

May 21, 2025

ITEM TITLE: PUBLIC HEARING TO CONSIDER RESOLUTION 2025-022 APPROVING THE INTEGRATED SOLID WASTE MANAGEMENT SERVICES FEE INCREASE BY EDCO DISPOSAL CORPORATION EFFECTIVE JULY 1, 2025 AND AUTHORIZING ANNUAL FUTURE INFLATIONARY ADJUSTMENTS THROUGH JULY 1, 2029. (0270-40)

ORIGINATING DEPARTMENT:

Environmental & Natural Resources

EXECUTIVE SUMMARY:

This item is a public hearing to allow City Council and the public an opportunity to review the proposed increase of EDCO's solid waste management service fee. The City's trash service agreement with EDCO provides for an annual customer rate adjustment based on changes to the Consumer Price Index (CPI) and any fluctuation in disposal tipping fees. The attached resolution approves the proposed rate change for Fiscal Year 2026 (effective July 1, 2025) at this public hearing and authorizes annual future inflationary adjustments to service rates for a five-year period through July 1, 2029 using the same methodology and formulas as allowed under the terms of the City's Agreement with EDCO and consistent with the public noticing procedures of Proposition 218.

RECOMMENDATION:

Open the public hearing and receive public comments; close the public hearing and allow City Clerk to tabulate number of written protests received; and if there is no majority protest received, consider adoption of Resolution 2025-022 to approve the integrated solid waste management service maximum fee increase requested by EDCO effective July 1, 2025 and authorize future annual inflationary adjustments to refuse service rates through July 1, 2029 using the same methodology and formulas as allowed under the terms of the City's Agreement with EDCO.

OPTIONS:

- Adopt Resolution 2025-022;
- Continue the item and provide further direction to the City Manager

BACKGROUND/ANALYSIS:

On June 16, 1999, City Council adopted Resolution No. 99-5080 selecting EDCO Disposal Corporation as the City's provider of integrated waste management services. EDCO commenced services for the City on January 1, 2000. There have been three amendments to the Agreement since Resolution No. 99-5080 was adopted.

The EDCO Agreement with amendments specifies the method and formula to be used in calculating the maximum allowable annual rate adjustment based on the Consumer Price Index (CPI) and fluctuations in disposal tipping fees. If a rate adjustment is to be requested for the

succeeding year, EDCO must submit the request to the City no later than March 1st. Otherwise, the annual rate adjustment is forgone until the following fiscal year. Upon receipt of the rate adjustment request, the rates are subject to approval by City Council.

On February 20, 2025, EDCO delivered a letter to Public Works requesting a Solid Waste Fee adjustment in the maximum allowable service fee. The formula for the Solid Waste Fee adjustment is applied to three customer rate categories: 1) single family residential, 2) commercial and multifamily residential and 3) roll-off services. Collectively the proposed EDCO rate adjustments equate to a 3.49% increase for basic residential service, a 3.45% increase in basic commercial service, and 3.40% increase in standard roll-off rates. The proposed increases are to be effective July 1, 2025. City staff's review of the letter request found the rate fee adjustment consistent with the format and procedures contained within the EDCO agreement.

Under Proposition 218, the City may choose to authorize a scheduled rate adjustment for up to a five-year period if there is a noticed public hearing and no majority protest received. If Council decides to pass a five-year rate schedule, then future EDCO rate adjustments (beginning July 1, 2026 through July 1, 2029), if requested by EDCO, will only require a 30 day notice mailed to impacted rate payers prior to the new rate going into effect.

Public noticing procedures for the proposed rate increases have been followed pursuant to Proposition 218. The ratepayers were provided with 45 days advance written notice to consider the proposed EDCO rate changes. Additionally, the City provided extra notice of this public hearing by publication in the I.B. Eagle and Times. The City Clerk will provide a count of any protest letters received by the City as part of the public hearing.

The most recent Proposition 218 notice for Integrated Solid Waste Management Service Fees was issued in 2020, and the City Council thereafter approved a new rate scheduled after holding the noticed public hearing. Since then, EDCO has implemented the following annual rate adjustments for basic residential and commercial/multi-family customers:

- FY 2021 – Introduced organics collection; rates increased by 2.78% for basic single-family residential and 2.72% for commercial/multi-family customers
- FY 2022 – Rates increased by 1.59% for basic single-family residential and 1.59% for commercial/multi-family customers
- FY 2023 – Rates increased by 4.30% for basic single-family residential and 4.06% for commercial/multi-family customers
- FY 2024 – Rates increased by 5% for basic single-family residential and 5% for commercial/multi-family customers; this reflects a reduced CPI-based adjustment in response to high inflation
- FY 2025 – Rates increased by 4.37% for basic single-family residential and 5.1% for commercial/multi-family customers; this reflects a reduced CPI-based adjustment in response to high inflation

The table below shows the proposed rate increase effective July 1, 2025. More information about the proposed rate increases can be found in the notice mailed to customers as shown in Attachment 2.

	CURRENT MAX. MONTHLY SOLID WASTE FRANCHISE SERVICE RATE	PROPOSED July 1, 2025 MAX. MONTHLY SOLID WASTE FRANCHISE SERVICE RATE
35-gallon cart	\$39.57	\$40.95
64-gallon cart	\$40.63	\$42.05
90-gallon cart	\$41.88	\$43.34
Additional 64-gallon cart	\$8.67	\$8.97
Additional 90-gallon cart	\$9.27	\$9.59
3-yard bin once per week	\$200.89	\$207.82
3-yard bin twice per week	\$366.64	\$379.29
3-yard bin three times per week	\$532.34	\$550.71
3-yard bin four times per week	\$698.12	\$722.21
3-yard bin five times per week	\$863.87	\$893.67
3-yard bin six times per week	\$1029.61	\$1065.13
Standard roll-off charge per load	\$293.03	\$302.70
Compactor charge per load	\$439.54	\$454.04
Delivery or relocation charge	\$83.90	\$86.67
Commercial Organics 65 gallon	\$147.62	\$152.71
Commercial Organics 95 gallon	\$168.34	\$174.15
Commercial Organics 2-yard bin	\$280.71	\$290.39

The attached resolution approves the proposed rate change for Fiscal Year 2026 (effective July 1, 2025) at this public hearing and authorizes future annual inflationary adjustments to service rates for a five-year period through July 1, 2029 using the same methodology and formulas as allowed under the terms of the City's Agreement with EDCO and consistent with the public noticing procedures of Proposition 218.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

None

ATTACHMENTS:

1. Resolution 2025-022
2. Proposition 218 Rate Notice