



SUPPLEMENTAL

COUNCIL AGENDA: 2-28-06

ITEM: 7.1

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 2-22-06

Approved

Date

2-22-06

SUPPLEMENTAL

**SUBJECT: PUBLIC HEARING ON RECYCLE PLUS RATE INCREASES AND
ADOPTION OF A RESOLUTION REVISING RECYCLE PLUS RATES
EFFECTIVE APRIL 1, 2006**

REASON FOR SUPPLEMENTAL MEMORANDUM

At the February 16, 2006, Rules Committee meeting, it was asked whether the financial incentive that customers are given for recycling under the current rate structure could be one reason that customers are placing garbage in their recycling containers. This supplemental memorandum provides information for Council consideration.

DISCUSSION

San Jose began its recycling program in 1987 with a flat-rate payment structure – every single-family household paid the same regardless of how many garbage carts they set out along with the three plastic recycling crates issued by the City.

Seven years later, in 1993, the current rate structure was adopted. Called “pay as you throw,” it rewarded customers for recycling more and limiting the amount they therefore had to place in the garbage cart. Introduction of this type of financial incentive was widely credited with virtually tripling recycling volumes in San Jose within the next six months, along with two other elements of the new program – an increased number of commodities that were accepted as recyclable and an aggressive education campaign.

In addition to increased volumes of recyclables in 1993, residential participation in the recycling program increased from 66% of households to 83% and the new program gained an 89% approval rating in the next telephone survey. The system has been adopted in thousands of communities nationally. The U.S. Environmental Protection Agency cites this approach as a key strategy to use if jurisdictions intend to reach 50% solid waste diversion goals that have been set

by numerous states including California. As of FY 2004-05, San Jose is now diverting 51.9% of its residential waste stream.

Based on the remarkable success of the 1993 program, the "pay as you throw" rate structure was continued in 2002 when the new garbage and recycling contracts added other service enhancements. An advantage of a variable-rate program is its inherent fairness. When the cost of managing garbage is charged at a flat rate, residents who recycle and prevent waste subsidize their neighbors' wastefulness. Under "pay as you throw," residents pay only for what they personally throw away. Residents benefit because they have the opportunity to take control of their garbage bills and make a personal contribution to the environment.

Given nine years of experience with "pay as you throw" in San Jose prior to 2002, it would be difficult to focus on it as more than a minor reason for increased residue at one of the three recycling facilities that have handled San Jose recyclables since 1993. Also, the 46,000 single-family homes covered by GreenTeam in Service District B under the 2002 contracts are provided the same financial incentives, but GreenTeam is not experiencing the same level of increased overages of residue. GreenTeam previously was the contractor for Service District A.

Placing garbage in recycling containers is a concern nationally, but unit pricing is not believed to be a major factor by other cities. Many report in fact that this type of illegal diversion can be an issue regardless of the way in which residents are charged for solid waste management. Illegal diversion often exists prior to implementing "pay as you throw" techniques and tends to persist at some level following implementation.

I would be pleased to respond to any additional questions on this topic.



JOHN STUFFLEBEAN
Director, Environmental Services



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Stufflebean
Larry Lisenbee

SUBJECT: SEE BELOW

DATE: 2-14-06

Approved

Date

2-15-06

SUBJECT: PUBLIC HEARING ON RECYCLE PLUS RATE INCREASES AND
ADOPTION OF A RESOLUTION REVISING RECYCLE PLUS RATES
EFFECTIVE APRIL 1, 2006

RECOMMENDATION

It is recommended that the City Council:

1. Conclude the Public Hearing on proposed Recycle Plus rate increases for the current fiscal year and on potential increases for Fiscal Years 2006-07 and 2007-08.
2. Adopt a resolution increasing Fiscal Year 2005-06 Recycle Plus rates for single-family services by 5% and by 2% for multi-family services, effective April 1, 2006.

EXECUTIVE SUMMARY

The Administration is proposing to increase the Recycle Plus rate for single-family (SFD) service by 5% (\$2,552,000 annually) and the rate for multi-family (MFD) service by 2% (\$324,000 annually), effective April 1, 2006¹. By comparison, there has been an increase of 7.3% (\$5.2 million) in total expenditures for FY 2005-06 in the Integrated Waste Management (IWM) Fund. The proposed increase for this fiscal year can be kept below the expenditure increase by drawing down the fund balance, which would still remain above the target of one month's operating expenses (\$5,312,000).

There are three categories that the rate increases fall under: (a) Contractual Expenditures; (b) Non-Contractual Expenditures; and (c) Unknown Future Contract Costs. Detail of the three categories is as follows:

Category A: Contractual Expenditures

- Increased Hauler Contract Costs (6.4% or \$3.2 million in FY 2005-06) – Annual cost of living adjustments (COLAs) are based on indices published by the U.S. Bureau of Labor

¹ SFD customers would pay an additional 90 cents per month for the standard 32-gallon garbage cart, increasing the rate from \$18.30 to \$19.20. San Jose rates would remain below the countywide average among jurisdictions offering similar services (\$20.74) – and be lower than nearly all cities except those that subsidize their programs from the General Fund or other funds.

Statistics, with labor and fuel being the dominant factors. These adjustments are expected to increase by another 5% in FY 2006-07. This portion of the rate increase is calculated by multiplying the base contract amount by published indices. The increased labor costs associated with Materials Recovery Facility (MRF) workers, approved by Council in December 2004, are not part of the original base contract amount and are therefore not used in the calculation. Based on Council's approval of the December 2004 contract amendment, the associated payment was accounted for by using revenue from previously approved rate increases or fund balance allocations.²

- Increased Landfill Disposal Costs (17.7% or \$1.4 million in FY 2005-06) – Rising regulatory costs in addition to the indexed annual adjustments described above account for this increase. The additional costs of handling electronic waste, expanding the Green Business program, and new construction at Newby Island landfill to meet environmental regulations are covered. In 2006-07, these costs are expected to increase by another 9%.

Category B: Non-Contractual Expenditures

Increased Non-Contractual Costs (5.1% or \$600,000 in FY 2005-06) – Ongoing expenditures, including program management, billing, customer service, and overhead also have increased. This expenditure increase includes the IWM Fund's share of the FY 2005-06 implementation costs for the Consolidated Utility Billing System.

Category C: Unknown Future Contract Costs

In addition to these actual expenditure increases, staff is forecasting that hauler contract costs will rise higher than the anticipated cost-of-living increases starting in fiscal 2007-08 due to new service contracts. These contracts will replace the two Norcal contracts that are not being extended. Due to the competitive nature of San Jose's RFP process, these costs are very difficult to estimate at this time. The RFP, which will be released on February 15, strongly emphasizes to proposers that it is the City's intent to improve current collection services while simultaneously minimizing any adverse impacts to customer rates. Still, we must be mindful that there was a significant spread between Norcal's SFD cost proposal in 2000 and the next lowest proposal, although there was no such differential on the yard trimmings side. Additionally, Green Team's current per household payment is 82% higher than Norcal's per household payment. To prepare for this probability while avoiding the need for a sudden sharp increase in customer rates, with approval of this action, staff will earmark up to \$1.2 million to be held in reserves for this purpose.

