

**RESOLUTION NO. 2007-149**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE  
APPROVING AN ADJUSTMENT IN SERVICE CHARGES TO THE CITY'S  
RESIDENTIAL SOLID WASTE SERVICE RATES AND AMEND THE  
FISCAL YEAR 2007-08 BUDGET**

**WHEREAS**, the Integrated Waste Program Manager for the City of Elk Grove has recommended that the City increase its solid waste collection and disposal service rates in order to fund (1) the increased payments that are owed to Allied Waste under its contract with the City, (2) the increased costs of the various solid waste management programs operated by the City, and (3) the funding to purchase land and complete an Environmental Impact Report that could then be used to construction new infrastructure to provide solid waste services; and

**WHEREAS**, the City is in compliance with Section 6(a)(2) of Article XIID of the California Constitution that required a local agency to conduct a public hearing on any proposed increase to property-related charges, such as the City's solid waste service rates, and the City did mail out and notice all of the owners of parcels upon which the charge will be imposed, the notice is attached as Exhibit A; and

**WHEREAS**, The City Clerks office of the City of Elk Grove office did not receive a majority protest; and

**WHEREAS**, The City Council of the City of Elk Grove approved a Franchise Agreement with Allied Waste for the collection of residential solid waste and that Agreement entitles them to an annual compensation adjustment; and

**WHEREAS**, The City Council of the City of Elk Grove understands the need to adjust residential customer service charges to reflect changes in Allied Waste compensation, and does not want to burden the General Fund with these costs incurred on behalf of residential customers; and

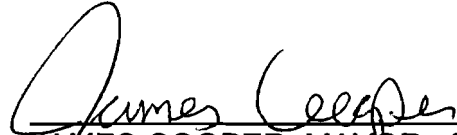
**WHEREAS**, The City Council of the City of Elk Grove approves an increase in the franchise fee from six percent (6%) to ten (10%) of gross revenues from which the City pays the cost for various solid waste management programs operated by the City; and

**WHEREAS**, the City Council of the City of Elk Grove approves the funding to complete an Environmental Impact Report and Preliminary Design work that could be used for the construction of new infrastructure to provide solid waste services with the City of Elk Grove; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Elk Grove hereby approves:

1. The \$265,000 in costs of Component One for the Allied Waste Contract Payments and approves the rate increase to fund this increase and amends the Fiscal Year 2007/08 budget to increase payments to Allied Waste by \$11,000 and increase the Fiscal Year 2007/08 Solid Waste fee related revenue budget to \$9,751,000
2. The \$412,000 in program costs of Component Two for Solid Waste Management Programs and approves that rate increase to fund this cost and approves the Fiscal Year 2007/08 budget amendment of revenue and expenses of \$412,000
3. The \$755,000 in costs of Component Three Phase 1 of the new Solid Waste Service facilities and approves that rate increase to fund the Phase 1 first year costs and amends the Fiscal Year 2007/08 revenue budget and approves the addition of a new Capital Improvement Project in the amount of \$755,000
4. The cost of all three components as identified in the rates projected in Exhibit B of the monthly solid waste handling services charges to residents effective July 1, 2007.

**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 27th day of June, 2007.

  
\_\_\_\_\_  
JAMES COOPER, MAYOR of the  
CITY OF ELK GROVE

ATTEST:

  
\_\_\_\_\_  
PEGGY E. JACKSON, CITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
JONATHAN P. HOBBS,  
INTERIM CITY ATTORNEY



### NOTICE OF PROPOSED INCREASES TO SOLID WASTE SERVICE RATES AND PUBLIC HEARING

This notice explains proposed increases to the City of Elk Grove’s solid waste service rates. These proposed rate increases will be recommended for adoption by the City Council after the public hearing described below. This notice also provides information on the reasons for the proposed rate increases and how the additional revenue generated would be used. If approved, these rate increases would take effect on July 1, 2007.

**Notice of Public Hearing**

A public hearing on the proposed rate increases will be held on Wednesday, June 27, 2007, at 6:00 PM, or as soon thereafter as practicable, at the Elk Grove City Council Chambers located at 8400 Laguna Palms Way, Elk Grove. This notice describes how to file a protest against the proposed rate increases (see “Comments On and Protests to the Proposed Rate Increases” inside).

A public workshop related to this proposed rate increase will be held on June 6th at 6 PM in the City Council Chambers.

#### Savings to our residents

As the result of a competitive selection process in 2004, the City of Elk Grove transitioned to a new service provider, Allied Waste. As a result, the typical household saved \$3.50 per month or \$42 per year on garbage bills. Over the first three years of the contract, the ratepayers in Elk Grove saved a total of over \$8 million. During that same period, the City implemented a significant number of recycling programs and enhanced the services provided by Allied Waste.

