



DATE: December 13, 2016

CATEGORY: Unfinished Business

DEPT.: Public Works

TITLE: **Residential Food Scraps Collection Program**

RECOMMENDATION

1. Establish a residential food scraps collection program, with weekly garbage collection, as described in Option 1 in this report.
2. Appropriate \$200,000 in the Public Works Department, Solid Waste Fund for program start-up costs. (Five votes required)

BACKGROUND

The establishment of a food scraps collection program has been under consideration for the past several years. During development of the City's most recent hauling contract with Recology (effective in 2013), Council directed staff to explore cost-effective methods of collecting residential food waste, and to undertake a pilot.

A 2010 analysis of the materials comprising the City's garbage found that 35 percent to 45 percent of waste in residential garbage carts is organic material that can be composted. Keeping food scraps (food and food-soiled paper) out of the landfill reduces the community's greenhouse gas emissions, as called for in the City's various sustainability plans and initiatives. It also gives these valuable natural resources a second useful life as compost. For these reasons, and at Council's direction, staff has been exploring options for a food scraps program for residents with curbside collection service (individual carts). Programs for multi-family residents will be explored at a later date. A food scraps program for commercial customers is already in place.

To test the viability of a food scraps collection program in Mountain View, staff conducted a pilot program in the Old Mountain View Neighborhood between July 2015 and January 2016. The information collected during this pilot, along with the results of a different food scraps collection pilot conducted in the City of Sunnyvale, were

presented to the City Council on April 26, 2016, along with three options for food scraps collection in Mountain View (Attachment 1):

- **Option 1:** Weekly garbage and food scraps collection (food scraps collected in the yard trimmings cart).
- **Option 2:** Weekly food scraps collection with every other week garbage collection (food scraps collected in the yard trimmings cart).
- **Option 3:** Food scraps and garbage collected weekly in a new split-garbage cart.

The data from the two pilots showed that Option 2 participants diverted the largest amount of food scraps and Option 3 diverted the second most. In terms of customer satisfaction, Option 1 rated the highest with a 94 percent satisfaction level, but had a lower participation rate than Option 2 and about the same participation rate as Option 3.

At the April meeting, the City Council indicated an interest in Option 2, but requested staff return with additional analysis to determine: (1) the potential for cart upsizing among customers with smallest-size carts; (2) whether an optional weekly service for customers with diapers and pet waste is feasible and what the extra monthly charge would need to be; and (3) final labor and vehicle costs related to the garbage and yard trimming collection frequency. Staff was also directed to collect community input regarding the potential food scraps collection program.

ANALYSIS

The Council-requested analysis has been performed and additional community input received. A review of the community input, a description of program options, and a staff recommendation follow.

Community Input

Extensive information about the proposed food scraps program, including the possibility of an every-other-week garbage collection schedule, was provided in the summer edition of the Recycling Resource Newsletter and mailed to every residence in Mountain View. The newsletter invited all residents to participate in *Open City Hall* (OCH) and provided a link to the survey. Three hundred forty (340) survey responses were received. A few of the survey questions are highlighted below with the full results provided in Attachment 2.

Support for a Food Scraps Program: There is strong support for a residential food scraps collection program, with 78 percent of OCH respondents indicating they would participate. In addition, participation in the pilot was very high, regardless of which garbage collection schedule was in place.

Weekly versus Every-Other-Week Garbage Collection: There is not strong support for implementing an every-other-week garbage collection schedule to offset the increased expense of adding a weekly yard trimmings/food scraps collection service. OCH respondents are split about in half (52 percent yes, 48 percent no) on this question, and the pilot survey indicated 55 percent of the pilot participants who were on the every-other-week garbage schedule were dissatisfied with the schedule, making widespread buy-in difficult.

Willingness to Pay: There is a willingness to incur an increase to monthly utility rates in order to implement a weekly yard trimmings/food scraps collection service. Nearly 60 percent of OCH respondents indicated they would be willing to pay as much as \$2.50 to \$3.50 more per month for a program that retains weekly garbage collection.

Additional public input information is provided in the discussion about each program option.

Summary of Program Options

A summary/comparison of the three food scraps collection program options is presented below. The cost assumptions for Options 1 and 2, as well as the diversion assumption for Option 2, have been updated since the April Study Session. Program details and cost estimates for Option 3 were not further developed by staff given the Council's lack of interest in pursuing this option at the Study Session. If the Council is now interested in this option, staff would need additional time to evaluate the impacts and develop accurate cost estimates. Implementing this option would require a large mid-contract change with Recology, the City's waste hauler, related to capital investment (new and/or retrofitted trucks and carts). Staff would also need to develop a new rate schedule for the split carts (due to changes in size and capacity) to ensure that program cost recovery is maintained. Additional information regarding only Options 1 and 2 is provided following the summary table.