BACKGROUND

A rate memorandum to Council in June 2005 recommended increasing rates in FY 2005-06 by approximately 3% for single-family households effective August 1, 2005, with proposed potential increases of up to 5% for Fiscal Years 2006-07 and 2007-08. Staff also recommended

² The service rate increase for FY 2003-04 was necessary for several operating and financial purposes, including: strengthening the Integrated Waste Management Fund Reserve for system needs, installing a new data management system, making garbage services self-supporting, potential Norcal/CWS labor cost increases, and covering contractually required cost of living adjustments for Norcal and GreenTeam.

an increase of 2% for multi-family properties effective August 1, 2005, with proposed potential increases of up to 3% for Fiscal Years 2006-07 and 2007-08. Information limiting rate increases to no more than 5% for FY 2005-06, FY 2006-07, and FY 2008-09 was included in the Proposition 218 notices distributed to property owners in May 2005, which generated under 500 formal protests (0.24% of San Jose property owners).

A memorandum to the Council from the City Manager dated June 17, 2005, recommended that discussion and action on the rate proposal be deferred until August 30, 2005, and subsequently the item was continued to February 2006. A Council information memorandum dated December 5, 2005, provided additional information on the status of the Integrated Waste Management (IWM) Fund, including various rate increase options for Council consideration.

ANALYSIS

Since the December memorandum, information related to Recycle Plus contract extensions has required staff to revise the original rate recommendation for single-family services. As Council was previously informed, Norcal Waste Systems notified the City in December 2005 that the company would decline the City's anticipated extension offer for garbage and recycling services in Service Districts A and C. In January 2006, Norcal Waste Systems declined the City's extension offer for yard trimmings collection and residential street sweeping services in District C. Norcal serves approximately 156,000 of the 203,000 single-family households in San Jose, and the City will work to smoothly transition these to new service providers once they are selected. The costs of securing new Recycle Plus service providers will not be known until after proposals in the current procurement cycle are received and analyzed this spring, but it is probable that there will be an impact on the IWM Fund beginning in FY 2007-08. It would be prudent to begin building reserves as soon as possible with modest, steady rate increases to avoid either (a) larger rate increases in the out-years, or (b) drawing down fund balances below recommended levels in the first years of the new contracts.

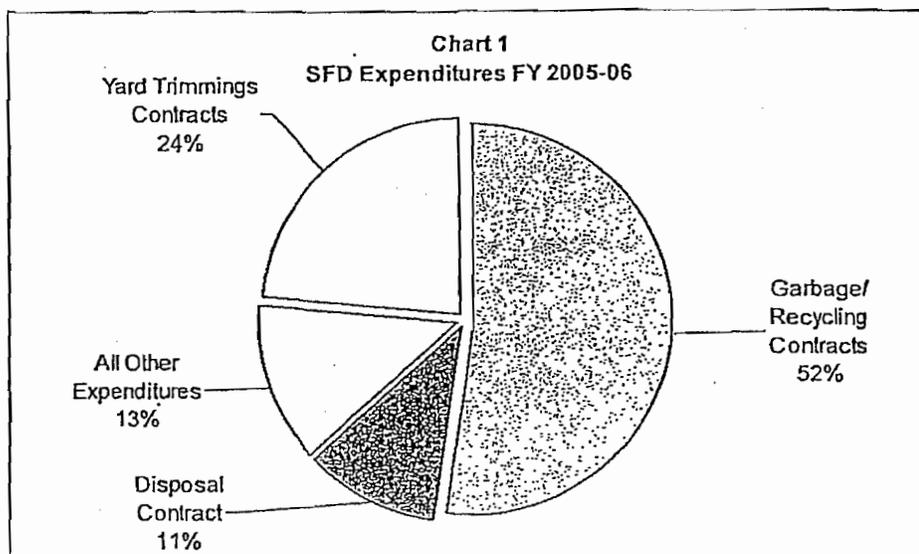
Further, total expenditures in the IWM Fund have increased by more than 7.3% (\$5.2 million) in FY 2005-06. Drawing down the fund balance allows the proposed customer rate increase to be kept lower than the expenditure increases. Increases of approximately 5% in SFD rates and 2% in MFD rates effective April 1, 2006, will generate an estimated \$719,000 in additional revenue in FY 2005-06. For customers, the proposed SFD increase of approximately 5% would amount to an additional \$0.90 per month for the standard 32-gallon garbage cart, increasing the rate from \$18.30 to \$19.20. Even with this increase, San Jose rates would remain below the countywide average of \$20.74 per month based on a survey of Santa Clara County cities undertaken in August 2005. Similarly, even with a 2% increase in multi-family rates, the proposed rate for a 3-cubic yard bin serviced once per week (one of the most common multi-family service levels) will be \$153.68 per month, far lower than the countywide average of \$224.27 per month, based on a July 2005 survey prepared by the City of Santa Clara. Rate comparisons with other jurisdictions are detailed in Attachment A.

The additional revenue generated by the proposed rate increases will help maintain the Recycle Plus program closer to cost recovery and will also serve to stabilize fund balances in the out-

years. Since these contract costs are projected to remain relatively stable, only modest increases are needed to multi-family rates. Due to Proposition 218 requirements, the projected single-family rate increase of 9% in FY 2007-08 will require re-noticing to the public in early 2007.

WHY A RATE INCREASE IS NEEDED

The bulk of the costs covered by the Recycle Plus fees are used to pay the Recycle Plus collection contractors and the landfill disposal contractor. Chart 1 below indicates that these contracts comprise 87% of total single-family (SFD) expenditures. The remaining 13% includes expenditures for overhead, program management, billing and customer service.



Overall, there has been an increase of 7.3% (\$5.2 million) in total expenditures for FY 2005-06 in the Integrated Waste Management (IWM) Fund. These fall into three categories, and are described below.

Category A: Increased Contractual Expenditures

The three current collection contracts (GreenTeam, Green Waste Recovery and Norcal) and the Newby Island Landfill disposal contract include provisions for annual cost-of-living adjustments to cover allowable cost increases. The most significant cost escalation areas are increased labor and fuel costs. Rising landfill regulatory costs also contribute significantly to contract cost increases. Overall, contractual expenditures in the IWM Fund are anticipated to increase by 7.7%, or \$4.6 million in FY 2005-06, as detailed below and summarized in Table 1.

