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September 26, 2023

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*Sent via e-mail*

**Subject: Update of the City's Solid Waste Rate Study**

Dear Casey Wichert:

HF&H Consultants, LLC (HF&H), at your request, has reviewed and updated the City of Brentwood's (City) solid waste, recycling, and organic materials "cost-of-service" collection rate model at a container type classification level. This high-level update to the 218 compliant model, which was initially created in 2017 and the results of which were implemented in 2018, also includes the City's estimate of organics processing partnership funding with Anageria.

## EXECUTIVE SUMMARY

The City of Brentwood (City) provides solid waste services to residents and businesses located within the City's limits. In order to increase rates for these services, the City intends to comply with Article XIID, Section 6 of the California Constitution, which was enacted by Proposition 218 in 1996. This Constitutional Section requires that (1) revenues derived from fees or charges for property-related service not exceed the cost to provide service; (2) revenues derived from fees or charges not be used for any purpose other than that for which it was imposed; and (3) the amount of a fee or charge upon a parcel not exceed the proportional cost of the service attributable to the parcel. The last rate study to analyze the nature of the City's solid waste collection fees and services was completed in 2018. The analysis conducted in support of this study was founded on legal direction related to Proposition 218, which was provided by special counsel engaged by the City.

This rate study included two analytic stages for the solid waste utility:

1. **Revenue Requirement Projections.** The expenses and revenues are projected based on the City's 10-year fiscal model for the Solid Waste Enterprise, incorporating expected cost escalation factors and growth rates. The difference between expenses and revenues must be offset by annual revenue increases.

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2. **Cost of Service Analysis.** The revenue requirement for the coming rate year (FY 2023-24) is allocated to each customer class based on the cost to provide the service.

The analysis for the Solid Waste Enterprise was performed in a spreadsheet model. The tables presented in this report are derived from this model.

**Figure 1-1** summarizes the annual revenue requirement that rates must be set to fund, for each class of customers.

**Figure 1-1. Revenue Requirement Projections**

	Projections					
	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Carts	\$11,349,990	\$12,280,995	\$13,842,758	\$14,311,024	\$14,695,591	<b>A</b>
Bins	\$ 5,333,574	\$ 5,631,540	\$ 5,752,191	\$ 5,969,841	\$ 6,146,102	<b>B</b>
Roll-Off	\$ 1,264,873	\$ 1,444,076	\$ 1,364,325	\$ 1,418,343	\$ 1,467,512	<b>C</b>
<b>Total</b>	<b>\$17,948,437</b>	<b>\$19,356,611</b>	<b>\$20,959,273</b>	<b>\$21,699,208</b>	<b>\$22,309,206</b>	<b>D = A + B + C</b>

The cost of service analysis indicated that while cart and roll-off customer rates are under-generating revenue compared to the cost of service, bin rates were over-generating revenue. As a result, customer rates need to be adjusted in varying degrees to rebalance the revenues and costs within each customer class, and to ensure revenue sufficiency over time. Since the City has significant reserve funds above the target reserve balance, the City elected to use the reserve funds to supplement the phasing in of rate adjustments over the next five years. As such, the City elected to apply different revenue adjustments to each customer class from FY 23-24 through FY 27-28 in order to phase in rates in-line with cost of service.

## BACKGROUND

The City is the provider of solid waste, recyclables, and yard waste collection to the City's residents, businesses, and City facilities. All materials are delivered to the City's transfer station at 2300 Elkins Way and are subsequently transported to third-party facilities throughout the Bay Area for processing and disposal through separate contract. Residents and businesses have the option of subscribing to cart, bin, or roll-off (also known as "drop box") collection service.

The City provides its cart customers with weekly solid waste collection and alternating weekly recycling and yard waste collection. Cart rates currently include the customer's choice of up to two 32-, 64-, or 96-gallon recycling and yard waste carts each. Cart rates include the option for customers to receive additional recycling and yard waste carts.

The City provides its bin customers with solid waste, yard waste, mixed recycling, and cardboard collection service at varying frequencies in a range of container sizes to meet each customer's needs.

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These customers are charged a monthly rate based on their subscription level (e.g., one cubic yard bin, serviced one time per week; three cubic yard bin, serviced three times per week).

The City provides residents and businesses that routinely or temporarily generate large quantities of solid waste, recycling, cardboard, yard waste, and construction and demolition debris the option to receive service in drop boxes, which are collected one at a time (i.e., not on a planned collection route) using a roll-off collection vehicle.

