



County of Santa Cruz

DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 95060
 (831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

THOMAS L. BOLICH
 DIRECTOR OF PUBLIC WORKS

AGENDA: JANUARY 24, 2006

January 11, 2006

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

701 Ocean Street
 Santa Cruz, California 95060

**SUBJECT: REFUSE, RECYCLING AND YARDWASTE COLLECTION FRANCHISE
 AGREEMENT RENEWAL WITH WASTE MANAGEMENT OF
 SANTA CRUZ COUNTY**

Members of the Board:

On December 6, 2005, your Board received a report on the renewal process for the subject agreement and directed Public Works to schedule a public hearing on January 24, 2006, for discussion of the proposed franchise agreement renewal. Your Board also approved an extension to the current agreement through April 30, 2006, to provide additional time for more public participation in the renewal process. The proposed franchise agreement renewal with Waste Management (WM) of Santa Cruz County for refuse, recycling and yardwaste collection services is on file with the Clerk of the Board.

PUBLIC OUTREACH

Public Works has continued to solicit input from the Coalition for Waste Alternatives (CWA), a local citizen's group focusing on waste reduction and recycling issues in the county. Attachment 1 is a copy of the information transmitted to your Board in December 2005 outlining CWA's stated purpose. We met with this group in November and December 2005 to review proposed program changes within the franchise agreement. The December meeting was held with members of the California Grey Bears in attendance and included a discussion on expansion of franchised commercial recycling and its potential effect on local recyclers, such as the Grey Bears.

Your Board previously received the results of a countywide survey that included an evaluation of customer satisfaction with franchise service. In general, the report found 95 percent of residential customers and 90 percent of commercial customers responded positively to WM's

quality of service. This report focused on specific areas of collection service performance and provided both statistical and anecdotal information from customers.

Public Works conducted three public information meetings across the county in December to discuss the proposed franchise renewal, program changes, and rates with the general public. These meetings were held at the Aptos Park, Simpkins Swim Center and San Lorenzo Valley Elementary School auditorium. A copy of the agenda information is included as Attachment 2. Meetings were advertised in several local papers by using 1/4 page display ads. Unfortunately, these meetings were still poorly attended. As a result, Public Works has prepared an informational flyer for direct mailing to all WM customers outlining the renewal process, proposed rate increase, and changes in service. Attachment 3 is the proposed text of the flyer to be mailed immediately following the January 24, 2006, hearing. The newsletter will also serve as formal notification of the February 28, 2006, hearing continuation. Attachment 4 is the text of the advertisement being placed in the local newspapers notifying the public of the January 24, 2006, hearing.

SUMMARY OF MAJOR SERVICE CHANGES/ENHANCEMENTS

- New 10 gallon refuse collection service. This new service is offered to support minimum waste generators, seniors, and others living in residences with limited storage space for the larger carts in use for standard services.
- Increased availability of home compost and worm compost bins. Bins will now be made available to customers with yard waste collection and to County-sponsored compost workshop participants at a discounted price of \$25. This program enhancement will help support our ongoing efforts to help residents learn to compost their food waste at home instead of placing it in the refuse.
- Exclusive franchise collection zone extended to Las Cumbres and Oak Ridge neighborhoods along Skyline Boulevard. The neighborhood associations for these two areas previously petitioned Public Works to be included in the franchise zone at the time of renewal.
- Expanded Collection at County Facilities. WM currently provides refuse and recycling collection service at certain County facilities at no charge. The proposed agreement expands this service to include all County facilities, including parks, buildings and service yards. This would include the Government Center, the Emeline Street complex and the south county court/health services complex. This service expansion should result in a significant cost savings to the County.
- New collection service option for private roads. WM currently utilizes collection vehicles on each route that are appropriately sized to safely travel on all the roads being serviced and to maximize efficiency and keep costs down. Many private road owners would like the ability to request smaller trucks than are normally in use for their private roads to reduce wear and tear or preserve the

underlying substandard road. This program enhancement includes a rate surcharge for WM to utilize a smaller truck than would have normally been used when requested by private road owners.

- Increase collection services in rural areas. WM will continue to expand collection services in the more rural areas of the county and add more small trucks (“mini-packers”) to increase the subscription levels in these under-served areas of the county. This program includes expanded promotion and outreach activities to non-customers, particularly in rural areas.
- Expanded contract performance standards and fines for non-compliance. Several new specific damage provisions have been added and several existing damage fines have been increased for WM’s failure to perform in accordance with the agreement. As an example, we have added a provision for damages if WM commingles refuse and recyclables during collection or improperly disposes of collected materials. We have also increased the damages for performance issues such as littering and collection performed too early or late in the day.
- Unlimited recycling for unincorporated area schools with refuse collection service. WM currently provides as much recycling as each school requests for a fee. This provision will make the service available at no charge as a means to support increased school recycling through the County sponsored Waste Free Schools Program.
- Increased recycling for commercial and multi-family (bin) customers. Service will be increased from the current level of two 64-gallon carts per refuse bin per week to a minimum level of 50 percent of the total weekly refuse volume included in the base rate. As an example, if the customer currently has a 2-cubic-yard refuse bin collected twice per week (4 cubic yards per week), they receive only 2-64 gallon carts collected once per week. This is equal to about 0.5 cubic yards of recycling for the four cubic yards of refuse service they get each week. Under the expanded commercial collection, the customer would get a minimum of 2 cubic yards of recycling each week. Larger volume recycling, 100 percent or 200 percent of weekly refuse capacity, will be available for a small surcharge of 5 percent to 12 percent.
- Single container for large volume commercial and multi-family (bin) recycling. As discussed above, most commercial customers will now have the convenience of a single larger bin for recycling which can accommodate larger items and will take up less space than many smaller carts currently being used.
- Ten year franchise term. Typical franchise agreements are for 8 to 12 year terms, which allow the contractor to adequately fund the extensive capital investments needed to run a collection franchise. Shorter terms typically result in higher prices and longer terms do not allow for timely review of changes in the industry or market conditions.

