



# COLLECTION AND RECYCLING PROGRAM SUPPORT AND COMPLIANCE



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To: SBWMA Board Members  
From: Cliff Feldman, Recycling Programs Manager  
Date: April 28, 2016 Board of Directors Meeting  
Subject: Annual Solid Waste Rate Survey

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### Recommendation

This staff report is for discussion purposes only and no formal action is requested of the Board of Directors.

### Summary

The survey for 2016 solid waste rates included a total of 61 jurisdictions from Alameda County, Contra Costa County, Marin County, Santa Clara County and the SBWMA Member Agencies and includes a comparison of rates to a 50<sup>th</sup> and 75<sup>th</sup> percentile of those surveyed. This survey has proven to be a useful tool in the past for the Member Agencies to compare their residential rates with those of other jurisdictions. When omitting the two SBWMA Member Agencies with the highest rates (i.e., Atherton and Hillsborough), the average of all other SBWMA jurisdictions is below the overall average of all the jurisdictions surveyed for every Residential rate category. The complete survey is provided as **Attachment A**.

### Analysis

This staff report focuses primarily on residential rates as the factors associated with comparing commercial rates are significantly more complicated due to the variety of service levels and frequencies of weekly collection which commercial customers can subscribe to. As an example, the residential sector has four basic service levels (i.e., 20 gallon, 32 gallon, 64 gallon and 96 gallon) and the frequency of collection is weekly.

Seven of thirteen<sup>1</sup> SBWMA jurisdictions have 32-gallon cart rates below (i.e., Burlingame, Foster City, Menlo Park, North Fair Oaks (unincorporated County area), Redwood City, San Carlos and City of San Mateo) the 50<sup>th</sup> percentile of the jurisdictions surveyed and these seven jurisdictions comprise 75% of the residential accounts in the SBWMA service area. Several factors contribute towards these jurisdictions having lower rates compared to other SBWMA jurisdictions including a larger commercial rate base and areas of high housing density with relatively flat topography which in turn allows for more efficient and less costly routing than areas in the hills or those with numerous carts set out for collection at each account.

It is also important to note that in the SBWMA (and most of the jurisdictions surveyed), the majority of residential customers subscribe to the 30-35 gallon services (57%<sup>2</sup>) and far fewer to the 20 gallon (22%<sup>2</sup>) or 60-65 (17%<sup>2</sup>) and/or 90-95 gallon services (3%<sup>2</sup>). As shown in **Table 1** on the next page, when omitting the two SBWMA Member Agencies with the highest rates (i.e., Atherton and Hillsborough), the average of all other SBWMA jurisdictions is below the overall average of all the jurisdictions surveyed for every Residential rate category.

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<sup>1</sup> The County has separate solid waste rates for both North Fair Oaks and the Unincorporated County areas, thus in total there are thirteen jurisdictions with separate and distinct rates and not twelve.

<sup>2</sup> SBWMA average for March 2015.

Table 1

	Residential Curbside Collection Rates				Rate Variance from 20g to 96g
	20 Gallon	30- 35Gal.	60- 64Gal.	90- 96Gal.	
50th Percentile	\$25.00	\$33.04	\$62.58	\$88.82	\$63.82
75th Percentile	\$29.14	\$38.06	\$73.50	\$109.96	\$80.83
SBWMA Average w/out Atherton & Hillsborough	\$18.81	\$28.48	\$53.56	\$79.75	\$60.95
SBWMA Average with Atherton & Hillsborough	\$21.36	\$32.55	\$60.37	\$88.70	\$67.33

The 30-35 gallon rate charged in the City of Piedmont (Alameda County), the Town of Atherton and the Town of Hillsborough<sup>3</sup> are all above the 75<sup>th</sup> percentile in the survey group. These communities share similar factors that influence collection route efficiencies and cost such as topography and route density. Piedmont and Hillsborough are located in hilly areas which require more time on route. All three have lower route densities (e.g., greater distance between stops). Other similar characteristics include small commercial sectors which can influence rate decisions and large per capita generation of organics (green waste). Please refer to **Table 2**.

