

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **7.F**

FROM: Matthew McElhenie, General Manager

Meeting Date: November 21, 2024 Subject: Discussion and Consideration of Approval of Proposition 218 Notice Regarding Mission Country Disposal's Solid Waste Collection and Disposal Rate Increase Request and Consideration of Scheduling a Proposition 218 Hearing Date - Amended 11/18/2024

FISCAL IMPACT:

All costs associated with the processing of the proposed rate increase to comply with the requirements of Proposition 218 will be borne by Mission Country Disposal.

DISCUSSION:

The Cambria Community Services District provides solid waste services pursuant to Government Code Section 61100(c). Mission Country Disposal is the District's Franchisee that provides solid waste collection services to the community. The District and Mission Country Disposal entered into a Franchise Agreement for Integrated Solid Waste Management Services on July 27, 2001, amended in 2010 and 2022. Mission Country Disposal provides residential and commercial solid waste, greenwaste, and recycling collection services. As part of its service agreement, Mission Country Disposal is entitled to propose rate adjustments annually to account for changes in operational costs, regulatory requirements, or economic factors.

Mission Country Disposal has submitted a request to increase rates for solid waste, greenwaste, and recycling services. The proposed increase is driven by a combination of factors, including:

- CPI Adjustments
- Revenue Balancing Mechanism
- Less Frequent Cost-Based Adjustments
- Updated Depreciation Lifespan for Trucks
- Updated Profit Allowance
- Removed Limitation on Corporate Overhead
- Extraordinary Adjustments

Solid waste collection and disposal rate increases are subject to the requirements of Proposition 218 (Article XIID, Section 6 of the California Constitution), which includes mailing a written public hearing notice of the proposed fee increase at least 45 days in advance to property owners and tenant customers. Mission Country Disposal will distribute the rate increase notice in compliance with that requirement. The notice includes the amount of the proposed fee, the basis upon which the amount of the proposed fee was calculated, the reason for the fee, and the date, time, and location of a public hearing at which property owners or tenant customers may submit written protests to the proposed rate increase. Staff and District Counsel reviewed and revised the notice and find it is in compliance with the requirements of Proposition 218. The CCSD Board of Directors was provided with detailed information on the rationale for the proposed rate adjustment, the projected impact on customers, and an overview of

the legal and procedural steps required to implement the changes at its November 14, 2024 meeting.

It is recommended that the Board of Directors approve the Proposition 218 Notice regarding Mission Country Disposal's Solid Waste Collection and Disposal rate increase request and schedule a Proposition 218 public hearing date.

ATTACHMENTS:

1. [Mission Country Disposal 2025 Base Rate Increase Request Application](#)
2. [Notice of Public Hearing Regarding Proposed Solid Waste Rate Adjustment - Amended 11/18/2024](#)