

Exhibit A

PUBLIC WORKS / REFUSE 2017 STRATEGIC INITIATIVE

PASS-THROUGH RATE INCREASE / YAKIMA COUNTY TIPPING FEES BUDGETED / UNBUDGETED

PROPOSAL

This initiative proposes a 7.0% rate increase in Refuse rates for 2017 for expenses relating to anticipated increases in landfill tipping fees and other operational costs effective January 1, 2017. The following table summarizes the expected cost increases for residents with a 96 gallon cart. There are 18,626 customers (72%) that have a 96 gallon cart for waste collection and 7,370 customers (28%) that have a 32 gallon cart for collection.

Cost Component	2016	2017	\$▲	%▲
Labor Cost	\$2.76	\$2.87	\$0.12	4.3%
Collection Operations	\$4.70	\$4.87	\$0.17	3.5%
Disposal	\$3.46	\$3.90	\$0.44	12.7%
Customer Service	\$0.63	\$0.63	\$0.00	0.0%
Management & Administration	\$0.90	\$1.10	\$0.20	22.3%
Public Works & Billing and Finance Allocation	\$1.01	\$1.04	\$0.03	2.5%
Utility Tax / WA Refuse Tax	\$3.32	\$3.64	\$0.33	9.9%
Fund Reserve	\$1.55	\$1.55	\$-	0.0%
Total Rate	\$18.32	\$19.60	\$1.28	7.0%

City of Yakima Solid Waste and Recycling Division (SWRD) makes every effort to excel in quality solid waste management for the 93,000 residents of Yakima. The core business of SWRD is to provide weekly curbside residential garbage and yard waste service to approximately 26,000 residential customers who generate an average of 35,000 tons of waste per year. As part of the Interlocal Agreement with Yakima County, the City of Yakima utilizes the county's Terrace Heights Landfill to dispose of its waste.

Yakima County Public Services Solid Waste Division has advised the City that they have completed a rate study for their current and future needs of their landfill. The proposed solid waste disposal rates for 2017 will increase approximately 13% over the 2016 rates. The proposed rates will cover the operational expenses, closure/post closure and capital costs for the Yakima County landfills.

Yakima Utility Tax and Washington Refuse Tax will increase proportionately to the rate increase because both taxes are calculated on the assessed collection rate. The combined taxes comprise 18.6% of the total rate charged to the residential rate payers; the utility tax is 15% and the refuse tax is 3.6%. The impact of these two fees is \$0.33 per month for the customers with a 96 gallon cart.

Labor and operational costs will increase due to the City's labor agreement, increases in employee health insurance, outside repair and maintenance cost for the collection fleet, and general liability insurance.

The proposed rate increase will include the addition of a Solid Waste Supervisor to its Division to accommodate past growth in service areas and integration of the new Cayenta utility billing, electronic routing and mobile management systems. The addition of a Solid Waste Supervisor will allow for the current supervisor to address daily operation duties such as customer service issues, complaints, solid waste violations, safety issues, accident follow ups, address illegal clean ups, fleet maintenance issues and supervision of the maintenance workers. The new supervisor position will address the electronic routing implementation, on-going maintenance of the system and supervision of route drivers.

The rate impact from the hiring of the SW Supervisor is \$0.22 per residential customer per month in 2017; however, the cost per customer is expected to decrease in 2018 with the full implementation of the electronic routing and mobile management system. Rate increases in 2018 and 2019 are projected at 3.6% and 3.5% respectively; however, the collection efficiencies are expected to reduce costs by 1% in 2018 and 2019. In other words, the cost of the SW Supervisor in 2017 will be offset by the system savings of \$0.21 per customer. Savings in 2018 is estimated at \$0.22 and beyond. The rate impact for the 96 gallon customer over the next three year are summarized in the following table.

	2016	2017	2018	2019
96 gallon rate	\$18.32	\$19.60	\$20.10	\$20.60
\$ Increase		\$1.28	\$0.50	\$0.50
% Increase		7.0%	2.6%	2.5%

Proposed Residential Rates for 2017 through 2019.

Year	2016	2017	2018	2019
96 gallon rate - Solid Waste	\$18.32	\$19.60	\$20.10	\$20.60
32 gallon rate - Solid Waste	\$16.02	\$17.15	\$17.60	\$18.05
96 gallon rate - Yard Waste	\$14.90	\$15.95	\$16.35	\$16.75
96 gallon rate - 2nd Yard Waste	\$7.40	\$7.90	\$8.10	\$8.40
Extra Can	\$4.23	\$4.50	\$4.60	\$4.70
Extra Bag	\$2.51	\$2.70	\$2.75	\$2.80

The following table details the proposed increase for container services for 2017. The increase is 7% over the current collection rates.

Current 2016 Rates	Container Size		
Col. Frequency	2 YD	4 YD	6 YD
1	\$21.53	\$34.28	\$47.04
2	\$34.54	\$59.70	\$85.56
3	\$47.55	\$85.12	\$124.08
4	\$60.56	\$110.54	\$162.60
5	\$73.57	\$135.96	\$201.12

Proposed 2017 Rates	Container Size		
Col. Frequency	2 YD	4 YD	6 YD
1	\$23.04	\$36.68	\$50.33
2	\$36.96	\$63.88	\$91.55
3	\$50.88	\$91.08	\$132.77
4	\$64.80	\$118.28	\$173.98
5	\$78.72	\$145.48	\$215.20

IMPACTS

1. **Fiscal Impact** – The proposed 2017 Yakima County landfill tipping fee will be an additional yearly cost of \$134,000 to the City. The remaining cost increase are comprised of labor and operational costs of approximately \$299,000. The overall fiscal impact to the Refuse Division is \$433,000. Projected cost increases in 2018 and 2019 are approximately \$170,000 each year.
2. **Proposed Funding Source** – Refuse customers / Refuse operating fund. Rate increase of 7% for all refuse collection rates in 2017. Proposed rate increases in 2018 and 2019 are 2.5% of the prior year's collection rate
3. **Public Impact** – This initiative will impact the public though a pass through rate increase to cover the increased cost of landfill disposal.
4. **Personnel Impact** – None.
5. **Required Changes in City Regulations or Policies** – City ordinance revising the Refuse rate schedule will be required.
6. **Legal Constraints, if applicable** – None.
7. **Viable Alternatives** – None.

Exhibit B
Yakima County Public Services
Solid Waste Division

Material Description	Current Rate as of 1/1/2010 *	Proposed Baseline Rate as of 1/1/2017 *
Garbage Tipping Fee per ton	\$ 32.00	\$ 36.00
Minimum Fee	\$ 8.00	\$ 10.00
Clean Yard and Wood Waste per ton	\$ 16.00	\$ 18.00
Minimum Fee	\$ 5.00	\$ 6.00
Septage per ton	\$ 12.00	\$ 14.00
Tires		
Passenger Tires per each up to 20	\$ 1.50	\$ 2.00
More than 20 passenger tires per ton	\$ 150.00	\$ 158.00
Truck (semi) per each	\$ 7.50	\$ 8.00
Implement/Tractor per each	\$ 15.00	\$ 16.00
Heavy Equipment	\$ 75.00	\$ 79.00
Mixed Tires and Large Loads per ton	\$ 150.00	\$ 158.00
Animals		
Small (Under 200 pounds) per each	In at Garbage Rate	In at Garbage Rate
Large (Over 200 pounds) per each	In at Garbage Rate	In at Garbage Rate
Asbestos per ton	\$ 60.00	\$ 68.00
Appliances per each	\$ 5.00	\$ 5.00
Special Handling per yard	\$ 2.00	\$ 2.00
Minimum Fee	\$ 10.00	\$ 11.00
Unsecured Load 1-3 yards	\$ 5.00	\$ 6.00
Unsecured Load over 3 yards	\$ 15.00	\$ 17.00
Dirt Cover Material per ton	\$ 9.50	\$ 11.00

*** Rates include State Refuse Tax
As Applicable**

Exhibit C

Chapter 6 -- Solid Waste Collection Yakima County Solid Waste and Moderate Risk Waste Management Plan

Table 6.1 Solid Waste Collection Data

City or Town	Population ¹ -2015	Residential Customers	Residential Garbage Cart Size	Collection Entity	Mandatory Service	Rate per Household per Month
Grandview	11,200	3,000	96- or 300 ² - gallon	City (w/ limited BDI)	yes	\$13.65; \$45.00
Granger	3,640	600	96- or 300- gallon	City	yes	\$22.33; \$62.88 (tax included)
Harrah	650	210	32- or 96-gallon	YWS	yes	\$7.25; \$10.84 ³
Mabton	2,310	409	48- or 96-gallon	YWS	yes	\$7.23; \$17.86
Moxee	3,810	1,030	64- or 96-gallon	BDI	yes	\$11.80; \$14.55
Naches	830	309	48-, 64-, or 96- gallon	YWS	yes	\$11.09; \$11.82; \$12.56
Selah	7,495	2,397	64- or 96-gallon	BDI	yes	\$11.72; \$14.28
Sunnyside	16,280	2,839	48- or 96-gallon	YWS	yes	\$8.53; \$11.25
Tieton	1,255	368	96-gallon	YWS	yes	\$13.16
Toppenish	8,965	2,400	96-gallon	City	yes	\$16.28
Union Gap	6,150	1,526	96-gallon	BDI	yes	\$11.90
Wapato	5,040	927	32-, 64-, or 96- gallon	BDI	yes	\$10.80; \$15.65; \$17.64
Yakima	93,220	26,000	32- or 96-gallon	City, YWS ⁴	yes	\$15.99; \$18.33 ⁵
Zillah	3,140	967	64- or 96-gallon	YWS	yes	\$14.75; \$15.82
Unincorporated area	85,985	1,797	32-, 64-, or 96- gallon	BDI	no	\$7.25; \$8.91; \$10.84
		8,022	48-, 64-, or 96- gallon	YWS		\$10.21; \$10.72, \$13.05
Total	249,970	51,801				

Notes: YWS = Yakima Waste Systems (WUTC rates available at this website

<http://www.utc.wa.gov/regulation/industries/transportation/TransportationDocuments/Yakima%20Waste%20Systems%20Inc%20G-89%20Tariff%2011.pdf>). BDI = Basin Disposal Inc. (WUTC rates available at this website

<http://www.utc.wa.gov/regulation/industries/transportation/TransportationDocuments/Basin%20Disposal%20of%20Yakima%20LLC%20G-45%20Tariff%20No%205.pdf>)

¹ From Table 2.1. Data current as of April 2015.

² 300-gallon containers are offered to commercial and multi-family residential customers.

³ WUTC rates are listed for the town of Harrah; current rates are unavailable.

⁴ YWS collects curbside recyclables in City of Yakima.

⁵ City of Yakima monthly rates were calculated from weekly rates of \$3.69 per week and \$4.23 per week for 32 or

doesn't include tax

not include tax

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includes tax

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Exhibit D

MEMORANDUM

October 20, 2015

TO: Honorable Mayor, Members of the City Council, and Tony O'Rourke, City Manager

FROM: Scott Schafer, Director of Public Works
Loretta Zammarchi, Solid Waste and Recycling Manager

SUBJECT: Summary of the *Refuse Study Session Follow Up Memorandum*

Below is a brief summary to City Council as to why the City is unable or recommends not implementing the following items from the *Refuse Study Session Follow Up Memorandum*:

City of Olympia Model

Implementing a residential garbage service that models the City of Olympia, would be a significant budgetary increase for the City of Yakima's Refuse Division. It would require providing residential garbage service every other week as opposed to weekly pick-ups customers currently rely upon, by eliminating their 32 gal containers and upsizing to a 96 gal container. The Refuse Division would need approximately \$448,000 upfront to either purchase or arrange to lease to own the carts to accommodate the customers currently utilizing the 32 gal carts. This approach is financially unfeasible for the City of Yakima in its current state. In addition, the City of Olympia subsidizes their "every other week" residential garbage service to cover their fixed-overhead costs through the revenue collected from their commercial garbage customers. Unfortunately the City of Yakima chose to give up the commercial garbage service and associated revenue to Waste Management in 1952. Staff strongly recommends not to implement garbage service such as the City of Olympia.

Water Shut-off to resolve Refuse Delinquencies

City Legal reported that typically a lien and foreclosure process is different for each type of utility service and since the City "bundles" utility billing for its customers (Water/Wastewater/Refuse), the City is not at liberty to impose one lien/delinquency collection method in order to collect on a different type of utility.

Low Income Assistance Program

Implementing a low income assistance program for Refuse will require that it be equally applied to each of the other utilities (Water/Wastewater). This will increase the need for subsidization on behalf of the majority of the citizens. In addition, becomes an unfunded administrative obligation in maintaining and tracking each account to ensure participants are and remain eligible for such a program; costing each utility more to administer this program. Staff recommends not to implement a Low Income Assistance Program.

Contracting Out Illegal Dump Cleanups

Contracting out the services for illegal dumps will require selecting a contractor through the RFP process. Direct costs for labor in the physical removal of the material during cleanups in addition to the tipping fees at the landfill, will dictate the terms of the contract. In addition, indirect costs such as reporting, tracking, and directing the contractor of the illegal dumps will also apply as the City would need to monitor the work of the contractor and their reports to ensure work is completed to the satisfaction of the City. An "amount not to exceed" would need to be determined; resulting in some of the illegal dumps not being addressed due to the limitation of funds within the contract. In the end, a significant amount of work and expenses is needed to contract out the services for illegal cleanups. The responsibility and costs remain with the City. Funding to implement such a program was cut from the 2015 budget and continues to be unavailable to the Refuse Division. If the rate increase proposal is approved, only the cost of tipping fees at the landfill is covered to a limited extent. Staff strongly recommends not contracting out the services for illegal dump cleanups.

Cost Reduction of 32-Gallon Carts

Reducing the cost of the 32-gallon cart instead of implementing the true cost of service, will require that the additional cost be placed onto the 96-gallon cart to ensure adequate funding is available to cover the cost of service for the Refuse Division. Increasing the cost and the associated subsidy of the 96-gallon cart too much, will force individuals to downsize to the 32-gallon cart without a reduction in the volume of their garbage. This usually creates problems for the Refuse drivers as customers tend to overfill the 32-gallon carts because they do not want to pay the higher cost of the 96-gallon cart. In doing so, carts become compacted making it extremely difficult for the drivers to properly empty the carts into the trucks. Overfills also contribute to unsightly conditions and potential code violations. Staff recommends eliminating any form of subsidy by charging the true cost of service for each specified sized cart.

MEMORANDUM

October 20, 2015

TO: Honorable Mayor, Members of the City Council, and Tony O'Rourke, City Manager

FROM: Scott Schafer, Director of Public Works
Loretta Zammarchi, Solid Waste and Recycling Manager

SUBJECT: 2015 Refuse Rates

The City of Yakima's Solid Waste and Recycling Division has not had a rate increase applied to its operational costs since 2008. Since that time, an inflation rate exceeding 14% has been allowed to deplete the Division's reserves. Collection rates regulated by the Washington Utilities and Transportation Commission in the unincorporated areas of Yakima County were adjusted twice during this same period for Waste Management (Yakima Waste Systems). Current rates for waste collection services do not cover the cost of service. In a work session in April 2014, City Council was notified of the issue when the cost for residential services were presented for discussion.

In the fall of 2014, staff followed up by presenting a rate request to Council. The request was based upon a Rate Study conducted by Bell and Associates, Inc., that illustrated an annual deficit of nearly \$300,000 within the Solid Waste Division due to the fact that rates have not been adjusted since 2008 and rates implemented over previous years were not set at the costs of service. In addition to those findings, the results of a small scale pilot project that was conducted in the summer of 2014 to test assumptions and validate cost estimates for a recycling program were presented. The City Council decided to defer any Refuse rate increase until 2015 and directed staff to eliminate approximately \$300,000 from its 2015 budget which included its Refuse Code Enforcement Officer position, abatement of litter and debris accumulating in alleyways and in the public right of way; shopping cart collection and removal, illegal dump and community clean ups events and the Fall Leaf Bag Collection Program.

During a Study Session on July 28, 2015, the Solid Waste and Recycling Division presented an updated rate increase proposal based on current cost of service and an anticipated deficit of \$321,000 for fiscal year 2016. The Division also presented a bundled rate fee proposal for weekly garbage and every-other-week recycling and yard waste collection.

It was discussed that in order to provide residential services that are fair and equitable to all residents, collection rates need to be established based upon cost of service to ensure:

- ❖ Reliable and sustainable services
- ❖ An operating reserve of 12% or 45 days
- ❖ Fund capital replacement reserves sufficient to replace assets (trucks) when needed to avoid service interruption.

- ❖ Adjustments for inflation and increase operational costs
- ❖ Adhere to financial management policies and steward of public funds

The condition of the City's Refuse fleet was also discussed. Staff emphasized their concerns that currently 40% of its Refuse collection trucks have exceeded their life expectancy of 7 years; leading to significant maintenance costs. That number increases to 55% in 2016. To avoid disruption in serving our customers, staff is evaluating renting or leasing to own vehicles to improve the health of our fleet. The poor condition of the Refuse fleet is directly attributed to the lack of proper funding to this Division.

Without clear direction from City Council at the conclusion of the July 28, 2015 Study Session, and the need to implement a rate structure that supports the cost of service, staff is proposing the following rate increase:

Proposed Action

City Council approves the proposed Refuse rates as outlined in **Table 1 and 3** below with rates becoming effective December 3, 2015. This option adds \$0.26 per cart into the rate structure for residential garbage to cover the cost of tipping fees at the landfill associated with illegal dump and/or community clean ups.

Table 1 - Proposed Residential Collection Rates Effective December 3, 2015

Description	32 gallon garbage	96 gallon garbage	64 gallon yard debris	96 gallon yard debris
Current Rate	\$10.00	\$17.02	\$7.01	\$12.82
Proposed Rate	\$16.02	\$18.32	discontinue	\$14.82
\$ Increase/month	\$6.02	\$1.30	-----	\$2.00
# of Customers	7,858	17,789	1,036	5,426
% of Customers	31%	69%	4%	21%

In an effort to insure that refuse rates are fair and equitable to all, the rate for the 32 gallon cart has been adjusted to reflect the true cost of service. A majority of the rate payers, 69% who utilize the 96 gallon cart, are subsidizing the rates for the customers who utilize a 32 gal cart. What appears to be a higher increase to the 32 gallon cart is an adjustment to reflect the true cost of service. The two main costs contributors that differentiate the cost of service is the higher disposal cost for the 96 gallon cart and the cart replacement cost. As such, taxes also contribute to the difference in the overall cost of service. All other costs remain the same for both cart sizes. **Table 2** on the following page differentiates the cost of service in more detail between the 96 gallon cart and the 32 gallon cart.

Table 2 – Cost of Service Detail for Solid Waste Cart Collection

Cost	96 gal Cart	32 gal Cart
Labor Expense	\$2.93	\$2.93
Collection Expense	\$2.56	\$2.56
Admin Expense	\$1.63	\$1.63
Inter-fund Transfers	\$1.02	\$1.02
Disposal	\$3.46	\$1.73
Truck Replacement	\$1.66	\$1.66
Roll Cart Replacement	\$0.60	\$0.43
Total Collection Cost	\$13.86	\$11.96
471 Fund Replenishment	\$1.30	\$1.30
WA Refuse Tax (5.1% of Collection Cost)	\$0.72	\$0.62
Utility Tax (15% of Collection Cost)	\$2.18	\$1.88
Illegal Dump / Com Clean-Ups	\$0.26	\$0.26
Cost of Service Monthly Rate	\$18.32	\$16.02

Table 3 – Proposed Bin Collection Rates Effective December 3, 2015

Description	2 Yd. Bin	4 Yd. Bin	6 Yd. Bin
Current Rate	\$18.88	\$30.20	\$41.53
Proposed Rate	\$21.53	\$34.28	\$47.04
\$ Increase/month	\$2.65	\$4.08	\$5.51
# of Customers	278	13	21

The additional \$0.26 per cart charge will generate approximately \$77,000 per year. This will assist in covering the costs associated with the tipping fees at the landfill for illegal dump and/or community clean ups. It does not however, fund a position that was lost in the 2015 Budget cuts and does not allow the Refuse Division to effectively address illegal clean ups in a timely manner. Illegal clean ups will continue to be addressed based on staff availability.

Proposed Action includes the following:

- **Discontinue 64-Gallon Carts** – Discontinuing the 64-gallon cart aids in standardizing cart inventory; adding efficiency and cost savings to the Refuse Division.
- **Ready-to Serve Rate** - The proposed Ready-to-Serve rate is \$7.22 and represents the fixed cost of the residential refuse collection system such as carts, trucks, etc. Residents that choose not to have collection services, i.e., Snowbirds, would be assessed this Ready-to-Serve fee which is similar and consistent with other City enterprise funds such as Water/Irrigation and Wastewater.
- **Overfill Fees** - The overfill fee for carts is currently \$2.35 and is being proposed to be increased to \$2.51. The proposal for bin overfill fees is \$13.73 from the current \$12.26.
- **Call-Back Charge** – A call-back charge in an amount of \$12.90 shall be imposed each time a customer requests refuse collection service at a time other than the regularly scheduled time. This is an increase from the current \$12.06.
- **General House Keeping** - Revisions within the Ordinance for clarification and efficiency purposes.

Recycling/Bundled Rates

Staff strongly recommends delaying the implementation of a City-wide curbside recycling program and the associated bundled rate structure which would incorporate both curbside recycling and yard waste with garbage. Staff would bring this back to City Council for consideration later in 2016. There are many factors for City Council to consider. Current market conditions are not favorable for recyclable materials. The global market has changed with a majority of the recyclable materials no longer a source of revenue in offsetting a portion of operational costs. In addition, an RFP will need to be conducted to identify and secure a vendor that is willing to take the City's recyclable materials at a cost to be determined. Most importantly, the upfront capital required of the Solid Waste Division to fund the carts, trucks, and additional staff to implement the recycling program and expansion of the yard waste service is not an option under its current financial status. In addition, the roll-out for City-wide curbside recycling will need to be planned accordingly and will be required to be phased in over a couple of years once funding for the recycling program has been secured prior to implementing the program. However, the first priority should be for the City's Solid Waste and Recycling Division to recover once a proper rate structure is adopted, by eliminating budget deficits, improving its fleet and allowed to become financially sound to ensure current and future success.

Recommendation

Deferment of adequate rate increases will only serve to significantly increase the financial needs and immediate costs of the City's collection assets; while placing the entire infrastructure in immediate jeopardy. Having an appropriate rate structure and available funding to support the maintenance, repair, and replacement of the infrastructure is crucial in protecting public health and promoting economic development.

It is therefore staff's recommendation to City Council to approve the collection rate increase as proposed above while deferring curbside recycling/bundled rate for discussion in 2016. This would provide the City's Solid Waste and Recycling Division with the proper funding levels required to financially recover and continue delivering this vital service to our community.

Exhibit E

STUDY SESSION MEMORANDUM

July 28, 2015

TO: Honorable Mayor, Members of the City Council, and Tony O'Rourke, City Manager

FROM: Scott Schafer, Director of Public Works

Loretta Zammarchi, Solid Waste and Recycling Manager

SUBJECT: Rate Study for Solid Waste and Recycling Program

The following information is being provided as a resubmission and review of the Solid Waste and Recycling's Program Rate Study and to re-evaluate the implementation of a citywide curbside recycling program.

In the fall of 2014, the Solid Waste and Recycling Division presented a rate request to Council. The request was based upon a rate study that showed an annual deficit of nearly \$300,000 within the Solid Waste Division due to the fact that rates have not been adjusted since 2008.

In addition to those findings, a small scale pilot project was conducted in the summer of 2014 to test assumptions and validate cost estimates for a recycling program.

Since the fall 2014 presentation a few changes have taken place.

- The Solid Waste's Divisions budget was cut by \$316,000.
- The Fall Leaf Program was eliminated.
- The Solid Waste Code Enforcement Position and operations were not funded for 2015. The decision eliminated the ability of the SW Division to address illegal dump remediation in a timely manner. The Code Division has identified 368 dumps within the City that require attention.
- The Revenue Fund Balance has fallen to 0.92% with a reserve balance of \$54,000. A 12% or 45 day operating reserve, approximately \$700,000, is policy per the 2013 City of Yakima Financial Management Policy & Stewardship of Public Funds Report.
- At the current rate of expenditures, the projected fund balance will be a deficit of \$110,000 by year end.
- The Division is experiencing high maintenance and repair costs due to deferred maintenance of and age of its fleet.
- The inflation rate has increased 14% since the last rate increase in 2008.
- The cost method for assessing the value of recyclable materials has changed with processors requiring the cost for processing be reflected in the recycling fee.

Refuse Program Objective

To provide residential services that are fair and equitable to all residents by establishing collection rates at the cost of service. The proposed rates have incorporated an additional \$1.30 per customer per month to replenish the depleted fund balance to the directed 12% operating reserve. We are requesting rate increases for the following residential collection services.

Description	32 gallon garbage	96 gallon garbage	64 gallon yard debris	96 gallon yard debris
Current Rate	\$10.00	\$17.02	\$7.01	\$12.82
Proposed Rate	\$15.76	\$18.06	discontinue	\$14.82
\$ Increase	\$5.76	\$1.04	-----	\$2.00
# of Customers	7,858	17,789	1,036	5,426

The following table breaks out the number of customers for each service and the rate increase impact.

Level of Service	# of Customers	% of customers	Current Rate	Proposed Rate	\$ ▲
32 gal SW	2,706	11%	\$10.00	\$15.76	\$5.76
96 gal SW	16,479	64%	\$17.02	\$18.06	\$1.04
32 gal SW & 64 gal YD	920	4%	\$17.01	Discontinued	-----
96 gal SW & 64 gal YD	116	<1%	\$24.03	Discontinued	-----
32 gal SW & 96 gal YD	4,232	17%	22.82	\$30.58	\$7.76
96 gal SW & 96 gal YD	1,194	5%	29.84	\$32.88	\$3.04

Bin collection rates need to increase by 12.6% from their current rates. The following table summarizes the increases for the various container sizes collected once-a-week.