Recycle Plus Contract Costs –Annual adjustments for contract costs are based on changes in indices published by the U.S. Bureau of Labor Statistics (BLS). The dominant factors in this adjustment index are labor costs and fuel costs. The most volatile index is for diesel fuel, which increased 38% in 2004. Recycle Plus contract costs increased by a total of 6.4% in FY 2005-06. The increased labor payment approved by Council in December 2004, is not subject to annual cost of living adjustments and does not contribute to this increase.

Landfill Disposal Costs - FY 2005-06 disposal costs at Newby Island Landfill increased by 17.7% due to the indexed annual adjustment and rising regulatory costs. Two countywide fees are expected to increase to cover costs of handling electronic waste in the Household Hazardous Waste Program and to expand the Green Business Program. The balance of the increase is due to increased regulatory costs claimed by Newby Island. These costs have escalated dramatically in recent years to cover required construction (artificial liners, leachate collection systems, landfill gas wells and a flare); interest; and financial assurance for closure and post-closure maintenance.

Category B: Increased Non-Contractual Costs

Other expenditures in the Integrated Waste Management Fund have also increased. Ongoing expenditures, including program management, billing, customer service, and overhead, increased by 5.1% in FY 2005-06. This expenditure increase includes the IWM Fund's share of the FY 2005-06 implementation costs for the Consolidated Utility Billing System. It is anticipated that the additional start-up costs of the Consolidated Utility Billing System will be offset somewhat by a combination of operational efficiencies and improved customer service long-term.

In addition, three technical adjustments to the rate resolution are necessary to address equity issues for our customers. There are no impacts to the rates as a result of these improved services because the service is on-demand (pay as you go). One modification to the rate resolution is proposed to again include the collection of cathode ray tubes (CRTs) at the regular three-item rate in the Recycle Plus large item collection program. In FY 2003-04, new State regulations necessitated a restructuring of the Recycle Plus large item collection rate to provide funding for the proper recycling of CRTs, including those in televisions and computer monitors. The City Council approved a restructuring that excluded the collection of a CRT as one of three eligible large items in the large item collection package and, instead, offered the collection of a single CRT at the full three-item rate. Recently, alternative funding sources have been made available to CRT recyclers by the State, which allows the City to again include CRTs in the collection package as one of three eligible large items, thereby passing the City's processing savings back to San Jose residents. The other minor modifications to the rate resolution include the creation of a rate code for uninhabitable multi-family properties (at zero charge to mirror the assistance available to single-family rate payers under circumstances such as fire or flood), and the addition of rate codes for on-premise collection at small commercial businesses receiving single-family services. Table 1 below provides a summary of FY 2005-06 expenditure increases.

TABLE 1
Summary – FY 2005-06 Expenditure Increases

<u>Expenditure Description</u>	<u>\$ Increase</u>	<u>% Increase</u>
Contract Costs		
<i>Recycle Plus Contracts</i>	\$3.2M	6.4%
<i>Disposal Contract</i>	\$1.4M	17.7%
(Subtotal Contractual Increases)	\$4.6 M	7.7%
Non-Contractual Costs	\$0.6M	5.1%
Total Expenditure Increase	\$5.2M	7.3%

Category C: Unknown Future Contract Costs

As stated above, Norcal's agreements for garbage, recycling, yard trimmings and street sweeping services will terminate on June 30, 2007. A Request for Proposals (RFP) for these services is currently scheduled for release on February 15, 2006. Due to the competitive nature of San Jose's proposal process, potential increases to these costs are unpredictable and very difficult to estimate. Every effort will be made to secure high-quality service providers at a competitive cost and ensure uninterrupted services for San Jose residents. However, it is very possible that contract cost increases will occur in the single-family sector beginning in FY 2007-08. For example, in the 2000 Recycle Plus RFP process, the next lowest single-family cost proposal was approximately 30% higher than Norcal's, even considering the additional labor costs incorporated in the second amendment to the Norcal contract. In addition, the per household payment to GreenTeam for single-family service in Service District B is 82% higher than Norcal's. With respect to yard trimmings, however, the cost for the next lowest proposal in 2000 was very similar to Norcal's proposal for those services, possibly indicating there won't be a significant change in response to the 2006 RFP.

Since the 2000 Recycle Plus RFP process, events have occurred that also support the potential for contract cost increases as compared to the current Norcal Agreement and the proposal that the Agreement is based upon:

- Since the beginning of the contract, Norcal reports they have had to add 15 additional routes and incurred the associated increase in costs for truck purchase, fuel, and labor. The potential for this situation was foreseen by the City Auditor, as reported to the City Council in December of 2000 (Report 00-09, page 20): *"To the extent that the proposers have correctly calculated the number of trucks required to service the proposed districts, they should earn a profit. To the extent that more trucks/routes are required, costs will raise accordingly with commensurate profit reductions or even losses resulting."*
- In 2000, purchase costs for new garbage trucks were in the \$150,000 to \$200,000 range. Similar new vehicles now cost in the \$200,000 to \$270,000 range.

Further analysis of the potential contract cost increases beginning in FY 2007-08 is presented in the "Revised Recommendation" section below.

FUTURE RECYCLE PLUS RATES

Original Rate Recommendation

The rates originally proposed in the rate memorandum dated June 17, 2005, and again in an information memorandum to Council dated December 5, 2005, recommended FY 2005-06 increases of 3% for single-family households and 2% for multi-family properties. If Council chooses to limit the FY 2005-06 single-family increase to 3%, higher increases in the out-years

would likely be necessary, as shown in Table 2 below. These higher increases would require Proposition 218 re-noticing to the public in early May 2006.

TABLE 2 – Original Recommendation with Increases Effective April 1, 2006

Original Proposal:	Probable Increases:				
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10
Fund Balance Target (1 month operating expenses)	5,312,000	5,587,000	6,151,000	6,392,000	6,642,000
SFD Rate Increase	3%	7%	9%	4%	5%
MFD Rate Increase	2%	3%	3%	3%	3%
Unrestricted Fund Balance and Contingency Reserve	6,313,000	6,595,000	5,979,000	6,065,000	6,570,000

*A minimum ending fund balance equal to approximately one month's operating expenditures for the Recycle Plus and disposal contracts should be maintained, as previously agreed with the City Manager's Budget Office. The projections are based on the best information currently available and will be updated as new information is received.

Revised Rate Recommendation

Previous information presented to Council was based on the estimated costs for extending all the current Recycle Plus contracts through June 2010. Since the Norcal agreements now will expire in June 2007, the revised rate recommendation now reflects increased future contractual costs of up to 9% higher than previous estimates. See Table 3 for the revised proposal and the out-year projections.

