



Item Number: 1

City Council / Board of Directors

Public Hearing

Meeting of: October 3, 2023

Submitted By:

Doug Mathews, Director of Public Works and Water

Subject:

Approval of Resolution No. 23-076 – A Resolution of the City Council of the City of Victorville, Adopting and Establishing New Solid Waste Rates for Solid Waste Services and Rescinding Resolution No. 18-012.

Recommendation:

That the Honorable City Council:

1. Conduct the Public Hearing;
2. Determine whether a Majority Protest exists at the close of the Public Hearing, and if no Majority Protest exists;
 - a. Make the Proposition 218 findings set forth in Section 2 of Resolution No. 23-076; and
 - b. Find Resolution No. 23-076 exempt from Environmental Review under Sections 15061(b)(3) and 15273 of the California Environmental Quality Act ("CEQA") Guidelines; and
3. Adopt Resolution No. 23-076 to establish the new Solid Waste Rates (Rate Schedules) as set forth in Exhibit A of Resolution No. 23-076.

Fiscal Impact:

Proposed Resolution No. 23-076 authorizes the implementation of a 5-year Solid Waste Rate Plan by adopting new and increased Solid Waste Rates (Rate Schedules) needed to address increased costs for solid waste, recycling, organics, and household hazardous waste collection, processing, and disposal, as well as for program administration for residential and commercial customers and to assure compliance with California Senate Bill 1383 ("SB 1383") mandates.

Strategic Plan Goal:

This item aligns with Goal A., Financial Stability and Goal E., Invest in Infrastructure. Periodically evaluating and adjusting Solid Waste Rates and fees helps ensure the City

has necessary resources to adequately fund services and the operation and maintenance of related capital assets.

Background:

In August 2022, the City engaged NBS to review and update the City's 2018 Solid Waste Rate Study ("Rate Study"). The objectives of the update were to: review the solid waste fund operating budget; develop an updated financial plan to appropriately fund operations and establish adequate operating and capital reserves; and develop updated rates to ensure that the City's residential and commercial Solid Waste Rates (as defined in Resolution No. 23-068) meet the projected costs of providing collection and disposal of solid waste, recyclable, and organic materials; recyclable and organic materials processing; management of household hazardous wastes; and related solid waste services provided to customers throughout the City ("Solid Waste Services") over the next five years. A key objective of the updated Rate Study was to ensure that costs associated with SB 1383 compliance were incorporated into the Solid Waste Rates for residential and commercial customers.

The results of the Rate Study were presented to the City Council during a special meeting on August 8, 2023. The Rate Study identified the need for adjustments to the Solid Waste Rates to comply with State mandated SB 1383 requirements and to recover increasing costs of providing Solid Waste Services (which are proposed to now include street sweeping). The costs of street sweeping services were previously paid for primarily by the City's Gas Tax and Storm Drain Funds.

At its special meeting on August 8, 2023, the City Council adopted Resolution No. 23-068, which:

1. Accepted the Solid Waste Rate Study Update;
2. Set October 3, 2023, as the date for a Public Hearing on the proposed adjustments to the City's rates and fees for Solid Waste Services (the "Proposed Rates"); and
3. Authorized City Staff to prepare and mail notices of Public Hearing to property owners in accordance with Section 6 of Article XIII D of the California Constitution, part of the voter initiative more commonly known as Proposition 218.

Discussion:

City Staff identified 34,007 Assessor Parcel Numbers (APNs) which receive Solid Waste Services and are subject to the imposition of the Proposed Rates. On August 17, 2023, Public Hearing notices were mailed to the property owners of record of those 34,007 APNs. The mailed notices included information on the date, time, and location of the Public Hearing; the basis for the Proposed Rates; the reason for the proposed rate increase; the amount of the proposed new rates; and protest procedures. A copy of the mailed Public Hearing notice is Attachment B to this Staff Report.

As noted in the attached Public Hearing Notice, in order for a majority protest to exist under Proposition 218, a majority of the owners of the identified parcels (50% plus 1, a

“Majority Protest”) must submit valid written protests against the Proposed Rates by the close of the noticed Public Hearing. In order to be valid, each written protest must:

1. state that the protest is being submitted in opposition to the Proposed Rates for Solid Waste Services;
2. provide the identified assessor’s parcel number (APN) for which the protest is being submitted; and
3. include the printed name and original signature of the property owner of record submitting the protest. Only one written protest per identified parcel may be counted.

If 17,004 valid written protests against the Proposed Rates are submitted to the City Clerk prior to the close of tonight’s Public Hearing, a Majority Protest will exist, and the City Council cannot impose the Proposed Rates. However, if there is no Majority Protest, the City Council may consider and adopt Resolution 23-076 (Attachment A to this Staff Report) to approve the new Rate Schedules and impose the Proposed Rates.

