



# City of Palo Alto

## Finance Committee Staff Report

(ID # 6723)

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**Report Type: Action Items**

**Meeting Date: 4/19/2016**

**Council Priority: Environmental Sustainability**

**Summary Title: Finance Committee Recommendation to Adopt the Refuse Rates for FY 2017**

**Title: Finance Committee Discussion and Recommendation that Council Adopt (as part of the Fiscal Year 2017 Annual Budget) a Resolution Amending the Refuse Rates for Fiscal Year 2017 to Cover Program Costs for Both the Residential and Commercial Sectors and to Provide a Reduced Cost for Commercial Compost Collection**

**From: City Manager**

**Lead Department: Public Works**

### **Recommendation**

Staff recommends the Finance Committee:

Recommend the Council's adoption (as part of the Fiscal Year 2017 Annual Budget) of the attached resolution (Attachment A) amending Utility Rate Schedule R-1 (Residential Refuse Rates) (Attachment B), and reorganizing Utility Rate Schedules R-2 and R-3 (Commercial Refuse Rates) into a new Utility Rate Schedule designated "R-C" (Commercial Refuse Rates) (Attachment C)

### **Executive Summary**

Staff recommends modifying the refuse customer rate schedule in FY17 by:

- 1) Increasing the City's Residential Refuse rates by 9%;
- 2) Increasing the commercial garbage and construction and demolition (C&D) waste rates by 5%;
- 3) Reducing the commercial compost rate by approximately 7% to achieve a relative 20% discount compared to the garbage rates;
- 4) Adding commercial fees for litter reduction and overflowing containers;

- 5) Modifying or deleting miscellaneous ancillary fees in the rate schedules; and
- 6) Creating a new Utility Rate Schedule R-C that replaces R-2 and R-3 to enable greater streamlining of Utility bills.

The proposed residential rate increase of 9% is consistent with year-two projections of a three-year plan presented to the Finance Committee on April 7, 2015, to balance residential sector revenues with expenses (Finance Committee [SR #5566](#)). Along with the first year increases in FY16 (9% increase for most residential customers), the City implemented a residential food scraps collection program that enabled single-family customers to divert compostables from their garbage to their green carts. This change has resulted in approximately 10% of all residential customers decreasing the size of their garbage cart sizes with many customers getting significant savings on their refuse bills.

Commercial garbage and C&D rates have not increased since October 2010. Staff recommends a 5% increase to the garbage rate and a 7% reduction in commercial compost rates. Commercial compost service is currently priced at a 10% discount relative to garbage. Staff recommends the discount be increased to a 20% discount relative to garbage. This change will more closely align garbage and composting with the specific costs of providing those services, and will incentivize waste reduction.

For the commercial sector, staff projects that the 5% increase in garbage rates and 7% reduction in compost rates will maintain current revenue levels.<sup>1</sup> Many individual commercial customers may save money on their refuse bill by sorting their waste properly, which will allow customers to downsize their current garbage service. Depending on the choices they make, other customers may see increases in their bill.

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<sup>1</sup> The exception is C&D customers, who will be affected by the garbage rate increase without the corresponding decrease in the compost rate. C&D activity is highly variable, and in particular is sensitive to economic conditions. Any FY 17 revenues from C&D customers that exceed FY 17 costs will be allocated to addressing the current negative reserve and rebuilding appropriate reserve levels. This addresses one of the key functions of the refuse fund reserve, which is to smooth impacts from the volatile C&D subsector.

## Background

### Refuse Services

Residential and commercial refuse rates pay for more than just garbage collection, including the following:

- Garbage service –Curbside collection of the black garbage cart, processing the garbage at the Sunnyvale Material and Recovery Transfer (SMaRT) Station and landfilling the residual material at Kirby Canyon Landfill in San Jose.
- Recycling service – Curbside collection of the blue recycling cart, sorting the recyclables into saleable commodities at the GreenWaste Recovery Charles Street Material Recovery Facility (MRF).
- Compost service – Curbside collection of the green cart; processing and anaerobic digestion of the yard trimmings and food scraps at the Zero Waste Energy Development (ZWED) facility in north San Jose to produce compost and green energy.
- Street Sweeping service – Weekly street sweeping services during the leaf season and bi-weekly sweeping during other months of the year.
- Annual Clean Up Day – Once a year each single-family residential refuse customer can contact GreenWaste to pick up large items that cannot fit in the black garbage cart, in addition to contained recyclables and yard trimmings.
- Zero Waste Palo Alto support – Residents and businesses can contact Zero Waste Palo Alto City staff to gain valuable information on home composting, reducing food waste, and zero waste events.
- Household Hazardous Waste (HHW) service – Weekly collection program at the HHW Station located at the Palo Alto Regional Water Quality Control Plant.
- Palo Alto Landfill post closure maintenance and monitoring – Ongoing maintenance and monitoring at the now-closed Palo Alto Landfill.

The cost of refuse services for each program area is listed in Table 1 below. Zero waste support is included in the “Solid Waste” category.

