



**STAFF REPORT**  
**7/27/2022**

**TO:** Honorable Mayor and City Council Members

**FROM:** Maritza Martinez, Public Works Director

**SUBJECT:** Adopt resolution approving the Fourth Amendment to the Integrated Solid Waste Management Services, between Burrtec Waste and Recycling Services LLC and the City of Coachella, and adopting rates for solid waste collection services.

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**STAFF RECOMMENDATION:**

Adopt resolution approving the Fourth Amendment to the Integrated Solid Waste Management Services, between Burrtec Waste and Recycling Services LLC and the City of Coachella, and adopting rates for solid waste collection services.

**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.

**DISCUSSION/ANALYSIS:**

**Fourth Amendment**

Staff has been 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. Included in the Fourth Amendment are the following changes to the City's hauler service agreement in order to achieve compliance with SB 1383:

- Residential Collection of Organics as part of the Automated Three-Container Collection
  - Including providing a Residential Kitchen Pail to all residential customers upon request
- Three Container System for Commercial Collection to include Recyclables and Organics
- Contamination Monitoring and Record Keeping
  - Route Reviews/Waste Evaluations

- Inspection and Enforcement
- Provide the City with the required recovered organic waste product to meet the established procurement target at no cost to the City
- Generator Waiver Program (commercial)
- Education and Outreach
- Containers will be updated as requested to meet the new color and labeling requirements
- CPI maximum increase per year is 5%
- Landfill disposal maximum per year is 10%
- Term of the agreement will extend from May 30, 2023 to May 30, 2035

**Rate Increases for Solid Waste Services**

Due to the increased services Burrtec will perform under the fourth amendment, the solid waste rates will increase. On June 8, 2022, the public hearing was set to occur on July 27, 2022 at the City Council Meeting. Pursuant to Proposition 218 (Section 6 of Article XIII D of the California Constitution), all property owners and tenants directly responsible for the solid waste bill were notified by mail at least 45 days before the public hearing. 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 by approval of the attached Resolution No. 2022-74.

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. 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.

Staff is recommending approval of the attached resolution to: 1) approve execution of the Fourth Amendment to the Integrated Solid Waste Management Services, between Burrtec Waste and Recycling Services LLC, and 2) adopt the solid waste rates effective August 1, 2022.

**FISCAL IMPACT:**

The recommend action will not have a negative impact to the City. The City’s general fund is estimated to collect \$589,641 from the 12% franchise fee provided by the proposed agreement. The general fund is estimated to receive \$298,972 from UUT fees collected on solid waste services for FY 22/23.

Attachments:

Resolution

- Fourth Amendment to Burrtec Waste and Recycling Services LLC
- Maximum Solid Waste Rates

