



City Council Agenda Report

Meeting Date: May 14, 2024

Initiated By: Staff

Prepared By: Harun Musaefendic, Assistant Civil Engineer

Approved By: Aida Fairman, Public Works Director

Subject: Solid Waste Collection Rates: Consider adopting Resolution No. 2024-___, authorizing the increase of Solid Waste Collection Rates by 5.79% effective July 1, 2024; and finding it exempt from California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15273(a)

COUNCIL PRIORITY AREA

- Business Communities
- Circulation Safety and Efficiency
- Environmental Sustainability
- Housing
- Neighborhood Safety Infrastructure
- General Government

RECOMMENDATION

Adopt Resolution No. 2024-___, authorizing the increase of Solid Waste Collection Rates by 5.79% effective July 1, 2024

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION

None

FISCAL IMPACT

A 5.79% increase in rates charged for service affects all ratepayers, including the City.

ENVIRONMENTAL REVIEW

The adoption of increased rates is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15273(a) in that CEQA does not apply to actions to set rates, tolls, fares, or other charges.

PREVIOUS COUNCIL CONSIDERATION

June 12, 2018; May 28, 2019; May 12, 2020; May 11, 2021; May 10, 2022; May 9, 2023

DISCUSSION/ANALYSIS

The City of Los Altos Municipal Code Section 6.12.020 (Charge for solid waste collection service) states that “Any and all charges for solid waste collection service shall be set forth in the franchise agreement, contract or the collection service agreement between the city and its franchised hauler.”

The Franchise Agreement with Mission Trail Waste Systems (MTWS) provides for periodic rate adjustments based on the Water-Sewer-Trash Consumer Price Index, as defined below, and establishes that the next adjustment would apply to service beginning July 1, 2024.

The Franchise Agreement provides that MTWS shall charge service recipients an amount not to exceed the Maximum Service Rates (Attachment 1) approved by City Resolution as may be adjusted under the terms of the agreement.

The amended and restated Franchise Agreement was executed on April 23, 2020.

At its October 22, 2019 meeting, the City Council approved an extension of the Franchise Agreement concluded in 2020, which resulted in an amended and restated Franchise Agreement. Per Section 4.02.2.5 of the Franchise Agreement, 2024 rate adjustments are calculated based on CPI, plus a Disposal Cost Change Rate Adjustment, plus an Organic Processing Costs Service Rate Adjustment. The Franchise Agreement commits the City to the 5.79% increase effective July 1, 2024, and requires that the City Council effectuate the increase by resolution. Under Sections 4.01 and 4.02.2.6, the City Council is required to take action by resolution to effectuate rate increases in accordance with the Franchise Agreement.

The City's solid waste consultant, R3 Consulting Group, Inc. reviewed the hauler's rate adjustment request with the following results:

- Validated the mathematical accuracy and the correct use of the index.
- Validated the mathematical accuracy and logical consistency of the calculated Disposal Cost Change.
- Validated the calculated indexed increase.
- Confirmed that the indexed increase was applied correctly to last year's rates.

ATTACHMENTS

1. Maximum Rates for Adoption (FY 2024/25)
2. Resolution 2024-_____