If Resolution No. 23-076 is adopted, the Proposed Rates would become effective for all billings made on or after November 1, 2023, with the exception of the rate for single and multi-family premises with cart/curbside service. These customers will pay \$4.54 less than the adopted rate until such time as the new residential organics collection program has been fully implemented (estimated to be no later than March 31, 2024). The \$4.54 discount will apply to all residential customers on cart service, including customers with 95-, 65-, or 35-gallon cart sizes. The \$4.54 amount is the portion of the single and multi-family cart service rate attributed to the new residential organics collection service. The City’s hauler, Victorville Disposal, will not be paid for the residential organics collection until the service has been fully implemented for all customers. Rates will be updated July 1 of each year thereafter in 2025, 2026, 2027, and 2028, as set forth in the Rate Schedules attached as Exhibit A to Resolution No. 23-076.

Table 1 below compares current and recommended (proposed) Solid Waste Rates for common customer classes. (Note: The complete list of all rates is included in the attached Resolution No. 23-076, Exhibit A.)

Table 1—Current and Proposed Residential and Commercial Rates (Monthly)

| Effective Rate Increases (sum of all rate components) | | | | | | |
|---|---------------|--|------------|------------|------------|------------|
| Customer Class | Current Rates | Projected Solid Waste Rates (Partial List) | | | | |
| | | FY 2023/24 | FY 2024/25 | FY 2025/26 | FY 2026/27 | FY 2027/28 |
| Single Family Residential | \$30.77 | \$42.92 | \$46.44 | \$49.25 | \$51.49 | \$53.83 |
| Multi-Family Residential | \$30.77 | \$42.92 | \$46.44 | \$49.25 | \$51.49 | \$53.83 |
| Commercial Can | \$38.95 | \$43.30 | \$46.36 | \$48.98 | \$51.03 | \$53.17 |
| Commercial Bin (3.0 CY Bin, 1 Pickup/week) | \$134.05 | \$143.62 | \$148.49 | \$154.54 | \$160.85 | \$167.44 |
| Comm. Compactor Bin (1.5 CY, 1 Pickup/week) | \$113.34 | \$109.94 | \$114.95 | \$119.21 | \$123.64 | \$128.25 |
| Commercial Recycling (3 CY Bin, 1 Pickup/week) | \$95.77 | \$106.84 | \$114.87 | \$121.85 | \$129.79 | \$138.96 |
| Roll-offs (10 CY Roll-Off, 1 Pickup/week) | \$867.65 | \$960.83 | \$1,013.08 | \$1,081.25 | \$1,154.27 | \$1,232.49 |

Note: FY = fiscal year

As noted previously, single-family and multi-family customers on cart service will initially

Table 2 below shows the percentage increases across a sample of customer types. The large percentage increase in FY 23/24 for residential customers on cart service reflects the addition of street sweeping costs as well as the costs for the new residential organics recycling program required to be implemented per California senate bill 1383. Proposed increases for FY 24/25 onward range from 8.2% to 4.5% within various customer classes to keep pace with anticipated inflation.

| Effective Rate Increases (sum of all rate components) | | | | | |
|---|--|------------|------------|------------|------------|
| Customer Class | Projected Solid Waste Rates (Partial List) | | | | |
| | FY 2023/24 | FY 2024/25 | FY 2025/26 | FY 2026/27 | FY 2027/28 |
| Single Family Residential | 39.5% | 8.2% | 6.1% | 4.5% | 4.5% |
| Multi-Family Residential | 39.5% | 8.2% | 6.1% | 4.5% | 4.5% |
| Commercial Can | 11.2% | 7.1% | 5.7% | 4.2% | 4.2% |
| Commercial Bin (3.0 CY Bin, 1 Pickup/week) | 7.1% | 3.4% | 4.1% | 4.1% | 4.1% |
| Commercial Compactor Bin (1.5 CY, 1 Pickup/week) | -3.0% | 4.6% | 3.7% | 3.7% | 3.7% |
| Commercial Recycling (3 CY Bin, 1 Pickup/week) | 11.6%* | 7.5% | 6.1% | 6.5% | 7.1% |
| Roll-offs (10 CY Roll-Off, 1 Pickup/week) | 10.7% | 5.4% | 6.7% | 6.8% | 6.8% |

*Note: Commercial Recycling goes up by more than other rates due to the addition of Admin. and AB 939 Fees.

ENVIRONMENTAL EXEMPTION

Staff is available to answer any questions the Council may have.

Attachments: A. Resolution No. 23-076
B. Copy of Public Hearing Notice