

# CITY OF REDONDO BEACH

## Proposed Second Amendment Analysis

January 12, 2026





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January 12, 2026

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531 N. Gertruda  
Redondo Beach, CA 90277

*Sent via email: [Andrew.winje@redondo.org](mailto:Andrew.winje@redondo.org)*

**Subject: Proposed Second Amendment Analysis**

Dear Andrew Winje,

Enclosed please find our report on the analysis performed by HF&H Consultants of the second amendment proposed by Athens Services on their solid waste handling services franchise agreement with the City of Redondo Beach. Our executive summary is included starting on Page 1.

We are pleased to have had the opportunity to assist the City of Redondo Beach with this engagement and would like to thank you for your team's support during the project.

If you have any questions, please call or e-mail Laith Ezzet at (949) 251-8902 or [lezzet@hfh-consultants.com](mailto:lezzet@hfh-consultants.com) or Lindsey Lagos at (949) 251-0231 or [llagos@hfh-consultants.com](mailto:llagos@hfh-consultants.com).

Sincerely,

Laith B. Ezzet, CMC  
Senior Vice President

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## **ATTACHMENTS**

- A. Compound Impact of First Amendment Rate Adjustment Methodology
- B. Diversion Analysis
- C. City Survey Results



## Executive Summary

During 2024, the City of Redondo Beach (City) received a proposal from Athens Services (Contractor) for a Second Amendment to the Solid Waste Handling Services Agreement (Agreement) between the City and Contractor. The City requested HF&H Consultants, LLC (HF&H) to provide feedback on the Contractor's proposed amendment, perform analyses on certain proposed amendment terms; survey eight cities for certain franchise agreement features; and prepare a financial analysis of certain data provided by the Contractor.

The proposal from the Contractor involves operational and financial elements. The operational changes include, but are not limited to:

- Elimination of refuse trash cart contamination processing, i.e., delivering the refuse trash cart to the landfill without processing recyclables that may have been disposed of rather than placed in the recycling cart.
- Providing a source-separated three-stream program (eliminating "mixed waste" collection) for all remaining commercial and multi-family customers.
- Replacing the 75% diversion rate requirement for all materials collected within the City by the Contractor with an Assembly Bill (AB) 939 compliant diversion guarantee of 50% for all materials generated within the City.
- Granting exclusivity to Contractor for roll-off services.
- Extending the term of the Agreement by eight years to June 30, 2026.

Details of our study are included in the enclosed report. The summary contained herein focuses on results of a comparative program survey of similar cities and financial impacts of the Contractor's proposal to City residents and businesses.

## CITY SURVEY RESULTS

HF&H gathered data for the following eight cities: Redondo Beach, Carson, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, and Manhattan Beach. In our rate data gathering, we found the City's January 1, 2025 rates for:

- residential were the third highest of the eight cities surveyed
- multi-family rates were the lowest of the eight cities surveyed, and
- commercial rates were third lowest among the eight cities surveyed .

Rates vary across the eight jurisdictions for myriad reasons, including the various programs provided by their waste haulers and fees collected within the different jurisdictions. The rank order of the City's rates for some service classes may change under rate changes proposed by the Contractor, as discussed in the Financial Analysis section, though the multi-family and commercial rates proposed under Option 2, described below, would continue to rank among the lowest half of the eight cities surveyed.



Services were generally comparable with the exception of the inclusion of street sweeping in the City's solid waste rates.

## **FINANCIAL ANALYSIS**

The Contractor has identified certain costs that it asserts have increased at a rate greater than the annual rate adjustments. The additional operating, capital, and disposal costs specifically identified by the Contractor total \$1,535,023.

HF&H estimated the tipping fee savings associated with the elimination of transformation at SERRF are \$708,485. If those savings are included as an offset to the cost increases identified by the Contractor, then the estimated cost increases would be reduced from the \$1,535,023 described above to a revised value of \$826,538. The Contractor states that these savings were not realized due to other costs such as transportation and indirect expenses; we were unable to validate this statement with the information provided.

To address increased costs, the proposed Second Amendment includes adjustments to certain revenue items. Additional rate revenue sources proposed by the Contractor to recover the increased costs are described below:

- Implementing Option 1 increasing the rates to all commercial and multi-family customers by 13.5%, or Option 2— classifying multi-family customers with five units or more as commercial customers, thereby increasing their rates.
- Eliminating gratis services for recycling and bundling refuse, recycling, and organics services in to a combined service rate for commercial and multi-family customers.
- Adding a scout charge for customers whose bins are positioned by a small truck with forks before collection by the solid waste vehicle.

Additional rate revenues proposed by the Contractor to address increased costs total \$3,003,196 or \$3,128,446, based on the two proposed rate change options. The proposed rate revenue increases are higher than the additional specifically identified costs provided by the Contractor by approximately \$1,468,000 and \$1,593,000 under Options 1 and 2, respectively, using the data by the Contractor. If the full cost savings of \$708,485 from the elimination of transformation are factored into the analysis, then the amount of the excess revenue would be approximately \$2,176,485 or \$2,301,485 under Options 1 and 2, respectively. The Contractor has indicated that the proposed revenues in excess of the identified costs are to compensate the Contractor for other costs, the specificity for which was not provided.



## **Section 1. Background and Study Tasks**

### **BACKGROUND**

The City entered into the Agreement between the City and Contractor, which commenced on July 1, 2011. Effective July 1, 2019, the parties entered into the First Amendment to the Agreement (First Amendment), which extended the original term by nine years. The current Agreement is set to expire on June 30, 2028, with the City having the option to extend the term monthly for up to 24 months.

During negotiations for the First Amendment, the Contractor provided a Cost-of-Service analysis comparing the costs incurred to provide services under the Agreement to revenues. Through a review performed by HF&H—City of Redondo Beach Compliance Audit of Athens Services dated January 17, 2018—it was confirmed that the Contractor’s costs exceeded total revenues by approximately 34% for the 12-month period that ended June 30, 2016. To address these losses, the First Amendment revised the annual rate adjustment methodology to:

- Add 1% to the annual rate adjustment for the remainder of the Agreement
- Add a phased-in special rate adjustment to the annual rate adjustments effective July 1, 2019 through July 1, 2023. The additional annual special rate adjustment was 7% and 14% for residential and commercial customers, respectively.

The annual rate adjustments for each of the special rate adjustment years were calculated using the equations below:

- Residential and multi-family customers = Annual adjustment + 1% + 7%
- Commercial customers = Annual adjustment + 1% + 14%

From the effective date of July 1, 2019 through the most recent rate adjustment on July 1, 2025, the compounded impact of the 1% annual increase together with the phased-in special rate adjustments resulted in an increase of 47.47% for residential customers and an increase of 99.75% for commercial customers. Calculations are included in Attachment A.

During 2024, Contractor proposed a Second to the City. Amongst other changes, the proposed Second Amendment includes:

- Replacing the 75% diversion rate for solid waste collected by the Contractor with an AB 939 diversion guarantee for all waste generated in the City
- Extending the Agreement term by 10 years
- Allowing the Contractor to exclusively service roll-off customers in the City, following a five-year wind-down
- Eliminating service of the South Bay Galleria from scope limitations
- Providing a three-container source-separated program rather than processing mixed waste

## Proposed Second Amendment Analysis

### Section 1. Background and Study Tasks



- Bundling multi-family and commercial services
- Introducing a scout service charge
- Increasing multi-family and commercial rates by either:
  - Option 1: a 13.5% increase for all commercial and multi-family customers (Option 1).
  - Option 2: classifying multi-family customers with five units or more as commercial customers (Option 2), which will generally result in an increase for multi-family customers.

## STUDY TASKS

The City requested HF&H to provide feedback on the Contractor's proposed Second Amendment, perform analyses on certain terms proposed by the Contractor within the Second Amendment, and analyze the rate adjustments requested.

