COUNCIL AGENDA: 06-20-06
ITEM: 9.2

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 06-06-06

Approved

Date 6-09-06

COUNCIL DISTRICT: City-Wide

SUBJECT: ADOPTION OF RESOLUTION REVISING RECYCLE PLUS RATES EFFECTIVE AUGUST 1, 2006

RECOMMENDATION

Adoption of a resolution increasing rates for Recycle Plus single-family services by 5% and multi-family services by 3%, effective August 1, 2006.

OUTCOME

The approval of the recommendations contained in this memorandum will result in the following outcomes:

- A 5% service rate increase for single-family (SFD) customers will amount to a $0.95 monthly increase in the typical 32-gallon service rate. The increased revenues will help bring the Recycle Plus program closer to cost recovery and maintain a prudent fund balance in the Integrated Waste Management (IWM) Fund.
- Coupled with a 3% increase for multi-family (MFD) services, these rate increases will serve to stabilize Recycle Plus rates and minimize future rate increases.
- The proposed Recycle Plus rate increases will allow the City to continue providing comprehensive and high-quality solid waste services to San José residents, at rates below the countywide average.
- Approval of the Recycle Plus rate increases will allow the Consolidated Utility Billing System (C-UBS) to maintain its go-live activation this summer, as planned.

EXECUTIVE SUMMARY

The Administration is proposing to increase Recycle Plus rates for SFD services by 5% and rates for MFD services by 3%, effective August 1, 2006. By comparison, total expenditures are projected to increase by 7.0% ($5.5 million) in the IWM Fund during the 2006-07 fiscal year. The proposed rate increases can be kept below the anticipated expenditure increase by drawing down reserves in the fund balance. The fund balance not only provides a contingency reserve in the event of service disruptions, but it can also be drawn upon to help minimize rate increases.

The rate increases cover expenditures that fall under two categories: (a) Contractual Expenditures; and (b) Non-Contractual Expenditures. Detail of these categories is as follows:

Category A: Contractual Expenditures

- Increased Hauler Contract Costs (6.2% or $3.4 million in FY 2006-07) – Annual cost of living adjustments (COLAs) in the collection contracts are based on indices published by the U.S. Bureau of Labor Statistics (BLS). Labor and fuel are again the dominant factors in the cost of living adjustments. These adjustments are expected to increase between 4.0 and 6.5 percent in FY 2006-07. As stated in the FY 2005-06 Recycle Plus rate recommendation approved by Council on February 28, 2006, the increased labor costs approved in December 2004 do not contribute to this increase because that is a flat-rate amount not subject to COLAs. An amount sufficient to cover these costs was included in rate adjustments in prior years (FY 2003-04 and 2004-05).
- Increased Landfill Disposal Costs (7.9% or $700,000 in FY 2006-07) – Rising regulatory costs, in addition to the indexed annual adjustments in the disposal facility agreement, account for this anticipated increase.

Category B: Non-Contractual Expenditures

- Increased Non-Contractual Costs (9.4% or $1.4M in FY 2006-07) - These costs include expenditures for program management, billing, customer service, and overhead. Non-contractual costs also include the prorated amount for the first-year payback of commercial paper for the new C-UBS ($690,000). The ten-year financing plan for C-UBS will be completed in FY 2015-16.

BACKGROUND

A key City goal has been to bring solid waste programs to cost recovery in order to ensure the financial integrity of the IWM Fund (Fund 423) and to meet program obligations. As stated in the FY 2006-07 Environmental and Utility Services Five-Year Business Plan, a combination of program efficiencies and modest rate increases will be used to balance expenditures and revenues to keep programs as close to 100% cost recovery as possible, while still providing quality services for San José residents. Staff reviews IWM Fund revenue and expenditure forecasts on a regular basis, and determines the revenue necessary to achieve cost recovery and

implement City Council approved programs and activities. The recommendations contained in this memorandum are based on the results of this analysis.

The proposed rate increases of 5% and 3% for FY 2006-07 were covered by the Proposition 218 notices mailed out to property owners in May 2005. This three-year notice limited rate increases to a maximum of 5% through FY 2007-08. Table 1 below projects that a higher rate increase may be needed in FY 2007-08, which would require re-noticing to the public. Fewer than 500 protest letters, representing less than 1% of San José property owners, were received during the official protest period. A table summarizing the protest letters received can be found in the Public Outreach section of this memorandum.

