



*City of Arts & Innovation*

# Mobility and Infrastructure Committee

**TO: MOBILITY AND INFRASTRUCTURE COMMITTEE** **DATE: FEBURARY 13, 2025**

**FROM: PUBLIC WORKS DEPARTMENT** **WARDS: ALL**

**SUBJECT: PROPOSED PILOT PROGRAM TO OFFER OPTIONAL SMALLER RESIDENTIAL TRASH BINS**

## **ISSUE:**

Receive a report and provide feedback on potential 64-gallon residential trash bin pilot programs.

## **RECOMMENDATION:**

That the Mobility and Infrastructure Committee receive a report and provide a recommendation to the City Council regarding a proposed pilot program to offer an optional smaller residential trash bin.

## **BACKGROUND:**

On June 27, 2023, the City Council set a public hearing regarding a Solid Waste rate proposal for September 19, 2023.

On September 19, 2023, the City Council conducted the public hearing and adopted the proposed Solid Waste rates alongside additional recommendations including a study of offering optional smaller residential solid waste bin sizes.

On January 11, 2024, the Mobility and Infrastructure Committee (Committee) received a progress report on staff's study to offer optional smaller residential solid waste bins. Following the presentation and discussion, the Committee directed staff to continue working and return to the Committee in about six months with another report that includes:

- Focus on financials and potential savings for residents.
- Consider a pilot program of 64-gallon bins.
- Feedback from Athens Services on their contamination observations in Riverside.

On June 13, 2024, the Committee received a progress report regarding offering smaller residential solid waste bins and requested that Public Works return to the Committee with pilot program proposals.

## **DISCUSSION:**

### **Current Residential Service Types and Monthly Rates**

The City's current residential refuse service offers the following types of service:

Residential Service Type	Type of 96-gallon bin	Monthly Rate	
<b>Single-family residences, curbside/disabled, weekly service*</b>	1 trash, 1 recycle, 1 green waste/organics	\$ 37.32	
<b>Mobile Homes / Apartments with no more than 4 units**</b>	1 trash, 1 recycle	\$ 21.30	Green waste and Organics provided as a commercial service (dumpster service) to the HOA/property owner by private hauler
<b>Condo/Townhouse</b>	1 trash, 1 recycle	\$ 23.03	

\*For qualifying disabled residents, drivers pull all carts to the curb for service and then return the carts to the driveway/side of the house

\*\*Apartment complexes with 5 or more units receive commercial refuse service (dumpster service)

### **Potential Pilot Program for 64-Gallon Trash Bin Service**

Staff collaborated with R3 Consulting Group, Inc. (R3) to help design a proposed 64-gallon trash bin service option. R3's report is provided as an attachment with this report.

The following is a summary of R3's recommendations to pilot a 64-gallon trash bin program.

#### ***The Basics***

- Provide up to 300 participants living in one of two City-served waste collection routes (150 participants per route) with the opportunity to exchange their 96-gallon trash bin for a 64-gallon trash bin, while keeping their 96-gallon recycling and organics bins.
- In return for participating in the pilot program, each participant's monthly refuse rate will be reduced by 15%. The following chart provides the possible incentive for each service type:

Service	Current Rate	15% Pilot Program Incentive	Adjusted Pilot Program Rate
Curbside/Disabled	\$ 37.32	\$ (5.60)	\$ 31.72
Mobile Home/Apartment	\$ 21.30	\$ (3.20)	\$ 18.10
Condo/Townhouse	\$ 23.03	\$ (3.45)	\$ 19.58

- Conduct the pilot program over a period of 12 months to allow sufficient time for data collection during all four seasons.
- To participate, customers should attest that they are willing to adhere to the City's current overage and contamination rules. Riverside Municipal Code §6.04.040 requires that after three consecutive collection dates where contamination was observed, the customer's account will be charged a fee equal to the charge for an additional solid waste disposal container (currently \$15.89).

- Participants may voluntarily leave the pilot program at any time (meaning they will switch back to the standard 96-gallon trash bin offering and equivalent monthly refuse rate).
- Participants may be removed from the pilot program by the City if they are found to violate overage and contamination rules.

#### *Participant Selection*

- R3 recommends that the City select 2 routes from the City service area and offer the pilot program to all customers who currently have one 96-gallon trash cart, on a first-come, first-served basis. The 2 routes makes the bin inspection more manageable.
- If many routes seem equally acceptable as potential pilot routes, R3 recommends that the City take into account demographics and select routes with a substantial percentage of seniors or a good diversity of housing/demographic types.
- R3 recommends enlisting no more than 300 customers in the pilot program. This would represent approximately 15% of two typical trash routes.

