



AGENDA SUMMARY REPORT

SUBJECT: Proposal to Adjust Solid Waste Rates and Adoption of Resolutions to Initiate Prop 218 Process.

DEPARTMENT: Finance

PREPARED BY: Daniel Buffalo

ATTACHMENTS:

[Attachment 1 - Prop 218 Notice](#)

[Attachment 2 - Resolution Noticing Public Hearing](#)

[Attachment 3 - Resolution Adopting Protest Procedures](#)

[Attachment 4 - Curbside Rate Adjustment Schedule](#)

[Attachment 5 - Transfer Station Rate Adjustment Schedule](#)

Summary: The Council will consider an adjustment to solid waste rates for the Ukiah Transfer Station and curbside collection. Additionally, Council will consider the initiation of a Proposition 218 process and its own proprietary rate-setting requirements under section 3953 of the Ukiah City Code ("Code") notifying residential curbside collection solid waste customers of its intention to adopt increased rates on curbside collection in the City of Ukiah and initiation of the City's own utility rate adjustment notification process.

RECOMMENDED ACTION: Council to review and consider proposal from the City's solid waste franchise hauler, Ukiah Waste Solutions, Inc., and the contract operator of the Ukiah Transfer Station, Solid Waste Systems, Inc., to adjust rates for curbside collection and transfer station services. Council to approve and authorize resolutions initiating the Prop 218 process and establishing procedures to notify residential ratepayers of the proposed changes to solid waste curbside collection rates, initiation of the City's proprietary rate-setting procedures under City Code section 3953, and establish a date and time certain for a public hearing to receive potential protests and consider adjusting solid waste rates for residential and commercial ratepayers.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Sage Sangiacomo, City Manager; Tim Eriksen, City Engineer and Public Works Director; City Council Solid Waste Ad hoc (Brown/Mulheren); David Rapport, City Attorney

Approved:


Sage Sangiacomo, City Manager

Background: In 2016, the City Council adopted a new rate schedule for curbside solid waste collection and the Ukiah Transfer Station. Market conditions, however, have changed considerably, altering the financial model used to support solid waste collection, processing, disposal and recycling. The City's contract franchise hauler, Ukiah Waste Solutions, and transfer station operator, Solid Waste Systems, Inc. (collectively herein referred to as "Company") requested of the City a review of the current state of the market and submitted to it a proposal to address foreseen challenges.

City management, working with the solid waste ad hoc committee of the City Council (Brown/Mulheren), met with representatives from both firms on multiple occasions to review the evolving conditions in the recycling market, labor market, escalating equipment costs and the inability of the current CPI index used to adjust for inflation to keep up with the relevant economic environment for solid waste service, and evaluate the potential impacts to the Company and ratepayers. The results of those meetings is a recommendation by the solid waste ad hoc for Council review and consideration of changes to the contracts with the Company as well as modification of the current rate schedules for curbside solid waste collection and transfer station operation.

As a requirement of Proposition 218 and the City's own proprietary rate setting requirements under Code section 3953, the City, in establishing revised rates for the mandatory collection of residential solid waste, must notify customers of the proposed rates, provide a period of time for them to submit written protests, and hold a public hearing to receive potential protests from affected rate payers and comments from the community. As required by Code section 3953, notice of proposed adjustments to utility rates must be given 10 days in advance of the final consideration by City Council. This report is part of the process to meet the requirement under Code section 3952.

Discussion: A significant portion of the revenue stream for any solid waste service provider comes from recyclable materials. The Company, in presenting their request for City review of its proposed changes to its contracts and rate structures, cited a dramatic change to market conditions in recycling. Effectively, what once was a viable market for recyclables, driven by demand from China, has been, and continues to be, diminishing greatly. China has begun rejecting many recycling waste streams from the United States and elsewhere. Items such as hard plastic, packaging materials, and various paper products have been or soon may be rejected at port by Chinese firms.

In developing new rate structures, adopted by Council in 2016, recycling revenue was a significant component. Revenue lost from changing market conditions may put significant strain on the Company's finances, putting into question its ability to continue effectively providing service to Ukiah. Further, changes to its cost structure – not anticipated in its operations when developing the current rate structure and operating agreements – may put even greater financial strain on the Company.