Container Size	Current	Proposed	\$ Increase
2 YD Weekly	\$18.88	\$21.26	\$2.38
4 YD Weekly	\$30.20	\$34.00	\$3.80
6 YD Weekly	\$41.53	\$46.76	\$5.23

Ready-to-Serve

The fixed cost of the refuse collection system in Yakima is recognized as the ready to serve rate, which is \$7.53 per customer per month. The cost is incorporated into the rates; however, residents that choose not to have collection services would be assessed this rate. The Ready-to-Serve pays for the infrastructure of the Refuse Division, i.e., carts, trucks, etc.

Diversion Programs

The City could expand yard debris collection to all residents that generate yard debris and organic material. A 96 gallon cart would be provided to customers for collection every-other-week. The additional cost for all residents would be \$5.51 a month, which is \$9.31 less than the proposed 96 gallon yard debris subscription rate. This rate is lower than the subscription because the program cost is allocated over the entire residential customer base. The following table compares the rates.

SW Volume	Current al-la cart Rates		Bundled Rate	
	32 gallon garbage	96 gallon garbage	32 gallon garbage	96 gallon garbage
Solid Waste	\$15.76	\$18.06	\$15.76	\$18.06
Yard Debris	\$14.82	\$14.82	\$5.51	\$5.51
Total	\$30.58	\$32.88	\$21.27	\$23.57

If Yakima did implement a city-wide yard debris program, most residents would not require the 96 gallon cart for waste collection and could choose to downsize to a smaller cart.

For future consideration, the City would introduce every-other-week single stream curbside recycling as well as yard debris collection as a sustainable solid waste management alternative to disposal. Recycling and yard debris collection would alternate from week to week with materials collected in a 96 gallon roll cart. The cost for the services is \$6.22 for single stream recycling and \$5.51 for yard debris collection. Total bundled monthly rate for these two services is \$11.73. The following table summarizes the estimated rates for the program. The rates assume customers would be invoiced for all services; however, participation would not be mandatory.

SW Volume	Current al-la cart Rates		Bundled Rate	
	32 gallon garbage	96 gallon garbage	32 gallon garbage	96 gallon garbage
Solid Waste	\$15.76	\$18.06	\$15.76	\$18.06
Recycling ¹	\$10.16	\$10.16	\$6.22	\$6.22
Yard Debris	\$14.82	\$14.82	\$5.51	\$5.51
Total	\$40.74	\$43.04	\$27.49	\$29.78

Note 1 – Recycling service provided by Yakima Waste Systems

Exhibit F

Informational item

DATE: February 1, 2016

TO: Honorable Mayor, Members of the City Council, Interim City Manager

FROM: Scott Schafer, Director of Public Works
Loretta Zammarchi, Solid Waste and Recycling Manager

SUBJECT: *Follow Up Memorandum Regarding Questions Raised on Privatization of the City Refuse Collection*

This is a memo in response to comments made at the Audience Participation segment of the January 19, 2016 City Council Meeting by Mr. Jim Scoggins regarding privatization of the City of Yakima Refuse Division. As this comment is tied to the recently adopted Refuse Rate increase of 2015, the memo includes supporting documentation presented to City Council in 2015.

BACKGROUND OF SERVICES PROVIDED

The mission of the Solid Waste and Recycling Division is to protect the public health and safety of the City and all residents of the City by providing quality municipal solid waste services that are efficient, cost effective and environmentally responsible. The Refuse Division is responsible for collection and disposal of all garbage, yard waste and other debris for residential customers within the City of Yakima and from all City-owned facilities. The approximate annual tonnage collected is 32,000 tons.

The City of Yakima provides automated refuse carts to approximately 25,647 residential customers for weekly refuse collection. The customer has the option of using a 32 or 96-gallon cart. Carry out service is available for those wishing to have their cart collected from a location other than the curb or alley line.

Weekly yard waste collection utilizing a 96 gallon cart is available to City residential customers from March 1st through November 30th of each year. The yard waste service is an optional service and currently consists of approximately 6,462 accounts. During the winter months, customers are encouraged to retain the yard waste cart for use in the spring.

Metal bins are available to City-owned facilities, multi-family residential units, and other premises where large amounts of refuse accumulate and need to be collected. The bins can be emptied multiple times throughout the week, depending upon the need of the customer. Temporary bins in two, four and six-yard capacity are also available to any City resident needing to clean up their property or to dispose of large amounts of debris that normally cannot be collected with their regular refuse service.

The Refuse Division has several special event recycling containers available for use to recycle plastic bottles and aluminum cans during special events, such as the Yak-Attack Soccer Tournament, the Folk Life Music Festival and the Hot Shots Basketball Tournament. The use of the recycling containers significantly reduces the amount of debris being taken to the landfill. In addition, the Division cleans and closes illegal dumps when staffing is available and provides assistance in community clean ups.

The Solid Waste and Recycling Division is an Enterprise Fund that is required to maintain an operating reserve of 12% or 45 days.

RATE INCREASE BACKGROUND PRESENTED TO COUNCIL ON NOV. 3, 2015

The City of Yakima's Solid Waste and Recycling Division has not had a rate increase applied to its operational costs since 2008. Since that time, an inflation rate exceeding 14% has been allowed to deplete the Division's reserves. Collection rates regulated by the Washington Utilities and Transportation Commission in the unincorporated areas of Yakima County were adjusted twice during this same period for Yakima Waste Systems, YWS. The City's current Refuse Rates for waste collection services do not cover the cost of service. In a work session in April 2014, City Council was notified of the issue when the cost for residential services were presented for discussion.

In the fall of 2014, staff followed up by presenting a rate request to City Council. The request was based upon a Rate Study conducted by Bell and Associates, Inc., that illustrated an annual deficit of nearly \$300,000 within the Solid Waste Division due to the fact that rates have not been adjusted since 2008 and rates implemented over previous years were not set at the costs of service. In addition to those findings, the results of a small scale pilot project that was conducted in the summer of 2014 to test assumptions and validate cost estimates for a recycling program were presented. The City Council decided to defer any Refuse Rate increase until 2015 and directed staff to eliminate approximately \$300,000 from its 2015 budget which included its Refuse Code Enforcement Officer position, abatement of litter and debris accumulating in alleyways and in the public right of way; shopping cart collection and removal, illegal dump and community clean ups events and the Fall Leaf Bag Collection Program.

During a Study Session on July 28, 2015, the Solid Waste and Recycling Division presented an updated rate increase proposal based on current cost of service and an anticipated deficit of \$321,000 for fiscal year 2016. The Division also presented a bundled rate fee proposal for weekly garbage and every-other-week recycling and yard waste collection.

It was discussed that in order to provide residential services that are fair and equitable to all residents, collection rates need to be established based upon cost of service to ensure:

- ❖ Reliable and sustainable services
- ❖ An operating reserve of 12% or 45 days
- ❖ Fund capital replacement reserves sufficient to replace assets (trucks) when needed to avoid service interruption.
- ❖ Adjustments for inflation and increase operational costs
- ❖ Adhere to financial management policies and steward of public funds

The condition of the City's Refuse fleet was also discussed. Staff emphasized their concerns that currently 40% of its Refuse collection trucks have exceeded their life expectancy of 7 years; leading to significant maintenance costs. That number increases to 55% in 2016. To avoid disruption in serving our customers, staff is evaluating renting or leasing to own vehicles to improve the health of our fleet. The poor condition of the Refuse fleet is directly attributed to the lack of proper funding to this Division.

On November 3, 2015, the Yakima City Council approved a Refuse Rate increase. However, the rate increase did not reinstate and fund the previous budget cuts made in late 2014.

RESPONSE TO PRIVATIZATION ISSUES

All garbage is local. Because of the unique nature of each community and city, refuse is handled differently. Some cities contract out collection services while some maintain control over their collection services. The rate increase approved by Council in 2015 reflects rates set at the cost of providing the service.

- The City of Yakima only collects from residential customers. It does not collect from the commercial class. This has always had a direct impact on revenue collected for the City.
- The Refuse Division does not operate for a profit. Instead, reinvests back into our community's infrastructure. As a Utility, the Division is required by law to maintain a 12% reserve. We do not have private shareholders, rather our shareholders are our citizens. Every effort is made to provide safe, efficient, affordable and environmentally sound collection service to our community.
- In the Annual Citizens Survey, the Refuse Division has been rated among the top services provided by the City for the past three years.
- Privatization can equal loss of flexibility in collection and planning. It can lead to less service and longer response time.
- The 32 gallon cart did see a significant increase with the rate increase. The 32 gallon cart rate had been subsidized by the 96 gallon cart rate for many years. The rate of service for the 32 gallon cart should have been \$13.42 but was kept at \$10. This was an effort to keep costs down during the economic downturn of 2008. The recent rate increase adjusts the 32 gallon cart to reflect the cost of providing the service and eliminate any subsidy. The majority of the residents of the City utilize a 96 gallon cart.
- Our aging fleet is a result of deferring purchases and major repairs due to the lack of proper funding of this Division. Postponing a rate increase for operations and capital for over 7 years has had a significant impact on our fleet. The Division will be rotating in new vehicles to replace the worn trucks that have higher maintenance costs.
- Privatizing one City service would have a significant negative impact to the remaining City services since City Departments are intricacy tied. Refuse is tied

to Utility Billing which is tied to Water, Irrigation and Wastewater. Refuse is also tied to the Maintenance Shop which is then tied to Streets, Transit and other City Departments. Public Works is a highly integrated system; making it difficult to cut out one part without affecting the other Divisions.

