

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA: (1) RECORDING RECEIPT OF WRITTEN PROTESTS TO PROPOSED 2019-2020 RATE INCREASE FOR COMMERCIAL AND RESIDENTIAL SOLID WASTE COLLECTION SERVICES; (2) APPROVING THE 2019-2020 RATE INCREASE FOR RESIDENTIAL AND COMMERCIAL SOLID WASTE COLLECTION SERVICES, EFFECTIVE JANUARY 1, 2019.

WHEREAS, the City of Riverside ("City") by and through its Public Works Department ("Department") is obligated to (1) provide its citizens with reliable and equitably priced commercial and residential solid waste collection services, and (2) operate its solid waste collection division in an efficient and economical manner; and

WHEREAS, the Department is responsible for operating the solid waste collection division in such a manner that revenues from the collection of solid waste shall at least equal the costs of operation, including all maintenance and operating, administrative and general, debt service, capital improvements, tax-related payments and other costs incurred in complying with prudent business practices; and

WHEREAS, Section 6.04.170 of the Riverside Municipal Code provides that the City Council of the City of Riverside shall by resolution fix and, from time to time, amend the charges to be made and paid for the collection of solid waste collection of solid waste including: residential collection and certain charges associated with automated solid waste collection, including recyclable materials and green waste, commercial and industrial collection, and for temporary bin and roll-off container service; and

Commercial Solid Waste Services

WHEREAS, the proposed 2019-2020 commercial rate structure for standard service shall be comprised of five components: (1) base rate; (2) disposal fee; (3) Materials Recovery Facility (“MRF”) processing fee; (4) franchise fee; and (5) a City service fee; and

WHEREAS, the City's service is listed on a per ton basis. Customers that receive service based on a monthly fee for a cubic yard bin pay a rate calculated from the per ton rate; and

WHEREAS, some of the proposed rate increase is based on changes in the Consumer Price Index (“CPI”), regulated by the United States Department of Labor. Prior to 2018, the City of

1 Riverside fell within the Los Angeles-Anaheim-Riverside Metropolitan Statistical Area. Beginning
2 in 2018, the region was divided and the City of Riverside now falls within the newly formed
3 Riverside-San Bernardino-Ontario Metropolitan Statistical Area. Due to the lack of historical data
4 for the newly formed Riverside-San Bernardino-Ontario Metropolitan Statistical Area, initial
5 increases effective January 1, 2019 which are based on CPI increases, are based on the previous Los
6 Angeles-Anaheim-Riverside Metropolitan Statistical Area. All subsequent CPI adjustments,
7 including the proposed July 1, 2019 adjustment, will be based on the Riverside-San Bernardino-
8 Ontario Metropolitan Statistical Area; and

9 WHEREAS, the base rate is the cost of collection service, which is proposed to be annually
10 adjusted by any increase in CPI, with the first proposed increase to be from \$79.88 per ton to \$82.76
11 per ton; and

12 WHEREAS, the disposal (landfill) fee is set each year by the County of Riverside, is a pass-
13 through cost under the terms of the City's agreement with the County, and is proposed to be annually
14 adjusted by any increase in CPI, with the first proposed increase to be from \$29.08 to \$30.13 per ton.
15 Additional increases are dependent on final County of Riverside numbers to be released in May
16 2019 and annually thereafter; and

17 WHEREAS, the MRF processing fee is established under a separate agreement between the
18 City of Riverside and the Agua Mansa Transfer MRF, LLC, with Burrtec Waste Industries serving
19 as the operator of the Agua Mansa Transfer Station, and is proposed to be annually adjusted by any
20 increase in the CPI, plus a one-time adjustment to cover extraordinary costs related to state increases
21 in minimum wage rates, state mandated health care coverages, new regulations requiring mandatory
22 business recycling programs and higher degrees of processing of trash and green waste and food
23 waste, with the first proposed increase to be from \$14.55 per ton to \$18.67 per ton; and

24 WHEREAS, the franchise fee was established by the City, and is proposed to be annually
25 adjusted by any increase in the CPI, with the first proposed increase to be from \$15.49 per ton to
\$16.05 per ton; and

