

To: Atherton Town Council

Fr. Atherton Property Owner

Date: September 15, 2020

One can appreciate Atherton’s motivation to leave SBWMA and avoid the complexity and future costs associated with dealing with multi-family and commercial waste streams and changing state laws. However, the negotiation with Greenwaste has not produced sufficient savings, and when combined with the \$2 million SBWMA exit cost, the prospective savings do not seem adequate to justify change.

The Council has also failed to investigate or explain why Greenwaste revenue requirement for Atherton is so much higher than contracts negotiated last year with Los Altos Hills and Portola Valley/Woodside. An Atherton property owner made these differences quite clear in a letter presented at the July 27 Council meeting. “Los Altos Hills has 25% more street miles, 20% more residential customers and requires 50% more trucks and drivers. Based on metrics, demographics, and topography, Atherton’s Greenwaste cost would be expected to be less than Los Altos Hills’”. Below is a table comparing projected Greenwaste revenue requirements from the Atherton Council Agenda and one taken from Los Altos Hills Council Agenda in July 2020. Why should Atherton property owners pay Greenwaste \$21 million or 38% more over 14 years?

Cont. Year	Atherton	YTY %	Los Altos Hills	YTY %	Difference
2020-2021	3,450,000		2,644,209		805,791
2021-2022	3,573,016	3.6%	2,882,188	9.0%	690,828
2022-2023	3,786,000	6.0%	3,141,585	9.0%	644,415
2023-2024	4,198,000	10.9%	3,424,328	9.0%	773,672
2024-2025	4,656,000	10.9%	3,732,517	9.0%	923,483
2025-2026	5,164,000	10.9%	3,844,493	3.0%	1,319,507
2026-2027	5,574,000	7.9%	3,959,827	3.0%	1,614,173
2027-2028	5,906,000	6.0%	4,078,622	3.0%	1,827,378
2028-2029	6,082,000	3.0%	4,200,981	3.0%	1,881,019
2029-2030	6,264,000	3.0%	4,327,010	3.0%	1,936,990
2030-2031	6,451,000	3.0%	4,456,851	3.0%	1,994,149
2031-2032	6,643,000	3.0%	4,590,525	3.0%	2,052,475
2032-2033	6,841,000	3.0%	4,728,241	3.0%	2,112,759
2033-2034	7,045,000	3.0%	4,870,088	3.0%	2,174,912
	75,633,016		54,881,465		20,751,551

The Council also did not question why Greenwaste’s collection costs over the 15 years would be **\$10 million** more than the consultant’s conservative collection costs projection for Recology. This is just for collecting the waste. Drive a truck; pick it up.

The Town failed to ask Recology/SBWMA to review the consultant’s assumptions and projections. Attached to the agenda is a letter from the Recology General Manager showing an **\$8 million** revenue requirement **decrease** in the consultant’s projection for Recology/SBWMA due solely to using an incorrect first year amount.

Based on the staff analysis, property owners would pay higher rates to Greenwaste than Recology over the next nine years before receiving any reduction in cost by changing to Greenwaste. The facts suggest Greenwaste should be able to offer a substantially better price. Since they have chosen not to do so, Town should continue with Recology/SBWMA. Atherton property owners are satisfied with Recology’s service.

Thank you.