

SOLID WASTE SERVICES PROPOSED FIVE YEAR RATE PLAN

Public Works Department

City Council
June 27, 2023

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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



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**

or the price of a
Cup of Coffee



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CALIFORNIA CITIES ARE INCREASING RATES



90% of cities
are considering
rate increases



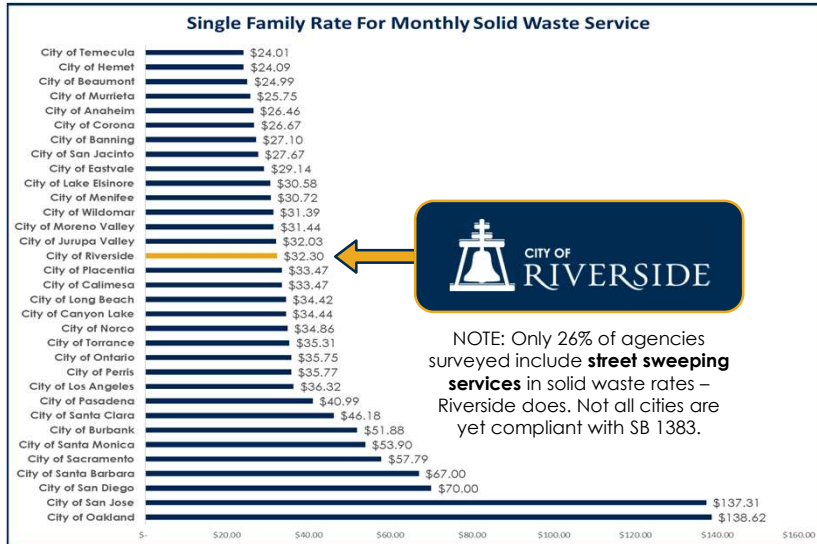
The average
city is considering a
17.94% rate increase



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COMPARISON BY CITY



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WHO WE ARE



Solid Waste Collection Services



Street Sweeping Services



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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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SOLID WASTE SERVICES: ADDED VALUE

Special Services and Initiatives:

1. Disabled resident pickup assistance
2. Free "Bulky Item" pickup services:
Most out of all surveyed agencies
3. Clean Up Riverside
4. Support Beautify Riverside, Festival of Lights, and Keep Riverside Clean & Beautiful
5. Local career days & job fairs
6. Participate in City-hosted events:
Truckapalooza & Insect Fair



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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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PROJECTED REVENUES & EXPENDITURES

If unchanged, the fund will:

- Lose \$4.4M each year by FY 27/28
- ↓
- Spend \$31M more than it earns by FY 27/28
- ↓
- Exhaust all reserves by FY 26/27

Fiscal Year	Actual Expenditures Plus Encumbrances (Millions)	Actuals Revenue (Millions)	Projected Expenditures (Millions)	Projected Revenue (Millions)
FY17/18	~\$24.5	~\$24.0	~\$24.5	~\$24.0
FY18/19	~\$25.5	~\$23.5	~\$25.5	~\$23.5
FY19/20	~\$27.0	~\$25.5	~\$27.0	~\$25.5
FY20/21	~\$29.5	~\$26.5	~\$29.5	~\$26.5
FY21/22	~\$34.0	~\$30.0	~\$34.0	~\$30.0
FY22/23	~\$34.5	~\$30.5	~\$34.5	~\$30.5
FY23/24	~\$35.0	~\$31.0	~\$35.0	~\$31.0
FY24/25	~\$35.5	~\$31.5	~\$35.5	~\$31.5
FY25/26	~\$36.0	~\$31.5	~\$36.0	~\$31.5
FY26/27	~\$36.5	~\$31.5	~\$36.5	~\$31.5
FY27/28	~\$37.0	~\$32.6	~\$37.0	~\$32.6

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RISING COSTS OUTPACE EXISTING RATE PLAN

- Inflation**
- Higher costs** for disposal, bins, vehicles, and repairs (Estimated 7.3% CPI in 22/23)
- Customers disposed of **12% more waste** throughout the pandemic

Year	City Rate Increase (%)	CPI Increase (%)
2022	4.70%	8.60%
2023 (Projected / Planned)	4.58%	7.30%

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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

- **Through 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 commingled organics costs
- Additional staffing and software costs



"These new SB 1383 Regulations are the most far-reaching solid waste management changes in decades and CalRecycle has estimated implementation will cost \$20 to \$40 billion over the next decade."
 – League of Cal Cities



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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