The original tasks for this study are summarized below:

- Provide a redlined version of the Second Amendment with comments and feedback to the City.
- Review the appropriateness of the updated diversion rate related to the closure of the SERRF.
- Estimate the cost impacts of eliminating the processing of residential black barrel solid waste and redirecting this tonnage from SERRF to a landfill.
- Evaluate the ratepayer impact of awarding the Contractor exclusivity for roll-off services within the City. Estimate the City's potential revenue that would be generated from applying the existing commercial Administration Fee and AB 939 fee to roll-off customers.
- After completing the tasks above, the City and HF&H amended their Consulting Services Agreement on July 1, 2025, to integrate the following tasks into the study:
- Provide a matrix comparing Agreement terms to the proposed terms and include an assessment of the changes.
- Develop a matrix summarizing certain franchise agreement features for eight cities, including the City of Redondo Beach.
- Prepare a financial analysis summary of the cost increases identified by the Contractor, the proposed customer rate revenue increases, and the net difference between the proposed rate revenue increases and the Contractor's identified cost increases.

## LIMITATIONS

HF&H prepared this study solely for the City in accordance with the Agreement for Consulting Services Between the City of Redondo Beach and HF&H Consultants, LLC and the First Amendment to that agreement, dated July 1, 2025. This study is intended to provide

## **Proposed Second Amendment Analysis**

### **Section 1. Background and Study Tasks**



information that may assist the City in negotiating the Second Amendment to the Agreement and is not intended for use by any other party for any other purpose.

In preparing this study, HF&H relied on data and assumptions provided by Athens Services, who we relied upon to be knowledgeable and, consistent with the scope of our engagement, did not independently verify the data provided. Substantiating certain elements used in the financial analysis performed would require a more detailed financial review, which was not under the scope of this study.

Rounding differences caused by stored values in electronic models may exist.

This study addresses relevant laws and regulations but should not be relied upon as legal advice. Questions concerning the interpretation of legal authorities referenced in this study should be referred to a qualified attorney.



## **Section 2. Analysis and Findings**

### **1. SECOND AMENDMENT REDLINE AND FEEDBACK**

HF&H reviewed two versions of the proposed Second Amendment and formal correspondence between the City and the Contractor. We provided redlined drafts of both the initial and revised proposed Second Amendment on November 25, 2024 and August 7, 2025, respectively. We included comments and feedback to the City on the content within the proposed Second Amendment and identified other areas of the Agreement that may require updates because of the proposed diversion updates and/or the granting of exclusive roll-off rights. The redlined versions of the proposed Second Amendment and related feedback were provided to City staff for their use in negotiations with the Contractor.

### **2. PROPOSED DIVERSION REQUIREMENT CHANGE**

HF&H reviewed the appropriateness of the Contractor's proposal to replace the current diversion requirement of diverting 75% of all materials collected within the City by the Contractor with a City-wide AB 939 diversion guarantee. The State's requirement to achieve a 50% diversion rate under AB 939 would include diversion from third-party recyclers, self-haulers, source reduction, and re-use, in addition to the materials the Contractor diverts.

HF&H submitted a diversion analysis to the City on August 7, 2025. Our analysis indicated that the existing requirement to divert 75% of the tons collected under the Agreement could be reduced to 50%, excluding C&D materials, to reflect the loss of transformation and the elimination of residential refuse carts processing. If transformation was removed from diversion in 2022 (the final year transformation was allowed to receive State diversion credit), the Contractor would have achieved a 51.03% diversion rate for materials it collected. The Contractor has also proposed to discontinue residential refuse carts processing. In 2022, 0.47% of diversion was related to processing residential solid waste collected in refuse carts. The actual diversion achieved in 2022 after the removal of diversion related to transformation and processing refuse carts was 50.56%. See detailed calculations within Diversion Analysis, Attachment B.

An additional factor that supports a 50% diversion requirement for materials collected by the Contractor is the City's membership in the Los Angeles Regional Agency (LARA), which offers some protections surrounding City-wide diversion since reporting to CalRecycle occurs at the LARA level rather than the member-city level. Further, as the Contractor only controls a portion of the solid waste generated and diverted in the City, we believe the contractual obligation in the Agreement should reflect specific performance standards for the amount of waste that is collected and controlled by the Contractor.

### **3. IMPACT OF NOT PROCESSING TRASH**

Section 1.4 (Mixed Waste Processing of All Residential Refuse) of the Agreement states: "Contractor shall send all Refuse Collected in the City in Refuse Carts (including Single Family and Multi-Family Refuse Carts) for processing to recover Recyclables prior to landfilling. Contractor shall divert from landfilling a minimum of 8.5% of Solid Waste Collected from Residential Refuse Carts." Separately, Section 5.5.5 (Waste-To-Energy) of the Agreement

## Proposed Second Amendment Analysis

### Section 2. Analysis and Findings



requires the Contractor to “send a sufficient number of tons of Refuse from which Recyclables have been removed to a Waste-to-Energy facility for the City to receive 13,000 tons of diversion credit per year as measured on an annual basis.”

The proposed Second Amendment removes the requirements in Sections 1.4 and 5.5.5. The elimination of Section 5.5.5 is due to the waste-to-energy facility, SERRF, being closed after the State disallowed diversion credit for transformation.

Eliminating the requirements to process residential refuse carts and take a prescribed amount of materials to SERRF impacts costs because:

1. Trash previously processed at a materials recovery facility (MRF) to recover recyclable materials before being transferred to a landfill, would no longer have to be processed at a MRF, eliminating those processing costs.
2. The cost per ton at the landfill is less than the cost per ton of transformation at SERRF.

Analysis and discussion of the financial impacts of transferring materials to a landfill rather than processing them and/or taking them to SERRF is included in Section 2.7 of this report.

## 4. PROPOSED EXCLUSIVITY OF ROLL-OFF SERVICE

The Second Amendment proposed by the Contractor includes establishing exclusivity of roll-off services. Public Resources Code Section 49520 allows currently licensed or permitted roll-off service providers to continue to provide those services for up to five years after the mailed notification that exclusive services will be provided. As such, our analysis is related to the projected impact after the five-year wind-down if the services become exclusive.

HF&H obtained the proposed pricing by the Contractor for exclusive roll-off services. City staff advised that the majority of roll-off materials are related to C&D. Accordingly, HF&H's analysis utilized the proposed C&D rates to estimate the total proposed charge per ton. Using revenue and tonnage data reported to the City by the Contractor for calendar year 2024, HF&H calculated the incremental revenue that would be generated for the Contractor by the proposed change to roll-off rates. Assuming no other changes but the estimated 19% increase in C&D roll-off rates, the Contractor's annual roll-off revenue (net of City fees) would increase by approximately \$202,000. If the Contractor serviced all roll-off customers exclusively and tonnage for the South Bay Galleria was also made exclusive to the Contractor, the increase would be greater.

The current City fee assessed to permitted roll-off haulers is 4% of gross roll-off revenue. The annual City fees generated by the 4.25% AB 939 Permit Fee and 9.15% Administration Fee would be approximately \$31,275, approximately \$22,000 higher than the fees that would be generated under the current system, based on the additional revenue from increased rates.

HF&H also estimated the additional City fees that would be generated if the 2024 roll-off tonnage reported to the City was made exclusive to the Contractor. Using calendar year 2024 data reported to the City, we calculated additional annual City fees—due to making roll-off services exclusive to the Contractor—to be approximately \$177,304. A summary of the



calculation is included in Figure 1 below. Additional calculations and details were included in the Roll-Off Analysis draft submitted to the City on August 7, 2025.

