

MEETING DATE: December 10, 2025

AGENDA ITEM: 6. Refuse Collection Rate Increase 2026: Public Hearing for Resolution No. 2631

FROM: Tom Valentino: Solid Waste Consultant

RE: Intermountain Disposal 2026 Refuse Collection Rate Increase

BACKGROUND:

Under the revised and amended franchise agreement between the City of Portola and Intermountain Disposal Company, the company is entitled to an annual rate adjustment for changes in the cost of doing business, consistent with Section 5.3 of the agreement. Additionally, IMD is able to petition the city council for increased refuse collection rates for certain pass-through expenses, as described in Section 5.5 of the franchise agreement. Increased trash disposal fees at the Delleker Transfer Station were approved earlier this year by the Plumas County Board of Supervisors. Those increased fees qualify as a pass-through expense and are incorporated into some, but not all, of the proposed 2026 refuse collection rates.

The 2026 proposed rates were initially presented to the Portola City Council at the October 8, 2025 meeting. The council approved starting the rate increase process, consistent with California State Proposition 218 guidelines, by authorizing issuance of the proposed refuse collection rates to Portola property owners and IMD customers by postal service and commencing the 45-day public comment period.

Changes in the Cost of Doing Business

The adjustment for increases of the cost of doing business is based on U.S. Bureau of Labor Statistics and the U.S. Energy Information Administration data for consumer indices and fuel price changes over a one-year period (August 2024 to August 2025). Specifically, the two Federal agency statistics used to calculate the annual increase are:

- Bureau of Labor Statistics Consumer Price Index for All West Urban Consumers, Non-Seasonally Adjusted; and
- Energy Information Administration California No. 2 Diesel Retail Prices.

Staff calculated the inflation and diesel fuel increases using August 2024 and August 2025 federal data and the calculation procedure stated in section 5.3 of the franchise agreement. The combined CPI/Diesel Fuel rate increase is 3.16% (see attached calculations). Intermountain Disposal's accounting firm VT Accounting Associates separately calculated the CPI and Fuel increases and agreed with our calculations.

Transfer Station Fee Increases

The Plumas County Board of Supervisors approved Resolution No. 25-9025 on June 10, 2025, which increased disposal fees at the Delleker Transfer Station by 4.42% (effective July 1, 2025). IMD seeks to increase refuse collection rates for the transfer station increase, consistent with section 5.5 of the franchise agreement – Pass-Through Costs.

To determine the percentage of the transfer station increase to pass-through to the refuse collection rates, IMD provided financial information for calendar year 2024 prepared by VT Accounting Associates. VT states

IMD had total refuse collection revenue of \$517,413 and disposal fees at the transfer station of \$130,598 in 2024. Disposal cost (\$130,598) as a percentage of revenue (\$517,413) is 25.24 percent.

To calculate the transfer station fee increase to the 2026 refuse collection rates, we multiply the transfer station increase (4.42%) by the percentage cost of refuse disposal (25.24%). The result is a 1.12% increase for trash disposal services, effective January 1, 2026

The 2026 rates for residential and commercial refuse collection and related services in the city of Portola are attached. These rates are the only fees IMD can assess residential and commercial customers in the city.

Proposition 218 Compliance Process

In compliance with state Proposition No. 218, a notice of the proposed rate increase was mailed to all property owners and IMD customers (including tenants) within the City (see attached notice). In accordance with noticing procedures, a public hearing was established and scheduled for December 10, 2025. Although notices were sent to property owners and customer's only one protest can be accepted from each parcel within the City.

At the time of staff report publication, the city has received two (2) written protests.

Without the sufficient number of protests (50% plus one of affected properties in Portola) the rate increase may move forward by City Council approval of a resolution. Accordingly, Resolution No. 2631 has been prepared for Council review and possible action (attached).

RECOMMENDATION:

Staff recommends that the City Council open the public hearing, receive public comment on the rate increase, close the public hearing and adopt Resolution No. 2631 to adopt the 2026 refuse collection rates.