**Table 1: Refuse Program Costs Preliminary Budget FY 2017 \$30.8 million**

Solid Waste	Recycling	Compost	Landfill	Hazardous Waste	Street Sweeping
\$15.3 m	\$4.2 m	\$5.5 m	\$3.8 m	\$0.6 m	\$1.4 m

### Single-Family Residential Refuse Rates

In 2015, the City contracted with a consultant to prepare a Solid Waste Rate Structure and Analysis Report. The report noted the revenue collected from residential refuse customers was less than the cost to service the residential customers. The Finance Committee approved staff's proposed plan to increase residential rates 28% (for most customers) over three years to provide for sufficient revenues in the residential sector to cover all residential expenses by FY 2018. Residential rates were increased 9% in FY 2016 and staff currently proposes another 9% in FY 2017 and estimate another 8% increase will be needed in FY 2018, consistent with the three-year 28% plan. There were no rate increases in FY 2014 or FY 2015.

### Commercial Refuse Rates

The City's municipal code requires commercial customers, including multifamily residential complexes with 5 or more units, to subscribe to the appropriate level of garbage, recycling, and compost service to contain waste. GreenWaste of Palo Alto, the City's contract refuse hauler, offers service one to six times per week. Cart service includes 32 gallon, 64 gallon, and 96 gallon carts. Bin service includes 1 to 8 cubic yards (yd<sup>3</sup>) in size. Debris boxes are 7 yd<sup>3</sup>, 15 yd<sup>3</sup>, 20 yd<sup>3</sup>, 30 yd<sup>3</sup>, and 40 yd<sup>3</sup> size. GreenWaste also collects commercial compactors. Currently, compost service is priced at a 10% discount relative to the garbage price. Recycling service is included as part of the garbage service and not a separate charge. Commercial Refuse Rates have not increased since October 2010.

## **Discussion**

### Single-Family Residential Rates

In FY 2016, the City implemented the recommended first-year rate increase of 9% for most customers. This proposed single-family residential rate increase is a second year adjustment consistent with a three-year plan to balance residential sector revenues with expenses presented to the Finance Committee on April 7, 2015 (Finance Committee [SR #5566](#)). On July 1, 2015, the City also began curbside

collection of residential food scraps and soiled paper allowing residents to divert compostables from their garbage to their green carts. Realizing that they now produce very little garbage, some residential customers – around 10% – reduced the size of their garbage cart and lowered the refuse portion of their Utility bill. The recommended 9% rate increase in FY 2017 likely will lead to additional residents “downsizing” their garbage cart, which is projected to result in a net 6% revenue increase to the Refuse Fund. Table 2 lists the various garbage cart sizes available and current corresponding rates and recommended rate increases.

**Table 2: Recommended FY 2017 Adjustments (R-1 Single-Family Residential Rate Schedule – Monthly Rates)**

Cart Size	Current Rates	Recommended FY 2017 Rates	Dollar Increase	Percentage Increase
20 gal	\$24.30	\$26.48	\$2.18	9%
32 gal	\$43.75	\$47.69	\$3.94	9%
64 gal	\$87.51	\$95.38	\$7.87	9%
96 gal	\$131.26	\$143.07	\$11.81	9%

To cover projected expenses through FY 2021, staff project rate increases of: 8% in FY 2018, 5% in FY 2019, 3% in FY 2020, and 3% in FY 2021 (see Table 3 which shows Refuse rate increases in the context of the other Utility rates)

**Table 3 Refuse Rate Increase in the Context of Other Utility Rate Increases**

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Electric (preliminary projection)	11%	10%	3%	0%	1%
Gas <sup>1</sup> Utility	8%	9%	7%	1%	1%
Wastewater	9%	10%	9%	7%	6%
Water Utility	6%	9%	9%	6%	2%
<b>Residential Refuse Rates (FY17 proposed, FY18-20 projected)</b>	<b>9%</b>	<b>8%</b>	<b>5%</b>	<b>3%</b>	<b>3%</b>
Storm Drain <sup>2</sup>	3.2%	2% to 3%	2% to 3%	2% to 3%	2% to 3%
<b>Total Bill Change<sup>3</sup></b>	<b>(%)</b>	<b>8%</b>	<b>9%</b>	<b>6%</b>	<b>4%</b>
	<b>(\$/mo.)</b>	<b>\$20.80</b>	<b>\$23.45</b>	<b>\$18.49</b>	<b>\$11.16</b>
				<b>\$7.77</b>	

(1) Gas rate changes are shown with commodity rates held constant. Actual gas commodity rates will vary monthly with wholesale market fluctuations

(2) Storm Drain Rates increase annually by CPI; existing rates sunset in June 2017 unless reauthorized by a majority vote of property owners.

(3) Change in estimated median residential bill, \$245.23 as of June 30, 2015

The City offers one of the most comprehensive Refuse and Zero Waste programs in the region. Nonetheless, the City’s least expensive rate option, a mini-can, is priced within the range of neighboring cities (Table 3). The other cities’ rates are the rates as of March 2016. The Palo Alto rates are proposed for July 1, 2016. Cities with lower monthly rates generally offer fewer services.

**Table 3: Regional Single-Family Residential Monthly Rate Comparison**

City	Least Expensive Rate
<b>Palo Alto</b>	<b>\$26.48</b>
Menlo Park	\$13.99
Mountain View	\$18.20
San Jose	\$32.07*
Santa Clara	\$18.93
Sunnyvale	\$36.94*

\* Does not offer a minican/20 gallon cart

Commercial Rates

Commercial Refuse Rates have not increased since October 2010. Staff proposes a 5% across-the-board rate increase for all garbage and construction and demolition (C&D) material collection and to increase the relative discount of

compost service to garbage service from a current level of discount of 10% to 20% relative to garbage (Tables 4 and 5). Decreasing the rate on commercial compost may result in customer cost savings on Utility bills when they add compost service and sort waste properly as required by the newly adopted Recycling and Composting Ordinance.