To determine whether additional rate revenue is required for the forthcoming rate year, projected operating and capital expenses are compared with projected revenue from current rates by container type. Rates are then proposed to be adjusted as necessary by line of business so that the expenses are covered, and reserves are maintained.

The prior rate study conducted for rates to be implemented in Fiscal Year 2018 was performed on an individual container basis. HF&H evaluated each individual customer service level (including customer class, material, and container size; e.g., "96-gallon solid waste cart"). As a result, each individual customer rate was subject to a different adjustment factor in FY 2018-19. Following this "reset" of customer container rate relationships to align with cost of service at an individual container level, this update to our prior study is reviewed at a "customer class" level (reviewing that residential, commercial, and debris box customers generate sufficient revenues to cover their respective costs and that no cross sector subsidy is occurring). This line of business level of review was selected as no major changes to the City's collection design have occurred since the last study, which would be likely to result in significant changes to individual container servicing costs.

## **SCOPE OF WORK**

Based on the operational statistics provided by the City, HF&H developed a high-level solid waste rate model designed to project the effect on rate revenues based on potential rate increase scenarios compared to the enterprises financial requirements, including operations and maintenance (O&M), capital improvement, and reserve funds.

We performed the following procedures as part of our review:

- Obtained cost, rate, and current customer account data from the City.
  - Leveraged the City's 10-year solid waste fiscal model as the basis for determining the revenue requirement projections for the 5-year planning period from FY 23-24 through FY 27-28. The projection of annual revenues and expenditures during this period was conducted by the City's staff and provided to HF&H.
  - Allocated expenditures to container types based on allocators including, but not limited to: route hours, tonnage, and revenue.
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- Calculated the cost-of-service rate increase by customer class to achieve rate revenue that would meet the minimum revenue requirement.

## LIMITATIONS

This study was prepared solely for the City of Brentwood in accordance with the contract between the City and HF&H and is not intended for use by any other party for any other purpose.

In preparing this study, HF&H relied on information and instructions from the City, which we consider to be accurate and reliable and did not independently verify.

Rounding differences caused by stored values in the electronic models may exist.

Actual results of operations will usually differ from projections because events and circumstances frequently do not occur as expected, which can result in significant differences between projected and actual expense and revenues.

This analysis addresses the relevant laws, regulations, and court decisions but should not be relied upon as legal advice. Questions concerning the interpretation of legal authorities referenced in this study should be referred to a qualified attorney.

## FINDINGS

To determine whether additional rate revenue is required, projected operating expenses are compared with projected revenue from current rates. Rates are then increased so that projected expenses are covered.

### A. Operations for FY 23-24

HF&H reviewed the City's current (FY 22-23) revenues compared to the projected (FY 23-24) revenue requirement. As shown in **Figure 1-2**, the City is anticipating a system-wide revenue shortfall of \$705,649 in FY 23-24, based on projected revenues of \$17,242,787 and projected costs of \$17,948,437, resulting in a drawdown of reserves in the City's fund balance.

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**Figure 1-2. FY 23-24 Revenue Requirement Analysis**

Analysis of Costs and Revenues at Current Rates		
	FY 22-23	FY 23-24
Projected Costs		\$ 17,948,437 <b>A</b>
Projected Revenue at <u>Current Rates</u>		\$ 17,242,787 <b>B</b>
Excess (Deficiency) of Revenues vs. Costs		\$ (705,649) <b>C = B - A</b>
Projected Rate Adjustment		4.1% <b>D = C / B</b>
Fund Balance before Rate Contribution		\$ 12,939,415 <b>E</b>
Contribution to/(of) Fund Balance from/(to) Rates		\$ (705,649) <b>C</b>
Fund Balance After Rate Contribution	\$12,939,415	\$ 12,233,765 <b>F = E + C</b>

HF&H projected out five years to see the impact the current rates and rate structure would have on the City's fund balance. HF&H reviewed the FY 24-25 through FY 27-28 solid waste fiscal model as provided by the City. The City has projected costs to escalate between 3% - 4% annually for the purposes of this analysis.

As demonstrated in **Figure 1-3** below, current revenues are insufficient to cover the overall revenue requirement and will face a recurring annual shortfall based on the projected expenditures. The impact of not increasing rates results in a total decrease to the fund balance of \$16 million over the 5-year projection period from FY 23-24 to FY 27-28. The result would be a negative fund balance of \$3,040,330 by the end of FY 27-28.