Table 2

Agency	Hauler	Residential Curbside Collection Rates				Rate Variance from 20g to 96g
		20 Gallon	30-35Gal.	60-64Gal.	90-96Gal.	
City of Piedmont	Republic	\$51.39	\$53.99	\$63.42	\$74.71	\$23.32
Town of Atherton	Recology	\$27.00	\$55.00	\$110.00	\$164.00	\$137.00
Town of Hillsborough	Recology	\$41.30	\$50.80	\$78.90	\$111.80	\$70.50

Similar characteristics as noted above can be found when looking at the solid waste rates for the Town of Los Altos Hills (Santa Clara County), City of El Cerrito (Contra Costa County), and City of Belvedere (Marin County).

For some jurisdictions, franchise and other fees included in the rates contribute to higher than average rates. The three cities in **Table 3** below all include high franchise and other fees in their rates. The SBWMA Member Agencies franchise and other fees average 14.1% and range from 5.3% (North Fair Oaks) to 27.0% (Belmont). While high franchise and other fees are not the sole factor explaining the need for higher than average rates, it is a contributing factor for some.

<sup>3</sup> The Town of Hillsborough includes a base charge of \$25.00 on all service levels in its property taxes.

Table 3

Agency	County	Hauler	Franchise & Other Fees %	Residential Curbside Collection Rates				Rate Variance from 20g to 96g
				20 Gallon	30-35Gal.	60-64Gal.	90-96Gal.	
Union City	Alameda	Republic	32.7%	\$38.41	\$44.93	\$77.58	\$110.18	\$71.77
Mill Valley	Marin	Mill Valley Disposal	26.8%	\$37.73	\$41.61	\$69.47	\$97.28	\$59.55
Larkspur	Marin	Marin Sanitary Service	19.0%	\$31.64	\$37.22	\$74.44	\$111.66	\$80.02
50th Percentile				\$25.00	\$33.04	\$62.58	\$88.82	\$63.82
75th Percentile				\$29.14	\$38.06	\$73.50	\$109.96	\$80.83
SBWMA Average				\$21.36	\$32.55	\$60.37	\$88.70	\$67.33
All City Average				\$25.06	\$33.14	\$61.01	\$89.11	\$64.05

The SBWMA Member Agencies on average have more progressive (i.e., rates increase as service volumes increase) rates than the jurisdictions surveyed. This is notable given the majority (80%) of residential customers (and hence source of revenue) subscribe to 20 gallon and 30-35 gallon service levels. The larger variance between the rates charged for 20 and 30-35 gallon service results in a higher burden to achieve more revenue from the 30-35 gallon customers. In essence, the smaller variance between 20 and 30-35 gallon service reduces the burden to get more revenue from the 32 gallon customers, or 64 or 96-gallon customers, and thus lower rates for this service level are achieved. Refer to Table 4.

Table 4

	Residential Curbside Collection Rates			
	20 Gallon	30-35Gal.	\$ Variance	% Variance of 20 Gallon
50th Percentile	\$25.00	\$33.04	\$8.04	32%
75th Percentile	\$29.14	\$38.06	\$9.03	31%
All City Average	\$21.36	\$32.55	\$8.07	38%
SBWMA Average	\$25.06	\$33.14	\$11.19	45%

While the commercial rates for the SBWMA are above the 50<sup>th</sup> percentile for the four rates categories surveyed, the SBWMA average rates charged are above the all city average in two of four categories. Please refer to Table 5 below. (Please note that there are typically several dozen commercial rates give the different size bins and variable frequency of collection.) In addition, it is possible to infer that the higher rates charged for commercial services results in a disproportionate amount of revenue which contributes to generally lower residential rates. However, as mentioned above, caution should be applied when making inferences concerning commercial rates in the absence of a more detailed analysis for each jurisdiction.

Table 5

	Commercial Collection Rates			
	1 YD Bin	1 YD Bin	3 YD Bin	3 YD Bin
	1x/week	3x/week	1x/week	3x/week
50th Percentile	\$162.07	\$452.92	\$418.80	\$1,216.69
75th Percentile	\$205.97	\$555.32	\$479.83	\$1,377.32
All City Average	\$163.85	\$475.72	\$443.61	\$1,317.58
SBWMA Average	\$168.81	\$478.53	\$417.97	\$1,210.10

While nuances like those explained on the previous pages can be confidently applied to the SBWMA service area as a whole and to many individual Member Agencies, the rates established by each Member Agency tell their own story and should be evaluated as such. The basis for the rates currently charged in most Member Agencies was established decades ago and these rates have undergone flat percentage increases annually (or in many cases less frequent). While a couple of Member Agencies (e.g., Hillsborough and San Carlos) have made structural changes to how rates are set, most have not tackled the issue of individual residential service level subsidies, nor commercial rates subsidizing residential. For the past five years the SBWMA has provided the Member Agencies with an analysis of the actual cost of service for the various garbage service levels (last provided to the Board and TAC via email on July 24, 2015.)