26 WHEREAS, the City Service Fee includes the current fees for landfill closure, AB 939
27 requirements, street sweeping and administrative costs which are all administered by Public Works
28 and budgeted within the Refuse Fund. The City Service Fee is proposed to be annually adjusted by

any increase in the CPI, with the first proposed increase to be from \$27.85 per ton to \$28.85 per ton. Detailed descriptions for the various cost components within this fee are as follows:

a. Landfill Closure Cost

The landfill closure fee is necessary to fund the continued costs of post-closure remediation activity at the Tequesquite Landfill, and is based on actual landfill maintenance costs. These costs include required air quality and water quality testing and maintenance of the methane gas collection system and landfill cover. Based on the landfill closure report prepared, this activity is anticipated to be required until 2030 when it is estimated that all closure remediation activity will be complete.

b. City Administrative Cost

This component covers the cost of administering the commercial refuse program. Costs include staff time allocated to commercial contract management, customer service, field support, outreach, and education.

c. AB 939 Cost

The AB939 fee is collected to meet mandated diversion requirements set by the California Department of Resources and Recycling (Cal Recycle). Funds are used to support various recycling programs such as Clean Up Riverside's Environment ("CURE") programming, which includes promotion of commercial recycling.

d. **Street Sweeping Cost**

This component supports a portion of the cost of street sweeping associated with the collection and disposal of debris, trash and other organic material in streets and gutters. The balance of the street sweeping cost is funded by residential customers, National Pollutant Discharge Elimination System (“NPDES”) Storm Drain Funds, and parking citation revenue; and

WHEREAS, the proposed rate increase is summarized in a table attached hereto as Exhibit B and incorporated herein by this reference; and

Residential Solid Waste Services

WHEREAS, on January 12, 2013, Council approved the current rate structure for residential solid waste services. The solid waste program provides an array of services to encourage recycling, to discourage illegal dumping, and to keep Riverside clean and beautiful; and

WHEREAS, the current structure utilizes both City staff and contract services from Burrtec

Waste to provide residential disposal of regular trash, recyclables and green waste. City crews currently service 60% of the residential customers (38,099 households) and Burrtec Waste currently services 40% of the customers (25,086 customers). The contract with Burrtec Waste expires on June 30, 2020 and includes an annual increase based on CPI.

WHEREAS, the residential rate structure includes an equitable share of the cost for services also funded by the commercial customers including the County disposal fee, the MRF processing fee, the City landfill closure fee, AB939 fee, street sweeping costs, City operational and administrative costs and a franchise fee relative to the Burrtec contract. As is the case with the commercial fees, pursuant to the contracts in place with the County and Burrtec, these third parties are contractually entitled to annual CPI increases; and

WHEREAS, the rate structure for the current five year period expired June 30, 2018. However, CPI increases have already been implemented at the Transfer Station. As a result, the City and the contract haulers are currently absorbing that additional cost; and

WHEREAS, the proposed 2019-2020 structure continues the annual rate adjustment based on CPI in order to maintain existing services. Additionally, a one-time fee adjustment is proposed for the extraordinary costs adjustment needed to fully fund the processing/transfer costs incurred at the Agua Mansa Transfer Station, as set forth in the Agua Mansa Agreement. The proposed rate structure for residential solid waste collection services for January 1, 2019 through June 30, 2020 would use January 1, 2019 as the base year and will be adjusted administratively on July 1, 2019, according to increases in the CPI; and

WHEREAS, the proposed rate increase is summarized in a table attached hereto as Exhibit C and incorporated herein by this reference; and

Notice

WHEREAS, Proposition 218 (Cal. Const., Art. XIII D, sec. 6) requires that the City provide notice to ratepayers of any new or increased solid waste charges as property-related fees, and a mechanism for rejecting such fees through a “majority protest.” The City must then conduct a public hearing at the date, time, and location specified in the notice, and the date cannot be less than 45 days after the notices have been mailed. At the hearing, the City must consider all protests against the new/increased charge. The City may adopt the new charges, unless it receives written protests

1 from a majority (50% plus 1) of the ratepayers. Upon conclusion of the hearing, any written protests
2 received must be tallied to determine whether a “majority protest” has occurred. If a majority
3 protest does not occur, the City can then proceed with imposition of the new/increased fee or charge;
4 and

5 WHEREAS, on October 26, 2018, the City mailed written notices to all record owners
6 directly liable to pay for such commercial and residential solid waste collection services, including
7 both property owners and ratepayers, of the City’s intent to hold a public hearing on December 18,
8 2018, at 3:00 p.m. and 7:00 p.m., to adjust the rates for such solid waste collection services; and

9 WHEREAS, such notice provided that the bases and reasons for these adjustments are to
10 enable the City, through its Public Works Department, to recover increasing operating costs due to
11 external factors such as state increases in minimum wage rates, state mandated health care
12 coverages, new regulations requiring mandatory business recycling programs and higher degrees of
13 processing of trash and green waste and food waste; and