**Figure 1-3. Projected Revenue Shortfall at Current Rates**

Analysis of Costs and Revenues at Current Rates						
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Increase / Decrease		<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Projected Costs		\$ 17,948,437	\$ 19,356,611	\$ 20,959,273	\$ 21,699,208	\$ 22,309,206 <b>A</b>
Projected Revenue at <u>Current Rates</u>		\$ 17,242,787	\$ 17,242,787	\$ 17,242,787	\$ 17,242,787	\$ 17,242,787 <b>B</b>
Excess (Deficiency) of Revenues vs. Costs		\$ (705,649)	\$ (2,113,823)	\$ (3,716,486)	\$ (4,456,421)	\$ (5,066,418) <b>C = B - A</b>
Fund Balance before Rate Contribution		\$ 12,939,415	\$ 12,233,765	\$ 10,119,942	\$ 6,403,456	\$ 1,947,036 <b>D</b>
Contribution to/(of) Fund Balance from/(to) Rates		\$ (705,649)	\$ (2,113,823)	\$ (3,716,486)	\$ (4,456,421)	\$ (5,066,418) <b>C</b>
Fund Balance After Rate Contribution	\$12,939,415	\$ 12,233,765	\$ 10,119,942	\$ 6,403,456	\$ 1,947,036	\$ (3,119,383) <b>F = D + C</b>

The result of this analysis indicates the need for increased overall revenues to cover operating and capital costs. While reserves are available to accommodate the projected shortfalls in the next few years, continued operating shortfalls will deplete the City's reserves.

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## B. Expense Allocations by Customer Class

The total annual revenue requirement (between operations, utility billing, and transfer station) were allocated to the three customer classes (customers subscribing to cart, bin, or roll-off collection service). The allocations were distributed into the following major cost areas in a manner that reflects actual costs required to serve each customer class: solid waste operations and utility billing, other supplies and services, solid waste transfer station, non-operating revenue, and construction in progress. HF&H then used cost and operational data, provided by the City, to allocate each of these cost areas among customer classes in a manner which reflects the actual cost of providing service to each. Solid waste operations and utility billing costs were allocated based on weekly full time equivalent route hours. Other supplies and services costs were allocated based on full time equivalent route hours (excluding roll-off hours). Solid waste transfer station costs were allocated based on tonnage from all materials. Non-operating revenue was allocated based on revenue generated by customer class. Construction in progress costs were allocated based on solid waste tonnage. The allocation methodology by cost area and resulting allocation factors are shown in **Figure 2-1**.

**Figure 2-1. Allocation Methodology and Factors**

Cost Category	Allocation Methodology	Allocation Factors
Solid Waste Operations and Utility Billing (Excluding Other Supplies and Services)	Weekly Full Time Equivalent Route Hours	Cart: 12.80 Rte Hrs (60%)
		Bin: 6.95 Rte Hrs (33%)
		Roll-off: 1.45 Rte Hrs (7%)
		Total: 21.20 Rte Hrs (100%)
Other Supplies and Services – Operations and Utility Billing	Weekly Full Time Equivalent Route Hours (Excluding Roll-Off)	Cart: 12.80 Rte Hrs (65%)
		Bin: 6.95 Rte Hrs (35%)
		Roll-off: 0.00 Rte Hrs (0%)
		Total: 19.75 Rte Hrs (100%)
Solid Waste Transfer Station	Tonnage Allocation – All Materials	Cart: 38,953 tons (75%)
		Bin: 5,867 tons (11%)
		Roll-off: 7,015 tons (14%)
		Total: 51,836 tons (100%)
Non-Operating Revenue	Revenue Allocation	Cart: \$10,421,562 (61%)
		Bin: \$5,441,913 (32%)
		Roll-off: \$1,147,519 (7%)
		Total: \$17,010,995 (100%)
Construction in Progress	Tonnage Allocation – Solid Waste	Cart: 21,771 tons (68%)
		Bin: 5,008 tons (16%)
		Roll-off: 5,415 tons (17%)
		Total: 32,194 tons (100%)

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**Figure 2-2** displays how the allocation factors were used to allocate FY 23-24 costs to each customer class. **Figure 2-3** summarizes the costs in **Figure 2-2** by customer class to calculate the rate increase or decrease to achieve cost of service.

