



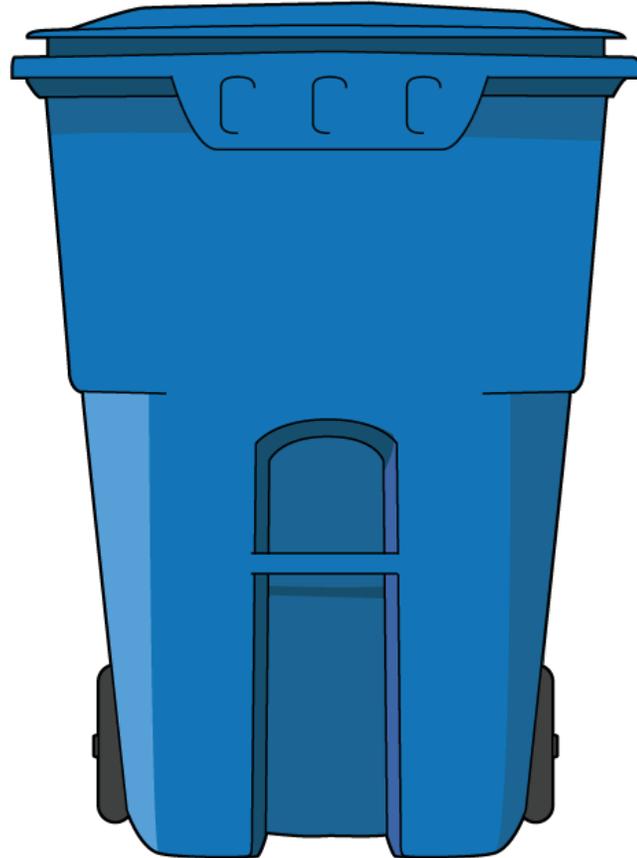
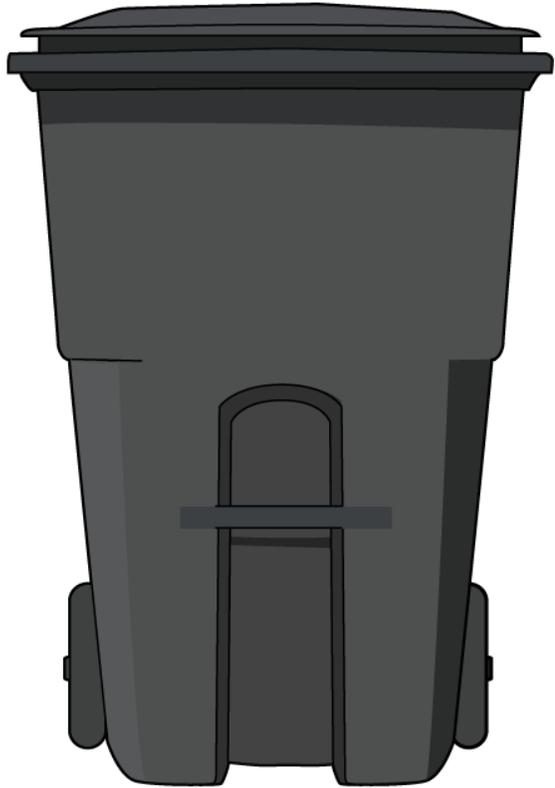
LOS ALTOS HILLS

PROGRAM ROLLOUT UPDATE

WHY RATES INCREASED

- Costs over the past 10 years have escalated at a much higher rate than the annual rate increases.
- Both GreenWaste & the Town agreed to help offset these costs to the ratepayers.
 - GreenWaste is smoothing in the rate increase over four (4) years, providing a subsidy for seven (7) years.
 - Town has agreed to forgo their franchise fee until the beginning of the 5th year.

BASE SERVICES



BASE SERVICE RATE INCREASE

Rate Year	One-Time Needed	Cumulative Needed	Approved by Council	Cumulative Approved	GWR Subsidy*	Normal CPI**	Effective Additional Increase***
2019-2020	31.02%	31.02%	9.0%	9.00%	-22.02%	4.50%	4.50%
2020-2021	3.00%	34.02%	9.0%	18.00%	-16.02%	3.00%	6.00%
2021-2022	3.00%	37.02%	9.0%	27.00%	-10.02%	3.00%	6.00%
2022-2023	3.00%	40.02%	9.0%	36.00%	-4.02%	3.00%	6.00%
2023-2024	3.00%	43.02%	9.0%	45.00%	1.98%	3.00%	6.00%

*The 2023-2024 rate period shows a positive number; however, this does not account for the net present value of the subsidy during the first four (4) years of the Agreement. Full recovery of the subsidy does not occur until Year 7 of the Agreement.

