



## **CITY COUNCIL STAFF REPORT**

**ITEM NO. 6.1**

**DATE:** May 12, 2025

**TO:** Honorable Mayor and City Council

**FROM:** Judy Erlandson, Acting Public Works Director

**SUBJECT:** Hearing to consider a resolution authorizing Livermore Sanitation, Inc.'s rates for solid waste, recyclable materials, and compostable materials services, pursuant to the Third Amended and Restated Agreement between the City of Livermore and Livermore Sanitation, Inc., for Solid Waste, Recyclable Materials, and Compostable Materials Services and to amend Exhibit H to the Franchise Agreement to reflect the authorized decrease of 8.67% to rates.

### **RECOMMENDED ACTION**

Staff recommends the City Council hold a public hearing and adopt a resolution authorizing Livermore Sanitation, Inc.'s rates for solid waste, recyclable materials, and compostable materials services, pursuant to the Third Amended and Restated Agreement between the City of Livermore and Livermore Sanitation, Inc. for Solid Waste, Recyclable Materials, and Compostable Materials Services, and to amend Exhibit H to the agreement to reflect the authorized decrease of 8.67% to rates.

### **SUMMARY**

As required by Third Amended and Restated Agreement between the City of Livermore and Livermore Sanitation, Inc. For Solid Waste, Recyclable Materials, and Compostable Materials Services. (Franchise Agreement), on December 2, 2024, Livermore Sanitation, Inc. (LSI) submitted the required rate adjustment application requesting a 3.58% rate increase. The City retained an unbiased third-party, HF&H Consultants, to apply the methodology in the Franchise Agreement and determine whether LSI's requested increase was in line with that methodology.

Based on recommendations provided by HF&H Consultants, staff is recommending that rates be decreased by 8.67% and that the City Council authorize the requested rates as described in Exhibit H to be effective July 1, 2025.

### **DISCUSSION**

As required by the Third Amended and Restated Agreement between the City of Livermore and Livermore Sanitation, Inc. For Solid Waste, Recyclable Materials, and Compostable Materials Services.

(Franchise Agreement), on December 2, 2024, LSI submitted a rate adjustment application for Rate Year 16 (Fiscal Year 25/26) requesting a 3.58% rate increase. The City retained an unbiased third-party, HF&H Consultants, to apply the methodology in the Franchise Agreement and determine whether Livermore Sanitation's requested increase was in line with that methodology. After evaluation using the methodology in the Franchise Agreement, and after reviewing the recommendations provided by HF&H Consultants, staff is recommending that rates be decreased by 8.67%.

According to Article 8 of the Franchise Agreement, LSI is responsible for proposing rates; the City Council is responsible for authorizing rates consistent with the methodology in the Franchise Agreement. Currently, 20- and 32-gallon subscriptions make up more than 80% of the approximately 26,500 residential accounts in Livermore. Proposed rates for residential customers and commercial customers that subscribe to cart service, are noted in Table 1; all customer rates are available in Exhibit H of the Franchise Agreement.

<b>Commercial, Single-family and Multi-family Accounts</b>	<b>Current Monthly Rates</b>	<b>Proposed Rates</b>	<b>Rate Decrease \$</b>
20-gallon container	\$33.97	\$31.02	-\$2.95
32-gallon container	\$44.60	\$40.73	-\$3.87
64-gallon container	\$66.26	\$60.52	-\$5.74
96-gallon container	\$103.47	\$94.50	-\$8.97

**Table 1 – Current and Proposed Rates**

## **FISCAL AND ADMINISTRATIVE IMPACTS**

The City's General Fund currently receives approximately \$4 million in franchise fees annually from LSI. The proposed rate changes would result in a decrease in the amount of franchise fee received by approximately \$400,000.

## **COMMUNITY PILLAR**

3: Environmental Stewardship

## **GOAL**

2: Manage the City's solid waste contract and develop and implement the City's recycling program ensuring compliance with state and local regulations.

## **ATTACHMENTS**

- [1. Resolution](#)
- [2. Exhibit A - Customer Rates for Rate Period Sixteen](#)

Prepared by: Judy Erlandson  
Acting Public Works Director

Approved by:



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Marianna A. Burch  
City Manager

Fiscal Review by:



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Tina Olson  
Administrative Services Director