

Attachment 1

Notices of Public Hearing of Proposed Changes to Schedule of Rates for Residential Solid Waste Services

Mailings 1 and 2

Notice of Public Hearing of Proposed Changes to Schedule of Rates for Residential Solid Waste Services
Sent March 15, 2024 and March 26, 2024

A translation of this notice is available in Spanish, Hmong, and Punjabi on the City of Fresno website. Go to www.fresno.gov/prop218.

Una traducción de este aviso está disponible en Español, Hmong y Punjabi en la página web de la Ciudad de Fresno. Visite www.fresno.gov/prop218.

Yuav muaj kev txhais lus rau daim ntawv ceeb toom no ua lub Spanish, Hmong thiab Punjabi rau ntawm City of Fresno lub website. Mus rau www.fresno.gov/prop218.

ਸਿਟੀ ਔਫ਼ ਫ਼੍ਰੈਜ਼ਨੋ ਦੀ ਵੈੱਬਸਾਈਟ 'ਤੇ ਇਸ ਨੋਟਿਸ ਦਾ ਅਨੁਵਾਦ ਸਪੈਨਿਸ਼, ਹਮੋਂਗ ਅਤੇ ਪੰਜਾਬੀ ਵਿੱਚ ਉਪਲਬਧ ਹੈ।
www.fresno.gov/prop218 'ਤੇ ਜਾਓ।

Dear Property Owners and Ratepayers:

This notice explains the proposed residential solid waste rate update for customers receiving residential solid waste services from the City of Fresno (City). In accordance with Article XIII D of the California Constitution, the City is providing this written notification to owners of record and customers of record that receive, and/or pay for residential solid waste services provided by the City. Specifically, this notification describes proposed changes to the schedule of rates charged for residential solid waste services.

The City will conduct a public hearing on the proposed changes to the schedule of rates, fees, and charges for residential solid waste services at the date, time, and location specified below. At the public hearing, the Fresno City Council will consider all protests against the proposed rate changes. If, on or before the close of the public hearing, written protests against the proposed rate update are presented by a majority of parcels that receive residential solid waste services, the City Council will not enact the proposed rate plan. If less than a majority of parcels receiving residential solid waste services submit written protests against the proposed changes, the City Council may consider the proposed rate plan, and if adopted, it will become effective on July 1, 2024. The City will accept protests from both owners and customers of record, but only one protest per parcel will be counted.

Background

The Solid Waste Management Division (Division) of the Department of Public Utilities (DPU) provides weekly solid waste (refuse), recycling, and green waste/organic material collection services plus an annual Operation Clean Up bulky item curbside pickup service to over 119,000 residential customers in the City of Fresno (City).

With a fleet of over 176 trash and support service vehicles, 103 Sanitation Operators travel approximately 1.3 million miles and make more than 18 million stops to collect over 255,000 tons of

NOTICE OF PUBLIC HEARING

Proposed Changes to Schedule of Rates
for Residential Solid Waste Services

Date: May 2, 2024

Time: 5:00 P.M.

Location: Fresno City Hall
Council Chamber
2600 Fresno Street
Fresno, CA 93721

solid waste, recycling, and green waste/organics material every year.

The Division also provides the following community services:

- Operation Clean Up, the annual bulky items collection service for residential customers
- Free Dump Days on six weekends per year at the Cedar Avenue Recycling and Transfer Station
- Free Shred Events three times per year
- Litter control activities
- Recycling education and outreach

Finally, the Division is responsible for post-closure monitoring and maintenance activities at the Fresno Sanitary Landfill.

Reasons for the Proposed Changes

To continue providing residential solid waste services to customers at the current level of service, rate updates are needed to cover increasing operational costs and reestablish the Division's financial health.

The Division's proposed rate updates for residential solid waste collection service cover the five-year period from Fiscal Year (FY) 2025 through FY 2029 and are intended to maintain service levels while meeting projected expenditures for operating and capital expenses and replenishing operating reserves to achieve the necessary requirements. The proposed rate changes reflect the cost of providing service to each customer based on 96-gallon container service and/or 64-gallon container service.

The rate increases are needed to cover increasing operational costs since the last increase was implemented on September 1, 2009. Contributing factors include rising costs of collection vehicles, fuel, vehicle maintenance, landfill tipping fees, labor, collection containers, and Fresno Sanitary Landfill post closure operating and capital costs. In addition, the City has incurred new costs to comply with the regulatory mandates of Senate Bill (SB) 1383, which requires the integration of food waste into the green waste/organic material collection container, recovery of edible food waste, outreach and education activities, monitoring, and enforcement. Also, there is the addition of a new service for one bulky item curbside collection per year for each residential customer by appointment beginning in FY 2026.

The proposed capital plan for FY 2025 through FY 2029 totals \$92.3 million and includes the following projects:

1. Replacement of the Division's aging vehicle fleet = \$69.3 million (25.4 percent of the cumulative rate update)
2. The Division's portion of the DPU O&M Facility improvements = \$5.6 million (2.1 percent of the cumulative rate update)
3. Collection container purchase and maintenance activities = \$5.2 million (1.9 percent of the cumulative rate update)
4. Post-closure improvements and maintenance at the Fresno Sanitary Landfill = \$4.6 million (1.7 percent of the cumulative rate update)

Basis for Calculating Proposed Changes

In developing a five-year schedule of rates, the City must comply with Article XIII D of the California Constitution by establishing rates that recover the actual costs associated with the level, quality, and quantity of service delivered to each customer class. Accordingly, the City's proposed five-year schedule of rates is based on common and well-established cost-of-service principals that promote equity among system users, whereby users of the utility service pay rates that are directly proportional to the level, quality, and quantity of service they receive.