- Residential recycling collection of film plastic. This material is now marketable and has recently been added to the list of recyclable materials handled at our County facilities. This provision will formalize the addition of film plastics to the list of required collection materials.
- Future rate increases based on inflation. There has only been two adjustments to the customer rates over the last eight years (6 percent in 2003 and 3 percent in 2004). The proposed agreement provides for annual inflation-based adjustments. We are proposing to use the Consumer Price Index, All Urban Consumers, San Francisco/Oakland/San Jose area for the future annual rate adjustments. The attached rate comparison (Attachment 5) clearly shows that the current rates in our area are far below comparable service rates across the entire Bay Area and Central Coast and is indicative of the under-adjustment that has occurred over the last eight years of the current agreement.
- Discounted bulky goods pickup during Clean-up Week. This service enhancement has been added to provide for more diversion of appliances and other large bulky furniture during the County clean-up weeks each spring and fall.
- Continued preference for California Grey Bears commercial cardboard collection. WM will continue to not solicit cardboard customers away from the Grey Bears and the County and WM will continue to promote the Grey Bears cardboard recycling service SCRAP (Santa Cruz Recycling Alliance Program).
- Valley Trash. Valley Trash is currently allowed to service up to 300 customers in the rural areas of the county under an exemption allowed by your Board in 1997. We are proposing to continue this exemption, under the condition that Valley Trash provides weekly recycling collection with their refuse collection services in compliance with the County's new Mandatory Recycling Ordinance. Initial indications from Valley Trash are that they will agree to this condition.

PROPOSED RATES

Attachment 5 is a comparative summary of similar rates across the Bay Area and Central Coast region. As previously stated to your Board, we are providing you with this information as verification that the rates proposed by WM are reasonable and in line with comparable services in our area. As an example, WM proposes a rate of \$16.95 per month for 35-gallon cart service with recycling and yardwaste collection included. Similar services in the Bay Area/Central Coast region range from \$14.60 to \$26.83 per month. The WM proposal falls at the low end of the range and it is Public Works' opinion that this is a reasonable rate, particularly in light of how difficult collection service is in many of the rural areas of our county. The comparative summary includes only those services that comprise over 90 percent of the subscribed services currently in place. The proposed franchise agreement includes the full list of rates for all levels of available service.

Attachment 6 is information provided by WM that shows the disparity between the approved annual cost of living adjustments and the actual increase in cost of service over the first seven years of the franchise. We have reviewed supporting financial documentation from WM that supports the summary information included in Attachment 6 and believe this to be an accurate representation. WM's proposed rates also include an adjustment to cover the 18.5 percent increase in disposal fees at our County facilities approved by your Board earlier this year, which has not yet been passed through to their customers.

The franchise agreement reflects a change in the fee setting policy, where the County will no longer set fees for Franchise collection services. The County will no longer receive recycling revenue from the franchise and will no longer utilize County funds derived from this revenue stream to subsidize collection services, as has been the practice in the past. The rate proposal as submitted includes all costs for collection services including WM's fee for service, disposal fees and franchise fees remitted to the County and provides for no offsetting revenues from the County. The service fees will fully fund the cost of service with no supporting outside revenues. Under this agreement, WM would be required to meet and confer with County staff in April of each year to discuss the proposed cost of living rate adjustment and then provide the required notification to all customers. WM would then adjust its rates on August 1st of each year of the agreement based on the approved cost-of-living adjustment and would pass through any disposal rate increase proposed by the County at the time of the increase. It is Public Works' opinion that this is a much cleaner, straightforward format and more consistent with industry practices.

As additional background for your Board, we have also included, as Attachment 7, a staffing flow chart for WM of Santa Cruz County and a biography for the South Bay General Manager, Dean Kattler, who will be signatory to this agreement.

After review of information provided by WM and completion of our rate analysis, it is Public Works' opinion that the rates proposed by WM are reasonable and in line with comparable rates across the Bay Area and the Central Coast.

It is therefore recommended that the Board of Supervisors take the following action:

1. Accept and file this report on the refuse, recycling and yardwaste collection services franchise renewal process.
2. Conduct public hearing to accept public comment on the proposed franchise agreement with Waste Management of Santa Cruz County for refuse, recycling and yardwaste collection services.
3. Direct Public Works to mail an informational newsletter to all Waste Management customers following the public hearing informing them of the renewal process, rate increases, and changes in service under consideration.

4. Continue the public hearing to February 28, 2006, for final deliberation and public comment.

Yours truly,



THOMAS L. BOLICH
Director of Public Works

TLB:RPM:bbs

Attachments

RECOMMENDED FOR APPROVAL:



County Administrative Officer

copy to: Jim Moresco, Waste Management
Dean Kattler, Waste Management
Coalition for Waste Alternatives
California Grey Bears
Valley Women's Club
Valley Trash
Public Works

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EXPLORE, ENJOY AND PROTECT THE PLANET

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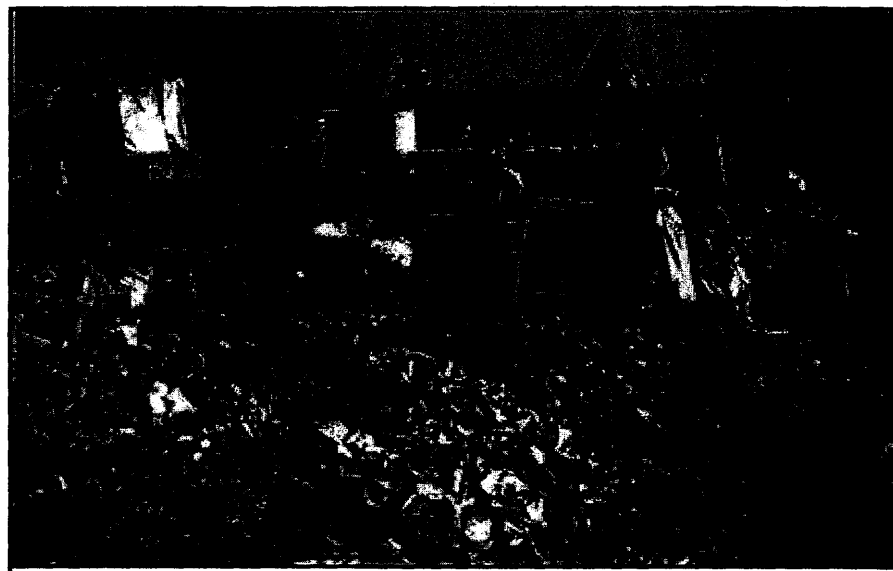
Coalition for Waste Alternatives ponders options

by Karin Grobe

What will you do with your garbage when all the local landfills are closed? Burn it? Ship it somewhere else? Bury it in your backyard? Santa Cruz County residents have demonstrated strong opposition to siting any new landfills in the county. The Buena Vista landfill will be full in 15 years, and it's just a matter of time until the landfills run by the cities of Santa Cruz and Watsonville fill up. What do we do after that?

