



Solid Resources Rate Actions

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Rates and General Fund Subsidy History



Fiscal Year	Program Costs	General Fund Subsidy	Subsidy Percentage
FY 2020-21	\$367,512,531	\$3,872,012	1.05%
FY 2021-22	\$354,218,952	\$64,424,789	18.19%
FY 2022-23	\$389,615,461	\$58,519,530	15.02%
FY 2023-24	\$464,620,814	\$73,618,078	15.84%
FY 2024-25 (Estimated)	\$485,934,771	\$136,095,597	28.01%
FY 2025-26 (Estimated)	\$555,000,000	\$217,000,000	39.10%



Our Customers

City of Los Angeles: 4 million residents



- ~ Residential collection for 750,000 Single-family homes, duplexes, and small multifamily complexes with 3-4 units
- ~ Bulky item collection for 474,000 large multifamily customers

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~65,000 medium & large multifamily complexes, condo buildings, and commercial businesses

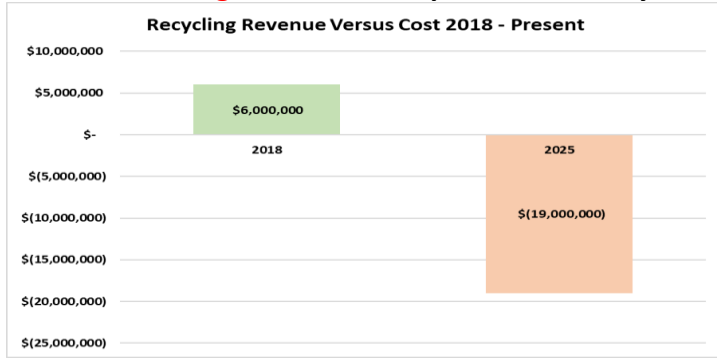


Solid Resources

- Weekly Collections (Refuse, Organics, Recycling)
- Unlimited Bulky Item Collection
- Container Repair and Replacement
- SAFE Centers / HHW
- Household Appliances & Mattress Collection
- Move-in / Move-out
- Annual Brush Clearing
- Christmas Tree Recycling
- Dead Animal Pick Up
- 24/7 Call Center
- Outreach & Education

Program Cost Evolution 2008- 2025

Recycling went from producing **\$6 million in revenue** to now **costing \$19 million** to process annually.



Operational Cost for 7 S.A.F.E Centers to dispose of hazardous household waste.



Organics \$40/ton in 2008 now costs **\$122/ton in 2025** (approx \$34 million annual increase).



New trucks cost **\$246K in 2008** and now cost **\$500K in 2025**. This is a 103% increase in cost per truck.



SB 1383 Requirements

Three-Container “Source Separated Collection Service”

- Organics prohibited in the black container.
- All organics waste segregated for collection and recycling.
- Provide organics collection service to all residents and businesses.
- Conduct annual education and outreach to the entire City
- Establish an Edible Food Recovery Program.
- Procure recyclable and recovered organic products.
- Secure access to recycling and edible food recovery capacity.
- Capacity Planning- Evaluate current infrastructure and plan for new compost, Anaerobic Digestion facilities, and Edible Food Recovery.
- Monitor compliance and conduct enforcement.
- Mandatory reporting to the State.



Cost of Service Study & Rate Model

- Consultant Background: Lead in the Industry for Trash Fees
- Consultant determined the cost of service attributable to each parcel based on
 - Type and size of container
 - Subscribed minimum service level
- Assumptions
 - Equipment costs - vehicles and containers
 - Labor agreements
 - Capital improvements for yards
 - Telematics implementation
 - Disposal Contracts - new contracts established to account for organic waste processing costs and CPI cost adjustments
 - Planning funds for fleet electrification
 - Reserves for potential regulatory actions and emergencies
- One rate for single-family and small multi-family customers
 - Analysis demonstrates same cost of service across all customer classes
 - Rates based on the subscribed (minimum) volume for collection on a weekly basis
 - SB 1383 Organics recycling mandate is significant cost driver



