



COMMERCIAL SOLID WASTE SERVICES PROPOSED 3-YEAR RATE PLAN

Public Works Department

City Council

April 8, 2025

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BACKGROUND

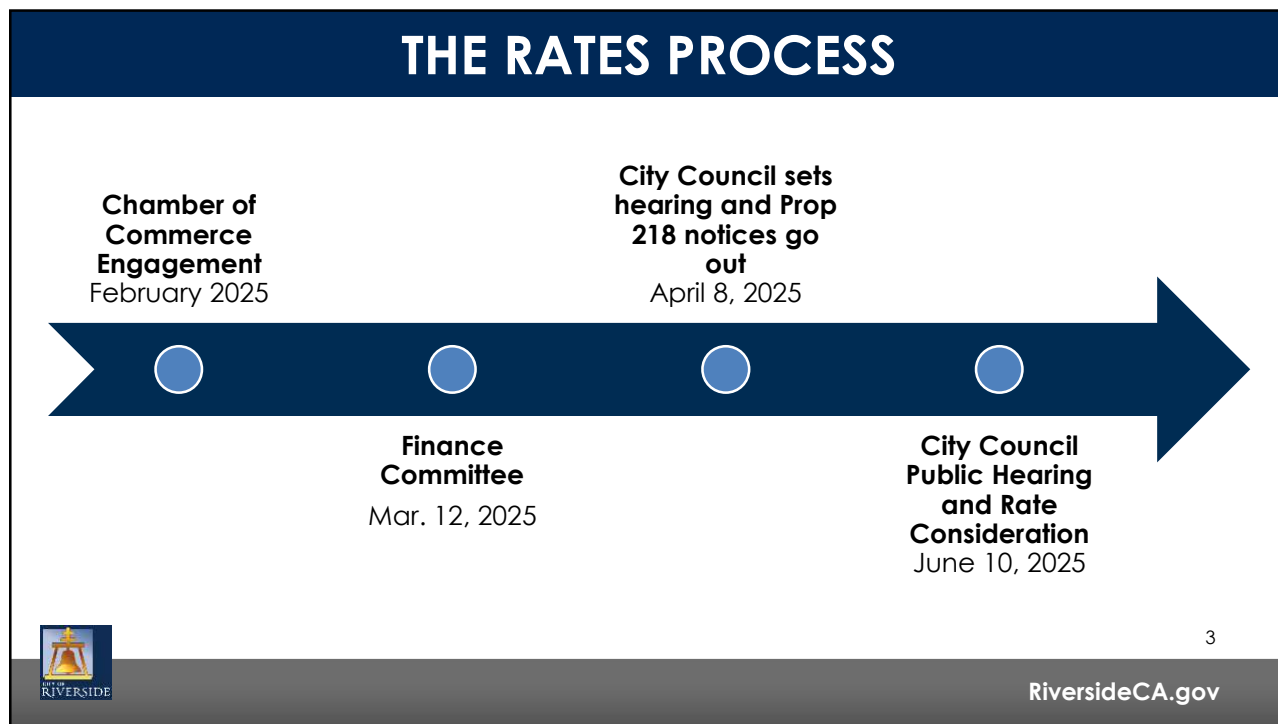
- June 2020 – Council approved commercial rates through June 2025
- Proposed new commercial rate plan through June 2028
- Non-exclusive franchise commercial service agreements end June 2028



