

FAQs: Proposed Solid Waste & Recycling Collection Rates (public notice mailed 6/6/19)

- 1) When was the last solid waste and recycling collection rate increase?

Rates have not been increased in over 3.5 years. The current solid waste and recycling collection rates went into effect January 1, 2016.

- 2) Why are rate increases being proposed?

In a \$33.5 million enterprise fund (proposed expenditure budget for City Fiscal Year 2019/20), there are numerous projected changes to revenues and expenditures. That said, the three main “drivers” of the proposed rate increases are:

- (A) Contract Costs: In 2018, the Napa City Council approved a 14-year extension of the collection and processing agreement with Napa Recycling & Waste Services, LLC (NRWS). This contract extension provided for new (or refurbished) refuse and recycling vehicles, new collection and processing equipment and increased NRWS labor costs. The net increased cost is approximately \$2.1M per year with additional pre-known (“fixed”) increases of \$561K from City Fiscal Year (FY) 2019/20 to FY2020/21 and \$334K from FY2020/21 to FY2021/22.*
- (B) Declining Material Sales: With China’s “National Sword Policy” among other factors, revenue from the sales of recyclable materials has declined drastically in recent years. As compared to City FY2011/12, the projected average price per ton for FY2018/19 has declined by 55% from \$121/ton to \$54/ton. Unfortunately, this ongoing revenue loss of \$1.2-\$1.4M per year is expected to continue for the foreseeable future.*
- (C) Capital Improvements: In 2016, the City of Napa issued \$12.5M in solid waste revenue bonds for necessary facility/system capital improvements. Approximately \$8M of bond proceeds went towards a new “covered” composting system, while \$2M will be used for an upgraded stormwater management and treatment system and the remaining \$2.5M of bond funds addressing legally-required covers (roofs) for processing and storage areas to comply with facility and stormwater discharge permits. The cost of annual debt service for the bond is just under \$900K/year.*

- 3) What are the consequences if existing rates remain unchanged?

Solid waste and recycling collection rate revenue accounts for approximately 2/3 of all revenue for the City’s Solid Waste Fund. Without the proposed rate increases, the Fund would virtually exhaust remaining Fund reserves by the end of City FY2019/20 and would be in an ongoing (and growing) operating deficit for the next three City fiscal years. More detailed information is available at Napa City Hall (955 School Street) or online at www.cityofnapa.org/solidwasterates.

4) How do I submit a protest vote against the proposed rate increases?

As described in the mailed public notice, a protest vote may either be mailed to the Napa City Clerk at PO Box 660 Napa, CA 94559-0660 (Attn: Proposition 218 Protest), delivered in person to the Napa City Clerk at 955 School Street, Napa CA 94559 or submitted at the public hearing at 6:30 pm on Tuesday, July 23, 2019 at Napa City Hall (955 School Street, Napa CA 94559). In order to be counted, all written protests must be received by the City, whether sent by mail or delivered in person, by the close of the public testimony at the public hearing to be held on July 23, 2019 at 6:30 pm.

5) What do I do if I believe that I did not receive a public notice in the mail (or if I mistakenly threw it out)?

Additional public notices (with pre-printed protest form) are available from the City Clerk at Napa City Hall (955 School Street, Napa, CA 94559) during normal business hours (8 am to 5 pm, M-F). Additionally, the Clerk's Office can be reached at (707) 257-9303 or clerk@cityofnapa.org and the public notice (including the protest form) is available online for printing from home at www.cityofnapa.org/solidwasterates.

6) Who is receiving and counting the protest votes?

The Napa City Clerk's Office receives, logs and date stamps all written protests received up to and until the end of the public testimony at the public rate hearing on July 23, 2019. Written protests are stored in a secure vault at City Hall.

7) Where does my trash, recycling and composting go now?

All trash (aka "garbage" or "municipal solid waste") in grey carts (residential) collected by NRWS is delivered to the Devlin Road Transfer Station (DRTS) at 889 Devlin Road, American Canyon, CA 94503. Currently, Municipal Solid Waste received at the DRTS is consolidated into long-haul transfer vehicles that then transport the waste material for disposal at the Potrero Hills Landfill at 3675 Potrero Hill Lane, Suisun City, CA 94585.