### **Background**

Each year staff conducts a survey of solid waste rates charged by other Bay Area communities in preparation for the annual adjustment to contractor's compensation for collection services and Shoreway operations. This information is provided to the Member Agencies to provide a comparison of rates charged by a variety of jurisdictions throughout the Bay Area. This survey is typically conducted in the March – May timeframe in order to capture rate increases in effect for that year.

### **Fiscal Impact**

There is no fiscal impact associated with this staff report.

#### **Attachments:**

**Attachment A** – April 2016 RethinkWaste Solid Waste Rates Survey

RethinkWaste Solid Waste Rate Survey  
April 2016

Jurisdiction	County	Res. Single-Family				Commercial				Service Info		
		20 Gallon	30-35Gal.	60-64Gal.	90-96Gal.	1YD Bin 1x/week	1YD Bin 3x/week	3YD Bin 1x/week	3YD Bin 3x/week	Rec. Freq.	YW Freq.	Sort
City of Alameda	Alameda	\$30.65	\$38.68	\$63.56	\$88.77	\$147.36	\$450.90	\$442.08	\$1,352.71	Weekly	Weekly	Single
City of Albany	Alameda	\$36.72	\$41.13	\$71.08	\$101.02	\$163.87	\$491.61	\$491.61	\$1,474.83	Weekly	Weekly	Single
City of Berkeley (District 1 & 2)	Alameda	\$23.79	\$38.05	\$76.05	\$114.03	\$151.42	\$426.65	\$419.05	\$1,244.70	Weekly	Weekly	Dual stream
City of Berkeley (District 3) <sup>8</sup>	Alameda	\$24.82	\$39.62	\$79.18	\$118.75	\$151.42	\$426.65	\$419.05	\$1,244.70	Weekly	Weekly	Dual stream
City of Dublin	Alameda	N/A	\$22.06	\$40.52	\$58.98	\$107.03	\$374.35	\$321.09	\$1,016.53	Weekly	Weekly	Single
City of Emeryville	Alameda	\$10.93	\$18.10	\$36.19	\$54.29	\$107.78	\$323.34	\$323.34	\$970.02	Weekly	Weekly	Single
City of Fremont	Alameda	\$31.21	\$31.89	\$34.99	\$51.47	\$93.09	\$363.24	\$209.26	\$835.91	Weekly	Weekly	Single
City of Livermore	Alameda	\$23.61	\$32.96	\$57.54	\$90.41	\$116.72	\$364.16	\$350.16	\$1,115.62	Weekly	Weekly	Single
City of Newark	Alameda	\$26.89	\$29.89	\$52.94	\$75.97	\$121.12	\$377.91	\$320.45	\$873.90	Weekly	Weekly	Single
City of Oakland	Alameda	\$32.10	\$36.82	\$67.19	\$102.43	\$194.10	\$582.30	\$462.27	\$1,386.81	Weekly	Weekly	Single
City of Piedmont <sup>5</sup>	Alameda	\$51.39	\$53.99	\$63.42	\$74.71	\$169.43	\$477.82	N/A	N/A	Weekly	Weekly	Single
City of Pleasanton	Alameda	N/A	\$33.80	N/A	\$45.48	\$168.23	\$440.28	\$480.44	\$1,296.58	Weekly	Weekly	Dirty MRF
City of San Leandro	Alameda	\$22.84	\$28.46	\$47.37	\$66.26	\$124.78	\$377.23	\$377.23	\$1,131.68	Weekly	Weekly	Single
City of Union City <sup>10</sup>	Alameda	\$38.41	\$44.93	\$77.58	\$110.18	\$135.44	\$374.10	\$354.94	\$967.33	Weekly	Weekly	Single
Castro Valley Sanitary District	Alameda	\$24.54	\$38.07	\$66.10	\$94.17	\$270.29	\$810.98	\$719.20	\$2,015.49	Weekly	Weekly	Single
Oro Loma Sanitary District (L1)	Alameda	\$12.92	\$21.20	\$37.84	\$54.43	\$130.36	\$303.99	\$317.93	\$838.83	Bi-weekly	Weekly	Single
Oro Loma Sanitary District (L2) <sup>9</sup>	Alameda	\$11.17	\$19.45	\$36.09	\$52.68	\$130.36	\$303.99	\$317.93	\$838.83	Bi-weekly	Weekly	Single