TABLE 3 – Recommended FY 2005-06 Rate Increases Effective April 1, 2006

Current Proposal:	Probable Increases:				
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10
Fund Balance Target (1 month operating expenses)*	5,312,000	5,587,000	6,151,000	6,392,000	6,642,000
SFD Rate Increase	5%	5%	9%	4%	4%
MFD Rate Increase	2%	3%	3%	3%	3%
Unrestricted Fund Balance and Contingency Reserve	6,568,000	6,967,000	6,387,000	6,510,000	6,417,000

No Rate Increase in FY 2005-06

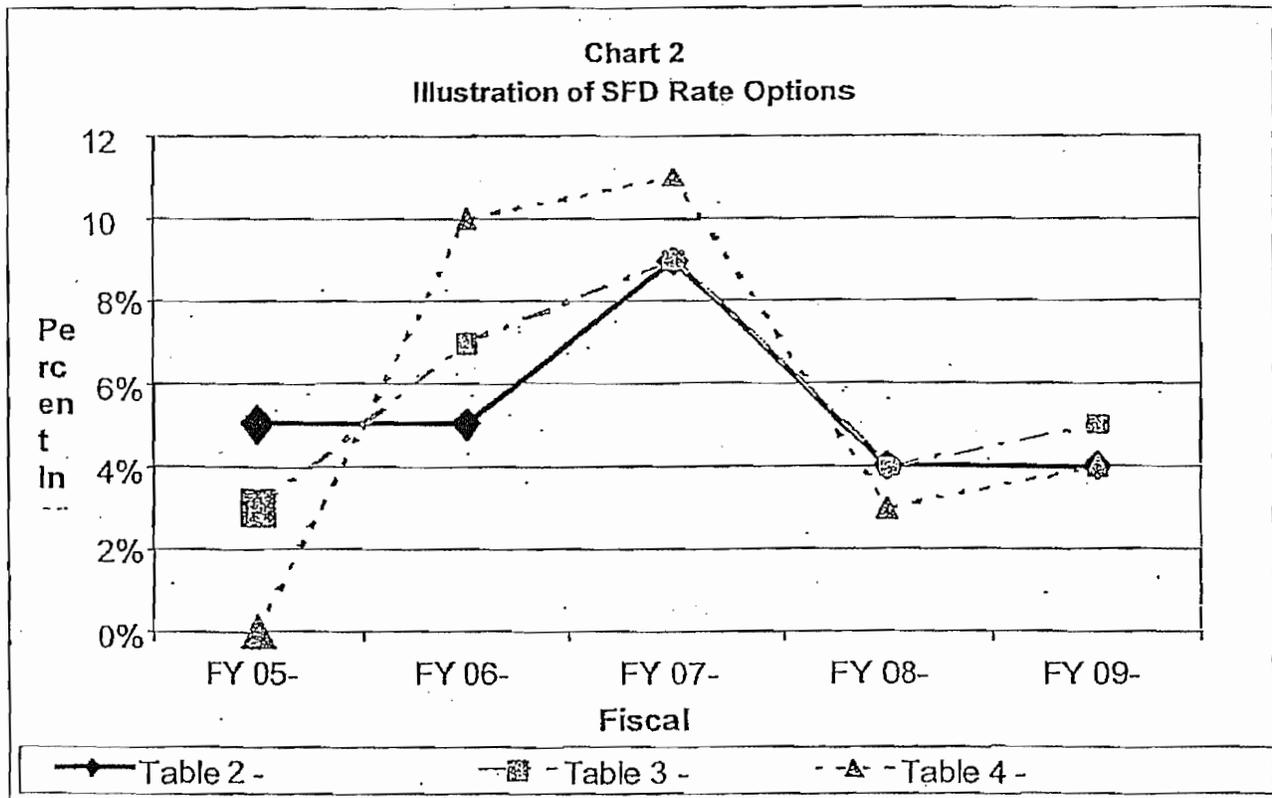
Should Council choose not to approve a rate increase this fiscal year, significantly higher rate increases will be required in future years in order to maintain fund balance at minimum levels. As

shown in Table 4 below, SFD rate increases of 10% in FY 2006-07 and 11% in FY 2007-08 would be necessary in order to pay for contractor services and maintain minimum fund balance levels. These higher increases would require Proposition 218 re-noticing to the public in early May 2006.

TABLE 4 – No Rate Increase in FY 2005-06

Not Recommended:	Probable Increases:				
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10
Fund Balance Target (1 month operating expenses)	5,312,000	5,587,000	6,151,000	6,392,000	6,642,000
SFD Rate Increase	0%	10%	11%	3%	4%
MFD Rate Increase	0%	4%	4%	3%	3%
Unrestricted Fund Balance and Contingency Reserve	5,848,000	5,694,000	6,033,000	6,517,000	6,803,000

A comparison of the various rate increase options is summarized in Chart 2 below.



OUTCOME

The approval of the recommendations contained in this memorandum will maintain the Recycle Plus program nominally at cost recovery and build reserves in preparation for the transition to new service providers in FY 2007-08. Impact on single-family residents would be an increase of \$0.90 per month for the standard 32-gallon garbage cart, for a monthly rate of \$19.20, still below the countywide average (detailed in Attachment A).

PUBLIC OUTREACH

Prop. 218 Notifications and Letters of Protest

The City Clerk’s Office has received 502 responses to the 2005 Proposition 218 notification for the proposed Recycle Plus rates, which included an SFD increase of “up to 5%”. Fifteen of the total responses were requests for address or title corrections. Of the remaining 487 protests, a breakdown by category of protest is shown below in Table 5. Proposition 218 requires that a rate increase be denied upon receipt of written protests from at least 50% of affected property owners. Only 0.24% of San Jose property owners formally protested the proposed increases.

TABLE 5

# Protest Letters Received	%	Protest Category
422	87%	General Protest – No specific reason given for protest
50	10%	Cites economic downturn/hardship as reason for protest
15	3%	Cites poor service as reason for protest
487	100%	
0.24%		% San Jose Property Owners Protesting Rate Increase

COORDINATION

This memorandum was coordinated with the City Manager’s Budget Office and the City Attorney’s Office.

COST IMPLICATIONS

- A 5% single-family rate increase with an effective date of April 1, 2006, is estimated to generate \$638,000 (\$2,552,000 annually) in additional revenue to the IWM Fund for FY 2005-06.
- A 2% multi-family rate increase with an effective date of April 1, 2006, is estimated to generate \$81,000 (\$324,000 annually) in additional revenue to the IWM Fund for FY 2005-06.

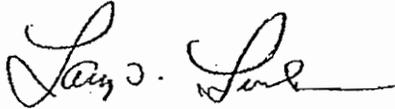
The recommended rate increase for FY 2005-06 is consistent with Council policy that programs be self-supporting whenever possible.