14 WHEREAS, the notice further provided that at the time of the public hearing, the City
15 Council of the City of Riverside will hear and consider all written comments, protests, and
16 objections concerning these matters and will consider and may adopt the specified rates; and

17 WHEREAS, a copy of the text of such notice is attached hereto as Exhibit A and
18 incorporated herein by this reference; and

19 WHEREAS, a public hearing, notice of which was duly published in The Press Enterprise on
20 November 20, 2018 and November 27, 2018, was commenced by the City Council on the proposed
21 2019-2020 Commercial and Residential Solid Waste Rates on December 18, 2018, at 3:00 p.m. and
22 at 7:00 p.m., at the Art Pick Council Chamber, located at City Hall, 3900 Main Street, Riverside, the City
23 Council of the City of Riverside to receive and consider the staff report, cost analysis, and oral and
24 written comments, protests and/or other objections from the public to the 2019-2020 Commercial
25 and Residential Solid Waste Rates, and after receipt and consideration thereof the City Council
concluded the public hearing; and

26 WHEREAS, at the time of the public hearing, _____ written protests and/or objections
27 concerning these matters were received; and

28 WHEREAS, at the time of the public hearing, the City had _____ commercial and

residential solid waste customers, with the number comprising a majority of such customers being _____, and thus did not receive a majority protest to the proposed 2019-2020 Commercial and Residential Solid Waste rates; and

WHEREAS, the City Council intends to adopt and establish the proposed 2019-2020 Commercial and Residential Solid Waste Rates.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Riverside, California, based upon the staff reports accompanying this resolution and any oral presentation regarding such staffs report at the December 18, 2018 City Council public hearing, the October 16, 2018 City Council meeting, and the September 12, 2018 Finance Committee meeting and incorporated herein by reference, as follows:

Section 1: The foregoing recitals are true and correct and are adopted and incorporated herein by reference as findings of fact.

Section 2: On the basis of the staff cost analysis and report and the other evidence submitted by the Department during the City Council's December 18, 2018 public hearing, the City Council hereby finds and determines that the increased rates, set forth in the rate schedules attached hereto as Exhibits B and C, and incorporated herein by this reference, are for the purposes of (1) meeting operating expenses, including employee wage and fringe benefits, (2) purchasing or leasing supplies, equipment or materials, (3) meeting financial reserve needs and requirements, and/or (4) obtaining funds for capital projects necessary to maintain service within existing service areas and further finds and determines that the increased rates do not exceed the reasonable costs incurred by the City in the provisions of these services and are exempt from the provisions of the California Environmental Quality Act (California *Public Resources Code* Section 21000 et seq.) under *Public Resources Code* Section 21080(b)(8).

Section 3: That a majority of the record owners directly liable to pay such rates, including property owners and ratepayers, did not provide written comments, objections or protests to the proposed rate adjustments to commercial and residential solid waste collection services.

Section 4: The rate adjustments for commercial and residential solid waste collection services, attached hereto as Exhibits B and C, are hereby approved and established.

Section 5: The rates, fees and charges set forth in this resolution shall be operative

1 beginning January 1, 2019 and shall be billed with the first billing cycle beginning in February
2 2019.

3 Section 6: Without further action by Council, the rates may be increased by annual CPI
4 adjustments to each of the components of the rate, effective July 1 of the then-current year, not to
5 exceed one annual adjustment, with the last adjustment effective July 1, 2019.

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7 ADOPTED by the City Council this _____ day of December, 2018.
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10 Attest:
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12 Mayor of the City of Riverside
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15 City Clerk of the City of Riverside
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I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a meeting of the City Council of said City at its meeting held on the _____ day of December, 2019, by the following vote, to wit:

Ayes:

Noes:

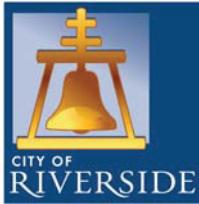
Absent:

Abstain:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Riverside, California, this _____ day of December, 2019.