#### How Elk Grove’s rates compare to other rates in the region

The City of Elk Grove continues to offer you solid waste, recycling and greenwaste services at one of the lowest rates in the region. The charts below show how Elk Grove’s basic service rate compares to the rates charged by other local agencies.

#### Rate Comparison Chart

Elk Grove Current		\$17.11
Sacramento County		\$19.55
Elk Grove Proposed		\$19.78
Fresno		\$21.80
El Dorado Hills		\$21.83
Folsom		\$22.50
Citrus Heights		\$22.78
Rancho Cordova		\$23.18
City of Sacramento		\$23.42
Galt		\$24.78
Stockton		\$25.00
Davis		\$27.73

The chart at the left shows how the solid waste rates for the City of Elk Grove compare to other solid waste rates in our surrounding region. For this analysis we compared the rate charged for one 64-gallon trash container serviced weekly, two green waste containers and two recycling containers serviced every other week to rates charged for that same service level in other jurisdictions. In Elk Grove you are entitled to a total of five carts for the same base rate, compared to other jurisdictions that require residents to pay extra for the extra capacity.

## Rate Comparison Detail

Locality	Trash 1 (64 Gal)	Recycle: 2 (96 Gal)	GrnWaste 2 (96 Gal)	Total
Elk Grove (Proposed)	\$19.78	Included	Included	\$19.78
Sacramento County	\$19.55	Included	Included	\$19.55
Fresno	\$15.88 <sup>1</sup>	\$2.96	\$2.96	\$21.80
El Dorado Hills	\$21.83	Included	Included	\$21.83
Folsom	\$22.50	Included	Included	\$22.50
Citrus Heights	\$20.41	\$2.37 <sup>2</sup>	Included	\$22.78
Rancho Cordova	\$21.11	\$2.07 <sup>2</sup>	Included	\$23.18
City of Sacramento	\$12.66	\$3.50	\$7.26 <sup>3</sup>	\$23.42
Galt	\$17.96	\$6.82 <sup>2</sup>	Included	\$24.78
Stockton	\$25.00	Included	Included	\$25.00
Davis	\$27.73 <sup>4</sup>	Included <sup>3</sup>	Loose in Street	\$27.73

<sup>1</sup> Weekly pick-up of all carts. Limited to two recycle carts and two greenwaste carts

<sup>2</sup> Residents may have up to four carts at no extra charge, the additional recycle or greenwaste cart has a fee/month

<sup>3</sup> 90-gallon recycle serviced weekly, compared to (2) 90-gallon serviced bi-weekly

<sup>4</sup> Every home charged the same rate regardless of size of garbage cart

## Proposed Solid Waste Collection and Disposal Rate Increases

The following chart provides a summary of the proposed increases in the City of Elk Grove's solid waste service rates, which will be considered by the City Council at the public hearing. The proposed increased monthly amounts shown below are for three basic residential service rates (based on the size of the customer's trash cart). The three components of the proposed rate increases are explained below.

### Summary of Proposed Residential Basic Monthly Service Fee Changes

Size of Cart Used by Resident	Current Rate 2006/07	Proposed Rate 2007/08	Component 1: Increase for Allied Waste Contract Payments	Component 2: Increase for Solid Waste Management Programs	Component 3: Increase of Phase 1 of Long Range Planning	Total Proposed Increase
32 gallon	\$14.63	\$17.10	\$0.43	\$0.63	\$1.41	\$2.47
64 gallon*	\$17.11	\$19.78	\$0.51	\$0.75	\$1.41	\$2.67
96 gallon	\$22.11	\$25.15	\$0.66	\$0.97	\$1.41	\$3.04

\*A 64-gallon cart is the most commonly used by Elk Grove Residents .

For further information related to increases in various miscellaneous service rates, see our website at [www.elkgrovecity.org/trashrecycle](http://www.elkgrovecity.org/trashrecycle) then select Residential Rate Increase 2007

## Explanation of the Proposed Rate Increases

The City proposes to increase its solid waste collection and disposal rates in order to fund (1) the increased payments that are owed to Allied Waste under its contract with the City, (2) the increased costs of the various solid waste management programs operated by the City, and (3) Phase 1 costs, which include preliminary design, environmental work, and the purchase and financing of land that could be used for construction of new facilities to provide solid waste services. Each of these three components is discussed below.

### **Component One: *Allied Waste Contract Payments***

The first component of the proposed increases will fund the increased payments that the City owes to the service provider, Allied Waste. Under the City's agreement with Allied Waste, the City is required to make annual adjustments in the rates that the City pays to Allied Waste for the services it provides.

### **Component Two: *Solid Waste Management Programs***

The City now uses a portion of the revenue generated from service charges to pay for various solid waste management program costs; such as printing of utility bill inserts, disposal of household hazardous waste and universal wastes, and numerous recycling programs. These portions of the rates are collectively known as "franchise fees" which are currently set at six percent (6%) of gross revenues. Most jurisdictions in California assess some form of a franchise fee generally in the range of ten percent (10%). This increase would fund the shortfall currently experienced by the department for offering programs that exceed the current revenue generated.

### **Component Three: *Phase 1 of New Solid Waste Service Facilities***

City staff has been developing a long-range solid waste plan for the City with the goals of enhancing customer service, stabilizing solid waste service rates, and reducing traffic-related issues. This plan could include a Permanent Household Hazardous Waste Collection Facility and Household Hazardous Waste Reuse Location, a solid waste Transfer Station, Material Recovery Facility (MRF), and a residential Drop Off/Reuse Area/Buyback Center.

These new facilities would provide a convenient location for residents to use instead of the facilities of the County of Sacramento or the City of Sacramento and would provide long-term capacity to accommodate the City's population growth. Currently, the City of Elk Grove compensates the City of Sacramento or the County of Sacramento a flat rate of \$70.00 for each single visit by an Elk Grove resident who utilizes their facilities to dispose of household hazardous waste.

The construction of a Transfer Station would provide long-term benefits by allowing the City to direct its residential and commercial waste stream handled by Allied Waste to a location closer to the collection routes, thereby minimizing collection costs and preventing a rate spike. Integrating a MRF and residential recycling/reuse components at the Transfer Station site would provide additional waste diversion benefits to the City by recovering materials and providing residential self-haulers an incentive and option to minimize the materials they deliver for disposal.

The proposed rate increase includes Phase 1 costs, which include preliminary design, environmental work, and the purchase and financing of land that could be used for construction of new facilities to provide solid waste services. No site has been selected at this time. The costs of Phase 2 work, which includes facility design and new facility construction costs, are not included in this request.

### **Comments On and Protests to the Proposed Rate Increases**

The City Council invites you to comment on the proposed increases to the City's solid waste service rates. Please submit your comments in writing, even if you plan to attend the public hearing.

Under Proposition 218, any owner of a parcel that is subject to the proposed rate increases may protest them by filing a **written protest** with the City Clerk at or before the close of the public hearing on June 27, 2007. If you submit a protest, please include an identification of the affected parcel by street address or assessor's parcel number (APN). If written protests are filed by a majority of the affected parcel owners, the proposed rate increases will not be imposed.

Comments and protests regarding the proposed rate increases may be mailed to:

**City of Elk Grove, City Clerk, re: Rates Proposal, 8380 Laguna Palms Way, Suite 200, Elk Grove, CA 95758.**

Comments and protests may also be hand delivered to the City Clerk at the above address.

## Facility Related Questions and Answers

### ***What is a Transfer Station?***

A Transfer Station is a facility designed to process and transfer waste materials from collection vehicles, such as garbage trucks. These materials, which include everything thrown away, such as solid waste, recyclables and compost materials, are then sorted and transported to a disposal site.

### ***What is a Material Recovery Facility?***

A Material Recovery Facility manually and mechanically sorts and classifies recyclable materials for reuse. A MRF prevents recyclable materials from ending up in landfills.

### ***What is a Household Hazardous Waste Facility?***

A Household Hazardous Waste Facility processes hazardous waste resulting from products purchased by the general public for household use.

Due to their quantity, concentration, physical, chemical, or infectious characteristics, these wastes may pose a substantial known or potential hazard to human health or the environment when improperly treated, disposed or otherwise managed.

Examples of household hazardous waste are paint, oil, pesticides, pool chemicals, solvents and batteries.

### ***What is a Drop-Off Recycling Center?***

A drop-off recycling center is a facility that accepts source-separated materials (bottles/cans) for the purpose of recycling or composting, without paying the person a fee. Donation of materials to collection organizations, such as charitable groups, is included in this definition.

### ***What is a Buy Back Center?***

Buy-back facilities pay the resident for a wide range of materials. Examples include aluminum (cans, foil, trays), glass, plastics (PETE#1, HDPE #2), cardboard, scrap metal, phone books, newspapers, paper bags and other plastics.

