



NOTICE OF PUBLIC HEARING

Concerning proposed increases to the City of El Centro residential, multi-family, commercial, industrial and roll-off solid waste service rates



The City of El Centro (“City”) is dedicated to providing reliable and cost-effective solid waste collection services to property owners, residents, and businesses.

Pursuant to State law, the El Centro City Council will hold a public hearing at the time, date, and location specified below to consider increases to the City’s residential, multi-family, commercial and roll-off solid waste collection and processing service fees (“Solid Waste Service Rates”).

DATE: June 7, 2022
TIME: 6:00 p.m. or as soon thereafter as the matter may be heard
LOCATION: City Hall Council Chambers
1275 W Main Street
El Centro, CA 92243

Summary: The public hearing will include consideration of adopting a resolution that will authorize maximum rate increases for solid waste collection services for a five-year (5-year) period commencing July 1, 2022 through June 30, 2027. The proposed rates included in Exhibit “A” hereto are the actual rates that will be charged to customers foregoing a majority protest (50% plus one protest from businesses and residents/property owners in the City) for July 1, 2022. Thereafter, such rates are subject to a 4% increase each year, as explained below. The maximum proposed rates for July 1, 2023 through June 30, 2027 are available on the City’s website at www.cityofelcentro.org/publicworks/prop218 and reflect that possible four percent increase from year-to-year; however, actual increases may be less. Annual rate increases in any given year exceeding 4% and any further increases proposed after June 30, 2027, would be subject to approval by the City Council via public hearing and protest procedures open to interested persons.

The protest process and public hearing will be conducted in accordance with California Constitution Article XIII D, Section 6 (also known as “Proposition 218”). This notice is being sent by direct mail to the address to which the City mails the billing statement for the parcel receiving Solid Waste Services.

Under Proposition 218, property owners of record (“property owner”) or tenants responsible for payment (“tenant”) of the Solid Waste Service Rates may submit a written protest to the proposed rate changes as explained in this Notice. Only one protest per parcel is permitted.

Please refer to the “How Can I Participate or File a Protest?” section of this document for instructions on submitting a formal written protest against the proposed action. You also may appear at the public hearing at the date and time specified above.

All members of the public are invited to attend the public hearing. The City of El Centro welcomes your participation and input throughout the process as the City Council considers the new rates and estimated future rate adjustments explained in this Notice. If you have questions or comments about the new and estimated future rates, **CALL OR EMAIL**. Call (760) 352-6178 or email cgutierrez@cityofelcentro.org

WHY HAVE I RECEIVED THIS NOTICE?

The City currently contracts with CR&R, Incorporated to provide Solid Waste Services. The City maintains a list of account holders for billing statement purposes. An account holder may be the property owner or it may be a tenant. Every account holder received a public hearing notice. In addition, this notice is available at the website in the summary above.

HOW CAN I PARTICIPATE OR FILE A PROTEST ?

WRITE. Written protests may be mailed to the City of El Centro, Attention: City Clerk, 1275 W Main Street, El Centro, CA 92243 or delivered in-person to the City Clerk at the same address: 1275 W Main Street, El Centro, CA 92243. To be counted, a protest must be in writing. **AN ORAL PROTEST DOES NOT COUNT.** Any written protest may be a letter which must have the following information: (1) state that the property owner or tenant opposes the proposed rate increases to the Solid Waste Service Rates; (2) provide the location of the parcel by street address or assessor's parcel number; and (3) include the name and signature of the property owner or tenant submitting the protest. Alternatively, you may utilize the sample protest letter attached to the end of this Notice, which includes said information. For any written protest, whether mailed or submitted in person to the City Clerk, please write on the front of the envelope "Attn: Public Hearing on Solid Waste Rate Increases." A sample protest letter is available

No protest submitted via e-mail or other electronic means will be accepted.

All written protests must be received by the City Clerk before the close of the public hearing.

Any property owner of record or tenant responsible for payment of Solid Waste Service Rates may submit a written protest of those proposed rate increases. However, only one written protest will be counted per each parcel.