ATTACHMENTS:

- A. RESOLUTION 2631
- B. 2026 IMD RATE INCREASE V 2.1
- C. IMD RATE YEAR 9 PROP 218 NOTICE 10-10-25
- D. 2026 RATE INCREASE WRITTEN PROTESTS

RESOLUTION 2631

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTOLA ADOPTING WASTE COLLECTION AND RESIDENTIAL RECYCLING RATES

WHEREAS, in accordance with the Franchise Agreement between the City of Portola and Intermountain Disposal the Portola City Council is considering an increase to waste collection and residential recycling rates billed by Intermountain Disposal to customers within the City; and,

WHEREAS, the City Council has determined that the rate increase requested by Intermountain Disposal complies with the approved Franchise Agreement; and,

WHEREAS, in accordance with Government Code section 54515, Government Code Section 54300, Part I of Division 2 of Title 5 of the Government Code and Proposition 218, a Public Hearing was held on December 10, 2025 to consider changes to waste collection and residential recycling rates billed by Intermountain Disposal to property owners within the City of Portola and at the hearing the City Council received comments from the public regarding the proposed changes; and,

WHEREAS, the City received fewer protests to the proposed increase in rates for waste collection and residential recycling than is required to prevent the City Council from increasing the fees.

NOW THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Portola that the waste collection and recycling rates charged to customers within the City of Portola by Intermountain Disposal in accordance with its franchise agreement as shown on Exhibit "A", which is attached hereto and incorporated herein, are hereby adopted and shall take effect on January 1, 2026.

PASSED, APPROVED AND ADOPTED this 10th day of December 2025 by the following vote:

	AYES:		
	NOES:		
	ABSTAIN:		
	ABSENT:		
ATTEST:			, Mayor
Kristen Schi	avone, Deputy City	Clerk	
above and for		was duly passed and	of Portola, do hereby certify that the d adopted by the City Council of the December 10, 2025.
		\overline{K}	risten Schiavone, Deputy City Clerk

Resolution No. 2631 December 10, 2025

Exhibit A

AMENDED AND EXTENDED

EXCLUSIVE FRANCHISE AGREEMENT

BETWEEN

THE CITY OF PORTOLA AND

INTERMOUNTAIN DISPOSAL, INC. FOR

SOLID WASTE AND RECYCLABLE MATERIAL

COLLECTION SERVICES

AND

OPERATION OF THE ENVIRONMENTAL RECLAMATION

CENTER

AT PORTOLA LANDFILL



ARTICLE 5. COMPANY COMPENSATION AND RATES

5.1 Receipts from the Sale of Recyclable Materials

The City and Company agree that the Company will retain all proceeds from the sale of Recyclable Materials.

5.2 Initial Rates

Except as provided in Paragraph 5.4 below, the Rates for the first year of this amended and extended Agreement (November 1, 2017 through December 31, 2018) shall not exceed those set forth in Exhibit B. Thereafter, Rates will be adjusted annually based on the formula set forth in section 5.3.

5.3 Annual Adjustments to Rates

Effective January 1st of each Rate Year, commencing on the 1st day of Rate Year 2 (January 1, 2019) the Company shall automatically be entitled to increase the Rates for all services by an amount equal to the following formula:

Annual Rate Adjustment = Current Rate x $[1 + \{(0.9 \text{ x Percent Change CPI Index}) + (0.1 \text{ x Percent Change Fuel Index})\}]$, where:

Percent Change CPI Index = Annual Percent Change in the September Consumer Price Index for All West Urban Consumers, Non-seasonally Adjusted, for the Preceding Year (Bureau of Labor Statistics Series ID CUUR400SAO), and

Percent Change Fuel Index = Annual Percent Change in the September California No. 2 Diesel Retail Sales by All Sellers, as published by the U.S. Energy Information Administration.

In the event the change in the rate increase, under the above formula, is greater than five percent (5%) in any given Rate Year, then the percentage increase in excess of the five percent (5%) shall be carried over to the next Rate Year, subject to the five percent maximum annual increase.

Company may petition City for a waiver of the Rate adjustment 5% cap if the calculated increase exceeds 5% annually for two consecutive years. No Rate increase pursuant to this Section 5.3 shall be effective until, and unless, Company provides the City sixty (60) day written notice of its intent to exercise its right to an annual Rate increase and after compliance with Proposition 218, provided there has been an insufficient protest to prohibit an increase in Rates.

The City and the Company may mutually agree for the City to adopt a schedule of rates authorizing automatic adjustments for inflation for up to five (5) years in accordance with California Government Code section 53756.

5.4 Proposition 218 Compliance

Company shall prepare and issue State of California Proposition 218 compliance notices to all Customers in conjunction with any increase to Rates. City shall provide to Company written Proposition 218 notice language. For annual adjustment to Rates, all Proposition 218 notices shall be prepared and mailed to Customers no later than October 31st.

Company shall be entitled to charge Customers no more than \$0.10 per month per Customer monthly invoice for expenses related to printing and mailing of City-supplied Proposition 218 notices.

5.5 Pass-Through Costs

The Company shall be entitled to petition the Portola City Council for Rate increases based on increases in the cost of doing business for costs other than those normally associated with the Consumer Price Index and California Diesel Retail Sales costs. Those Pass-Through Costs are described in Exhibit B.

