



**CITY COUNCIL AGENDA ITEM NO. F.2
12/12/2023**

SUBJECT: Notification of the correction of a clerical error in the Solid Waste utility rate schedule.

DEPARTMENT: Public Works

STAFF: Casey Wichert, Director of Public Works
Debra Galey, Senior Analyst, Engineering

TITLE/RECOMMENDATION

An informational report notifying the Council that City staff will correct an unintended clerical error to the rate schedule in Attachment A-1 of Resolution No. 2023-77 and file an amended solid waste rate study report.

FISCAL IMPACT

As a result of the unintended clerical error, for four months at the beginning of FY 2023/24, approximately 198 non-residential customers were charged an incorrect higher rate for recyclable non-compacted bin service. These rates will be corrected during the next billing cycle. The overcharge amount averages \$35 per month per customer. Refunds to the affected customers are estimated to be \$6,996/month, for a total refund to the customers of approximately \$28,000 from the Solid Waste Enterprise Fund.

This correction will have no negative fiscal impact to the Solid Waste Enterprise Fund, as the correct rate for these services was included in the recently adopted five-year rate study's revenue requirements.

BACKGROUND

SOLID WASTE RECYCLABLE NON-COMPACTED BIN SERVICE FOR NON-RESIDENTIAL CUSTOMERS

Following the adoption of the five-year rate study, an unintended clerical error was discovered for the recycle non-compacted bin service rates of certain non-residential customers.

Specifically, through the Solid Waste Rate Study's cost of service analysis, it was determined that rates, as currently set for recycle non-compacted bin service, were



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adequate to cover the cost of solid waste service for this non-residential customer category, and a rate increase specifically for this portion of the solid waste service was not needed for FY 2023/24.

When the rates were transferred from the Solid Waste Rate Study into Attachment A-1 of the Solid Waste rate resolution, and into the Solid Waste Study Report, the latter of which summarizes the Study methodology and findings, the recycle non-compacted rate schedule for non-residential customers was incorrectly listed, and included an increase from the FY 2022/23 rates. All other bin service rates were listed correctly.

The following table shows the rates from the original Attachment A-1 to Resolution 2023-77 with the incorrectly listed rates highlighted.

SOLID WASTE SCHEDULED SERVICES								
PROPOSED RATES PER MONTH								
July 1, 2023								
COMMERCIAL FRONT-LOAD BIN SERVICE				1Yard = two 96 Gal Carts				
Fiscal Year 2023-24				Adjustment 0.0%				
Fiscal Year 2024-25				Adjustment 0.0%				
Fiscal Year 2025-26				Adjustment 1.0%				
Fiscal Year 2026-27				Adjustment 3.0%				
Fiscal Year 2027-28				Adjustment 3.0%				
Mixed Recyclables Non-Compacted Rates								
		Container Size						
		1 Yard	2 Yard	3 Yard	4 Yard	5 Yard	6 Yard	8 Yard
Service Per Week	1	76.47	171.20	256.81	384.12	480.15	576.17	851.68
	2	233.16	422.61	593.81	848.46	1040.51	1232.57	1783.56
	3	389.84	674.02	930.83	1312.78	1600.88	1888.95	2715.44
	4	546.51	925.43	1267.83	1777.11	2161.24	2545.36	3647.34
	5	703.20	1176.83	1604.85	2241.43	2721.58	3201.75	4579.22

The table below highlights the correct rates for FY 2023/24 that reflect no increase from the FY 2022/23 rates. The corrected rate will impact approximately 198 customers.



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Mixed Recyclables Non-Compacted Rates								
Container Size								
	1 Yard	2 Yard	3 Yard	4 Yard	5 Yard	6 Yard	8 Yard	
Service Per Week	1	72.14	161.51	242.27	362.38	452.97	543.56	803.47
	2	219.96	398.69	560.20	800.43	981.61	1162.80	1682.60
	3	367.77	635.87	878.14	1238.47	1510.26	1782.03	2561.74
	4	515.58	873.05	1196.07	1676.52	2038.91	2401.28	3440.89
	5	663.40	1110.22	1514.01	2114.56	2567.53	3020.52	4320.02

NOTICE TO CUSTOMERS

On April 21, 2023, Public Hearing Notices were sent to all property owners and customers of the parcels served by the City’s Water, Wastewater and Solid Waste utilities. In the Notice, the Solid Waste Recycle Non-compacted Bin Service increase was correctly listed as 0% for FY 2023/24, though the individual listed rates were incorrectly shown. The correct solid waste rates for recycle non-compacted bin service are *lower* than what was listed in the Proposition 218 required Notice provided to all utility customers and property owners. As such, additional Proposition 218 Notice of the correction is not required. In accordance with applicable City policy, solid waste customers impacted by this error will receive a full refund for the extra moneys paid for services provided from July 2023 to November 2023.

CORRECTIONS TO RESOLUTION 2023-177 AND SOLID WASTE RATE STUDY REPORT

To accurately reflect solid waste rates adopted by the City Council and to correct the error in the resolution, the City Clerk will be replacing Attachment A-1 to Resolution 2023-177, and replacing the Solid Waste Rate Study Report, which now includes a corrected list of fees for Recyclable Non-Compacted Bin Service for non-residential



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customers. A memo explaining the error and revision will also be filed with the revised Resolution and the revised Solid Waste Rate Study Report.

CITY COUNCIL STRATEGIC INITIATIVE

Focus Area 1 Public Works, Goal 2c, "Ensure fiscal sustainability by conducting rates studies".

PREVIOUS ACTION

Previous Action by the City Council is included on Attachment 1.

ATTACHMENT(S)

1. Previous Action
2. File Memo
3. Amended Attachment A-1 to Resolution 2023-77
4. Amended Solid Waste Rate Study