Specifically, these changes to cost include the following:

- Increased demand for buyback services requiring additional personnel
- Increased drive and wait time at the Potrero landfill
- Additional federal and state maintenance regulations at the transfer station
- Additional regulatory reporting requirements requiring additional personnel
- Substantial rising costs in replacement equipment
- Processing costs as more recycling streams are rejected by China. A cleaner, higher quality recycling stream for remaining recyclables is required.

To respond to these challenges and ensure financial solvency in a changing market, the Company requested an across-the-board increase to rates at the transfer station and for all curbside collection. Their proposal asked for changes ranging from 2.82% to 11%, as well as a change to the inflationary index used for

subsequent rate changes over the succeeding five years.

The City expressed concerns with this request and asked for additional information from the Company. It was provided. City management evaluated the proposal, finding merit in it; however, the solutions offered by the Company were considered to be inequitable to the ratepayers. The primary arguments for change in the transfer station and curbside collection rates were unanticipated costs and market changes to recycling. The latter would affect certain ratepayers more than others.

City management returned to the Company its comments and concerns. Together, and working with the ad hoc, both parties revised the current rate structure that equitably applies to all residential and commercial ratepayers as well as those who choose to dispose of their solid waste directly at the transfer station. From that, a compromised proposal was developed by the Company, supported by City management, and vetted by the ad hoc. It includes the following provisions:

Provision with Analysis and Justification

1. Elimination of the 10- and 20-gallon residential can rate. Much of what is currently placed in the blue recycling may be diverted to the landfill. 10- and 20-gallon cans are likely insufficient to hold the actual waste produced, which is placed in blue recycling cans, causing contamination, increasing processing costs, and endangering the final quality needed to market the material. Further, lost revenue from recycling activities – used to support a lower rate for 10- and 20-gallon cans – now effectively requires ratepayers of larger can sizes to subsidize the smaller can ratepayers, a violation of Prop 218 (to see Prop 218 process, see Attachments 1, 2, and 3).

The minimum rate for ratepayers using 10- and 20-gallon sizes would be the same as for those using a 32-gallon can. Those customers can keep their smaller can sizes or change them to the 32-gallon size at any time.

2. Increase the minimum charge for curbside collection from \$5.25 to \$10.00. Proper solid waste disposal is required in the City of Ukiah. This fee is intended to ensure service is available to all residential customers.

3. Change the inflationary index used to adjust rates in subsequent years from the Bureau of Labor Statistic (BOL) All-Cities index to the BOL “Water, Sewer and Trash” index. This aligns future potential rate adjustments to an index that is more specific to solid waste collection and disposal activities.

4. Adjust transfer station rates by 5.80%. To offset increased costs mentioned earlier, additional buyback / gate house employee, increased cost to use the Potrero Hills landfill, escalating equipment costs, and operating BMP's.

5. Decrease the residential solid waste curbside collection rate 1% for 32-, 68-, and 95-gallon cans. This change is intended to ensure that costs are equitably applied to rate payers after elimination of the 10- and 20-gallon cans. This is a reduction to rates for these can sizes.

6. Increase yard bin rates. These are optional services. Increases are to align to market and ensure Company covers cost fully in providing this service.

7. Increase commercial accounts 5.83% across the board in order to account for lost revenues in the recycling market and increased costs mentioned earlier.

8. Add enclosure fee on commercial accounts with structures housing receptacles in order to offset costs of driver having to manually open enclosures and re-position dumpsters for collection. This service and fee are not a mandatory, as businesses may choose to lock/unlock the structures themselves.

9. New recycle credit/surcharge in order to account for current market values of processed recycle

materials.

10. Execute by December 31, 2017, the existing five-year option in the current agreement with the Company and include another 5-year option. This is to align the agreement term with the Company for curbside collection with that of the transfer station lease.

11. Restart the five-year clock on the rates structure. Best practice in establishing rates under Prop 218 is to identify a five-year rate structure, account for potential changes related to inflationary factors and other concerns, and give the ratepayer sufficient notice to plan for such potential changes.

Further, the ad hoc recommends amending the current agreements with the Company to include changes to the rate, options to extend, changes to the inflationary index used, and to strengthen language outlining the Company's requirements to provide marketing and educational materials and resources to customers regarding recycling and proper solid waste disposal. All other provisions of the current agreements with the Company will remain in effect.

Even after these proposed adjustments to rates (see Attachments 4 and 5), the curbside collection rates in the City of Ukiah would remain competitive to other similar communities, such as the unincorporated areas of the Ukiah Valley, Willits, Fort Bragg, Clearlake, and Lakeport. From a simple market analysis provided by the Company, a 32-gallon can customer in Ukiah would pay between 7 - 68% percent less than a customer in a neighboring community for the same service.

The recommendation of the ad hoc is to approve this proposal as recommended by staff and to initiate the noticing requirements to residential customers, as required under Prop 218 and the City's proprietary rate-setting requirements. Customers will be notified by mail of the proposed changes and given a 45-day "protest period" during which the City may receive written protests. Notice also will be printed in the Ukiah Daily Journal.

Staff recommends setting a public hearing date for ratepayer comment and/or protest of December 6, 2017 at 6:15 PM. At this meeting, Council would consider formal approval and adoption of the rate structure, making it effective January 1, 2018. Written protests may be submitted before or at this public hearing. They may be hand delivered, mailed to the City Clerk or personally submitted at the City Council meeting prior to the close of the Public Hearing. To be valid, protests must be in writing, state opposition to the proposed rate increase, and include the property owner's or customer's name and address, as well as the parcel number or address of the property served. Protests must be signed by the property owner or by the tenant directly responsible for payment of the fees subject to the proposed increase. Only one protest will be counted per parcel. While oral comments at the public hearing are welcome, those comments will not qualify as a valid written protest.

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: December 6, 2017 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 December 6, 2017, 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 2016/17 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, 2018, and for bills issued on or after January 1, 2019, 2020, 2021, and 2022.

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 December 6, 2017, 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 rates, as of January 2018, are outlined in the Schedule A below. During the next four years, including January 2019, January 2020, January 2021, and January 2022 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, “Water and Sewer and Trash Collection Services” (“CPI”) over the previous year June over June, (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 Reason for and Basis Upon Which the Fee Increase was Calculated:

Ukiah Waste Solutions (UWS), the City’s franchised solid waste collector, has requested rate increases pursuant to Section 6.5 of the Waste Collection Contract based on cost increases and revenue decreases which are solely the result of extraordinary circumstances beyond the control of UWS that it could not have been reasonably anticipated and which unavoidably adversely affect its opportunity to operate at a reasonable profit. The rate increases identified in Schedule A were calculated after considering the franchisee’s rate request, studying the reviewed financial statements and carefully evaluating the changes in costs to meet regulatory requirements, the recycling market, transportation, and other operating costs of Ukiah Waste Solutions for the year ending December 31, 2016 and two quarters ending June 30, 2017. 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.

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

The following schedule indicates the existing and proposed monthly solid waste service rates for residential service to each parcel in the City of Ukiah, beginning January 1, 2018:

SCHEDULE A

Effective Date January 1, 2018

SUMMARY OF RATE ADJUSTMENT FOR STANDARD SERVICES

YEAR 2018 Service Level	Current 2017 Rate	New 2018 Rate	Total Monthly Adjustment
<u>Curbside Service</u>			
No Service Minimum Charge	\$ 5.25	\$ 10.00	\$ 4.75
10 gallon can rate*	\$ 5.25	N/A	\$ -
20 gallon can rate*	\$ 10.48	N/A	\$ -
32 gallon can rate	\$ 18.82	\$ 18.63	\$ (0.19)
68 gallon can rate	\$ 44.47	\$ 44.03	\$ (0.44)
95 gallon can rate	\$ 62.65	\$ 62.02	\$ (0.63)
Other combinations - rate per gallon	\$ 0.73	\$ 0.73	\$ -
1 yard bin rate	\$ 124.55	\$ 131.80	\$ 7.25
1.5 yard bin rate	\$ 147.17	\$ 155.74	\$ 8.57
2 yard bin rate	\$ 196.25	\$ 207.67	\$ 11.42
3 yard bin rate	\$ 294.35	\$ 311.48	\$ 17.13
4 yard bin rate	\$ 392.47	\$ 415.31	\$ 22.84
6 yard bin rate	\$ 588.71	\$ 622.97	\$ 34.26
<u>Packout Service</u>			
32 gallon can rate	\$ 23.06	\$ 24.40	\$ 1.34
68 gallon can rate	\$ 54.16	\$ 57.31	\$ 3.15
95 gallon can rate	\$ 78.24	\$ 82.79	\$ 4.55
Other combinations - rate per gallon	\$ 0.84	\$ 0.89	\$ 0.05
<u>Remote Area Service</u>			
Add to the Packout Service rate.	\$ 7.69	\$ 8.14	\$ 0.45
In areas with limited access, an additional fee is charged to fund the costs of special equipment and special handling necessary to provide garbage pickup services. This fee is in addition to the "Packout Service" fee listed in this schedule.			