- In 2009 the Utility Tax charged to the Refuse Division increased from 9% to 15% to fund additional YPD Officers. This was a simple pass through fee that did not go towards Refuse operations or capital. The Utility Tax is an on-going tax charged to all City Enterprise Divisions such as Water, Wastewater, and Refuse to assist in funding the General Fund.
- The Utility Tax is incorporated and reflected within the Refuse Rates.
- Potential degradation of quality of service for lower rates. In 2015 the Solid Waste Division cleaned and closed 245 illegal dumps; these clean ups were funded by the Refuse Rates.
- In 2015 the Solid Waste Division conducted 1 community clean up.

RATES PROPOSED AND ADOPTED BY CITY COUNCIL

City Council approved the proposed Refuse rates as outlined in **Table 1 and 3** below with rates becoming effective December 6, 2015. The rate increase was necessary to address past deferred operation and capital expenses and the pending deficit. This option added \$0.26 per cart into the rate structure for residential garbage to cover the cost of tipping fees at the landfill associated with illegal dump and/or community clean ups. It does not however, fund a position that was lost in the 2015 Budget cuts and does not allow the Refuse Division to effectively address illegal clean ups in a timely manner. Illegal clean ups will continue to be addressed based on staff availability.

Table 1 - Proposed Residential Collection Rates Effective December 6, 2015

Description	32 gallon garbage	96 gallon garbage	64 gallon yard debris	96 gallon yard debris
Current Rate	\$10.00	\$17.02	\$7.01	\$12.82
Proposed Rate	\$16.02	\$18.32	discontinue	\$14.82
\$ Increase/month	\$6.02	\$1.30	-----	\$2.00
# of Customers	7,858	17,789	1,036	5,426
% of Customers	31%	69%	4%	21%

In an effort to ensure that Refuse Rates are fair and equitable to all, the rate for the 32 gallon cart has been adjusted to reflect the true cost of service. A majority of the rate payers, 69% who utilize the 96 gallon cart, are subsidizing the rates for the customers who utilize a 32 gal cart. What appears to be a higher increase to the 32 gallon cart is an adjustment to reflect the true cost of service. The two main costs contributors that

differentiate the cost of service is the higher disposal cost for the 96 gallon cart and the cart replacement cost. As such, taxes also contribute to the difference in the overall cost of service. All other costs remain the same for both cart sizes. **Table 2** differentiates the cost of service in more detail between the 96 gallon cart and the 32 gallon cart.

Table 2 – Cost of Service Detail for Solid Waste Cart Collection

Cost	96 gal Cart	32 gal Cart
Labor Expense	\$2.93	\$2.93
Collection Expense	\$2.56	\$2.56
Admin Expense	\$1.63	\$1.63
Inter-fund Transfers	\$1.02	\$1.02
Disposal	\$3.46	\$1.73
Truck Replacement	\$1.66	\$1.66
Roll Cart Replacement	\$0.60	\$0.43
Total Collection Cost	\$13.86	\$11.96
471 Fund Replenishment	\$1.30	\$1.30
WA Refuse Tax (5.1% of Collection Cost)	\$0.72	\$0.62
Utility Tax (15% of Collection Cost)	\$2.18	\$1.88
Illegal Dump / Com Clean-Ups	\$0.26	\$0.26
Cost of Service Monthly Rate	\$18.32	\$16.02

Table 3 – Proposed Bin Collection Rates Effective December 3, 2015

Description	2 Yd. Bin	4 Yd. Bin	6 Yd. Bin
Current Rate	\$18.88	\$30.20	\$41.53
Proposed Rate	\$21.53	\$34.28	\$47.04
\$ Increase/month	\$2.65	\$4.08	\$5.51
# of Customers	278	13	21

Exhibit G

STUDY SESSION FOLLOW UP MEMORANDUM

August 3, 2015

TO: Honorable Mayor, Members of the City Council, and Tony O'Rourke, City Manager

FROM: Scott Schafer, Director of Public Works
Loretta Zammarchi, Solid Waste and Recycling Manager

SUBJECT: Study Session Follow-Up Questions

The following information is being provided as a follow to the question raised in the Study Session on July 28th, 2015.

- Cost to Contract Out Illegal Dumps
- What would it cost to implement a program that looks like Olympia's model
- What would it cost to reduce the 32 gal cost from \$5.76 to \$2.50 or \$1.04

COST TO CONTRACT OUT ILLEGAL DUMPS

There are many aspects that the City of Yakima (City) may want to consider regarding the contracting out of illegal dump clean ups. The following are points one may want to focus on:

Administrative costs – How are administrative cost covered?

BACKGROUND

The Solid Waste and Recycling Division (SWD) receives complaints from citizens, Yak Back and Code Administration (Code). If Code receives a complaint, a Code Enforcement officer inspects and inputs the illegal dump location into the City's database (Paladin) for reporting and tracking purposes. Code then passes on the illegal dump site information to the Refuse Division for clean-up.

Due to the budget cuts in 2015, the Solid Waste Code Enforcement Officer was eliminated as well as funding for illegal dump and community clean ups. This makes responding to illegal dump clean ups by the SWD very difficult. The SWD completes approximately 80 service orders a day or approximately 20,800 a year. A service order is a citizen's request for some type of refuse service. This entails cart/bin delivery; emptying or exchanging. Staff is required to shift from their daily duties of completing service orders to rate payers to trying to address illegal dumps. This disruption in service orders has a direct impact on the customer service, customer satisfaction due to delay in services requested and on income generated from services.

If the City seeks to contract out the physical removal of illegal dumps it would need to keep in mind the need to fund (indirect costs) how the City will administer the contract. As part of the administration of the contract, a City employee would need to collect and enter illegal dump complaints into Paladin and/or other databases for reporting, tracking, and disseminating sites to the contractor. The City would also have to monitor the contractor to insure that work is completed and that proper reports are filed.

Below is an example of illegal dumps reported to the SWD in one day:

- 517 north 24th Ave. - kitchen cabinet out by the street.
- 519 north 25th Ave. in the alley there's a pile of brush and misc.
- 2409 Englewood there's a pile of brush by the street and the other items in the yard.
- 1102 south 8th Street brush in the alley.
- 1109 south 7th Street large pile of wood in the alley.
- 1512 south 1st Ave. pile of brush by the road.
- 1523 south 2nd Ave. couch – carpet – mattress – etc.
- 803 south 3rd Ave. in the alley wood.
- 7 south 16th Ave. by the bus stop fiesta food shopping cart by the bus stop store needs contacted. –
- 122 north 18th Ave. low limbs clear view problem.
- 1113 Cherry in alley Yakima waste carts overfull to close to the pole; don't believe there being dumped bunch together.
- Roy's Market – there are always piles of garbage dumped there. There's a lot there now.

How Many Illegal Dumps Will Be Contracted Out for Clean Up?

The average cost of an illegal dump clean-up for the City is approximately \$90.00. To date, the SWD has cleaned and closed 63 illegal dumps at a cost of \$5,573.14. The City's Code Division has an additional 368 open illegal dump sites. The Code Division only identifies illegal dumps; they do not perform clean-up.

The cost for clean-up includes personnel, equipment, tipping fees and the administrative costs associated with illegal dump cleaning, closing and tracking. The table below shows the current charges for illegal dump clean-up. Given the nature of illegal dumps it is impossible to come up with an exact number that a contractor would be required to clean-up. We can estimate that it could be 850 illegal dumps yearly by using the number of current dump sites at a cost of \$77,000 a year for the SWD to continue to address illegal dumps. These are only projections as the final cost is dependent upon the actual amount/tonnage collected and disposed.

Current City of Yakima Solid Waste Labor and Equipment Costs					Tipping/Disposal Fees
\$ Per Person/Hr	Equipment Flatbed/Pickup	Total without Rear Loader	RearLoader*	Totals	
\$32.00	\$36.00	\$68.00	\$78.00	\$146.00	
\$32.00		\$32.00		\$ 32.00	
Total		\$100.00		\$178.00	\$ 30.89

*Rear Loader is a specific type of garbage truck that can handle large volumes of waste. For efficiency, the Solid Waste Division utilizes the rear loader when it responds to a large illegal dump clean up or multiple site cleanups.

It was difficult to find an example of a local illegal dump clean up contractor without going to a full RFP/RFI. The City's Purchasing Department was helpful in locating a few examples.

- The City's Code Administration has contracted for board-up/clean-up of abandon properties at approximately \$50/hour.