HONORABLE MAYOR AND CITY COUNCIL

2-15-06

Subject: Public Hearing and Increases to Recycle Plus Rates

Page 10



LARRY LISENBEE

Budget Director



JOHN STUFFLEBEAN

Director, Environmental Services

Attachments:

- (A) Rate Comparisons of Other Cities
- (B) SFD Rate Charts
- (C) MFD Rate Charts

ATTACHMENT A

Single-Family Dwelling Garbage and Recycling Program Rate Comparisons

The table below compares the typical 32-gallon single-family dwelling garbage and recycling rates of Santa Clara County cities and agencies. This survey of other cities was conducted in August 2005, after new rates were adopted by many other jurisdictions. As shown, San José's single-family rates rank below the Santa Clara Countywide average. Multi-family rates have also remained lower than the countywide average. With a 2% multi-family increase, the rate for a 3-cubic yard bin serviced once per week (one of the most common multi-family service levels) would be \$153.68 – far lower than the countywide average of \$224.27 per month, based on an July 2005 survey prepared by the City of Santa Clara.

Santa Clara County Cities	Monthly Rates
Los Altos Hills ^{1,4,6}	\$27.65
Milpitas ^{2,5}	\$26.17
Palo Alto ⁵	\$23.54
Los Altos ^{1,4,6}	\$22.87
Gilroy	\$22.79
Monte Sereno	\$21.70
Cupertino ⁵	\$21.38
Morgan Hill ^{1,2,4}	\$21.12
Countywide Average	\$20.74
Sunnyvale ⁶	\$20.58
County – South/West San José	\$20.29
County – East San José	\$19.22
San José (proposed)	\$19.20
Saratoga	\$18.81
San José (current)	\$18.30
Campbell	\$18.05
Santa Clara ³	\$17.30
Los Gatos	\$16.90
Mountain View ^{1,4}	\$15.00

¹ Recyclables are only collected every other week.

² Unlimited garbage service.

³ This rate is offset by a 15% General Fund subsidy and includes mandatory charges of \$3.80 per month for an annual Clean-Up Campaign, \$.25 per month for the HHW program

⁴ Yard trimmings are only collected every other week.

⁵ Rate includes additional cart rental fee of \$2.16 (PA), \$2.62 (Mi), or \$3.07 (Cu) per month.

⁶ Customer must provide their own can/cart.

Single-Family Dwelling Garbage and Recycling Program
Rate Comparisons - Continued

Other Northern California Cities	Monthly Rates
Oakland ^{1,2}	\$24.82
Fremont	\$22.41
Sacramento	\$20.70
San Francisco	\$19.33
San José (proposed)	\$19.20
San José (current)	\$18.30

¹ Recyclables are only collected every other week.

² Yard trimmings are only collected every other week.

.NT B
AT
RECYCLE PLUS SINGLE-FAMILY MONTHLY SERVICE RATES
Effective April 1, 2006

Service Level	20-Gallon Garbage Cart	32-Gallon Garbage Cart	64-Gallon Garbage Cart	96-Gallon Garbage Cart	128-Gallon Garbage Cart	160-Gallon Garbage Cart	192-Gallon Garbage Cart	224-Gallon Garbage Cart	One 96-Gal. Shared Garbage Cart	Two 96-Gal. Shared Garbage Carts
Standard Service	Current Rate	\$ 17.22	\$ 18.30	\$ 36.60	\$ 54.90	\$ 73.20	\$ 91.50	\$ 109.80	\$ 128.10	\$ 47.27
	Increase	\$ 0.86	\$ 0.90	\$ 1.80	\$ 2.70	\$ 3.60	\$ 4.50	\$ 5.40	\$ 6.30	\$ 2.36
	New Rate	\$ 18.08	\$ 19.20	\$ 38.40	\$ 57.60	\$ 76.80	\$ 96.00	\$ 115.20	\$ 134.40	\$ 49.63
On-Premises Collection (1.50% of Curbside Rate)	Current Rate	\$ 25.83	\$ 27.45	\$ 54.90	\$ 82.35	\$ 109.80	\$ 137.25	\$ 164.70	\$ 192.15	\$ 70.91
	Increase	\$ 1.29	\$ 1.35	\$ 2.70	\$ 4.05	\$ 5.40	\$ 6.75	\$ 8.10	\$ 9.45	\$ 3.54
	New Rate	\$ 27.12	\$ 28.80	\$ 57.60	\$ 86.40	\$ 115.20	\$ 144.00	\$ 172.80	\$ 201.60	\$ 74.45
On-Premises Disabled (Equivalent to CR Rate)	Current Rate	\$ 17.22	\$ 18.30	\$ 36.60	\$ 54.90	\$ 73.20	\$ 91.50	\$ 109.80	\$ 128.10	N/A
	Increase	\$ 0.86	\$ 0.90	\$ 1.80	\$ 2.70	\$ 3.60	\$ 4.50	\$ 5.40	\$ 6.30	N/A
	New Rate	\$ 18.08	\$ 19.20	\$ 38.40	\$ 57.60	\$ 76.80	\$ 96.00	\$ 115.20	\$ 134.40	N/A
LIRA (70%/50% of CR Rate)	Current Rate	\$ 12.05	\$ 12.81	\$ 18.30	\$ 27.45	\$ 36.60	\$ 45.75	\$ 54.90	\$ 64.05	N/A
	Increase	\$ 0.60	\$ 0.63	\$ 0.90	\$ 1.35	\$ 1.80	\$ 2.25	\$ 2.70	\$ 3.15	N/A
	New Rate	\$ 12.66	\$ 13.44	\$ 19.20	\$ 28.80	\$ 38.40	\$ 48.00	\$ 57.60	\$ 67.20	N/A
LIRA - Large Family (75% of Curbside Rate)	Current Rate	N/A	N/A	\$ 27.45	\$ 41.18	\$ 54.90	\$ 68.63	\$ 82.35	\$ 96.08	N/A
	Increase	N/A	N/A	\$ 1.35	\$ 2.03	\$ 2.70	\$ 3.38	\$ 4.05	\$ 4.73	N/A
	New Rate	N/A	N/A	\$ 28.80	\$ 43.20	\$ 57.60	\$ 72.00	\$ 86.40	\$ 100.80	N/A
Special Medical (CR Rate Minus 1 Svc Level)	Current Rate	N/A	N/A	\$ 18.30	\$ 36.60	\$ 54.90	\$ 73.20	\$ 91.50	\$ 109.80	N/A
	Increase	N/A	N/A	\$ 0.90	\$ 1.80	\$ 2.70	\$ 3.60	\$ 4.50	\$ 5.40	N/A
	New Rate	N/A	N/A	\$ 19.20	\$ 38.40	\$ 57.60	\$ 76.80	\$ 96.00	\$ 115.20	N/A
Hardship - No Change	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Small Business	Current Rate	N/A	\$ 22.72	\$ 41.02	\$ 59.30	\$ 77.60	\$ 95.89	\$ 114.19	\$ 132.50	N/A
	Increase	N/A	\$ 1.13	\$ 2.05	\$ 2.96	\$ 3.88	\$ 4.79	\$ 5.70	\$ 6.62	N/A
	New Rate	N/A	\$ 23.85	\$ 43.07	\$ 62.26	\$ 81.48	\$ 100.68	\$ 119.89	\$ 139.12	N/A
On-Premise Small Business (1.50% of Small Business Rate)	Current Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Increase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Rate	N/A	\$ 35.78	\$ 64.61	\$ 93.39	\$ 122.22	\$ 151.02	\$ 179.84	\$ 208.68	N/A