City Clerk of the City of Riverside

1 EXHIBIT A
2 Notice of Public Hearing
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City of Arts & Innovation

CITY OF RIVERSIDE NOTICE OF PUBLIC HEARING PROPOSED SOLID WASTE RATE INCREASES

NOTICE IS HEREBY GIVEN that on December 18, 2018, at 3 p.m. and 7 p.m., or as soon thereafter as may be heard, an open and public hearing will be held before the City Council of the City of Riverside in the Art Pick Council Chamber, City Hall, 3900 Main Street, Riverside, California to consider proposed increases to the City's residential and commercial trash rates. At the time of the public hearing, the City Council will hear and consider all protests and objections concerning these matters and will consider and may adopt the rate increases. **If you live in a multi-family housing unit or apartment and you do not currently pay the City for trash service, this notice may not apply to you. Review your utilities account and/or lease to determine how you pay for trash service. For more information, please call (951) 826-5311.**

Protest of Proposed Rate

To protest the proposed rate increase, written protests must be received by the City Clerk at or before the close of the public hearing. Written protests may be submitted via mail or hand-delivered to the Riverside City Clerk at City Hall, 3900 Main Street, Riverside, California 92522. Protests will also be accepted via email at City_Clerk@RiversideCa.gov. Each protest must identify the utility services address for the affected property (by assessor's parcel number or street address), indicate that the protest is related to the proposed trash rate increases, and include the name of the person submitting. Each service address may submit no more than one written protest. Protests received by telephone or on social media sites such as Facebook or Twitter will not be accepted. All interested parties are invited to attend the public hearing and present written protests or oral comments to the proposed trash rate increases. However, oral comments at the public hearing will not qualify as a formal protest of the proposed trash rate increases unless accompanied by a written protest setting forth the required information. If written protests are received from a majority of the affected parcels, the proposed rate increases will not be implemented.

EN ESPAÑOL: Para información sobre este anuncio en español, por favor llamenos al (951) 826-5311.

Questions Regarding Proposed Rate Action

If you have questions regarding the proposed trash rate increases, or how to submit a written protest, please contact Riverside Customer Service by phone (951) 826-5311 or by email at CallCenter@RiversideCa.gov. If requested, this Notice and supporting materials will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132), and the federal rules and regulations adopted in implementation thereof.

Why are trash rates changing?

The City of Riverside is responsible for providing high-quality and comprehensive solid waste management services to our residents and businesses to preserve the health, welfare, and sustainability of our community and to meet state regulatory requirements. Riverside offers a variety of recycling programs and services to meet customer needs and state mandates. However, like many other cities throughout California and the U.S., the City of Riverside waste system is facing challenges due to external factors such as state increases in minimum wage rates, state mandated health care coverages, new regulations requiring mandatory business recycling programs, and higher degrees of processing of trash and organics (greenwaste and foodwaste). Funds from the rates will enable the City and its contract haulers to address those increasing costs and meet state mandates. These rates are proposed through June 30, 2020.

How Are Rates Adjusted?

This proposal includes a Consumer Price Index (CPI) adjustment with an extraordinary adjustment for

waste processing only. CPI only increases will apply to the base rate (cost of collection), disposal (set by the County), franchise fees (set by contract), and city costs (waste system oversight and portions of street sweeping). The extraordinary adjustment applies to the processing/sorting of trash, organics, and recycling to cover costs increasing at rates faster than inflation.

What is CPI?

CPI, regulated by the Bureau of Labor Statistics, U.S. Department of Labor (BLS) is a commonly accepted economic indicator of inflationary price changes using a market basket of goods and services for prescribed geographic areas. Until this year, Riverside fell under the BLS Los Angeles-Riverside-Orange County Geographic Area. In 2018, BLS eliminated that geographic area and split it into two new areas. Riverside is now part the Riverside-San Bernardino-Ontario area. Given the timing of this request, the CPI adjustment factor applied under this proposal is the Los Angeles-Riverside-Orange County geographic area as defined in the existing waste contracts. Future adjustments will apply the new geographic area.

Even with these adjustments, the City of Riverside remains very competitive with neighboring cities.

The proposed rates are as follows with an estimated implementation of January 1, 2019:

Estimated Monthly Residential Rates

Service	Current	January 1, 2019	July 1, 2019
Standard Curbside/Disabled	\$23.68	\$26.01	+ Change in CPI*
Mobilhome/Apt	\$13.74	\$14.70	+ Change in CPI*
Driveway	\$33.02	\$35.69	+ Change in CPI*
Backyard	\$39.90	\$42.82	+ Change in CPI*
Condo/Townhouse	\$14.91	\$15.92	+ Change in CPI*
Extra Container (Brown – Trash)	\$10.10	\$10.93	+ Change in CPI*
Extra Container (Green – Yardwaste)	\$ 4.07	\$ 5.21	+ Change in CPI*
Extra Container (Blue – Recycling)	\$ 1.95	\$ 2.02	+ Change in CPI*

*CPI = 2019 rates will be based on Riverside-San Bernardino-Ontario geographic area.