ANALYSIS

The Administration is proposing to increase Recycle Plus rates for single-family service by 5% and multi-family service by 3%, effective August 1, 2006. By comparison, it is estimated that total expenditures for FY 2006-07 in the IWM Fund will increase by 7.0% ($5.5 million). The proposed service rate increase for this fiscal year can be kept below the expenditure increase by drawing down the fund balance, which includes a reserve of $1.2 million for unknown future contract costs for services beginning July 1, 2007. This reserve was approved by Council in February 2006. A five-year rate strategy is presented below in Table 1 using the best information currently available. To estimate unknown Recycle Plus contract expenses for services beginning in FY 2007-08, staff used the costs of the second lowest proposal received in 2000, adjusted by COLA increases. A preliminary rate impact report will be provided to Council in August 2006, when staff makes its recommendation for the Recycle Plus contract awards.

TABLE 1 – Recommended FY 2006-07 Rate Increases Effective August 1, 2006

	Actual	Projected			
	FY 06-07	**FY 07-08**	**FY 08-09**	**FY 09-10**	**FY 10-11**
Fund Balance Target (1 month operating expenses) [1]	5,627,000	6,170,000	6,477,000	6,806,000	7,148,000
SFD Rate Increase	5%	9%	6%	6%	5%
MFD Rate Increase	3%	3%	3%	3%	3%
Unrestricted Fund Balance and Contingency Reserve [2]	5,045,000	5,093,000	5,803,000	6,737,000	7,566,000

[1] 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 fund balance serves as a contingency reserve in the event of service disruption or other emergencies.

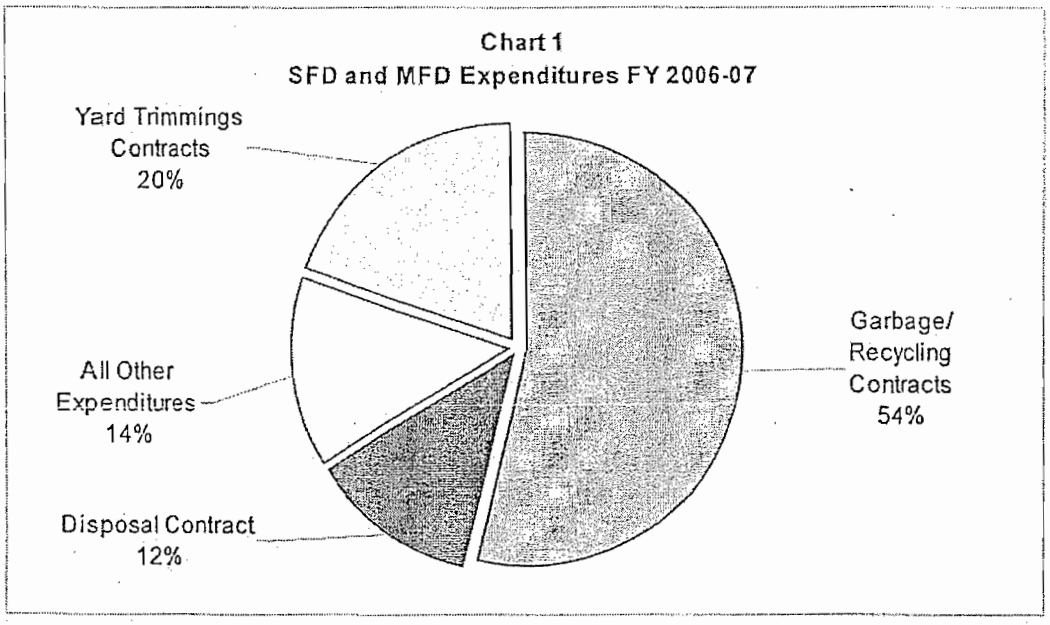
[2] FY 2006-07 projections include a reserve of $1.2 million for unknown future contract costs, as approved by Council in February 2006. Costs associated with the new Recycle Plus contracts beginning in FY 2007-08 are difficult to estimate. For this rate analysis, estimates for new contract costs are based on cost proposals received

A moderate SFD increase of approximately 5% would amount to an additional $0.95 per month for the standard 32-gallon garbage cart, increasing the rate from $19.20 to $20.15. Even with this increase, San José rates would remain below the current countywide average of $20.85 per month based on a survey of Santa Clara County cities undertaken in August 2005 (increases proposed by other cities could raise the countywide average to $21.21). Similarly, even with a 3% 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 $158.29 per month, far lower than the countywide average of $224.27 per month, based on a July 2005 survey prepared by the County of Santa Clara. Rate comparisons with other jurisdictions are detailed in Attachment A.

The proposed $3 increase to the Recycle Plus Returned Check Fee, as reflected in the Schedule of Fees and Charges, will be deferred until October 1, 2006. The deferral of this increase for three months will allow the City to utilize existing bill stock that reflects the current rate of $39. The impact of this deferral on the IWM Fund is estimated to be $600.