**Figure 2-2. Allocation of FY 2023-24 Costs by Customer Class**

Cost Area	FY 23-24 Total Cost	Allocation Factor		Allocated FY 23-24 Costs
Solid Waste Operations and Utility Billing (Excluding Other Supplies and Services)	\$ 13,223,526	Carts	60%	\$ 7,984,016
		Bins	33%	\$ 4,335,071
		Roll-Off	7%	\$ 904,439
Other Supplies and Services – Operations and Utility Billing	\$ 2,283,878	Carts	65%	\$ 1,480,184
		Bins	35%	\$ 803,694
		Roll-Off	0%	\$ -
Solid Waste Transfer Station	\$ 2,778,695	Carts	75%	\$ 2,088,128
		Bins	11%	\$ 314,522
		Roll-Off	14%	\$ 376,045
Non-Operating Revenue	\$ (408,809)	Carts	61%	\$ (250,451)
		Bins	32%	\$ (130,780)
		Roll-Off	7%	\$ (27,577)
Construction in Progress	\$ 71,147	Carts	68%	\$ 48,113
		Bins	16%	\$ 11,068
		Roll-Off	17%	\$ 11,966

**Figure 2-3. FY 23-24 Revenue Requirement by Container Type**

Analysis of Costs and Revenues at Current Rates	FY 23-24			
	Total	Carts	Bins	Roll-Off
Projected Costs	\$ 17,948,437	\$ 11,349,990	\$ 5,333,574	\$ 1,264,873 <b>A</b>
Projected Revenue at Current Rates	\$ 17,242,787	\$ 10,421,562	\$ 5,673,706	\$ 1,147,519 <b>B</b>
Excess (Deficiency) of Revenues vs. Costs	\$ (705,649)	\$ (928,428)	\$ 340,132	\$ (117,354) <b>C = B - A</b>
Projected Rate Adjustment	4.1%	8.9%	-6.0%	10.2% <b>D = C / B</b>

### C. Projected Rate Increases by Customer Class

After deliberation with City staff, the revenue increases will be phased differently by each customer class. Refer to **Figure 3-2, 3-3, and 3-4** for each customer classes rate phasing. The decision to phase rates rather than the rate adjustments seen in **Figure 2-3** was selected by the City in part due to the

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higher than required reserve balance, which the City plans to draw down to help fund required costs. The City intends to freeze bin customer rates for FY 23/24 and FY24/25, while increasing cart and roll-off customer rates, in order to better align rate structure to cost of service by customer class. With this approach, we anticipate that bin customer revenue will no longer exceed its costs of by FY 25/26. Each year, prior to implementing the rate increases, City staff should confirm the need for the rate adjustment. The City can implement a lower rate increase, if conditions warrant, without going through the Proposition 218 notification process. If higher rate increases are needed that exceed the adopted rates, the City should initiate a new Proposition 218 proceeding.

**Figure 3-1** below shows the impact on the fund balance assuming the rate phasing by customer class are effective July 1 of each year. The overall rate increase is reflective of the system-wide rate increase due to the individual rate phasing of each customer class. Increasing rates results in a higher FY 27-28 fund balance and less use of reserves to cover shortfalls in rate revenue. However, the City is still using reserves to cover costs each year, and is not revenue neutral.

**Figure 3-1. Solid Waste Fund Balance**

Analysis of Costs and Revenues at Adjusted Rates						
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Overall Rate Increase / Decrease		<b>4.0%</b>	<b>4.1%</b>	<b>3.7%</b>	<b>4.3%</b>	<b>3.7%</b>
Projected Costs		\$ 17,948,437	\$ 19,356,611	\$ 20,959,273	\$ 21,699,208	\$ 22,309,206 <b>A</b>
Projected Revenue at <u>Adjusted Rates</u>		\$ 17,936,932	\$ 18,672,726	\$ 19,366,520	\$ 20,206,828	\$ 20,956,078 <b>B</b>
Excess (Deficiency) of Revenues vs. Costs		\$ (11,504)	\$ (683,885)	\$ (1,592,753)	\$ (1,492,380)	\$ (1,353,128) <b>C = B - A</b>
Fund Balance before Rate Contribution		\$ 12,939,415	\$ 12,927,910	\$ 12,244,025	\$ 10,651,272	\$ 9,158,893 <b>D</b>
Contribution to/(of) Fund Balance from/(to) Rates		\$ (11,504)	\$ (683,885)	\$ (1,592,753)	\$ (1,492,380)	\$ (1,353,128) <b>C</b>
Fund Balance After Rate Contribution	\$12,939,415	\$ 12,927,910	\$ 12,244,025	\$ 10,651,272	\$ 9,158,893	\$ 7,805,765 <b>F = D + C</b>

**Figure 3-2, Figure 3-3, and Figure 3-4** summarize the information presented in **Figure 3-1** by customer class (excluding beginning and ending fund balance, which were not separately allocated to each customer class).