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Workers check food scraps for contaminants such as plastic bags at this compost site near Portland, OR. Photo - Karin Grobe

Santa Cruz County residents interested in promoting environmental solutions to the garbage problem have formed the Coalition for Waste Alternatives. The group's mission is to help shape the long-term waste management strategy of Santa Cruz County by:

- o Influencing the Santa Cruz County Integrated Waste Management Local Task Force to implement the most environmentally and socially responsible long-range waste management program possible;
- o Lobbying elected officials in support of new diversion programs and full implementation of existing programs;
- o Promoting new aggressive waste diversion alternatives and incentives.

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The Santa Cruz County Integrated Waste Management Local Task Force has advanced a number of waste-cutting measures, among them a Zero Waste resolution, mandatory recycling, mandatory trash collection in the urban area and a 10-gallon garbage can option. The Coalition will be weighing in on these measures which could help tremendously in extending the life of the county landfill. Opposition to mandatory recycling may come from businesses and apartment managers who don't want to sort their garbage.

According to the 1999 county waste sort, food waste accounts for 30% of the material in residential garbage carts. Food waste at restaurants is about 65% of refuse and ranges from 25-40% in agricultural, retail food, finance/real estate and other service-oriented businesses. The county would like to provide for food waste collection at all businesses and residences. Programs for food scrap collection and composting have been successful in reducing waste in San Francisco and East Bay cities, and the resulting compost has been approved for use on organic farms. A compost facility would require 20 or more acres. It could stand alone or be coupled with other waste-handling facilities. Sensitivity and hard work will be needed to identify space suitable for composting.

An updated waste composition analysis is slated to occur next year. When the results are known (probably at the end of 2006), the County will learn if the types of garbage have changed since 1999 and what steps might most effectively reduce waste even more.

Until Zero Waste is achieved, there will be some garbage to deal with. Ideas on the table include waste export, waste-to-energy, anaerobic digestion, pyrolysis, gasification, and production of refuse-derived fuels. All of these options have environmental consequences. Gathering information on these processes from sources other than those selling the technology is critical to making an informed decision.

If you wish to receive email updates and alerts regarding solid waste, contact Karin Grobe, 427-3452, kurobe@pacbell.net.

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PUBLIC MEETING

REFUSE, RECYCLING AND YARDWASTE COLLECTION SERVICES FRANCHISE RENEWAL

PURPOSE OF MEETINGS

The purpose of these meetings are to provide information and obtain public comment on the proposed renewal of the County of Santa Cruz franchise agreement with Waste Management of Santa Cruz County for refuse, recycling and yard waste collection, processing and marketing services.

The proposed agreement is now in a draft stage and will be submitted to the Santa Cruz County Board of Supervisors during a public hearing on January **24, 2006** for their consideration. The Department of Public Works is seeking comment **from** the general public on the content of the proposed agreement, rates and service improvements.

The proposed agreement includes the following changes to existing services and conditions:

- Establishes a new franchise term of **10** years
- Increases the amount of recycling provided to commercial and multi-family bin customers as part of the base refuse services
- Maintains current unlimited residential recycling services
- Increases availability of home composting containers
- Increases collection service options on difficult to service private roads
- Increases residential and commercial service rates to reflect current cost increases for items such as refuse disposal, fuel, insurance, regulations, materials processing, and overall cost of providing services
- Provides unlimited recycling at no added cost to unincorporated area public schools that are WM customers
- Expands Franchise Collection Zone to include Las Cumbres and Oak Ridge neighborhoods along Skyline Road
- Provides for inflation based rate increases
- Establishes a smaller 10 gallon refuse container rate with recycling and yard waste services to support minimal waste generators
- Expands Franchise performance standards and increases fines for Franchise performance failures

Public comment is invited on these and any other aspect of the services provided to unincorporated County residents by Waste Management of Santa Cruz County.

Please call the Department of Public Works at **454-2160** with questions or for additional information.

**REFUSE, RECYCLING & YARD WASTE COLLECTION
FRANCHISE AGREEMENT RENEWAL**

PUBLIC MEETINGS

MONDAY DECEMBER 12, 2005 – 7:00-9:00 PM - APTOS PARK
WEDNESDAY DECEMBER 14, 2005 – 7:00-9:00 PM - SIMPKINS CENTER
MONDAY DECEMBER 19, 2005 – 7:00-9:00 PM – SAN LORENZO VALLEY
ELEMENTARY SCHOOL

DIRECTIONS TO PUBLIC MEETING VENUES

**APTOS VILLAGE PARK
100 APTOS CREEK ROAD
APTOS**

State Park Drive Exit from Hwy 1
State Park Drive to Soquel Drive
East on Soquel Drive to Aptos Village
Aptos Creek Road is just west of Bayview Hotel
Park entrance is to the left, off Aptos Creek Road

**SIMPKINS FAMILY SWIM CENTER CENTER
979 17TH AVENUE
SANTA CRUZ**

Soquel Avenue Exit from Hwy 1
Soquel Avenue east to 17th Avenue
17th Avenue south past Capitola Road, past Brommer Avenue
Simpkins Center is on right, immediately past railroad tracks.

**SAN LORENZO VALLEY ELEMENTARY SCHOOL
MULTI-PURPOSE ROOM
325 MARION AVENUE
FELTON**

Highway 9 North past downtown Felton.
First left past the High School entrance.
Multi-purpose Room is on the right side of the administration building
at the top of the driveway.

PROPOSED RATE INCREASES AND SERVICE CHANGES**REFUSE, RECYCLING AND YARD WASTE COLLECTION SERVICES****UNINCORPORATED SANTA CRUZ COUNTY**

The County of Santa Cruz contracts with Waste Management of Santa Cruz County to provide refuse collection and a number of related services including recycling and yard waste collection for residents and commercial establishments in the unincorporated areas of the county.

The term of the current agreement is about to expire and Waste Management, at the request of the Santa Cruz County Board of Supervisors, has submitted a proposed new contract. Prior to making a decision, the Board of Supervisors will hold a public hearing to receive comments on this proposed renewal of the franchise agreement with Waste Management.