**Figure 1. Estimated Additional City Fees for Exclusive Roll-Off Revenue, Based on 2024 Data**

Total Estimated Roll-off Revenue	\$1,886,216
AB 939 Permit Fee - 2024 Rate	4.25%
AB 939 Permit Fee for Roll-off Revenue	\$80,164
Administration Fee	9.15%
Administration Fee for Roll-off Revenue	\$172,589
Total Roll-off Fees	\$252,753.00
Current Roll-off Fee Percentage	4%
Roll-off Fees at Current Roll-off Fee Percentage	\$75,449
<b>Additional Roll-off Fees to City</b>	<b>\$177,304</b>

If roll-off services were performed exclusively by the Contractor, HF&H has recommended, in the redlined draft of the Contractor's proposed Second Amendment, sample language to ensure compliance with the State's CalGreen diversion requirement for C&D materials.

## 5. SECOND AMENDMENT MATRIX

On August 7, 2025, HF&H submitted a Second Amendment Matrix draft, comparing current Agreement terms to terms proposed by the Contractor in the Second Amendment, to the City. Significant proposed changes include, but are not limited to:

1. Establishing exclusivity of roll-off services after a five-year wind-down (as discussed in Section 2.4 above)
2. Deleting the scope limitation of exclusively providing services to the South Bay Galleria
3. Adding a charge for push-out or scout service (as discussed in Section 2.7 below)
4. Replacing the mixed waste processing program with a three-stream source-separated program
5. Eliminating the Contractor's 75% diversion requirement and providing AB 939 indemnification (as discussed in Section 2.2 above)
6. Deleting the Faithful Performance Letter of Credit obligation
7. Extending the term of the Agreement by 10 years



Additional considerations and proposed edits were included in the redlined draft of the revised Second Amendment proposal submitted to the City on August 7, 2025.

## 6. CITY SURVEY RESULTS

HF&H gathered data for certain agreed-upon data points for the following eight cities: Redondo Beach, Carson, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, and Manhattan Beach.

We submitted a City Comparison Matrix draft to City staff on August 18, 2025. Included below are key excerpts from our analysis.

Figures 2a, 2b, 3, and 4 present summaries of customer rates for residential, multi-family, and commercial customers for the surveyed cities as of January 1, 2025. Rates vary across jurisdictions for myriad reasons, including the various programs and fees amongst these jurisdictions. The rates presented in the figures are based on the bundle of services identified in the figure and are used to compare rates assuming this same service in every city, though typical services may vary in the cities presented. The rates proposed by the Contractor for both Option 1 and Option 2 for multi-family and commercial customers are also included for comparison in Figures 3 and 4.

**Figure 2a. Summary of 64-Gallon Residential Customer Rates as of 1/1/25  
(Lowest to Highest)**

*The rates include a 64-gallon trash cart 1x/week, 64-gallon recycling cart 1x/week, and 64-gallon organics cart 1x/week and are inclusive of fees, when applicable.*

City	Monthly Rate	Footnote
Manhattan Beach	\$23.06	
Gardena	\$26.22	(1)
Inglewood	\$26.84	(1)
Carson	\$27.88	(1)
Redondo Beach	\$29.78	(1)
Hermosa Beach	\$31.53	
Hawthorne	\$31.71	
Lawndale	\$32.54	

(1) The cities' residential customers may select a 64-gallon or 95-gallon container for the same rate.



**Figure 2b. Summary of 95-Gallon Residential Customer Rates as of 1/1/25 (Lowest to Highest)**

*The rates include a 95-gallon trash cart 1x/week, 95-gallon recycling cart 1x/week, and 95-gallon organics cart 1x/week and are inclusive of fees, when applicable.*

City	Monthly Rate	Footnote
Gardena	\$26.22	(1)
Inglewood	\$26.84	(1)
Carson	\$27.88	(1)
Manhattan Beach	\$28.35	
Redondo Beach	\$29.78	(1)
Hawthorne	\$36.71	
Lawndale	\$37.70	
Hermosa Beach	\$40.89	

(1) The cities' residential customers may select a 64-gallon or 95-gallon container for the same rate.

**Figure 3. Summary of Multi-Family Rates as of 1/1/25 (Lowest to Highest)**

*The rates include a 3-yard trash bin 1x/week, 96-gallon recycling cart 1x/week, and 64-gallon organics cart 1x/week and are inclusive of fees, when applicable.*

City	Monthly Rate
Redondo Beach (1/1/25 rate)	\$240.39
Redondo Beach, 5 Units, Option 1 <b>(1)</b>	\$248.45
Lawndale	\$261.25
Manhattan Beach	\$278.68
Redondo Beach, 10 Units, Option 1 <b>(1)</b>	\$279.74
Hawthorne	\$299.43
Redondo Beach, 5 or 10 Units, Option 2 <b>(1)</b>	\$300.24
Gardena	\$327.46
Inglewood	\$338.54
Carson	\$360.93
Hermosa Beach	\$384.77

**(1)** Rate uses the July 1, 2025 rate, adjusted for the impact of the proposed option.



**Figure 4. Summary of Commercial Rates as of 1/1/25  
(Lowest to Highest)**

*The rates include a 3-yard trash bin 1x/week, 96-gallon recycling cart 1x/week, and 64-gallon organics cart 1x/week and are inclusive of fees, when applicable.*

City	Monthly Rate
Lawndale	\$261.25
Manhattan Beach	\$278.68
Redondo Beach (1/1/25 rate)	\$286.87
Redondo Beach, Option 2 <b>(1)</b>	\$300.24
Gardena	\$327.46
Hawthorne	\$337.39
Inglewood	\$338.54
Redondo Beach, Option 1 <b>(1)</b>	\$340.77
Carson	\$360.93
Hermosa Beach	\$384.77

**(1)** Rate uses the July 1, 2025 rate, adjusted for the impact of the proposed option.

The City's rates were adjusted on July 1, 2025. In the proposed amendment, multi-family and commercial rates would be further adjusted by one of the two rate adjustment options proposed by the Contractor. Residential rate structure is not proposed to change due to the amendment. Figure 5 presents a comparison of representative multi-family and commercial rates for January 1, 2025, for July 1, 2025 (current), and under the two proposed rate adjustment methodologies, Option 1 and Option 2.

**Figure 5. City of Redondo Beach Customer Rate Comparison**

	As of January 1, 2025	Current Rate, July 1, 2025	Proposed, Option 1: Bundle & 13.5% <sup>a</sup> Increase	Proposed, Option 2: Bundle & 5+ MF to Comm
Multi-Family- 5 Units	\$212.54	\$220.03	\$248.45	\$300.24
Multi-Family- 10 Units	\$240.39	\$248.73	\$279.74	\$300.24
Commercial	\$286.87	\$300.24	\$340.77	\$300.24
Scout Service <sup>b</sup>	Free	Free	\$35.00	\$35.00

<sup>a</sup> The 13.5% increase is applied to the base rate before unit fees

<sup>b</sup> A scout rate is being proposed per trash container.

A summary of service information results is included in Figure 6 below. HF&H found the services provided to the City are comparable to those offered to the cities for which we received survey data, with the exception of the inclusion of street sweeping in the City's solid waste rates.



**Figure 6. Service Information Summary**

Row	Franchise Agreement Service Features	Yes	No	Redondo Beach
1	Does the agreement include street sweeping service?	25% (1)	75%	Yes
2	Does the agreement include City-Sponsored Events at no additional charge?	100%	0%	Yes
3	Does the agreement include paper shred event(s) at no additional charge?	100%	0%	Yes
4	Does the agreement include compost giveaway(s) at no additional charge?	75%	25%	Yes
5	Are city facilities serviced at no additional charge?	100%	0%	Yes
6	Does the agreement include free bulky item pickups for residential customers?	100%	0%	Yes
7	Does the hauler procure city's annual SB 1383 ROWP target on behalf of the city?	50%	50%	Yes

(1) Redondo Beach rates include street-sweeping services. The other city receiving street-sweeping service under the solid waste franchise agreement did not provide a response on whether solid waste rates include street-sweeping service.