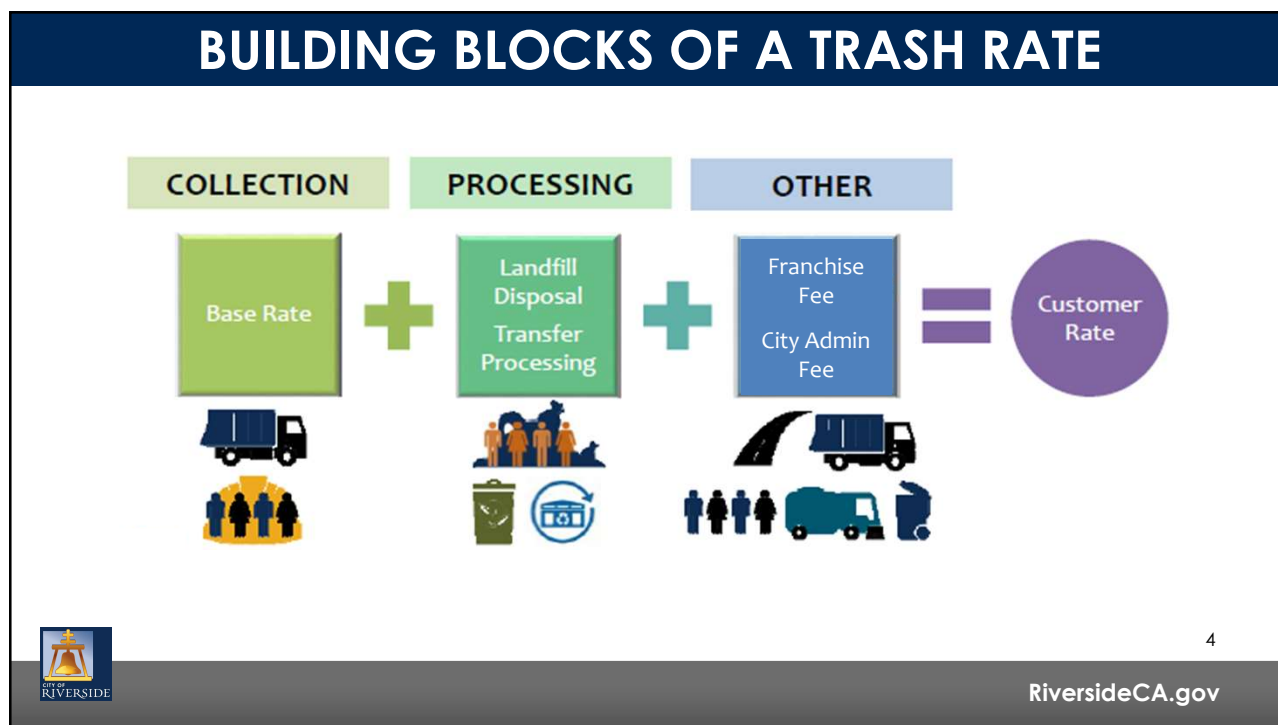
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ISING COSTS



CHINA'S
RECYCLING
BAN



COUNTY
LANDFILL FEES



ORGANIC /
FOOD WASTE
REGS



GREENWASTE
PROCESSING
LEGISLATION



TRUCKS &
BINS



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NEW THREE-YEAR COMMERCIAL RATE PLAN

Proposed Year 1 Increase of CPI + 1%



+\$5.64 per month for weekly 3-yard trash container service



+\$5.56 per month for weekly 2-yard recycle container service



+\$7.28 per month for weekly 2-yard green waste container service



+\$14.90 per month for weekly 2-yard mixed organics container service (green waste + food waste)



Adding new rate for food waste only container service



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THE WHY

CALIFORNIA SENATE BILL 1383 MANDATES

- **Senate Bill 1383 - California is the only State to require:**

- a) Organics recycling for all waste
- b) Edible food recovery programs
- c) Food waste diversion programs



Resulted in increased operating costs due to:

- a) CalRecycle reporting requirements
- b) Route audits / Environmental Compliance inspections
- c) Outreach & education
- d) Composting
- e) Implementation of edible food recovery and food waste diversion programs



"These new SB 1383 Regulations are the most far-reaching solid waste management changes in decades and CalRecycle has estimated implementation will cost \$20 to \$40 billion over the next decade."
– League of Cal Cities

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THE WHY

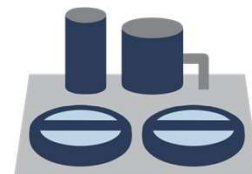
CHINA NATIONAL SWORD POLICY



- **China no longer accepts recycled goods**
- Recycling is mandatory in California

WASTEWATER SUSTAINABILITY PROJECT

- **New tip fees for Agua Mansa to deliver food slurry/cake and feedstock materials to Riverside WCQP**
 - Target implementation - 2025
 - Financial impacts unknown



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COMMERCIAL CUSTOMER SERVICE REQUIREMENTS

- All commercial customers must have a trash container
- Commercial customers may qualify for waivers for recycling, green waste and food scraps containers if
 - Green waste recycling is **provided by a landscaper** or other 3rd party
 - Limited amount of green waste and food scraps (organics) generated
 - Disposal of **2 or more cubic yards of trash** per week and **less than 20 gallons of organics waste per week**; or
 - Disposal of **less than 2 cubic yards of trash** per week and **less than 10 gallons of organics waste per week**
 - **Space constraint** that cannot be resolved by downsizing containers or other solutions



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COMMERCIAL MONTHLY TRASH RATE HISTORY