#### *Program Intake and Notification Systems*

- Prior to soliciting participants, the City must set up a process for customers to sign up for the program (an online form, email address customer writes to, phone number customer calls, or some combination of these). The City will need a system to centralize and tally inquiries.
- The City must set up a process for notifying customers whether/when they have been accepted into the program.
- R3 recommends that the City accept inquiries for one month before beginning to respond to inquiries. After this initial period, if more program slots are available, the City can switch to a rolling acceptance process. R3 recommends against a cut-off date for signups as there is value in gauging how interest in the program changes over time.

#### *Communications and Outreach*

- R3 recommends sending both hard-copy and email announcements to eligible customers on the selected routes (those with one trash cart).

#### *Data Collection*

- The value of the pilot program is in the opportunity it presents to collect data on current behavior and how the change in trash bin size might influence behavior. This can be done through observation and through customer surveys.
- Ideally, the City will begin gathering baseline data before the pilot program begins, to have a point of comparison when reviewing program results.
- R3 recommends that the City set up systems to capture interest levels in the program over time and to track and document overage and contamination incidents.
- R3 recommends that the City plan its SB 1383-required route reviews such that the routes are reviewed before and after the start of the pilot program.
- Conduct a closeout survey following completion of the pilot program.

*Steps and Timeline for Implementation*

R3 calculated that it will take about 7 months to get the program up and running, and provided the following Timeline:

Implementation Steps	Proposed Timing
<b>Pilot Design Development</b>	November 2024
<b>Inquire with Bin Supplier re Availability and Timeline</b>	December 2024
<b>Bring Proposal to City Council Committee</b>	January 2025
<b>Compile / Start Tracking Baseline Data on Contamination and Overage</b> Confirm whether data on contamination and overage is being tracked Assess whether tracking / documentation systems are sufficiently robust Begin implementing any improvements to tracking / documentation systems	December 2024
<b>Plan and Design Program Components</b> Place order for bins Design and build program intake systems Design and build program notification systems Draft hard-copy and email communications Set up interest tracking log	February – March 2025
<b>Begin Outreach and Education</b> Send hard-copy announcement and offer to all potential participants Send email announcement and offer to all potential participants	April 2025
<b>Customers Start Signing Up for Pilot Participation</b>	May 2025
<b>Bin Delivery and Additional Outreach</b> Receive bins and confirm plans for delivery to participants Send hard-copy and email reminders to all potential participants	June 2025
<b>Final Preparations for Pilot Implementation</b> <b>Undertake SB 1383 Route Reviews for 2025</b> (if not already completed)	June – July 2025
<b>Deliver Bins and Start Pilot Program</b>	August 2025
<b>Undertake SB 1383 Route Reviews for 2026</b>	June – July 2025
<b>End Program</b> <b>Send Out Post-Program Survey via Mail and Email</b>	July / August 2026
<b>Collect Survey Results</b>	August / September 2026
<b>Analyze Results from Pilot Program</b> Compile and analyze survey responses Analyze 2026 vs 2026 route review data Analyze any additional contamination and overage data from 2025-2026	September / October 2026
<b>City Studying Residential Service in Advance of New Rate Plan</b> Incorporate results of analysis of pilot program	Early / Mid 2027
<b>New Rate Plan Proposed to Council</b>	Late 2027

The current residential solid waste rate plan expires on June 30, 2028. This pilot program timeline fits well into the rates process, as staff will begin work on a proposed new rate plan in early 2027 that may include a new rate for a 64-gallon option should the pilot program be

successful.

#### Potential Pilot Program – Shared Service

Since 1999, the City of Modesto (population 218,069) has offered a program for neighbors to share one set of solid waste services (trash, organics, and recycling containers). Modesto provides their 57,000 residential solid waste accountholders with three 90-gallon bins for a monthly rate of \$56.01.

- The program is limited to two “next door neighbor” homes, multi-family property (5 or more units on one parcel), or commercial businesses located within the jurisdiction of the City of Modesto.
- All accounts must be in good standing with the City of Modesto.
- Shared services agreement does not supersede rental agreements with property owners and/or property management company. If property owner/property management company desires tenant to have their own solid waste service, then tenant must comply.
- Only one customer is billed for service (Modesto refers to this as Party B).
- The non-billed account (Party A) submits a no fee on-line application to the City of Modesto requesting cancelation of their services and to share service with Party B for one of the following reasons:
  - Total number of people residing in homes is less than 4 (includes adults and children)
  - Not enough space for all containers (may require a site visit)
  - Financial hardship (income is less than \$24,000)
- Party B is billed by and pays the City and Party A reimburses Party B directly for their half of the shared solid waste service.
- Modesto processes the requests within 10 business days for approval or denial.
- Every two years City staff conducts an in-person audit to verify that the same parties still reside at the approved addresses and that they have the correct service level.

There are currently 99 participants in this program. There have been few neighbor disputes since the program’s inception, and those customers chose to cancel their request. The City of Modesto reserves the right to cancel if customers do not comply with the municipal code but has not had to exercise this right.

If we implemented a pilot program similar to this in Riverside, using our existing 96-gallon can service, the potential savings to participants would be as follows:

Residential Service Type	Monthly Rate	Potential Shared Service Discount
Single-family residences, curbside, weekly service	\$ 37.32	\$ 18.66
Mobile Homes / Apartments with no more than 4 units*	\$ 21.30	\$ 10.65
Condo/Townhouse	\$ 23.03	\$ 11.52

\*Apartment complexes with 5 or more units receive commercial refuse service

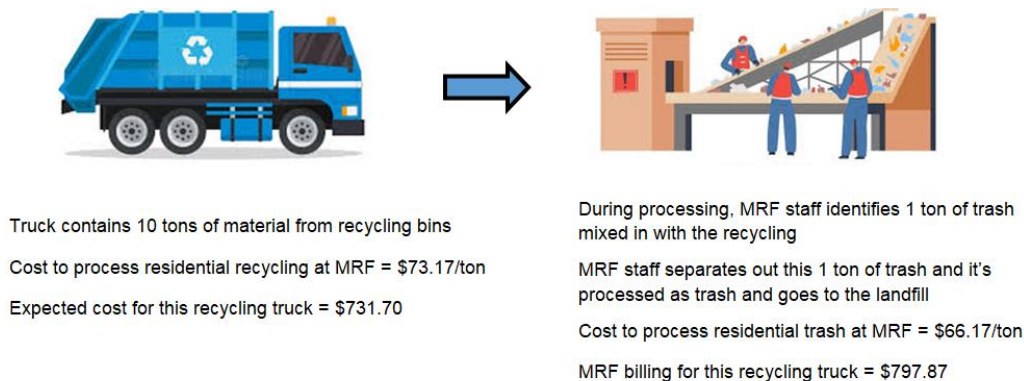
A shared service program could be appealing to low-income mobile home residents where there is limited space. This pilot program would run on a similar timeline to the 64-gallon program.

### Contamination

Costs to the City to process waste are incurred through tip fees at the Agua Mansa Materials Recovery Facility/Transfer Station (MRF). The following are the current fiscal year's tip fees:

- Trash - \$66.17/ton
- Green waste - \$61.99/ton
- Residential recycling - \$73.17/ton
- Mixed Organics (bagged food + green waste) - \$105.40/ton

One residential bin of commingled organics or recycling contaminates at least a portion of the truck's 10-ton load (on average). Contaminated organics and recycling are ultimately handled as trash at the Agua Mansa Materials Recovery Facility (MRF) and have a higher financial impact to the City.



Riverside Municipal Code Section 6.04.040 – “Placement of material in receptacles” prohibits placing solid waste (trash) into containers designated for recyclable or organic materials and permits a fee equal to the charge for an additional solid waste disposal container (currently \$15.89) to be charged to the customer's account following observation of contamination on three consecutive collection dates.

Staff anticipates that contamination among pilot program participants will be low, but it may not be zero, particularly as a participant adjusts to having reduced trash capacity available each week. Contamination will be monitored at the participating addresses and staff will work with the participants to provide education on “what goes in the can.”

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority 5 – High Performing Government.**

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** –Review of the Solid Waste program for new options to enhance

service to the community serves the public interest and results in greater public good.

2. **Equity** – Riverside is committed to advancing fair treatment and equitable distribution of services to ensure every member of the community has equal access to share in the benefits of community progress.
3. **Fiscal Responsibility** – Riverside is a prudent steward of public funds and ensures responsible management of the City's financial resources while providing quality public services to all.
4. **Innovation** – Riverside is inventive and timely in meeting the community's changing needs and prepares for the future through adaptive processes.
5. **Sustainability & Resiliency** – Riverside is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City's capacity to persevere, adapt and grow during good and difficult times alike.

### **FISCAL IMPACT:**

The total fiscal impact to the Solid Waste Fund of a 12-month pilot program is estimated to be \$45,000.

- The investment for 300, 64-gallon trash bins is approximately \$23,000.
- Revenue loss is estimated to be \$22,000 to offer a 15% pilot program incentive for 12 months to 300 single-family residential service customers, the amount may be lower if participants represent a mix of customers in single-family residences and customers paying a lower rate for mobile home residential service.

During the June 2024 presentation to Committee, the Consultant provided a financial analysis of the Solid Waste Fund and noted that given the limited available working capital, and assuming that current rates will not be adjusted to backfill a revenue reduction associated with a citywide implementation of a 64-gallon service offering, the City cannot afford to implement a citywide 64-gallon service option. The Consultant's June report is provided as an attachment to this report.

The current residential solid waste rate plan expires on June 30, 2028. Implementation of a 12-month pilot program timeline as recommended by R3 is in alignment with the rate plan expiration and will help inform the next rate process, as staff develop a proposed new residential rate plan in 2027 for City Council consideration.

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Attachments:

1. December 2024 Report by R3 Consulting Group, Inc.
2. June 2024 Report by R3 Consulting Group, Inc.
3. Presentation