



CITY OF GALT
PUBLIC WORKS DEPARTMENT
495 INDUSTRIAL DRIVE
GALT, CA 95632

**IMPORTANT
REFUSE RATE NOTICE
PLEASE READ**

**Notice of Public Hearing Regarding
Proposed Residential Refuse Collection Rate Adjustments
January 15, 2019 at 6:00 PM
At the City Council Chambers, 380 Civic Drive, Galt CA 95632**

(UNA VERSIÓN EN ESPAÑOL DE ESTA CARTA ESTA DISPONIBLE CON EL DEPARTAMENTO DE OBRAS PÚBLICAS DE LA CIUDAD DE GALT, LOCALIZADO EN EL 495 INDUSTRIAL DRIVE, GALT, CA 95632)

You are receiving this notice because you either own or are the party responsible for paying a residential refuse collection (garbage) bill for a parcel of property within the City of Galt. Recent State legislation is having a significant impact on waste collection, recycling, and disposal programs throughout the state. To address these challenges the City has negotiated a new long-term refuse collection agreement with California Waste Recovery Systems, LLC. (Cal-Waste). Under the new contract Cal-Waste will be responsible for implementing new waste collection and processing programs needed to meet State mandates being imposed on cities and counties throughout the state. To pay for these new programs, it is necessary to increase refuse collection rates within the City. The following pages provide overview information regarding the proposed rate increases. For additional information about the proposed refuse collection rates, you may contact the Public Works Department at **(209) 366-7260** or by e-mail at publicworks@ci.galt.ca.us or visit the City's website at www.ci.galt.ca.us.

Reasons for Increased Refuse Collection Rates

Over the past several years a number of new laws have been enacted that are significantly impacting how waste must be collected, recycled and disposed. Key examples of the regulatory changes include the following:

- Assembly Bill 341 (2011) – Set a statewide goal of diverting 75% of all waste produced away from landfill disposal by 2020. It also required jurisdictions to implement mandatory commercial and multi-family (5 or more units) recycling programs.
- Assembly Bill 1826 (2014) – Beginning in 2016 required businesses, public agencies and multi-family residential dwellings generating more than 8 cubic yards of organic wastes (including food waste) per week to utilize an organics recycling program. Effective January 1, 2017 the requirement was expanded to include entities generating more than 4 cubic yards of organic wastes per week. Effective January 1, 2020 the State Department of Resources Recycling and Recovery has the authority to further expand the requirement to include entities generating more than 2 cubic yards of organic wastes per week.
- Senate Bill 1383 (2016) – Sets statewide goals for reducing organics (green wastes, wood, food wastes, etc.) disposed in landfills by 50% (from 2014 levels) by 2020; and to further increase the reduction to 75% by 2025.

Meeting these mandates will require the development of new waste handling processes and changes to refuse collection programs. Further complicating local waste diversion and recycling efforts are the recent losses of major international recycling markets, as China and other nations are no longer accepting a significant amount of the reclaimed materials produced in the United States for use in recycled product manufacturing. This requires the development and utilization of expensive new collection, sorting, delivery and bio-recycling processes to meet the regulatory requirements. Failure to comply with the regulatory mandates can subject local communities to significant fines of up to \$10,000 per day.

Basis for the Proposed Refuse Collection Rates

The City has an exclusive franchise agreement with Cal-Waste for the collection and handling of solid waste, including garbage, green waste, recyclable materials, food waste, and construction and demolition debris within the City. The proposed refuse collection rates are the result of an extended negotiation process with Cal-Waste. This process set forth the service levels and performance required by the City, for meeting the new diversion mandates outlined above, and identified the programs and related costs that would result. These costs were then allocated to each customer class (single family, multi-family and commercial) and service category (container size and frequency). The City hired R3 Consulting (R3), a consultant specializing in waste collection services, to perform a detailed review of Cal-Waste's business plan and related costs for meeting the new waste diversion mandates. R3 also conducted a review of the proposed rates and a comparison between those proposed by Cal-Waste and other northern California municipalities that have recently entered into contracts to meet the waste diversion mandates. The proposed rates were found to be reasonable for the levels of service to be provided.