**Figure 3-2. Cart Rate Revenue Summary**

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Increase / Decrease	<b>6.0%</b>	<b>6.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>4.0%</b>
Total Projected Costs	\$ 11,349,990	\$ 12,280,995	\$ 13,842,758	\$ 14,311,024	\$ 14,695,591 <b>A</b>
Total Projected Revenue at <u>Adjusted Rates</u>	\$ 11,046,856	\$ 11,709,667	\$ 12,295,150	\$ 12,909,908	\$ 13,426,304 <b>B</b>
Total Excess (Deficiency) of Revenues vs. Costs	\$ (303,134)	\$ (571,328)	\$ (1,547,607)	\$ (1,401,116)	\$ (1,269,287) <b>C = B - A</b>



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**Figure 3-3. Bin Rate Revenue Summary**

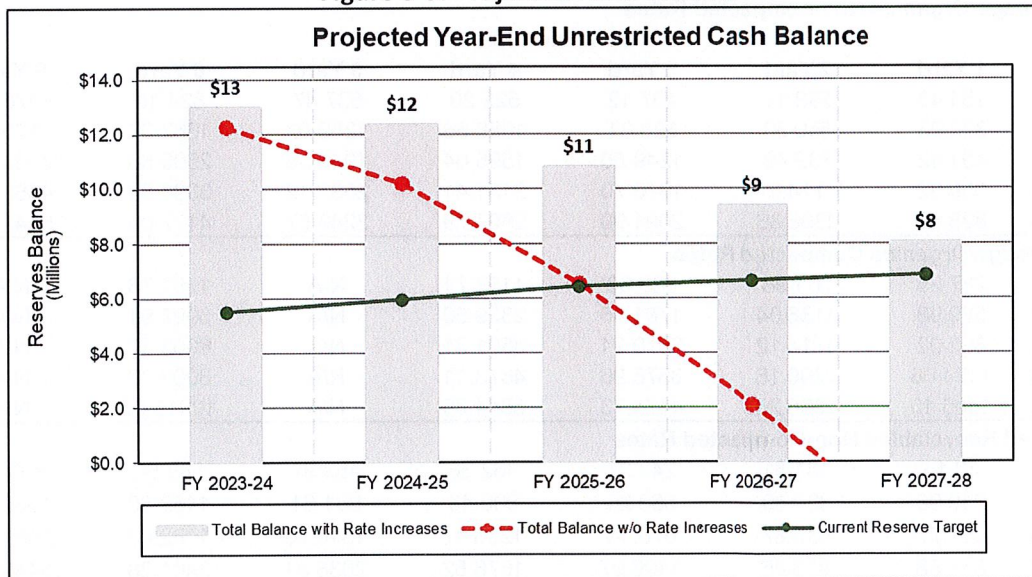
	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Increase / Decrease	<b>0.0%</b>	<b>0.0%</b>	<b>1.0%</b>	<b>3.0%</b>	<b>3.0%</b>
Total Projected Costs	\$ 5,333,574	\$ 5,631,540	\$ 5,752,191	\$ 5,969,841	\$ 6,146,102 <b>A</b>
Total Projected Revenue at <u>Adjusted Rates</u>	\$ 5,673,706	\$ 5,673,706	\$ 5,730,443	\$ 5,902,357	\$ 6,079,427 <b>B</b>
Total Excess (Deficiency) of Revenues vs. Costs	\$ 340,132	\$ 42,167	\$ (21,748)	\$ (67,485)	\$ (66,675) <b>C = B - A</b>

**Figure 3-4. Roll-off Rate Revenue Summary**

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Increase / Decrease	<b>6.0%</b>	<b>6.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>
Total Projected Costs	\$ 1,264,873	\$ 1,444,076	\$ 1,364,325	\$ 1,418,343	\$ 1,467,512 <b>A</b>
Total Projected Revenue at <u>Adjusted Rates</u>	\$ 1,216,371	\$ 1,289,353	\$ 1,340,927	\$ 1,394,564	\$ 1,450,347 <b>B</b>
Total Excess (Deficiency) of Revenues vs. Costs	\$ (48,502)	\$ (154,724)	\$ (23,398)	\$ (23,779)	\$ (17,166) <b>C = B - A</b>

The summary of resulting impacts on the City's solid waste enterprise fund balance of the projected rate adjustments above can be seen in the figure below:

**Figure 3-5. Projected Fund Balance**



The City's decision to use rate phasing will strategically leverage the City's reserve funds to supplement the rates over the coming years and return the fund balance to near the reserve target. HF&H recommends that the City revisit the cost to provide service in FY 25-26 and beyond as revenues and expenditures may change due to unknown conditions, and the use of reserve funds may need to be adjusted.

