



## MEMORANDUM

**TO:** HONORABLE MAYOR &  
CITY COUNCIL

**FROM:** Brooke A. Levin  
Director, OPW

**SUBJECT:** Rate Increases for Zero Waste Services

**DATE:** June 1, 2016

City Administrator

Date

Approval

/s/

**June 1, 2016**

### INFORMATION

Effective July 1, 2016, all customers receiving Zero Waste Services from California Waste Solutions (CWS) and Waste Management of Alameda County (WMAC) will see an increase in their rates. This is an annual rate adjustment provided for in the contracts with the two companies. The increases are comprised of an indexed-base annual adjustment and additional approved adjustments that recover the costs of:

- Deferring the Consumer Price Index (CPI) adjustment in the first year of the contract;
- Providing lower initial rates in first year of the contract; and
- Increasing wages and benefits for recycling sorters represented by ILWU Local 6.

Table 1 shows the current rates, the rates effective July 1, and the amount of the increases for representative service levels in the three service sectors.

**Table 1. Rates for Representative Service Levels**

Service	Monthly Rate 7/1/15	Monthly Rate 7/1/16	Rate Impact
Single Family (32-gallon cart)	\$ 36.82	\$ 40.60	\$ 3.78
Multi Family (20-unit building)	\$ 616.90	\$ 684.08	\$ 67.18
Commercial (1 cu. yd. bin)	\$ 194.10	\$ 208.19	\$ 14.09

### **Customer Notification**

All customers will be notified of the July 1 changes to the Zero Waste Services rates through postcards (attached) that will be mailed in early June 2016. The postcards will direct the reader to the complete rate tables that are posted on [OaklandRecycles.com](http://OaklandRecycles.com). A two-fold bill insert, similar to those prepared for July 1 in years past, will provide similar information. A full page

advertisement and article about services to multi-unit residential buildings will appear in the June edition of the East Bay Rental Housing Association magazine.

The total rate impact of the combined rate component adjustments are shown in Table 2.

**Table 2. Total Rate Impact Effective July 1, 2016**

<b>Service Sector</b>	<b>Total Rate Impact</b>
Single Family <sup>1</sup>	10.3%
Multi Family <sup>2</sup>	10.9%
Commercial Garbage	7.3%
Commercial Organics	14.9%

<sup>1</sup> Rate impact shown applies to 32-gallon service level only, the rate increase ranges from 10.65% for 20-gal to 8.33% for 96-gal due to the effect of recycling rates, which are set per household rather than by volume.

<sup>2</sup>Rate impact may be less depending on service level.

### **Annual Rate Adjustment**

The annual rate adjustment, also called the Refuse Rate Index, is based on indices specific to the recycling and waste industry including fuel, fleet maintenance and replacement, and changes to union labor and benefits. This year the maximum annual rate adjustment was 2.1 percent.

### **Approved Additional Rate Adjustments**

Table 3 below shows the timeline for when three additional rate adjustments will sunset. After these dates, customers' bills will reflect only the annual rate adjustment.

**Table 3. Approved Additional Rate Adjustments - Timeline**

<b>Approved Additional Rate Adjustments</b>	<b>Sunsets In</b>
Deferred CPI Adjustment	July 1, 2018
Special Adjustment for First Year Rate Reduction	July 1, 2019
Local 6 Adjustment	July 1, 2020

### **Commercial Organics Rate**

Commercial organics rates were set at 30 percent below commercial garbage rates effective October 1, 2015, and will be lowered to 25 percent below commercial garbage rates effective July 1, 2016. The impact of this change, in combination with the commercial garbage rate adjustment, results in an increase of 14.9 percent to the commercial organics rates, as noted in Table 2 above.

For reference, the rate adjustment methodology and the additional adjustments were approved by City Council through:

- Ordinance No. 13254 C.M.S., which granted a franchise for Residential Recycling Collection Services to CWS;
- Ordinance No. 13258 C.M.S., which amended Ordinance No. 13253 C.M.S. to grant a franchise for mixed materials and organics collection services to WMAC, and approved maximum service rates for mixed materials and organics collection, residential recycling and disposal services; and
- Ordinance No. 13331 C.M.S., which amended Ordinance No. 13258 C.M.S., to set maximum commercial organics rates and add rates that were missing from the rate tables approved in the latter ordinance.

For questions, please contact Becky Dowdakin, Environmental Services Manager, at 238-6981.

Respectfully submitted,

/S/

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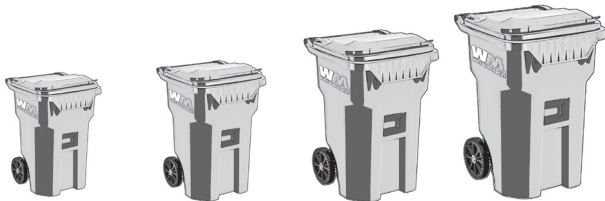
BROOKE A. LEVIN  
Director, Oakland Public Works

Attachments

Single-family, multi-family, and commercial rate postcards

# Trash, Compost & Recycling Rates as of 7/1/16

Single family home rates include collection of trash, compost and recycling.



