U.S. Department of Labor, Bureau of Labor Statistics, Series Id: CUSR0000SEHG, Water and sewer, and trash collection services in U.S. city average, all urban consumers, seasonally adjusted, U.S. city average); and

WHEREAS, the City Council has determined that the appropriate increase to be effective July 1, 2020 is 8.48%.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Los Altos hereby authorizes the attached rate schedule to be applied to solid waste collection services within the service area provided in the City’s Franchise Agreement with Mission Trail Waste Systems.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the day of May, 2020 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jan Pepper, MAYOR

Attest:

Andrea Chelemengos, MMC, CITY CLERK

Attachment 2

Exhibit 1a Maximum Service Rates – SFD Services Effective July 1, 2020					
A. CURBSIDE COLLECTION SERVICE					
	Garbage Cart Sizes (gallons)	20	32	64	96
1	MONTHLY CURBSIDE RATE	\$36.07	\$38.86	\$77.69	\$116.56
2	Additional Curbside Garbage Cart – (added to Line A2)	\$36.07	\$38.86	\$77.69	\$116.56
B. ON-PREMISE COLLECTION SERVICE					
1	MONTHLY ON-PREMISE RATE (5 – 100 ft)	\$49.55	\$52.31	\$91.16	\$130.01
2	Additional On-Premise Garbage Cart – (added to Line B2)	\$49.55	\$52.31	\$91.16	\$130.01
3	Additional Walk-in Distance – Each 100 feet (add to line B1 or B2)	\$13.80	\$13.80	\$13.80	\$13.80
C. ADDITIONAL BULKY WASTE COLLECTION					
1	Additional On-Call Bulky Waste Collection (Individual Large Items)	\$22.43	Each additional large item (over 3 Large Items per Bulky Waste Collection)		
3	Additional On-Call Bulky Waste Collection (Loose)	\$34.54	Per cubic yard/occurrence (over 2 Bulky Waste Collections per Agreement Year)		
2	Collection of Large Items Containing Freon	\$69.09	Each item/each occurrence		
D. ADDITIONAL CART EXCHANGE OR REPLACEMENT					
1	Additional Garbage Cart Exchange	\$34.54	Each occurrence		
E. ON-CALL HHW COLLECTION					
1	On-Call HHW Collection	\$34.54	Each occurrence		
F. DISPOSAL COST PER TON COST					
	Disposal Facility Charge Per Ton	City Contract Rate	Newby Island Sanitary Landfill		

Attachment 2

**Exhibit 1b
Maximum Service Rates – Commercial and MFD Services
Effective July 1, 2020**

Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
32 Gallon	\$38.85	\$77.69	\$116.55	\$155.37	\$194.24	\$233.06
64 Gallon	\$77.69	\$155.40	\$233.09	\$310.82	\$388.50	\$466.21
96 Gallon	\$116.56	\$233.08	\$349.64	\$466.19	\$582.75	\$699.25
1 CY BIN	\$152.43	\$304.89	\$457.31	\$609.74	\$762.18	\$914.60
2 CY BIN	\$304.89	\$609.74	\$914.60	\$1,219.48	\$1,524.36	\$1,829.22
3 CY BIN	\$457.29	\$914.60	\$1,371.93	\$1,829.23	\$2,286.54	\$2,743.83
4 CY BIN	\$609.74	\$1,219.48	\$1,829.23	\$2,438.94	\$3,048.72	\$3,658.48
6 CY BIN	\$914.60	\$1,829.23	\$2,743.83	\$3,658.45	\$4,573.07	\$5,487.68
Bin Push Rates (rate multiplied by collection frequency)	0 - 25 feet	\$28.70	per month for each 25 feet			
	No Charge		increment over the first 25 feet			
Disposal Charge Per Ton			City Contract Rate	Newby Island Sanitary Landfill		
Organic Waste Processing Charge Per Ton			City Contract Rate	Zanker Road Processing Facility		
Organic Waste Processing Charge Per Ton			MTWS Contract Rate	Newby Island Processing Facility, (must be approved by CITY)		
Mixed C&D, Inerts, Green Waste, Wood Waste Processing Charge Per Ton			City Contract Rate	Newby Island Processing Facility		
On-Call Bulky Waste Collection (Loose)		\$34.55	Per cubic yard/occurrence			
On-Call Bulky Waste Collection (Individual Large Items)		\$22.43	Each item/each occurrence			
On-Call Bulky Waste – Large Items Containing Freon		\$69.09	Each item/each occurrence			
Charge for Opening Locked Gate		\$34.55	Per month			
Charge for CONTRACTOR supplied lock		\$34.55	Each lock			
Charge for installing lock bar		\$241.81	Each locking bar			
Charge for special bin delivery		\$103.65	Each special bin			
Charge for extra bin service same day		\$103.65	Each occurrence			
Extra Bin Cleaning		\$103.64	Each occurrence			
Additional Garbage Bin Exchange		\$34.55	Each occurrence			
Additional Bin Garbage Replacement		\$103.65	Each occurrence			
Charge for collecting manure		95% of Garbage rate				
Charge for extra day bin service on regular collection day		1/3 of Monthly Rate				
Charge for extra bin service not on regular collection day		1/2 of Monthly Rate				

