



NOTICE OF INTENT TO INCREASE SOLID WASTE COLLECTION RATES IN THE CITY OF EAST PALO ALTO

The City Council of the City of East Palo Alto hereby gives public notice of its intent to increase the existing residential and commercial customer rates in the City of East Palo Alto for the collection of solid waste and recyclable materials and other related services. The City Council plans to consider these two alternative rate increases at a public hearing on July 06, 2010 at 7:30 p.m. at East Palo Alto City Hall.

The need for these increases was discussed by the City Council at its meeting on April 20, 2010. The staff reports for this matter are available at East Palo Alto City Hall and on the City's website.

What are the proposed new rates?

The City Council plans to consider two alternative rate increases.

The first alternative assumes a proposed rate increase of **18.0%** for Residential rate payers and **18.0%** for Commercial rate payers, effective July 1, 2010. Another rate increase would be required in January 1, 2011 resulting in an increase of **20.0%** for Residential rate payers and **20.0%** for Commercial rate payers. A summary of these rates by service type is shown in the rate tables attached to this notice. The new rates are as follows:

SEE EXHIBIT "A" ATTACHED HERETO

The second alternative is different in that it assumes a one-time contribution from the City and is the sole discretion of the City Council to **reduce** the rate increase of Alternative #1. Alternative #2 assumes a proposed rate increase of **15.0%** for Residential rate payers and **15.0%** for Commercial rate payers, effective July 1, 2010. Another rate increase would be required in January 1, 2011 resulting in an increase of **19.05%** for Residential rate payers and **19.05%** for Commercial rate payers. A summary of these rates by service type is shown in the rate tables attached to this notice. The new rates are as follows:

SEE EXHIBIT "B" ATTACHED HERETO

Necessity for new rates:

The above new rates are necessary to cover the current service provider, Allied/Republic, rising service costs. The last rate increase occurred eight years ago (July 1, 2002) and therefore, the July 1, 2010 rate increase is necessary due to the increased cost of Solid Waste Collection services for residents and commercial rate payers in East Palo Alto and the imposition of a Door to Door Household Hazardous Waste (HHW) Pick Up service for Single Family and Multi-Family Residential accounts.

In addition, on January 1, 2011, related costs associated with the commencement of a new service provider, Recology will need to be covered as a part of the rate increase. The terms of the Solid Waste agreement with the Service Contractor provide for fees to be set to give the Contractor a rate of return based on approved costs. The Contractor's costs will be covered with the adoption of these proposed solid waste rates.

The City Council of the City of East Palo Alto hereby gives notice of a public hearing to be held at its meeting of July 6, 2010 at 7:30 P.M. at Council Chambers, East Palo Alto City Hall, 2415 University Avenue, East Palo Alto, California. At this hearing the City Council will consider public comment as well as written protests by ratepayers against either one of the two proposed rate alternatives or both of the two proposed rate increase alternatives in solid waste/recycling fees. If written protests are presented by a majority of affected ratepayers prior to close of the public hearing, the City Council will not increase the rates as a matter of law.

If you would like additional information on the proposed rates, please visit East Palo Alto City Hall or call (650) 853-3108.

If you wish to file a written protest, please send a letter in a sealed envelope addressed to Solid Waste Rates, City Clerk, City of East Palo Alto, 2415 University Avenue, 2nd Floor, East Palo Alto, CA 94303. Your letter must identify the real property you own by street address and assessor's parcel number. Your letter must be legibly signed by any one of the current property owners. Your name should be set forth as it appears on your tax bill.

The City of East Palo Alto must receive your letter at City Hall by 5:00 p.m. on Monday June 21, 2010, or it must be presented at the City Council meeting on July 6, 2010, prior to the close of the public hearing on the matter.

Any person interested, including all solid waste/recycling collection customers of the City of East Palo Alto, may appear at the public hearing and be heard on any matter related to the two proposed alternative rate increases.

For mailing distribution on or before May 7, 2010.

CITY OF EAST PALO ALTO
EXHIBIT A : SUMMARY OF PROPOSED MONTHLY SOLID WASTE RATES ALTERNATIVE #1
EFFECTIVE JULY 1, 2010 AND JANUARY 1, 2011

RESIDENTIAL

	<u>Current Rate</u>	Effective July 1, 2010	Effective Jan 1, 2011
		<u>Proposed Rate</u>	<u>Proposed Rate</u>
Residential Rates			
96 Gallon	\$ 29.08	\$ 34.31	\$ 41.17

COMMERCIAL

	<u>Current Rates</u>	Effective July 1, 2010	Effective Jan 1, 2011
		<u>New Rates</u>	<u>New Rates</u>
I YD Bin X 1 Week	\$ 154.19	\$ 181.94	\$ 218.33
2 YD Bin X 1 Week	\$ 292.58	\$ 345.24	\$ 414.29
3 YD Bin X 1 Week	\$ 325.77	\$ 384.41	\$ 461.29
I YD Bin X 2 Week	\$ 253.51	\$ 299.14	\$ 358.97
2 YD Bin X 2 Week	\$ 486.90	\$ 574.54	\$ 689.45
3 YD Bin X 2 Week	\$ 562.88	\$ 664.20	\$ 797.04

This spreadsheet shows examples of some of the service levels and the rate increase to those services based on the proposed rate increase based on Alternative #1.

CITY OF EAST PALO ALTO
EXHIBIT A : SUMMARY OF PROPOSED MONTHLY SOLID WASTE RATES ALTERNATIVE #2
EFFECTIVE JULY 1, 2010 AND JANUARY 1, 2011

RESIDENTIAL

	Current Rate	Effective July 1, 2010 Proposed Rate	Effective Jan 1, 2011 Proposed Rate
	Residential Rates		
96 Gallon	\$ 29.08	\$ 33.44	\$ 39.81

COMMERCIAL

	Current Rates	Effective July 1, 2010 New Rates	Effective Jan 1, 2011 New Rates
	I YD Bin X 1 Week	\$ 154.19	\$ 177.32
2 YD Bin X 1 Week	\$ 292.58	\$ 336.47	\$ 400.57
3 YD Bin X 1 Week	\$ 325.77	\$ 374.64	\$ 446.01
I YD Bin X 2 Week	\$ 253.51	\$ 291.54	\$ 347.08
2 YD Bin X 2 Week	\$ 486.90	\$ 559.94	\$ 666.61
3 YD Bin X 2 Week	\$ 562.88	\$ 647.31	\$ 770.62

This spreadsheet shows examples of some of the service levels and the rate increase to those services based on the proposed rate increase related to Alternative #2.