

# Public Hearing to Consider Solid Waste Rates and Fees

## Athens Services Second Amendment

# Public Hearing – Solid Waste Rates

Necessary per Proposition 218

- Take public testimony
- Conclude Public Hearing
- Determine if majority protest exists
- Adopt Resolution to set rates for FY2026–27
- Approve Second Amendment

# Proposition 218 Process

- Public hearing required every five years or upon change to rate structure
- Considering Second Amendment changes in addition to annual rate adjustment
- Notice to property owners completed
- Written Report prepared

# Annual Rate Adjustment

- Rate adjustment formula established in original Agreement (2011)
- Annual adjustment based on five industry cost components
- Annual rate adjustment for FY2026–27 for all customer classes is 4.63%

# Residential Rate Adjustment

Proposed 4.63% rate adjustment:

- FY2025–26 Monthly Rate: \$30.77
- FY2026–27 Monthly Rate: **\$32.09**

# Multi-family and Commercial Rate Adjustment

- 4.63% Annual rate adjustment applied to all customer classes
- Multi-family unit (4-) no other change
- All customers receive 3-stream bundled service
- Multi-family units (5+) use commercial rate structure

# Sample Multi-family and Commercial Rates

Sample Multi-family(4-) – 2 yard bin

FY2025-26: \$193.64

FY2026-27: **\$202.14**

Sample Commercial (& MF5+) – 3 yard bin

FY2025-26: \$300.20

FY2026-27: **\$314.14**

# Recommendation

1. Take public testimony
2. Close Public Hearing and determine if majority protest exists
3. ADOPT BY TITLE ONLY RESOLUTION NO. CC-2605-032 ESTABLISHING CONTRACTOR'S CHARGES AND CORRESPONDING CITY FEES FOR RESIDENTIAL, MULTI-FAMILY AND COMMERCIAL REFUSE COLLECTION FOR THE 2026-2027 FISCAL YEAR AND ORDERING THE ANNUAL REFUSE CHARGES FOR FISCAL YEAR 2026-27 TO BE COLLECTED ON THE COUNTY OF LOS ANGELES TAX ROLL
4. Approve the Second Amendment to the Agreement with Arakelian Enterprises, Inc., dba Athens Services
5. Direct staff to work with Athens Services to implement three stream and bundled service for all City customers by July 1, 2026 target date



# Second Amendment Development

- Athens proposed amendment (SERRF closure and impact on diversion rates) – March 2024
- Athens proposed revised amendment (three stream collection and other terms) – March 2025
- Presentation to City Council for direction – May 2025
- Staff/consultant rates study to Council – January 2026
- City Council authorized staff to initiate Prop 218 – March 2026
- City Council reviewed second amendment terms and directed staff to finalize and bring back for approval – May 5, 2026

# Changes to Terms

## Key provisions:

- Move of Multi-family units (5 or more) to Commercial
- Bundling of services (trash, recycling, organics)
- Term of Agreement (extension to June 30, 2036)
- Transformation target removed
- Diversion requirement adjusted
- Roll-off exclusivity (after 5-year noticing)
- Scout service fee
- SBI383 program changes