Attachment 2

Exhibit 1c Maximum Service Rates – SFD, MFD and Commercial Debris Box Services Effective July 1, 2020					
10 CY Debris Box	\$741.81	Per Pull		10 CY Compactor	\$842.50 Per Pull
15 CY Debris Box	\$741.81	Per pull		15 CY Compactor	\$842.50 Per Pull
20 CY Debris Box	\$842.50	Per pull		20 CY Compactor	\$849.29 Per Pull
30 CY Debris Box	\$849.29	Per pull		30 CY Compactor	\$849.29 Per Pull
40 CY Debris Box	\$849.29	Per pull		40 CY Compactor	\$849.29 Per Pull
	Disposal Charge Per Ton		City Contract Rate		Newby Island Sanitary Landfill
	Organic Waste Processing Charge Per Ton		City Contract Rate		Zanker Road Processing Facility
	Organic Waste Processing Charge Per Ton		MTWS Contract Rate		Newby Island Processing Facility, (must be approved by CITY)
	Mixed C&D, Inerts, Green Waste, Wood Waste Processing Charge Per Ton		City Contract Rate		Newby Island Processing Facility
	Demurrage Per Charge (not dumped every 7 days)			\$165.85	Per week
	Per hour Stand-by Charge (box not ready to be pulled)			\$138.19	Per hour
				Saturday Service	\$207.27 Per pull
				Charge for Opening Locked Gate	\$34.56 Per month
Notes:					
All 10, 20, 30, 40 CY debris boxes and compactors are pull rates only; disposal or processing will be based on actual disposal processing and the Franchise Fee will be 15% of the gross receipts per box (including collection, processing or disposal). The total customer rate will be the total cost for the collection, processing or disposal and the franchise fee.					

Attachment 2

Exhibit 1d
Maximum Service Rates – City Services
 Effective July 1, 2020

Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
32 Gallon	\$33.02	\$66.04	\$99.05	\$132.05	\$165.09	\$198.10
64 Gallon	\$66.06	\$132.09	\$198.15	\$264.19	\$330.22	\$396.27
96 Gallon	\$99.07	\$198.12	\$297.22	\$396.26	\$495.33	\$594.38
1 CY BIN	\$129.57	\$259.15	\$388.72	\$518.28	\$647.83	\$777.40
2 CY BIN	\$259.15	\$518.28	\$777.40	\$1,036.55	\$1,295.71	\$1,554.84
3 CY BIN	\$388.72	\$777.40	\$1,166.15	\$1,554.84	\$1,943.55	\$2,332.26
4 CY BIN	\$518.28	\$1,036.55	\$1,554.84	\$2,073.14	\$2,591.42	\$3,109.66
6 CY BIN	\$777.40	\$1,554.84	\$2,332.26	\$3,109.66	\$3,887.11	\$4,664.54
10 CY Debris Box	\$630.54	Per Pull		10 CY Compactor	\$716.11	Per Pull
15 CY Debris Box	\$630.54	Per pull		15 CY Compactor	\$716.11	Per Pull
20 CY Debris Box	\$716.11	Per pull		20 CY Compactor	\$721.90	Per Pull
30 CY Debris Box	\$721.90	Per pull		30 CY Compactor	\$721.90	Per Pull
40 CY Debris Box	\$721.90	Per pull		40 CY Compactor	\$721.90	Per Pull
Public Containers Collection (as included in Exhibit 2)	\$7,865.05	per month		7 days/week		
	\$94,380.53	per 12 months				
Green Waste Drop-off	\$41.45	per ton			MTWS transfer facility in Santa Clara	
Disposal Charge Per Ton		City Contract Rate			Newby Island Sanitary Landfill	
Organic Waste Processing Charge Per Ton		City Contract Rate			Zanker Road Processing Facility	
Organic Waste Processing Charge Per Ton		MTWS Contract Rate			Newby Island Processing Facility, (must be approved by CITY)	
Mixed C&D, Inerts, Green Waste, Wood Waste Processing Charge Per Ton		City Contract Rate			Newby Island Processing Facility	