WHY A RATE INCREASE IS NEEDED

The bulk of the costs covered by the Recycle Plus fees are used to pay the collection contractors and the landfill disposal contractor. Chart 1 below indicates that these contracts comprise 86% of total single-family and multi-family expenditures. The remaining 14% includes expenditures for overhead, program management, billing and customer service.



Overall, there has been an increase of 7.0% ($5.5 million) in total expenditures for FY 2006-07 in the IWM Fund. The increase can be broken out into the two categories described below.

Category A: Increased Contractual Expenditures
The three current collection contracts (GreenTeam, GreenWaste Recovery and Norcal) and the Newby Island Landfill disposal contract include provisions for annual COLAs to cover allowable cost increases. Rising landfill regulatory costs also contribute significantly to contract cost increases. Overall, contractual expenditures in the IWM Fund are anticipated to increase by 6.5%, or $4.1 million in FY 2006-07, as detailed below and summarized in Table 2.

Recycle Plus Contract Costs –Annual adjustments for contract costs are based on changes in indices published by the BLS. The dominant factors in this adjustment index are labor costs and fuel costs. The most volatile index is for diesel fuel, which increased 47% in 2005. To cover the rising contractor costs reflected in the BLS indices, it is estimated that Recycle Plus contract costs will increase between 4.0% and 6.5% in FY 2006-07, depending on the particular contract and the final data published by the BLS.

Landfill Disposal Costs - FY 2006-07 disposal costs at Newby Island Landfill are anticipated to increase by 7.9% due to the indexed annual adjustment and rising regulatory costs. Regulatory 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 IWM Fund will also increase. Ongoing expenditures, including program management, billing, customer service, and overhead, are estimated to increase by 9.4% in FY 2006-07. Non-contractual costs include the prorated amount for the first-year payback of commercial paper for the new C-UBS ($690,000). The ten-year financing plan for C-UBS will be completed in FY 2015-16.

TABLE 2 –FY 2006-07 Expenditure Increases

Expenditure Description	$ Increase	% Increase
Contract Costs		
Recycle Plus Contracts	$3.4M	6.2%
Disposal Contract	$0.7M	7.9%
(Subtotal Contractual Increases)	$4.1M	6.5%
Non-Contractual Costs	$1.4M	9.4%
Total Expenditure Increase	**$5.5M**	**7.0%**

Unknown Future Contract Costs

Proposals for Recycle Plus services beginning July 1, 2007 are currently being evaluated. A recommendation for award is scheduled for Council consideration in August 2006. Due to the competitive nature of San José's proposal process, potential increases to Recycle Plus 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 José residents. However, it is very possible that contract cost increases will occur in the single-family sector beginning in FY 2007-08. As stated previously, a preliminary rate impact report will be provided to Council in August 2006, when staff makes its recommendation for the Recycle Plus contract awards. A revised five-year rate strategy will be prepared to reflect new cost projections once the award of contracts is finalized.

ALTERNATIVES

Alternative A: Delayed FY 2006-07 Rate Increase, Effective December 1st

Should Council choose to defer a decision on Recycle Plus rate increases to later in the 2006-2007 fiscal year, the subsequent rates selected would need to be above 5% in order to maintain the fiscal integrity of the IWM Fund while meeting program obligations. This would require a re-noticing of the public under Proposition 218, since 5% was the limit set in the May 2005 public notice. For increases delayed beyond August 1, the earliest effective date would need to be December 1, in order to accommodate the required 45-day public comment period, and to comply with the normal schedule for processing Council memos.

Additionally, any change in the recommended rate increases for FY 2006-07 will have a significant effect on the launch of the C-UBS. In a typical year, rate changes will be absorbed within normal operations. However, the C-UBS "go-live" scheduled for Summer 2006 requires extensive testing beyond normal operational configuration. This new system replaces several legacy billing systems; therefore, data and rates from these legacy systems must be converted and verified in the new system. This is a complex set of tasks that requires a stable environment for testing. The recommended rates have been programmed into the system, and are currently being tested along with the many other changes that come with the change-over from legacy systems and installation of the new C-UBS system. So, in order to ensure a smooth transition to the new system for customers, testing assumptions had to be made with regard to rates.