**Table 4: Recommended FY 2017 Adjustments (Commercial *Garbage* Rates)**

Size	Collection Frequency						Bin Rental
	1 day/week	2 days/week	3 days/week	4 days/week	5 days/week	6 days/week	
32 gal	\$35.48						\$3.15
64 gal	\$73.25	\$163.66	\$254.08	\$344.49	\$434.91	\$525.33	\$3.15
96 gal	\$109.87	\$236.91	\$363.95	\$490.99	\$618.03	\$745.07	\$3.15
1 CY	\$178.54	\$363.95	\$549.36	\$733.62	\$919.03	\$1,103.30	\$40.95
1.5 CY	\$243.78	\$501.29	\$759.95	\$1,017.46	\$1,274.97	\$1,532.49	\$40.95
2 CY	\$309.02	\$638.63	\$970.54	\$1,301.30	\$1,630.91	\$1,961.67	\$52.50
3 CY	\$437.20	\$913.31	\$1,388.28	\$1,864.39	\$2,341.65	\$2,817.76	\$67.20
4 CY	\$581.41	\$1,174.26	\$1,825.48	\$2,448.09	\$3,068.40	\$3,689.87	\$67.20
5 CY	\$709.59	\$1,477.55	\$2,243.22	\$3,011.18	\$3,779.14	\$4,545.95	\$81.90
6 CY	\$853.80	\$1,768.25	\$2,679.27	\$3,592.59	\$4,505.90	\$5,418.06	\$81.90
8 CY	\$1,113.60	\$2,315.32	\$3,519.34	\$4,724.50	\$5,928.51	\$7,132.52	\$107.10

Note: Customers with multiple cans or carts will be charged for the number of cans or carts.

**Table 5: Recommended FY 2017 Adjustments (Commercial *Compost* Rates)**

Size	Collection Frequency						Bin Rental
	1 day/week	2 days/week	3 days/week	4 days/week	5 days/week	6 days/week	
32 gal	\$28.38						\$3.15
64 gal	\$58.60	\$130.93	\$203.26	\$275.60	\$347.93	\$420.26	\$3.15
96 gal	\$87.90	\$189.53	\$291.16	\$392.79	\$494.42	\$596.06	\$3.15
1 CY	\$142.83	\$291.16	\$439.49	\$586.90	\$735.25	\$882.64	\$40.95
1.5 CY	\$195.02	\$401.03	\$607.96	\$813.97	\$1,019.98	\$1,225.99	\$40.95
2 CY	\$247.21	\$510.90	\$776.43	\$1,041.04	\$1,304.73	\$1,569.34	\$52.50
3 CY	\$349.76	\$730.65	\$1,110.62	\$1,491.51	\$1,873.32	\$2,254.21	\$67.20
4 CY	\$465.12	\$939.41	\$1,460.38	\$1,958.47	\$2,454.72	\$2,951.89	\$67.20
5 CY	\$567.67	\$1,182.04	\$1,794.58	\$2,408.94	\$3,023.31	\$3,636.76	\$81.90
6 CY	\$683.04	\$1,414.60	\$2,143.42	\$2,874.07	\$3,604.72	\$4,334.45	\$81.90

## Cost Impact

The impact for customers who currently do not subscribe to compost service will vary depending on how they change their service levels. Many customers, when they begin sorting their waste properly, find that they can increase the size of their recycling in addition to adding compost service. This shift can significantly reduce the size of the customer's garbage container. Customers with a 64 gallon cart serviced once a week, that shift to 32 gallon garbage and 32 gallon compost will see a 5% reduction in their Refuse bill. Some customers may see an increase in their Refuse bill. For example, customers currently subscribing to a 2 cubic yard garbage bin once a week who shift to a 1 cubic yard garbage bin and a 1 cubic yard compost bin will see a 10% increase in their Refuse bill. For these customers, it would be important to identify if they can further reduce the size of their garbage service by increasing recycling and sorting properly. City and GreenWaste staff will work with commercial customers, especially multifamily managers and residents, to assist with sorting properly and providing solutions that could reduce or minimize any cost increases. Overall, staff anticipates total commercial revenue to remain the same.

**Table 6: Recommended FY 2017 Adjustments (Debris Boxes)\***

**Category A** includes garbage, mixed construction and demolition (C&D);

**Category B** includes single-source separated materials and can be directly marketed as a single commodity.

On-Call Service					
	7 CY	15 CY	20 CY	30 CY	40 CY
Delivery (A or B)	\$132.30	\$132.30	\$132.30	\$132.30	\$132.30
Service (Cat A)	\$676.40	\$676.40	\$785.13	\$1,004.87	\$1,095.29
Service (Cat B)	\$344.40	\$344.40	\$399.84	\$512.40	\$558.60
Permanent Service					
Category A					
1x/week		\$2,638.07	\$3,209.18	\$4,121.34	\$4,490.67
2x/week		\$5,276.15	\$6,418.36	\$8,241.54	\$8,981.35
3x/week		\$7,915.36	\$9,626.39	\$12,362.89	\$13,472.02
4x/week		\$10,552.29	\$12,836.71	\$16,485.38	\$17,962.70
5x/week		\$13,190.36	\$16,045.89	\$20,606.72	\$22,453.37
Rental		\$147.00	\$195.30	\$292.95	\$390.60