Two aspects of the proposed agreement are discussed in this mailer: rate increases and service changes. Waste Management has proposed rate increases to reflect increases in its cost of service stemming from higher fuel prices, higher business costs, and increased disposal fees. Public Works has proposed a number of service changes to improve and expand the services provided to Waste Management customers.

RATE INCREASES

The rates shown here are for the most common levels of service. For a complete list of proposed rates for all levels of service, visit: <http://www.dpw.co.santa-cruz.ca.us/> or call 454-2160.

CART SERVICE*	Current Monthly	Proposed Monthly
10 gallons limited svc (new)	n/a	\$13.17
10 gallons (new)	n/a	\$14.92
20 gallons limited svc	\$10.42	\$14.64
20 gallons	\$11.35	\$15.26
35 gallons	\$12.66	\$16.95
64 gallons	\$23.64	\$31.36
96 gallons	\$34.61	\$45.77

BIN SERVICE**	Current Monthly	Proposed Monthly
1 cubic yard 1x/ week	\$86.91	\$111.24
1 cubic yard 2x/ week	\$149.63	\$191.53
1 cubic yard 3x/ week	\$256.74	\$328.63
2 cubic yards 1x/ week	\$142.37	\$182.33
2 cubic yards 2x/ week	\$267.76	\$342.73
2 cubic yards 3x/ week	\$384.04	\$491.57



SERVICE CHANGES

- New 10 gallon refuse collection service. This new service is offered to support minimum waste generators, seniors and other living in residences with limited storage space for the larger carts in use for standard services.
- Increased availability of home compost and worm compost bins. Bins will now be made available to customers with yard waste collection and to County sponsored compost workshop participants at a discounted price of \$25. This program enhancement will make it easier for residents to compost their food wastes at home instead of placing them in the refuse.
- Exclusive Franchise collection zone extended to Las Cumbres and Oak Ridge neighborhoods along Skyline Boulevard. The neighborhood associations for these two areas previously petitioned Public Works to be included in the Franchise zone at the time of renewal.
- New collection service option for private roads. Waste Management (WM) currently utilizes collection vehicles on each route that are appropriately sized to safely travel on all the roads being serviced, and to maximize efficiency and keep costs down. Many private road owners would like the ability to request smaller trucks than are normally in use for their private roads to reduce wear and tear or preserve the underlying substandard road. This program enhancement includes a rate surcharge for WM to utilize a smaller truck than would have normally been used when requested by private road owners.
- Increase collection services in rural areas. WM will continue to expand collection services in the more rural areas of the County and add more small trucks (“mini-packers”) to increase the subscription levels in these under served areas of the County. This program includes expanded promotion and outreach activities to non-customers, particularly in rural areas.
- Expanded contract performance standards and fines for non-compliance. Several new specific damage provisions have been added and several existing damage fines have been increased for WM failure to perform in accordance with the agreement. As an example, Public Works has added a provision for damages if WM commingles refuse and recyclables during collection or improperly dispose of collected materials. Public Works has also increased the damages for performance issues such as littering and collection performed too early or late in the day.
- Unlimited recycling for unincorporated area schools with refuse collection service. WM currently provides as much recycling as each school requests for a fee. This provision will make the service available at no charge as a means to support increased school recycling.

- Increased recycling for commercial and multi-family (bin) customers. Service will be increased from the current level of two 64-gallon carts per refuse bin per week to a minimum level of 50% of the total weekly refuse volume included in base rate. As an example, if the customer currently has a 2-cubic yard refuse bin collected twice per week (4 cubic yards per week), they receive only 2-64 gallon carts collected once per week. This is equal to about 0.5 cubic yards of recycling for the four cubic yards of refuse service they get each week. Under the expanded commercial collection the customer would get a minimum 2 cubic yards of recycling each week. Larger volume recycling, 100% or 200% of weekly refuse capacity, will be available for a small surcharge of 5% to 12%.
- Single container for large volume commercial and multi-family (bin) recycling. As discussed above, most commercial customers will now have the convenience of a single larger bin for recycling which can accommodate larger items and will take up less space than many smaller carts currently being used.
- Ten year franchise term. Typical franchise agreements are for 8-12 year terms, which allow the contractor to adequately fund the extensive capital investments needed to run a collection franchise. Shorter terms typically result in higher prices and longer terms do not allow for timely review of changes in the industry or market conditions.
- Residential recycling collection of film plastic. This material is now marketable and has recently been added to the list of recyclable materials handled at our County facilities. Plastic produce, grocery, and other shopping bags, dry cleaning bags and other such plastic film will be accepted in the recycling cart. Placement of individual bags into one bag is the proper method for this recycling.
- Future rate increases based on inflation. The current agreement provides for inflation based adjustments, however the consumer price index currently being used is not accurately reflective of the cost increases experienced by the waste hauling industry over the last 8 years. Public Works is proposing to use a transportation based index for the future annual rate adjustments, which more accurately reflects the costs associated with collection services. A recent rate comparison clearly shows that the current rates in our area are far below comparable service rates across the entire San Francisco Bay Area and Central Coast and is indicative of the under-adjustment that has occurred over the last 8 years of the current agreement.
- Discounted bulky goods pickup during Clean-up Week. This service enhancement has been added to provide for more diversion of appliances and other large bulky furniture during the County clean-up weeks each spring and fall.
- Continued preference for California Grey Bears commercial cardboard collection. The County and WM will continue to promote the Grey Bears cardboard recycling service, known as SCRAP (Santa Cruz Recycling Alliance Program). WM will continue to not solicit cardboard customers away from the Grey Bears.

All other existing services will remain unchanged. For more information on the proposed franchise agreement, please call 454-2160 or visit: <http://www.dpw.co.santa-cruz.ca.us/>

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County of Santa Cruz
Department of Public Works
701 Ocean St., Room 410
Santa Cruz, CA 95060

WM CUSTOMER
1234 ROAD STREET
SANTA CRUZ, CA 95060

NOTICE OF PROPOSED REFUSE COLLECTION RATE INCREASE

NOTICE OF PUBLIC HEARING

The Santa Cruz County Board of Supervisors will conduct a public hearing to receive comments on a proposed contract extension with Waste Management of Santa Cruz County. The proposed contract includes:

RATE INCREASES AND SERVICE CHANGES FOR REFUSE, RECYCLING, AND YARD WASTE COLLECTION SERVICES

The proposed changes are explained in this mailer. The public is invited to attend the public hearing and provide comments to the Board of Supervisors on the contract proposal. Comments may also be submitted by e-mail to bos@co.santa-cruz-ca.us.

The public hearing will be held

TUESDAY, FEBRUARY 28, 2006 at 9:30 A.M.
BOARD OF SUPERVISORS CHAMBERS
ROOM 525, FIFTH FLOOR
COUNTY GOVERNMENT CENTER

NOTICE OF PUBLIC HEARING**PROPOSED RATE INCREASES AND SERVICE CHANGES****REFUSE, RECYCLING AND YARD WASTE COLLECTION SERVICES****UNINCORPORATED SANTA CRUZ COUNTY**

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

TUESDAY, JANUARY 24, 2006 9:00 A. M.

SUPERVISORS CHAMBERS, ROOM 525, FIFTH FLOOR

COUNTY GOVERNMENT CENTER, 701 OCEAN STREET SANTA CRUZ

The Santa Cruz County Board of Supervisors will hold a public hearing to receive comments on a proposed renewal of the franchise agreement with Waste Management of Santa Cruz County for refuse, recycling and yard waste collection, processing and marketing services.

The proposed agreement contains the following provisions:

RATE INCREASES*

* The rates shown here are for the most common levels of service. For a complete list of proposed rates for all levels of service, visit: <http://www.dpw.co.santa-cruz.ca.us/> or call 454-2160.

CART SERVICE**	Current Monthly	Proposed Monthly
10 gallons (new)	n/a	\$14.92
20 gallons	\$11.35	\$15.26
35 gallons	\$12.66	\$16.95
64 gallons	\$23.64	\$31.36
96 gallons	\$34.61	\$45.77

** Cart service includes unlimited recycling and yard waste collection. Weekly collection for cart service.

BIN SERVICE***	Current Monthly	Proposed Monthly
1 cubic yard 1x/ week	\$86.91	\$111.24
1 cubic yard 2x/ week	\$149.63	\$191.53
2 cubic yards 1x/ week	\$142.37	\$182.33
2 cubic yards 2x/ week	\$267.76	\$342.73

SERVICE CHANGES

- New 10 gallon refuse collection service offered (includes recycling & yard waste)
- Increased availability of additional home compost bin or worm bin
- Exclusive Franchise collection zone extended to Las Cumbres and Oak Ridge neighborhoods along Skyline Boulevard
- New collection service options for difficult to service private roads
- Expanded contract performance standards and fines for non-compliance
- Unlimited recycling for unincorporated area schools with refuse collection service
- Increased recycling for commercial and multi-family (bin) customers (50% of refuse volume) included in base rate; larger volume recycling available for small surcharge
- Single container for large volume commercial and multi-family (bin) recycling
- Ten year franchise term
- Residential recycling collection of film plastic
- Future rate increases based on inflation
- Discounted bulky goods pickup during Clean-up Week
- Continued preference for California Grey Bears commercial cardboard collection

All other existing services will remain unchanged. For more information on the proposed franchise agreement, please call 454-2160 or visit: <http://www.dpw.co.santa-cruz.ca.us/>

**COUNTY OF SANTA CRUZ
FRANCHISE REFUSE, RECYCLING AND YARD WASTE COLLECTION SERVICES
RATE COMPARISON - monthly fee for most common services**

SE	CURRENT SANTA CRUZ COUNTY RATES	PROPOSED SANTA CRUZ COUNTY RATES	SANTA CRUZ CITY ²	WATSONVILLE	SCOTTS VALLEY	SAN BENITO COUNTY	MONTEREY COUNTY	SAN LUIS OBISPO COUNTY
CART SERVICE (Residential/Small Business) 35 Gallon Cart 64 Gallon Cart	\$12.66 \$23.64	\$16.95 \$31.36	\$21.16 \$45.35	\$19.57 \$25.08	\$14.60 \$26.03	\$15.38 \$26.06	\$17.81 \$24.02	\$15.91 \$27.15 (average rate)
BIN SERVICE (Commercial and Multi-Family) 1 cubic yard bin (1x/week) 1 cubic yard bin (2x/week) 2 cubic yard bin (1x/week) 2 cubic yard bin (2x/week)	\$86.91 \$149.63 \$142.37 \$267.76	\$111.24 \$191.53 \$182.33 \$342.73	\$121.84 \$243.68 \$181.60 \$363.20	\$82.26 \$161.14 \$129.27 \$253.22	\$81.66 n/a \$130.47 \$225.84	\$96.90 \$183.27 \$96.90 \$183.27	\$114.38 \$217.31 \$146.37 \$278.10	
RECYCLE SERVICES INCLUDED: curbside recycle curbside yardwaste commercial recycle	yes-U yes-U yes-L	yes-U yes-U yes-L	yes-U yes-U yes-L	yes-U N yes-L	yes-L yes-L yes-L	yes-U \$ yes-L	yes-L yes-L yes-L	yes-L yes-L yes-L

SERVICE	CURRENT SANTA CRUZ COUNTY RATES	PROPOSED SANTA CRUZ COUNTY RATES	SANTA CRUZ CITY ²	WATSONVILLE	SCOTTS VALLEY	SAN BENITO COUNTY	MONTEREY COUNTY	SAN LUIS OBISPO COUNTY
CART SERVICE (Residential/Small Business) 35 Gallon Cart 64 Gallon Cart	\$12.66 \$23.64	\$16.95 \$31.36	\$20.77 \$34.89 (average rate)	\$19.43 \$39.86	\$18.30 \$36.60	\$26.83 \$54.66 (average rate)	\$20.81 \$39.63 (average rate)	\$18.42 \$32.28 (average rate)
BIN SERVICE (Commercial and Multi-Family) 1 cubic yard bin (1x/week) 1 cubic yard bin (2x/week) 2 cubic yard bin (1x/week) 2 cubic yard bin (2x/week)	\$86.91 \$149.63 \$142.37 \$267.76	\$111.24 \$191.53 \$182.33 \$342.73	\$137.38 n/a \$216.40 \$382.22	\$99.87 \$164.46 \$159.46 \$269.12	\$95.00 \$165.00 \$125.00 \$236.00	\$101.93 \$175.94 \$144.45 \$285.54	\$128.73 \$222.19 \$182.04 \$320.43 (average rate)	\$19.25 (average rate)
RECYCLE SERVICES INCLUDED: curbside recycle curbside yardwaste commercial recycle	yes-U yes-U yes-L	yes-U yes-U yes-L	yes-L yes-L yes-L	yes-U yes-U \$	yes-U yes-U \$	yes-U yes-U yes-L	yes-U yes-U yes-L	yes-L yes-L \$

U = unlimited collection service; L = limited collection service (fixed weekly volume or collection frequency);
\$ = added cost above listed rate; N = collection service not provided

NOTES

- 1. A range of rates is shown when rates for more than 1 jurisdiction or svc area are known.
- 2. n/a means the service is not available; no number means the information was not available.
- 3. Benito Co. - rates for unincorporated areas only
- 4. Monterey Co. - rates for unincorporated areas in north county
- 5. San Luis Obispo Co. - rates are averages for cities and unincorporated areas
- 6. Santa Clara Co. - rates for unincorporated area only, average of 8 service areas
- 7. Santa Clara Co. - unincorporated areas only
- 8. San Jose - bin svc not regulated; rates are for 2 largest of 13 haulers
- 9. Los Gatos - average of all unincorporated service areas
- 10. San Mateo Co. - average for 19 cities and unincorporated areas
- 11. Contra Costa Co. - average for 18 cities and 14 unincorporated service areas
- 12. Santa Cruz City - Proposed new rates effective in February 2006

Waste Management of Santa Cruz County

11912005

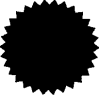
Current Contract Term Cost Escalation Analysis

Description	Jan-97	Nov-05	Pct% Chg	% of Total Costs	Total Calc % Increase
Wages (Rate per hr)	\$15.15	\$21.80	43.89%	28.3%	12.4%
Wages - non union			21.00%	10.2%	2.1%
Group Insurance (Rate per person) <i>Company paid portion</i>	\$360.00	\$734.00	103.89%	7.9%	8.2%
Fuel Costs (Cost per gal)	\$1.11	\$3.10	179.41%	8.9%	16.0%
Comp Insurance (1997 vs. 2005) <i>Total Year expenses</i>	\$253,900.00	\$457,344.00	80.13%	5.7%	4.6%
Parts & Supplies				4.0%	
License fees (1997 vs. 2005)	\$61,200.00	\$80,606.00	31.71%	0.3%	0.1%
<i>Disposal - pass thru</i>	\$36.00	\$51.50	43.06%	14.8%	6.4%
<i>Other Rev. Reduction items - Franchise Fees, revenue sharing, & woodwaste subcontractor</i>				18.7%	
<i>Misc</i>				1.2%	
Totals				100.0%	
C.P.I. (Based on Jun Index beg 1998) 1999 - 2005	165.5	201.2	21.57%	Total % Increase	43.5%
Total Service Fee Increase since 1998 - 32 gal container	\$8.89	\$10.18	14.51%		
Proposed Service Fee Increase -32 gal container	\$8.89	\$11.43	%		



WASTE MANAGEMENT

1675 Rogers Avenue
San Jose, CA 95112
(408) 392-3000
(408) 392-3051 Fax



Waste Management of Santa Cruz County

	<u>YTD - November 2005</u> County Only	
Operating Revenue		
Sales Collection - Commercial	3,585,576	
Sales Collection - Residential	6,593,196	
Sales Collection - Other		
Sales - Collection	10,178,772	
Recycling Material Sales	1,481,602	
Sales - Recycling	1,481,602	
Other Operating Revenue		
Total Operating Revenue	11,660,374	
Revenue Reduction		
External Disposal Costs	2,105,890	18.1%
Subcontractor Costs	775,216	6.6%
Cost of Goods Sold	30,555	0.3%
Revenue Sharing	598,360	5.1%
Disposal Fees and Taxes	1,017,877	8.7%
Disposal Costs	4,527,898	
Total Revenue Reduction	4,527,898	38.8%
Net Revenue	7,132,476	61.2%
Operating Expenses		
Direct Labor Costs	2,594,962	22.3%
Primary Equipment Costs	2,123,518	18.2%
Secondary Equipment Costs	633,968	5.4%
Operating Costs	598,183	5.1%
Recycling Costs	842,180	7.2%
Operating Expenses	6,792,812	58.3%
Gross Profit	339,664	2.9%
Sales Expense	170,238	1.5%
General and Administrative Expenses	418,081	3.6%
Sales, General, and Administrative	588,318	5.0%
Income From Operations (EBIT)	(248,654)	-2.1%