**ATTACHMENT B
RECYCLE PLUS SINGLE-FAMILY MONTHLY SERVICE RATES**

Effective April 1, 2006

Service Level	20-Gallon Garbage Cart	32-Gallon Garbage Cart	64-Gallon Garbage Cart	96-Gallon Garbage Cart	128-Gallon Garbage Cart (96+32)	160-Gallon Garbage Cart (96+64)	192-Gallon Garbage Cart (96+96)	224-Gallon Garbage Cart (96+96+32)	One 96-Gal Shared Garbage Cart	Two 96-Gal Shared Garbage Carts
Standard Service										
Current Rate	\$ 17.22	\$ 18.30	\$ 36.60	\$ 54.90	\$ 73.20	\$ 91.50	\$ 109.80	\$ 128.10	\$ 47.27	\$ 70.32
Increase	\$ 0.86	\$ 0.90	\$ 1.80	\$ 2.70	\$ 3.60	\$ 4.50	\$ 5.40	\$ 6.30	\$ 2.36	\$ 3.51
New Rate	\$ 18.08	\$ 19.20	\$ 38.40	\$ 57.60	\$ 76.80	\$ 96.00	\$ 115.20	\$ 134.40	\$ 49.63	\$ 73.83
On-Premises Collection (1.50% of Curbside Rate)										
Current Rate	\$ 25.83	\$ 27.45	\$ 54.90	\$ 82.35	\$ 109.80	\$ 137.25	\$ 164.70	\$ 192.15	\$ 70.91	\$ 105.48
Increase	\$ 1.29	\$ 1.35	\$ 2.70	\$ 4.05	\$ 5.40	\$ 6.75	\$ 8.10	\$ 9.45	\$ 3.54	\$ 5.27
New Rate	\$ 27.12	\$ 28.80	\$ 57.60	\$ 86.40	\$ 115.20	\$ 144.00	\$ 172.80	\$ 201.60	\$ 74.45	\$ 110.75
On-Premises Disabled (Equivalent to CR Rate)										
Current Rate	\$ 17.22	\$ 18.30	\$ 36.60	\$ 54.90	\$ 73.20	\$ 91.50	\$ 109.80	\$ 128.10	N/A	N/A
Increase	\$ 0.86	\$ 0.90	\$ 1.80	\$ 2.70	\$ 3.60	\$ 4.50	\$ 5.40	\$ 6.30	N/A	N/A
New Rate	\$ 18.08	\$ 19.20	\$ 38.40	\$ 57.60	\$ 76.80	\$ 96.00	\$ 115.20	\$ 134.40	N/A	N/A
LIRA (70%/50% of CR Rate)										
Current Rate	\$ 12.05	\$ 12.81	\$ 18.30	\$ 27.45	\$ 36.60	\$ 45.75	\$ 54.90	\$ 64.05	N/A	N/A
Increase	\$ 0.60	\$ 0.63	\$ 0.90	\$ 1.35	\$ 1.80	\$ 2.25	\$ 2.70	\$ 3.15	N/A	N/A
New Rate	\$ 12.66	\$ 13.44	\$ 19.20	\$ 28.80	\$ 38.40	\$ 48.00	\$ 57.60	\$ 67.20	N/A	N/A
LIRA - Large Family (75% of Curbside Rate)										
Current Rate	N/A	N/A	\$ 27.45	\$ 41.18	\$ 54.90	\$ 68.63	\$ 82.35	\$ 96.08	N/A	N/A
Increase	N/A	N/A	\$ 1.35	\$ 2.03	\$ 2.70	\$ 3.38	\$ 4.05	\$ 4.73	N/A	N/A
New Rate	N/A	N/A	\$ 28.80	\$ 43.20	\$ 57.60	\$ 72.00	\$ 86.40	\$ 100.80	N/A	N/A
Special Medical (CR Rate Minus 1 Svc Level)										
Current Rate	N/A	N/A	\$ 18.30	\$ 36.60	\$ 54.90	\$ 73.20	\$ 91.50	\$ 109.80	N/A	N/A
Increase	N/A	N/A	\$ 0.90	\$ 1.80	\$ 2.70	\$ 3.60	\$ 4.50	\$ 5.40	N/A	N/A
New Rate	N/A	N/A	\$ 19.20	\$ 38.40	\$ 57.60	\$ 76.80	\$ 96.00	\$ 115.20	N/A	N/A
Hardship - No Change	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	N/A	N/A
Small Business										
Current Rate	N/A	\$ 22.72	\$ 41.02	\$ 59.30	\$ 77.60	\$ 95.88	\$ 114.19	\$ 132.50	N/A	N/A
Increase	N/A	\$ 1.13	\$ 2.05	\$ 2.96	\$ 3.88	\$ 4.79	\$ 5.70	\$ 6.62	N/A	N/A
New Rate	N/A	\$ 23.85	\$ 43.07	\$ 62.26	\$ 81.48	\$ 100.68	\$ 119.89	\$ 139.12	N/A	N/A
On-Premise Small Business (1.50% of Small Business Rate)										
Current Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Increase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
New Rate	N/A	\$ 35.78	\$ 64.61	\$ 93.39	\$ 122.22	\$ 151.02	\$ 179.84	\$ 208.68	N/A	N/A

ATTACHMENT C
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
Effective April 1, 2006