***To learn more about the facilities being considered,  
please join us on June 6th at 6 PM  
in the City Council Chambers.***



**The City of Elk Grove**  
8401 Laguna Palms Way  
Elk Grove, California 95758

**Exhibit B**

**Approved Solid Waste Rates**

**RATES (7/1/07 thru 6/30/08)**

<b>Residential Basic Monthly Service Rates</b>								
<b>Gallons</b>	<b>Total Rate with \$0.90 Utility Fee + \$1.41</b>	<b>1 Refuse Cart Rates w/ Franchise Fees</b>	<b>1 Refuse Cart Rates w/o Franchise Fees</b>	<b>Total Rate with \$0.90 Utility Fee + \$1.41</b>	<b>2 Refuse Carts Rates w/ Franchise Fees</b>	<b>2 Refuse Carts Rates w/o Franchise Fees</b>		
32	\$ 17.10	\$ 14.79	\$ 13.31	\$ 22.49	\$ 20.18	\$ 18.16		
64	\$ 19.78	\$ 17.47	\$ 15.72	\$ 30.51	\$ 28.20	\$ 25.38		
96	\$ 25.15	\$ 22.84	\$ 20.56	\$ 41.24	\$ 38.93	\$ 35.04		
64 & 32	\$ 27.85	\$ 25.54	\$ 22.99	NA	NA	NA		
96 & 32	\$ 30.51	\$ 28.20	\$ 25.38	NA	NA	NA		
64 & 96	\$ 35.89	\$ 33.58	\$ 30.22	NA	NA	NA		

<b>Residential Miscellaneous Service Rates</b>		
	<b>Rates w/ Franchise Fees</b>	<b>Rates w/o Franchise Fees</b>
CRT's Collected During Bulky Waste PU (Per Call)	\$ 42.28	\$ 38.05
On-Call Bulky Waste Collection 5CY no CRT's (Per Call)	\$ 30.10	\$ 27.09
Each Addn'l 5CY On-Call Bulky Waste no CRT's (Per Call)	\$ 18.12	\$ 16.31
Bulky Waste & CRT Combo (Per Call)	\$ 66.33	\$ 59.70
Cart Exchanges More Than 1X Year (Per Exchange)	\$ 21.14	\$ 19.03
CRT Drop Off at Elder Creek Transfer Station (Per CRT)	\$ 36.24	\$ 32.62
Destroyed Cart Replacement (Per Cart)	\$ 50.00	\$ 47.00
Excess Refuse Collection (Per Call)	\$ 9.07	\$ 8.16
Addn'l Recycling or Green Waste Cart Rental (Per Mo)	\$ 1.81	\$ 1.63
Drive-in Service (Per Mo)	\$ 7.47	\$ 6.72
Walk-in Service (Per Mo)	\$ 12.92	\$ 11.63

<b>Commercial Basic Monthly Service Rates</b>						
<b>Gallons</b>	<b>Total Rate with \$0.90 Utility Fee + \$1.41</b>	<b>1 Refuse Cart Rates w/ Franchise Fees</b>	<b>1 Refuse Cart Rates w/o Franchise Fees</b>	<b>Each Additional Cart Rates w/ Franchise Fees</b>	<b>Each Additional Cart Rates w/o Franchise Fees</b>	
32	\$ 17.10	\$ 14.79	\$ 13.31	\$ 8.84	\$ 7.96	
64	\$ 19.78	\$ 17.47	\$ 15.72	\$ 11.07	\$ 9.96	
96	\$ 25.15	\$ 22.84	\$ 20.56	\$ 13.28	\$ 11.95	
Addn'l Recycling or Green Waste Cart Rental (Per Mo)				\$ 12.04	\$ 10.84	

**CERTIFICATION  
ELK GROVE CITY COUNCIL RESOLUTION NO. 2007-149**

**STATE OF CALIFORNIA            )**  
**COUNTY OF SACRAMENTO        )**     **ss**  
**CITY OF ELK GROVE             )**

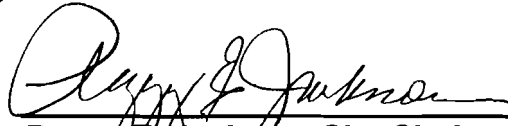
***I, Peggy E. Jackson, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on June 27, 2007 by the following vote:***

**AYES :            COUNCILMEMBERS:        Cooper, Scherman, Davis, Leary, Hume**

**NOES:            COUNCILMEMBERS:        None**

**ABSTAIN :        COUNCILMEMBERS:        None**

**ABSENT:         COUNCILMEMBERS:        None**

  
\_\_\_\_\_  
**Peggy E. Jackson, City Clerk  
City of Elk Grove, California**