All recyclable and compostable materials in blue and brown carts (residential) collected by NRWS are delivered to the City of Napa's Materials Diversion Facility (also known as "MDF" or "Napa Recycling & Composting Facility") at 820 Levitin Way, American Canyon, CA 94503. Recyclable and Compostable materials are processed at the City of Napa's MDF with sorted and/or processed finished materials sold by NRWS and unrecyclable/uncompostable "residue" (about 8-9% of all inbound tonnage received at the MDF) going to the DRTS for landfill disposal.

8) Why am I required to subscribe to solid waste/recycling removal services?

At its core, solid waste and recycling removal is based on public health and safety. In 1999, the City of Napa revised the Napa Municipal Code (NMC) and adopted a “universal” mandatory service requirement. The mandatory service requirement applies to all residential and commercial establishments within the City limits and requires that new residents/businesses secure and maintain solid waste/recycling removal service through the City’s authorized contractor (currently NRWS) at City-approved rates. Shared service is allowed under the NMC if verified by the City of Napa.

9) Will illegal dumping increase with the proposed rate increases?

Much like illegal graffiti issues, illegal dumping will occur regardless of rates increases. The City of Napa does utilize public safety and code enforcement resources to identify and address instances of illegal dumping (particularly ongoing issues or sites) when and if they are identified.

10) Do businesses and/or tourists pay their fair share of costs under proposed rates?

All the proposed rate adjustments are applied universally and applied at the same percentage increase as residential rate payers for non-residential accounts. Non-residential lines of service include all commercial generators, including businesses that serve tourists such as hotels and restaurants.

For example, a business currently paying \$423.35 per month for a two-cubic yard trash bin serviced once per week, will pay \$521.57 per month as of January 2020 and \$597.10 per month as of January 2022 under the proposed rates. Roll-off debris (and recycling) box customer rates are also increased at the same proposed percentages as residential rate customers. More detailed information on proposed rate and rate-setting methodologies are available at Napa City Hall (955 School Street) or online at www.cityofnapa.org/solidwasterates .

11) How do the proposed rates compare to other communities?

As noted on the front page of public notice, the proposed 65-gallon residential rate effective January 2020 would be just below the average for current rates in surrounding bay area communities. Direct solid waste/recycling rate comparisons are difficult because of differences in programs, disposal tip fees, labor costs, property costs, etc. for each jurisdiction. Some communities (like the City of Napa and recently south Napa County) have a 20-gallon residential cart size available, many do not. Some communities (like the City of Napa) have mitigation costs included for the impact of heavy refuse and recycling trucks on public streets, many do not.

It should also be noted that the comparison of the proposed residential rates shown on the public notice only use known existing rates for comparison. However, other jurisdictions will be adjusting their rates in the near future as well. The City of Vallejo (currently serviced by Recology Vallejo) and south unincorporated Napa County (currently serviced by Napa County Recycling & Waste Services) are both scheduled to adjust (increase) their solid waste and recycling collection service rates as of October 1, 2019 (as well as October 1st in subsequent years).

The loss of revenue from the declining value of recyclable materials impacts all solid waste and recycling operators through the nation (and particularly on the west coast of the United States that have historically shipped to China and other Pacific Rim countries). Less polluting (but higher cost) refuse and recycling vehicles are also required in California under emission rules adopted by the California Air Resources Board and will impact all jurisdictions throughout the state as the next generation of collection vehicles are purchased.

12) Is there anything I can I do to minimize impact of the proposed rate increases?

Napa's existing and proposed rates reward successful customer participation in recycling and composting programs that help the City achieve both City and State goals for diversion from landfill disposal. For residential customers, active participation in both the recycling and composting curbside services offered each week by NRWS may allow a customer to drop down from one size of a trash ("garbage") cart to a smaller grey trash cart (e.g., a given customer might be able to reduce from a 65-gallon trash cart to a 35-gallon trash cart size at a lower monthly rate). This is also true for commercial customers as service of clean, uncontaminated recyclables is provided at no additional charge and service of commercial food scraps and compostable soiled paper is provided at a 25% discount vs. equivalent commercial trash collection rates.

13) My household is on a low/fixed income. Is there additional assistance available?

Under the proposed rates, a new low/fixed income assistance program will be offered to qualifying households. If adopted by the Napa City Council as currently proposed, residents that qualify for PG&E's CARE Program will be eligible to receive a \$10 per month discount on their solid waste and recycling bill. Please note that this new low/fixed income assistance program will not be available until after August 1, 2019 if approved by the Napa City Council on July 23, 2019 and further details on the program will be provided to the public at that time.