*10 and 20-gallon containers and rates will no longer be available to new customers, effective January 1, 2018. Existing customers with these containers may continue to use them at the new 32-gallon can rate or receive a 32-gallon replacement.

RESOLUTION NO. 2017-**A RESOLUTION OF THE COUNCIL OF THE CITY OF UKIAH DECLARING ITS INTENTION TO ADOPT INCREASED SOLID WASTE COLLECTION CHARGES, SETTING A PUBLIC HEARING FOR DECEMBER 6, 2017, AND DIRECTING STAFF TO PROVIDE NOTICE PURSUANT TO PROPOSITION 218**

WHEREAS, the Legislature of the State of California, by enactment of Assembly Bill 939 of 1989 (Act) (*California Public Resources Code* Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste handling within their jurisdiction; and,

WHEREAS, the State of California has found and declared that the amount of solid waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement an aggressive, integrated waste management program. The State has, through enactment of the Act, directed the responsible state agency, and all local agencies, to promote landfill diversion and to maximize the use of feasible waste reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed of in landfills; and,

WHEREAS, pursuant to *California Public Resources Code* Section 40059(a)(2), the City has determined that the public health, safety, and well-being require that a franchise agreement be awarded to a qualified contractor for the collection of solid waste, recyclable materials, and yard waste, and other services related to meeting the diversion goals, and other requirements of the Act; and,

WHEREAS, the City intends to maintain reasonable rates and quality of service related to the collection of solid waste, recyclable materials, and yard waste, the transportation of such material to appropriate places of processing, recycling, composting, and/or disposal, and the processing of recyclable materials and yard waste and other related services; and,

WHEREAS, the City is responsible for meeting legal, regulatory, and funding requirements of closure, post-closure, and corrective action plan activities related to its municipal landfill; and,

WHEREAS, Ukiah Waste Solutions, Inc., (“Ukiah waste solutions”) has submitted a plan to provide solid waste, recyclable materials, and yard waste programs at reasonable costs to the ratepayers of the City, and the City entered into an agreement (“Agreement”) with Ukiah Waste Solutions based on the advantages of that plan. The Agreement is on file with the City Clerk and available for public inspection; and,

WHEREAS, the Agreement, which provides for increases in solid waste collection rates, is subject to the notice, protest and hearing requirements established under Proposition 218; and,

WHEREAS, these rate increases will help ensure the health and safety of the community.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ukiah as follows:

SECTION 1. The foregoing recitals and true and correct.

SECTION 2. The City Council hereby initiates proceedings to adopt the solid waste rates provided under the Agreement;

SECTION 3. The City Council hereby fixes the 6th day of December, 2017, at 6:15 p.m. at the Chambers of the City Council, Ukiah Civic Center, 300 Seminary Avenue, Ukiah, California, as the time and place for a public hearing (“Public Hearing”) on the proposed solid waste rate increases.

SECTION 4. The City Clerk is hereby instructed to provide notice of the proposed rate increases in conformity with Proposition 218 and the Proposition 218 Omnibus Implementation Act, *California Government Code* sections 53500 *et seq.*

SECTION 5. At the Public Hearing, the City Council shall consider all objections or protests, if any, to the proposed rate increases, and any person shall be permitted to present written or oral testimony. Although oral comments at the Public Hearing will not qualify as a formal protest, the City Council welcomes community input during the Public Hearing.

SECTION 6. At the conclusion of the Public Hearing, all protests submitted and not withdrawn will be tabulated in conformity with the City's tabulation guidelines.

SECTION 7. A majority protest exists if protests are submitted in opposition to the proposed rate increases by a majority (50% plus 1) of the property owners and solid waste service customers. Although both property owners and solid waste service customers are permitted to submit protests, only one protest shall be counted for each parcel.