**Estimated CPI increases.

***The effective increase takes into account the CPI that would be occurring independent of the new Agreement.

RATIO OF COSTS

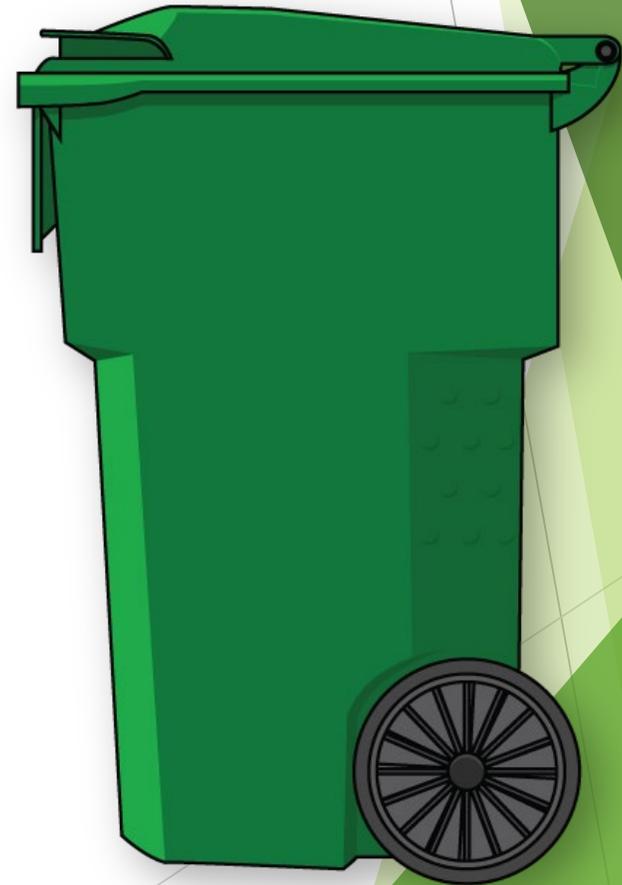
- Base Services = **84.09%** of the total Revenue Requirement
- Extra Services = **5.91%** of the total Revenue Requirement

The rates associated with these services need to cover the costs.

ADDITIONAL SERVICES RATES

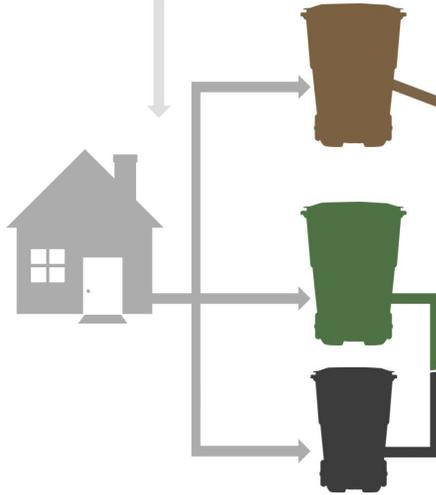
- Historically, rates did not cover costs to provide extra services
 - Additional carts
 - Driving/walking onto private property
 - Enclosure services
- New rate structure aligns with cost-of-service model, aka "readiness to serve"
- On-Premise Services now de-coupled from garbage cart size