	Option 1 Weekly Garbage	Option 2 EOW Garbage	Option 3 Split Garbage
Yard Trimmings (Organics) Service	Weekly (includes food)	Weekly (includes food)	Every Other Week (no food allowed)
Garbage Service	Weekly	Every Other Week	Weekly (food in one side)
Recycling Service	Every Other Week	Every Other Week	Every Other Week
Tons Diverted Annually	2,350	3,100	2,765
Reduction in Residential Waste Generated	26.0%	35.0%	31.0%
Reduction in Overall City Tons to Landfill	4.6%	6.0%	5.4%
Increase in City Diversion Rate (2015 rate = 77%)	1.0%	1.3%	1.1%
Annual Costs	\$365,000	\$75,000	Not Updated
Cost/Ton Diverted	\$155	\$23	—
One-Time Costs	\$200,000	\$200,000	—
Rate Impact – Carts Only	6.0%	1.0%	—
Rate Increase – 32-gallon Cart (per month)	\$1.75	\$0.30	—

Option 1 – Weekly Garbage Collection

Under this option, all residents with yard trimming carts will be allowed, and strongly encouraged, to place all food scraps in their yard trimmings cart for weekly collection. Garbage collection would remain weekly and recycling collection would continue on an every-other-week schedule. Curbside cart customers who do not currently have a yard trimmings cart (e.g., rowhouses, townhomes) will be provided with a 24-gallon cart at no charge if they wish to participate in the program.

Anticipated Cost/Rate Impact

A new Recology collection truck and driver will be needed to support the increased frequency of yard trimmings collection under this option at an estimated additional annual cost of \$365,000 (6.0 percent rate increase). These estimates are lower than what was presented to Council in April (an estimated \$435,000 annual cost and an 8.0 percent rate increase) because the cost savings associated with discontinuing the special 10-week fall leaf collection program (which is made unnecessary with the new weekly

yard trimmings collection schedule) have now been fully incorporated into the cost and rate estimates.

Public Input/Support

Implementation of a weekly garbage and food scraps collection program is likely to be favorably received by most customers. Two key indications of how likely customers will be to accept/support this change in collection services can be found in the results of the OCH survey. As noted previously, 78 percent of respondents indicated they are willing to separate food scraps and 60 percent said they would be willing to pay \$2.50 to \$3.50 more per month to have a food scraps program along with weekly garbage collection.

Based on the projected 6.0 percent rate increase, the monthly additional cost to implement a food scraps program and maintain weekly garbage collection would be approximately \$1.75 for the 62 percent of customers with a 32-gallon garbage cart (with the monthly increase less for 20-gallon customers and more for 64- and 96-gallon customers). This projected monthly increase is below the price range 60 percent of respondents indicated they would be willing to pay to maintain weekly garbage service and have a food scraps collection program.

Implementation Schedule

Implementation of an Option 1 food scraps collection program for all residents with yard trimming carts could begin in July 2017, following adoption of the necessary rate increase. The needed 6.0 percent rate increase could go into effect on July 1, 2017, subject to a Proposition 218 hearing and Council adoption. This would be in addition to the 10.0 percent cart rate increase approved for Fiscal Year 2017-18 as the final year of the three-year phase-in of cart rates resulting from the Cost of Service Study and any other recommended trash/recycling rate increase for Fiscal Year 2017-18.

Utilizing the requested one-time funding, each household with a yard trimmings cart would be provided with a kitchen pail, two boxes of compostable pail liners (although residents can also use paper bags, newspaper or no bag at all), and an instruction brochure prior to the start of the new service.

Option 2 – Every Other Week Garbage

With Option 2, all residents with yard trimming carts would place all food scraps in their yard trimmings cart for weekly collection. Garbage collection would move to an every-other-week schedule and recycling collection would continue on its current

every-other-week schedule. More specifically, the program would include the following elements:

- **Participants**—All residents receiving curbside cart service and residing in single-family, rowhouse, townhouse, duplex, three-plex, and four-plex units would be included in the food scraps program.

Residents in mobile homes or multi-family complexes with five or more units and commercial customers would not be included in the program and their garbage carts would continue to be collected on a weekly basis. For the most part, these customers do not participate in the yard trimmings collection service, but those who do would continue to have their carts collected every other week without food in them.

Mobile home residents would not be included in the program because they generally do not have space for a third collection cart. Multi-family complexes with five or more units generally share garbage and yard trimming carts, which are paid for by the property owner or manager.