Should the rate increase be delayed beyond August 1, 2006, the C-UBS schedule would likewise have to be delayed by an estimated six weeks to allow for programming of new rates and to re-plan and perform all other necessary functions required to ensure a successful go-live. These functions include re-tooling of the go-live cut-over activities, which is a massive undertaking involving no less than 30 full-time staff from Finance, ESD and IT. Training will need to be extended so that lessons are fresh for users, technical cut-over activities would have to be re-scheduled, and importantly, coordination with vendors would have to be re-planned. These vendors must be alerted to our legacy system blackout periods, and data transfers must be coordinated to ensure that legacy procedures are not confused with those for the new system. Call Center temporary staff that cover Call Center duties during training for regular staff and who will support estimated increases in call volumes would also have to be extended for the

Call Center temporary staff that cover Call Center duties during training for regular staff and who will support estimated increases in call volumes would also have to be extended for the period. The total estimated costs associated with this six-week delay in the C-UBS schedule is approximately $1.0 million, as detailed in Table 3. Of these total costs, it is estimated that approximately $526,000 (51%) would be apportioned to the IWM Fund. The remainder of the costs would be divided among the following funds: Storm Sewer Operating Fund (15%), Water Utility Fund (12%), and Sewer Service and Use Charge Fund (22%).

TABLE 3 - Estimated Costs for C-UBS Schedule Change

Additional Cost	$ Increase
City Staff	
Finance and I.T.	*$200,000*
ESD	*$140,000*
Call Center Temps.	*$70,000*
City Staff Sub-Total	$410,000
BearingPoint	$600,000
Q/A Consultant	$22,000
TOTAL	**$1,032,000**

Table 4 below reflects the impact of delaying Recycle Plus rate increases to December 1, 2006, and includes the fiscal impact of the C-UBS schedule change to the IWM Fund. SFD rate increases of 8% in FY 2006-07 would be necessary in order to pay for contractor services and maintain minimum fund balance levels.

TABLE 4 – Alternative A: FY 2006-07 Rate Increases Effective December 1, 2006

Not Recommended – Project Rates (Not Actual)

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Fund Balance Target	5,627,000	6,170,000	6,477,000	6,806,000	7,148,000
SFD Rate Increase	8%	9%	3%	5%	5%
MFD Rate Increase	3%	3%	3%	3%	3%
Unrestricted Fund Balance and Contingency Reserve	5,085,000	6,192,000	6,914,000	7,199,000	7,304,000

Alternative B: No Rate Increase in FY 2006-07

Should Council choose not to approve a rate increase this fiscal year, significantly higher rate increases would be required in Fiscal Year 2007-08 in order to achieve cost recovery and maintain the fund balance at minimum levels. As shown in Table 5 below, an SFD rate increase of 20% in FY 2007-08 would be necessary in order to pay for contractor services and maintain minimum

fund balance levels. This higher increase would require Proposition 218 re-noticing to the public in early April 2007. Additionally, without a rate increase in FY 2006-07, the available fund balance would fall far below the target of $5.6 million. The projected reserve of $2.3 million in FY 2006-07 may not be sufficient to cover contractual costs in the event of a service disruption or other emergency.

The fiscal impacts of the C-UBS schedule change to the IWM Fund are also included in Table 5, as this change from the recommendation would also cause the C-UBS schedule to be delayed by six weeks while rates in the system are reprogrammed and tested.

TABLE 5 – Alternative B: No FY 2006-07 Rate Increases

Not Recommended – Projected Rates (Not Actual)

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Fund Balance Target	5,627,000	6,170,000	6,477,000	6,806,000	7,148,000
SFD Rate Increase	0%	20%	3%	4%	4%
MFD Rate Increase	0%	5%	4%	3%	3%
Unrestricted Fund Balance and Contingency Reserve	2,267,000	4,310,000	6,212,000	7,098,000	7,162,000

PUBLIC OUTREACH

Prop. 218 Notifications and Letters of Protest

The City Clerk's Office received 502 responses to the 2005 Proposition 218 notification for the proposed Recycle Plus rates, which included an FY 2006-07 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 6. 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 José property owners formally protested the proposed increases.

TABLE 6 – Proposition 218 Protest Letters Received

# 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 José Property Owners Protesting Rate Increase**

FY 2006-07 Public Hearing Process

In addition to the Proposition 218 public comment period previously provided for discussion of the three-year rate strategy in 2005, public comment is also being sought as part of the FY 2006-07 budget process. Budget study sessions conducted in May were open to the public. Also, public input on Proposed Fees and Charges was heard by the City Council on May 16th, and the public will have an additional opportunity to comment on June 12th. Public commentary on Recycle Plus rate increases will also be heard at the Proposed Budget hearings on June 20th.

COORDINATION

This memorandum was coordinated with the City Manager's Budget Office, the City Attorney's Office, and the Finance Department.

COST IMPLICATIONS

- A 5% single-family rate increase will generate approximately $2.5 million in additional revenue to the IWM Fund for FY 2006-07.
- A 3% multi-family rate increase will generate approximately $460,000 in additional revenue to the IWM Fund for FY 2006-07.