WHY GREEN CARTS MUST BE CURBSIDE



CURRENT SERVICE

1 THREE-CONTAINER SET-OUT



Compartment 1
RECYCLABLES

Compartment 2
GARBAGE +
COMPOSTABLES

2 TWO-STREAM COLLECTION



All materials go to the GREENWASTE MATERIAL RECOVERY FACILITY in San Jose, CA



3 INTEGRATED FACILITY PROCESSING

YARD WASTE and FOOD WASTE
to the Z-BEST COMPOSTING FACILITY in Gilroy, CA



SB 1383

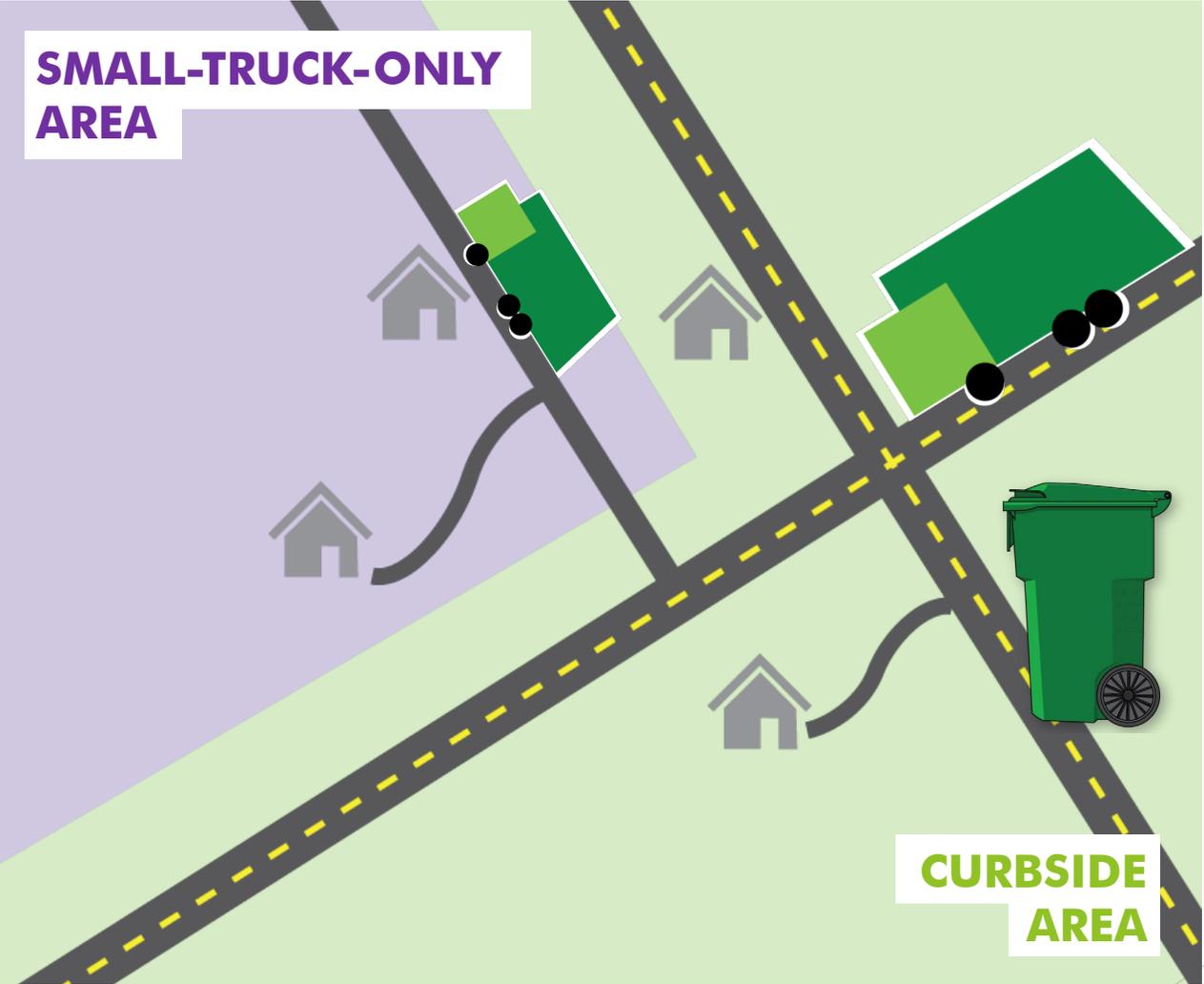
- New state law explicitly prohibits commingling
 - Senate Bill 1383: Short-Term Climate Pollutants will soon prohibit us from commingling GRAY and GREEN carts