- The City of Concord, CA awarded a contract for \$48/item/site – not to exceed \$15,000. The contract was paid by a state grant. This would equate to 166 sites cleaned using the City of Yakima \$90/clean-up costs.
- According to Dept. of Labor & Industries, prevailing wage would be required under chapter 39.12 RCW. Prevailing wage locally are estimated below.

Prevailing Wage Labor Costs				Tipping/Disposal Fees
Personnel	Wage Per Hour	Equipment	Totals	
Supervisor	\$30.65	\$36.00	\$66.65	
Laborer	\$24.69		24.69	
Total Not Including Tipping fee	55.34	36.00	91.34	\$32.00

EXAMPLE OF GENERAL REQUIREMENTS -SCOPE OF WORK FOR ILLEGAL DUMP CLEAN UP

The initial Scope of Work for contracting out illegal dump clean up would include but not be limited to the following.

Work includes, but is not limited to, providing all labor, materials, equipment, tools and services required to identify, debris clean-up and removal of illegally dumped waste within the city's right of ways.

The primary purpose of this scope of work is to maintain the public health, safety, and well-being of the community and to restore the public areas to the city to dump-free condition in the shortest time period possible.

The contractor shall not be paid to handle, process or dispose of debris that in unrelated to illegal dump clean ups.

The contractor shall furnish and pay the costs, including sales tax and all other applicable taxes and fees, of all the necessary materials and shall furnish and pay for all the labor, tools, equipment, transportation and disposal cost.

All equipment and vehicles utilized shall meet all requirements of Federal, State and local regulations including, without limitation, all Department of Transportation safety regulations, and are subject to the approval of the city.

Contractor is responsible for determining and complying with applicable requirements for securing loads while in transit. At a minimum, contractor shall assure that all loads are transported without threat of harm to the general public, private property and public infrastructure.

Contractor shall be responsible for establishing and scheduling collection routes in consultation with the city department/Code/SWD.

All debris collected from illegal dumps sites shall be taken to an approved solid waste landfill.

There will be no dump sites, debris staging areas, or debris transfer within the city limits, nor will there debris be permanently or temporarily stored or placed within the city limits.

Contractor shall be responsible for the conduct and action of all employees and subcontractors. Contractor's employees shall not exhibit any pattern of discourteous behavior to the public.

Contractor should be prepared for potentially adverse working conditions.

Contractor shall only bill the City for material that originates within the City. Proof collection site and landfill tickets will be required.

The City shall provide monitoring and inspections as necessary to determine contract performance, which may include, but is not limited to, on-site inspection and metering of operations, and inspections of operating records during Contractor's operating hours.

Contractor shall designate to the city key personnel having responsibilities for coordinating work activities with the city, and shall inform the city of any changes in such personnel.

Any environmental samples, analyses or remediation actions required as a result of contractor's equipment, operations or activities shall be the full responsibility of the contractor.

Debris that is classified as hazardous or toxic is not included in the scope of work. Hazardous or toxic materials or waste includes, but is not limited to petroleum products, asbestos electrical transformers, and known or suspected hazardous materials.

The contractor must demonstrate proof of experience in identifying, collecting, removing, disposing and reporting illegal dump clean ups.

The contractor shall provide proof of worker's compensation insurance for all employees.

The contractor, shall submit proof of general liability insurance which shall remain in full force and effect throughout the term of the Contract in an amount specified by the City.

Given the administrative responsibilities of the job for both the SWD and code compliance and the risk that would be affiliated with clean-ups and the oversight necessary with a contract, it is likely that contracting for illegal dump clean up would not save the City money. In addition, note that the current budget does not allocate any money for illegal dump clean-up at present whether in house or contracted out. For the Solid Waste Division to continue with illegal dump and community clean ups it is estimated that \$0.26 would need to be added to the proposed rate increase.

WHAT WOULD IT COST TOR IMPLEMENT A PROGRAM THAT LOOKS LIKE OLYMPIA'S MODEL?

As directed by Council, the City of Yakima's solid waste staff followed up with staff from the City of Olympia Waste ReSources Division to learn more about their current program. Waste ReSources collects garage, recycling and organics from single family properties using carts and automated side load trucks. Waste ReSources also collects from multi-family residences and commercial accounts. The total container count for garbage collection (2013 data) is 13,617; 14,472 for recycling and; 7,505 for organics. The garbage and recyclables for residential customers for the City of Olympia are collected on an every other week schedule. By contrast, the current container count for the city of Yakima is 25,647 for refuse and 6,462 for yard waste. The City does not collect from multi-family residences over 4 units nor does it collect refuse from the commercial sector.

The City's solid waste staff inquired with Waste ReSources staff what they thought would be required to implement a similar program in Yakima. The response received was it is not a matter of cost as it is a matter of what recycling infrastructure do you have in place? Olympia's model is based on having a robust recycling program in place; access to a vendors and an on-going planning process.

Ron Jones from ReSources stated that while looking at the Olympia model may be a framework, it is not a comparable project for any one community as all garbage is local. What is efficient and effective in one community may not work in another.

Collection rates are not just set on arriving at a number to cover costs. They are set on an existing integrated system, the current level of service required to meet immediate needs and future projected levels of service projected to meet future needs.

If the City of Yakima had a recycling infrastructure in place, i.e. trucks, vendor to accept recyclables, 12% reserves to cover the unexpected downturns, it could explore Every-Other-Week (EOW) garbage/recycling collection. This would require a long term commitment to planning with community stakeholders involved in a number of pilots to test the EOW model. Given that the variables are too numerous to give firm numbers, hypothetically, the cost could be the \$6.22 as presented in the Bundled Rate presented to City Council at the July 28th study session. Projecting EOW garbage/recycling collection costs at this time is impossible but planning/exploring it in detail in the coming years can be accomplished. The following tables summarizes the estimated costs for Yakima and compares the current cost of service to Olympia.

Bundled Rate EOW Garbage/Recycling		
SW Volume	32 gallon garbage	96 gallon garbage
Solid Waste	\$15.76	\$18.06
Recycling	6.22	\$6.22
Total	\$21.98	\$24.28

City of Olympia Collection Bundled Collection Rates

	COS per Subscriber	Rate per Subscriber	Monthly Difference	Subscription Percent*	Overall Monthly		
					Costs	Revenues	Difference
20-gallon cart, every other week	\$ 15.40	\$ 8.78	\$ (6.60)	14%	\$ 28,700	\$ 16,400	\$ (12,300)
35-gallon cart, every other week	\$ 17.10	\$ 15.21	\$ (1.90)	28%	\$ 65,300	\$ 58,100	\$ (7,300)
35-gallon cart, 1 pickup/week	\$ 26.50	\$ 33.43	\$ 6.90	<1%	\$ 300	\$ 400	\$ 100
65-gallon cart, every other week	\$ 20.20	\$ 20.76	\$ 0.60	54%	\$ 148,900	\$ 153,100	\$ 4,100
65-gallon cart, 1 pickup/week	\$ 32.60	\$ 66.86	\$ 34.20	<1%	\$ <100	\$ 100	\$ <100
95-gallon cart, every other week	\$ 23.90	\$ 35.94	\$ 12.00	4%	\$ 12,900	\$ 19,300	\$ 6,500
95-gallon cart, 1 pickup/week	\$ 40.00	\$ 108.68	\$ 68.70	<1%	\$ 300	\$ 800	\$ 500
Single-Family Bundled Garbage and Recycling - Monthly Totals					\$ 256,400	\$ 248,100	\$ (8,400)
Annual Totals					\$3,077,000	\$2,977,000	\$ (100,000)

*Based on average subscription

WHAT WOULD IT COST TO REDUCE THE 32 GAL COSTS FROM \$5.76 TO \$2.50 TO \$1.04?

If the collection rate for 32 gallon service is set at a rate less than the cost of service, the rate for 96 gallon service need to increase over the cost of service to offset the revenue deficiency. At the cost of service, the monthly revenue generated is \$442,561. To maintain this level of required revenue, a subsidy is required of the 96 gallon customers. The following table summarizes the subsidy for each incremental increase for the 32 gallon garbage cart and the rate required for the 96 gallon garbage cart in order to achieve the required revenues.

Description	Customers	Current Rate	Cost of Service	Increase by \$1.04	Increase by \$2.50	Increase by \$3.00
32 Gallon	7,800	\$10.00	\$15.76	\$11.04	\$12.50	\$13.00
96 Gallon	17,700	\$17.02	\$18.06	\$20.14	\$19.50	\$19.28
Monthly Revenue			\$442,561	\$442,590	\$442,650	\$442,656

If the 32 gallon cost is increased from \$10 to \$11.04, the 96 gallon cart would need to be increased by \$2.08 (12%) over the current rate. If the 32 was increased to \$12.50, the 96 gallon cart would need to be increased by \$1.44 (8%) to \$19.50. If the 32 were increased to \$13.00, the 96 would be increased by \$1.22 (7%) to \$19.28.