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The recommended rates for FY 23-24 are shown in **Figure 3-6** below.

**Figure 3-6. Solid Waste Scheduled Services**

RATES PER MONTH July 1, 2023								
<b>CART SERVICE</b> - The rate is based on the size of the garbage cart and includes up to two recycling and yard waste carts serviced every other week at no additional charge.								
		<b>Fiscal Year 2023-24</b>		<b>Adjustment 6.0%</b>				
		<b>Fiscal Year 2024-25</b>		<b>Adjustment 6.0%</b>				
		<b>Fiscal Year 2025-26</b>		<b>Adjustment 5.0%</b>				
		<b>Fiscal Year 2026-27</b>		<b>Adjustment 5.0%</b>				
		<b>Fiscal Year 2027-28</b>		<b>Adjustment 4.0%</b>				
Service Per Week		<b>32 Gal.</b>	<b>64 Gal.</b>	<b>96 Gal.</b>	3rd Recycle or Yardwaste Cart		Up to 8.47	
	1	32.50	44.76	58.99				
	2	61.26	85.79	114.25				
3	90.00	126.78	169.49					
<b>COMMERCIAL FRONT-LOAD BIN SERVICE</b>				<b>1Yard = 2,96Gal Carts</b>				
		<b>Fiscal Year 2023-24</b>		<b>Adjustment 0.0%</b>				
		<b>Fiscal Year 2024-25</b>		<b>Adjustment 0.0%</b>				
		<b>Fiscal Year 2025-26</b>		<b>Adjustment 1.0%</b>				
		<b>Fiscal Year 2026-27</b>		<b>Adjustment 3.0%</b>				
		<b>Fiscal Year 2027-28</b>		<b>Adjustment 3.0%</b>				
<b>Garbage/Organics Non-compacted Rates</b>								
		<b>Container Size</b>						
		<b>1 Yard</b>	<b>2 Yard</b>	<b>3 Yard</b>	<b>4 Yard</b>	<b>5 Yard</b>	<b>6 Yard</b>	<b>8 Yard</b>
Service Per Week	1	154.43	268.11	407.12	522.29	637.47	824.15	1078.32
	2	322.93	550.30	828.31	1058.66	1289.02	1662.37	2170.74
	3	491.42	832.49	1249.50	1595.04	1940.58	2500.58	3263.16
	4	659.92	1114.67	1670.70	2131.41	2592.12	3338.84	4355.57
	5	828.42	1396.86	2091.90	2667.79	3243.67	4177.05	5447.97
<b>Garbage/Organics Compacted Rates</b>								
Service Per Week	1	287.95	561.98	883.68	1157.71	N/A	1991.76	N/A
	2	589.98	1138.04	1781.45	2329.50	N/A	3997.91	N/A
	3	892.02	1714.12	2679.21	3501.31	N/A	6003.47	N/A
	4	1194.06	2290.18	3576.96	4673.11	N/A	8009.33	N/A
	5	1496.10	2866.25	4474.73	5844.89	N/A	10015.17	N/A
<b>Mixed Recyclables Non-Compacted Rates</b>								
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
<b>Mixed Recyclables Compacted Rates</b>								
Service Per Week	1	161.51	362.38	543.56	803.47	N/A	1323.27	N/A
	2	398.69	800.43	1162.80	1682.60	N/A	2722.22	N/A
	3	635.87	1238.47	1782.03	2561.74	N/A	4121.15	N/A
	4	873.05	1676.52	2401.28	3440.89	N/A	5520.10	N/A
	5	1110.22	2114.56	3020.52	4320.02	N/A	6919.05	N/A

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In addition to routine scheduled service, the City also provides unscheduled solid waste services for customer convenience such as roll-off or dumpster service, extra pick-ups, or service of large/bulky items. There are no cross-subsidies between the non-scheduled services (which are charged on a time and materials basis) and the schedule cart or bin rates. Non-scheduled services proposed for FY 23-24 are identified in **Figure 3-7** below and may increase by their respective cost of service each fiscal year.