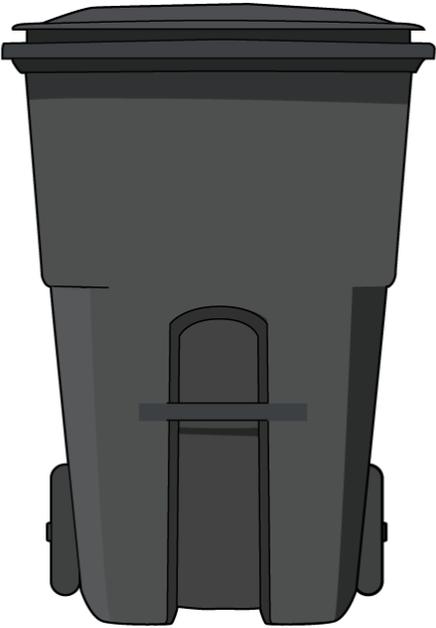
SMALL TRUCK vs. BIG TRUCK



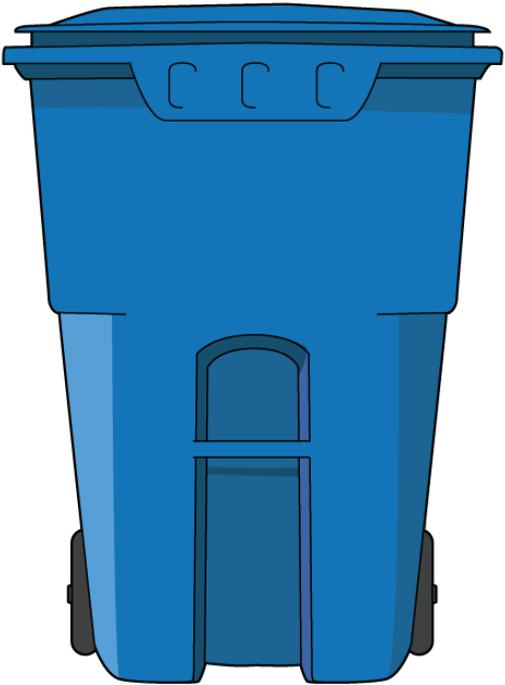
CURBSIDE vs. SMALL-TRUCK-ONLY



STANDARD SET-OUT LOCATION



CURBSIDE



CURBSIDE ONLY



ON-STREET



SMALL-TRUCK-ONLY AREA

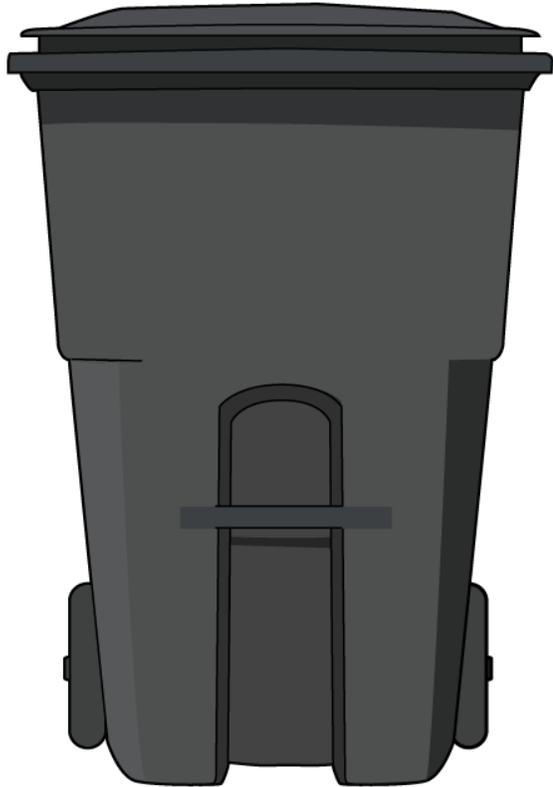
ALTERNATIVES CONSIDERED

- Add **GREEN** cart only routes in all the **SMALL-TRUCK-ONLY** Areas
 - *Rates for ALL customers would have increased an additional ~**19.6%**, or*
 - ***Rates for SMALL-TRUCK-ONLY** Customers would have increased ~\$150/month*
- Approximately **13%** of customers reside in **SMALL-TRUCK-ONLY** Areas.

ALTERNATIVES TO TAKING GREEN CARTS CURBSIDE



YARD WASTE IN GRAY CART



All discarded materials in the Town are processed at the GreenWaste Materials Recovery Facility (MRF).

All organic materials recovered at the MRF are sent to Z-Best Composting Facility.



