



Agenda Item No: 2.a

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: July 15, 2025

Submitted by: Samantha Byfield

From: Public Works

Subject:

Public Hearing on Annual Solid Waste Handling Services Rates Adjustment and Related Resolutions for Fiscal Year 2025-26

Financial Impact:

Fiscal Impact:

Increased revenue of \$30,224.57

Summary:

In 2010, the City entered into a franchise agreement (Agreement) with Republic Waste Services of Southern California, LLC (Republic) for solid waste collection services. Per the Agreement, solid waste rates are to be reviewed annually to determine if any adjustments are warranted based on changes in the Consumer Price Index (CPI). Staff and representatives from Republic discuss each year potential adjustments to solid waste rates paid by residents and businesses. The last residential and commercial rate adjustments took effect July 1, 2024.

On Thursday, May 29, 2025, the required 45-day notice under Proposition 218 was mailed to 12,445 record property owners of parcels in the City. The notice informed property owners about the proposed rate increases, the scheduled public hearing, and procedures for submitting a written protest to meet the notification requirements of Proposition 218.

This action recommends that the City Council conduct a public hearing at this Council meeting to consider resolutions approving the adjusted solid waste handling rates for Fiscal Year (FY) 2025-26, to be effective July 1, 2025; authorize the placement of revised residential rates on the County of Orange tax roll for FY 2025-26; and approve Amendment No. 16 to the Agreement.

Recommendation:

Recommended Action: It is recommended that the City Council take the following actions:

1. Open the public hearing concerning the solid waste handling services, rate adjustment and related resolutions for Fiscal Year 2025-26; and
2. Receive the staff report, consider all public testimony, ask questions of staff; and
3. Close the public hearing and direct the City Clerk to tabulate the written protests and report the results of the tabulation to the City Council; and
4. Adopt Resolution No. R-2025-37, approving the amended fee schedule for solid waste handling services for Fiscal Year 2025-26; and

5. Adopt Resolution No. R-2025-38, authorizing and determining residential solid waste handling service charges and directing placement thereof on the Orange County property tax rolls for Fiscal Year 2025-26; and
6. Approve Amendment No. 16 to the Amended, Revised and Restated Agreement for Solid Waste Handling Services between the City of Placentia and Republic Waste Services of Southern California, LLC; and
7. Authorize the City Administrator and/or her designee to execute all necessary documents, in a form approved by the City Attorney.

Strategic Plan Statement:

There is no specific strategic planning statement or goal associated with this agenda item.

Discussion:

On July 20, 2010, the City entered into an Agreement with Republic for solid waste and recycling services. Per Section 24.3 of the Agreement, Republic is entitled to request a general annual rate adjustment to account for inflation each year. The agreed upon methodology for making this adjustment is determined by the CPI for the Los Angeles-Long Beach-Anaheim area as stated in Section 24.3 of the Agreement. Republic can adjust the rates in July of each year based upon the change in CPI for all Urban Consumers for the 12-month period ending January 31 of each year. Staff and representatives from Republic confer each year to discuss potential adjustments to solid waste rates paid by residents and businesses. The last residential and commercial rate adjustment took place on July 1, 2024. According to the terms of the Agreement, the proposed adjustment to residential and commercial rates will have a retroactive effective date of July 1, 2025.

Proposed Rates for FY 2025-26

The proposed refuse rates for Fiscal Year (FY) 2025-26 (Attachment 4) include rate adjustments based upon the following:

- Annual Rate Adjustment per CPI per Section 24.3 of the Agreement
- Increase in the Orange County Landfill Tipping Fees per Section 24.5 of the Agreement

Annual Rate Adjustment per CPI for January 2025

In accordance with the City's current waste hauling Franchise Agreement with Republic, the company is entitled to request a general annual rate adjustment to account for inflation. The agreed upon methodology for making this adjustment is determined by the CPI for Los Angeles-Long Beach-Anaheim area as stated in Section 24.3 of the Agreement. Republic can adjust the rates in July of each year based upon the change in CPI for all Urban Consumers for the 12-month period ending January 31 of each year. The change in CPI for the most recent 12-month period was 3.33%.

Orange County Landfill Tipping Fees

Another component of the rate includes landfill "tipping fees", which are passed through directly to the customer. Beginning in 2010, the County of Orange (County) increased the landfill gate tipping fees from \$22.00 per ton to \$31.37 per ton. Per the Waste Disposal Agreement with the County of Orange, the County disposal fee is adjusted each July 1st according to the change in CPI—All Urban Consumers, All Cities for the 12-month period ending October 31 of each year. For FY 2025-26, the County will increase the fee to \$43.76, which represents a 2.6% increase from the FY 2024-25 fees.