ATTEND THE PUBLIC HEARING. Written protests also may be submitted at the Public Hearing on June 7, 2022, at 6:00 p.m., in the City Council Chambers at 1275 W Main Street, El Centro, CA 92243. Only written protests will count toward a majority protest. Written protests must be received before the conclusion of the public hearing to be counted. In addition, members of the public will have an opportunity to speak and give testimony regarding the proposed Solid Waste Service Rates at the Public Hearing. However, members of the public who are not property owners or tenants may not file a written protest.

The public hearing may be held electronically or by teleconference if required or permitted by national, state and/or local orders as a result of the COVID-19 public health or other emergency. In that event, information will be provided on the City's website and posted in City Council Chambers.

At the conclusion of the public hearing, the City Council will hear and consider all written protests of the proposed rate increases submitted before or at the public hearing.

A majority protest means that those representing 50% plus 1 of the properties noticed have filed a written protest. If there is a majority protest, the Council may not move forward with the increase.

If there is not a majority protest, City Council may consider adoption of a resolution authorizing the rate increases to the City's Solid Waste Service Rates as described in this notice. If authorized, the proposed rate increases to the Solid Waste Service Rates will be in effect beginning July 1, 2022, for a five-year period through June 30, 2027 based on the adjustments outlined in this notification.

WHY ARE RATES PROPOSED TO INCREASE?

The City Council previously determined that the collection, processing, and disposal of solid waste in the City is a service to be performed by a private company, under an exclusive franchise agreement. The exclusive amended and restated franchise agreement with CR&R was approved by the City Council on April 5, 2022. At that time, the City Council instructed staff to proceed with the Proposition 218 process to determine if the proposed fee increases may be approved. The proposed Solid Waste Service Rates effective July 1, 2022, were negotiated between the City and CR&R and are the maximum amount that may be charged for Solid Waste Services. Solid Waste Services Rates effective July 1, 2023 through June 30, 2027 may not increase by more than 4% each year. Fees above that amount are subject to another Proposition 218 noticed public hearing and approval by the City Council. The new rates are for the operation and administration of the solid waste disposal and recycling services and programs implemented by the franchisee as required by State law, the City Code, and the franchise agreement. Such services include solid waste containers, solid waste pick-up, street sweeping, periodic bulky and special item curbside pickup, oil recycling, sharps disposal and paper shredding events. Additional information on services provided by CR&R is found at www.cityofelcentro.org/publicworks/trash-and-recycling/

The primary factors for the proposed new rate structure are cost increases due to inflation as well as increases in solid waste collection costs such as fuel and supplies, increased costs of providing State-required organics diversion programs and other recently enacted State mandates and volatility in recycling markets.

Disposal costs (such as the cost of taking waste to a landfill or recycling facility) already are included in the proposed rate increases.

HOW MUCH WILL RATES INCREASE?

As stated, the proposed increased rates commencing July 1, 2022 are set out in Exhibit A attached to this Notice.

The initial rate increase for residential properties is \$2.31 per month for the July 1, 2022 to June 30, 2023 period which is an increase of 11.2% above the current rate. That is an increase from the current \$20.64 to \$22.95 per home per month for residential accounts for July 1, 2022 through June 30, 2023.

As a sample, the table below illustrates the maximum possible rates for residential cart service, including one each refuse (black), recycling (blue), and organic waste cart (green), for a single-family home.

Sample single-family residential cart service projected maximum rate schedule

(includes 11.2% increase)		Projected (assuming maximum 4% per year CPI increase) ¹			
Service	July 1, 2022 to June 30, 2023	July 1, 2023 to June 30, 2024	July 1, 2024 to June 30, 2025	July 1, 2025 to June 30, 2026	July 1, 2026 to June 30, 2027
Residential cart service	\$22.95	\$23.87	\$24.82	\$25.82	\$26.85

(1) Residential cart service includes one each refuse, recycling, and organic waste cart. Rate does not include the rate for used oil/filter collection of \$0.06 per month per eligible home.