- **Weekly Garbage Collection Opt In**—A limited number of residents would be allowed to opt to have their garbage cart serviced on a weekly basis, at a monthly rate double that charged for regular (every other week) service. For example, the monthly regular rate for a 20-gallon cart (currently \$20.05) would double to \$40.10 for those opting in to weekly garbage collection. A maximum of three percent of the customer base would be allowed to subscribe to this weekly garbage service. Allowing for a small number of on-call, off-week collections (as described below), the 3 percent service level maximizes the number of collections a driver can make in the time they are allowed to be behind the wheel. A higher subscription level cannot be accommodated without adding an additional collection truck and driver at a cost of approximately \$353,000 (a 6.0 percent rate increase). Although this service would be intended for residents who have diaper or pet waste, any customer could sign up for the service, as neither the City nor Recology has the resources to evaluate individual customer situations and needs.

In a survey of nine cities utilizing an every-other-week garbage schedule (located in the Pacific Northwest and Canada), only two offer weekly collection at an additional charge. In both of those cities, only 1 percent of the customer base subscribes to the service.

- **Free Off-Week Garbage Collection**—After an every-other-week collection schedule has been in effect for four months, Recology could begin offering free on-

call, off-week collections to a maximum of 1.5 percent of the customer base each week (for a total of 4.5 percent when combined with weekly opt-in subscriptions). The delay in offering this service is to allow Recology time to transition operationally to the new collection schedule. Customers would be allowed to utilize this service twice annually. The need for an off-week collection might be the result of a vacation, household guests, or an event. Once the maximum number of customers have requested the service for a particular day (approximately 7 per route per day on a 500-household route), no further collections could be scheduled for that day. Customers would be advised to utilize extra garbage tags on the next regularly scheduled collection day. If less than 3.0 percent of the customer base subscribes to weekly opt-in collection service, the number of free off-week collections that could be accommodated would be increased, so that no more than 4.5 percent of the customer base is receiving a weekly collection.

- **Free Extra Garbage Set Out**—To assist residents with the transition from weekly to every-other-week garbage collection, for the first six months of the program, each household would be allowed to set out one 32-gallon bag of garbage next to their garbage cart free of charge. For additional bags or after the six-month period has ended, residents would be required to purchase extra garbage tags (\$6 each). Staff would also investigate whether extra garbage tags could be sold online for greater convenience.
- **24-Gallon Organics Carts**—Recology estimates that 1,300 households, primarily rowhouses and townhomes, do not have yard trimming carts. These households would each receive a 24-gallon cart for weekly collection of their food scraps.

In addition to the Option 2 program elements described above, staff also evaluated the following additional element, but does not recommend it for inclusion if this option is adopted:

- **Garbage Cart Upsizing**—To help customers transition to every-other-week garbage collection, City staff considered replacing the smaller 20-gallon and 32-gallon garbage carts with the next largest cart size (introducing a new 48-gallon cart size) while charging the same rate the customer is paying now. Since these customers would receive a larger cart for the same rate as the current smaller cart, to maintain parity, the rates of the 64-gallon and 96-gallon carts would need to be lowered. However, a financial analysis indicates a large gap between program costs and supporting revenue would result. Additionally, if a customer receiving a larger cart (for the same rate they pay now) decided they did not need the larger cart after all and returned to their original (smaller) cart size, the rate for that

smaller cart would now be lower than what the customer was paying before. This would further widen the gap between program costs and revenue. Finally, customers not part of the food scraps program (commercial, mobile home, and multi-family complexes with five or more units) would not have their carts upsized (because they are still receiving weekly garbage collection and every-other-week yard trimmings collection), resulting in a two-tier rate system that would be confusing from a customer service standpoint, and has not been evaluated for Prop 218 compliance.

Anticipated Cost/Rate Impact

The collection schedules for the yard trimming and garbage carts are swapped under Option 2. However, there would still be a net increase of approximately \$75,000 (1 percent rate increase) to implement the program, primarily to accommodate garbage collections associated with the weekly opt-in and free off-week collection services and new 24-gallon organics carts.

Public Input/Support

Based on the results of the pilot participant survey, the OCH survey, and input received via e-mail, implementation of an every-other-week garbage collection program as outlined in Option 2 would likely not be favorably received by most customers. Fifty-five (55) percent of pilot survey respondents were dissatisfied with every-other-week garbage collection and half of OCH survey respondents indicated they do not want their garbage collection frequency changed.

Diversion Potential/Other Considerations

The results of the pilot program indicate that collecting garbage on an every-other-week basis results in higher diversion because customers are more motivated to place more of their food scraps in their yard trimmings carts for weekly collection.