Category B					
1x/week		\$1,419.49	\$1,656.07	\$1,776.18	\$1,896.29
2x/week		\$2,838.92	\$3,312.15	\$3,552.37	\$3,792.59
3x/week		\$4,258.47	\$4,968.22	\$5,332.19	\$5,688.88
4x/week		\$5,677.96	\$6,624.29	\$7,104.73	\$7,585.18
5x/week		\$7,097.45	\$8,280.36	\$8,880.92	\$9,481.47
Rental		\$147.00	\$195.30	\$292.95	\$390.60

\*See R-C Utility Rate Schedule (Attachment C) for other debris box related charges NOTE: GreenWaste of Palo Alto has the exclusive rights to haul any and all mixed material (garbage, generic C&D, or mixed recycling) generated in Palo Alto.

### **Other Commercial Rate Modifications**

As of April 1, 2016, the Recycling and Composting Ordinance requires all commercial customers with 8 yd<sup>3</sup> or more of weekly garbage service, food service establishments, and multifamily complexes to subscribe to compost service and sort waste properly ([www.cityofpaloalto.org/rc-ordinance](http://www.cityofpaloalto.org/rc-ordinance)). The new rate schedule is adjusted to contain the “extra solid waste pick-up” fee, which is the difference in cost between a recycle or compost container and a garbage container, and a “return trip” fee (\$80.00) included as part of the ordinance. These fees will only be charged after a multi-step process focused around education and outreach to assist commercial customers with ordinance compliance. Multifamily complexes will not be subject to these fees if they provide appropriate education and signage for residents.

Staff propose adding an “overflowing cart” (\$30.00) and “overflowing bin” (\$50.00) fee and a “Whole cardboard box” fee (\$25.00 for carts, \$50.00 for bins) to recover costs associated with overflowing containers and resultant litter. The intent is to induce commercial customers to subscribe to the appropriate sized containers, lessening the overflow and keeping the community clean. Breaking down boxes also will reduce overflowing carts by increasing customer container capacity.

Other fees, including “pull-out” charges have been modified to reflect current costs and only apply to commercial customers.

The Commercial Refuse Collection Utility Rate Schedules R-2 and R-3 have been consolidated into one Utility Rate Schedule R-C. This consolidation will reduce the potential for billing errors and improve customer service.

## Timeline Refuse Rate Implementation Schedule

Task	Schedule
Finance Committee final rate approval as part of the budget process	April 19, 2016
Proposition 218 notices mailed	May 1, 2016
Council approval	June 13 and 20, 2016
New Refuse Rates take effect	July 1, 2016

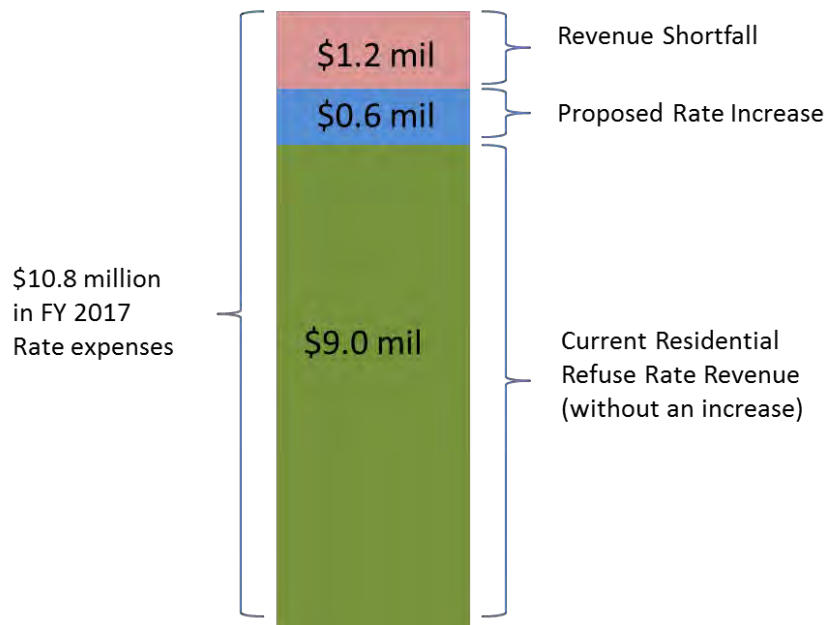
### Resource Impact

The impacts of the proposed FY 2017 refuse rate increases will implement the second year of a three-year phased program to realign rates between the residential, commercial and roll-off sectors so that residential revenues are sufficient to cover expenses and continue to rebuild the refuse reserve towards appropriate levels.

#### 1. Residential Program Revenue and Costs

The recommended rate increases will move Palo Alto closer to having the residential program revenues fully cover the residential program expenses. The Solid Waste Rate Structure and Analysis Report found residential rates needed to be raised 28% (for most customers) over three years to provide sufficient revenues in the residential sector to cover all residential expenses by FY 2018. Residential rates were increased by 9% in FY 2016 and staff proposes another 9% in FY 2017 and 8% in FY2018, consistent with the three-year plan. There were no rate increases in FY 2014 or FY 2015.