Proposed Rates

Action 1 & 2 - Adjust Rates to Achieve Full Cost Recovery in Year 1

Service Level	2025	Proposed ⁽¹⁾				
		2026 ⁽²⁾	2027	2028	2029	2030
Single Family & Duplex Solid Resources Fee	\$36.32 ⁽⁴⁾	\$55.95	\$59.53	\$60.44	\$63.27	\$65.93
3-4 Unit Dwellings Solid Resources Fee (per unit)	\$24.33 ⁽⁴⁾					
Estimated Program Costs	\$486M	\$555M	\$591M	\$607M	\$630M	\$657M
Multi-Family Bulky Item Fee (separately metered)	\$1.28	\$3.04	\$3.13	\$3.20	\$3.27	\$3.34
Multi-Family Bulky Item Fee (master metered) ⁽²⁾	\$1.11					
Estimated Program Costs	\$14.8M	\$20.1M	\$20.7M	\$21.2M	\$21.6M	\$22.1M

1. Propose a single solid resources rate for all customer types
2. Assumes implementation date of January 2026; additional increases effective July 2026, 2027, 2028, 2029
3. Due to mid-year rate implementation and lag from billings and collections, General Fund support will still be needed in FY26
4. If CPI had been applied annually for the last 16 years from the last increase in 2008 the rates would have increased by 70.16% and would be \$61.80 in 2025
5. Cost savings to the General Fund is approximately \$20 million/month for earlier implementation in FY 2025-26



Fee Action For Optional Services

Action 3 - Adjust Rates for Optional Services to Achieve Full Cost Recovery

Service Level	2025 ⁽¹⁾	Proposed ⁽²⁾				
		2026 ⁽²⁾	2027	2028	2029	2030
Extra Capacity Refuse Container - 60 Gallons	\$10.00	\$15.65	\$16.65	\$16.91	\$17.70	\$18.44
Extra Capacity Recycling Container - 90 Gallons	\$0.00	\$11.24	\$11.96	\$12.14	\$12.71	\$13.24
Extra Capacity Organics Container - 90 Gallons	\$7.50	\$16.28	\$17.32	\$17.59	\$18.41	\$19.18
Extra Capacity Manure Container - 60 Gallons	\$10.00	\$23.81	\$25.33	\$25.72	\$26.92	\$28.05

1. Extra capacity refuse and organics rates are currently charged on a per 30-gallon basis. Extra capacity recycling rates are currently no additional charge.
2. Future extra capacity rates are based on provision of a 60-gallon refuse container, 90-gallon recycling container, 90-gallon organics container, or 60-gallon manure container. Currently 93% of extra capacity refuse carts are 60-gallons, 95% of extra capacity recycling containers are 90-gallon, and 86% of extra capacity organics containers are 90-gallon. Provision of only the most common size containers will minimize inventory costs and increase operational efficiency.



How Do We Compare?

City	2022	2023	2024	2025	2026	2027	2028	2029	2030
Burbank	\$54.64	\$56.92	\$60.55	\$61.83					
Claremont	\$41.25	\$42.48	\$43.75	\$45.07	\$46.42				
Culver City	\$48.63	\$53.49	\$54.83	\$56.20	\$57.60	\$59.04	\$60.52	\$62.03	\$63.58
Glendale ⁽¹⁾	\$18.34	\$32.34 ⁽¹⁾	\$46.90	\$58.63	\$64.49	\$70.94			
Long Beach ⁽²⁾	\$34.42	\$38.32	\$42.66	\$59.30	\$60.49				
Los Angeles	\$36.32	\$36.32	\$36.32	\$36.32	\$55.95	\$59.53	\$60.44	\$63.27	\$65.93
Pasadena	\$40.99	\$46.61	\$49.87	\$53.36	\$57.10	\$61.10			
Santa Monica ⁽³⁾		\$59.83	\$66.41	\$73.71	\$81.82	\$90.82			
Torrance		\$35.31	\$40.74	\$44.41	\$48.41	\$52.29	\$56.48		

1. Glendale did not increase rates between 2010 and 2023. This resulted in a residential rate increase of 76% in July of 2023, followed by annual increases of 45% and 25% in July 2024 and July 2025.
2. 2025 and 2026 Rates effective August 1. Long Beach recently completed a cost of service study to arrive at these rates.
3. Santa Monica did not increase rates between 2020 and 2023. As such, their rates will increase by 11% annually from August 2023 through August 2027 (compounded increase of 65.9%).