Survey results also indicated:

- Fifty percent of survey respondents had residential billing performed by the hauler. The City's residential billing is included on the county property tax roll.
- While all respondents had a certain number of free bulky-item pickups per year, the City and one other city's franchise agreement provide unlimited bulky-item pickups annually at no additional charge.

Additional details gathered for the survey are included as Attachment C, City Survey Results.

## 7. FINANCIAL ANALYSIS

The Contractor has identified that certain costs that it asserts have increased at a rate greater than the annual rate adjustments. The Contractor's provided costs provided and the proposed revenue changes, as well as HF&H's analysis on comparing these costs to the proposed revenues, are described below.

The Contractor's additional annual costs include:

- Disposal costs, which the Contractor explains are a result of cost increases due to industry changes and facility closures
- Operating costs due to operational changes required by the proposed shift to a three-stream source-separated program
- Capital costs for purchases required to service new containers under the proposed three-stream source-separated program



To offset their identified additional costs, the Contractor has proposed customer rate revenue increases from:

- Bundling the commercial and multi-family rates
- Implementing Option 1—increasing the rates to all commercial and multi-family customers by 13.5%—or Option 2—classifying multi-family customers with five units or more as commercial customers
- Adding a scout charge for customers whose bins are positioned by a small truck with forks before collection by the solid waste vehicle

The additional cost categories and proposed rate revenues increases are discussed individually below, followed by a summary comparison and analysis.

### ***Additional Costs Provided by the Contractor***

The additional annual costs identified by the Contractor are included in Figure 7 below.

**Figure 7. Additional Annual Costs Provided by the Contractor**

Operating Cost	\$	517,054
Capital Cost		81,090
Disposal Cost (recycling, organics, and C&D)		452,675
Disposal Cost (landfill)		484,204
<b>Total Additional Annual Costs</b>	<b>\$</b>	<b>1,535,023</b>

#### **Operating Cost**

The Contractor identified \$517,054 of additional operating costs that would be required to service the estimated 600 new containers to be deployed for recycling under the three-stream system. The costs include labor, fuel, truck and container maintenance, outreach and education, cart deployment, and general and administrative costs. HF&H performed a productivity analysis and determined the annual hours estimated to service the new containers were in line with data provided by the Contractor for their current operations. The other inputs used by the Contractor in calculating their identified additional operating costs are consistent with industry costs.

#### **Capital Cost**

The Contractor identified \$81,090 of additional capital costs that would be required to service the estimated 600 new containers to be deployed for recycling under the three-stream system. The costs include the purchase of 600 new containers and a new collection truck. The costs were appropriately amortized over the proposed 10-year extended term. The pricing used for the containers and collection truck are consistent with industry pricing estimates.

#### **Disposal Cost**

The Contractor has asserted that the rate per ton to recycle, process, and dispose of materials has increased for every material stream (trash, recyclables, and organics). HF&H requested that the Contractor provide explanations and details for the \$936,879 in identified additional

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### Section 2. Analysis and Findings



disposal costs. The Contractor calculated \$452,675 relates to increased costs for recyclable, organic, and C&D materials. HF&H reviewed the rates per ton utilized in the calculations provided by the Contractor for these materials and determined they were reasonable based on industry trends. Substantiating the elements of the rates per ton, outside of the gate rate at the facilities used, would require a more detailed financial review, such as the City of Redondo Beach Compliance Audit of Athens Services dated January 17, 2018, described in Section 1, which was not under the scope of this study.

The majority of the disposal cost increase, or approximately \$484,204, is related to disposal costs for landfilling trash. In 2024, the SERRF facility closed, leaving no transformation facility options in Southern California and requiring a change in the facilities utilized by the Contractor. Additionally, regulations under Senate Bill (SB) 1383 have prompted the Contractor to propose: (1) a three-stream source-separated program to be implemented in the City for commercial and multi-family customers, and (2) the elimination of the Agreement requirement to process trash. As described in Section 2.3, the elimination of the requirements to process residential refuse carts and take a minimum amount of materials to SERRF impacts costs as:

1. Trash previously processed at a MRF and then transferred to a landfill would no longer have to be processed. Instead, these materials could be transferred to a landfill, eliminating the processing costs at the MRF.
2. The cost per ton to landfill material is less than the cost per ton of transformation at SERRF.

HF&H requested that the Contractor provide an analysis to specifically focus on the cost impact of being required to process tons and transform 13,000 tons under the Agreement (Old System) versus landfilling those tons (New System). The Contractor has asserted both their disposal and operating costs have increased subsequent to the closure of SERRF.

The Contractor provided a cost buildup of the rate-per-ton charge to transfer trash to a landfill without processing. This cost included components for transportation, transfer, disposal, overhead, and administration, which was higher than the rate per ton at SERRF. The analysis provided by the Contractor for the Old System does not reflect the Agreement requirement to transform 13,000 tons at SERRF after those tons had been processed to remove recyclables. During a meeting on October 7, 2025, the Contractor indicated an informal agreement was made with the City that would relieve the Contractor's obligation of processing the materials prior to transferring them to SERRF. The Contractor asserted the City allowed the Contractor to retain the related cost savings via verbal conversations. In an email dated October 17, 2025, Contractor staff explained:

"This arrangement was part of verbal conversations and agreements that did not include any formal documentation. Other operational changes also occurred at that time (to enhance the services provided to the city) that were part of the discussions. Along with Athens request to take residential black barrel contents directly to SERRF, the city also requested that Athens return to the previous arrangement (taking tons to Athens MRF first, then residue to SERRF) if Athens ever fell short of the diversion requirements or if the city ever requested the return for other reasons. While there were some inherent cost savings to Athens due to shorter



distances traveled for the residential black barrel trucks, there were also other cost increases for the requested enhanced services. In addition, for many years prior to the July 2019 Amendment, Athens was consistently losing money on the Redondo Beach contract. For this reason, Athens & the city negotiated Amendment #1 in July 1, 2019 in order to mitigate some of the financial losses, as well as to provide compliance to new laws & other requested services. While the change in residential routes going to SERRF provided decreases in operational costs, no rate decreases were done as Athens was already losing money on the contract and City staff did not request any rate decreases.”

HF&H prepared an analysis of the potential tipping fee cost savings from disposing of materials at a landfill versus utilizing SERRF. Figure 8 shows the calculation of the overall impact of the cost savings per ton using the 2023 actual tons taken to SERRF and the impact on the additional disposal costs identified by the Contractor.

**Figure 8. SERRF versus Landfill Gate Rate Impact**

Additional Disposal Costs per Contractor	\$936,879.00
SERRF versus Landfill:	
SERRF Cost per Ton (final posted rate)	\$105.00
Mid-Vally Cost per Ton (July 1, 2024)	<u>\$40.31</u>
Cost Variance per Ton	\$64.69
Actual 2023 Tons to SERRF	<u>10,952</u>
Tip Fee Savings from Disposal of SERRF Tons	<u>\$708,484.88</u>
<b>Additional Disposal Costs, Less Savings</b>	<b>\$228,394.12</b>

The Contractor states that these savings were not realized due to other costs such as transportation and indirect expenses; we were unable to validate this statement with the information provided.

### ***Proposed Rate Revenue Increases***

The rate revenue increases proposed by the Contractor are included in Figure 9 below.