These recommendations are consistent with Council policy that programs be self-supporting whenever possible.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2006-2007 Proposed Operating Budget*	Last Budget Action (Date, Ord. No.)
423	8150	Earned Revenue		$81,777,379	N/A	Page XI-41	N/A

* The 2006-2007 Operating Budget is scheduled for final approval by the City Council on June 27, 2006.

CEQA

Not a project.

JOHN STUFFLEBEAN
Director, Environmental Services

For questions, please contact Donna Perala, Supervising Environmental Services Specialist, at (408) 975-2511.

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

ATTACHMENT A

RATE COMPARISONS

The table below compares the typical 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. If know, proposed rates for FY 06-07 are included. 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 3% 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 $158.29 – far lower than the countywide average of $224.27 per month, based on a July 2005 survey prepared by the County of Santa Clara.

Single-Family Dwelling Garbage and Recycling Program
32 Gallon Rate Comparisons

Santa Clara County Cities	Current Monthly Rate	Proposed FY 06-07 Monthly Rate (if available)
Los Altos Hills[1,4,6]	$27.72	-
Milpitas[2,5]	$27.03	-
Los Altos[1,4,6]	$24.14	-
Palo Alto[5]	$23.54	-
Gilroy	$21.76	$22.79
Morgan Hill[1,2,4]	$21.82	$22.31
Monte Sereno	$21.71	-
Cupertino[5]	$21.38	-
Countywide Average	**$20.85**	**$21.21**
Sunnyvale[6]	$20.58	$21.71
County – South/West San José	$20.29	-
County – East San José	$19.22	-
San José	**$19.20**	**$20.15**
Saratoga	$18.81	-
Campbell	$18.05	-
Santa Clara[3]	$17.30	$19.50
Los Gatos	$16.90	-
Mountain View[1,4]	$15.00	$15.30

[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
32 Gallon Rate Comparisons - Continued

Other Northern California Cities	Current Monthly Rate
Oakland[1,2]	$24.82
Fremont	$22.41
Sacramento	$20.70
San Francisco	$19.33
San José (proposed)	**$20.15**
San José (current)	**$19.20**

[1] Recyclables are only collected every other week.
[2] Yard trimmings are only collected every other week.

ATTACHMENT B
RECYCLE PLUS SINGLE-FAMILY MONTHLY SERVICE RATES

Effective August 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	$ 18.08	$ 19.20	$ 38.40	$ 57.60	$ 76.80	$ 96.00	$ 115.20	$ 134.40	$ 49.63	$ 73.83
Increase	$ 0.90	$ 0.95	$ 1.90	$ 2.85	$ 3.80	$ 4.75	$ 5.70	$ 6.65	$ 2.48	$ 3.69
New Rate	$ 18.98	$ 20.15	$ 40.30	$ 60.45	$ 80.60	$ 100.75	$ 120.90	$ 141.05	$ 52.11	$ 77.52
On-Premises Collection (1.50% of Curbside Rate)										
Current Rate	$ 27.12	$ 28.80	$ 57.60	$ 86.40	$ 115.20	$ 144.00	$ 172.80	$ 201.60	$ 74.45	$ 110.75
Increase	$ 1.35	$ 1.43	$ 2.85	$ 4.27	$ 5.70	$ 7.13	$ 8.55	$ 9.97	$ 3.72	$ 5.54
New Rate	$ 28.47	$ 30.23	$ 60.45	$ 90.68	$ 120.90	$ 151.13	$ 181.35	$ 211.58	$ 78.17	$ 116.28
On-Premises Disabled (Equivalent to CR Rate)										
Current Rate	$ 18.08	$ 19.20	$ 38.40	$ 57.60	$ 76.80	$ 96.00	$ 115.20	$ 134.40	N/A	N/A
Increase	$ 0.90	$ 0.95	$ 1.90	$ 2.85	$ 3.80	$ 4.75	$ 5.70	$ 6.65	N/A	N/A
New Rate	$ 18.98	$ 20.15	$ 40.30	$ 60.45	$ 80.60	$ 100.75	$ 120.90	$ 141.05	N/A	N/A
LIRA (70%/50% of CR Rate)										
Current Rate	$ 12.66	$ 13.44	$ 19.20	$ 28.80	$ 38.40	$ 48.00	$ 57.60	$ 67.20	N/A	N/A
Increase	$ 0.63	$ 0.66	$ 0.95	$ 1.43	$ 1.90	$ 2.38	$ 2.85	$ 3.32	N/A	N/A
New Rate	$ 13.29	$ 14.11	$ 20.15	$ 30.23	$ 40.30	$ 50.38	$ 60.45	$ 70.53	N/A	N/A
LIRA - Large Family (75% of Curbside Rate)										
Current Rate	N/A	N/A	$ 28.80	$ 43.20	$ 57.60	$ 72.00	$ 86.40	$ 100.80	N/A	N/A
Increase	N/A	N/A	$ 1.43	$ 2.14	$ 2.85	$ 3.56	$ 4.27	$ 4.99	N/A	N/A
New Rate	N/A	N/A	$ 30.23	$ 45.34	$ 60.45	$ 75.56	$ 90.68	$ 105.79	N/A	N/A
Special Medical (CR Rate Minus 1 Svc Level)										
Current Rate	N/A	N/A	$ 19.20	$ 38.40	$ 57.60	$ 76.80	$ 96.00	$ 115.20	N/A	N/A
Increase	N/A	N/A	$ 0.95	$ 1.90	$ 2.85	$ 3.80	$ 4.75	$ 5.70	N/A	N/A
New Rate	N/A	N/A	$ 20.15	$ 40.30	$ 60.45	$ 80.60	$ 100.75	$ 120.90	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	$ 23.85	$ 43.07	$ 62.26	$ 81.48	$ 100.68	$ 119.89	$ 139.12	N/A	N/A
Increase	N/A	$ 1.19	$ 2.15	$ 3.11	$ 4.07	$ 5.03	$ 5.99	$ 6.95	N/A	N/A
New Rate	N/A	$ 25.04	$ 45.22	$ 65.37	$ 85.55	$ 105.71	$ 125.88	$ 146.07	N/A	N/A
On-Premise Small Business (1.50% of Small Business Rate)										
Current Rate	N/A	$ 35.78	$ 64.61	$ 93.39	$ 122.22	$ 151.02	$ 179.84	$ 208.68	N/A	N/A
Increase	N/A	$ 1.79	$ 3.22	$ 4.67	$ 6.10	$ 7.54	$ 8.98	$ 10.43	N/A	N/A
New Rate	N/A	$ 37.56	$ 67.83	$ 98.06	$ 128.33	$ 158.57	$ 188.82	$ 219.11	N/A	N/A