The following table summarizes the proposed rates and services for **residential customers**:

Proposed Monthly Residential Refuse Collection Rates*				
Trash Cart Size	Current Refuse Rates	Proposed Rates Effective 2/1/19	Proposed Rates Effective 3/1/20	Proposed Rates Effective 3/1/21
20 Gallon**	\$21.15	\$29.00	\$33.00	\$33.45
38 Gallon	\$23.33	\$29.00	\$33.00	\$33.45
64 Gallon	\$25.72	\$34.00	\$38.50	\$39.03
64 Gallon - 2 carts	\$64.37	\$71.40	\$80.85	\$81.96
96 Gallon	\$39.73	\$54.00	\$61.00	\$62.21

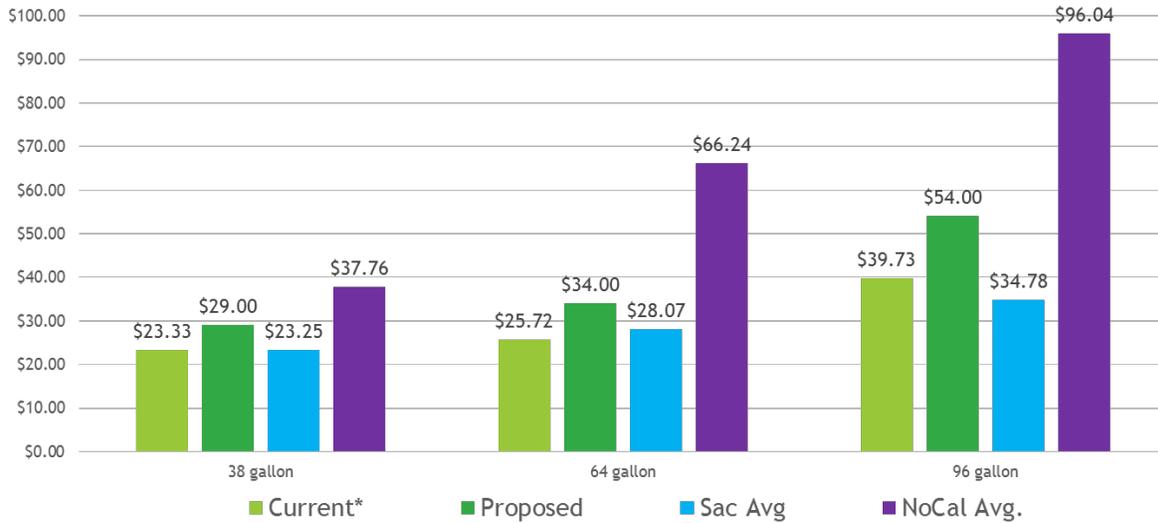
* Rates include weekly trash service, bi-weekly 96-gallon yard & garden waste and 96-gallon recyclables collection, on alternating weeks. The City's website lists other container sizes, combinations and rates.

** 20 gallon carts are only available for current 20-gallon customers. The new minimum size going forward is a 38 gallon cart.

Indexed Rate Adjustments: Commencing on March 1, 2022 rates will be adjusted annually each March 1st based upon the U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers - Water and sewer and trash collection services index (WST Index), with the minimum annual increase being 1% and the maximum annual increase capped at 5%.

The following chart illustrates the proposed 1st year increases for several residential rate examples, along with a comparison of average rates for comparable services in both the Sacramento and northern California regions. It is noted that many agencies in the Sacramento region have not yet adopted rates that reflect the pending state mandates or current market conditions for recyclable materials.

Residential Rate Comparisons Feb. 1, 2019



New Services	
	New Automated Split Body Trucks that collect both carts in one trip.
	One (1) Free 3.5 cubic yard 'Handy Hauler' collection per Year (in lieu of a bulky waste collection).
	One (1) Free Bulky Waste Collection per Customer per Year (up to 3.5 cubic yards).
	New refuse collection and recycling containers will be delivered to all residents by March 31, 2019.