**Chart 8: FY 2017 Residential Revenue Needs**

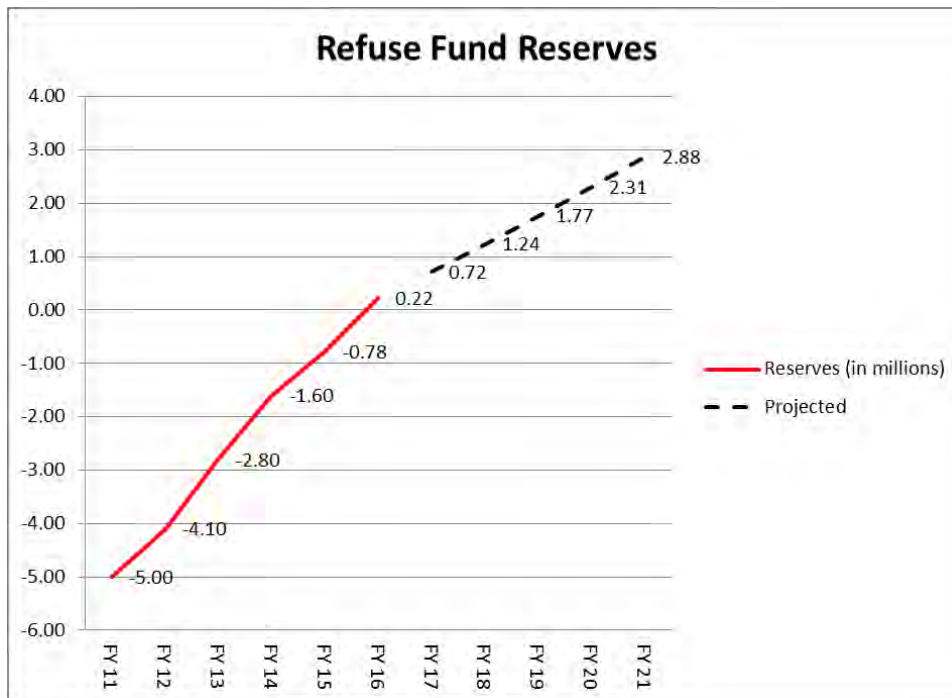


The residential revenue shortfall should be eliminated with the recommended 8% increase for FY 2018.

## 2. Continue Rebuilding the RSR

As mentioned above, the Refuse Fund is continuing the process of rebuilding its financial reserves from a deficit of \$5 million in FY 2011 to a target reserve of \$3 million, which is approximately 10% of sales revenue. At the end of FY 2015, the RSR had a negative balance of \$777,000. This negative balance is attributable to long-term liabilities associated with both (1) maintaining and monitoring the City’s closed landfill, as mandated by state law; and (2) a long-term unfunded pension liability known as “GASB 68 Pension” (Finance Committee ID [#6144](#), 10/20/2015). As revenues are realized and maintenance and monitoring activities completed, and as the pension liability is addressed, the liabilities will be reduced and RSR balance will become positive. The FY 2017 proposed rate modifications should result in a positive RSR by FY 2018 (Chart 9). The reserve target is projected to be reached by the close of FY 2021.

**Chart 9: Historic and Projected Refuse Fund Reserves**



To minimize the need for rate increases, staff implemented several significant cost saving measures in recent years, including but not limited to (1) accelerating the filling and closing the City’s landfill; (2) contracting out street sweeping operations and moving to less frequent sweeping during the non-leaf season; and (3) improvements and efficiencies gained in the City’s household hazardous waste collection program.

Staff also notes that approximately two-thirds of the Refuse Program’s expenses are based on agreements with built-in CPI increases. The projections for FY 2017 and the near-term future are based on 3% CPI increases for these agreements. These increases are addressed in the recommended rates for both the residential and commercial sectors.

**Policy Implications**

There are no policy changes contained in the adoption of the proposed new Refuse Rates. New steps are being taken to more fully implement the Zero Waste policies already adopted by Council in the Zero Waste Plan and Zero Waste Operations Plan.

**Attachments:**

- Attachment A - Resolution (DOCX)
- Attachment B - R-1 FY2017 Residential Refuse Rates (DOCX)
- Attachment C - R-C FY2017 Commercial Refuse Rates (DOCX)

Attachment A

Resolution No. XXXX Resolution of the Council of the City of Palo Alto Amending the Utility Rate Schedule R-1 and Consolidating the Utility Rate Schedules R-2 and R-3 with the Utility Rate Schedule R-C for a Refuse Rate Increase

RECITALS

A. Pursuant to Chapter 12.20.010 of the Palo Alto Municipal Code, the City Council may by resolution adopt rules and regulations governing utility services and the fees and charges therefore; and

B. The Council has considered the need for an adjustment in refuse collection rates to avoid a decrease in the Refuse Fund Rate Stabilization Reserve levels; and

C. Pursuant to Article XIID Sec. 6 of the California Constitution, on June XX, 2016 the Council of the City of Palo Alto held a public hearing to consider all protests against the proposed refuse rate fee increases; and

D. The total number of written protests presented by the close of the public hearing was less than fifty percent (50%) of the total number of customers subject to the proposed refuse rate fee increases.

The Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. Pursuant to Section 12.20.010 of the Palo Alto Municipal Code, Utility Rate Schedule R-1 (Domestic Refuse Collection) is hereby amended to read in accordance with Sheets R-1-1, R-1-2, and the Utility Rate Schedules R-2 and R-3 is hereby consolidated into Utility Rate Schedule R-C (Commercial Refuse Collection) to read in accordance with Sheets R-C-1, R-C-2, R-C-3, R-C-4, R-C-5, R-C-6, R-C-7, and R-C-8, attached hereto and incorporated herein. The foregoing Utility Rate Schedules, as amended, shall become effective on July 1, 2016.

SECTION 2. The rates contained in the attached Rate Schedules shall be in effect until Council adopts a new rate structure.

SECTION 3. The Council finds that the revenue derived from the authorized adjustments of the refuse collection rates shall be used only for the purposes set forth in Article VII, Section 2, of the Charter of the City of Palo Alto.

SECTION 4. The Council finds that the adoption of this resolution does not constitute a project under the California Environmental Quality Act, California Public Resources Code section 21080, subdivision (b)(8).

**DOMESTIC REFUSE COLLECTION**

UTILITY RATE SCHEDULE R-1

**A. APPLICABILITY:**

This schedule applies to each occupied domestic dwelling as required by City ordinance, including separate single-family domestic dwelling and multi-unit dwellings (4 units or less). An occupied dwelling unit is defined as any home, apartment unit, cottage, flat or duplex unit, having kitchen, bath, and sleeping facilities, and to which gas or electric service is being rendered.

**B. TERRITORY:**

Within the incorporated limits of the City of Palo Alto and on land owned or leased by the City.

**C. RATES:**

The refuse rates below provide weekly collection, processing and disposal of materials properly deposited in the number of garbage containers indicated below, as well as weekly collection and processing of recyclables from blue carts (standard service includes one 64-gallon blue cart), weekly collection and processing of compostables (yard trimmings, food scraps, and food soiled paper) from green carts (standard service includes one 96-gallon green cart), ongoing maintenance of the closed Palo Alto Landfill, zero waste programs, street sweeping service, the household hazardous waste program, and the annual Clean Up Day.

**Monthly Refuse Services Cost**

**Garbage Cart Sizes**

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Mini-can/20-gallon cart *	26.48
1 32-gallon cart**	47.69
1 64-gallon cart	95.38
1 96-gallon cart	143.07

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\*Mini-can service cannot be combined with any other cart service

\*\*Standard cart service is one 32-gallon cart.

**D. SPECIAL ITEM CHARGES:**

1. Stove/washer/dryer/water heater pick up \* ..... 25.00
2. Freezer/refrigerator/air conditioner/garbage compactor pick up \* ..... 40.00

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**CITY OF PALO ALTO UTILITIES**

Issued by the City Council

Effective 7-01-16

*Supersedes Rate Schedule R-1 dated  
7-01-15*

Sheet No. **R-1-1**

3. Upholstered furniture pick up (per unit) *	15.00
4. Mattress pick up *	15.00
5. Tire pick up (per tire, limit of 4 tires) *	20.00
6. Pallet pick up *	5.00

\* “Surcharge special” fee (see E5. below) applies when special item is not collected under the annual Clean Up Day Program guidelines.

**E. SPECIAL LABOR CHARGES:**

1. Return trip (next day service)	24.00
2. Return trip (same day service)	36.00
3. Extra collection (for service of additional material; charged per cubic yard)	60.00
4. Miscellaneous 1 person service rate (pull out service)	2.50/min
5. Surcharge special (one time pick up of large or non-standard items; or delivery of containers for special events)	80.00
6. Repair rate	2.50/min + material
7. Back/side yard collection of garbage (monthly charge per residence – available to current back/side yard service customer only)	3.66

**F. SPECIAL CART CHARGES:**

1. 32-gallon cart rental***	3.00
2. 64-gallon cart rental***	3.00
3. 96-gallon cart rental***	3.00
4. 20-gallon cart purchase	60.00
5. 32-gallon cart purchase	51.00
6. 64-gallon cart purchase	57.00
7. 96-gallon cart purchase	62.00
8. Cart wash	30.00
9. Compost cart contamination (entire cart dumped)	30.00
10. Recycling cart contamination (entire cart dumped)	30.00
11. Damaged cart exchange (one allowed per customer each calendar year at no cost)	20.00
12. Monthly key service (customer provided lock)	15.00
13. Lock (Collector provided)	25.00
14. Cart lock installation	40.00

\*\*\* Monthly charge for each additional cart of service above three carts for the compostable materials or recycling cart.

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**CITY OF PALO ALTO UTILITIES**

Issued by the City Council

Effective 7-01-15

Supersedes Rate Schedule R-1 dated  
11-01-14

Sheet No. **R-1-2**



## COMMERCIAL REFUSE COLLECTION

### UTILITY RATE SCHEDULE R-C

#### A. APPLICABILITY:

This schedule applies to all occupied establishments other than residential premises as required by City ordinance.

#### B. TERRITORY:

Within the incorporated limits of the City of Palo Alto and on land owned or leased by the City.

#### C. RATES:

The refuse rates below provide collection, processing and disposal of materials properly deposited in the number of refuse containers indicated below, as well as collection and processing of recyclables from special blue carts. The refuse rates below also provide hazardous waste programs, zero waste programs, ongoing maintenance of the closed Palo Alto Landfill, and street sweeping programs.