ATTACHMENT B
ADDITIONAL SFD SERVICE RATES

Effective August 1, 2006

Service	Current Rate	New Rate
Cart Exchanges	$15.00 for each exchange in excess of once per fiscal year	No Change
Container charge for repeated cart requests or abuse of cart	$10.00 plus the actual container replacement cost, including delivery costs	No Change
Yard Trimmings Cart	$ 2.50 per month	No Change
Extra Garbage Stickers	$ 4.70 per sticker	$ 4.90
Large Item Collection	$24.00 for each 3 items	$ 25.00
Missing/Stolen Carts	Free	No Change
Shared Cart Services:		
Contaminated Recycling Carts	$33.34 per pick-up for one cart	$ 35.00
	$41.66 per pickup for two carts	$ 43.74

ATTACHMENT C
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
Effective August 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	
1	1	Current Rate	$ 75.64	$ 136.99	$ 198.36	$ 259.73	$ 321.10	$ 32.54
		Increase	$ 2.27	$ 4.11	$ 5.95	$ 7.79	$ 9.63	$ 0.98
		New Rate	$ 77.91	$ 141.10	$ 204.31	$ 267.52	$ 330.73	$ 33.52
1.5	1.5	Current Rate	$ 95.01	$ 174.29	$ 253.59	$ 332.89	$ 412.19	$ 37.04
		Increase	$ 2.85	$ 5.23	$ 7.61	$ 9.99	$ 12.37	$ 1.11
		New Rate	$ 97.86	$ 179.52	$ 261.20	$ 342.88	$ 424.56	$ 38.15
2	2	Current Rate	$ 114.87	$ 212.11	$ 309.35	$ 406.58	$ 503.81	$ 41.55
		Increase	$ 3.45	$ 6.36	$ 9.28	$ 12.20	$ 15.11	$ 1.25
		New Rate	$ 118.32	$ 218.47	$ 318.63	$ 418.78	$ 518.92	$ 42.80
3	3	Current Rate	$ 153.68	$ 286.79	$ 419.89	$ 552.99	$ 686.08	$ 50.57
		Increase	$ 4.61	$ 8.60	$ 12.60	$ 16.59	$ 20.58	$ 1.52
		New Rate	$ 158.29	$ 295.39	$ 432.49	$ 569.58	$ 706.66	$ 52.09
4	4	Current Rate	$ 192.50	$ 361.48	$ 530.43	$ 699.40	$ 868.38	$ 59.59
		Increase	$ 5.78	$ 10.84	$ 15.91	$ 20.98	$ 26.05	$ 1.79
		New Rate	$ 198.28	$ 372.32	$ 546.34	$ 720.38	$ 894.43	$ 61.38
5	5	Current Rate	$ 231.32	$ 436.14	$ 640.99	$ 845.84	$ 1,050.68	$ 68.13
		Increase	$ 6.94	$ 13.08	$ 19.23	$ 25.38	$ 31.52	$ 2.04
		New Rate	$ 238.26	$ 449.22	$ 660.22	$ 871.22	$ 1,082.20	$ 70.17
6	6	Current Rate	$ 270.13	$ 510.84	$ 751.54	$ 992.25	$ 1,232.97	$ 77.61
		Increase	$ 8.10	$ 15.33	$ 22.55	$ 29.77	$ 36.99	$ 2.33
		New Rate	$ 278.23	$ 526.17	$ 774.09	$ 1,022.02	$ 1,269.96	$ 79.94
8	8	Current Rate	$ 347.75	$ 660.20	$ 972.63	$ 1,285.08	$ 1,597.53	$ 95.64
		Increase	$ 10.43	$ 19.81	$ 29.18	$ 38.55	$ 47.93	$ 2.87
		New Rate	$ 358.18	$ 680.01	$ 1,001.81	$ 1,323.63	$ 1,645.46	$ 98.51