Notes:

All 10, 20, 30, 40 CY debris boxes and compactors are pull rates only; disposal or processing will be based on actual disposal processing and the Franchise Fee will be 15% of the gross receipts per box (including collection, processing or disposal). The total customer rate will be the total cost for the collection, processing or disposal and the franchise fee.

Attachment 2

Exhibit 1e Maximum Service Rates – Emergency Service Rates - Employees Effective July 1, 2020	
Labor Position	Hourly Rate
As needed	\$103.65

Exhibit 1f Maximum Service Rates – Emergency Service Rates - Equipment Effective July 1, 2020		
Labor Position or Equipment Type	Make & Model	Hourly Rate
Truck and One person	As needed	\$241.81

Attachment 3

Exhibit 1b Maximum Service Rates – Commercial and MFD Services Effective July 1, 2019						
Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
32 Gallon	\$35.81	\$71.61	\$107.44	\$143.23	\$179.05	\$214.84
64 Gallon	\$71.62	\$143.25	\$214.87	\$286.52	\$358.13	\$429.77
96 Gallon	\$107.45	\$214.86	\$322.30	\$429.74	\$537.19	\$644.59
1 CY BIN	\$140.51	\$281.06	\$421.56	\$562.08	\$702.60	\$843.10
2 CY BIN	\$281.06	\$562.08	\$843.11	\$1,124.15	\$1,405.19	\$1,686.23
3 CY BIN	\$421.55	\$843.10	\$1,264.68	\$1,686.24	\$2,107.80	\$2,529.34
4 CY BIN	\$562.08	\$1,124.15	\$1,686.24	\$2,248.29	\$2,810.40	\$3,372.49
6 CY BIN	\$843.10	\$1,686.24	\$2,529.34	\$3,372.47	\$4,215.58	\$5,058.70
Bin Push Rates (rate multiplied by collection frequency)		0 - 25 feet	\$26.46	per month for each 25 feet		
		No Charge		increment over the first 25 feet		
Disposal Charge Per Ton		City Contract Rate		Newby Island Sanitary Landfill		
Organic Waste Processing Charge Per Ton		City Contract Rate		Zanker Road Processing Facility		
Organic Waste Processing Charge Per Ton		MTWS Contract Rate		Newby Island Processing Facility, (must be approved by CITY)		
Mixed C&D, Inerts, Green Waste, Wood Waste Processing Charge Per Ton		City Contract Rate		Newby Island Processing Facility		
On-Call Bulky Waste Collection (Loose)			\$31.85	Per cubic yard/occurrence		
On-Call Bulky Waste Collection (Individual Large Items)			\$20.68	Each item/each occurrence		
On-Call Bulky Waste – Large Items Containing Freon			\$63.69	Each item/each occurrence		
Charge for Opening Locked Gate			\$31.85	Per month		
Charge for CONTRACTOR supplied lock			\$31.85	Each lock		
Charge for installing lock bar			\$222.90	Each locking bar		
Charge for special bin delivery			\$95.55	Each special bin		
Charge for extra bin service same day			\$95.55	Each occurrence		
Extra Bin Cleaning			\$95.54	Each occurrence		
Additional Garbage Bin Exchange			\$31.85	Each occurrence		
Additional Bin Garbage Replacement			\$95.55	Each occurrence		
Charge for collecting manure			95% of Garbage rate			
Charge for extra day bin service on regular collection day			1/3 of Monthly Rate			
Charge for extra bin service not on regular collection day			1/2 of Monthly Rate			