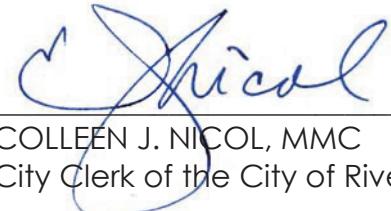
Estimated Monthly Commercial Rates for Standard and Common Service Levels

All commercial rates are based upon a 3 cubic yard bin picked up once a week. The table below also provides examples of proposed rates for other common commercial service levels, including roll off bin rentals.

Service Level	Current	January 1, 2019	July 1, 2019
2 CY Bin 1X/Wk	\$ 77.00	\$ 81.44	+ Change in CPI* (plus Landfill Tip Fees, set by Riv. County)
3 CY Bin 1X/Wk	\$108.45	\$114.70	+ Change in CPI* (plus Landfill Tip Fees, set by Riv. County)
3 CY Bin 2X/Wk	\$193.12	\$204.25	+ Change in CPI* (plus Landfill Tip Fees, set by Riv. County)
3 CY Bin 3X/Wk	\$273.34	\$289.09	+ Change in CPI* (plus Landfill Tip Fees, set by Riv. County)
4 CY Bin 1X/Wk	\$138.39	\$146.37	+ Change in CPI* (plus Landfill Tip Fees, set by Riv. County)
Rolloff Box (40 Yd)	\$144.55 per load plus tonnage charges	\$149.77 per load plus tonnage charges	+ Change in CPI* (plus Landfill Tip Fees, set by Riv. County)

*CPI = 2019 rates will be based on Riverside-San Bernardino-Ontario geographic area.

For more information on solid waste and recycling services, please visit our website at <http://www.riversideca.gov/publicworks/trash/> or call (951) 826-5311.


 COLLEEN J. NICOL, MMC
 City Clerk of the City of Riverside

Dated and mailed: October 26, 2018

Published: November 20 and 27, 2018

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EXHIBIT B2
Commercial Solid Waste Collection Services3
JANUARY 1, 2019 TO JUNE 30, 2020 (PER TON)

4 Component	5 Current	6 January 1,	7 July 1,
8	9 Rate	10 2019	11 2019
12 Base Rate	13 \$79.88	14 \$82.76	15 +CPI
16 Disposal (County)	17 \$29.08	18 \$30.13*	19 +CPI*
20 Processing/Transfer	21 \$14.55	22 \$18.67	23 +CPI
24 Franchise Fee	25 \$15.49	26 \$16.05	27 +CPI
28 City Services	29 \$27.85	30 \$28.85	31 +CPI
32 	33 	34 	35
36 Total per ton	37 \$166.85	38 \$176.46*	39
40 Total converted to Monthly Service Rate (3 CY Bin 1x/wk)	41 \$108.45	42 \$114.70	43

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16 *Note—Actual rate depends on annual adjustments based upon CPI for the Riverside-San Bernardino-Ontario
17 Metropolitan Statistical Area, as published by the Bureau of Labor Statistics of the U.S. Department of Labor
18 and refuse disposal tipping fee and greenwaste processing fee per ton, as set by Riverside County Waste
19 Management Department and Agua Mansa Material Recovery Facility [MRF].*

EXHIBIT C

Residential Solid Waste Collection Services

JANUARY 1, 2019 TO JUNE 30, 2020 (PER MONTH)

Service	Current Monthly Rate	January 1, 2019	July 1, 2019
Curbside/Disabled	\$23.68	\$26.01	+CPI
Driveway	\$33.02	\$35.69	+CPI
Backyard	\$39.90	\$42.82	+CPI
Mobilehome/Apt	\$13.74	\$14.70	+CPI
Condo/Townhouse	\$14.91	\$15.92	+CPI
Extra Container (brown)	\$10.10	\$10.93	+CPI
Extra Container (green)	\$4.07	\$5.21	+CPI
Extra Container (blue)	\$1.95	\$2.02	+CPI

Note—Actual rate depends on annual adjustments based upon CPI for the Riverside-San Bernardino-Ontario Metropolitan Statistical Area, as published by the Bureau of Labor Statistics of the U.S. Department of Labor and refuse disposal tipping fee and greenwaste processing fee per ton, as set by Riverside County Waste Management Department and Agua Mansa Material Recovery Facility [MRF] .