For adjustments to the Rates above and beyond the annual increases, the Company shall document the changed conditions that have caused increases in the cost of doing business and provide justification for the requested Rate increases. The Portola City Council shall consider the Company's documentation and any other relevant information prior to approving any Pass-Through Cost Rate increase. The City Council may, at its sole discretion, after compliance with Proposition 218 and provided that there has been an insufficient protest to prohibit an increase in Rates, approve all, a portion, or none of the Company's request for a Rates adjustment.

If the City Council does not approve, or the Parties cannot otherwise agree on, the Rate increase, then, within ten (10) days of the City Council denying the Rate increase, the Company may seek mediation, in which case, the Parties shall mediate the dispute pursuant to Section 9.6. If mediation is unsuccessful, then the Company may request arbitrations, in which case the Parties shall arbitrate the dispute pursuant to Section 9.6. The decision of the arbitrator shall be final and non-appealable by either Party.

INTERMOUNTAIN DISPOSAL COMPANY ANNUAL ADJUSTMENT OF RATES FOR THE 2026 CALENDAR YEAR (RATE YEAR 9)

Annual Rate Adjustment Calculated per Section 5.3 of the Franchise Agreement, as Amended August 25, 2021

Rate Adjustment Calculations

Disposal Fee Rate Increase (4.42% x 0.2524) =

Adjust for Changes in CPI and Fuel Costs August 2024 through August 2025

% Increase = 90% Annual Change West Region CPI (Aug/Aug) + 10% Annual Change California Fuel (Aug/Aug)

August 2024 West Urban CPI:	333.442	Data Reference: https://data.bls.gov/cgi-bin/surveymost?cu
August 2025 West Urban CPI:	344.096	
August 2024 EIA Cal Diesel Fuel:	\$4.758	Date Reference: www.eia.gov/dnav/pet/pet_pri_gnd_dcus_sca_m .htm
August 2025 EIA Cal Diesel Fuel:	\$4.895	
CPI/Fuel Rate Increase =	3.16%	
Adjust for Increased Disposal Fees at Delleker Transfer Station		
DTS Disposal Fee Increase Effective July 1, 2025	4.42%	
Disposal Cost as Percentage of IMD Refuse Collection Revenues (2024)	25.24%	

1.12%

INTERMOUNTAIN DISPOSAL PROPOSED 2026 RATE INCREASE RATES EFFECTIVE JANUARY 1, 2026 UPON APPROVAL FROM PORTOLA CITY COUNCIL

COMMERCIAL AND RESIDENTIAL CAN RATES 2026 RATE INCREASE (RATE YEAR 9)

	Current 2025 Monthly	CPI/Diesel Fuel Increase	Delleker Transfer Station	Proposed 2026 Monthly	
Item	Rates	(3.16%)	Fee Increases (1.12%)	Rates	
Wastecarts					
32 Gallon Cart	\$16.03	\$0.51	\$0.18	\$16.72	
64 Gallon Cart	\$21.80	\$0.69	\$0.24	\$22.73	
96 Gallon Cart	\$27.59	\$0.87	\$0.31	\$28.77	
Replace Carts					
32 Gallon Cart	\$78.31	\$2.47	-	\$80.78	
64 Gallon Cart	\$88.77	\$2.81	-	\$91.58	
96 Gallon Cart	\$109.65	\$3.46	-	\$113.12	
Recycling Service					
64 Gallon Cart	\$5.46	\$0.17	-	\$5.64	
Green Waste Service					
96 Gallon Cart	\$17.45	\$0.55	-	\$18.00	
Extra Services					
New Service &	Ć0.71	¢0.20			
Reinstatement Fee	\$8.71	\$0.28	_	\$8.99	
Backyard Collection	\$8.72	\$0.28	-	\$9.00	
Car Tire	\$5.73	\$0.18	\$0.06	\$5.98	
Truck Tire	\$11.66	\$0.37	\$0.13	\$12.16	
Appliances	\$27.47	\$0.87	\$0.31	\$28.65	
Mattress/Box Spring	\$54.80	\$1.73	\$0.61	\$57.15	
Waste Cart Delivery	\$15.70	\$0.50	-	\$16.19	
One-Time Collection, Up to Four Cans	\$26.25	\$0.83	-	\$27.08	
Returned Check Fee	\$54.63	\$1.73	-	\$56.35	

INTERMOUNTAIN DISPOSAL PROPOSED 2026 RATE INCREASE RATES EFFECTIVE JANUARY 1, 2026 UPON APPROVAL FROM PORTOLA CITY COUNCIL

