

SOLID WASTE SERVICES PROPOSED FIVE YEAR RATE PLAN

Public Works Department

City Council
September 19, 2023

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THE RATES PROCESS

**Board of
Public
Utilities**
June 12,
2023

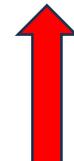
**Community
Meetings**
July 31, 2023
August 3, 2023
August 8, 2023

**City Council
Public Hearing
and Rate
Consideration**
September 19,
2023



City Council
June 27,
2023

**Board of Public
Utilities Public
Hearing and Rate
Consideration**
August 28, 2023



You Are Here!



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NEW FIVE-YEAR RESIDENTIAL RATE PLANS



WATER: \$0.15 per day



ELECTRIC: \$0.21 per day



REFUSE: + \$0.09 per day

\$0.45 per day

or

\$13.50 per 30-day month



Numbers shown are average annual increases



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BACKGROUND

- On June 27, 2023, Council approved to set a public hearing for 6:15 pm on September 19, 2023
- The City organized three community meetings at the locations and dates listed below to provide more information:
- Monday, 07/31/2023 at 6:30 pm, Orange Terrace Parkway Ballroom, 20010 Orange Terrace Pkwy
- Thursday, 08/03/2023 at 6:30 pm, La Sierra Community/Senior Center Ballroom, 5215 La Sierra Ave
- Tuesday, 08/08/2023 at 6:30 pm, Bobby Bonds/Cesar Chavez Auditorium, 2060 University Ave.



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PROPOSED SOLID WASTE RATE INCREASE

WHAT DOES THIS MEAN FOR OUR RESIDENTS?

Costs to increase \$0.08-\$0.09 per day

**\$2.42 - \$2.75 per month
over a 5-year period**



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CALIFORNIA CITIES ARE INCREASING RATES



90% of cities
are considering
rate increases



The average
city is considering a
17.94% rate increase

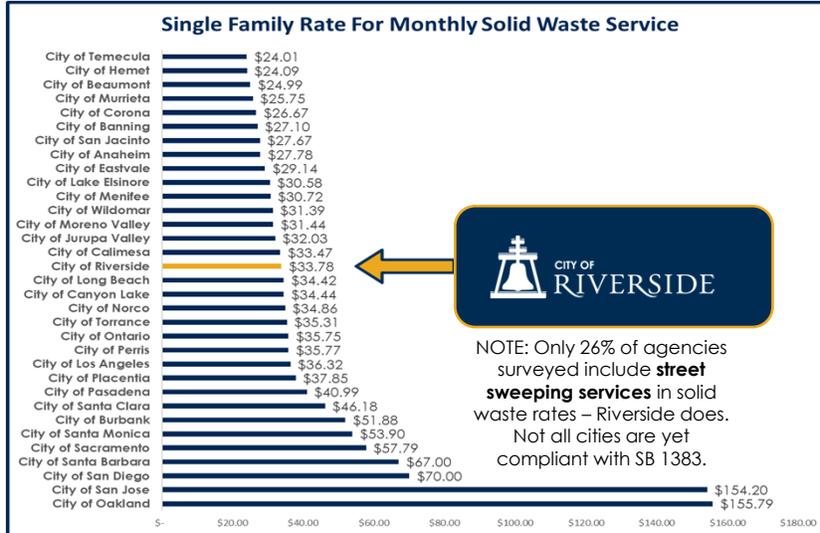


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COMPARISON BY CITY



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WHAT WE DO

Serve **63,484 homes** weekly.

Sweep **800+ miles of streets**, twice a month.

Ensure **compliance** with State regulations

Provide **community services**



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ACCOMPLISHMENTS



674.6 Million pounds of waste collected



4.8 Million pounds of street debris swept



97.69 Million pounds of green waste diverted from landfills (up 8% from 2021)



26,662 calls for service responded to in 2022



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HISTORY OF RATE INCREASES

YEAR	PERCENT INCREASE
2008/09	0.00%
2009/10	0.10%
2010/11	1.00%
2011/12	1.00%
2012/13	1.00%
2013/14	1.90%
2014/15	1.10%
2015/16	0.70%
2016/17	2.00%
2017/18	2.00%
2018/19	9.80%
2019/20	3.20%
2020/21	7.70%
2021/22	6.70%
2022/23	4.70%