During the pilot, multi-family complexes with five or more units had the most difficulty adapting to the every-other-week garbage collection schedule because they did not have control over their carts. Given the difficulties of including this customer type in the program, the estimated annual diversion rate for Option 2 has been reduced by 400 tons from the estimate provided to the Council in April (3,525 to 3,100 tons).

Implementation Schedule

If approved by the City Council, phasing of the implementation of an Option 2 food scraps collection program could begin in July 2017 with routes being switched on a yet-to-be determined schedule. The commensurate 1.0 percent rate increase could go into effect on July 1, 2017, along with any other required rate increases related to the Solid Waste Fund subject to a Prop 218 hearing and Council adoption.

Utilizing the requested one-time funding, each household with a yard trimmings cart would be provided with a kitchen pail, two boxes of compostable pail liners, and an instruction brochure prior to the start of the new service.

Staff Recommendation

Per Council direction, a food scraps program has been developed which includes an every-other-week garbage collection schedule. However, staff is recommending a food scraps program that maintains weekly garbage collection be implemented at this time.

Public input indicates a lack of community support for every-other-week garbage collection. This lack of support will make successful implementation difficult. Furthermore, one of the possible program elements (cart upsizing) that OCH survey respondents indicated might increase their favorability of every-other-week garbage collection is not feasible to implement. Two other elements (opt-in to weekly garbage service and free off-week collections) can be provided but with limitations on availability that could frustrate customers.

The surveys do, however, indicate a very high support for a food scraps program overall. In addition, 60 percent of OCH survey respondents indicated a willingness to incur an increase in monthly garbage service rates to maintain weekly garbage collection (estimated at \$1.75 per month for customers with 32-gallon garbage carts). Implementing a food scraps program without every-other-week garbage service will allow residents to become accustomed to separating food scraps. Once residents have firsthand experience with how their garbage volume changes given the opportunity to divert their foods scraps, they and staff will be in a better position to evaluate the potential impacts and benefits (e.g., cost savings, increased diversion) that might result from a change to the garbage collection schedule (i.e., every other week collection). Every other week garbage collection could be implemented later, after additional input is sought, if there is interest in the future.

Staff proposes to closely monitor the participation and diversion levels over the first 18 months of the food scraps program. Should participation and diversion fall short of

projections, staff would return to Council for further discussion of options to increase diversion and the success of the program. In addition, all services will be evaluated in preparation for a new collection agreement set to begin in 2022. Wholesale program changes can be made then, including a switch to the split-garbage program (Option 3) if it is working well in Sunnyvale.

FISCAL IMPACT

With the recommended implementation of Option 1, annual compensation to Recology from the Solid Waste Fund would increase by approximately \$365,000. This expense could be offset by revenue generated from a recommended 6.0 percent rate increase for cart customers (approximately \$1.75 per month increase for customers with 32-gallon garbage carts), effective July 1, 2017, following a Prop 218 notice and hearing and Council adoption. This 6.0 percent rate increase would be in addition to the 10.0 percent increase recommended for Fiscal Year 2017-18 as part of the three-year phase-in of cart rates resulting from the recent Cost of Service Study and any additional rate increase recommended for Fiscal Year 2017-18. To lessen the rate impact, possible phasing of the 6.0 percent increase over two years will be evaluated with the recommended rates presented to Council in April with the Narrative Budget Report. The \$200,000 in one-time start-up costs would be paid from the Solid Waste Fund's current available balance, and not impact rates.

CONCLUSION

Implementing a residential food scraps program is consistent with the City's various solid waste and sustainability initiatives. Staff recommends implementation of Option 1, which would allow residents to place food scraps in the yard trimmings cart for weekly collection. The cost for this program is due to weekly collection of yard trimming carts (currently collected every other week) and would increase the monthly utility bill for a 32-gallon cart customer by approximately \$1.75.

ALTERNATIVES

1. Direct staff to implement a residential food scraps program allowing participating residents to place food and food-soiled paper in yard trimming carts, with collection of yard trimming carts weekly and collection of garbage carts every other week (Option 2), including:
 - Authorizing the City Manager to execute an amendment to the April 2013 Recology Agreement; and

- Appropriating \$200,000 from the Solid Waste Fund for program start-up expenses. (Five votes required)
- 2. Direct staff to work with Recology to develop a food scraps collection program using a split-garbage cart (Option 3) and return to Council with program details, costs, and proposed rates as soon as feasible.
- 3. Provide other direction to staff.

PUBLIC NOTICING

In addition to agenda posting, notice of the Council meeting and staff report availability was posted on the City's social media channels, delivered by mail to residents in the pilot area, and, as feasible, provided to customers who have corresponded with the City on this topic.

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LT/7/CAM
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Attachments: 1. [April 26, 2016 Study Session Staff Report, with Attachments](#)
2. Open City Hall Survey Results