



STAFF REPORT
6/8/2022

TO: Honorable Mayor and City Council Members

FROM: Maritza Martinez, Public Works Director

SUBJECT: Adopt Resolution No. 2022-54 setting two July 27, 2022 public hearing dates related to solid waste service charges to increase the maximum rates for solid waste services, and to place solid waste service charges on the residential property tax roll for fiscal year 2022/2023) and directing staff to mail or publish required notices, and approving the following identified use of the awarded CalRecycle SB 1383 grant funds as follows: \$40,000 for commercial collection (organics/recycling) services and \$28,429 for education and outreach efforts.

STAFF RECOMMENDATION:

Adopt resolution setting two July 27, 2022 public hearing dates related to solid waste service charges to increase the maximum rates for solid waste services, and to place solid waste service charges on the residential property tax roll for fiscal year 2022/2023) and directing staff to mail or publish required notices, and approving the following identified use of the awarded CalRecycle SB 1383 grant funds as follows: \$40,000 for commercial collection (organics/recycling) services and \$28,429 for education and outreach efforts.

BACKGROUND:

The City of Coachella entered into a franchise agreement with Burrtec Waste and Recycling Services (Burrtec) in May 2006. Since 2006, Burrtec has been the provider for all solid waste disposal services for Coachella residents and businesses. City Council approved a first amendment to this agreement on May 27, 2009, which established the solid waste charges for residential customers be collected through the county tax roll; commercial customers continue to be billed directly by Burrtec. City Council approved a second amendment on June 19, 2013 extending the term of the agreement through May 30, 2023 and third amendment was approved on January 17, 2018. The agreement allows for rate increases based on two components of the rate 1) service component and 2) disposal component. The City is currently working with Burrtec to prepare a fourth amendment to the agreement that will include organic waste collection requirements under SB 1383 (Chapter 395, Statutes of 2016) and its implementing regulations. Due to the increase in services that Burrtec will perform under the fourth amendment, the maximum rates for solid waste rates must be increased. Out of an abundance of caution, the City will be increasing those rates pursuant to Proposition 218 (Section 6 of Article XIII D of the California Constitution), which requires a public hearing and that property owners and tenants directly responsible for the solid waste bill be notified at least 45 days before the public hearing. Staff recommends that the public

hearing be held on July 27, 2022 as part of the regular City Council meeting. City seeks direction from Council to mail that notice to property owners and tenants. These rate increases would affect all customer classes, including residential and commercial. If a majority of owners and tenants do not submit a written protest opposing the rate increases by the close of the hearing, then the City Council may adopt the rates.

In addition, the City also conducts another public hearing to place the solid waste charges for residential customers on the property tax roll for the upcoming fiscal year pursuant to Health and Safety Code sections 5470 et seq. and Coachella Municipal Code section 8.44.035. If Council adopts the rate increases for solid waste services on July 27, then Council could place those amounts on the property tax rolls for residential customers. Therefore, staff also recommends setting the public hearing to place solid waste charges for residential customers for July 27, 2022. The deadline for the City Council to submit a list to the county auditor of the properties and amounts that will be placed on the property tax roll is August 10.

DISCUSSION/ANALYSIS:

Rate Increases for Solid Waste Services

This year, the proposed rates include the SB 1383-mandated services. The service and disposal components of the rate includes the additionally required SB 1383 services: organics collection for all residential customers (single family and multi-family), labeling for all new and existing containers, contamination monitoring, route reviews and evaluations, inspection and enforcement, procurement of eligible compost to meet City's annual recovered organic waste procurement target, review of applications for waivers from organic waste collection requirements and coordination with the City of the waiver program, creation and distribution of educational materials encouraging organic waste generators to recycle or reduce waste, compiling and maintaining a list of food recovery organizations in the City and recordkeeping/reporting of all services.

The proposed FY2022/23 rate increase for residential customers is 6% and for commercial customers is 13%.

The current monthly residential rate is \$28.17. The proposed increase for the 2022/23 residential rate is \$1.77; thus, the new proposed residential rate is \$29.94. As approved by voters on June 8, 2010, this rate is subject to a 5% Utilities Users Tax, which will bring the monthly rate to \$31.44.

The most common commercial service is a three-yard cubic bin, with one pick up per week. Currently, the commercial rate for this service is \$151.29. Based on the same factors noted above, the monthly increase for fiscal year 2022/2023 totals \$20.09; the new rate for fiscal year 2022/2023 is \$171.38. As noted above, a 5% Utility Users Tax will be applied to this monthly service, which will bring the rate for a standard three cubic yard bin, with one pickup per week, to \$179.95.

CalRecycle Local Assistance Grant

In February 2022, staff applied for, and was recently notified the City was awarded, a CalRecycle SB 1383 local assistance grant in the amount of \$68,429. Staff is recommending using \$40,000 of this grant to soften the impact to commercial customers that are currently not compliant with

SB 1383 by covering the costs of additional collection services for organics and/or recycling for the months of July-September of this year. It is recommended the remaining grant amount, \$28,429, be expended for SB 1383 education and outreach efforts.

Staff is recommending approval of the attached resolution setting two public hearing dates on Wednesday, July 27, 2022 (6pm) at City Hall related to solid waste service charges to increase the maximum rates for solid waste services, and to place solid waste service charges on the residential property tax roll for fiscal year 2022/2023, and directing staff to mail or publish required notices

FISCAL IMPACT:

Setting the public hearing for this item will not have a fiscal impact. With approval of this item Council appropriates grant funds in the amount of \$68,429 in the City's grants fund (152) and any needed transfers between funds to accurately match grant funding with the related expenditures.

Attachment:

Resolution

–Proposed Maximum Solid Waste Rates