One aspect that is not considered is how many customers will migrate to the 32 gallon from the 96 gallon garbage cart. Assuming 10% of the customers downsized to a 32 gallon cart, the increase required on the 96 is an additional \$0.30 for the \$1.04 increase and \$0.10 for either the \$2.50 or \$3.00 increase.

*PRIVILEGED AND CONFIDENTIAL: COVERED BY THE ATTORNEY-CLIENT AND ATTORNEY
WORK PRODUCT PRIVILEGES*

MEMORANDUM

TO: Honorable Mayor Cawley and Members of the City Council
Tony O'Rourke, City Manager

FROM: Jeff Cutter, City Attorney

DATE: July 31, 2015

SUBJ: Water shut-off to resolve refuse delinquencies

There has been some recent consideration of means by which delinquent refuse accounts could be collected by the City. One method that has been discussed involves shutting off water service to residences that have failed to pay their refuse removal charges. While this action would no doubt result in some fairly timely resolution of the refuse charge delinquency, it would likely also generate some undesirable legal recourse against the City. The reason for the negative reaction is that the methods available to municipalities to collect delinquent utility bills is very specifically addressed in statute. Unfortunately, the means of collecting, typically through a lien and foreclosure process, is different for each type of utility service and the City is not at liberty to impose one lien/delinquency collection method in order to collect on a different type of utility.

For water service delinquencies RCW 35.21.300 provides for a "pseudo-lien" method of collecting the past due balances by allowing the City to discontinue water service when an account becomes delinquent. This is a "self-help" lien that does not require recording with the County but rather provides a very immediate effect that is generally very successful in gaining payment on the utility. Wastewater and sewer liens are addressed in RCW 35.67.200 and .210, providing that a lien for past due sewer service bills shall be recorded with the County in the same manner as is prescribed for mechanic's liens, and foreclosed in the same fashion. For sewer service liens the statutes also provide an alternative means of collection that municipalities may use in situations where the municipality also provides the water service to the property that is delinquent on the sewer service bill. RCW 35.67.290 establishes a means in such cases to allow the municipality to shut off the water service to a property that is delinquent on sewer utility charges as a means of enforcing the sewer charge lien and collecting the delinquent fees.

Unfortunately, for refuse charge delinquencies there is no similar provision. RCW 35.21.140 provides that liens for delinquent refuse disposal accounts shall be recorded with the County Auditor and foreclosed in the time and manner prescribed for labor and material liens. There is no alternate method provided for preserving or collecting refuse liens. The fact that the City includes all utilities in one billing statement does not eliminate the distinctions between methods of collection permitted by statute for each type of utility. If the delinquency exists in the water or sewer account, then service disconnect is justified. If the refuse charge is at issue, then recording a lien for the delinquent amount in accord with the statutory provisions is the only accepted means of collecting it.

Zammarchi, Loretta

From: Dean, James
Sent: Friday, July 31, 2015 11:36 AM
To: Schafer, Scott; Zammarchi, Loretta
Subject: Delinquent account info.
Attachments: collection sent since 2010.xls; delinquent acct info.pdf

Scott and Loretta,

Attached are three documents containing the info requested by Council

The collections sent document shows the number of accounts referred to collection since 2010 the only problem with it the system does not let me sort this by refuse only accounts so the total number is for all the utilities including irrigation. Also there is no way to pull a report showing how much of that has been collected thru the collection agency because it just shows as a payment on the account and I can't filter on who made the payment.

The Account aging Summary Report files show the total amount of money owed to each utility. The over 1 year column would represent anything owed from July 1 2014 and older back to the last write off of date 2008.

The council report of accounts to be written off breaks down by utility how much debt was written in 2014 for the the year 2008. This represents less than 1% of the total revenue collected for the Utilities and is pretty consistent with has been written off in previous years.

Hope this helps and let me know if you need anything else.

James Dean
City of Yakima
Utility Services Manager
509-576-6615 (o)
509-576-6649 (f)
james.dean@yakima.wa.gov



01/09/2014 03:33 PM

Council Report of Accounts to be Written Off

Account	Customer/ Service Address	WATER Amt Due	IRRIGATION Amt Due	WASTEWATER Amt Due	REFUSE Amt Due	Writeoff Amount
93644	BUSH KATHRYN 808 S 3RD AVE		\$33.87			\$33.87
93674	TERK CECIL 205 S 10TH AVE		\$17.04			\$17.04
9466	SELLS LEON C 1003 N 4TH ST	\$2.42		\$4.68		\$7.10
94662	QUICK LUBE & AUTO REPAIR 1019 S 3RD AVE	\$17.53		\$164.89		\$182.42
94687	LOVELASS JOHN 1309 PACIFIC AVE			\$479.76	\$106.16	\$585.92
94826	MILLER SHERYL 507 S 7TH AVE	\$53.09	\$41.96	\$122.88	\$62.50	\$280.43
95847	ROBERT STANDLEY* 1610 N 4TH ST	\$88.44		\$69.05	\$77.90	\$235.39
96653	SCHICKERT NAUDE 612 S 7TH ST		\$34.07			\$34.07
97331	THOMPSON DARYL K 912 N 6TH ST		\$210.84			\$210.84
97363	MCUFFEY MELODY 3211 BARGE ST	\$137.93	\$262.89	\$117.24	\$91.94	\$610.00
98405	RODRIGUEZ MARIA 706 N 3RD ST APT D	\$20.52		\$49.40	\$31.16	\$101.08
98605	WESTWOOD VILLA 408 S 61ST AVE			\$479.66		\$479.66
98809	GIPSON JERRY 610 S 3RD ST		\$68.14			\$68.14
99292	WISHART TANJA 301 S 13TH AVE	\$44.82	\$35.60	\$112.14	\$93.48	\$286.04
Service Write-Off Amt		\$64,107.62	\$21,337.35	\$111,419.62	\$53,691.85	
Total Write-Off Amt		\$250,556.44				

Account Aging Summary Report

01 JULY 2015 2:20 AM

Distribution 000 - General

000-000-699-0000-36990-MIS

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$560.00	\$160.00	\$150.00	\$518.45	\$2,581.04	\$3,979.49
\$560.00	\$160.00	\$150.00	\$518.45	\$2,581.04	\$3,979.49

Distribution 471 - Refuse

471-000-000-0000-23910-000

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$4,113.12	\$3,007.50	\$108.17	\$493.21	\$3,117.48	\$3,618.10
\$4,113.12	\$3,007.50	\$108.17	\$493.21	\$3,117.48	\$3,618.10

471-471-212-0000-34375-CCD

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$22,591.82	\$4,058.52	\$428.98	\$2,764.55	\$16,435.28	\$46,279.23
\$22,591.82	\$4,058.52	\$428.98	\$2,764.55	\$16,435.28	\$46,279.23

471-471-212-0000-34375-REA

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$359,719.56	\$64,814.30	\$16,176.42	\$55,055.48	\$259,551.60	\$755,317.38
\$359,719.56	\$64,814.30	\$16,176.42	\$55,055.48	\$259,551.60	\$755,317.38

471-471-212-0000-34375-RES

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$366.39	\$48.84	\$18.07	\$268.12	\$1,204.71	\$2,906.13
\$366.39	\$48.84	\$18.07	\$268.12	\$1,204.71	\$2,906.13

471-471-212-0000-34375-SPE

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$73,857.42	\$6,047.34	\$752.02	\$438.65	\$6,800.50	\$87,018.63
\$73,857.42	\$6,047.34	\$752.02	\$438.65	\$6,800.50	\$87,018.63

471-471-212-0000-34375-YTR

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$460,646.31	\$77,976.60	\$17,483.68	\$57,156.23	\$280,902.87	\$894,167.75
\$460,646.31	\$77,976.60	\$17,483.68	\$57,156.23	\$280,902.87	\$894,167.75

473-000-000-0000-23910-000

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$7,655.52	\$5,038.62	\$25.05	\$1,217.27	\$7,230.37	\$4,281.55
\$7,655.52	\$5,038.62	\$25.05	\$1,217.27	\$7,230.37	\$4,281.55

473-473-211-S211-34350-IOP

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$1,135,059.89	\$165,914.47	\$51,130.49	\$162,760.31	\$653,397.47	\$2,169,262.62
\$1,135,059.89	\$165,914.47	\$51,130.49	\$162,760.31	\$653,397.47	\$2,169,262.62

473-473-211-S211-34350-OOP

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$4,940.50	\$520.26	\$184.68	\$704.70	\$1,456.22	\$7,806.36
\$4,940.50	\$520.26	\$184.68	\$704.70	\$1,456.22	\$7,806.36

473-473-232-S232-34350-SWR

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$25,569.82	\$418.15	\$15.15	\$6,458.32	\$2,144.84	\$34,605.38
\$25,569.82	\$418.15	\$15.15	\$6,458.32	\$2,144.84	\$34,605.38