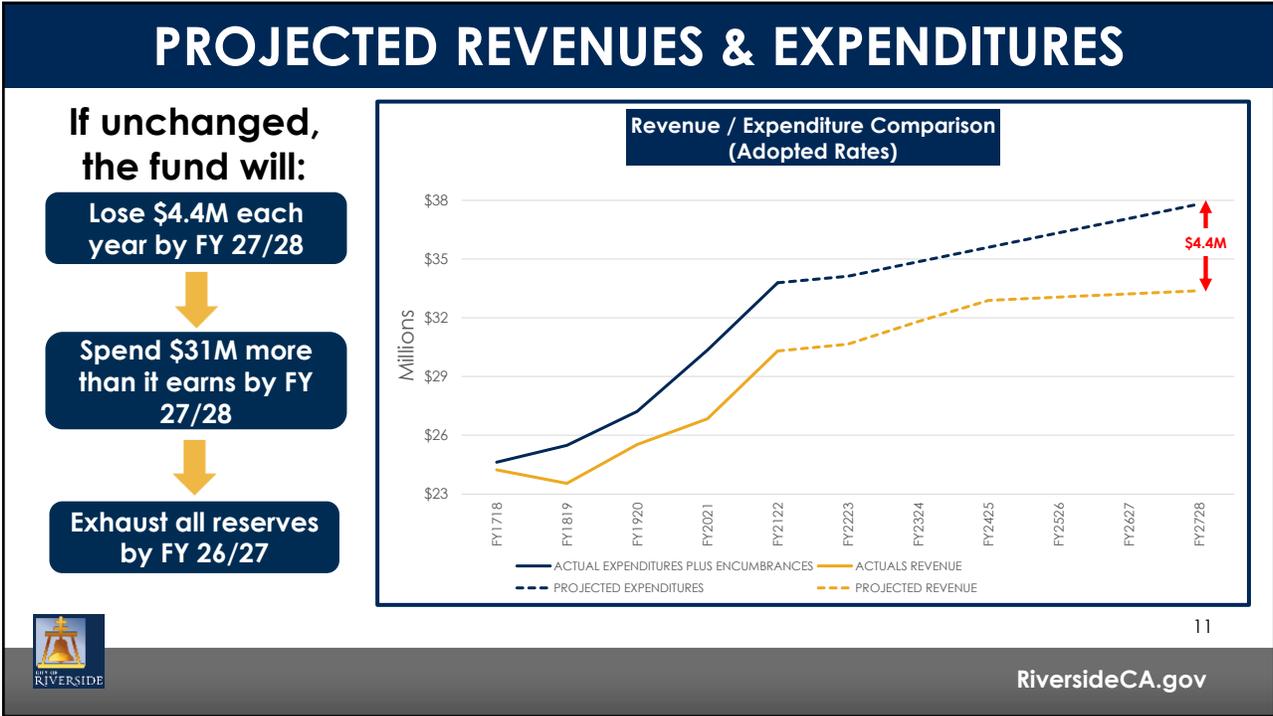
Rates remained at or below 2% for 10 years



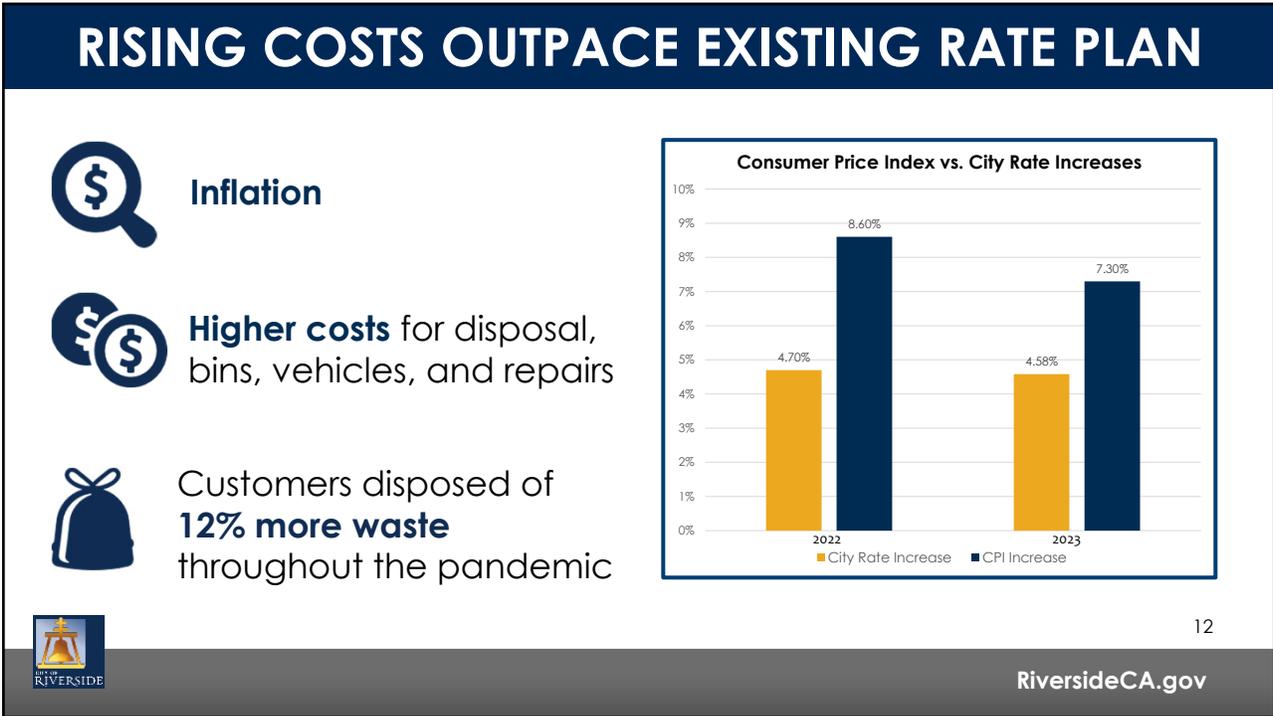
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THE WHY

CHINA NATIONAL SWORD POLICY



- **China no longer accepts recycled goods**
- Prior to China's ban, the City **made money on recycling**
- In FY 22/23, the City **paid \$2.3M** to recycle
- Recycling is mandatory in California



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THE WHY

CALIFORNIA SENATE BILL 1383 MANDATES

- **Senate Bill 1383 - California is the only State to require:**
 - a) Organics recycling for all waste
 - b) Edible food recovery programs
 - c) Food waste diversion programs
- **FY22/23 - \$2.9 Million** in organics costs
- Additional staffing and software costs



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THE WHY

OTHER STATE REGULATIONS



Tequesquite Landfill maintenance & reporting:

- \$1.2M gas collection system and flare
- SC-AQMD Compliance

California Air Resources Board

Advanced Clean Fleet Regulation:

- **50% of new vehicles must be ZEV by Jan 2024**
- **100% of new vehicles must be ZEV by 2027**



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UNDER-RESOURCED SERVICES



2,560 illegal dumps cleaned last year



3,000-3,500 homes delayed per day



Over 50% of fleet is beyond its useful life

If one driver is out, **over 1,000 homes** may be delayed

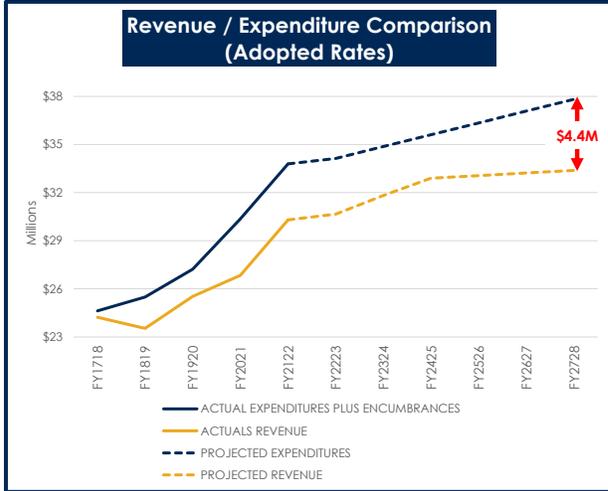


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WHAT'S BEEN DONE TO KEEP RATES LOW