#### **(1) MONTHLY GARBAGE CAN/CARTS**

##### Collection Frequency

Cart Sizes	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week	Cart Rental
32-gal. can or cart	\$35.48						\$3.15
64-gal. cart*	73.25	163.66	254.08	344.49	434.91	525.33	3.15
96-gal. cart	109.87	236.91	363.95	490.99	618.03	745.07	3.15

\* Standard service is one 64-gallon cart.

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#### CITY OF PALO ALTO UTILITIES

Issued by the City Council

**COMMERCIAL REFUSE COLLECTION**

UTILITY RATE SCHEDULE R-C

**(2) MONTHLY GARBAGE BINS**

Size (cubic yards)	Collection Frequency						Bin Rental
	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week	
1	\$178.54	\$363.95	\$549.36	\$733.62	\$919.03	\$1,103.30	\$40.95
1.5	243.78	501.29	759.95	1,017.46	1,274.97	1,532.49	40.95
2	309.02	638.63	970.54	1,301.30	1,630.91	1,961.67	52.50
3	437.20	913.31	1,388.28	1,864.39	2,341.65	2,817.76	67.20
4	581.41	1,174.26	1,825.48	2,448.09	3,068.40	3,689.87	67.20
5	709.59	1,477.55	2,243.22	3,011.18	3,779.14	4,545.95	81.90
6	853.80	1,768.25	2,679.27	3,592.59	4,505.90	5,418.06	81.90
8	1,113.60	2,315.32	3,519.34	4,724.50	5,928.51	7,132.52	107.10

**(3) MONTHLY COMPOST CARTS\***

Collection Frequency

Cart Sizes	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week	Bin Rental
32-gal. cart	\$28.38						\$3.15
64-gal. cart	58.60	130.93	203.26	275.60	347.93	420.26	3.15
96-gal. cart	87.90	189.53	291.16	392.79	494.42	596.06	3.15

\*Multi-unit dwellings with five (5) to ten (10) units may receive up to one 96-gallon compostables cart collected once per week at no charge. Service over 96 gallons will be charged as described in G-7 below.

Note: "Cart wash" (see G-1) is available and the additional cost of \$30 will be assessed to account holders if odors become a public nuisance.

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**CITY OF PALO ALTO UTILITIES**

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Supersedes Sheets .R-2-1&2 and R-3-1 through R-3-5  
dated 10-01-11

Sheet No. **R-C-2**

**COMMERCIAL REFUSE COLLECTION**

UTILITY RATE SCHEDULE R-C

**(4) MONTHLY COMPOST BINS**

Size (cubic yards)	Collection Frequency						Monthly Bin Rental
	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week	
1	\$142.83	\$291.16	\$439.49	\$586.90	\$735.25	\$882.64	\$40.95
1.5	195.02	401.03	607.96	813.97	1,019.98	1,225.99	40.95
2	247.21	510.90	776.43	1,041.04	1,304.73	1,569.34	52.50
3	349.76	730.65	1,110.62	1,491.51	1,873.32	2,254.21	67.20
4	465.12	939.41	1,460.38	1,958.47	2,454.72	2,951.89	67.20
5	567.67	1,182.04	1,794.58	2,408.94	3,023.31	3,636.76	81.90
6	683.04	1,414.60	2,143.42	2,874.07	3,604.72	4,334.45	81.90

Note: “Bin wash” (see G-2) is available and the additional cost of \$40 will be assessed to account holders if odors become a public nuisance.

**(5) DEBRIS BOXES**

NOTE: GreenWaste of Palo Alto has the exclusive rights to haul any and all mixed material (garbage, generic C&D, or mixed recycling) generated in Palo Alto.

**Category A:** Includes garbage, mixed construction and demolition (C&D).

**Category B:** Includes single-source separated materials and can be and directly marketed as a single commodity.

<b>Debris Box On-Call Service*</b>					
	<b>7 CY</b>	<b>15 CY</b>	<b>20 CY</b>	<b>30 CY</b>	<b>40 CY</b>
Delivery (A or B)	\$132.30	\$132.30	\$132.30	\$132.30	\$132.30
Service (Cat A)	676.40	676.40	785.13	1,004.87	1,095.29
Service (Cat B)	344.40	344.40	399.84	512.40	558.60
Non-use **	\$76.00	\$76.00	\$76.00	\$76.00	\$76.00

\* Additional “Contaminated charge” of \$185.30 (see I-5) may apply on debris boxes used for construction and demolition materials.

\*\*Within a fourteen (14) day period.