Proposed Residential Waste Rate Summary FY 2025-26

Residential Rate	Current Rate	Proposed Rate	Rate Change
Single-Family (Monthly)	\$41.20	\$44.86	\$3.66/month
Single-Family (Annual)	\$494.40	\$538.32	\$43.92/year

Single-Family Residential Rate Breakdown FY 2025-26

Rate Component	Monthly Amount
Current Base Service Fee	\$36.86
Green Waste Processing Fee	\$2.25
Service Fee CPI Adjustment of 3.33%	\$1.30
Current Landfill Disposal Fee	\$4.00
Landfill Disposal Fee Adjustment of +2.6%	\$0.10
City Refuse & Recycling Coordinator Fee	\$0.34
Total Proposed Rate	\$44.86*

*Rounded to the nearest hundredth

The following two tables provide a summary and breakdown of the proposed commercial waste rates for FY 2025-26. The tables only reflect the most utilized rates for discussion purposes. Attachment 4 includes the full rate schedule for both residential and commercial refuse services.

Proposed Commercial Waste Rates Summary FY 2025-26

Commercial Rate	Current Rate	Proposed Rate	Rate Change
3-Yard Trash Bin	\$215.96	\$222.66	\$6.70/month
3-Yard Recycling Bin	\$184.27	\$190.16	\$5.89/month
2-Yard Organics Bin	\$168.46	\$173.72	\$5.26/month
64-Gallon Organics Cart	\$56.57	\$58.37	\$1.80/month

Commercial Rates

	3-Yard Trash Bin	3-Yard Recycling Bin	2-Yard Organic Bin	64-Gallon Organics Cart
Current Base Service Fee	\$182.39	\$182.68	\$145.81	\$56.08
CPI Adjustment of +3.33%	\$6.07	\$6.08	\$4.85	\$1.87
Current Landfill Disposal Fee	\$31.98	N/A	\$21.38	N/A

Landfill Disposal Fee Adjustment of +2.6%	\$0.83	N/A	\$0.56	N/A
City Refuse & Recycling Coordinator Fee	\$1.40	\$1.40	\$1.12	\$0.43
Total Proposed Rate*	\$222.66	\$190.16	\$173.72	\$58.37

**Rounded to the nearest hundredth*

Proposition 218 Procedures

In addition to the provisions established in the Agreement, the City's ability to adjust rates is governed by Proposition 218. In 1996, California voters approved Proposition 218 which requires a specific process for cities to impose or increase certain types of fees. The provisions of Proposition 218 set forth in Article XIII D of the California Constitution provide that certain types of "Property Related Fees" are subject to a "majority protest" process.

The provisions of Proposition 218 set criteria for property-related fees for refuse, water and sewer services. The fees must be set so that:

- The revenues generated by the fee do not exceed the cost of service.
- No property owner's fee exceeds his/her proportionate share of the costs.
- The City does not impose a property-related fee for a service that is not available to the property owner.

Under Proposition 218, the City's refuse collection fees are considered "Property Related Fees", because the fees are paid by property owners via the property tax roll. In other cities, refuse collection fees are either billed directly to each customer by the waste hauler or they are collected as part of the water utility bill. Proposition 218, and subsequent legislation AB 1260, defines the process for establishing or adjusting property-based fees. The process requires a notice of the proposed fee be sent to all property owners in the City and 45 days after the notice is sent, a public hearing be conducted by the City Council. During the 45-day period and until the close of the public hearing, a property owner may protest the fee by submitting a written protest. If more than 50% of the property owners of record in the City protest the fee, the City Council would be prohibited from enacting the fee change.

On May 29, 2025, the required 45-day notice was mailed to 12,445 record property owners of parcels in the City. The notice informed property owners about the proposed rate increases, the public hearing, and procedures for submitting a written protest (Attachment 5). As of July 10, 2025, the City Clerk has received 5 written protests. A total of 6,223 protests must be received to constitute a majority. If there is no majority protest vote, Staff recommends that City Council adopt the attached resolutions and amendment to the Agreement.

Fiscal Impact Summary:

The cost for providing solid waste services to the City's residents and businesses are covered by the customer rates established by the franchise hauler and paid by those receiving the services. However, the City does receive franchise and admin fees related to the contract. Based on the CPI increase of 3.3%, the City would collect an additional \$30,224.57 in revenue due to the increased rates.

Attachments

[Attachment 1 - Resolution No. R-2025-37 - Solid Waste Rates for FY 2025-26.docx](#)

[Attachment 1a. - Exhibit A - FY 2025-26 Placentia Refuse Rate Schedule.pdf](#)

[Attachment 2 - Resolution No. R-2025-38 - Authorizing Billing on Property Tax Roll.docx](#)

[Attachment 2a. - Exhibit A - FY 2025-26 Placentia Refuse Rate Schedule.pdf](#)

[Attachment 3 - Amendment No. 16 for FY 2025-26 Rate Schedule.pdf](#)

[Attachment 3a. - Exhibit A - FY 2025-26 Placentia Refuse Rate Schedule.pdf](#)

[Attachment 4 - Proposed FY 2025-26 Placentia Refuse Rate Schedule.pdf](#)

[Attachment 5 - Prop 218 Notice of Public Hearing.pdf](#)

[Attachment 6 - Presentation.pdf](#)