Agenda Item No: 1.i

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: April 21, 2026

Submitted by: Matthew Di Mario

From: Public Works

Subject:
APPROVAL OF THE WASTE INFRASTRUCTURE SYSTEM ENTERPRISE (WISE) AGREEMENT WITH ORANGE COUNTY WASTE & RECYCLING FOR MUNICIPAL SOLID WASTE DISPOSAL RATES AND SERVICES

Financial Impact:
Fiscal Impact:
None.

Summary:
The County, through Orange County Waste & Recycling (OCWR), operates the County-owned landfill system, including three active landfills and approximately 20 inactive sites. Since 1997, Orange County cities have participated in the Waste Disposal Agreement (WDA), which provided guaranteed landfill capacity and disposal rates of at least 10% below noncontract customers. The WDA has been amended several times, in 2004, 2009, 2015 and most recently for a one-year extension in 2025.

As the WDA neared expiration, OCWR developed the successor Waste Infrastructure System Enterprise (WISE) Agreement. The Orange County City Managers Association (OCCMA), representing cities, sanitary districts, and special districts that rely on the landfill system, coordinated review and negotiations beginning in late 2024. In 2025, OCCMA secured a one-year extension of the WDA through June 30, 2026, allowing additional time for negotiations.

Recommendation:
Recommended Action: It is recommended that the City Council:

1. Approve the attached WISE Agreement with the County of Orange for municipal solid waste disposal rates and services; and
2. Authorize the City Administrator, or designee, to execute the agreement on behalf of the City and make minor modifications as necessary.

Strategic Plan Statement:
There is no specific strategic planning goal or objective associated with this agenda item.

Discussion:
The current WDA limits annual rate increases to CPI and does not account for rising operational, regulatory, and environmental compliance costs. OCWR also indicated that

additional capital was needed to fund the Brea Olinda landfill closure and to significantly expand the capacity of the landfill in San Juan Capistrano over the course of the 10-year term. OCWR's initial WISE proposal would have increased disposal rates from $43.76 per ton (FY 25-26 rate) to $82.00 in the first year and were projected to rise to nearly $107.00 by 2035.

Through negotiations, OCCMA reached an agreement on a phased rate structure for the first three years of the agreement. Starting in FY 29-30, the rate includes a CPI increase.

Fiscal Year	Contract Rate
2026-27	$67.00/ton
2027-28	$74.00/ton
2028-29	$81.00/ton
2029-30	$81.00/ton + CPI

Effective July 1, 2026, the increased disposal rates are expected to result in an estimated 10% increase to monthly residential customer bills and an estimated 16% increase for commercial customers. These increases are in addition to any hauler-related cost increases associated with service.

The Proposed Fiscal Year 2026-27 rate schedule is included as Attachment 4 for reference only. These proposed rates include the WISE Agreement increase and CPI increases for trash collection. At a later date, City Staff will present the Proposed Fiscal Year 2026-27 rate schedule for approval and adoption, along with an amended franchise agreement for the 2026-27 fiscal year. Once approved by City Council, the rates and the new agreement will be effective on July 1, 2026.

There is also an Organic Services Agreement (OSA) that is included in the attached WISE Agreement (Attachment 1). This OSA is for reference only. The City of Placentia will not be exercising the organic services portion of the agreement.

Cities must adopt the WISE Agreement by April 30, 2026, to avoid disposal rates up to 10% higher. The 'Participation Threshold' for the WISE Agreement to become effective requires that cities that represent at least 50% of the disposal sent to the County landfills ratify the document. The agreement is for 10 years, through June 30, 2036, with one optional 10-year extension.

Attachments

Attachment 1 - WISE Agreement
Attachment 2 - WISE Franchise Hauler Acknowledgement
Attachment 3 - Service Coordinator Designation Form
Attachment 4 - Proposed FY 2026-27 Placentia Refuse Rate Schedule