



## Staff Reports

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**File #:** 1981-2019, **Version:** 1

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**To:** Honorable Mayor and Members of City Council

**From:** Phil Brun, Utilities Director

**Prepared By:** Kevin Miller, Materials Diversion Administrator

**TITLE:**

Solid Waste Rates Low-Income Assistance Program

**RECOMMENDED ACTION:**

Adopt a resolution adjusting solid waste and recycling collection rate revenue and establishing a new program to provide financial assistance to low-income residential solid waste and recycling customers.

**DISCUSSION:**

On July 23, 2019, Council adopted solid waste and recycling collection rates from August 1, 2019 through December 31, 2022. The adopted rates are projected to generate additional revenue than the adopted FY2019/20 and FY2020/21 budget and as such a budget adjustment is necessary.

Staff is also proposing a program to assist low and fixed income customers with their solid waste and recycling bills. In order for the City to comply with the requirements of State law regarding the use of revenue generated from solid waste and recycling rates, the City may not use revenue from one set of customers to pay or subsidize the costs of other (low-income) customers. However, the City is authorized to use a non-rate based revenue sources to pay the costs of the low-income assistance program. Staff has identified revenue from sales of recyclable materials as the best non-rate collection rate revenue source within the City's Solid Waste and Materials Diversion Enterprise Fund (Solid Waste Fund). During the recent solid waste rate-setting process, \$150,000 for FY2019/20, \$154,500 for FY2020/21 and \$159,000 for FY2021/22 was factored into the proposed rate adjustments (which has since been approved by Council Resolution 2019-082). This level of funding will allow for \$10 per month (\$120 per year) of assistance for up to 1,250 qualifying households per year.

The new low-income assistance program for solid waste service customers is modeled on the City's "RateShare" program established for water service customers in 2012. As such, the new program will utilize the established Pacific Gas & Electric (PG&E) California Alternate Rates for Energy (CARE) program as the default qualification criteria to be eligible for the assistance program. Based on the best information available as the time of this staff report, there are approximately 3,600 households that currently participated in the CARE program within the City of Napa. Approximately 900 households participate in the Water RateShare Program. Staff anticipates a similar level to participate in the Solid Waste assistance program, hence establishing a budget for 1,250 participants.

Since the amount of funding available for the program is limited, the new low-income assistance program will operate on first come, first serve basis (as is the case with current RateShare program for City of Napa water customers). Staff will monitor participation in the program and consider options to expand the program if participation nears the budget limit.

**FINANCIAL IMPACTS:**

Based on the adopted rates, the recommended action would increase projected City revenue for refuse collection charges (account no. 51004-34401) from \$19,600,000 to \$23,049,600 for FY2019/20 and from \$19,600,000 to \$25,113,088 for FY2020/21. In order to implement the low-income assistance program, the recommendation action would result in a new budget appropriation and expenditure account number of 51004-58920 within the Solid Waste Fund of \$150,000 in FY2019/20 and \$154,500 in FY2020/21.

**CEQA:**

The Utilities Director has determined that California Environmental Quality Act ("CEQA") does not apply to the Recommended Action described in this Staff Report, pursuant to Public Resources Code section 21080(b)(8), and CEQA Guidelines Sections 15273.

**DOCUMENTS ATTACHED:**

ATCH 1 - Resolution

**NOTIFICATION:**

Courtesy electronic copy to:

Greg Kelley, General Manager, Napa Recycling & Waste Services  
Mike Murray, CFO, Napa Recycling & Waste Services