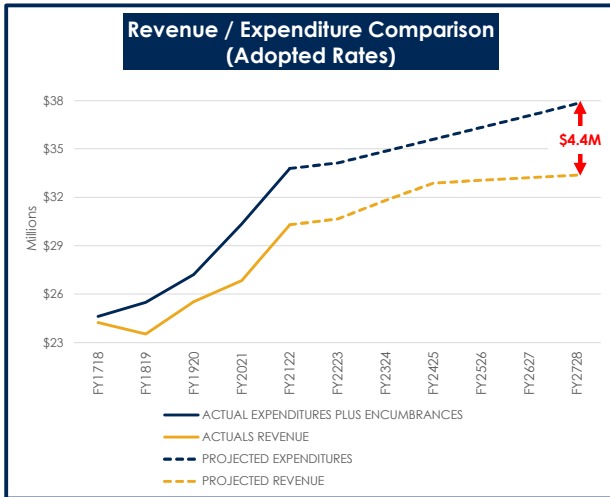
If one driver is out, **over 1,000 homes** may be delayed



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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

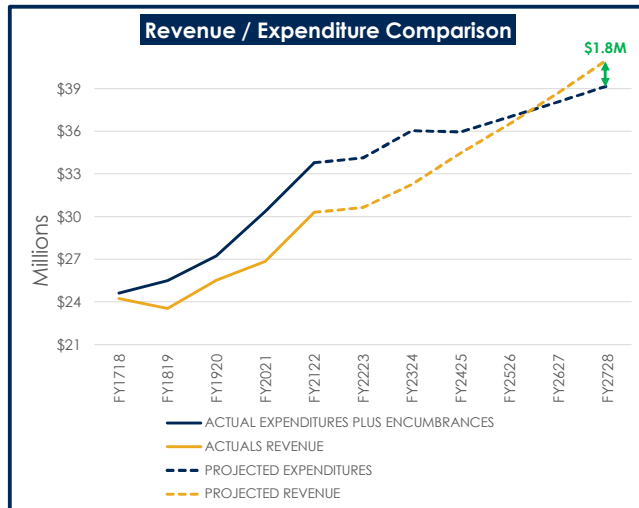


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NEW PROJECTED REVENUES & EXPENDITURES

The proposed new rates will:



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PROPOSED RATE INCREASE

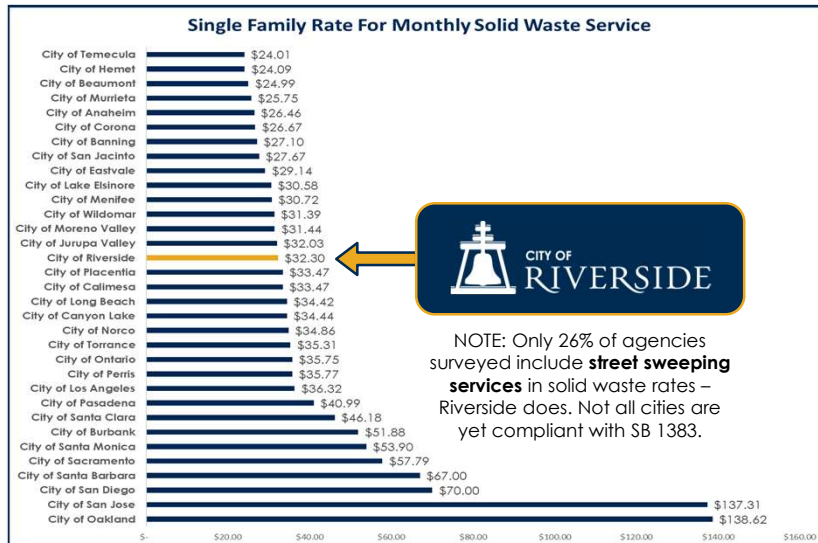
Proposed Solid Waste Rate Increases		
Years 2023-2027 Proposed for consideration		
Date	Rate Increase	Dollar Increase
November 2023	7.5%*	\$2.42 / Month
July 2024	7.5%*	\$2.60 / Month
July 2025	6.5%	\$2.43 / Month
July 2026	6.5%	\$2.58 / Month
July 2027	6.5%	\$2.75 / Month



*Inclusive of existing adopted rates, Residential rates only (No Commercial at this time) 19

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COMPARISON BY CITY



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PROVIDING QUALITY SERVICE

- Purchasing **19 new vehicles** for Solid Waste
- Replace **one-two vehicles** each year
- 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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WHAT'S NEXT

City Council
June 27, 2023

City Council Public Hearing and Rate Consideration
September 19, 2023



Mailing Notice to Ratepayers
July 2023

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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. Receive a report on proposed changes to residential trash service rates; and
2. Direct staff to prepare all documents necessary for public noticing and set a public hearing for recommended residential solid waste rate increases beginning November 1, 2023 through June 30, 2028, on a date at least 45 days after mailing said notice in accordance with Proposition 218.



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