(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 August 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	$ 36.17
Increase	$ 1.09
New Rate	$ 37.26

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

ATTACHMENT C
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
Effective August 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	$ 16.95	$ 33.90	$ 50.85	$ 67.80	$ 84.75	$ 10.51
	Increase	$ 0.51	$ 1.02	$ 1.53	$ 2.04	$ 2.55	$ 0.32
	New Rate	$ 17.46	$ 34.92	$ 52.38	$ 69.84	$ 87.30	$ 10.83
50	Current Rate	$ 33.90	$ 67.80	$ 101.70	$ 135.60	$ 169.50	$ 21.02
	Increase	$ 1.02	$ 2.04	$ 3.06	$ 4.08	$ 5.10	$ 0.64
	New Rate	$ 34.92	$ 69.84	$ 104.76	$ 139.68	$ 174.60	$ 21.66
75	Current Rate	$ 50.85	$ 101.70	$ 152.55	$ 203.40	$ 254.25	$ 31.53
	Increase	$ 1.53	$ 3.06	$ 4.59	$ 6.12	$ 7.65	$ 0.96
	New Rate	$ 52.38	$ 104.76	$ 157.14	$ 209.52	$ 261.90	$ 32.49
100	Current Rate	$ 67.80	$ 135.60	$ 203.40	$ 271.20	$ 339.00	$ 42.04
	Increase	$ 2.04	$ 4.08	$ 6.12	$ 8.16	$ 10.20	$ 1.28
	New Rate	$ 69.84	$ 139.68	$ 209.52	$ 279.36	$ 349.20	$ 43.32
125	Current Rate	$ 84.75	$ 169.50	$ 254.25	$ 339.00	$ 423.75	$ 52.55
	Increase	$ 2.55	$ 5.10	$ 7.65	$ 10.20	$ 12.75	$ 1.60
	New Rate	$ 87.30	$ 174.60	$ 261.90	$ 349.20	$ 436.50	$ 54.15
150	Current Rate	$ 101.70	$ 203.40	$ 305.10	$ 406.80	$ 508.50	$ 63.06
	Increase	$ 3.06	$ 6.12	$ 9.18	$ 12.24	$ 15.30	$ 1.92
	New Rate	$ 104.76	$ 209.52	$ 314.28	$ 419.04	$ 523.80	$ 64.98
175	Current Rate	$ 118.65	$ 237.30	$ 355.95	$ 474.60	$ 593.25	$ 73.57
	Increase	$ 3.57	$ 7.14	$ 10.71	$ 14.28	$ 17.85	$ 2.24
	New Rate	$ 122.22	$ 244.44	$ 366.66	$ 488.88	$ 611.10	$ 75.81
200	Current Rate	$ 135.60	$ 271.20	$ 406.80	$ 542.40	$ 678.00	$ 84.08
	Increase	$ 4.08	$ 8.16	$ 12.24	$ 16.32	$ 20.40	$ 2.56
	New Rate	$ 139.68	$ 279.36	$ 419.04	$ 558.72	$ 698.40	$ 86.64

(1) For regular pushes greater than 200 feet, the monthly charge is $17.46 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 * $17.46 * 3 = $628.56.