\$2 Million used
from reserves EACH YEAR
since FY 18/19

\$11 Million
in General Fund Subsidy

\$1.3 Million
in Grant Funds



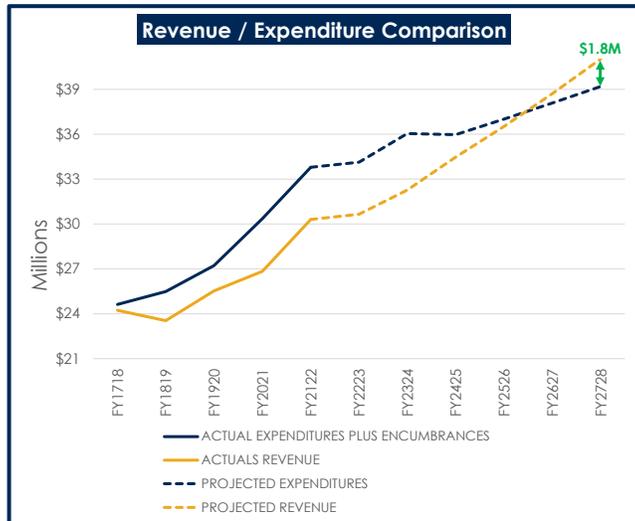
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NEW PROJECTED REVENUES & EXPENDITURES

New rates will:



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PROPOSED RATE INCREASE

Proposed Solid Waste Rates		
Date	Rate Increase	Dollar Increase
November 2023	2.92%	\$0.94 / Month
July 2024	7.5%	\$2.60 / Month
July 2025	6.5%	\$2.43 / Month
July 2026	6.5%	\$2.58 / Month
July 2027	6.5%	\$2.75 / Month

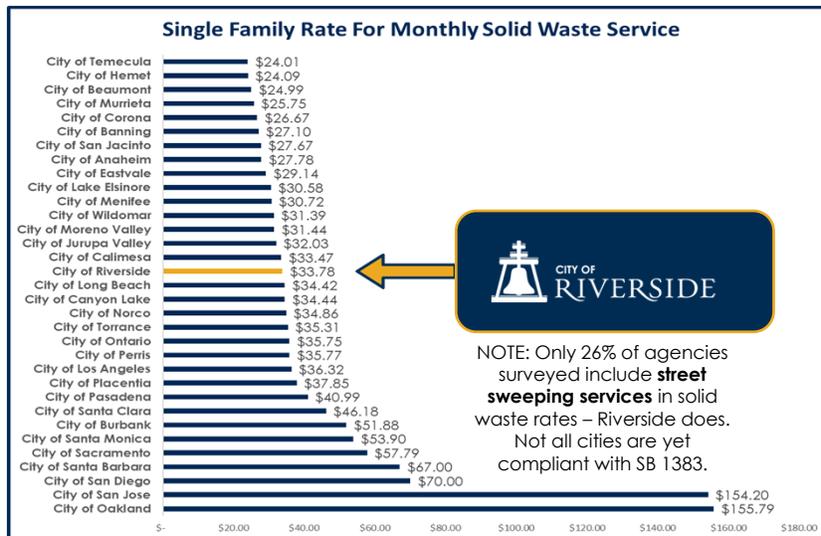


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COMPARISON BY CITY



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PROVIDING QUALITY SERVICE

- Purchased **19 new vehicles** for Solid Waste
- Regularly purchase new vehicles
- Hire a **5-person relief crew**
- Purchase **new technology** including in-route navigation

➔

Reduce vehicle downtime

Consistent service

Boost team morale




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STRATEGIC PLAN ALIGNMENT



Strategic Priority 4 – Environmental Stewardship

Goal 4.4 – Implement measures and educate the community to responsibly manage goods, products, and services throughout their life cycle to achieve waste reduction outcomes.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation


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RECOMMENDATIONS

1. Conduct a public hearing to consider all oral comments and written protests to the proposed rate increase for residential and commercial refuse rates through June 30, 2028; and,
2. If a majority protest does not exist, adopt a Resolution approving the residential rate structure from November 1, 2023, through June 30, 2028.



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