

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Ron Moreno, Director of Public Works/City Engineer

DATE: April 22, 2025

SUBJECT: Set Public Hearing to Approve Solid Waste and Recycling Rates for Commercial Customers for Fiscal Year 2025-26

PREPARED BY: Rebecca Kiser, Management Assistant

RECOMMENDATION: That the City Council adopt a resolution entitled:

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA SETTING A TIME AND PLACE FOR A PUBLIC
HEARING IN CONNECTION WITH THE SOLID WASTE AND
RECYCLING RATES AND SB1383 PROCUREMENT
COMPLIANCE FEE ON COLLECTION RATES FOR
COMMERCIAL CUSTOMERS FOR FISCAL YEAR 2025-26

BACKGROUND: The Franchise Agreement between the City of Temecula and CR&R Incorporated stipulates the conditions upon which rates may be adjusted on an annual basis. Per the agreement, these rates shall be adjusted each July 1st to reflect the changes in various applicable indices, and as such the commercial rates are due to adjust for fiscal year 2025-26. In addition to the rate adjustment based on indices, CR&R has requested an additional increase in commercial and temporary bin/roll-off rates due to Extraordinary Costs as allowed in the Franchise Agreement, to include a Senate Bill 1383 Procurement Compliance Fee. The requested additional rate increase is 1.98% of the current commercial and temporary bin/roll-off solid waste collection and transportation rates. The SB1383 Procurement Compliance Fee is intended to pay for the additional costs of procuring recovered organic waste products in the City of Temecula.

Pursuant to the Franchise Agreement with CR&R, the rates charged for refuse collection and recycling for residential and commercial services within the City of Temecula is subject to annual review and modification based upon changes in the Consumer Price Index (CPI) and changes to the Riverside County landfill tipping fees. Therefore, all Commercial Customers within the City of Temecula will incur a rate adjustment to include a 2.01% increase due to change in CPI, per the Bureau of Labor Statistics for January 2024 through December 2024. Commercial rates vary based

on the bin size and frequency of collection as outlined in the attached CR&R Rate Schedule for FY 2025-26. Rates for landfill disposal fees will be adjusted by 2.88%, or \$1.43 per ton for FY 2025-26, per the County of Riverside Waste Management Department.

Staff recommends the City Council adopt the resolution and set the public hearing concerning the approval of Solid Waste and Recycling Rates for Commercial Customers for June 10, 2025. Staff will proceed with noticing each affected commercial customer in the City with regards to the proposed rate increase with a minimum of forty-five (45) days prior to the public hearing.

FISCAL IMPACT: Solid Waste and Recycling services for Commercial Customers are paid for directly by the property owner or business owner receiving services. No additional costs will be incurred by the City of Temecula.

ATTACHMENTS:

1. Resolution
2. CR&R Rate Schedule for FY 2025-26