

COMMERCIAL SOLID WASTE SERVICES PROPOSED 3-YEAR RATE PLAN

Public Works Department

City Council
June 10, 2025

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BACKGROUND

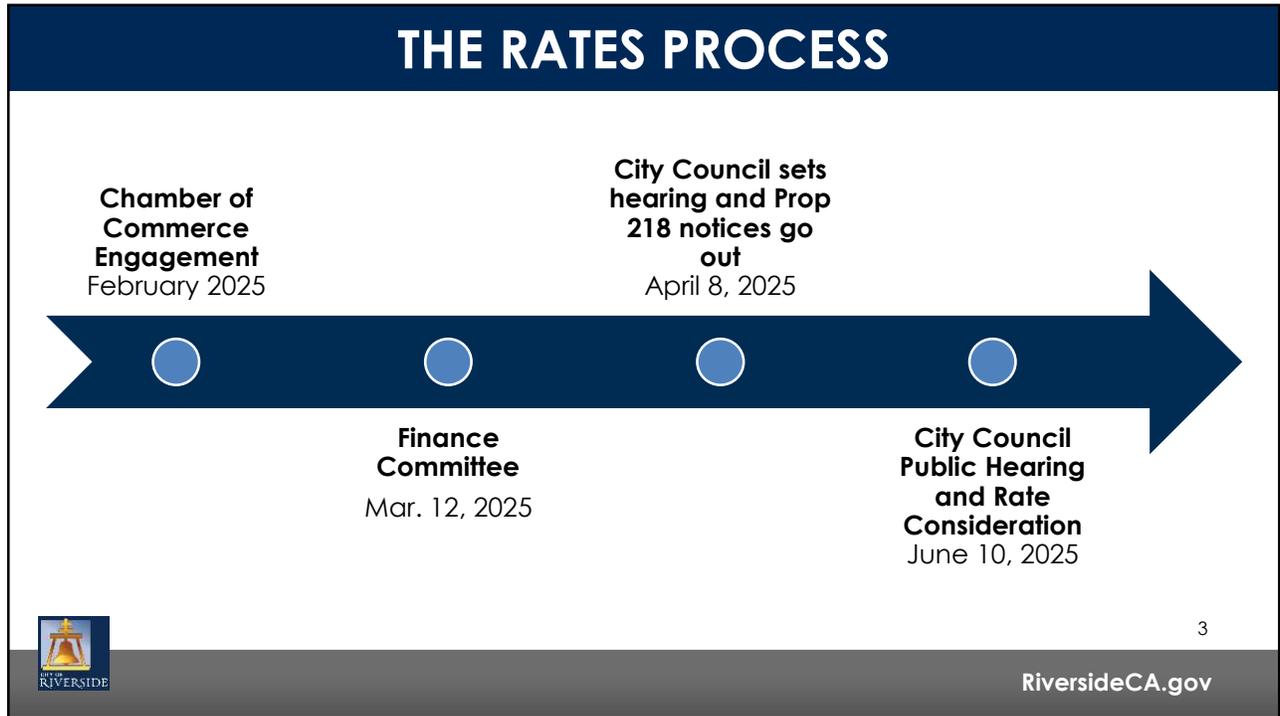
- June 2020 – Council approved commercial rates through June 2025
- Proposed new commercial rate plan through June 2028
- Non-exclusive franchise commercial service agreements end June 2028



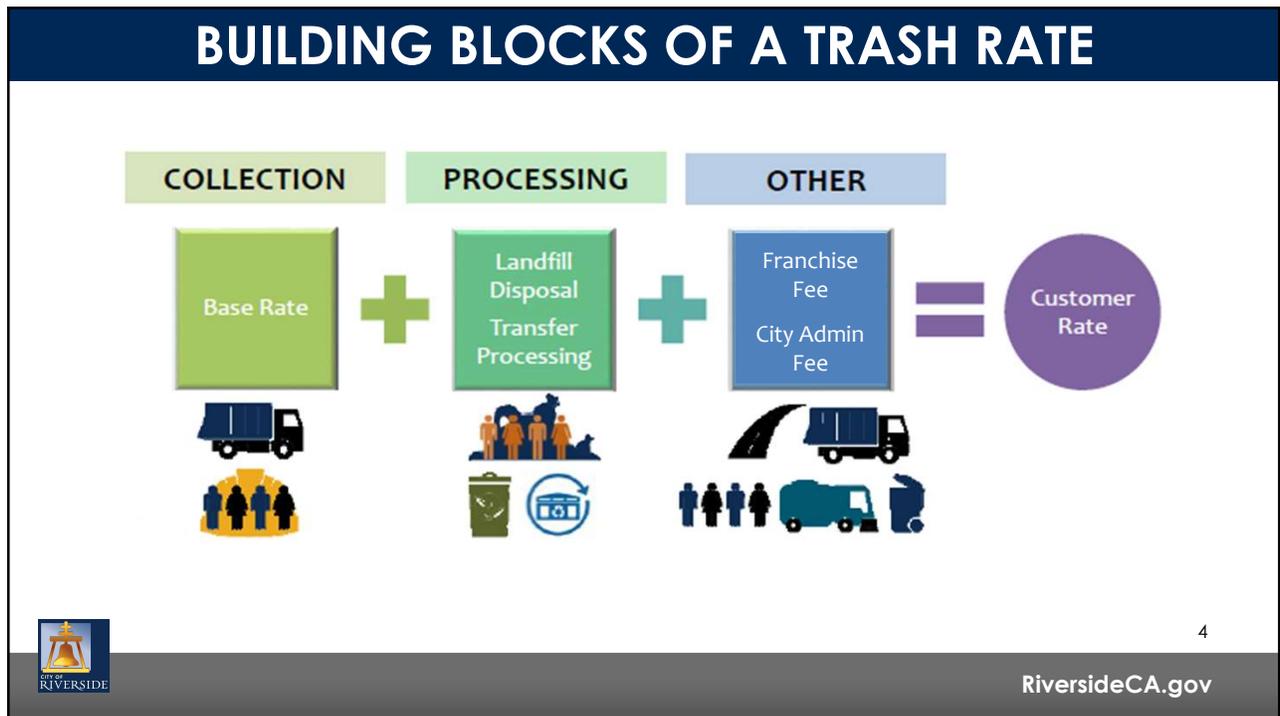
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RISING COSTS