An independent rate consultant designed a five-year schedule of rates to recover the Division's five-year forecast of capital, operations, and maintenance expenditures for residential solid waste services. The methodology used to develop the recommended residential solid waste rates is based on the principle that a utility's full revenue requirements should be equitably recovered from customers in each service level in proportion to the cost of serving those customers. The proposed rate plan complies with the California Constitution by establishing rates that recover the actual costs associated with the level, quality, and quantity of services delivered to individual users of the utility.

The rate study involved three levels of analysis – the development of revenue required from rates, allocation of revenue requirements among functional (operational) cost categories (cost-of-service analysis), and design of a rate structure.

The revenue requirement for residential solid waste rates was allocated so that revenue from rates for each service level (by material type, (i.e. solid waste, recycling, and green waste/organic waste) was sufficient to cover the costs of providing the services in total and by container size. The rate structure uses the costs by container size for each material type to determine rates that are proportionate for the customers in each customer class.

Based on the results of the cost-of-service analysis, it was determined that the individual residential service rates for FY 2025 need to be realigned to maintain proportionality among service levels. As such, the change in rates is different for each service level for FY 2025. Once realigned, the rate adjustments will be applied equally to all service levels each year from FY 2026 through FY 2029.

The findings and recommendations of the independent rate consultant are available for review by the public at www.fresno.gov/prop218.

Proposed Schedule of Monthly Rates for Residential Solid Waste Service

Customer Class	Recommended Five-Year Rate Plan				
	FY25	FY26	FY27	FY28	FY29
Residential Accounts					
64 Gallon Solid Waste Service	\$28.12	\$32.34	\$35.25	\$38.25	\$41.21
96 Gallon Solid Waste Service	\$30.87	\$35.50	\$38.70	\$41.99	\$45.24
Additional 64 Gallon Solid Waste Cart	\$5.50	\$6.33	\$6.90	\$7.49	\$8.07
Additional 96 Gallon Solid Waste Cart	\$8.26	\$9.50	\$10.36	\$11.24	\$12.11
Additional 96 Gallon Recycling Cart	\$3.47	\$3.99	\$4.35	\$4.72	\$5.09
Additional 96 Gallon Green Waste Cart	\$4.95	\$5.69	\$6.20	\$6.73	\$7.25
FY = Fiscal Year					

If you need more information about the proposed rate plan for residential solid waste services, please visit www.fresno.gov/prop218 or call (559) 621-8218.

How Do I Protest the Proposed Rate Update?

There are two options to protest the proposed rate update:

1. **Protest Card:** The City of Fresno (City) has enclosed a protest card with this notification that can be returned to the City in the provided prepaid reply envelope.
2. **Alternate Written Protest:** While the protest card provided by the City is the easiest and simplest way to submit a protest, other forms of written protest are acceptable. An alternate written protest that is submitted will only be counted if it includes **all** the following components:
 - a. States the submitter's intention to protest the residential solid waste rate update;
 - b. Identifies the APN, street address, or utility account number(s) of the parcel with respect to which the protest is being made;
 - c. Includes the name of the record owner or tenant ratepayer that is submitting the protest; **and**
 - d. Includes the original signature of the record owner or tenant ratepayer that is submitting the protest.

Protest cards and alternate written protests must be received by the City Clerk's Office at 2600 Fresno Street, Fresno, CA 93721 by 5:00 P.M. on May 2, 2024, or submitted before the close of the public hearing. Only protest cards received before the close of the public hearing on May 2, 2024, will be counted. No emailed or faxed protest cards will be accepted.

Only return the protest card or submit a written protest if you **DO NOT** want Fresno City Council to enact the proposed changes to the schedule of rates for residential solid waste services.

Mailing 3

Notice of Public Hearing of Proposed Changes to Schedule of Rates for Residential Solid Waste Services
Sent May 6, 2024

City of



Department of Public Utilities
2600 Fresno Street • Fresno, CA 93721

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The City previously mailed notice of a public hearing to be held on May 2, 2024 to most owners and customers of record. Following that mailing, the City became aware of a technical error in the mailing list that inadvertently omitted some owners and/or customers of record from the mailing. The error has been corrected and an updated mailing list was generated. The City rescheduled the public hearing to June 20, 2024 to provide all owners and customers of record this notice at least 45 days prior to the public hearing at which the rates will be considered. Since the City is mailing this notice to all property owners and customers of record, some owners and customers

NOTICE OF PUBLIC HEARING

Proposed Changes to Schedule of Rates
for Residential Solid Waste Services

Date: June 20, 2024

Time: 5:00 P.M.

Location: Fresno City Hall
Council Chamber
2600 Fresno Street
Fresno, CA 93721

will receive more than one notice. However, this notice controls and is being sent to notify every owner and customer of record of the June 20, 2024 public hearing, at which the City Council will consider the solid waste rate increases, at least 45 days prior to the hearing. The City will accept written protests against the proposed changes until the close of the public hearing on June 20, 2024.

Background

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The proposed capital plan for FY 2025 through FY 2029 includes the following major components:

1. Replacement of the Division's aging vehicle fleet
2. The Division's portion of the DPU O&M Facility improvements
3. Collection container purchase and maintenance activities
4. Post-closure improvements and maintenance at the Fresno Sanitary Landfill

Basis for Calculating Proposed Changes

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