**Figure 9. Rate Revenue Increases Proposed by the Contractor**

	<b>Option 1</b>	<b>Option 2</b>
Additional Rate Revenue, post-right-sizing	\$688,496	\$780,919
Bundling Rates, post-right-sizing	1,519,640	1,552,467
New Scout Service Charges	<u>795,060</u>	<u>795,060</u>
<b>Total Additional Revenues</b>	<b>\$3,003,196</b>	<b>\$3,128,446</b>

### **Rate Revenue Increases Proposed Under Options 1 and 2 by the Contractor**

The Contractor has proposed two different approaches to increase rate revenues to offset the additional disposal, operating, and capital costs they have identified:

1. Option 1: a 13.5% increase for all commercial and multi-family customers



2. Option 2: classifying multi-family customers with five units or more as commercial customers

The Contractor determined that customers would adjust service levels, or right-size their container sizes, as a result of each option. The Contractor anticipates projected rate revenues under Option 1 and Option 2 to decrease by 5% and 10%, respectively, as customers lower their service levels. Actual rate revenue earned by adoption of Option 1 or Option 2 may be higher or lower than the Contractor's projection based on the customer's selection of service level (container size and/or frequency). HF&H validated the arithmetic used in the Contractor's calculations. Validation of the service levels utilized in the calculations and the anticipated changes to service is not under the scope of this study.

### Bundling Rates

The Contractor has proposed bundling services for multi-family and commercial customers. Residential customers currently receive bundled service. The default bundle includes one three-cubic-yard trash bin, one 96-gallon recycle cart, and one 64-gallon organics cart, each collected once per week. Bundling rates are proposed to occur under both Options 1 and 2 with varying rate revenue impact due to the impact of right-sizing, as described above. Additional rate revenues of \$1,519,640 and \$1,552,467 annually is projected by the Contractor under Option 1 and Option 2, respectively. The additional revenue is generated because customers will potentially pay for a container(s) they currently have at no additional charge, such as additional recycling containers, or the bundled rate exceeds their current service rate.

If customers desire alternative container sizes or collection frequency from the default bundle, the base rate cost of the service being replaced would be subtracted from the price of their requested service. The rate schedules provided by the Contractor during our analysis do not reflect the net rate for containers requested that are not included in the default bundle. The final rate schedule should be updated to reflect the customer rates for additional containers in excess of the default bundle and customer rates for services that vary from the default bundle.

Actual rate revenue from bundling rates may be higher or lower than the Contractor's projection based on the customer's selection of service level. HF&H validated the arithmetic used in the Contractor's calculations. Validation of the service levels utilized in the calculations and the anticipated changes to service is not under the scope of this study.

### New Scout Service Charge

Section 5.4.8 of the Agreement states "Contractor may not charge a fee for pushing or rolling Bins to point of Collection, or for the use of scout vehicles to position Bins for Collection." The rates for standard service were established by the Contractor with the understanding that scout service would be provided at no additional charge. As such, the cost implications were considered in establishing the standard service rates. Additionally, the cost of providing the scout service was included as part of the cost of service review in 2018 and was factored into the calculation of the subsequent rate adjustments approved by the City. The Contractor is now proposing to assess a monthly charge of \$35 per trash container for one time per week

## Proposed Second Amendment Analysis

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service, and additional charges for more frequent collection. Figure 10 includes summary statistics of the scout service impact, as identified by the Contractor.

**Figure 10. Scout Service Summary Statistics**

	Multi-Family	Commercial	Total
Customers Impacted	847	128	975
Scout Serviced Containers	1,028	161	1,189
Annual Rate Revenue Generated	\$666,540	\$128,520	\$795,060

### Sample Customer Impacts

Figure 11 includes rates for sample service levels both at current rates and as proposed under Options 1 and 2.

**Figure 11. Customer Rates for Sample Service Levels Under Option 1 and Option 2, Inclusive of Fees**

	Current Rate, July 1, 2025	Proposed, Option 1: Bundle & 13.5% Increase	Proposed, Option 2: Bundle & 5+ MF to Comm
<b>Residential</b>			
Standard Bundle	\$30.77	\$30.77	\$30.77
<b>Multi-Family</b>			
5 Units, Standard Bundle	\$220.03	\$248.45	\$300.24
5 Units, Standard Bundle & Scout Service on All Containers	\$220.03	\$283.45	\$335.24
6 Units, Standard Bundle <sup>a</sup>	\$226.08	\$255.06	\$300.24
6 Units, Standard Bundle & Scout Service on All Containers <sup>a</sup>	\$226.08	\$290.06	\$335.24
6 Units, 2 CY Trash Instead of 3 CY Included in Bundle <sup>b</sup>	\$205.12	\$231.27	\$265.68
6 Units, 2 CY Trash Instead of 3 CY Included in Bundle & Scout Service <sup>b</sup>	\$205.12	\$266.27	\$300.68
<b>Commercial</b>			
Standard Bundle	\$300.24	\$340.77	\$300.24
Standard Bundle & Scout Service on All Containers	\$300.24	\$375.77	\$335.24

<sup>a</sup> Per Contractor, six units is the most common multi-family size.

<sup>b</sup> Per Contractor, 2 cubic yard trash service is the second most common bin size following 3 cubic yard (included in bundle)

### Cost Versus Revenue Comparison

The additional costs provided by the Contractor are less than the rate revenue increases proposed by the Contractor by \$1,468,173 and \$1,593,423 under Option 1 and Option 2, respectively. A summary calculation is included as Figure 12.

**Figure 12. Calculation of Additional Rate Revenues in Excess of Additional Costs**

	Option 1	Option 2
Total Additional Annual Costs Provided by Contractor	\$1,535,023	\$1,535,023
Total Additional Revenues Provided by Contractor	3,003,196	3,128,446
Total Annual Additional Rate Revenues in Excess of Additional Costs	\$1,468,173	\$1,593,423

The fiscal year 2025-26 net rate revenue, excluding City fees, projected by the Contractor is \$15,283,491. Based on the Contractor-provided data, an increase to rate revenues of 10% would compensate the Contractor for the additional costs of \$1,535,023 identified by the Contractor. The rate revenue increases resulting from the Contractor's proposal (under both Options 1 and 2) would create a 20% increase to rate revenues and produce a rate revenue of 10% in excess of provided costs. Figure 13 presents these calculations.



**Figure 13. Rate Revenue Increase Calculations**

	<b>Option 1</b>	<b>Option 2</b>
Total Additional Annual Costs Provided by Contractor (1)	\$1,535,023	\$1,535,023
Total 2025/26 Net Rate Revenue, excluding City Fees, projected by Contractor	\$ 15,283,491	\$ 15,283,491
Total Additional Annual Cost as a % of Total Projected Net Rate Revenue (2)	10%	10%
Total Additional Revenues Provided by Contractor	3,003,196	3,128,446
Total 2025/26 Net Rate Revenue, excluding City Fees, projected by Contractor	\$ 15,283,491	\$ 15,283,491
Total Proposed Rate Revenue Increases as a % of Projected Net Rate Revenue	20%	20%
Rate Revenue Proposed In Excess of Costs	10%	10%

(1) This includes the additional operating, capital, and disposal costs identified by Contractor. Other additional costs not specifically provided by the Contractor are not included in the analysis.

(2) Total Additional Annual Cost as a % of Total Projected Net Rate Revenue would be reduced to 5% if the tipping fee savings calculated in Figure 8 estimated at \$708,484.88 are included.

During a meeting with City staff, the Contractor, and HF&H on October 7, 2025, the Contractor confirmed there are rate revenues being proposed that are in excess of the costs provided as part of this study. The Contractor indicated there are increased costs that were not provided relating to implementing the three-stream program that were considered in the Contractor's proposed revenue increases. The Contractor additionally stated in a written response provided on October 17, 2025:

"While there is projected revenue more than the costs, that projected revenue could easily fall short of covering cost if the impact of customer right-sizing is higher than anticipated.