Oro Loma Sanitary District (L3)	Alameda	\$14.20	\$23.85	\$16.26	\$62.30	\$150.80	\$351.71	\$367.89	\$970.62	Bi-weekly	Weekly	Single
City of Richmond	Contra Costa	\$27.42	\$33.32	\$63.39	\$94.32	\$220.94	\$558.96	\$501.75	\$1,371.68	Bi-weekly	Bi-weekly	Single
City of San Pablo	Contra Costa	\$23.69	\$28.84	\$55.95	\$83.86	\$219.89	\$554.10	\$505.02	\$1,379.20	Bi-weekly	Bi-weekly	Single
City of El Cerrito <sup>5</sup>	Contra Costa	\$32.40	\$43.00	\$86.40	N/A	\$287.87	\$799.37	N/A	N/A	Weekly	Weekly	Single
City of Hercules	Contra Costa	\$29.47	\$34.60	\$61.01	\$88.21	\$249.76	\$625.90	\$568.13	\$1,545.77	Bi-weekly	Bi-weekly	Single
City of Pinole	Contra Costa	\$27.94	\$33.11	\$58.91	\$85.50	\$247.85	\$626.97	\$572.72	\$1,567.90	Bi-weekly	Bi-weekly	Single
Unincorp.-West Contra Costa	Contra Costa	\$25.72	\$31.40	\$60.14	\$89.59	\$209.99	\$528.19	\$471.06	\$1,281.87	Bi-weekly	Bi-weekly	Single
Town of Fairfax	Marin	\$26.10	\$31.29	\$62.58	\$93.87	\$183.95	\$435.70	\$431.25	\$1,128.85	Weekly	Weekly	Dual stream
RVSD-N (Oak Manor)	Marin	\$23.82	\$38.29	\$77.37	\$117.13	\$207.60	\$622.90	\$622.90	\$1,868.75	Weekly	Weekly	Dual stream
RVSD-N (Sleepy Hollow)	Marin	\$24.59	\$39.54	\$79.86	\$120.91	\$207.60	\$622.90	\$622.90	\$1,868.75	Weekly	Weekly	Dual stream
Town of San Anselmo <sup>13</sup>	Marin	\$28.02	\$36.62	\$73.30	\$109.95	N/A	N/A	\$601.01	\$1,803.16	Weekly	Weekly	Dual stream
City of Belvedere <sup>5</sup>	Marin	\$37.42	\$46.25	\$78.47	\$110.69	\$205.43	\$567.46	N/A	N/A	Weekly	Weekly	Single
City of Novato <sup>4</sup>	Marin	\$12.09	\$19.33	\$38.64	\$57.98	N/A	N/A	\$251.87	\$624.95	Weekly	Weekly	Single
City of Sausalito <sup>5,7</sup>	Marin	N/A	\$36.90	\$73.80	\$110.74	\$145.95	\$437.84	N/A	N/A	Weekly	Bi-weekly	Single
Town of Tiburon <sup>5,7</sup>	Marin	\$34.59	\$39.02	\$71.05	\$102.54	\$185.67	\$506.76	N/A	N/A	Weekly	Weekly	Single
Town of Corte Madera <sup>5,7</sup>	Marin	\$27.61	\$32.47	\$65.11	\$97.75	\$151.87	\$409.79	N/A	N/A	Weekly	Weekly	Single
City of Mill Valley <sup>5,7</sup>	Marin	\$37.73	\$41.61	\$69.47	\$97.28	\$184.28	\$495.92	N/A	N/A	Weekly	Weekly	Single
City of San Rafael	Marin	\$28.80	\$33.88	\$67.76	\$101.64	N/A	N/A	\$418.55	\$1,165.80	Weekly	Weekly	Dual stream
Las Gallinas Valley San Dist- County	Marin	\$25.18	\$29.62	\$59.24	\$88.86	\$212.05	\$636.65	\$429.05	\$1,197.50	Weekly	Weekly	Dual stream
City of Larkspur <sup>6</sup>	Marin	\$31.64	\$37.22	\$74.44	\$111.66	\$236.30	\$708.70	\$474.57	\$1,244.38	Weekly	Weekly	Dual stream
Town of Ross	Marin	\$27.51	\$32.37	\$64.74	\$97.11	N/A	N/A	\$415.66	\$1,246.84	Weekly	Weekly	Dual stream
County (RVSD-S)	Marin	\$21.92	\$36.29	\$75.50	\$117.75	\$303.45	\$769.35	\$469.30	\$1,232.35	Weekly	Weekly	Dual stream
County - Marin Franchisors' Group	Marin	\$21.61	\$35.78	\$74.47	\$116.13	N/A	N/A	\$473.65	\$1,236.80	Weekly	Weekly	Dual stream
City of Campbell <sup>1</sup>	Santa Clara	\$19.00	\$24.79	\$49.58	\$74.37	\$123.93	\$375.33	\$247.86	\$750.66	Weekly	Weekly	Single