20 gal	32 gal	64 gal	96 gal
\$35.52/mo.	\$40.60/mo.	\$73.16/mo.	\$110.96/mo.
\$106.56/qtr.	\$121.80/qtr.	\$219.48/qtr.	\$332.88/qtr.

Two to four (2-4) Unit Homes

- Minimum trash service capacity is 20 gallons per unit.
- Choose individual or shared containers to meet your needs.

20 gal	\$24.59/mo.	\$73.77/qtr.
32 gal	\$29.67/mo.	\$89.01/qtr.
64 gal	\$62.23/mo.	\$186.69/qtr.
96 gal	\$100.03/mo.	\$300.09/qtr.

You will be billed an additional \$10.93 per unit for recycling service.

You will be billed \$0.14 - \$0.61/qtr for the StopWaste Benchmark Fee. Details at [StopWaste.org/benchmark](http://StopWaste.org/benchmark).

- Free backyard collection service for qualifying frail seniors and disabled residents.
- Rate discount available for qualifying seniors.

Website: [OaklandRecycles.com](http://OaklandRecycles.com)

Waste Management of Alameda County, Inc. at 510-613-8710  
California Waste Solutions at 510-OAKLAND (625-5263).



**YOUR RECYCLING TEAM**

WASTE MANAGEMENT  
CALIFORNIA WASTE SOLUTIONS



PRESORTED STD  
US POSTAGE PAID  
PERMIT #2798  
OAKLAND CA

All cart sizes now  
available for compost  
and recycling, including  
20-gallon mini-carts!



# Trash, Compost & Recycling Rates Effective July 1, 2016 for 5+ Unit Buildings



<b>20 gal</b>	<b>32 gal</b>	<b>64 gal</b>	<b>96 gal</b>
\$23.36 / mo.	\$38.03 / mo.	\$75.50 / mo.	\$113.02 / mo.

<b>2 CY Bin</b>
\$464.28 / mo.

Additional \$10.99 per unit per month will be billed for Recycling Services.  
 Additional \$0.59 - \$1.83 per month will be billed for StopWaste Benchmark fee  
 - visit [StopWaste.org/Benchmark](http://StopWaste.org/Benchmark) for details.

Maximize compost and recycling services to take advantage of the 20-gallon-per-unit minimum trash requirement.

Free tools and technical assistance available at [ebrha.com/zero-waste](http://ebrha.com/zero-waste)

Visit [OaklandRecycles.com](http://OaklandRecycles.com) to view complete rates.



**YOUR RECYCLING TEAM**

WASTE MANAGEMENT  
CALIFORNIA WASTE SOLUTIONS

*Annual rate adjustments are calculated per the terms of City-approved contracts with Waste Management of Alameda County, Inc. and California Waste Solutions.*

# Compost & Recycling Services Are Mandatory

Visit [recyclingrulesac.org](http://recyclingrulesac.org) for more information about the mandate.

Rates include these services at no additional cost:

- Unlimited compost and recycling services to help you comply with mandatory compost and recycling laws
- Bulky pickup services for apartments and condos

Call Waste Management of Alameda County, Inc. at (510) 613-8710 to order compost service and schedule bulky pickup appointments.

Call California Waste Solutions at (510) 625-5263 to order recycling service.



3664 Grand Ave, Suite B  
Oakland, CA 94610



YOUR RECYCLING TEAM

WASTE MANAGEMENT  
CALIFORNIA WASTE SOLUTIONS



# Trash & Compost Collection Rates Effective July 1, 2016



\*Compost Service Mandatory at Certain Businesses!



Service/mo	20 gal	32 gal	64 gal	96 gal
Trash	\$30.00	\$41.04	\$88.70	\$136.28
Compost	\$22.50	\$30.78	\$66.53	\$102.21

2 CY Bin/mo	
Trash	\$345.74
Compost	\$259.31

You will be billed an additional \$0.59 - \$1.83 per month for the StopWaste Benchmark fee. Complete details at [StopWaste.org/Benchmark](http://StopWaste.org/Benchmark).

View complete rates at [OaklandRecycles.com](http://OaklandRecycles.com).

\*Businesses and institutions that generate significant quantities of organics, such as food scraps, must subscribe to compost collection service.

Call Waste Management of Alameda County at (510) 613-8710 to order compost collection service today.





**Free technical assistance to set up  
compost service!**

Call Waste Management of Alameda County  
at (510) 613-8710.

**Apply for free indoor food scrap bins at:  
[recyclingrulesac.org/containers](https://recyclingrulesac.org/containers).**