Garbage Bin Size (cu yd)	Standard Recycling Bin Size (cu yd)	Rates	Number of Collections Per Week (Recycling Collection Once Per Week)					Extra Pickup
			1	2	3	4	5	
			Current Rate	\$ 74.16	\$ 134.30	\$ 194.47	\$ 254.64	
Increase	\$ 1.48	\$ 2.69	\$ 3.89	\$ 5.09	\$ 6.30	\$ 0.64		
New Rate	\$ 75.64	\$ 136.99	\$ 198.36	\$ 259.73	\$ 321.10	\$ 32.54		
Current Rate	\$ 93.15	\$ 170.87	\$ 248.62	\$ 326.36	\$ 404.11	\$ 36.31		
Increase	\$ 1.86	\$ 3.42	\$ 4.97	\$ 6.53	\$ 8.08	\$ 0.73		
New Rate	\$ 95.01	\$ 174.29	\$ 253.59	\$ 332.89	\$ 412.19	\$ 37.04		
Current Rate	\$ 112.62	\$ 207.95	\$ 303.28	\$ 398.61	\$ 493.93	\$ 40.74		
Increase	\$ 2.25	\$ 4.16	\$ 6.07	\$ 7.97	\$ 9.88	\$ 0.81		
New Rate	\$ 114.87	\$ 212.11	\$ 309.35	\$ 406.58	\$ 503.81	\$ 41.55		
Current Rate	\$ 150.67	\$ 281.17	\$ 411.66	\$ 542.15	\$ 672.63	\$ 49.58		
Increase	\$ 3.01	\$ 5.62	\$ 8.23	\$ 10.84	\$ 13.45	\$ 0.99		
New Rate	\$ 153.68	\$ 286.79	\$ 419.89	\$ 552.99	\$ 686.08	\$ 50.57		
Current Rate	\$ 188.73	\$ 354.39	\$ 520.03	\$ 685.69	\$ 851.35	\$ 58.42		
Increase	\$ 3.77	\$ 7.09	\$ 10.40	\$ 13.71	\$ 17.03	\$ 1.17		
New Rate	\$ 192.50	\$ 361.48	\$ 530.43	\$ 699.40	\$ 868.38	\$ 59.59		
Current Rate	\$ 226.78	\$ 427.59	\$ 628.42	\$ 829.25	\$ 1,030.08	\$ 66.79		
Increase	\$ 4.54	\$ 8.55	\$ 12.57	\$ 16.59	\$ 20.60	\$ 1.34		
New Rate	\$ 231.32	\$ 436.14	\$ 640.99	\$ 845.84	\$ 1,050.68	\$ 68.13		
Current Rate	\$ 264.83	\$ 500.82	\$ 736.80	\$ 972.79	\$ 1,208.79	\$ 76.09		
Increase	\$ 5.30	\$ 10.02	\$ 14.74	\$ 19.46	\$ 24.18	\$ 1.52		
New Rate	\$ 270.13	\$ 510.84	\$ 751.54	\$ 992.25	\$ 1,232.97	\$ 77.61		
Current Rate	\$ 340.93	\$ 647.25	\$ 953.56	\$ 1,259.88	\$ 1,566.21	\$ 93.76		
Increase	\$ 6.82	\$ 12.95	\$ 19.07	\$ 25.20	\$ 31.32	\$ 1.88		
New Rate	\$ 347.75	\$ 660.20	\$ 972.63	\$ 1,285.08	\$ 1,597.53	\$ 95.64		

- (1) For bins without wheels, the monthly service rates set out above are reduced by \$4.00 multiplied by the number of collections per week except for 6 and 8 cubic yard bins which include the deduction
- (2) Additional recycling capacity and/or collection frequency to be considered upon request

ATTACHMENT C
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
 Effective April 1, 2006
 Customer Owned Bin Deduction or Bin Rental Fee

Rate	Bin Size (cubic yards)							
	1	1.5	2	3	4	5	6	8
Current Rate	\$ (11.33)	\$ (12.46)	\$ (14.01)	\$ (16.34)	\$ (18.67)	\$ (21.00)	\$ (23.34)	\$ (28.01)
No Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Compactor Service

Rate	Per Collection,
Current Rate	\$ 35.46
Increase	\$ 0.71
New Rate	\$ 36.17

(1) Package rate includes service for recycling compactor of equal size to garbage bin.

ATTACHED SCHEDULE C
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
 Effective April 1, 2006

Bin Push Service

Rates include push of equal distance for recycling bin.

Distance (in feet)	Rates	Number of Pushes Per Week					Extra Pick-Up
		1	2	3	4	5	
Up to 25	Current Rate	\$ 16.62	\$ 33.24	\$ 49.85	\$ 66.47	\$ 83.09	\$ 10.30
	Increase	\$ 0.33	\$ 0.66	\$ 1.00	\$ 1.33	\$ 1.66	\$ 0.21
	New Rate	\$ 16.95	\$ 33.90	\$ 50.85	\$ 67.80	\$ 84.75	\$ 10.51
50	Current Rate	\$ 33.24	\$ 66.47	\$ 99.71	\$ 132.94	\$ 166.19	\$ 20.61
	Increase	\$ 0.66	\$ 1.33	\$ 1.99	\$ 2.66	\$ 3.31	\$ 0.41
	New Rate	\$ 33.90	\$ 67.80	\$ 101.70	\$ 135.60	\$ 169.50	\$ 21.02
75	Current Rate	\$ 49.85	\$ 99.71	\$ 149.56	\$ 199.43	\$ 249.28	\$ 30.91
	Increase	\$ 1.00	\$ 1.99	\$ 2.99	\$ 3.97	\$ 4.97	\$ 0.62
	New Rate	\$ 50.85	\$ 101.70	\$ 152.55	\$ 203.40	\$ 254.25	\$ 31.53
100	Current Rate	\$ 66.47	\$ 132.94	\$ 199.43	\$ 265.90	\$ 332.38	\$ 41.21
	Increase	\$ 1.33	\$ 2.66	\$ 3.97	\$ 5.30	\$ 6.62	\$ 0.83
	New Rate	\$ 67.80	\$ 135.60	\$ 203.40	\$ 271.20	\$ 339.00	\$ 42.04
125	Current Rate	\$ 83.09	\$ 166.19	\$ 249.28	\$ 332.38	\$ 415.47	\$ 51.51
	Increase	\$ 1.66	\$ 3.31	\$ 4.97	\$ 6.62	\$ 8.28	\$ 1.04
	New Rate	\$ 84.75	\$ 169.50	\$ 254.25	\$ 339.00	\$ 423.75	\$ 52.55
150	Current Rate	\$ 99.71	\$ 199.43	\$ 299.13	\$ 398.85	\$ 498.57	\$ 61.82
	Increase	\$ 1.99	\$ 3.97	\$ 5.97	\$ 7.95	\$ 9.93	\$ 1.24
	New Rate	\$ 101.70	\$ 203.40	\$ 305.10	\$ 406.80	\$ 508.50	\$ 63.06
175	Current Rate	\$ 116.33	\$ 232.66	\$ 349.00	\$ 465.33	\$ 581.66	\$ 72.12
	Increase	\$ 2.32	\$ 4.64	\$ 6.95	\$ 9.27	\$ 11.59	\$ 1.45
	New Rate	\$ 118.65	\$ 237.30	\$ 355.95	\$ 474.60	\$ 593.25	\$ 73.57
200	Current Rate	\$ 132.94	\$ 265.90	\$ 398.85	\$ 531.82	\$ 664.76	\$ 82.42
	Increase	\$ 2.66	\$ 5.30	\$ 7.95	\$ 10.58	\$ 13.24	\$ 1.66
	New Rate	\$ 135.60	\$ 271.20	\$ 406.80	\$ 542.40	\$ 678.00	\$ 84.08

(1) For regular pushes greater than 200 feet, the monthly charge is \$16.95 multiplied by the number of 25 foot increments multiplied by the number of collections per week. Example: The monthly rate for a 276 foot push for a bin collected 3/week is figured as $12 * \$16.95 * 3 = \610.20 .