April 2016

Jurisdiction	County	Res. Single-Family				Commercial				Service Info		
		20 Gallon	30-35Gal.	60-64Gal.	90-96Gal.	1YD Bin 1x/week	1YD Bin 3x/week	3YD Bin 1x/week	3YD Bin 3x/week	Rec. Freq.	YW Freq.	Sort
City of Cupertino <sup>2</sup>	Santa Clara	N/A	\$24.07	\$48.14	\$72.22	\$140.39	\$421.21	\$224.64	\$673.91	Weekly	Weekly	Single
City of Los Altos	Santa Clara	\$29.25	\$31.50	\$63.00	\$94.50	\$123.59	\$370.79	\$370.78	\$1,112.38	Weekly	Weekly	Single
City of Monte Sereno <sup>1</sup>	Santa Clara	\$22.06	\$28.77	\$57.54	\$86.30	\$169.24	\$512.63	\$338.48	\$1,025.26	Weekly	Weekly	Single
City of Mountain View	Santa Clara	\$18.20	\$26.60	\$53.20	\$79.80	\$122.15	\$366.05	\$345.55	\$996.15	Bi-weekly	Bi-weekly	Dual stream
City of Palo Alto	Santa Clara	\$24.30	\$43.75	\$87.51	\$131.26	\$170.04	\$523.20	\$416.38	\$1,322.17	Weekly	Weekly	Single
City of San Jose <sup>11</sup>	Santa Clara	N/A	\$32.07	\$64.14	\$96.21	\$166.41	\$476.53	\$499.23	\$1,429.59	Weekly	Weekly	Single
City of Santa Clara	Santa Clara	\$26.11	\$28.11	\$56.23	\$84.34	\$110.31	\$330.94	\$330.94	\$992.82	Weekly	Weekly	Single
City of Sunnyvale	Santa Clara	N/A	\$36.94	\$44.12	\$51.30	\$163.03	\$454.94	\$390.43	\$1,134.45	Weekly	Weekly	Multiple
City of Saratoga <sup>1</sup>	Santa Clara	\$20.42	\$26.63	\$53.26	\$79.89	\$175.06	\$530.50	\$350.13	\$1,061.01	Weekly	Weekly	Single
Town of Los Altos Hills	Santa Clara	\$27.95	\$38.97	\$77.96	\$116.92	\$98.13	\$206.66	\$153.56	\$359.07	Bi-weekly	Bi-weekly	Single
Town of Los Gatos <sup>1</sup>	Santa Clara	\$18.63	\$24.41	\$48.83	\$73.24	\$141.92	\$429.95	\$283.85	\$859.90	Weekly	Weekly	Single
Town of Atherton	San Mateo	\$27.00	\$55.00	\$110.00	\$164.00	\$200.00	\$600.00	\$550.00	\$1,650.00	Weekly	Weekly	Single
City of Belmont	San Mateo	\$21.19	\$35.17	\$71.67	\$112.30	\$195.96	\$605.43	\$594.47	\$1,801.27	Weekly	Weekly	Single
City of Burlingame	San Mateo	\$12.90	\$23.85	\$47.71	\$70.80	\$150.52	\$469.60	\$451.53	\$1,408.79	Weekly	Weekly	Single
City of East Palo Alto <sup>3</sup>	San Mateo	N/A	N/A	N/A	\$40.77	\$216.17	\$503.33	\$456.71	\$1,164.53	Weekly	Weekly	Single
City of Foster City	San Mateo	\$13.74	\$22.00	\$44.00	\$66.00	\$105.53	\$321.60	\$316.59	\$964.78	Weekly	Weekly	Single
Town of Hillsborough <sup>14</sup>	San Mateo	\$41.30	\$50.80	\$78.90	\$111.80	\$132.00	\$404.38	\$396.00	\$1,214.64	Weekly	Weekly	Single
City of Menlo Park	San Mateo	\$13.99	\$23.40	\$55.99	\$83.72	\$124.69	\$389.04	\$374.08	\$1,219.00	Weekly	Weekly	Single
No. Fair Oaks	San Mateo	\$27.31	\$27.31	\$27.31	\$84.14	\$161.11	\$483.32	\$483.32	\$1,449.96	Weekly	Weekly	Single
City of Redwood City	San Mateo	\$11.38	\$27.30	\$54.61	\$81.06	\$127.63	\$382.89	\$382.89	\$1,148.67	Weekly	Weekly	Single
City of San Carlos	San Mateo	\$20.87	\$31.18	\$52.23	\$68.45	\$121.48	\$379.00	\$378.88	\$1,137.01	Weekly	Weekly	Single
City of San Mateo <sup>15</sup>	San Mateo	\$13.18	\$21.08	\$46.41	\$72.05	\$140.97	\$435.58	\$423.01	\$1,306.79	Weekly	Weekly	Single
Unincorporated County	San Mateo	\$30.21	\$35.90	\$61.95	\$88.00	\$226.22	\$526.73	\$477.99	\$1,218.73	Weekly	Weekly	Single
West Bay Sanitary District	San Mateo	\$23.30	\$37.60	\$73.70	\$110.00	\$227.81	\$683.42	\$481.45	\$1,444.35	Weekly	Weekly	Single
50th Percentile		\$25.00	\$33.04	\$62.58	\$88.82	\$162.07	\$452.92	\$418.80	\$1,216.69			
75th Percentile		\$29.14	\$38.06	\$73.50	\$109.96	\$205.97	\$555.32	\$479.83	\$1,377.32			
SBWMA Average		\$21.36	\$32.55	\$60.37	\$88.70	\$163.85	\$475.72	\$443.61	\$1,317.58			
All City Average		\$25.06	\$33.14	\$61.01	\$89.11	\$168.81	\$478.53	\$417.97	\$1,210.10			