Financial Assistance Program

Action 4 - Support SRF and MFBI Financial Assistance Program Expansion

Program	Customers	2025	Year 1	Year 2	Year 3	Year 4	Year 5
SRF Lifeline Program Status Quo	44,264	\$5,523,745	\$7,221,028	\$9,486,660	\$9,630,076	\$10,081,569	\$10,506,503
MBIF Lifeline - Low Income Program Status Quo	44,095	\$170,038	\$286,939	\$415,796	\$425,095	\$434,394	\$443,693
Expanded SRF Low Income Program	79,753	5,523,745	\$8,114,894	\$17,092,663	\$17,351,063	\$18,164,543	\$18,930,172
Extra Capacity Low Income Program	71,436 Annual EC Units	\$466,320	\$513,493	\$654,175	\$730,830	\$841,470	\$964,315
MBIF Lifeline - Low Income Program	79,753	\$170,038	\$312,346	\$625,064	\$639,043	\$653,022	\$667,001
Estimated General Fund Reimbursements		\$6,160,103	\$8,940,733	\$18,371,902	\$18,720,935	\$19,659,035	\$20,561,488



Public Notification Process

- Prop 218 Requirements
 - 45-Day outreach window following the mailing of notices prior to Public Hearing
- Notification and Outreach
 - Prop 218 Notifications and 45 Day Outreach
 - LASAN Community Events
 - Work with Council Offices to identify key stakeholder, community groups, and constituents
 - Website, social media, newsletters, and emails
 - Increased 24 Hour Call Center Capacity



Recommendations for Council Action

Authorize the Bureau of Sanitation to take the necessary steps to implement the following changes to Article 6.1, Chapter VI of the Los Angeles Municipal Code, Article 7 of the Los Angeles Administrative Code, and any associated Municipal Code and Administrative Code sections:

Action 1: (Prop 218 Process Required)

Revise the rate structures of the Solid Resources Fee and charge one single rate to all customer classes;

Action 2: (Prop 218 Process Required)

Revise the Multi-Family Bulky Item Fee to charge one single rate to all customer classes and expand the current Multi-Family Bulky Item Program to extend service to and collect revenue from an estimated 132,000 previously exempted residential dwellings(condominiums, town homes, etc.)

Action 3:

Adjust the customer assistance programs and the rates for the Solid Resources Extra Capacity Fee,

Action 4:

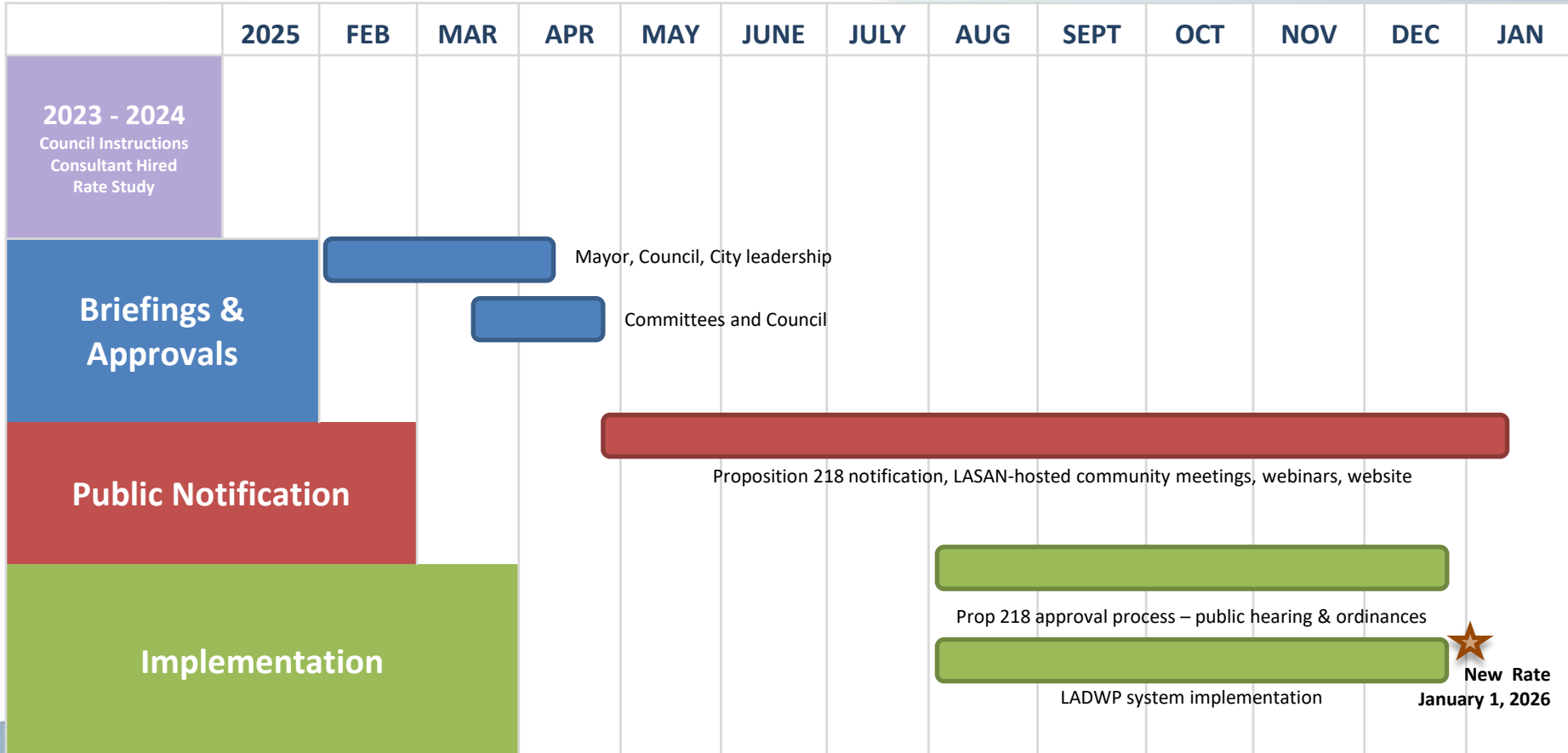
Replace the Lifeline Program of the Solid Resources Fee with a Solid Resources Low Income Customer Assistance Program.



