

City of Ukiah

NOTICE OF PUBLIC HEARING ON PROPOSED SOLID WASTE COLLECTION AND DISPOSAL SERVICE RATE SCHEDULE ADJUSTMENTS

(Please share this information with tenants)

Hearing Date & Time: November 16, 2016 at 6:15 p.m. or as soon thereafter as possible

Hearing Location: City of Ukiah, Council Chambers

300 Seminary Avenue, Ukiah, CA 95482

The City of Ukiah City Council (“City”) will conduct a public hearing on November 16, 2016 on proposed increases in the monthly solid waste collection and disposal (solid waste) rates applicable to all parcels in the City of Ukiah, including the parcel for which you are shown as the property owner of record based on the County of Mendocino 2015/2016 Secured Tax Roll, and/or at which you are shown as the customer billed for solid waste service. If adopted, the rate increases will be reflected on utility bills dated on or after January 1, 2017 and for bills issued on or after January 1, 2018, 2019, 2020 and 2021.

This Notice of Public Hearing provides information regarding the proposed rate adjustment to the City’s solid waste collection and disposal service customers pursuant to the requirements of California Constitution Article XIII D Section 6 (commonly referred to as Proposition 218). The proposed rate adjustments will be presented to the City Council for consideration and possible adoption on November 16, 2016, commencing at 6:15 p.m. in the Council Chambers located at 300 Seminary Avenue. This notice also provides information on how rates are calculated, the reasons for the proposed rate adjustments, how customers can receive more information on the effect of the proposed rate adjustments on their solid waste collection and disposal service, and how to file a protest against the proposed rate adjustments. At the public hearing, the City Council will consider all written protests against the proposed fee or charge, and all other comments submitted in writing prior to the hearing or expressed during the hearing.

The Amount of the Fee Imposed on Each Parcel:

The proposed rate increase, as of January 2017, is 3.56% - 9.38%, depending on the size of the service received. During the next four years, including January 2018, January 2019, January 2020, and January 2021, the rates will increase or decrease based on the following changes to indexes and pass-through costs: (1) the percentage change in the Consumer Price Index, All Urban Consumers, U.S. City Average (“CPI”) over the previous year, (2) the percentage change, June over June of the previous year, in the Energy Information Administration Petroleum & Other Liquids index over the base year ending June 30, 2015, (3) any changes to the gate fee at the Ukiah Transfer Station, (4) any changes to costs paid by the franchisee to process recyclables, and (5) changes in regulatory fees, all in accordance with the Contract for Collection, Transportation and Disposal of Garbage, Refuse and Rubbish and Recycling of Recyclable Materials from within the City of Ukiah (“Waste Collection Contract”) between the City and Ukiah Waste Solutions, Inc., a private company. After the January 2017 rate increase, the rates will automatically increase or decrease each year in accordance with the Waste Collection Contract, which will be available for inspection at the Civic Center.

The following table indicates the existing and proposed monthly solid waste service rates for residential service to each parcel in the City of Ukiah, beginning January 1, 2017:

| Residential Service | Current | January 2017 | Current | January 2017 | Current | January 2017 |
|--|------------------|--------------|------------------|--------------|----------------|--------------|
| Service Level | Curbside service | | Pack-out service | | Remote Service | |
| No service | \$ 4.80 | \$ 5.25 | \$ 4.80 | \$ 5.25 | 4.80 | 5.25 |
| 1-10 gallon service ** | 4.80 | 5.25 | 7.42 | 7.69 | 14.84 | 15.38 |
| 11-20 gallon service | 10.12 | 10.48 | 12.69 | 13.15 | 20.11 | 20.84 |
| 21-32 gallon service | 18.17 | 18.82 | 22.26 | 23.06 | 29.68 | 30.75 |
| 33-68 gallon service | 42.93 | 44.47 | 52.28 | 54.16 | 59.70 | 61.85 |
| 69-95 gallon service | 60.48 | 62.65 | 75.53 | 78.24 | 82.95 | 85.93 |
| 96 + gallon service | \$.70/gal | \$.73/gal | \$.81/gal | \$.84/gal | \$.81/gal * | \$.84/gal * |
| Overstuffed can/extra stop | 6.45 | 6.69 | 7.42 | 7.69 | 14.84 | 15.38 |
| 1-yard bin | \$ 120.23 | \$ 124.55 | N/A | N/A | N/A | N/A |
| 1.5-yard bin | 142.07 | 147.17 | N/A | N/A | N/A | N/A |
| Larger bins at per yard rate | 94.73 | 98.13 | N/A | N/A | N/A | N/A |
| * plus remote service fee of \$7.42 which is changing to \$7.69 | | | | | | |
| ** No Service and 10 gallon can rate is 50% of the 20 gallon can rate for curbside service | | | | | | |
| Miscellaneous and Special Services will also increase by 3.59% | | | | | | |

Notice of Public Hearing – Solid Waste Collection and Disposal Service Rate (continued)

The Reason for and Basis Upon Which the Fee Increase was Calculated:

The Waste Collection Contract requires a rate review every 5 years, beginning in 2016. The 3.56% - 9.38% rate increases were calculated after considering the franchisee's rate request, studying the reviewed financial statements and carefully evaluating the changes in fuel costs, the implementation of the mixed organic waste collection system, and other operating costs of Ukiah Waste Solutions for the period ending December 31, 2015. The proposed increase results primarily from a \$12/ton increase of the landfill closure surcharge on the gate fee at the Ukiah transfer station. The 9.83% increase in the fee for a 10-gallon service results from the need to recover the full cost of that service. Further detail on how these rates were calculated is available on the City's website at <http://www.cityofukiah.com>.

Submit a Written Protest: City Clerk, 300 Seminary Avenue, Ukiah, CA 95482

An owner or tenant of property receiving solid waste service from the City may protest the proposed solid waste collection and disposal rates by submitting a written protest by mail or in person to the City Clerk. Written protests must be received (not postmarked) by the City Clerk before or during the public hearing. Any protest submitted by e-mail or other electronic means will not be accepted. To be valid, protests must be signed by the property owner or tenant, and must identify the property by street address or Mendocino County Assessor's Parcel Number of the property receiving solid waste service. Only one written protest per identified parcel or property will be counted for purposes of determining whether there is a majority protest. In accordance with California Constitution, Article 13D, Section 6(a)(2), if, by the close of the public hearing, written protests against the proposed solid waste collection and disposal rates are filed by a majority of the affected property owners, the City Council will not approve the proposed solid waste rates. The City reserves the right to verify whether any person filing a protest is an owner or a renter legally obligated to pay the fee. To assist with this verification, the City requests inclusion of the applicable utility account number on the protest.