



**CITY OF HAWAIIAN GARDENS
CITY COUNCIL
STAFF REPORT**

Agenda Item #{{section.number}}2

DATE: June 22, 2021
TO: Honorable Mayor and Members of the City Council
FROM: Linda Hollinsworth, Interim City Manager
BY: Megan Garibaldi, City Attorney

RECOMMENDATION:

RECOMMENDATION TO SET A PUBLIC HEARING DATE FOR THE PROPOSED RATE CHANGES TO THE SOLID WASTE SERVICE FEES

SUMMARY

As the City Council is aware, the City and its current waste hauler, Waste Resources, Inc. (“WRI”) have been in discussions to adjust the rates charged to residents for the collection of solid waste as set forth in the Franchise Agreement.

On March 23, 2021, the Council was updated on the status of those discussions by the City Manager and its consultant, MuniEnvironmental, LLC. The City and WRI have been in negotiations relating to the new rates. Prior to those rates coming before Council for consideration and potential adoption, the City must provide notice of a future public hearing to discuss the proposed rate increase. Those requirements are set forth in greater detail below.

The Franchise Agreement requires that adjustments to the maximum rate schedule for collection of solid waste (which are not permitted within the agreement) be considered for adoption in accordance with Proposition 218 (i.e., California Constitution, Art. XIIC & D). (See Franchise Agreement sections 7.3.1, 7.3.2, & 7.4.1).

While complex, for the City's purposes here, the procedural requirements of Proposition 218 can be summarized as follows:

- The City must mail a notice to all affected property owners of the proposed change in rates and public hearing;
- The City must hold a public hearing at least 45 days after the mailing of the notices;
- Proposed change in rates is considered rejected if written protests are received from a majority of the affected property owners; and
- Rates can become effective 30 days after the public hearing and adoption of an ordinance.

Staff recommends that the Council set the public hearing tentatively for August 24, 2021, while providing discretion to staff to adjust such date provided it is at least 45 days after the mailing of the notice of public hearing. This timeframe will allow staff to meet the Proposition 218 requirements, as well as make proposed amendments to the Franchise Agreement, which will also be presented to the Council at this hearing.

If August 24, 2021 is chosen as the tentative date for the public hearing, City staff will endeavor to cause notices of the public hearing to be mailed to all parcel owners by July 9, 2021 (and if rescheduled, at least 45 days before the date of hearing) and advertise the public hearing in the local newspaper and the City's web site. The City's contractor, Tripepi Smith, will also be engaged in a public education campaign relating to the rate increase. The published rates in the notices will be the same as the rates presented at the March 23, 2021 City Council Meeting.

FISCAL IMPACT

None. As advised during the May 25, 2021 Council Meeting, WRI has agreed to reimburse the City for the costs associated with noticing, public education, and conducting the Proposition 218 hearing. A reimburse agreement was entered into between the City and WRI governing these and other related costs.

SUGGESTED ACTION

Approve Recommendation.

ATTACHMENTS

None.