(2) For extra pushes greater than 200 feet, the push charge is 0.62 times \$16.95 multiplied by the number of 25 foot increments

ATTACHMENT C
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
Effective April 1, 2006

Cart Push Service

Distance (in feet)	Rates	Regular Push	Extra Push
up to 25	Current Rate	\$ -	\$ -
	Increase	\$ -	\$ -
	New Rate	\$ -	\$ -
26-50	Current Rate	\$ 16.62	\$ 10.30
	Increase	\$ 0.33	\$ 0.21
	New Rate	\$ 16.95	\$ 10.51
51-75	Current Rate	\$ 33.24	\$ 20.61
	Increase	\$ 0.66	\$ 0.41
	New Rate	\$ 33.90	\$ 21.02
76-100	Current Rate	\$ 49.85	\$ 30.91
	Increase	\$ 1.00	\$ 0.62
	New Rate	\$ 50.85	\$ 31.53
101-125	Current Rate	\$ 66.47	\$ 41.21
	Increase	\$ 1.33	\$ 0.83
	New Rate	\$ 67.80	\$ 42.04
126-150	Current Rate	\$ 83.09	\$ 51.51
	Increase	\$ 1.66	\$ 1.04
	New Rate	\$ 84.75	\$ 52.55
151-175	Current Rate	\$ 99.71	\$ 61.82
	Increase	\$ 1.99	\$ 1.24
	New Rate	\$ 101.70	\$ 63.06
176-200	Current Rate	\$ 116.33	\$ 72.12
	Increase	\$ 2.32	\$ 1.45
	New Rate	\$ 118.65	\$ 73.57

- (1) Push rates above apply to either 1 cart or to a set of 2 carts
- (2) For regular pushes greater than 200 feet, the monthly charge is \$16.95 multiplied by the number of 25 foot increments minus 1.
- (3) For extra pushes greater than 200 feet, the charge is 0.62 times \$16.95 multiplied by the number of 25 foot increments minus 1.

ATTACHMENT C
RECYCLE PLUS MULTI-FAMILY CONTAMINATED RECYCLING RATES
 Effective April 1, 2006

Contaminated Recycling Collection

Bins		Pick-Up Charge
Bin Size (cu. yd.)	Rates	
1	Current Rate	\$ 31.90
	Increase	\$ 0.64
	New Rate	\$ 32.54
1.5	Current Rate	\$ 36.32
	Increase	\$ 0.73
	New Rate	\$ 37.05
2	Current Rate	\$ 40.74
	Increase	\$ 0.81
	New Rate	\$ 41.55
3	Current Rate	\$ 49.59
	Increase	\$ 0.99
	New Rate	\$ 50.58
4	Current Rate	\$ 58.42
	Increase	\$ 1.17
	New Rate	\$ 59.59
5	Current Rate	\$ 66.78
	Increase	\$ 1.34
	New Rate	\$ 68.12
6	Current Rate	\$ 76.08
	Increase	\$ 1.52
	New Rate	\$ 77.60
8	Current Rate	\$ 93.76
	Increase	\$ 1.88
	New Rate	\$ 95.64

Carts		Pick-Up Charge
Number of Carts	Rates	
1	Current Rate	\$ 32.06
	Increase	\$ 0.64
	New Rate	\$ 32.70
2	Current Rate	\$ 40.07
	Increase	\$ 0.80
	New Rate	\$ 40.87
3	Current Rate	\$ 72.13
	Increase	\$ 1.44
	New Rate	\$ 73.57
4	Current Rate	\$ 80.13
	Increase	\$ 1.60
	New Rate	\$ 81.73
5	Current Rate	\$ 112.20
	Increase	\$ 2.24
	New Rate	\$ 114.44
6	Current Rate	\$ 120.22
	Increase	\$ 2.40
	New Rate	\$ 122.62
7	Current Rate	\$ 152.29
	Increase	\$ 3.05
	New Rate	\$ 155.34
8	Current Rate	\$ 160.30
	Increase	\$ 3.21
	New Rate	\$ 163.51
9+	Current Rate	\$ 20.04
	Increase	\$ 0.40/cart
	New Rate	\$20.44/cart

(1) Extra Pick-Up rates apply to the collection of recycling bins or carts which are contaminated with garbage

ATTACHMENT C
ADDITIONAL RECYCLE PLUS MULTI-FAMILY SERVICE RATES
Effective April 1, 2006

Service	Current Rate	New Rate
<u>Large Item Collection</u>		
Per-Item Charge (1-3):	\$ 55.50	No Change
Each additional item:	\$ 18.50	No Change
<u>Garbage Overflow</u>		
Delivery and Pick-Up of Bin	\$ 32.74	\$ 33.39
Rental Rate	Regular monthly charge for bin service prorated to the number of weeks the overflow bin is requested	
<u>Lock Services</u>		
Lock Installed, Plus Key	<u>Bins</u> \$ 147.04	<u>Bins</u> \$ 149.98
Lock 3 Carts Together	NA	NA
Repaired, Including Lock	<u>Carts</u> \$ 88.96	<u>Carts</u> \$ 90.74
Repaired, Excluding Lock	\$ 95.14	\$ 97.04
Removed (damaged by customer)	\$ 80.31	\$ 81.92
Removed (requested by customer)	\$ 54.36	\$ 55.45
Special Services, Welding or Retrofit	\$ 108.73	\$ 110.90
	\$ 54.36	\$ 55.45
	\$ 53.86	\$ 54.94
	\$ 53.86 /hour	
<u>Other Services</u>		
Service Level Changes (bin or 2 carts)	\$ 25.00	No Change
(in excess of once per year)	\$ 25.00	No Change
Container Cleaning (bin or 2 carts)	\$ 25.00	No Change
(in excess of once per year)	NA	NA
Yard Trimmings Cart	\$ 8.17	\$ 8.33
Hardship Rate (for uninhabitable properties)	NA	\$0.00