SECTION 8. If there is a majority protest against the proposed rate increases, the City Council shall not adopt the rate increases.

SECTION 9: This resolution will become effective immediately upon adoption. The foregoing **RESOLUTION WAS PASSED AND ADOPTED** at a regular meeting of the City Council on the 4th day of October, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JIM O. BROWN, Mayor

ATTEST:

KRISTINE LAWLER, City Clerk

RESOLUTION NO. 2017-**A RESOLUTION OF THE COUNCIL OF THE CITY OF UKIAH ADOPTING GUIDELINES FOR THE SUBMISSION AND TABULATION OF PROTESTS IN CONNECTION WITH RATE HEARINGS CONDUCTED PURSUANT TO ARTICLE XIID, SECTION 6 OF THE CALIFORNIA CONSTITUTION**

WHEREAS, Article XIID, Section 6 of the California Constitution requires the Council of the City of Ukiah to consider written protests to certain proposed increases to utility charges; and

WHEREAS, this constitutional provision does not offer specific guidance as to who is allowed to submit protests, how written protests are to be submitted, or how the City is to tabulate the protests.

THEREFORE, BE IT RESOLVED by the City Council of the City of Ukiah that when notice of a public hearing with respect to the adoption or increase of water, wastewater, or solid waste utility charges has been given by the City pursuant to Article XIID, Section 6(a) of the California Constitution, the following shall apply:

SECTION 1: Definitions. Unless the context plainly indicates another meaning was intended, the following definitions shall apply in construction of these guidelines.

- A. "Parcel" means a County Assessor's parcel the owner or occupant of which is subject to the proposed charge that is the subject of the hearing.
- B. "Record customer" and "customer of record" mean (i) the person or persons whose name or names appear on the City's records as the person who has contracted for, or is obligated to pay for, utility services to a particular utility account or (ii) another person who demonstrates to the reasonable satisfaction of the City Clerk that he, she, or it is a tenant of real property directly liable to pay the proposed fee.
- C. "Record owner" or "parcel owner" means the person or persons whose name or names appear on the County Assessor's latest equalized assessment roll as the owner of a parcel.
- D. A "fee protest proceeding" is not an election, but the City Clerk will maintain the confidentiality of protests as provided below and will maintain the security and integrity of protests at all times.

SECTION 2: Notice Delivery. Notice of proposed rates and public hearing shall be as follows:

- A. The City shall give notice of proposed charges via U. S. mail to all record owners and customers of record served by the City
- B. The City will post the notice of proposed charges and public hearing at its official posting sites.

SECTION 3: Protest Submittal.

- A. Any record owner or customer of record who is subject to the proposed utility charge that is the subject of the hearing may submit a written protest to the City Clerk, by:
- Delivery to the City Clerk's Office at the Ukiah Civic Center, 300 Seminary Avenue, Ukiah during published business hours
 - Mail to City Clerk, 300 Seminary Avenue, Ukiah CA 95482, or
 - Personally submitting the protest at the public hearing.
- B. Protests must be received by the end of the public hearing, including those mailed to the City. No postmarks will be accepted; therefore, any protest not actually received by the close of the hearing, whether or not mailed prior to the hearing, shall not be counted.
- C. Emailed, faxed and photocopied protests shall not be counted
- D. Although oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest, the City Council welcomes input from the community during the public hearing on the proposed charges.

SECTION 4: Protest Requirements.

- A. A written protest must include:
- (i) A statement that it is a protest against the proposed charge that is the subject of the hearing.
 - (ii) Name of the record owner or customer of record who is submitting the protest;
 - (iii) Identity, by street address or utility account number, of the parcel with respect to which the protest is made;
 - (iv) Original signature and legibly printed name of the record owner or customer of record who is submitting the protest.
- B. Protests shall not be counted if any of the required elements (i thru iv) outlined in the preceding subsection "A." are omitted.

SECTION 5: Protest Withdrawal. Any person who submits a protest may withdraw it by submitting to the City Clerk a written request that the protest be withdrawn. The withdrawal of a protest shall contain sufficient information to identify the affected parcel and the name of the record owner or customer of record who submitted both the protest and the request that it be withdrawn.