QUESTIONS

**Supporting Slides to Be Used
By Request Only**

Implementation Schedule



Program Rate Increase Scenarios

Projected Revenue	2025	Year 1	Year 2	Year 3	Year 4	Year 5
Scenario 1 - full cost recovery commencing January 1, 2026	\$36.32	\$55.95	\$59.53	\$60.44	\$63.27	\$65.93
Scenario 1 - Increase to the Monthly Cost		\$19.63	\$3.58	\$0.91	\$2.83	\$2.66
Scenario 2 - 2.5 year rate phase in commencing January 1, 2026	\$36.32	\$44.36	\$52.40	\$60.44	\$63.27	\$65.93
Scenario 2 - Increase to the Monthly Cost		\$8.04	\$8.04	\$8.04	\$2.83	\$2.66
Scenario 3 - 4.5 year rate phase in commencing January 1, 2026	\$36.32	\$42.25	\$48.18	\$54.11	\$60.04	\$65.03
Scenario 3 - Increase to the Monthly Cost		\$5.93	\$5.93	\$5.93	\$5.93	\$5.89

The General Fund Subsidy by Scenario	Total Expense for the Solid Resources Program FY26 through FY30	General Fund Subsidy Required FY26 through FY30	General Fund as % of Total SWRF Expenses
Scenario 1 - full cost recovery commencing January 1, 2026	\$3,116,137,699	\$184,001,039	5.90%
Scenario 2 - 2.5 year rate phase in commencing January 1, 2026	\$3,116,137,699	\$352,182,750	11.30%
Scenario 3 - 4.5 year rate phase in commencing January 1, 2026	\$3,116,137,699	\$535,863,186	17.20%

1. Assumes expanded low income program, newly eligible customers phased in over 2 years.



Program Revenue & General Fund Obligations

Projected Additional Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Solid Resources Fee	\$44,764,853	\$262,492,725	\$277,805,903	\$300,290,361	\$326,147,006
Multi-Family Bulky Item	\$15,377,487	\$16,015,634	\$16,549,235	\$17,083,858	\$17,619,542
Estimated Total Revenue	\$60,102,340	\$278,508,359	\$294,355,138	\$317,374,219	\$343,766,548

1. Represents the additional projected revenue related to the program fee adjustments

Projected General Fund Obligations	Year 1	Year 2	Year 3	Year 4	Year 5
Solid Resources Program	\$192,629,426	\$17,746,838	\$18,081,892	\$19,006,013	\$19,894,487
Multi-Family Bulky Item Program	\$8,725,631	\$625,064	\$639,043	\$653,022	\$667,001
Total	\$201,355,057	\$18,371,902	\$18,720,935	\$19,659,035	\$20,561,488

1. Assumes expanded low income program, newly eligible customers phased in over 2 years.



Impact To The Base Rate Bill

Projected Multi-Family Fees for the Bi-Monthly Bill Per Unit

Service Level	Proposed ⁽¹⁾					
	Current	2026	2027	2028	2029	2030
Multi-Family Bulky Item Fee (separately metered) Tenant & Landlord	\$1.28	\$3.04	\$3.13	\$3.20	\$3.27	\$3.34
<i>Increase for Separately Metered Dwellings per unit bimonthly</i>		\$1.76	\$0.07	\$0.07	\$0.07	\$0.07
Multi-Family Bulky Item Fee (master metered)	\$2.22	\$6.08	\$6.26	\$6.40	\$6.54	\$6.68
<i>Increase for Master Metered Dwellings per unit bimonthly</i>		\$3.86	\$0.14	\$0.14	\$0.14	\$0.14
Multi-Family Bulky Item Fee - Low Income Customers	\$0.88	\$2.09	\$2.15	\$2.20	\$2.25	\$2.30
<i>Increase for Low Income Customers per unit bimonthly</i>		\$1.21	\$0.05	\$0.05	\$0.05	\$0.05
Multi-Family Bulky Item Fee - Lifeline Customers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Increase for Lifeline Customers per unit bimonthly</i>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

1. Propose a single solid resources rate for all customer types
2. Assumes implementation date of January 2026; additional increases effective July 2026, 2027, 2028, 2029



PRESENTATION AGENDA

- Our Customers and Services We Provide
- Evolution of the Program
- LASAN Solid Resource Programs
- Proposed Rate Adjustments
- Low Income Customer Assistance Program
- Public Notification Process
- LASAN Recommendations for Council



Recommendations for Council Action

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Action 2: (Prop 218 Process Required)

Revise the Multi-Family Bulky Item Fee to charge one single rate to all customer classes and expand the current Multi-Family Bulky Item Program to extend service to and collect revenue from an estimated 132,000 excluded residential dwellings (condominiums, town homes, mixed use housing, etc.)

Action 3: (Prop 26)

Adjust the rates for the Solid Resources Extra Capacity Fee.

Action 4:

Replace the Lifeline Program of the Solid Resources Fee with a Solid Resources Low Income Customer Assistance Program.



Impact To The Base Rate Bill

Projected Solid Resources Fees for the Base Bi-Monthly Bill

Service Level	Proposed ⁽¹⁾					
	Current	2026	2027	2028	2029	2030
Single Family & Duplex Solid Resources Fee	\$72.64	\$111.90	\$119.06	\$120.88	\$126.54	\$131.86
<i>Increase for the base Single Family bimonthly bill</i>		\$39.26	\$7.16	\$1.82	\$5.66	\$5.32
3-4 Unit Dwellings Solid Resources Fee (per unit)	\$48.66	\$111.90	\$119.06	\$120.88	\$126.54	\$131.86
<i>Increase for the base 3-4 Unit Dwellings bimonthly bill</i>		\$63.24	\$7.16	\$1.82	\$5.66	\$5.32
Single Family & Duplex Solid Resources Fee – Low Income	\$50.85	\$78.33	\$83.34	\$84.62	\$88.58	\$92.30
<i>Increase for the base Single Family bimonthly bill – Low Inc.</i>		\$27.48	\$5.01	\$1.28	\$3.96	\$3.72
3-4 unit Dwellings Solid Resources Fee - Low Income	\$34.06	\$78.33	\$83.34	\$84.62	\$88.58	\$92.30
<i>Increase for the base 3-4 Unit Dwellings bimonthly bill - Low Inc.</i>		\$44.27	\$5.01	\$1.28	\$3.96	\$3.72

1. Propose a single solid resources rate for all customer types
2. Assumes implementation date of January 2026; additional increases effective July 2026, 2027, 2028, 2029



Public Notice - Prop 218 Requirement

*There is a **45-day** outreach window **following** the mailing of the **Proposition 218 Notice** and prior to the **Public Hearing**.*