The rate increase for commercial and multi-family properties is 7% per month for the July 1, 2022 to June 30, 2023 period across the various available services.

Due to the new recycling requirements, cost of compliance, and recycling markets, multi-family and commercial recycling services will be charged at 75% of the corresponding commercial refuse rates. In an effort to reduce the initial rate impact to ratepayers, CR&R will phase in the multi-family and commercial recycling charge over two years, in addition to the impact under the rate adjustment methodology. For the 2022/2023 fiscal year, to calculate the multi-family and commercial recycling rates, multiply the corresponding trash rate by 37.5%. For the 2023/2024 fiscal year, to calculate the multi-family and commercial recycling rates, multiply the corresponding refuse rates by 75%.

As a sample, the table below illustrates the maximum possible rate for a commercial refuse and a commercial recycling 3 cubic yard bin collected once per week.

**Sample commercial refuse and recycling bin service
3 cubic yard collected once per week service maximum possible rate schedule**

(includes 7.0% increase)		Projected (assuming maximum 4% per year increase to refuse rate) ²			
	July 1, 2022 to June 30, 2023	July 1, 2023 to June 30, 2024	July 1, 2024 to June 30, 2025	July 1, 2025 to June 30, 2026	July 1, 2026 to June 30, 2027
Refuse	\$115.97	\$120.61	\$125.43	\$130.45	\$135.67
Recycling	\$43.49 ¹	\$90.46	\$94.07	\$97.84	\$101.75

(1) July 1, 2022 recycling rate is 37.5% the amount of the refuse rate.

(2) Starting July 1, 2023 recycling rate is 75% the amount of the refuse rate.

Industrial and Roll off rate increases are set out in Exhibit A. Industrial and roll-off customer rate dollar increases vary by service levels.

Possible Annual Increase up to 4% per year: During each fiscal year between July 1, 2023 and June 30, 2027, CR&R may request an annual adjustment of any or all rates up to 4% of the existing rate. The annual increase in rates is determined using specific methods incorporating weighted cost category indices. The indices and the methodology for their use is available for review in the City's website at www.cityofelcentro.org/publicworks/prop218. Such an increase will be considered and may be granted by the City Council when CR&R shows evidence of increased costs in various categories as set out in the franchise agreement. However, in no event shall the increase in any rate be more than 4% above the rate for the prior year.

The annual increase does compound: if the rate is increased by 4% in one year, the increase, of whatever percentage, will be calculated on the existing rate (which includes the prior annual increase). However, the inflator does not carry forward. If the actual rate increase in one year is 5%, and in the next year a lower amount, such as 3%, the 1% increase in the prior year above the 4% cap may not be applied to subsequent years.

Rates beginning July 1, 2023, may be lower than those included in the samples above if the rate adjustment factors produce an adjustment factor lower than 4%.

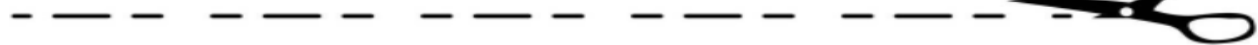
Again, the proposed Solid Waste Service Rates and their effective dates are set forth in Exhibit A of this Notice. A projection of maximum rates to be charged each year through June 30, 2027 can be found on the City website, www.cityofelcentro.org/publicworks/prop218 for typical ratepayers. The disclosure of possible annual increase is not a prediction of whether such increases will occur, but the explanation of the maximum rates that may be charged without an additional Proposition 218 hearing.

I HAVE MORE QUESTIONS

Please visit www.cityofelcentro.org/publicworks/prop218 for additional information, call (760) 352-6178 or email cgutierrez@cityofelcentro.org.

If you do not oppose the rates, do not submit a letter.

If you oppose the rates, you may utilize the sample protest letter here included.



Written protest must be mailed in an envelope or delivered to: **City Clerk, Attn: Public Hearing on Solid Waste Rate Increases, 1275 W. Main Street, El Centro CA 92243**

I _____ **oppose** the proposed rate increases.
(Print Name - Property Owner or Tenant)

Assessor's Parcel Number or Address: _____

Signature: _____