SECTION 6: Multiple Record Owners or Customers of Record.

- A. Each record owner or customer of record of a parcel served by the City may submit a protest. This includes instances where:

- (i) A parcel is owned by more than a single record owner or more than one name appears on the City's records as the customer of record for the parcel, or
 - (ii) A customer of record is not the record owner, or
 - (iii) A parcel includes more than one record customer, or
 - (iv) Multiple parcels are served via a single utility account, as master-metered multiple family residential units.
- B. Only one protest will be counted per parcel as provided by *Government Code* Section 53755(b).

SECTION 7: Transparency, Confidentiality, and Disclosure.

- A. To ensure transparency and accountability in the fee protest tabulation while protecting the privacy rights of record owners and customers of record, protests will be maintained in confidence until tabulation begins following the public hearing.
- B. Once a protest is opened during the tabulation, it becomes a disclosable public record, as required by state law.

SECTION 8: City Clerk.

The City Clerk shall not accept as valid any protest if he or she determines that any of the following is true:

- A. The protest does not state its opposition to the proposed charges.
- B. The protest does not name the record owner or record customer of the parcel identified in the protest as of the date of the public hearing.
- C. The protest does not identify a parcel served by the City that is subject to the proposed charge.
- D. The protest does not bear an original signature of the named record owner of, or record customer with respect to, the parcel identified on the protest. Whether a signature is valid shall be entrusted to the reasonable judgment of the City Clerk, who may consult signatures on file with the County Elections Official.
- E. The protest was altered in a way that raises a fair question as to whether the protest actually expresses the intent of a record owner or a customer of record to protest the charges.
- F. The protest was not received by the City Clerk before the close of the public hearing on the proposed charges.
- G. A request to withdraw the protest was received prior to the close of the public hearing on the proposed charges.

SECTION 9: City Clerk's Decisions Final. The City Clerk's decision that a protest is not valid shall constitute a final action of the City and shall not be subject to any internal appeal.

SECTION 10: Majority Protest.

- A. A majority protest exists if written protests are timely submitted and not withdrawn by the record owners of, or customers of record with respect to, a majority (50% plus one) of the parcels subject to the proposed charge.
- B. While the City may inform the public of the number of parcels served by the City when a notice of proposed rates is mailed, the number of parcels with active customer accounts served by the City on the date of the hearing shall control in determining whether a majority protest exists.

SECTION 11: Tabulation of Protests. At the conclusion of the public hearing, the City Clerk shall tabulate all protests received, including those received during the public hearing, and shall report the results of the tabulation to the City Council. If the total number of protests received is insufficient to constitute a majority protest, the City Clerk may determine the absence of a majority protest without validating the protests received, but may instead deem them all valid without further examination. Further, if the number of protests received is obviously substantially fewer than the number required to constitute a majority protest, the City Clerk may determine the absence of a majority protest without opening the envelopes in which protests are returned.

SECTION 12: Report of Tabulation. If at the conclusion of the public hearing, the City Clerk determines that she will require additional time to tabulate the protests, she shall so advise the City Council, which may adjourn the meeting to allow the tabulation to be completed on another day or days. If so, the City Council shall declare the time and place of tabulation, which shall be conducted in a place where interested members of the public may observe the tabulation, and the City Council shall declare the time at which the meeting shall be resumed to receive and act on the tabulation report of the City Clerk.

SECTION 13: This resolution will become effective immediately upon adoption.

THE FOREGOING RESOLUTION WAS PASSED AND ADOPTED at a regular meeting of the City Council on the 4th day of October, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JIM O. BROWN, Mayor

ATTEST:

KRSTINE LAWLER, City Clerk

ATTACHMENT 4

Effective Date January 1, 2018

SUMMARY OF RATE ADJUSTMENT FOR STANDARD SERVICES

YEAR 2018	Current 2017 Rate	New 2018 Rate	Total Monthly Adjustment
<u>Curbside Service</u>			
No Service Minimum Charge	\$ 5.25	\$ 10.00	\$ 4.75
10 gallon can rate*	\$ 5.25	N/A/	\$ -
20 gallon can rate*	\$ 10.48	N/A/	\$ -
32 gallon can rate	\$ 18.82	\$ 18.63	\$ (0.19)
68 gallon can rate	\$ 44.47	\$ 44.03	\$ (0.44)
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1.5 yard bin rate	\$ 147.17	\$ 155.74	\$ 8.57
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<u>Packout Service</u>			
32 gallon can rate	\$ 23.06	\$ 24.40	\$ 1.34
68 gallon can rate	\$ 54.16	\$ 57.31	\$ 3.15
95 gallon can rate	\$ 78.24	\$ 82.79	\$ 4.55
Other combinations - rate per gallon	\$ 0.84	\$ 0.89	\$ 0.05