<sup>1</sup> 1 cubic yard containers not available. Rates reflected are for 1.5 cubic yards.

<sup>2</sup> City has one rate for unlimited residential solid waste collection from customer-provided containers

<sup>3</sup> 96 gallon cart is the only available option for Residential.

<sup>4</sup> Smallest commercial bin is 2 cubic yards.

<sup>5</sup> Largest commercial bin is 2 cubic yards.

<sup>6</sup> One cubic yard bin is no longer offered to new customers.

<sup>7</sup> Rate is for 1, 2, and 3 30 gallon cans in lieu of 60 and 90 gallon cans.

<sup>8</sup> Berkeley's District 3 pays a fire surcharge on Residential rates.

<sup>9</sup> OLSD L2 district doesn't provide recycling services to residents. Recycling rates are included in rate for L1 & L3.

<sup>10</sup> Recycling provided by Tri-CED.

<sup>11</sup> San Jose residential rate includes loose, in the street yard trimmings; commercial rate is for wet service.

<sup>12</sup> The Newark rate does not include an ACWMA Benchmark Service Information Fee which is included as a separate line item Republic's invoice.

<sup>13</sup> San Anselmo offers a very low rate for "Intensive Recycling (20 gallon cart Every Other Week -EOW) rate.

<sup>14</sup> Hillsborough includes an additional \$25.00 that is billed on the property tax role.

<sup>15</sup> San Mateo includes an additional Landfill Closure fee and Street Sweeping Fee.