

City of Hesperia

STAFF REPORT



DATE: November 5, 2019

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Rachel Molina, Assistant to the City Manager
Dan Sousa, Community Relations Specialist

SUBJECT: Advance Disposal Rate Structure

RECOMMENDED ACTION

It is recommended that the City Council conduct a Proposition 218 Public Hearing related to new maximum rates for solid waste and recycling services in the City of Hesperia and allow for rate adjustments pertaining to equipment purchased by City's waste hauler in response to statewide legislation. In the absence of a majority vote of opposition adopt Resolution No. 2019-065 approving the maximum rates for solid waste and recycling services in the City of Hesperia and allow for rate adjustments annually up to five years.

BACKGROUND

Due to legislation passed by California's Department of Resources Recycling and Recovery (CalRecycle), Advance Disposal has had to comply with increasingly complex recycling initiatives aimed at curtailing disposal of traditional recyclables, in addition to organic materials, as part of compliance with California law.

As part of these mandates, Advance Disposal has had to implement new equipment in an effort to ensure compliance with current and future organic waste recycling legislation.

On August 20, 2019, the request for new maximum rates for solid waste and recycling services in relation to organics recycling equipment was presented to City Council and a Proposition 218 notice was approved for a future Council meeting public hearing.

ISSUES/ANALYSIS

In order to continue to meet the requirements of AB 1826 and to prepare for future legislation, such as SB 1383, Advance Disposal has begun implementation of new, innovative equipment in the form of a TORXX kinectic pulverizer. By processing organics and fines material through the TORXX kinectic pulverizer, Advance Disposal will improve the quality of the material by pulverizing glass and other small contaminants. Once the material has been processed, it will continue to be considered a pre-processed material for composting thereby satisfying the State's recycling requirements.

Advance Disposal has already competed for and secured grant funding from CalRecycle in the amount of \$2,481,250 to help cover the cost of this new equipment, leaving a remaining total cost of \$948,750. In order to cover the remaining cost of this new equipment in an effort to meet the State's new diversion and recycling requirements a proposed trash rate increase will include

the costs to purchase and install as well as the projected costs to operate and maintain this new equipment.

Below is a listing of the proposed maximum residential rates as modified by the organics recycling increase. If approved, the maximum regular residential monthly rate will increase from \$28.89 to \$31.84.

Current Rate	Residential Solid Waste Service Monthly Rate				
	Year One	Year Two	Year Three	Year Four	Year Five
\$28.89	\$29.48	\$30.07	30.66	\$31.25	\$31.84

Additionally, commercial and multi-family properties would also be adjusted to account for the new rate structure which can be seen below. If approved, the maximum regular monthly rate for commercial solid waste will increase from \$183.59 to \$196.84.

Current Rate	Commercial Solid Waste Service Monthly Rate				
	Year One	Year Two	Year Three	Year Four	Year Five
\$183.59	\$186.24	\$188.89	\$191.54	\$194.19	\$196.84

The proposed service rates were noticed in the City's adjudicated newspaper and sent to all property owners and tenants on September 20, 2019, within the City in accordance with the noticing requirements for a Proposition 218 public hearing. Following receipt of the notices, a 45-day comment period was provided where property owners wishing to protest the increase could submit a written protest to the City Clerk's Office before the public hearing or attends the public hearing November 5, 2019, on the increases to register their written protest at the hearing. However, verbal protests presented at the hearing will be heard but will not be counted. Only written protests will be counted and only one written protest per identified parcel relating to the fee increase will be heard. As of October 28, 2019, sixteen (16) written protests have been received. Attachment 3 provides the comments as addressed by property owners. At the hearing, the City Council must consider these and any additional written protests against the fee increases provided to the City Clerk prior to the close of the 218 hearing. If written protests are presented by a majority (50 percent plus one) of property owners or tenants of parcels within the City of Hesperia, the fee increase cannot be imposed. The recommended Proposition 218 hearing will allow for rate adjustments annually for up to five years.

FISCAL IMPACT

In the event the City is unable to adequately address AB 1826 or SB 1383 requirements with the implementation of this equipment, CalRecycle maintains the authority to institute a jurisdictional fine (in accordance with PRC 41813) of up to \$10,000 per day due to noncompliance.

ALTERNATIVE(S)

1. The Council may provide alternative direction to staff.

ATTACHMENT(S)

1. Resolution No. 2019-065

2. Notice of Public Hearing
3. Rate Structure
4. Property Owner Comments