**Figure 3-7. Non-Scheduled Elective Services**

<b>Proposed (FY2023-24)</b>							
<b>Solid Waste Enterprise Rates</b>							
<b>- NON-SCHEDULED SERVICES -</b>							
<b>Bin Service <sup>1</sup></b>							
	Fiscal Year 2023-24		Adjustment 6.0%				
	Fiscal Year 2024-25		Adjustment 6.0%				
	Fiscal Year 2025-26		Adjustment 4.0%				
	Fiscal Year 2026-27		Adjustment 4.0%				
	Fiscal Year 2027-28		Adjustment 4.0%				
<b>DEPOSIT (Required on all bin rentals)<sup>3</sup></b>							\$742.00 per bin
<b>BIN SERVICE CHARGE</b>							
	1 to 8 Cubic Yards (frontload)		\$138.00 per haul <sup>1</sup>				
	10 to 40 Cubic Yards (roll-off)		\$356.16 per haul <sup>1</sup>				
<b>PROCESSING CHARGE (applicable to 10-40 cubic yard bins)</b>							
	Garbage or Construction/Demolition		\$118.72 per ton				
	Clean Wood, Yard Waste, Metals Only		\$93.28 per ton				
	Mixed Recyclables Only		\$82.68 per ton				
	Clean Cardboard Only (Non-Compacted)		\$62.54 per ton				
<b>OTHER CHARGES</b>							
	40 Yard Compactor Rental		\$82.68 per month				
	Haul Materials Outside City Limits		\$594.66 per haul				
	Compactor Special Handling Charge		\$41.34 per haul				
<b>Extra Cart Service Charges <sup>1</sup></b>							
	Fiscal Year 2023-24		Adjustment 6.0%				
	Fiscal Year 2024-25		Adjustment 6.0%				
	Fiscal Year 2025-26		Adjustment 5.0%				
	Fiscal Year 2026-27		Adjustment 5.0%				
	Fiscal Year 2027-28		Adjustment 4.0%				
	<b>32 Gal.</b>	<b>64 Gal.</b>	<b>96 Gal.</b>	Each additional bag or 32-gallon equivalent of material collected			\$7.42
Per Service	\$7.42	\$9.54	\$12.72				
<b>Extra Bin Service Charges <sup>1,2</sup></b>							
	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%				
<i>Front-load Bin</i>	<b>1 yd.</b>	<b>2 yd.</b>	<b>3 yd.</b>	<b>4 yd.</b>	<b>5 yd.</b>	<b>6 yd.</b>	<b>8 yd.</b>
Garbage, Organics	\$30.00	\$64.00	\$92.00	\$121.00	\$144.00	\$173.00	\$230.00
Mixed Recycling	\$24.00	\$52.00	\$75.00	\$95.00	\$116.00	\$136.00	\$184.00
NOTE: Extra Cart/Bin service charge applies only to extra material collected during regular service. Call back fee may be added to this amount if extra service requires a driver to make an unscheduled trip to service location.							

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**Figure 3-7. Non-Scheduled Elective Services (Cont.)**