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

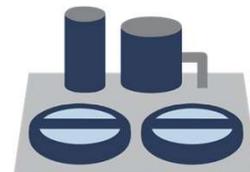


- **China no longer accepts recycled goods**
- Recycling is mandatory in California

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

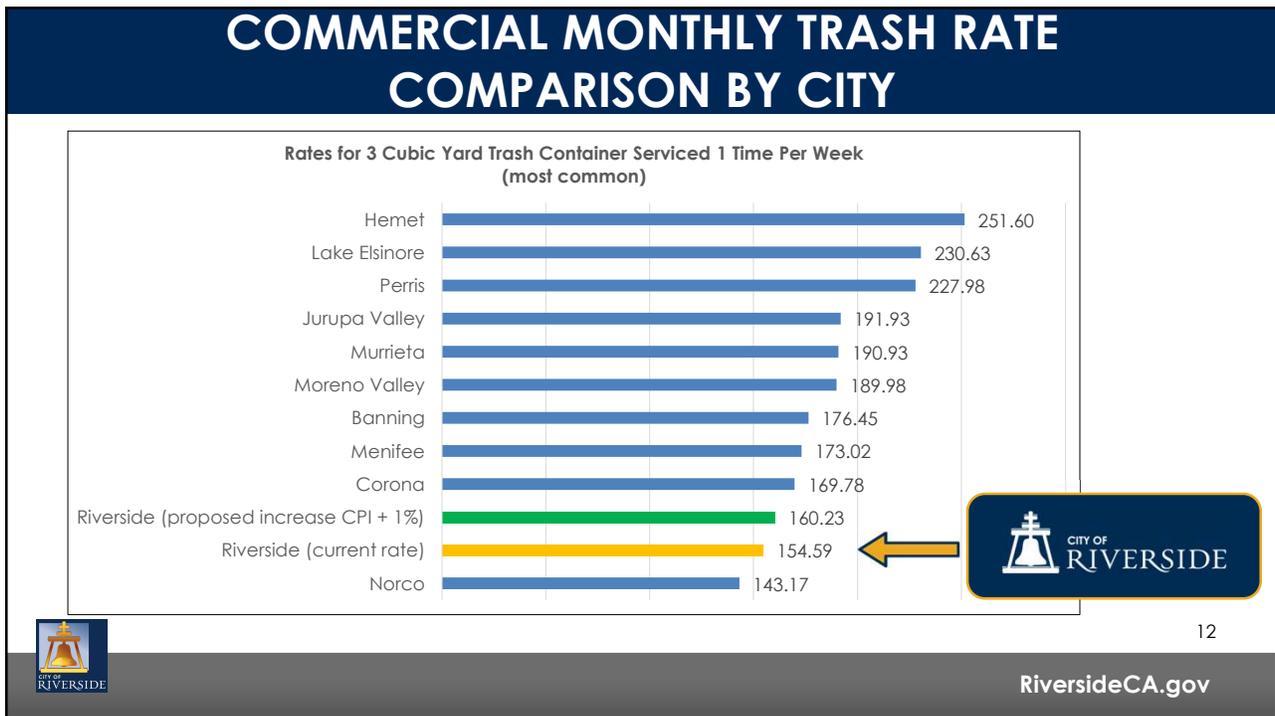
Service	Common Container Sizes	Current Monthly Rate for 1/week Svc	Year 1 Proposed New Monthly Rate for 1/wk Svc (CPI of 2.94%+ 1%)	Amount of Increase	Year 2 Rate	Year 3 Rate
Trash	3 cubic yards	\$154.59	\$160.23	\$5.64	CPI + 1%	CPI
Recycling	2 cubic yards	\$136.35	\$141.91	\$5.56	CPI + 1%	CPI
	4 cubic 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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FISCAL IMPACT

- Refuse Fund reserves of \$6 million will offset the Fund's projected FY24/25 deficit of \$3.3 million
- Fund is projected to begin financial recovery before the end of this commercial rate plan
- Proposed commercial rate plan projected to generate an additional \$160,000 in City administrative fee revenue in FY2025/26
- Franchise fee payments to the City's General Fund for commercial solid waste services projected to increase by approximately \$134,000 in FY2025/26



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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. Conduct a public hearing to consider all oral comments and written protests to the proposed rate increase for commercial refuse rates through June 30, 2028; and
2. If a majority protest does not exist, adopt a Resolution approving the commercial rate structure from July 1, 2025 through June 30, 2028.

