

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Patrick Thomas, Director of Public Works/City Engineer

DATE: July 28, 2020

SUBJECT: Adopt the Resolution to Approve the Solid Waste and Recycling Rates for Commercial Customers for Fiscal Year 2020-21

PREPARED BY: Julie Tarrant, Principal Management Analyst

RECOMMENDATION: That the City Council adopt a resolution entitled:

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA TO APPROVE THE MAXIMUM SOLID WASTE
AND RECYCLING RATES FOR COMMERCIAL CUSTOMERS
FOR FISCAL YEAR 2020-21

BACKGROUND: On May 26, 2020, the Public Works Department requested the City Council to set the Public Hearing to Adopt a Resolution to Approve Solid Waste and Recycling Rates for Commercial Customers for Fiscal Year 2020-21. On or before June 13, 2020, the City mailed notices to all affected property owners and/or commercial customers in the City with regards to the proposed rate increase for refuse collection and recycling services. At this time, the forty-five-day public hearing notice has concluded without a majority protest.

In accordance with 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 at each July 1st to reflect the changes in various applicable indices. The commercial rates are due to adjust for fiscal year 2020-21, to include a 1.80% increase due to change in CPI, a .76 cent per month rate change in landfill fees, and CR&R has requested an additional increase in commercial rates due to Extraordinary Costs as allowed in the Franchise Agreement. The requested additional rate increase is 9.98% of the current commercial rates, due in part to requirements related to State Mandated commercial recycling programs imposed in AB1826 and AB341, and CR & R's operation of the Anaerobic Digester facility, and due the restrictions imposed by China's recycling import ban, known as China Sword. CR & R has been reluctant to adjust commercial rates in hopes the recycling market would rebound, but unfortunately that has not occurred and therefore waste haulers can no longer absorb the loss of recycling revenue.

Commercial rates vary based on the bin size and frequency of collection, but are generally expected to increase on average 12% in FY2020-21, per the attached CR & R Rate Schedule.

Staff recommends the City Council adopt the resolution and approve the Solid Waste and Recycling Rates for Commercial Customers, effective July 1, 2020.

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. Notice of Public Hearing
3. CR & R Rate Schedule