<b>Proposed (FY2023-24)</b>						
<b>Solid Waste Enterprise Rates</b>						
<b>- NON-SCHEDULED SERVICES -</b>						
<b>Bulky Item Charges <sup>1</sup></b>						
Fiscal Year 2023-24		Adjustment 6.0%				
Fiscal Year 2024-25		Adjustment 6.0%				
Fiscal Year 2025-26		Adjustment 5.0%				
Fiscal Year 2026-27		Adjustment 5.0%				
Fiscal Year 2027-28		Adjustment 4.0%				
Level 1 Bulky Materials (per item) <sup>4</sup>		\$46.64	Level 2 Bulky Materials (per item) <sup>4</sup>		\$82.68	
- Less than 4 feet in length, height, or width			- Greater than 4 feet in length, height or width			
- Less than 75 lbs.			- Between 75 lbs. and 200 lbs.			
- Tires (up to 4 tires, 16" or less, no rims)			- Tires (up to 4 tires, 20" or less, with our without rims)			
- Loose bagged trash/recyclables (up to 6 bags)			- Items with special handling required (e.g. Refrigerator w/CFCs)			
Christmas Tree Pick-Up			\$21.20			
<b>Special Charges <sup>1</sup></b>						
	<b>Time</b>	<b>Carts</b>	<b>Time</b>	<b>FL Bins</b>	<b>Time</b>	<b>Roll-off Bins</b>
	FY 23-24	Adj. 6.0%	FY 23-24	Adj. 0.0%	FY 23-24	Adj. 6.0%
	FY 24-25	Adj. 6.0%	FY 24-25	Adj. 0.0%	FY 24-25	Adj. 6.0%
	FY 25-26	Adj. 5.0%	FY 25-26	Adj. 1.0%	FY 25-26	Adj. 4.0%
	FY 26-27	Adj. 5.0%	FY 26-27	Adj. 3.0%	FY 26-27	Adj. 4.0%
	FY 27-28	Adj. 4.0%	FY 27-28	Adj. 3.0%	FY 27-28	Adj. 4.0%
Container Removal/Wash/Exchange/Disconnect <sup>4</sup>		\$ 46.64		Cost/Varies by Size		Cost/Varies by Size
Container Replacement/with Delivery <sup>4</sup>		\$ 93.28		Cost/Varies by Size		Cost/Varies by Size
Call Back Fee <sup>4</sup>		\$ 23.32		\$ 63.00		\$ 155.82
Stand-by Time <sup>5</sup>	Per Hour	\$ 235.80	Per Hour	\$ 235.80	Per Hour	\$ 235.80
Stand-by Over Time <sup>5</sup> - 1.5 x Hourly Rate	Per Hour	\$ 264.35	Per Hour	\$ 264.35	Per Hour	\$ 264.35
Vacation Hold <sup>4</sup>		\$ 26.50		N/A		N/A
Lock (replacement)		N/A		Actual Cost		Actual Cost
Public Outreach/Education Items (No Charge)						

<sup>1</sup> City staff will determine the charges for non-mandated services as requested by customer not listed above based on labor, vehicle, and processing costs.

<sup>2</sup> Compacted rates charged at two (2) times the non-compacted rates in the above table.

<sup>3</sup> City staff may adjust for long term rentals.

<sup>4</sup> Rate based on the approximate equivalent cost of staff salary per Cost Allocation Plan X duration of time to provide service.

<sup>5</sup> Billed at the Solid Waste Equipment Operator II Step E Total Hourly Rate per the Cost Allocation Plan.

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## D. New Development Impact Fee

As new areas of the City are developed, and new customers require solid waste collection service, the City will incur additional costs related to adding such new customers to existing operations. Such costs may include, but are not limited to, expansion of materials processing infrastructure and procurement of new collection vehicles and containers. As such, in order to maintain sufficient revenue to support ongoing operations, while also providing resources to serve new customers, the City plans to enact a Development Impact Fee which will be assessed on all new developments and collected through the building permitting process (and not through the solid waste rates). The City has examined the costs of future infrastructure and capital equipment necessary to serve new development and has divided the costs proportionately over future growth projections and service population as identified in the City of Brentwood General Plan. The fee for new development is identified, by land use, below in **Figure 4-1** for FY 2023-24, and may increase each subsequent Fiscal Year by the Engineering News Record Construction Cost index.

**Figure 4-1. Solid Waste Development Fee**

Facility Description	Quantity	Cost	Single Family Residential	Multi Family Residential	Non-Residential
			Cost	Cost	Cost
Carts	3 per Dwelling	\$65.00 EA	\$ 886,636		
Side Load Truck	1 per 2250 Dwelling	\$383,364 EA	\$ 774,710		
Bin	3 per 100 Units	\$2,834 per set		\$ 167,886	
	3 per 10,000 SF	\$2,834 per set			\$ 3,645,667
Front-Load Truck	1 per 3,000 Units	\$360,000 EA		\$ 710,880	
	1 per 1,000,000 SF	\$360,000 EA			\$ 4,340,085
<b>SUBTOTAL COSTS</b>			\$ 1,661,346	\$ 878,766	\$ 7,985,752
<b>TOTAL FACILITY COSTS</b>			\$ 1,661,346	\$ 878,766	\$ 7,985,752
Remaining Development			4,547	5,924	12,864,033
Service Population			14,640	14,098	26,215
% Share			27%	26%	48%
<b>Cost Share per Remaining Development</b>			\$ 365.38	\$ 148.34	\$ 0.62

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\* \* \* \*

We appreciate the opportunity to be of service to the City. We value our relationship with you and the City and are committed to providing you the highest level of service in the performance of this matter for you. Should you have any questions, please feel free to call me at (925) 977-6964.

Sincerely,  
HF&H CONSULTANTS, LLC



Dave Hilton  
Senior Project Manager