

Capitola City Council

Agenda Report



Meeting: June 9, 2022
From: City Manager Department
Subject: GreenWaste Annual Rate Adjustment

Recommended Action: Adopt the proposed Resolution approving the Rate Schedule for Residential and Commercial Garbage Collection and Recycling in Capitola effective July 1, 2022.

Background: The City of Capitola has a franchise agreement with GreenWaste Recovery, Inc. (“GreenWaste Agreement”) to collect the City’s commercial and residential refuse, recycling, yard waste and food waste.

In 2019, the City approved a contract with Monterey Regional Waste Management District (MRWMD) for disposal of Trash, Yard Waste, and Organics. This agreement includes rate changes effective on July 1 every year. The MRWMD Agreement operates alongside the GreenWaste Agreement. GreenWaste handles refuse, recycling, food and yard waste hauling; MRWMD handles disposal.

At the October 14, 2021, the City Council approved the agreement between the City and GreenWaste, a new contract for collection of waste and updated collection rates. In that Agreement, the annual rate adjustment was moved from January 1 to July 1 to incorporate the disposal rate changes in the update.

As a result, there was no increase in January 2021 and due to the length of time it took to come to an agreement, the planned July 1, 2021, increase did not go into effect until January 1, 2022.

Discussion: The GreenWaste Agreement separates the collection costs (also called “Service Fee” in the Agreement) from the disposal costs (“Processing Fee” in the Agreement). The Agreement allows GreenWaste to increase the collection costs by 100 percent of the CPI for the period ending December 2021; that cost was 4.24%. The disposal cost increases are a result of the increase in the disposal costs at MRWMD; that cost is 11.11%. Both residential and commercial customers will see the change in rates. The new rates will take effect July 1, 2022.

	Collection Increase	Disposal increase
<u>MONTHLY SERVICE RATES - RESIDENTIAL</u>	4.24%	11.11%

Garbage Service	Rate Components		New Rate (07/01/2022)
	Service	Disposal	
Cart Size			
10 Gallon	\$ 15.19	\$ 2.17	\$ 17.36
<i>Care Discounted 10 Gallon</i>	\$ 8.25	\$ 2.17	\$ 10.41
20 Gallon	\$ 18.05	\$ 2.57	\$ 20.63
<i>Care Discounted 20 Gallon</i>	\$ 9.80	\$ 2.57	\$ 12.38

35 Gallon	\$ 20.46	\$ 2.92	\$ 23.38
<i>Care Discounted 35 Gallon</i>	\$ 11.11	\$ 2.92	\$ 14.03
64 Gallon	\$ 34.83	\$ 4.97	\$ 39.79
96 Gallon	\$ 49.36	\$ 7.04	\$ 56.40

The average 35-gallon-trash-cart residential customer will have a monthly rate increase of \$1.12 and the average 64-gallon-cart residential customer will have a monthly rate increase of \$1.91. The residential rates include the collection and disposal of residential garbage, yard waste, food scraps, and recycling. Commercial customers pay separately for garbage, organics, and recycling.

The Care Discounted rate is available to residential customers who participate in the PG&E Care Program.

Fiscal Impact: The City collects a franchise fee of 10% from GreenWaste Recovery

Attachments:

1. GreenWaste Rate Adjustment Resolution

Report Prepared By: Larry Laurent, Assistant to the City Manager

Reviewed By: Chloé Woodmansee, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager