

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ACCEPTING THE RESULTS OF THE PUBLIC PROTEST PROCESS REGARDING PROPOSED INCREASES IN GENERAL SERVICE RATES, AND ANNUAL INFLATIONARY RATE INCREASES FOR SMALL QUANTITY AND LARGE QUANTITY GENERATORS, FOR SOLID WASTE AND RECYCLING COLLECTION SERVICES BY THE CITY'S FRANCHISED PROVIDER, REPUBLIC SERVICES; AND APPROVING THE PROPOSED RATE INCREASES IF THERE IS NOT A MAJORITY PROTEST

WHEREAS, in 2014 the City of Chula Vista (the City) and Republic Services (Republic) entered into an amended and restated solid waste and recycling franchise agreement to provide collection services to all residential and commercial properties in Chula Vista (the "Agreement"); and

WHEREAS, the Agreement permits Republic to charge fees for its service, subject to maximum rates established in the contract, requires Republic to pay the City a 20% franchise fee and an additional 5% AB939 fee that is used for recycling and waste reduction programs and education, both of which Republic may pass-through to customers; and

WHEREAS, the City received a request for a special rate increase from Republic to alleviate financial losses caused by a significant shift in export recycling markets; and

WHEREAS, the requested increase of 6.1% is subject to the 20% franchise fee and 5% AB939 fee that Republic is required to pay to the City under contract (approved by Resolution no. 2014-129), bringing the total rate increase to 7.6% increase on all residential, commercial and industrial service accounts; and

WHEREAS, the Agreement allows Republic to request City approval of a fee increase due to extraordinary circumstances beyond Republic's control and maximum annual rate adjustments pursuant to the approved contract with Republic Services; and

WHEREAS, on June 18, 2019 Chula Vista City Council approved Republic Services request and directed staff to proceed with conducting the proceedings necessary prior to the implementation of the proposed rate increase (Resolution no. 2019-128); and

WHEREAS, the contract also provides for an annual inflationary increase pursuant to the formulas set forth in the contract; and

WHEREAS, staff sent the requisite public notice to 101,221 Chula Vista property owners and Chula Vista Republic Services customers of record to notify them of the public hearing to consider the proposed rate increases and rate adjustment formulas for solid

WHEREAS, the mailing of the notice started a 45-day period during which written protests to the proposed rate increases may be submitted to the City, culminating with a public hearing on September 24, 2019; and

WHEREAS, the final tally of written protests received by the City Clerk, (less than 50,610 +1) confirmed that written protests were not received on behalf of a majority of the affected parcels and, as a result, the proposed rate increases and annual rate adjustments, as set forth in the public notice, are approved and the increases will go into effect.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it:

1. Accept the results of the majority public protest process; and
2. Approves the proposed general service rate increase of 7.6%, on Chula Vista Republic Services ratepayers conditioned on the City retaining the ability to reduce the rate when it determines that market conditions warrant a reduction; and
3. Approves the annual inflationary rate adjustments, pursuant to the formulas contained in the public notice, for the five-year period beginning in 2020.

Presented by

Approved as to form by

Eric Crockett
Economic Development Director

Glen R. Googins
City Attorney