Attachment 3

Exhibit 1c Maximum Service Rates – SFD, MFD and Commercial Debris Box Services Effective July 1, 2019					
10 CY Debris Box	\$683.82	Per Pull		10 CY Compactor	\$776.64 Per Pull
15 CY Debris Box	\$683.82	Per pull		15 CY Compactor	\$776.64 Per Pull
20 CY Debris Box	\$776.64	Per pull		20 CY Compactor	\$782.90 Per Pull
30 CY Debris Box	\$782.90	Per pull		30 CY Compactor	\$782.90 Per Pull
40 CY Debris Box	\$782.90	Per pull		40 CY Compactor	\$782.90 Per Pull
Disposal Charge Per Ton		City Contract Rate	Newby Island Sanitary Landfill		
Organic Waste Processing Charge Per Ton		City Contract Rate	Zanker Road Processing Facility		
Organic Waste Processing Charge Per Ton		MTWS Contract Rate	Newby Island Processing Facility, (must be approved by CITY)		
Mixed C&D, Inerts, Green Waste, Wood Waste Processing Charge Per Ton		City Contract Rate	Newby Island Processing Facility		
Demurrage Per Charge (not dumped every 7 days)				\$152.88	Per week
Per hour Stand-by Charge (box not ready to be pulled)				\$127.39	Per hour
Saturday Service				\$191.07	Per pull
Charge for Opening Locked Gate				\$31.86	Per month
Notes:					
<p>All 10, 20, 30, 40 CY debris boxes and compactors are pull rates only; disposal or processing will be based on actual disposal processing and the Franchise Fee will be 15% of the gross receipts per box (including collection, processing or disposal). The total customer rate will be the total cost for the collection, processing or disposal and the franchise fee.</p>					

Attachment 3

Exhibit 1d
Maximum Service Rates – City Services
 Effective July 1, 2019

Container Size	Collection Frequency					
	1X Week	2X Week	3X Week	4X Week	5X Week	6X Week
32 Gallon	\$30.43	\$60.88	\$91.31	\$121.73	\$152.19	\$182.61
64 Gallon	\$60.89	\$121.76	\$182.66	\$243.54	\$304.41	\$365.29
96 Gallon	\$91.33	\$182.63	\$273.98	\$365.28	\$456.61	\$547.91
1 CY BIN	\$119.44	\$238.89	\$358.33	\$477.77	\$597.19	\$716.63
2 CY BIN	\$238.89	\$477.77	\$716.63	\$955.52	\$1,194.42	\$1,433.30
3 CY BIN	\$358.33	\$716.63	\$1,074.99	\$1,433.30	\$1,791.62	\$2,149.94
4 CY BIN	\$477.77	\$955.52	\$1,433.30	\$1,911.08	\$2,388.84	\$2,866.58
6 CY BIN	\$716.63	\$1,433.30	\$2,149.94	\$2,866.58	\$3,583.25	\$4,299.91
10 CY Debris Box	\$581.25	Per Pull		10 CY Compactor	\$660.13	Per Pull
15 CY Debris Box	\$581.25	Per pull		15 CY Compactor	\$660.13	Per Pull
20 CY Debris Box	\$660.13	Per pull		20 CY Compactor	\$665.47	Per Pull
30 CY Debris Box	\$665.47	Per pull		30 CY Compactor	\$665.47	Per Pull
40 CY Debris Box	\$665.47	Per pull		40 CY Compactor	\$665.47	Per Pull
Public Containers Collection (as included in Exhibit 2)	\$7,250.23	per month	7 days/week			
	\$87,002.71	per 12 months				
Green Waste Drop-off	\$38.21	per ton	MTWS transfer facility in Santa Clara			
Disposal Charge Per Ton	City Contract Rate			Newby Island Sanitary Landfill		
Organic Waste Processing Charge Per Ton	City Contract Rate			Zanker Road Processing Facility		
Organic Waste Processing Charge Per Ton	MTWS Contract Rate			Newby Island Processing Facility, (must be approved by CITY)		
Mixed C&D, Inerts, Green Waste, Wood Waste Processing Charge Per Ton	City Contract Rate			Newby Island Processing Facility		
Notes:						
All 10, 20, 30, 40 CY debris boxes and compactors are pull rates only; disposal or processing will be based on actual disposal processing and the Franchise Fee will be 15% of the gross receipts per box (including collection, processing or disposal). The total customer rate will be the total cost for the collection, processing or disposal and the franchise fee.						

Attachment 3

Exhibit 1e Maximum Service Rates – Emergency Service Rates - Employees Effective July 1, 2019	
Labor Position	Hourly Rate
As needed	\$95.55

Exhibit 1f Maximum Service Rates – Emergency Service Rates - Equipment Effective July 1, 2019		
Labor Position or Equipment Type	Make & Model	Hourly Rate
Truck and One person	As needed	\$222.90