



# City of San Leandro City Council Meeting

Special Rate Review Request from  
Alameda County Industries  
June 17, 2019

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## Request:

- City Council approve a 7.89% increase on all solid waste, recycling and green waste rates, effective October 1, 2019
- Parties re-evaluate the annual rate adjustment methodology (established in 2010) to capture unanticipated operational costs before the next annual adjustment on July 1, 2020.

## Elements of 7.89% Rate Increase Request

### Contractual

- 3.01% increase for annual rate adjustment
- .88% decrease for recycling revenue share
- 1.65% increase for incremental labor increases for MRF

**Total: 3.78%**

### For Consideration

- .39% increase for recycling market impacts - China Sword initiative
- 3.72% increase for organics collection route

**Total: 4.11%**

# Rate Impacts

## Monthly Solid Waste Rates

Customer	Service Level	Rate as of 7/1/18	Rate with 3.78% Contractual Adjustment	Rate with Additional 4.11% Request (7.89% Total)
Residential	20-gallon	\$24.01	\$24.92	\$25.90
Residential	32-gallon	\$29.91	\$31.04	\$32.27
Multifamily	1cy 1x per week	\$111.46	\$115.67	\$120.25
Commercial	1cy 1x per week	\$131.16	\$136.12	\$141.51
Commercial	3cy 1x per week	\$396.53	\$411.52	\$427.82

# Rate Comparison

## Monthly Solid Waste Rates

Jurisdiction	Residential 20-gallon	Residential 32-gallon	Residential 64-gallon	Residential 96-gallon	Commercial 1cy 1x per week	Commercial 3cy 1x per week
San Leandro - Current	\$24.01	\$29.91	\$49.79	\$69.64	\$131.16	\$396.53
San Leandro - 3.78%	\$24.92	\$31.04	\$51.67	\$72.30	\$136.12	\$411.52
San Leandro - 7.89%	<b>\$25.90</b>	<b>\$32.27</b>	<b>\$53.72</b>	<b>\$75.13</b>	<b>\$141.51</b>	<b>\$427.82</b>
Alameda	\$31.90	\$40.27	\$66.17	\$92.41	\$153.40	\$460.20
Berkeley	\$26.25	\$41.49	\$83.91	\$125.82	\$167.07	\$462.36
Dublin	N/A	\$26.09	\$47.93	\$69.79	\$126.59	\$379.77
Fremont	\$34.04	\$34.77	\$38.12	\$55.93	\$100.71	\$226.39
Hayward	\$23.62	\$34.52	\$61.56	\$88.57	\$146.82	\$378.25
Livermore	\$29.03	\$38.42	\$57.54	\$90.41	\$116.72	\$350.16
Newark	\$29.30	\$32.56	\$57.68	\$90.41	\$131.95	\$349.10
Oakland	\$41.54	\$47.17	\$83.26	\$125.13	\$230.70	\$549.39
Pleasanton	N/A	\$26.07	N/A	\$45.48	\$116.78	\$350.16
Union City	\$29.49	\$36.87	\$73.79	\$110.65	\$153.17	\$401.39
Castro Valley SD	\$30.79	\$47.74	\$82.91	\$118.07	\$202.97	\$493.63
Oro Loma SD	\$15.10	\$25.66	\$46.65	\$67.70	\$137.37	365.93

## Annual Rate Adjustment Process

- Amendment 10 specifies use of Refuse Rate Index (RRI) for determining Annual Rate Adjustment
- Includes provision to share revenues on the sale of recyclables

Cost Category	Index
Labor	Changes in actual labor costs
Diesel Fuel	#2 Diesel - Series ID wpu057303
Vehicle Replacement	Truck & Bodies – Series ID wpu141301
Vehicle Maintenance	Parts & Attachments – Series ID wpu1140378
Disposal	Changes in actual disposal costs at landfill
All Other	All items – Series ID cuur0000sa0

## Annual Rate Adjustment Process

Year	Rate	Reason
2010	2.88%	Annual Adjustment – RRI
2011	1.12%	Annual Adjustment – RRI
2012	5.5%	Annual Adjustment – RRI (No Recycling Revenue Share)
2013	1.82%	Annual Adjustment – RRI
2015	4.01%	Special Rate Adjustment – Amendment 11
2015	8.49%	Special Rate Adjustment – Amendment 12
2017	1.65%	Annual Adjustment – RRI + MRF Labor
2018	3.41%	Annual Adjustment – RRI + MRF Labor

## Future Costs Associated with SB 1383

- Requires 75% reduction of organic waste disposal and 20% increase recovery of currently disposed edible food by 2025
- Highly prescriptive requirements for cities and haulers
  - Provide organics collection services to all residents and businesses
  - Conduct education and outreach
  - Procure standardized cart and bin colors
  - Perform regular inspection of loads
  - Maintain and provide substantive record-keeping and reporting
  - Secure organic waste disposal capacity
- Regulations take effect January 1, 2022



## Other Considerations

- Higher than anticipated increases in vehicle replacement costs
- Higher material recovery facility processing costs:
  - Increase volumes of materials
  - Requirements for cleaner end-product (additional sorting)
- Higher organics processing costs:
  - Increased volumes of materials
  - Requirements to reduce contamination (i.e. plastics)
  - Possible increases in transportation costs

# Conclusion



Consider Rate Adjustment (7.89%)  
Effective October 1, 2019