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Sheet No. **R-C-3**

**COMMERCIAL REFUSE COLLECTION**

UTILITY RATE SCHEDULE R-C

<b>Debris Box <u>Category A</u> Permanent Service</b>				
	<b>15 CY</b>	<b>20 CY</b>	<b>30 CY</b>	<b>40 CY</b>
1x/week	\$2,638.07	\$3,209.18	\$4,121.34	\$4,490.67
2x/week	5,276.15	6,418.36	8,241.54	8,981.35
3x/week	7,915.36	9,626.39	12,362.89	13,472.02
4x/week	10,552.29	12,836.71	16,485.38	17,962.70
5x/week	13,190.36	16,045.89	20,606.72	22,453.37
Rental	147.00	195.30	292.95	390.60

<b>Debris Box <u>Category B</u> Permanent Service</b>				
	<b>15 CY</b>	<b>20 CY</b>	<b>30 CY</b>	<b>40 CY</b>
1x/week	\$1,419.49	\$1,656.07	\$1,776.18	\$1,896.29
2x/week	2,838.92	3,312.15	3,552.37	3,792.59
3x/week	4,258.47	4,968.22	5,332.19	5,688.88
4x/week	5,677.96	6,624.29	7,104.73	7,585.18
5x/week	7,097.45	8,280.36	8,880.92	9,481.47
Rental	147.00	195.30	292.95	390.60

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Sheet No. **R-C-4**

**COMMERCIAL REFUSE COLLECTION**

UTILITY RATE SCHEDULE R-C

**D. SPECIAL ITEM CHARGES\*:**

1. Stove/washer/dryer/heater pick up.....	25.00
2. Freezer/refrigerator/air conditioner (residential only) .....	40.00
3. Upholstered furniture pick up .....	15.00
4. Mattress pick up .....	15.00
5. Tire pick up (per tire, limit of 4 tires) .....	20.00
6. Pallet pick up .....	5.00

\* Requests for pick up of special items must be made scheduled in advance of regular pick up days. If no request is made, an "Extra collection" fee (see E-1) will be applied.

**E. SPECIAL LABOR CHARGES:**

1. Extra collection (for service of additional material; charged per cubic yard) .....	60.00
2. Miscellaneous 1 person service rate .....	2.50/min
3. Repair rate .....	2.50/min + material
4. Return trip/Special trip.....	80.00
5. Special Events	
Delivery.....	30.00
Materials and Service (per waste station).....	20.00

**(6) Pullout Service (per container)**

	<b>Carts</b>	<b>Bins</b>
1x/week	\$50.00	\$200.00
2x/week	100.00	400.00
3x/week	150.00	600.00
4x/week	200.00	800.00
5x/week	250.00	1,000.00
6x/week	300.00	1,200.00

7. Whole cardboard box (boxes that have not been broken down)	
Cart.....	25.00
Bin.....	50.00
8. Overflowing container	
Cart.....	30.00
Bin.....	50.00

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UTILITY RATE SCHEDULE R-C

**F. RECYCLING AND COMPOST ORDINANCE CHARGES:**

If contamination is identified in a recycling or compost cart or bin, the customer will have an opportunity to remove the contamination and will only be charged a “Return trip” fee. If the customer chooses to not remove the contamination, the customer will be charged an “Extra solid waste pick-up” fee in addition to a “Return trip” fee.

1. Return trip..... 80.00

**(2) EXTRA SOLID WASTE PICK UP (for contaminated recycling or compost containers only. Additional charges will apply to any materials left outside of the containers)**

<b>Cart/Bin Size</b>	<b>Contaminated Recycling</b>	<b>Contaminated Compost</b>
32-gal.	\$8.19	\$1.64
64-gal.	16.92	3.38
96-gal	25.37	5.07
1 CY	41.23	8.25
1.5 CY	56.30	11.26
2 CY	71.37	14.27
3 CY	100.97	20.19
4 CY	134.27	26.85
5 CY	163.88	32.78
6 CY	197.18	39.44
8 CY	257.18	51.44

3. De minimus (no garbage service but subscribes to both compost and recycling) ..... 25.00

**G. SPECIAL CART AND BIN CHARGES:**

1. Cart wash ..... 30.00  
 2. Bin wash..... 40.00  
 3. Cart exchange ..... 20.00  
 4. Monthly key service (customer provided lock) per lock..... 15.00  
 5. Lock (Contractor provided)..... 25.00  
 6. Cart lock installation ..... 40.00  
 7. Each additional 32-gallon increment of weekly compostables cart service (in excess of 96 gallons per week) for multi-unit dwellings with five (5) to ten (10) units (monthly

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UTILITY RATE SCHEDULE R-C

charge).....	20.00
8. Temporary bin-delivery (per bin).....	80.00
9. Temporary bin non-use fee (within a fourteen (14) day period) .....	25.00
10. Auto-bar lock installation .....	200.00

**H. SPECIAL DEBRIS BOX CHARGES:**

1. Debris box delivery .....	132.30
2. Debris box non-use (within a fourteen (14) day period).....	76.00
3. Special debris box service between 12 PM to 6 PM .....	100.00
4. Special debris box service between 6 PM to 12 AM .....	200.00
5. Special debris box service on Saturday before 12 PM .....	100.00
6. Special debris box service on Sunday before 6 PM .....	300.00
7. Special debris box service on Sunday, 6 PM to 12 AM .....	400.00
8. Contaminated loads of construction and demolition recycling materials.....	185.30
9. Overweight: 8 ton weight limit.....	60.00 per ton

(or fraction thereof) over 8 tons, up to 10 tons.

Note: GreenWaste cannot transport a debris box that is greater than 10 tons.

**I. SPECIAL COMPACTOR CHARGES:**

1. Compacted garbage (per compacted cubic yard) .....	73.25
2. Compacted compostables (per compacted cubic yard) .....	58.60
3. Compacted recyclables (transportation) .....	200.00
4. Overweight (per ton).....	60.00
5. Contaminated loads of construction and demolition recycling materials.....	185.30

*{End}*

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