COMPOST PROCESSING



Gray Cart Swap Video

DISCOUNTED GRAY CARTS FOR ON-PREMISE SWAP CUSTOMERS



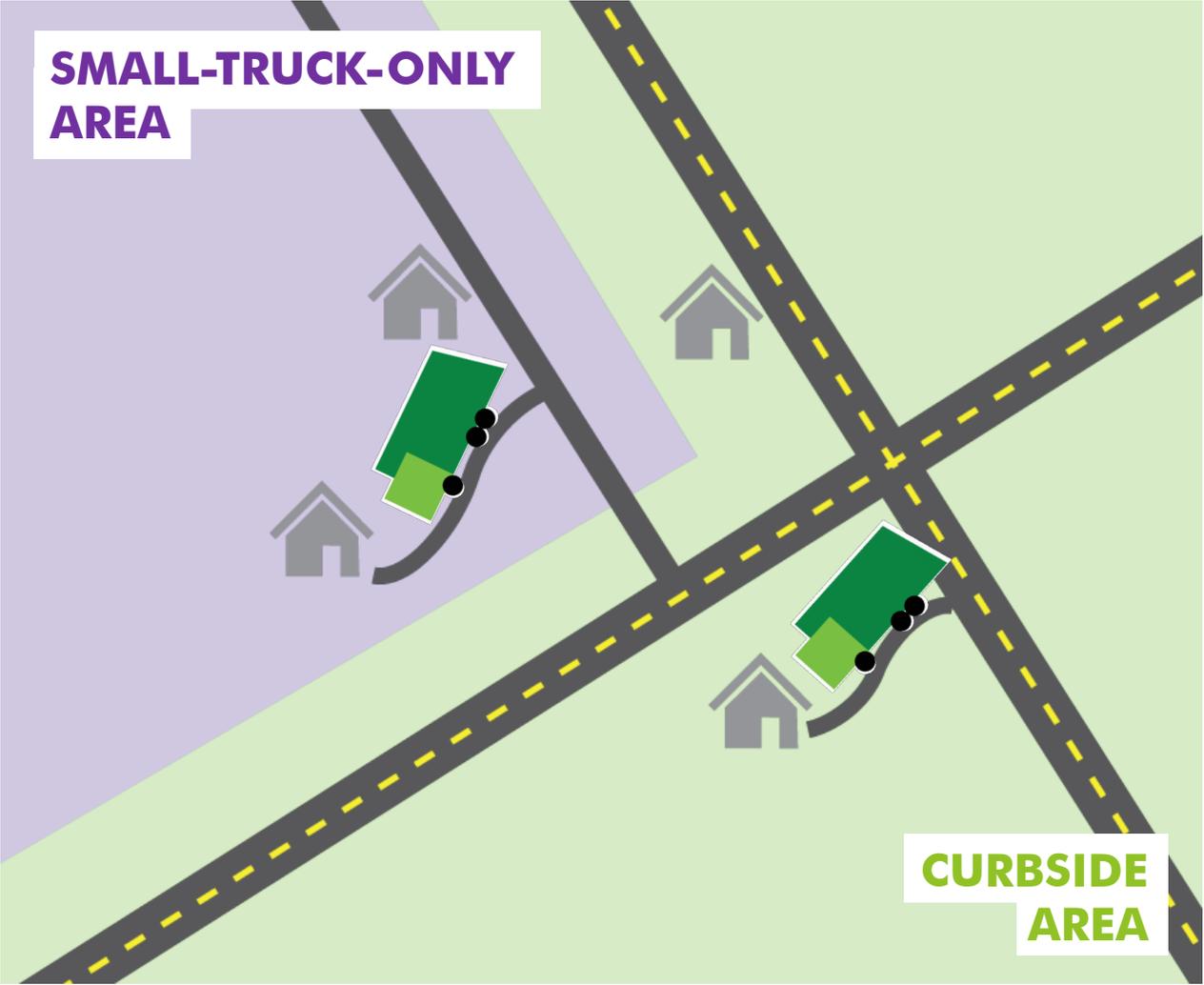
PHYSICAL LIMITATIONS PROGRAM

- Special accommodation for customers with permanent physical disabilities that preclude them from wheeling their Base Service carts to a set-out location.
 - Eligibility based on Doctor's note and certification statement no other able-bodied persons/ other source of assistance that could help.
-
- ✓ **SWAP CUSTOMER (Automatically)**
 - ✓ **DRIVE-ON ONLY (Walk-on is a fee-based service)**

EXTRA YARD TRIMMINGS?

- Monthly Fire Prevention events - 3rd Saturday of each month
- Town-wide Clean-up Events - occur three (3) times each year
- Two (2) on-call clean up events
- Four (4) yard trimmings vouchers provided annually at no additional charge
- Brush Chipping (Fire district) – 2x/year

ON-PREMISE SERVICE



Drive-on

Walk-on

REMAINING TRANSITION ACTIVITIES

- **GREEN** Carts Set-out in **SMALL-TRUCK-ONLY** Areas and ON-PREMISE (Sept. 1, 2019)
 - Notifications via Cart Selection Guide, GreenWaste Website, Town Newsletter, Nextdoor, etc.
 - Weekly Tagging of Carts throughout August
 - Non-Collection will begin September 1, 2019
- **ON-PREMISE** Service Charge Changes (Jan. 1, 2020)
 - Existing distance charges will be phased out
 - New Drive-on charges will replace distance charges
 - Walk-on charges will continue to apply