



REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: October 20, 2009

SUBJECT: Green Waste Rate Increase and Green Waste Program Decision

Report in Brief

On September 1, 2009, the City Council approved consideration of continuing Phase 1 green waste (yard waste) services through 2015, with modification of the designated dates for the leaf-drop season. Because continuing Phase 1 services would require a Waste Management rate increase, pursuant to Proposition 218 requirements, the City Council may decide to continue Phase 1 services only after conducting a hearing with a 45-day notice and confirming that there is not a written protest of the proposed rate increase by the affected owners or customers of record of a majority of the parcels that would be subject to the proposed increase. On September 3, 2009, a notice was mailed advising the customers of record and owners of record of 12,843 potentially affected parcels of the proposed increase, the procedures for protesting the increase, and the public hearing date of October 20. A notice of the hearing was also published in the Daily Democrat.

The City Council will hold the public hearing on the proposed rate increase at its October 20, 2009 meeting and accept the tally of protests received by the City Clerk.

Staff recommends that the City Council conduct a Public Hearing and approve the continuation of Phase 1 green waste services if, at the conclusion of the Public Hearing, the affected owners or customers of record of a majority of the affected parcels have not provided written protests of the rate increase in accordance with Proposition 218 procedures.

Background

The September 1, 2009 staff report to the Mayor and City Council on Green Waste Program Direction provided background information on the issues associated with the green waste containerization program. As noted in that report, pursuant to the solid waste franchise agreement between the City and Waste Management, "Unless otherwise mutually agreed in writing, no later than October 31, 2009, [Waste Management] shall replace Phase 1 Services with Phase 2 Services effective January 1, 2010, for the duration of the original term of this Agreement. If the City directs the Company to continue Phase 1 Services, it will do so on or before October 31, 2009." The original term of the franchise agreement is through December 31, 2015.

The franchise agreement requires an increase of \$1.09 per month per green waste customer if the City chooses to continue Phase 1 green waste services. The additional charge would be necessary to cover the cost of continuing the year-round dual green waste collection program and weekly street sweeping service. The City Attorney advised staff that the fee increase associated with continuation of Phase 1 services should be submitted to a Proposition 218 hearing process. This process requires that the affected green waste customers of record and owners of record be provided with a 45-day notice of the City Council's intention to consider the issue that would include the fee increase.

Staff presented the City Council with three alternative courses of action on September 1 as summarized below:

1. Approve continuing Phase 1 services for two years while staff engages with community members and Waste Management to reevaluate the green waste program parameters and develops recommendations for modifying the franchise agreement, if appropriate.
2. Approve considering the continuation of Phase 1 green waste services through December 31, 2015.
3. Approve changing to Phase 2 green waste services beginning in January 2010.

The City Council approved Alternative 2 with the stipulation that the leaf drop season be modified to extend to February 1 rather than January 15. Accordingly, on September 3, 2009, a notice in English and Spanish was mailed to the customers of record and owners of record of 12,843 potentially affected parcels advising them of the proposed increase, procedures for protesting the increase, and the Public Hearing date of October 20. The mailing list was compiled from Waste Management's list of billing parties and the list of property owners provided by the Yolo County Assessor's Office. The notice was also posted along with "Frequently Asked Questions" on the City's web site with a link from the home page. A notice of the hearing was also published in the Daily Democrat.

Discussion

A Waste Management rate increase of \$1.09 per customer per month, or \$2.18 per bimonthly billing cycle, is associated with the continuation of Phase 1 green waste services and is subject to the Proposition 218 protest and hearing process as discussed above. The owners or customers of record of a majority, or at least 6,422, of the potentially affected parcels would need to provide written protests to the City by the end of the October 20 hearing to prohibit the City Council from being able to decide in favor of continuing Phase 1 green waste services.

The Municipal Code and the franchise agreement define the leaf-drop season as October 15 through January 15. During this period, Waste Management provides both green waste cart and street pile collection on a weekly basis. The franchise agreement provides that Waste Management "may deviate from this schedule only during leaf season in the fall or the heaviest pruning month in the spring, as mutually agreed upon by the City and the Company." City and Waste Management of Woodland staff members have discussed the City Council's September 1 request that the definition

of the leaf-drop season be modified to extend the end of the season to February 1. City and Waste Management representatives have agreed through an exchange of letters to shift the beginning and ending dates of the leaf-drop season beginning in 2010, so that the season will be defined as extending from November 1 through February 1. This shift will maintain the same lengths for both the leaf-drop and non-leaf drop seasons, thereby precluding the need to negotiate any further service rate changes.

Fiscal Impact

Continuing Phase 1 services would require an increase of \$1.09 per month from all Waste Management green waste customers. This would result in an increase in franchise fee payments from Waste Management to the City of approximately \$15,000 per year.

Public Contact

Mailing of a 45-day public hearing notice to customers and owners of record of potentially affected properties, publication of a notice in the Daily Democrat, and posting of the City Council agenda.

Alternative Courses of Action

1. Conduct a Public Hearing and approve the continuation of Phase 1 green waste services through 2015 if, at the conclusion of the Public Hearing, the affected owners or customers of record of a majority of the affected parcels have not provided written protests of the rate increase in accordance with Proposition 218 procedures.
2. Approve changing to Phase 2 green waste services beginning in January 2010.

Recommendation for Action

Staff recommends that the City Council approve Alternative No. 1.

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