

RESOLUTION NO. 2021-05

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF HUNTINGTON BEACH ADJUSTING AND RATIFYING
RESIDENTIAL TRASH RATES BY THE FORMULA ESTABLISHED
IN THE REVISED AND RESTATED REFUSE COLLECTION
AND DISPOSAL SERVICES FRANCHISE AGREEMENT

WHEREAS, Section 8.21.020 of the Huntington Beach Municipal Code requires that the collection of trash, refuse, recyclable waste material and yard waste shall be performed exclusively by the City trash collector; and

WHEREAS, Section 8.21.030 (A) of the Huntington Beach Municipal Code provides that the maximum charge for residential trash collection service shall be established from time to time by resolution of the City Council. Such charge shall apply to persons occupying single-family dwellings, and each dwelling unit within a duplex, a triplex or a fourplex. This charge shall not apply to persons occupying residential units such as apartments, mobile home parks, or other multi-family complexes, who are currently contracting directly with the City trash collector; and

WHEREAS, on July 17, 2006 the City Council adopted Ordinance No. 3744, granting the Revised and Restated Refuse Collection and Disposal Services Franchise Agreement to collect trash to Rainbow Disposal and to Rainbow Transfer and Recycling (the “Franchise”); and

The state of the law remains unclear as to the applicability of California Constitution Article XIII (Proposition 218) to residential trash rates. In order to avoid any future legal challenges, the City is following the procedural and substantive mandates of Proposition 218; and

The Franchise provides that the Residential Trash Collection Rate has three components. The first component is the fee paid to the trash collection hauler. That fee increases annually according to the following weighted fee formula comprised of three components:

1. March to March Consumer Price Index for All Urban Consumers (“CPIU”) in Los Angeles, Orange and Riverside counties established by the U. S. Bureau of Labor Statistics, weighted 76%;
 2. The landfill disposal fee – weighted 16%; and
 3. The hauler’s cost of Compressed Natural Gas (CNG) fuel, weighted 8%;
- and

The second cost component included in the Residential Trash Collection Rate is the actual costs to the City of providing billing, payment processing, accounting and customer services. As of July 1, 2020, these costs were \$1.89 per month. This cost component increases annually according to the March CPIU increase; and,

The third cost component included in the Residential Trash Collection Rate is the actual costs to the City of providing state-mandated recycling education programs. This cost component is \$0.15 per month, and does not increase annually; and

Effective January 1, 2020, the City and its trash experienced a onetime cost increase of \$0.98 per residence per month in order to pay the additional cost to process residential yard waste imposed upon the City pursuant to State law, specifically, Public Resources Code Section 41781.3; and

The City desires to adjust the maximum Residential Trash Collection rate annually commensurate with the adjustments established by Rainbow Disposal Co. in accordance with the formula stated above; and

Huntington Beach Municipal Code Section 8.21.030 provides that the City Council establishes maximum rates for Residential Trash Collection service by resolution; and

Most recently, the City Council adopted Resolution No. 2017-26 increasing the Residential Rate to \$20.57 per month, effective November 1, 2017, with automatic annual increases for the next five years pursuant to the economic indexes of the Franchise Agreement. Consequently, the rate effective July 1, 2020 is \$22.16 per month;

NOW, THEREFORE, the City Council of the City of Huntington Beach does hereby resolve as follows:

1. The foregoing recitals are all true and correct.
2. After a duly noticed City Council public hearing on January 19, 2021 to receive testimony and protest regarding the proposed Residential Trash Collection Rate, the City Council finds that no such majority protest was received and that the rates shall be adjusted to \$23.14 per month effective February 1, 2021
3. The Residential Trash Collection Rate will be adjusted annually in accordance with the formula set forth in the Revised and Restated Refuse Collection and Disposal Services Franchise Agreement as follows:
 - a. March to March Consumer Price Index for All Urban Consumers in Los Angeles-Long Beach-Anaheim established by the U. S. Bureau of Labor Statistics ("CPIU"), weighted 76%; and
 - b. The landfill disposal fee – weighted 16%; and
 - c. The hauler's cost of Compressed Natural Gas (CNG) fuel, weighted 8%.

4. The Residential Trash Collection Rate will be adjusted annually commencing July 1, 2021 pursuant to the previous March CPIU, and continuing each July 1, including July 1, 2025. Notice of any adjustment to the Residential Trash Collection Rate shall be provided by way of a notice in the monthly Municipal Services Bill at least thirty (30) days before the effective date of the Rate adjustment.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 2021.

REVIEWED AND APPROVED:

City Manager


Mayor

INITIATED AND APPROVED:



Director of Public Works

APPROVED AS TO FORM:



City Attorney

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