



PROPOSED RATE ADJUSTMENTS TO SOLID WASTE REFUSE COLLECTION FEES EFFECTIVE JULY 1, 2024

FREQUENTLY ASKED QUESTIONS

WHY ARE RATE ADJUSTMENTS ARE NECESSARY?

Landfill disposal, recycling materials recovery, and processing costs associated with state-mandated landfill diversion requirements have substantially increased over the last ten years. **Residential refuse collection rates have not increased since 2012, not even for inflation or the Consumer Price Index (CPI).** Since 2012, processing costs for mixed waste have increased by 94%, and processing costs for yard waste (organics) have increased over 400%. Due to changes in the recycling market, the City no longer receives an annual revenue of \$360,000 for curbside recyclables and must now pay almost \$700,000 annually to process the same tonnage of recyclables. The cost of processing recyclables increased by 112% in 2022.

A rate adjustment is necessary to:

- Address loss of revenues due to changes in the recycling market
- Pay for increased operating costs and landfill fees, including impending closure of Scholl Canyon Landfill
- Sustain levels of operations through maintenance of equipment and ongoing capital expenses for safe and reliable solid waste collection services
- Implement **SB 1383** landfill diversion programs for organic food waste and food recovery

WHAT IS SB 1383?

California Senate Bill 1383 (SB 1383) was passed in a statewide effort to reduce methane emissions and short-lived climate pollutants generated from food waste. The mandated targets require reducing organic waste disposal 75% by 2025 and recovering at least 20% of currently disposed surplus food by 2025. For City residents and businesses to remain in compliance with state law and avoid penalties, new organic waste collection services are necessary. This state mandate increases requirements for diverting recyclables and organics from disposal in landfills. It was put into effect on January 1, 2022 and requires all jurisdictions to comply with organic waste diversion and food surplus recovery requirements. Residents must not contaminate their containers and must place all yard waste and bagged food waste into their yard waste/organics cart.

IS SB 1383 MANDATORY?

Yes, SB 1383 is mandatory. Prior to its implementation, waste diversion compliance was determined through good faith effort. However, SB 1383 has established a statewide target by imposing stricter standards and penalties on jurisdictions for non-compliance. Compliance is now mandatory, with a specific requirement for a 75% organic waste diversion by year 2025 and recovering at least 20% of disposed surplus food.

HOW WERE THE NEW REFUSE RATES DETERMINED?

In February 2023, the City retained MSW Consultants to perform a cost-of-service study of the City's solid waste rates to ensure that refuse collection fees generate sufficient revenue to cover solid waste operation costs and capital expenses. The study determined that current residential refuse fees, which have not increased since 2012, do not generate sufficient funding to pay for refuse collection services. The Refuse Fund, which is used to pay for refuse collection services, has reflected an operational negative cash balance since Fiscal Year 2020 and has been using fund reserves to pay for the shortfall. If the rates are not adjusted, the Refuse Fund reserves are expected to become negative starting July 1, 2025 (Fiscal Year 2026).

Based on the rate study findings, City staff recommends adjustments to the residential and commercial rates for the next five-year period, starting July 1, 2024 (Fiscal Year 2025 through Fiscal Year 2029), to remain fiscally solvent. The proposed adjustments are allowed under Proposition 218 because the new rates do not exceed the anticipated costs of providing the refuse services. The City currently charges customers one bundled rate for all three refuse collection services – mixed waste, recycling, and yard waste/organics. The rate charged is based on the size of the mixed waste container(s) the customer selects, and includes a 60-gallon recycling container and a 100-gallon yard waste/organics container at no added cost.

WHAT ARE THE PROPOSED REFUSE RATES FOR THE NEXT FIVE YEARS?

