



CITY OF EASTVALE

AGENDA STAFF REPORT

City Council Meeting

CITY COUNCIL BUSINESS

Agenda Item No. 13.1

May 27, 2026

Waste Management Fiscal Year 2026-2027 Annual Rate Adjustment Request

Prepared By:

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Recommended Action(s)

Staff recommends that the City Council adopt a Resolution approving the Rate Adjustment Request by USA Waste of California Incorporated, also known as Waste Management (WM), per section 4.03 and section 4.04 of the Franchise Agreement.

Summary

Pursuant to Section 4.03 of the franchise agreement with Waste Management (WM), the waste hauler is eligible to request an annual rate adjustment based on changes to the Consumer Price Index (CPI) and other associated costs. The requested rate adjustment must be between 1-4%. WM is requesting a 4% increase in service rates.

In addition to the 4% annual rate increase, WM is requesting an extraordinary rate adjustment due to increased labor costs. The proposed extraordinary adjustment includes a \$0.33 increase for residential single family accounts. For commercial customers, the proposed extraordinary adjustment is a \$0.25 increase per collected cubic yard and applies exclusively to mixed solid waste (MSW) service. This commercial adjustment does not apply to any other commercial services, including recycling or organics.

The rate adjustment would become effective July 1, 2026. The proposed 4% rate adjustment in addition to the extraordinary rate adjustment will result in a typical residential account increasing from \$36.22 to \$37.99 monthly. A commercial account with base bundled services (2-Yd Trash, 96-Gal Recycling, 64-Gal Organics serviced 1x per week) can expect an increase from \$257.62 to

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\$270.09 monthly.

Background

In June and August 2011, the City entered into franchise agreements with WM and Burrtec Waste Industries to provide solid waste collection services. Prior to the agreement expiration, the City approved R3 Consulting Group to develop and facilitate a formal bid process for solid waste collection services. WM and Burrtec each provided formal proposals for review and Waste Management was ultimately awarded the contract October 28, 2020.

On October 28, 2020, The City of Eastvale entered into an exclusive franchise agreement with WM for solid waste collection services. The agreement commenced on July 1, 2022 and concludes on June 30, 2042. Per the agreement, WM services the entire City boundary, including the portion of the City that was previously serviced by Burrtec.

WM services include city-wide commercial and residential collection of trash, recycling, and organic waste. As of July 1, 2022, organic waste collection includes the collection of green waste, food scraps, and food soiled paper which ensures compliance with Senate Bill 1383 requirements. City-wide street-sweeping services are also managed and provided by WM.

WM also provides additional residential collection services for bulky items, used motor oil, used oil filters, batteries, and sharps. Additional commercial services include construction and demolition recycling, bulky item collection, and temporary bin service. In partnership with the City, WM also hosts two Residential Clean-up and Paper Shredding Events annually. The events include the collection of trash, green waste, recyclable materials, bulky items, household batteries, and appliances.

Pursuant to Section 4.03 of the franchise agreement with WM, the hauler may request an annual rate adjustment based on changes in the Consumer Price Index (CPI) and other associated costs. The agreement allows for an annual adjustment between 1% and 4%. Pursuant to Section 4.04 of the franchise agreement, WM may petition the City in writing for an extraordinary adjustment to service rates. Such adjustments may be requested only once per agreement year and must coincide with rate adjustments effective July 1, 2026, or later.

For the 2026/2027 fiscal year, WM is proposing a 4% increase to the maximum service rates. This proposal is based on a 3.28% increase in the CPI and increases in disposal, recycling, and organics processing costs.

In addition to the 4% increase, WM is requesting an extraordinary rate increase due to increased labor costs to provide waste collection services within the City pursuant to Section 4.04 of the franchise agreement. WM indicates that labor expenses have increased beyond the levels recovered through the standard annual adjustment process, and that the company has absorbed a portion of these increased operating costs over time. The requested extraordinary adjustment is intended to align service rates more closely with current industry labor costs and ongoing operational demands associated with providing waste collection services within the City.

For commercial customers, the proposed extraordinary adjustment is a \$0.25 increase per collected cubic yard and applies exclusively to mixed solid waste (MSW) service. This commercial adjustment

does not apply to any other commercial services, including recycling or organics. For residential single family accounts, the proposed extraordinary adjustment is a \$0.33 increase to Standard Single Family Automated Cart Service, 64 Gallon Single Family Automated Cart Service, 32 Gallon Single Family Automated Cart Service, and the Senior Rate for 64 Gallon Trash service.

The rate adjustment would become effective July 1, 2026. The proposed 4% rate adjustment in addition to the extraordinary rate adjustment will result in a typical residential account increasing from \$36.22 to \$37.99 monthly. A commercial account with base bundled services (2-Yd Trash, 96-Gal Recycling, 64-Gal Organics serviced 1x per week) can expect an increase from \$257.62 to \$270.09 monthly. Please note that actual account-specific increases may vary depending on service levels, container sizes, and frequency of service.

Environmental

Not applicable.

Strategic Plan Action - Priority Level: N/A | Target #: N/A | Goal #: N/A

Not applicable.

Fiscal Impact

The City receives a 12.5% franchise fee of gross receipts received each month. The franchise fee is paid to the City each quarter on April 30th, July 30th, October 30th, and January 30th. Franchise fee revenues are placed in the general fund.

Prior City Council/Commission Action

On October 28, 2020, the City Council approved an exclusive franchise agreement with Waste Management for city-wide residential and commercial solid waste collection services.

On May 24, 2023, the City Council approved an adjustment to maximum service rates for for fiscal year 2023-2024.

On April 24, 2024, the City Council approved an adjustment to maximum service rates for for fiscal year 2024-2025.

On May 14, 2025, the City Council approved an adjustment to maximum service rates for for fiscal year 2025-2026.

Attachment(s)

[Attachment 1 - Resolution 26-XX](#)

[Attachment 2 - Exhibit A to the Resolution - FY 26/27 Rate Schedule](#)

[Attachment 3 - WM Rate Adjustment Letter, Proposed Rates, and Processing Costs](#)

[Attachment 4 - Bureau of Labor Statistics - Consumer Price Index](#)

[Attachment 5 - Azura MRF Processing Rate Letter 2024 and 2025](#)

[Attachment 6 - Riverside County Disposal Fee Increase 2024 and 2025](#)

[Attachment 7 - South Valley Compost Facility Processing Rate Letter 2024 and 2025](#)