Additionally, the introduction of a scout fee incentives only customers that need the service to subscribe to it, as there is no rate for the service currently. The fee is necessary to cover the cost of the service and by separating it from the monthly rate, the cost applies only to customers that utilize the service. As it is an auxiliary function of the collection service, there is no guarantee for this for this revenue, customers can opt in or out as they choose."

In recent years, the Contractor has received significant rate increases in other cities it serves, as demonstrated by a survey of customer rates in 20 cities. For example, between 2021 and 2025, the median rate for a residential 95-gallon cart serviced once per week in those 20 cities increased by 31%, from a median rate of \$33.62 per month in 2021 to \$44.00 per month in 2025. During the same time frame, the median rate in those 20 cities for a commercial three-cubic-yard trash bin serviced once per week increased by 69%, from a median rate of \$175.05 in 2021 to \$296.67 in 2025. The higher increase in the commercial rate may be due to the bundling of services that has occurred since 2021. Results for surveys that included 64 and 62 cities for residential and commercial customer rates, respectively, showed the median rates for both customer groups increased by 36% from 2021 to 2025. This compares to the total Consumer Price Index adjustments for All Urban Consumers, Los Angeles-Long Beach-Anaheim region of 18% over that same period. Figure 14 summarizes the percentage increases in customer rates between 2021 and 2025 for residential 65-gallon cart service and commercial 3 cubic yard trash serviced once per week within Los Angeles County, Los Angeles County cities serviced by Athens, and the City of Redondo Beach (using July 1, 2021 and 2025 rates), based on survey data. For the services presented, the City's rates fall below the median rates.

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**Figure 14. Residential and Commercial Median Rate Increases Between 2021 and 2025**

	Residential- 65 Gallon Cart			Commercial- 3 CY Trash Bin 1x Week		
	2021 Rate	2025 Rate	% Change	2021 Rate	2025 Rate	% Change
LA County	\$27.64	\$37.49	36%	\$175.22	\$237.84	36%
LA County, Athens Customers (1) (2)	\$33.62	\$44.00	31%	\$175.05	\$296.67	69%
Redondo Beach	\$20.62	\$28.54	38%	\$148.63	\$231.54	56%

(1) The Residential- 65 Gallon Cart median rate was calculated using the rates for the cities of Azusa, Bell Gardens, Cerritos, Covina, Glendora, Hermosa Beach, Irwindale, Lomita, Monrovia, Montebello, Norwalk, Palos Verdes Estates, Paramount, Redondo Beach, San Gabriel, San Marino, Sierra Madre, South Pasadena, Temple City, and West Hollywood.

(2) The Commercial- 3 Cubic Yard Trash Bin 1x week median rate was calculated using the rates for the cities of Azusa, Beverly Hills, Cerritos, Covina, Downey, Glendora, Hermosa Beach, Irwindale, Lomita, Monrovia, Norwalk, Paramount, Redondo Beach, San Gabriel, San Marino, Sierra Madre, South El Monte, South Pasadena, Temple City, and West Hollywood.

A separate study would be required to validate additional costs not provided under this study, for which the Contractor is proposing additional rate revenues.



# ATTACHMENT A

## Diversion Analysis



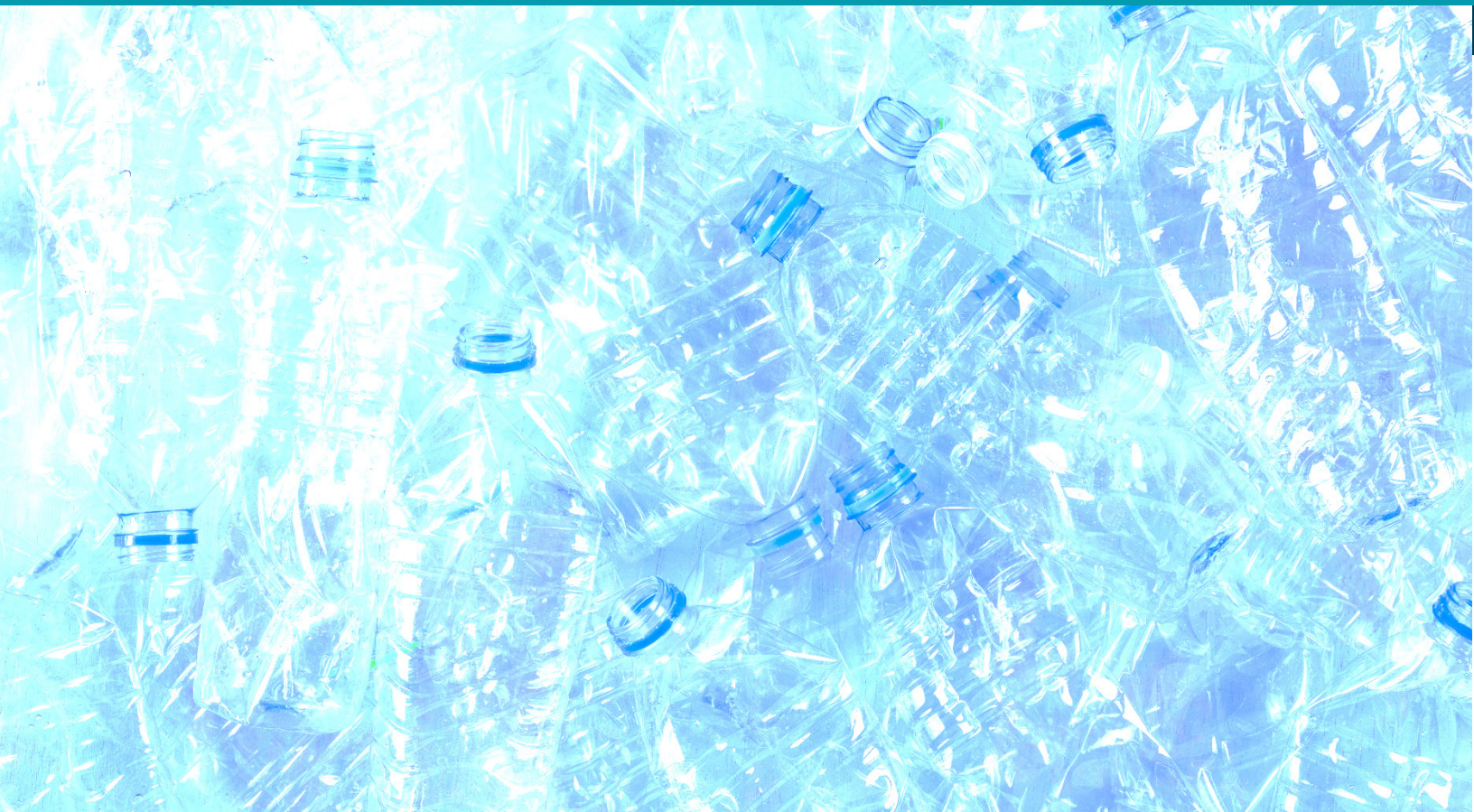
Compound Impact of First Amendment Rate Adjustment Methodology

Effective Date	Residential					Commercial				
	Annual 1%	Compound Impact	5 Year Special Adj	Compound Impact	Total	Annual 1%	Compound Impact	5 Year Special Adj	Compound Impact	Total
July 1, 2019	1.00%	1.00%	7.00%	7.00%	8.00%	1.00%	1.00%	14.00%	14.00%	15.00%
July 1, 2020	1.00%	1.01%	7.00%	7.49%	8.50%	1.00%	1.01%	14.00%	15.96%	16.97%
July 1, 2021	1.00%	1.02%	7.00%	8.01%	9.03%	1.00%	1.02%	14.00%	18.19%	19.21%
July 1, 2022	1.00%	1.03%	7.00%	8.58%	9.61%	1.00%	1.03%	14.00%	20.74%	21.77%
July 1, 2023	1.00%	1.04%	7.00%	9.18%	10.22%	1.00%	1.04%	14.00%	23.65%	24.69%
July 1, 2024	1.00%	1.05%	N/A	N/A	1.05%	1.00%	1.05%	N/A	N/A	1.05%
July 1, 2025	1.00%	1.06%	N/A	N/A	1.06%	1.00%	1.06%	N/A	N/A	1.06%
<b>Total</b>	<b>7.00%</b>	<b>7.21%</b>	<b>35.00%</b>	<b>40.26%</b>	<b>47.47%</b>	<b>7.00%</b>	<b>7.21%</b>	<b>70.00%</b>	<b>92.54%</b>	<b>99.75%</b>