Santa Cruz

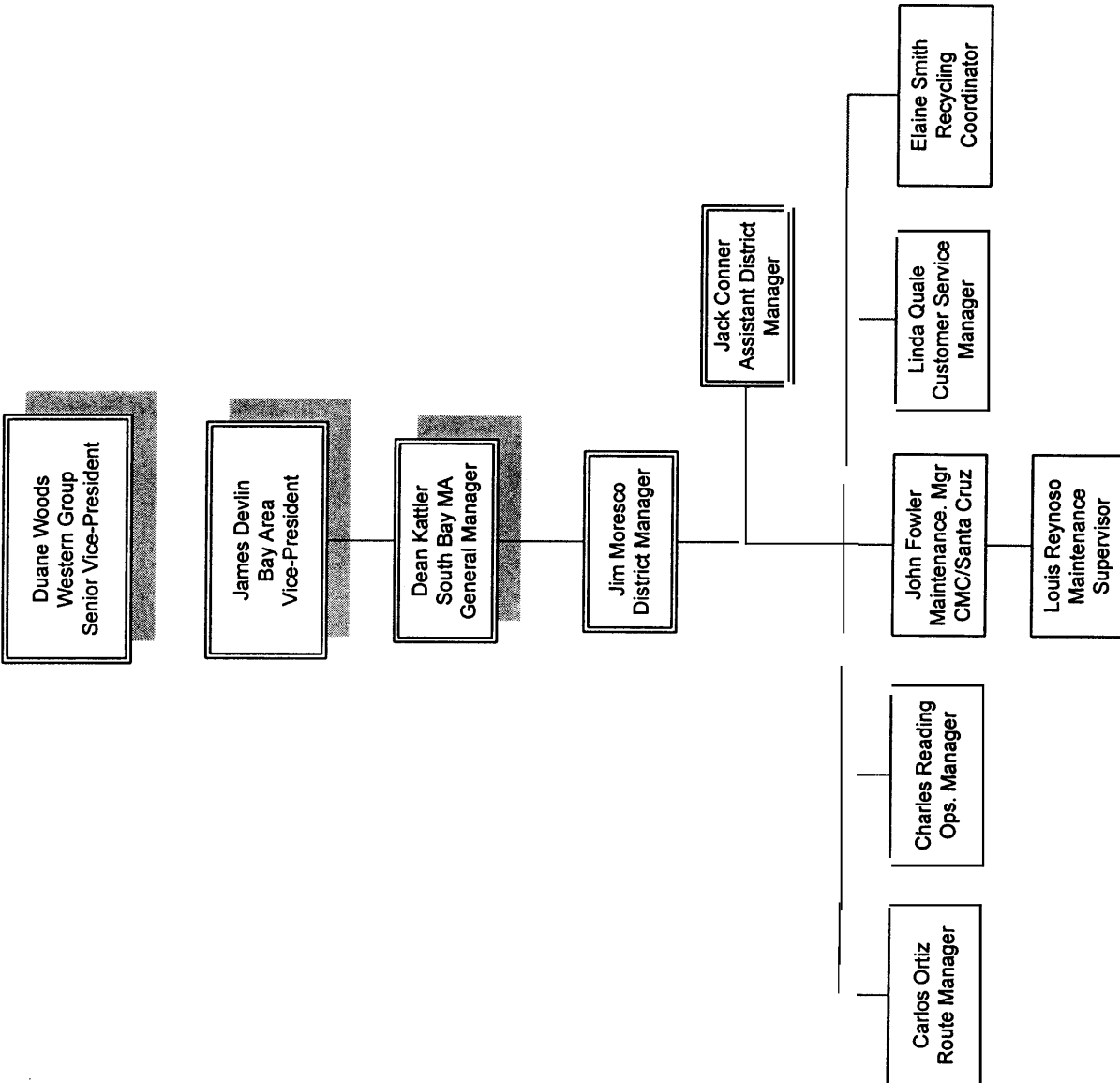
West Group

12/29/2005

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0000490



Robert B. Walker
4300 Soquel Dr., #215
Soquel, CA 95073-2150
(831) 476-5751

January 19, 2006

Santa Cruz County Govt. Ctr.
Board of Supervisors Office
701 Ocean St.
Santa Cruz, CA 95060

Supervisors:

As a long time resident of unincorporated Santa Cruz Co., I am against proposed garbage collections rate increases as far as residential customers are affected for the following reasons.

1. I almost never fill my garbage can up from week to week.
2. I almost never fill my recyclables bin up from week to week.
3. I have no choice but to subscribe to garbage service as it is a requirement of the mobilehome park in which I reside. Prior to living in a mobilehome park, I use to take my garbage to the Buena Vista landfill at greatly reduced costs compared to Waste Management fees.
4. I think a 30% increase is exorbitant at the least.
5. County residents have a high level of waste reduction consciousness which lessens the burden on Waste Management's workers.

Given the above observations, I have the following suggestion. Some residential routes should be given the option of having bi-monthly service, every other week. I believe my entire mobilehome park would be in favor of it. Those who have a little more garbage could upgrade to a larger can and still save at half the current monthly costs. Waste Management could use the extra days to expand their routes, adding on unincorporated residents who do not currently use their services but would on an every-other-week schedule. A lighter schedule would reduce the company's fuel expenses as well. Are the trucks using diesel?

Yours Truly;

Robert Walker

Robert Walker

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Keith Adams

500 41st Avenue Santa Cruz CA 95062 (831) 479-1200

January 20, 2006

Supervisor Jan Beutz
Board of **Supervisors**
701 **Ocean** Street, Room 500
Santa Cruz, CA 95062

Re: Public hearing for **proposed** refuse rate increases (January 24, 2006)

Dear Jan:

I would like to **express** my concerns relating to the proposed refuse **rate increases as published** in the *Santa Cruz Sentinel*

The following illustrates the rate **changes** for a 35 gallon residential **cart** over the **last few years**.

Date	Old rate	New rate	% increase	inflation rate
7/1/03	\$11 60	\$12 30	6.0%	2-3%
7/1/04	\$12.30	\$12.66	2.9%	2-3%
7/1/05	\$1266	\$12.66	0.0%	2-3%
Proposed	\$12.66	\$16.95	33.8%	2-3%

I can understand **that an** increase exceeding the annual inflation **rate** might **be** needed to compensate for no **increases** during 2005, **but** an increase of almost **34%** over a two year period **appears well** beyond any **reasonable** amount.

I do **understand** that our landfill **has a limited capacity** which may contribute *to the required rate increases*. Perhaps better oversight of **Waste** Management's operations would **assure** that **recyclables** such as yard waste **are** not mixed in with refuse. This might prolong the *useful life of* our landfill **and** help keep **rates** reasonable.

I recommend that the **Board** of Supervisors **direct** the Public Works Department to at least hold **garbage rates** at the **level** of inflation or open the contract up for bidding.

Sincerely,



Keith Adams

#60

CBD BOSMAIL

From: CBD BOSMAIL
Sent: Saturday, January 21, 2006 12:40 PM
To: CBD BOSMAIL
Subject: Agenda Comments

Meeting Date :

Item Number :

Name : Jean Brocklebank

Email : jeanbean@baymoon.com

Address : 1190 7th Ave. #5
S.C. Ca 95062

Phone : 462-4919

Comments :

Dear Board members ~

Regarding the new Waste Management rates/contract for residential customers:

There is simply no reason for any household to be using a 64 or 90 gallon wheelie bin. The blue recycle bins (free for the asking) are that big and would easily hold all of the paper, glass, plastic, aluminum and steel cans that even a family of **six** would generate in a week. A 20 gallon "garbage" barrel would accommodate the rest.

At our home (2 adults) we place the 20 gallon garbage wheelie bin for pickup about every six weeks, not every week. We put the blue recycle wheelie bin out about every third week. And the green "yard waste" bin goes out about every other month (only thorny stuff is tossed).

Everything organic gets composted either in simple small piles in the backyard (making soil for the gardens) or in the worm bin (which provides worm Yea" for nutrient-laden irrigation or worm castings for garden or houseplants).

If all of Live Oak and the rest of the unincorporated County would make an effort to reduce the waste stream before Trash Day, maybe Waste Management (WM) could make fewer trips, thereby reducing WM gasoline bills and thereby saving us all the need to pay higher rates. Not to mention that the extension of the life of the Buena Vista landfill.

Alas, there is no rate incentive for those of us who do not even come close to the minimum service.