<u>Remote Area Service</u>			
Add to the Packout Service rate.	\$ 7.69	\$ 8.14	\$ 0.45
In areas with limited access, an additional fee is charged to fund the costs of special equipment and special handling necessary to provide garbage pickup services. This fee is in addition to the "Packout Service" fee listed in this schedule.			

*10 and 20-gallon containers and rates will no longer be available to new customers, effective January 1, 2018. Existing customers with these containers may continue to use them at the new 32-gallon can rate or receive a 32-gallon replacement.

<u>Commercial / Multi-Family Service</u>			
10 gallon can rate*	\$ 5.45	\$ 20.68	\$ 15.23
20 gallon can rate*	\$ 10.87	\$ 20.68	\$ 9.81
32 gallon can rate	\$ 19.54	\$ 20.68	\$ 1.14
68 gallon can rate	\$ 46.18	\$ 48.87	\$ 2.69
95 gallon can rate	\$ 65.08	\$ 68.87	\$ 3.79
1 yard bin rate	\$ 124.55	\$ 131.80	\$ 7.25
1.5 yard bin rate	\$ 147.17	\$ 155.74	\$ 8.57
2 yard bin rate	\$ 196.25	\$ 207.67	\$ 11.42
3 yard bin rate	\$ 294.35	\$ 311.48	\$ 17.13
4 yard bin rate	\$ 392.47	\$ 415.31	\$ 22.84
6 yard bin rate	\$ 588.71	\$ 622.97	\$ 34.26

ATTACHMENT 5

**Solid Wastes Systems, Inc.
Transfer Station Rate Schedule
Effective Date January 1, 2018**

<u>Item</u>	<u>2017 Rate</u>	Calculated	NEW
		<u>2018 FA Rate</u>	<u>2018 Rate</u>
			<u>Rounded *</u>
MSW - Ton	\$92.90	\$98.29	\$98.30
MSW - Yard	\$21.20	\$21.89	\$21.90
Minimum Gate Fee - MSW	Up to 3 cans \$10.60	\$10.95	\$10.95
Per Can Rate - 32 gallon	After 3 cans \$3.55	\$3.65	\$3.65
Green Waste - Ton	\$42.05	\$45.60	\$45.60
Green Waste - Yard	\$6.15	\$6.67	\$6.65
Minimum Gate Fee - Green Waste	\$6.05	\$6.56	\$6.55
Mixed Load - Additional Charge	\$18.80	\$20.39	\$20.40
Appliances	\$10.35	\$11.22	\$11.20
Oil Filters - Small	\$0.35	\$0.38	\$0.40
Oil Filters - Medium	\$0.65	\$0.70	\$0.70
Oil Filters - Large	\$0.90	\$0.98	\$1.00
Concrete - Ton	\$65.95	\$71.52	\$71.50
Dirt - Ton	\$65.95	\$71.52	\$71.50
Sheetrock - Clean	\$42.05	\$45.60	\$45.60
Sheetrock - Dirty	\$65.95	\$71.52	\$71.50
Tires - Bicycle	\$1.20	\$1.30	\$1.30
Tires - Motorcycle	\$2.30	\$2.49	\$2.50
Tires - Passenger Car	\$3.45	\$3.74	\$3.75
Tires - Passenger Car with Rim	\$5.40	\$5.86	\$5.85
Tires - Truck	\$7.30	\$7.92	\$7.90
Tires - Truck with Rim	\$9.85	\$10.68	\$10.70
Tires - Tractor	43.45 - 328.65	47.12 - 356.39	47.10 - 356.40
E-Waste - Computers	No Charge	No Charge	No Charge
E-Waste - Monitors	No Charge	No Charge	No Charge
Scrap Metal	No Charge	No Charge	No Charge

* Rates are rounded to the nearest five cents