473-473-233-S233-32210-SPT

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$26,101.38	\$5,566.04	\$558.74	\$5,516.79	\$15,832.51	\$53,575.46
\$26,101.38	\$5,566.04	\$558.74	\$5,516.79	\$15,832.51	\$53,575.46

473-473-233-S233-32210-SPT

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$1,199,337.12	\$177,457.54	\$31,914.11	\$174,222.92	\$665,600.67	\$2,268,532.36
\$1,199,337.12	\$177,457.54	\$31,914.11	\$174,222.92	\$665,600.67	\$2,268,532.36

Distribution 474 - Water

474-000-000-0000-23910-000

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$2,272.71	\$1,933.90	\$232.06	\$1,052.97	\$5,216.16	\$2,294.58
\$2,272.71	\$1,933.90	\$232.06	\$1,052.97	\$5,216.16	\$2,294.58

474-474-341-0000-34340-OPR

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$482,349.28	\$65,919.46	\$5,649.29	\$33,501.33	\$234,600.05	\$823,019.47
\$482,349.28	\$65,919.46	\$5,649.29	\$33,501.33	\$234,600.05	\$823,019.47

474-474-699-0000-36990-MIS

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$7,481.76	\$5,418.08	\$2,082.81	\$11,150.42	\$63,167.43	\$89,300.50
\$7,481.76	\$5,418.08	\$2,082.81	\$11,150.42	\$63,167.43	\$89,300.50

474-474-699-0000-36990-MIS

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$492,103.75	\$73,271.44	\$8,500.04	\$43,598.84	\$292,551.32	\$910,025.39
\$492,103.75	\$73,271.44	\$8,500.04	\$43,598.84	\$292,551.32	\$910,025.39

Distribution 475 - Irr Oper

475-475-342-0000-34312-IRC

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$188,328.29	\$8,908.86	\$10,191.49	\$24,965.63	\$101,605.40	\$333,999.67
\$188,328.29	\$8,908.86	\$10,191.49	\$24,965.63	\$101,605.40	\$333,999.67

Distribution 479 - Irr Capital

479-479-348-0000-34312-IRC

Under 30	Under 60	Under 90	Under 365	Over 1 Year	G/L Total
\$124,510.10	\$6,048.65	\$6,089.57	\$15,022.95	\$65,534.16	\$217,205.43
\$124,510.10	\$6,048.65	\$6,089.57	\$15,022.95	\$65,534.16	\$217,205.43

City of Yakima
Office of Neighborhood Development Services

To: Housing Staff and Related Associated Nonprofit Agencies
From: Angelica/ONDS
Subject: HOME/CDBG Federal Median Income Guidelines
Date: June 1, 2015

The following income guidelines, issued annually by the United States Department of Housing and Urban Development, will show eligible income levels for applicants in the Single-Family, Senior/Disabled, First Time Homeownership and New Construction Homeownership programs. All the applications received after this date will be approved using the updated income guidelines.

Current HOME/CDBG Program Federal Median Income Guidelines

	Family Size						
	1	2	3	4	5	6	7
100%	\$40,600	\$46,400	\$52,200	\$57,900	\$62,600	\$67,200	\$71,800
80%	\$32,450	\$37,050	\$41,700	\$46,300	\$50,050	\$53,750	\$57,450
65%	\$26,390	\$30,160	\$33,930	\$37,635	\$40,690	\$43,680	\$46,670
50%	\$20,300	\$23,200	\$26,100	\$28,950	\$31,300	\$33,600	\$35,900
30%	\$12,150	\$13,900	\$15,650	\$17,350	\$18,750	\$20,150	\$21,550

Fair Market Rent

Number of Bedrooms	0	1	2	3	4
	\$490	\$597	\$769	\$1027	\$1,240



APPLICATION FOR 2015 LIFELINE RATE FOR UTILITY SERVICES

The City of Olympia offers a Lifeline rate on utility services for customers who qualify as:

- Low income **AND** disabled
OR
- Low income **AND** over 62.

This rate applies to residential customers only. Lifeline rates are 50% of the standard utility rate for water, sewer, storm water and solid waste. Once a customer qualifies for this program, the Lifeline rate becomes effective on the next billing cycle and must be renewed every year in order to maintain qualification.

The combined household income must be less than the amounts listed below*:

Members of Household	Combined Household Income**
1	\$25,050
2	\$28,600
3	\$32,200
4	\$35,750

*The income amounts for eligibility are reviewed and updated annually.

**For households with more than 4 family members please call for income limits.

Along with the complete application, please include the following items:

❖ Proof of income for all members of household

- A copy of your tax return for the preceding calendar year or yearly social security statement (if you are not required to file and this was the only income) must be provided. *Bank statements are not accepted as proof.*
- **IF YOU DID NOT FILE A TAX RETURN, PLEASE EXPLAIN THE REASON:**

❖ Proof of identification and age (usually in the form of driver's license or state issued ID)

❖ Proof of disability in the form of :

- Social security disability statement.
- A parking placard ID card issued by the Washington State Department of Licensing for certain debilitating conditions. (Not all conditions are covered in this requirement).

For assistance in completing this application, please contact Utility Billing at 360-753-8340.



City of Olympia | Capital of Washington State

☐ New Application

Utility Account Number: _____

Name: _____
(Last Name) (First Name)

Service Address: _____

Mailing Address: _____
(If different than service address)

Telephone Number: _____

If using a parking placard ID card, please initial the following stating that the parking placard ID card was issued for **one** of the reasons listed. (As stated by RCW 46.19.010)

- Has such a severe disability, that the person cannot walk without the use of or assistance from a brace, cane, another person, prosthetic device, wheelchair, or other assistive device;
- Uses portable oxygen;
- Is restricted by lung disease to such an extent that forced expiratory respiratory volume, when measured by spirometry is less than one liter per second or the arterial oxygen tension is less than sixty mm/hg on room air at rest;
- Has limited mobility and has no vision or whose vision with corrective lenses is so limited that the person requires alternative methods or skills to do efficiently those things that are ordinarily done with sight by persons with normal vision;
- Has an eye condition of a progressive nature that may lead to blindness;
- Impairment by cardiovascular disease or cardiac condition to the extent that the person's functional limitations are classified as class III or IV under standards accepted by the American Heart Association;

Initial here: _____

Number of residents in household: _____

Please list names and ages:
(List any additional on a blank page)

Dependant?

Employed?

Yes ____ No ____

Yes ____ No ____

Yes ____ No ____

Yes ____ No ____

Yes ____ No ____

Yes ____ No ____

Yes ____ No ____

Yes ____ No ____

Do you rent at this address or own? _____

Continued on the reverse



If you are a renter, who is the owner? _____

DECLARATION OF COMBINED TOTAL YEARLY HOUSEHOLD INCOME

- ❖ Total Social Security for all members of household \$ _____
- ❖ Total Federal Civil Service, Railroad or Military Retirement \$ _____
- ❖ Veterans benefits \$ _____
- ❖ Other retirements, pensions and annuities \$ _____
- ❖ Total wages, salaries, tips and consulting fees \$ _____
- ❖ Total unemployment and public assistance \$ _____
- ❖ All other interest received \$ _____
- ❖ Total gross income from trusts, royalties, estates and dividends \$ _____
- ❖ Total gross income from rentals, farm, partnerships or businesses \$ _____
- ❖ Total capital gains (less sale of residence for reinvestment in new residence) \$ _____
- ❖ All other income _____ \$ _____
(List source)
- ❖ Less amount paid directly to nursing home for care of spouse or amount paid for in home care. \$ _____

TOTAL COMBINED YEARLY INCOME FOR ALL HOUSEHOLD MEMBERS \$ _____

Please remember to include proof for all the income listed above. Failure to provide will cause a delay and/or possible denial of application.

I (we) declare under penalty of perjury under the laws of the State of Washington, that the foregoing is true and correct. Verification of any of the information contained in this application may be obtained from any source named herein.

Signature _____ Date _____

Signature _____ Date _____

Lifeline Rate Program

The City of Olympia offers a Lifeline Rate on utilities services for customers who qualify as low-income and disabled, OR low-income senior citizens (age 62 and over). This rate applies to residential customers only. Lifeline Rates are 50% of the standard utility rate for Water, Solid Waste, Sewer, and Stormwater. Once you qualify for this program, the Lifeline Rate becomes effective on your next billing cycle.

Who is Eligible:

Eligible customers must meet guidelines for low-income and disabled, or low-income and over the age of 62. For the purpose of our Lifeline Rate, low income is defined as 50% below the median family income for Thurston County.

House Income Limits:

Combined households income must be less than the amount listed below for the number of Person(s) per Family

- 1 Person in the family no more than \$25,050
- 2 People in the family no more than \$28,600
- 3 People in the family no more than \$32,200
- 4 People in the family no more than \$35,750

Applying for the Program:

Please attach the following items.

- Proof of income. A copy of your tax return for the preceding calendar year must be provided. For residents who do not file an IRS tax return, you must provide documentation of all income.
- Complete the [Lifeline Rate Application Packet](#).