My suggestion for the new rate increases:

- 10 gallon - new rate that is at least \$5.00 less than the 20 gallon service
- 20 gallon - add \$4.00 (only if not overflowing)

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35 gallon - add \$10.00

64 gallon - add \$35.00

90 gallon - discontinue (why would a single residence need such a monster?)

Thank you for your consideration.

CBD BOSMAIL

From: CBD BOSMAIL
Sent: Monday, January 23, 2006 9:15 AM
To: CBD BOSMAIL
Subject: Agenda Comments

Meeting Date : 1/24/2006

Item Number : 60

Name : Rebecca Downing

Email : rebecca@transparentseas.com

Address : 218 North Avenue
Aptos, CA 95003

Phone : 688-4142

Comments :

I am writing to oppose the increased rate amount for residential cans as proposed in the: REFUSE, RECYCLING AND YARD WASTE COLLECTION FRANCHISE AGREEMENT RENEWAL WITH WASTE MANAGEMENT.

Although I agree with an increase, the increase percentage for these receptacles, 30+% , is too high. Just because the bay area charges more for waste disposal doesn't mean this county should. This county is one of the most unaffordable counties in the country. We are also one of the most conscientious about recycling. To increase our rates by more than 30% will probably force most of us to use smaller cans just so we can still afford the service.

Please reconsider the percentage and lower it to a more reasonable amount.

Sincerely,
Rebecca Downing

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CBD BOSMAIL

From: CBD BOSMAIL
Sent: Monday, January 23, 2006 4:20 PM
To: CBD BOSMAIL
Subject: Agenda Comments

Meeting Date : 1/24/2006

Item Number : 60

Name : Frank Weigel

Email : fweigel@greenwaste.com

Address : Not Supplied

Phone : 408-938-4902

Comments :

I currently live in the City of Santa Cruz, but have lived in Felton, Scotts Valley, and Capitola over the past 18 years. I am the General Manager of a Recycling/Garbage business in San Jose. We provide some of the highest diversion rates in the state for communities such as the City of San Jose, Portola Valley, Woodside, San Juan Bautista, Lexington Hills (Santa Clara County side of the Santa Cruz Mountains) and we just started Petaluma Jan. 1, 2006. Our sister company Z-Best Compost Facility in Gilroy has the largest MSW composting site in Northern California. I would like to see the County put this contract out to bid, you would be suprised at how much lower Waste Management would bid then what they have offered. Look in to Communities such as Napa, Petaluma, Union City, San Ramon, and Dublin, Waste Management has lost all of these cities in the past 2 years.

CBD BOSMAIL

From: CBD BOSMAIL
Sent: Monday, January 23, 2006 4:34 PM
To: CBD BOSMAIL
Subject: Agenda Comments

Meeting Date : 1/24/2006

Item Number : 60

Name : Sewart E. Davis

Email : atiipape@aol.com

**Address : 212 El Camino Del Mar
Aptos, CA. 95003**

Phone : Not Supplied

Comments :

We oppose the increase rates for refuse, recycling and yard waste.

CBD BOSMAIL

From: CBD BOSMAIL
Sent: Monday, January 23, 2006 4:37 PM
To: CBD BOSMAIL
Subject: Agenda Comments

Meeting Date : 1/24/2006

Item Number : 60

Name : Richard Browne

Email : rbrowne@yahoo.com

Address : Seacliff Dr.
Aptos

Phone : Not Supplied

Comments :

The increase is too much. Costs have not gone up that much. My seacliff home is my second home. I only use a couple days a month. I put out cans less than one a month on average. I should pay less. Limit the increase to 5% max.

Richard Browne

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CBD BOSMAIL

From: CBD BOSMAIL
Sent: Monday, January 23, 2006 4:51 PM
To: CBD BOSMAIL
Subject: Agenda Comments

Meeting Date : 1/24/2006

Item Number : 60

Name : James G. and Joyce Pearce

Email : tessie2@cruzio.com

Address : 350 Coates Drive
Aptos, Ca. 95003

Phone : Not Supplied

Comments :

As retired seniors on a fixed income, we would like to protest this raise of 30% on refuse pickup. A reasonable raise is not unexpected however 30% is seems excessive.

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CBD BOSMAIL

From: CBD BOSMAIL
Sent: Monday, January 23, 2006 6:17 PM
To: CBD BOSMAIL
Subject: Agenda Comments

Meeting Date : 1/24/2006

Item Number : 60

Name : Margaret Kotsi

Email : margaret@cruzio.com

Address : 623 Cedar St.
Aptos

Phone : 688-8831

Comments :

The last increase was only 3 years ago. It seems like a high increase and no assurance that it will hold. One problem is that residences have few options on container size. Sometimes, older, people, like myself, pay more for less trash.



CBD BOSMAIL

From: CBD BOSMAIL
Sent: Monday, January 23, 2006 7:31 PM
To: CBD BOSMAIL
Subject: Agenda Comments

Meeting Date : 1/24/2006

Item Number : 60

Name : Ronald Joseph

Email : rcjoeph@sbcglobal.net

Address : 216 Valencia Ave.
Aptos, CA 95003

Phone : (650) 279-9265

Comments :

I beleive your proposed rate increase to be excessive. Anything over the cost of living increase for the last two years is to much. A 33% increase is too high.

Thank you for allowing **my** imput before you vote on this issue.

Ron Joseph

CBD BOSMAIL

From: CBD BOSMAIL
Sent: Monday, January 23, 2006 8:02 PM
To: CBD BOSMAIL
Subject: Agenda Comments

Meeting Date : 1/24/2006

Item Number : 60

Name : Ray Wolfe

Email : raywolfe@garlic.com

Address : 108 Lorna Pl
Aptos 95003

Phone : 6883918

Comments :

Strongly oppose any increase in trash/ recycling fees

CBD BOSMAIL

From: CBD BOSMAIL
Sent: Monday, January 23, 2006 8:39 PM
To: CBD BOSMAIL
Subject: Agenda Comments

Meeting Date : 1/24/2006

Item Number : 60

Name : Terry-Lynn Winston

Email : terrylyn57@hotmail.com

Address : 342 Hillcrest Drive
Aptos, CA 95003

Phone : Not Supplied

Comments :

Dear Board of Supervisors:

A 30% rate increase is too much at once and the reasoning for the increase is flawed--merely a comparison to the rates charged in the Bay area. It doesn't sound like it is needed. Maybe a 10% increase, but not 30% all at once.

Regards, Terry

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