

## RESOLUTION 2021-36

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA APPROVING THE RECOLOGY SAN BENITO COUNTY FRANCHISE AGREEMENT MAXIMUM ALLOWABLE SOLID WASTE COLLECTION RATES AS NOTICED IN THE NOTICE OF PUBLIC HEARING

**WHEREAS**, a new Franchise Agreement with Recology San Benito County was approved by the City Council which commenced on November 1, 2018 and said Agreement included provisions for a contractually obligated annual rate adjustment process; and

**WHEREAS**, The City Council approved the Franchise Agreement with Recology San Benito County which included the rate setting process for the annual rate adjustment is defined in **Article 9: Contractor's Compensation and Rate Setting** in the Franchise Agreement and the rate adjustment calculations are performed in conformance to the procedures described in Attachment E of the Franchise Agreement; and

**WHEREAS**, the Franchise Agreement includes programs and improvements to meet state mandates AB 939, AB 341, AB 1826, and SB 1383 and other mandates, and the solid waste rates pay for the collection and disposal of garbage; collection and processing of recyclables, organics (yard waste and food scraps) curbside bulky item collection, free compost giveaway events, free electronic waste collection, Environmental Day events, recycling staff, free quarterly recycling/bulky collection events and seasonal recycling programs to meet state waste reduction mandates; and

**WHEREAS**, the approved Franchise Agreement includes a contractually obligated annual rate adjustment using a prescribed index-based methodology where the rate adjustment is based on the consumer price index (CPI) and fuel index and includes disposal and processing costs to determine solid waste collection rates. And, that the annual rate adjustment process requires Recology San Benito County to submit its application for a rate on or before April 1, and such an application was received and staff reviewed the rate application and found it to be complete, and that per the Franchise Agreement, the rate adjustment goes into effect on July 1st; and

**WHEREAS**, while not currently required by law, the City and Regional Agency members are following the noticing procedure for the annual rate adjustment set forth in Article XIID §6 of the California Constitution (Proposition 218) and in accordance with Proposition 218, had authorized staff to proceed with Notice of Public Hearing and protest proceedings for the solid waste collection rates to property owners and rate payers; and

**WHEREAS**, the proposed maximum solid waste rates are included in the Notice of Public Hearing and this notice was included in the May 18<sup>th</sup>, 2021, and July 13<sup>th</sup>, 2021, City Council Agenda and Staff Reports; and

**WHEREAS**, on May 18th, 2021, the City Council adopted a resolution authorizing staff to send the Proposition 218 Notice of Public Hearing for the proposed maximum allowable solid waste collection rates and provide the opportunity to affected rate payers and property owners to submit a protest; and the Notice of Public Hearing was mailed to property owners and rate payers within the unincorporated County of San Benito on May 19th, 2021; and

**WHEREAS**, the Notice of Public Hearing provides the maximum solid waste rates for Fiscal Year (FY) 2021/2022 through FY 2025/2026 which is in conformance with the methodology in **Article 9: Contractor's Compensation and Rate Setting** in the Franchise Agreement, and that the annual rate adjustment cannot exceed 5% annually, and, that the actual rates charged

to rate payers may be lower.

And, that the rates stated in this notice will not be increased without further written notice to the San Juan Bautista property owners and rate payers pursuant to Proposition 218; and

**WHEREAS**, pursuant to the Franchise Agreement, the new rates will become effective July 1 annually, and a courtesy notice will be sent to ratepayers each year on or before June 1;

**WHEREAS**, the City Council held a public hearing on July 13, 2021, to consider the proposed Solid Waste Rates and to receive and consider any protests received; and at the public hearing, the City Council heard and received all oral and written testimony and evidence that was made, presented, or filed, and all persons present at the hearing were given ample opportunity to hear and be heard with respect to any matter related to the Solid Waste Rates; and

**WHEREAS**, at the conclusion of public testimony, the City Council closed the public hearing, and there was a tally of protests to determine if there is a majority protest which is 50% plus one, and determined that there was not a majority protest.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of San Juan Bautista that it hereby finds and determines as follows:

In accordance with Article XIID §6 of the California Constitution:

The revenues derived from the Solid Waste Rates will not exceed the funds required to provide solid waste collection service.

The revenues derived from the Solid Waste Rates will not be used for any purpose other than solid waste collection.

The Solid Waste Rate charged will not exceed the cost of solid waste collection per parcel.

Any surplus monies collected from the Solid Waste Rates will be used to offset revenue requirements.

The Solid Waste Rate is only charged for solid waste collection service.

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, that the City Council hereby approves the maximum allowable solid waste collection rates as noticed in the Notice of Public Hearing for FY 2021/2022 through FY 2025/2026.

**PASSED AND ADOPTED**, by the City Council at the City Council meeting held this 13th day of July 2021, by the following vote:

AYES: Jordan, Freels, Freeman, Flores

NOES: None

ABSTAIN: None

ABSENT: Edge



Leslie Q. Jordan, Mayor

ATTEST:



Trish Paetz, Deputy City Clerk