Fiscal Year	Trash Rate	Rate Adjustment
2015/16	\$104.25	CPI
2016/17	\$108.45	CPI
2017/18	\$108.45	CPI
2018/19	\$113.95	CPI
2019/20	\$118.20	CPI
2020/21	\$123.65	CPI+1%
2021/22*	\$128.35	CPI+2%
2022/23*	\$140.12	CPI+1%
2023/24	\$151.04	CPI
2024/25	\$154.59	CPI

*FY20/21 – CPI + 1% extraordinary adjustment

FY21/22 – CPI + 2% extraordinary adjustment

*FY22/23 – CPI + 1% extraordinary adjustment

Helped contract haulers keep pace with higher operating costs driven by the changing recycling market, rising labor costs and California regulations

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PROPOSED 3-YEAR RATE INCREASES

Service	Common Container Sizes	Current Monthly Rate for 1/week Svc	Year 1 Proposed New Monthly Rate for 1/wk Svc (CPI of 2.94%+ 1%)	Amount of Increase	Year 2 Rate	Year 3 Rate
Trash	3 cubic yards	\$154.59	\$160.23	\$5.64	CPI + 1%	CPI
Recycling	2 cubic yards	\$136.35	\$141.91	\$5.56	CPI + 1%	CPI
	4 cubic yards	\$170.32	\$177.43	\$7.11	CPI + 1%	CPI
Green Waste	2 cubic yards	\$197.47	\$204.75	\$7.28	CPI + 1%	CPI
Mixed Organics (food waste + green waste)	2 cubic yards	\$343.81	\$358.71	\$14.90	CPI + 1%	CPI
Food Waste <i>new rate</i>	95 gallons	N/A	\$137.98	N/A	CPI + 1%	CPI
	2 cubic yards	N/A	\$355.98	N/A	CPI + 1%	CPI

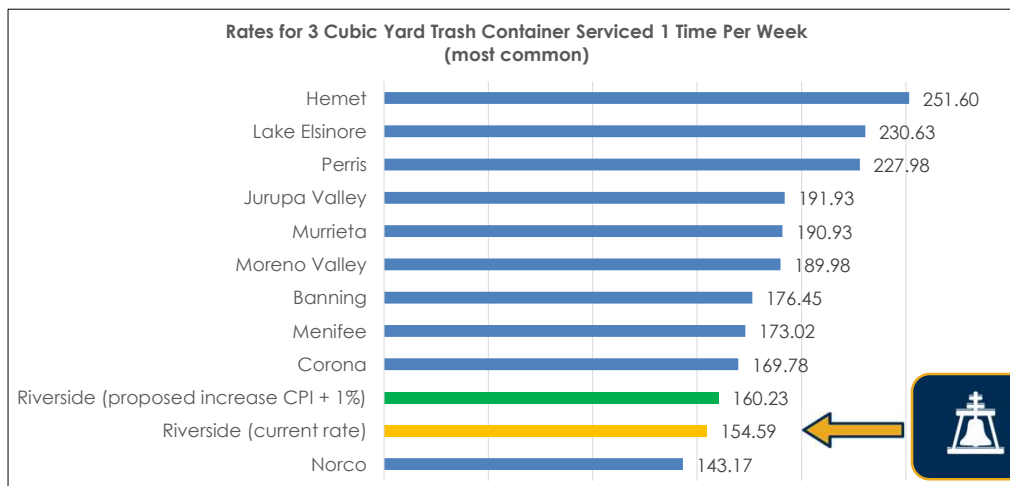


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COMMERCIAL MONTHLY TRASH RATE COMPARISON BY CITY



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FISCAL IMPACT

Refuse Fund began the fiscal year with fund reserves of \$6 million, which will be used to offset the Fund's projected FY2024/25 deficit of \$3.3 million. The Refuse Fund is projected to begin financial recovery before the end of this commercial rate plan, with an increase in the commercial rate City administrative fee helping to close the gap.

The proposed commercial solid waste rate plan is projected to generate an additional approximately \$160,000 in City administrative fee revenue for the Solid Waste (Refuse) Fund in FY2025/26. The proposed commercial rates would increase the City administrative fee by the corresponding amount each year.

Franchise fee payments to the City's General Fund for commercial solid waste services are projected to increase by approximately \$134,000 in FY2025/26. The proposed commercial rates would increase franchise fees by the corresponding amount each year.



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STRATEGIC PLAN ALIGNMENT



Strategic Priority 4 – Environmental Stewardship



Strategic Priority 5 – High Performing Government

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &
Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the City Council:

1. Receive a report on proposed changes to commercial solid waste rates; and
2. Direct the City Manager to prepare all documents necessary for public noticing of the rate proposal and set a public hearing for June 10, 2025 at 3:00 p.m., with new rates effective July 1, 2025.



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