The City is proposing to approve a series of rate adjustments over the next five years. The effective dates and the proposed monthly rates for the most common levels of service are shown in the table below:

Table 1 – Current and Proposed Monthly Rates - Residential and Commercial*

Description	Current Rate	Proposed Rate Effective July 1, 2024	Proposed Rate Effective July 1, 2025	Proposed Rate Effective July 1, 2026	Proposed Rate Effective July 1, 2027	Proposed Rate Effective July 1, 2028
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Residential Carts

32 Gallon	\$16.29	\$24.76	\$26.49	\$28.35	\$30.33	\$32.46
60 Gallon	\$26.44	\$35.19	\$37.65	\$40.29	\$43.11	\$46.13
100 Gallon	\$40.99	\$46.61	\$49.87	\$53.36	\$57.10	\$61.10

Residential Bins

1 Bin picked up 1x per week	\$124.70	\$249.92	\$267.41	\$286.13	\$306.16	\$327.59
1 Bin picked up 2x per week	\$202.36	\$499.84	\$534.83	\$572.27	\$612.33	\$655.19
2 Bins picked up 1x per week	\$171.91	\$425.39	\$455.17	\$487.03	\$521.12	\$557.60
2 Bins picked up 2x per week	\$264.17	\$850.79	\$910.34	\$974.07	\$1,042.25	\$1,115.21

Commercial Carts

32 Gallon	\$26.22	\$24.76	\$26.49	\$28.35	\$30.33	\$32.46
60 Gallon	\$42.58	\$35.19	\$37.65	\$40.29	\$43.11	\$46.13
100 Gallon	\$66.02	\$46.61	\$49.87	\$53.36	\$57.10	\$61.10

Commercial Bins

1 Bin picked up 1x per week	\$206.05	\$249.92	\$267.41	\$286.13	\$306.16	\$327.59
1 Bin picked up 2x per week	\$341.68	\$499.84	\$534.83	\$572.27	\$612.33	\$655.19
2 Bins picked up 1x per week	\$296.90	\$425.39	\$455.17	\$487.03	\$521.12	\$557.60
2 Bins picked up 2x per week	\$523.37	\$850.79	\$910.34	\$974.07	\$1,042.25	\$1,115.21

*Rates shown above are monthly rates. However, rates will be charged bi-monthly on the Pasadena Water and Power utility bill.

DO I HAVE A CART OR A BIN?

“Carts” are the smaller roll-out “trash cans” with two wheels used primary at residential homes in the 32-,60-, or 100-gallon sizes. A “bin” is the larger 3-cubic yard metal or plastic container with four wheels, more commonly known as a “dumpster” used at multiunit complexes or apartment buildings.

WILL I BE CHARGED FOR EACH OF MY 3 CONTAINERS?

No, the proposed rate is for a bundled set of 3 containers. The proposed rate is based on the size of your mixed waste (trash) container and will include one 60-gallon recycling cart and one 100-gallon yard waste/organics cart at no added cost. Additional mixed waste, recycling, or organics/yard waste containers can be requested for an additional fee should you require more than one recycling or yard waste/organics container.

WHEN WAS THE LAST TIME THE CITY INCREASED REFUSE RATES?

The last time residential refuse collection rates were increased was in 2012. They have not increased since then, not even by CPI or inflation. Only commercial rates have increased by CPI since 2012.

HOW HAS THE CITY BEEN ABLE TO OPERATE WITHOUT A RESIDENTIAL REFUSE RATE INCREASE OVER THE LAST 10 YEARS?

Despite increasing costs and loss in revenues, the City was able to utilize funding reserves to sustain operations without passing along rate increases to residential customers. Without a rate adjustment, the funding reserves will be depleted in 2025.

ARE THERE ANY SPECIAL PROGRAMS AVAILABLE FOR CUSTOMERS?

There is a 10% senior citizen discount for those 62 and older. There is also a free roll-out service provided to disabled individuals who are unable to roll out their carts every week.

HOW CAN I REDUCE MY MONTHLY RATES?

Reducing the size of your mixed waste (trash) container will result in a lower rate. You can downsize your mixed waste container once a year without charge. You will be provided the new mixed waste size container and still be able to keep the 60-gallon recycling and 100-gallon yard waste/organic containers. Also downsizing from larger 3-cubic-yard “bins” or “dumpsters” to 100-gallon carts could potentially reduce rates, as a 3-cubic yard bin is equivalent to approximately six 100-gallon containers.

IF I ONLY HAVE A TRASH CONTAINER, HOW CAN I RECEIVE THE RECYCLING OR YARD WASTE/ ORGANICS CONTAINER?

The account holder can contact the City Service Center at (626) 744-7311 to request the additional container(s) or for other service-related questions.