Question and Answers:

Where can I find additional information about the new refuse collection services contract?

Additional information is available on the City's website: www.ci.galt.ca.us

- Staff Report to the City Council
- Collection Services Contract
- Solid Waste Legislation Summary

Why are the rates going up so much?

Solid waste collection fees have not been increased since March of 2015, while the costs of providing solid waste services have continued to increase. New regulations mandate a substantial reduction in the amount of refuse and organic materials that may be disposed at landfills over the next few years. This requires the development and utilization of expensive new collection, sorting, delivery and bio-recycling processes. Cal-Waste is investing millions of dollars in new collection trucks, containers and facility upgrades and must pay for enhanced disposal and recycling services to meet the new waste diversion requirements.

Why are rates going up annually?

The proposed rates spread the cost increases over a 3 year period, to reduce the initial rate increase that would otherwise be required. In subsequent years, rates will be tied to a consumer price index to keep pace with rising costs.

When will the proposed rates go into effect?

If the proposed rates are approved at the January 15, 2019 public hearing, they will become effective February 1, 2019. An initial one-month increase will be reflected on customer’s February 2019 utility bill, with the full two-month increase reflected on the April 2019 billing.

Can I change the size of my refuse cart?

Yes, contact the City Finance Department at City Hall or by calling 209-366-7150. They will adjust your service billing and coordinate delivery of a different size container with Cal-Waste.

Why are 20 gallon carts being phased out?

They are more expensive for Cal-Waste to purchase than 38 gallon carts. There is a tendency for customers with 20 gallon carts to have higher contamination levels in their recycling and green waste carts.

If I currently have a 20 gallon cart can I keep it?

Yes, existing 20 gallon customers may request to keep their existing cart, but will pay the same rate as they would for a 38 gallon cart. Once the existing cart is no longer serviceable, it will be replaced with a 38 gallon cart. Note: 38 gallon carts are the same outer dimensions as a 20 gallon cart. 20 gallon carts have an insert that limits their capacity.

How much of the rate increase revenues go to the City?

The City has historically received a 10% franchise fee for granting Cal-Waste the exclusive right to collect both residential and commercial waste within the City Limits. The City also collects a 2% administrative fee that is used to fund the City’s costs for administering waste collection, diversion reporting, household hazardous waste disposal and outreach programs. These fee percentages remain unchanged under the new contract.

PROTEST NOTICE: Galt property owners and refuse collection customers directly responsible for payment of the refuse collection bill have the right to protest the refuse collection rate adjustments proposed by the City. Written protests may be submitted for a specific service address by either the property owner or by a tenant who is paying directly for refuse collection services. However, only one valid protest per service address will be counted. If valid written protests are submitted on behalf of a majority of affected properties the proposed rate increases will not be imposed. To be considered valid, a protest must be submitted to the City Clerk (see mailing address and email address in the box to the right) in writing by the affected property owner or tenant and shall state their first and last name and the street address or Assessor’s Parcel Number of the property (or properties) the protest is being submitted for. Please identify on the front of the envelope or subject line for any written protest: **“Refuse Collection Rate Protest.”** Written protests must be received by the City Clerk prior to the close of the public hearing to be held on January 15, 2019 at 6:00 PM. Mailed protests should be post-marked no later than January 11, 2019 to assure timely receipt. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. To ensure transparency and accountability in the protest tabulation, written protests shall constitute a disclosable public record from and after the time the public hearing is closed. For more information or questions about the proposed refuse collection rates, you may contact the Public Works Department at (209) 366-7260 or by e-mail at publicworks@ci.galt.ca.us or visit the City’s website at www.ci.galt.ca.us

Send your written protest to:
City of Galt
City Clerk
380 Civic Drive
Galt, CA 95632

OR

E-mail to:
clerk@ci.galt.ca.us

OR

Deliver your written protest at the Public Hearing on
January 15, 2019
6:00 PM
City Hall Council Chambers