(2) For extra pushes greater than 200 feet, the push charge is 0.62 times $17.46 multiplied by the number of 25 foot increments

ATTACHMENT C
RECYCLE PLUS MULTI-FAMILY MONTHLY SERVICE RATES
Effective August 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	$ 16.95	$ 10.51
	Increase	$ 0.51	$ 0.32
	New Rate	$ 17.46	$ 10.83
51-75	Current Rate	$ 33.90	$ 21.02
	Increase	$ 1.02	$ 0.64
	New Rate	$ 34.92	$ 21.66
76-100	Current Rate	$ 50.85	$ 31.53
	Increase	$ 1.53	$ 0.96
	New Rate	$ 52.38	$ 32.49
101-125	Current Rate	$ 67.80	$ 42.04
	Increase	$ 2.04	$ 1.28
	New Rate	$ 69.84	$ 43.32
126-150	Current Rate	$ 84.75	$ 52.55
	Increase	$ 2.55	$ 1.60
	New Rate	$ 87.30	$ 54.15
151-175	Current Rate	$ 101.70	$ 63.06
	Increase	$ 3.06	$ 1.92
	New Rate	$ 104.76	$ 64.98
176-200	Current Rate	$ 118.65	$ 73.57
	Increase	$ 3.57	$ 2.24
	New Rate	$ 122.22	$ 75.81

(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 $17.46 multiplied by the number of 25 foot increments minus 1.

(3) For extra pushes greater than 200 feet, the charge is 0.62 times $17.46 multiplied by the number of 25 foot increments minus 1.

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

Contaminated Recycling Collection

Bins		
Bin Size (cu. yd.)	Rates	Pick-Up Charge
1	Current Rate	$ 32.54
	Increase	$ 0.98
	New Rate	$ 33.52
1.5	Current Rate	$ 37.05
	Increase	$ 1.11
	New Rate	$ 38.16
2	Current Rate	$ 41.55
	Increase	$ 1.25
	New Rate	$ 42.80
3	Current Rate	$ 50.58
	Increase	$ 1.52
	New Rate	$ 52.10
4	Current Rate	$ 59.59
	Increase	$ 1.79
	New Rate	$ 61.38
5	Current Rate	$ 68.12
	Increase	$ 2.04
	New Rate	$ 70.16
6	Current Rate	$ 77.60
	Increase	$ 2.33
	New Rate	$ 79.93
8	Current Rate	$ 95.64
	Increase	$ 2.87
	New Rate	$ 98.51

Carts		
Number of Carts	Rates	Pick-Up Charge
1	Current Rate	$ 32.70
	Increase	$ 0.98
	New Rate	$ 33.68
2	Current Rate	$ 40.87
	Increase	$ 1.23
	New Rate	$ 42.10
3	Current Rate	$ 73.57
	Increase	$ 2.21
	New Rate	$ 75.78
4	Current Rate	$ 81.73
	Increase	$ 2.45
	New Rate	$ 84.18
5	Current Rate	$ 114.44
	Increase	$ 3.43
	New Rate	$ 117.87
6	Current Rate	$ 122.62
	Increase	$ 3.68
	New Rate	$ 126.30
7	Current Rate	$ 155.34
	Increase	$ 4.66
	New Rate	$ 160.00
8	Current Rate	$ 163.51
	Increase	$ 4.91
	New Rate	$ 168.42
9+	Current Rate	$ 20.44
	Increase	$ 0.61/cart
	New Rate	$21.05/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 August 1, 2006

Service	Current Rate		New Rate	
Large Item Collection				
Per-Item Charge (1-3):	$ 55.50		No Change	
Each additional item:	$ 18.50		No Change	
Garbage Overflow				
Delivery and Pick-Up of Bin	$ 33.39		$ 34.39	
Rental Rate	Regular monthly charge for bin service prorated to the number of weeks the overflow bin is requested			
Lock Services	Bins	Carts	Bins	Carts
Lock Installed, Plus Key	$ 149.98	$ 90.74	$ 154.48	$ 93.46
Lock 3 Carts Together	NA	$ 90.74 /three	NA	$ 93.46
Repaired, Including Lock	$ 97.04	$ 69.32	$ 99.95	$ 71.40
Repaired, Excluding Lock	$ 81.92	$ 55.45	$ 84.38	$ 57.11
Removed (damaged by customer)	$ 110.90	$ 90.74	$ 114.23	$ 93.46
Removed (requested by customer)	$ 55.45	$ 55.45	$ 57.11	$ 57.11
Special Services, Welding or Retrofit	$ 54.94	$ 54.94 /hour	$ 56.59	$ 56.59
Other Services				
Service Level Changes (bin or 2 carts) (in excess of once per year)	$ 25.00	$ 25.00	No Change	
Container Cleaning (bin or 2 carts) (in excess of once per year)	$ 25.00	$ 25.00	No Change	
Yard Trimmings Cart	NA	$ 8.33	NA	$ 8.58
Hardship Rate (for uninhabitable properties)	NA		$0.00	