# ATTACHMENT B

**Athens Proposed Amendment:  
Matrix Comparing Proposed Terms to  
Franchise Agreement**



Diversion Analysis

**2022**

Diversion Reported to City by Contractor	<b>A</b>	75.01%
Less: Transformation Diversion Credit Reported	<b>B</b>	23.98%
Diversion Adjusted for Closure of SERRF		51.03%
Less: Diversion from Processing Residential Refuse	<b>C</b>	0.47%
Diversion Without Transformation and Processing Residential Refuse		50.56%

*Diversion Reported:*

Total Tons Recycled		39,330.82
Total Tons Collected		52,433.72
	<b>A</b>	75.01%

*Transformation Diversion Credit:*

Total Tons Transformed		12,571.00
Total Tons Collected		52,433.72
Transformation as a % of Tons Collected	<b>B</b>	24%

*Diversion from Processing Residential Rubbish:*

Total Tons Residential Refuse Recycled		11,607.00
Total Tons Residential Refuse Transformed		11,359.41
Total Tons Recycled from Residential Refuse w/out Transformation		247.59
Total Tons Collected		52,433.72
Transformation as a % of Tons Collected	<b>C</b>	0.47%



# **ATTACHMENT C**

## **Comparable City Survey Results**



**Table 1. City of Redondo Beach Rate Comparison**

The table below presents the rates for the City of Redondo Beach as of January 1, 2025 (as presented in summaries throughout our analysis), the current rate, and the proposed rates.

	As of January 1, 2025	Current Rate, July 1, 2025	Proposed, Option 1: Bundle & 13.5%	Proposed, Option 2: Bundle & 5+ MF to
Residential <sup>a</sup>	\$29.78	\$30.77	\$30.77	\$30.77
Multi-Family- Five Units <sup>b</sup>	\$212.54	\$220.03	\$248.45	\$300.24
Multi-Family- Ten Units <sup>b</sup>	\$240.39	\$248.73	\$279.74	\$300.24
Commercial <sup>b</sup>	\$286.87	\$300.24	\$340.77	\$300.24
Scout Service <sup>c</sup>	Free	Free	\$35.00	\$35.00

<sup>a</sup> The rates include a 64-gallon trash cart 1x/week, 64-gallon recycling cart 1x/week, and 64-gallon organics cart 1x/week and are inclusive of fees.

<sup>b</sup> The rates include a 3-yard trash bin 1x/week, 96-gallon recycling cart 1x/week, and 64-gallon organics cart 1x/week and are inclusive of fees.

<sup>c</sup> A scout rate is being proposed per container. All customers will have a 3 container system, so the highest scout service charge per month is \$105, plus fees.

**Tables 2-4 include summaries of the residential, multi-family, and commercial rates as of January 1, 2025.**

**For more detail, see Table 9, Summary of Residential, Multi-Family, and Commercial Rates as of January 1, 2025.**

**Table 2a. Summary of 64-Gallon Residential Rates as of 1/1/25  
(Lowest to Highest)**

*The rates include a 64-gallon trash cart 1x/week, 64-g recycling cart 1x/week, and 64-gallon organics cart 1x/week and are inclusive of fees, when applicable.*

City	Monthly Rate	Footnote
Manhattan Beach	\$23.06	
Gardena	\$26.22	(1)
Inglewood	\$26.84	(1)
Carson	\$27.88	(1)
Redondo Beach	\$29.78	(1)
Hermosa Beach	\$31.53	
Hawthorne	\$31.71	
Lawndale	\$32.54	

(1) The cities' residential customers may select a 64-gallon or 95-gallon container for the same rate.

**Table 2b. Summary of 95-Gallon Residential Rates as of 1/1/25  
(Lowest to Highest)**

*The rates include a 95-gallon trash cart 1x/week, 95-g recycling cart 1x/week, and 95-gallon organics cart 1x/week and are inclusive of fees, when applicable.*

City	Monthly Rate	Footnote
Gardena	\$26.22	(1)
Inglewood	\$26.84	(1)
Carson	\$27.88	(1)
Manhattan Beach	\$28.35	
Redondo Beach	\$29.78	(1)
Hawthorne	\$36.71	
Lawndale	\$37.70	
Hermosa Beach	\$40.89	

(1) The cities' residential customers may select a 64-gallon or 95-gallon container for the same rate.

**Table 3. Summary of Multi-Family Rates as of 1/1/25  
(Lowest to Highest)**

*The rates include a 3-yard trash bin 1x/week, 96-gallon recycling cart 1x/week, and 64-gallon organics cart 1x/week and are inclusive of fees, when applicable.*

City	Monthly Rate	Rate Basis	Footnote
Redondo Beach	\$240.39	Service Level and Number of Units	(1), (2)
Lawndale	\$261.25	Service Level	
Manhattan Beach	\$278.68	Service Level	(3)
Hawthorne	\$299.43	Service Level	
Gardena	\$327.46	Service Level	(4)
Inglewood	\$338.54	Service Level	
Carson	\$360.93	Service Level	
Hermosa Beach	\$384.77	Service Level	

(1) The recycling service charge is based on number of units. The monthly rate reflects the rate for a customer with 10 units.

(2) The multi-family bin rate includes a per unit recycling service charge.

(3) Multi-family cart customers (2-9 unit dwellings) are charged a flat standard service rate per dwelling unit. Buildings with more than 9 units or who prefer a commercial bin will be charged the commercial bin rates.

(4) Multi-family cart customers (2-4 unit dwellings) are charged a flat standard service rate per dwelling unit. Buildings with more than 4 units or who prefer a commercial bin will be charged the commercial bin rates. The monthly rate included is for customers with 5 or

**Table 4. Summary of Commercial Rates as of 1/1/25  
(Lowest to Highest)**

*The rates include a 3-yard trash bin 1x/week, 96-gallon recycling cart 1x/week, and 64-gallon organics cart 1x/week and are inclusive of fees, when applicable.*

City	Monthly Rate
Lawndale	\$261.25
Manhattan Beach	\$278.68
Redondo Beach	\$286.87
Gardena	\$327.46
Hawthorne	\$337.39
Inglewood	\$338.54
Carson	\$360.93
Hermosa Beach	\$384.77

**Table 5. Service Information Summary**

*Table presents the summary of findings for the 8 cities surveyed, including the City of Redondo Beach, that provided data, unless otherwise noted.*

Row	Franchise Agreement Service Features	Yes	No	Redondo Beach
1	Does the agreement include street sweeping service?	25% (1)	75%	Yes
2	Does the agreement include City-Sponsored Events at no additional charge?	100%	0%	Yes
3	Does the agreement include paper shred event(s) at no additional charge?	100%	0%	Yes
4	Does the agreement include compost giveaway(s) at no additional charge?	75%	25%	Yes
5	Are city facilities serviced at no additional charge?	100%	0%	Yes
6	Does the agreement include free bulky item pick-ups for residential customers?	100%	0%	Yes
7	Does the hauler procure city's annual SB 1383 ROWP target on behalf of the city?	50% (2)	50% (3)	Yes

(1) Redondo Beach rates include street sweeping services. The other city receiving street sweeping service under the solid waste franchise agreement did not provide a response on whether solid waste rates include street sweeping service.

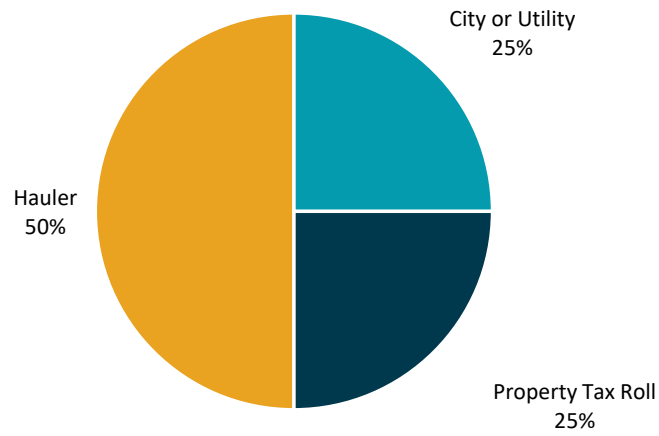
(2) Four cities require hauler(s) to procure annual SB 1383 ROWP targets with commitment varying from procuring 25% - 100% of city's annual target.

(3) Two of these cities' haulers host compost giveaway event(s) which count towards city's annual SB 1383 ROWP target.

City Survey Results

**Table 6. Party Performing Residential Billing**

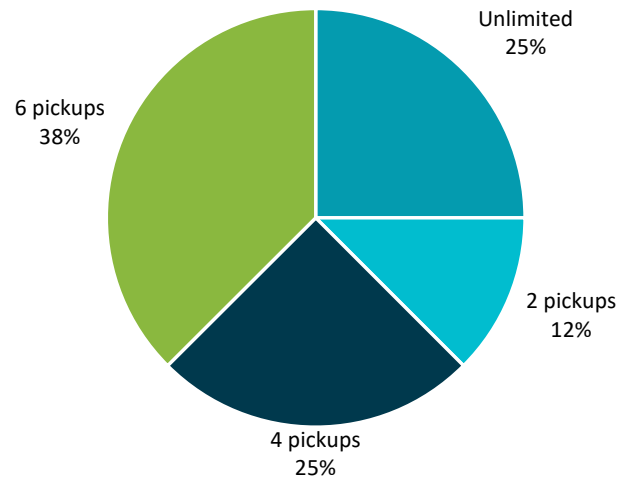
*Table presents the summary of findings for the 8 cities surveyed that provided data, including the City of Redondo Beach.*



City Survey Results

**Table 7. Number of Annual Residential Bulky Item Pickups**

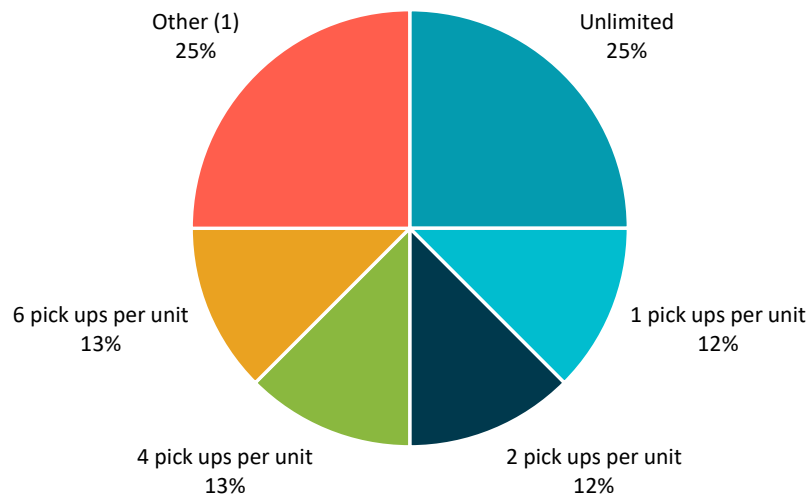
*Table presents the summary of findings for the 8 cities surveyed that provided data, including the City of Redondo Beach.*



City Survey Results

**Table 8. Number of Annual Multi-Family Bulky Item Pickups**

Table presents the summary of findings for the 8 cities surveyed that provided data, including the City of Redondo Beach.



(1) Other category reflects 20 total bulky item pickups per multi-family complex (Hawthorne) or the number of total bulky item pickups is equal to the number of units (Carson).

City Survey Results

**Table 9: Summary of Residential, Multi-Family, and Commercial Rates as of 1/1/25**

City	Residential Monthly Rate for 64-gallon service <sup>a</sup>	Multi-Family Monthly Rate <sup>a,b</sup>	Commercial Monthly Rate <sup>a,b</sup>	Commercial Bundled (Y/N)
Carson	\$27.88 (5)(10)	Bin service (5+ units) - \$360.93 (same as commercial)	\$360.93 (same as multi-family)	N
Gardena	\$26.22 (2)(3)(5)	Bin Service (5+ units) - \$327.46 (2)(11) (same as commercial)	\$327.46 (2)(11) (same as multi-family with 5+ units)	N
Hawthorne	\$31.71	\$299.43 (11)(15)	\$337.39 (15)	N
Hermosa Beach	\$31.53 (2)(12)	Bin service (5+ units) - \$384.77 (7)(12) (same as commercial)	\$384.77 (7)(12) (same as multi-family)	N
Inglewood	\$26.84 (2)(3)(5)(10)	Bin service (5+ units) - \$338.54 (2)(11)(16) (same as commercial)	\$338.54 (2)(11)(16) (same as multi-family)	N
Lawndale	\$32.54 (6)(7)(13)	Bin service (5+ units) - \$261.25 (2)(3)(4)(11)(12) (same as commercial)	\$261.25 (2)(3)(4)(11)(12) (same as multi-family)	Y (bundles trash, recycling, and organics)
Manhattan Beach	\$23.06 (2)(3)(9)(11)(12)	Bin service or 10+ units - 278.68 (7)(12)(14) (same as commercial)	\$278.68 (7)(12)(14) (same as multi-family)	N
Redondo Beach	\$29.78 (1)(5)	Bin service - \$240.39 (2)(8)	\$286.87 (2)(4)(7)(11)	N

<sup>a</sup> Rates are inclusive of fees, when applicable.

<sup>b</sup> Rates are calculated using a standard service of 3-yard/1x week trash bin, 96-g/1x week recycling cart, and 64-g/1x week organics cart, unless otherwise noted.

- (1) Customers can receive unlimited trash, recycling, and organics services.
- (2) Customers can receive unlimited recycling services.
- (3) Customers can receive unlimited organics services.
- (4) Customers can receive mixed waste processing and source-separated recycling containers per request at no additional charge.
- (5) Customers can choose any hauler-provided cart size option for trash, recycling, and organics services at the same flat rate.
- (6) Customers can choose any hauler-provided cart size option for the recycling service at the same flat rate.
- (7) Customers can choose any hauler-provided cart size option for the organics service at the same flat rate.
- (8) The multi-family bin rate includes a recycling service charge based on number of units. The monthly rate reflects the rate for a customer with 10 units.
- (9) The agreement does not include a default residential trash cart size. The residential total rate includes the 65-gallon trash rate.
- (10) Residential standard service cart size is 95-gallon/1x for trash, recycling, and organics services.
- (11) Customers receive recycling service at no additional charge.
- (12) Customers receive organics service at no additional charge.
- (13) Customers receive their first additional recycling cart at no additional charge.
- (14) Customers with 10+ units or who prefer a commercial bin will be charged the size and quantity of the commercial trash bins, and organic waste at no additional charge.
- (15) Multi-family and commercial recycling rates provided by Republic Services via email on August 13, 2025.
- (16) The organics cart size is 95-gallon/1x.