COMMERCIAL BIN SERVICE RATES 2026 RATE INCREASE (RATE YEAR 9)

la	Pick-ups Per Week	Current 2025 Monthly Rates	CPI/Diesel Fuel Increase (3.16%)	Delleker Transfer Station Fee Increases (1.12%)	Proposed 2026 Monthly Rates
Item	week	nates	(5.16%)	ree increases (1.12%)	nates
Bin Size			10.00	1	4
1 CY	1x	\$70.72	\$2.23	\$0.79	\$73.75
	2x	\$141.34	\$4.47	\$1.58	\$147.39
	3x	\$211.85	\$6.69	\$2.37	\$220.92
1.5 Cy	1x	\$106.46	\$3.36	\$1.19	\$111.02
•	2x	\$212.78	\$6.72	\$2.38	\$221.89
	3x	\$319.10	\$10.08	\$3.57	\$332.76
2.07	1	Ć457.45	64.07	64.76	Ć4.62.00
2 CY	1x	\$157.15	\$4.97	\$1.76	\$163.88
	2x	\$314.16	\$9.93	\$3.52	\$327.61
	3x	\$471.15	\$14.89	\$5.28	\$491.32
3 CY	1x	\$265.38	\$8.39	\$2.97	\$276.74
	2x	\$530.61	\$16.77	\$5.94	\$553.32
		,		,	, , , , , ,
4 CY	1x	\$282.47	\$8.93	\$3.16	\$294.56
	2x	\$564.83	\$17.85	\$6.33	\$589.00
		·			
5 CY	1x	\$353.05	\$11.16	\$3.95	\$368.16
	2x	\$705.92	\$22.31	\$7.91	\$736.13
C C)/		Ć420.45	¢42.00	64.02	Ć450.2C
6 CY	1x	\$439.45	\$13.89	\$4.92	\$458.26
	2x	\$878.77	\$27.77	\$9.84	\$916.38
8 CY	1x	\$618.26	\$19.54	\$6.92	\$644.72
	2x	\$1,236.34	\$39.07	\$13.85	\$1,289.26
5.46					
Extra Services New Service &					
Reinstatement Fee		\$8.71	\$0.28	-	\$8.99
Extra Yardage		\$18.29	\$0.58	\$0.20	\$19.07
Extra Cans		\$6.97	\$0.22	\$0.08	\$7.27
Container Delivery		\$59.18	\$1.87	-	\$61.05
Container Relocation		\$29.57	\$0.93	_	\$30.50
Weekly Rental Charge		Ψ23.37	\$0.55		\$30.30
1 CY		\$10.90	\$0.34	-	\$11.24
1.5 CY		\$16.38	\$0.52	-	\$16.89
2 CY		\$24.12	\$0.76	-	\$24.88
3 Cy		\$40.82	\$1.29	-	\$42.11
4 CY		\$43.28	\$1.37	-	\$44.65
5 Cy		\$54.32	\$1.72	-	\$56.03
Car Tire		\$5.73	\$0.18	\$0.06	\$5.98
Truck Tire		\$11.66	\$0.37	\$0.13	\$12.16
Return Charge		\$13.07	\$0.41	-	\$13.48
Off-Day Collection		\$26.12	\$0.83	-	\$26.94
Bear-Resistant Bin		\$22.35	\$0.71	-	\$23.06
Bin Unlock/Lock		\$42.49	\$1.34	-	\$43.83
Bin Repair Per Hour		\$78.91	\$2.49	-	\$81.40

INTERMOUNTAIN DISPOSAL PROPOSED 2026 RATE INCREASE RATES EFFECTIVE JANUARY 1, 2026 UPON APPROVAL FROM PORTOLA CITY COUNCIL

ROLL-OFF BOX RATES 2026 RATE INCREASE (RATE YEAR 9)

	ROLL-OFF BOXES				DELIVERY CHARGE			
	Current 2025 Rates	CPI/Diesel Fuel Increase (3.16%)	Delleker Transfer Station Fee Increases (1.12%)	Proposed 2026 Rates	Current 2025 Rates	CPI/Diesel Fuel Increase (3.16%)	Proposed 2026 Rates	
Box Size								
10 CY	\$342.10	\$10.81	\$3.83	\$356.74	\$57.74	\$1.82	\$59.57	
12 CY	\$426.82	\$13.49	\$4.78	\$445.09	\$57.74	\$1.82	\$59.57	
20 CY	\$593.00	\$18.74	\$6.64	\$618.38	\$57.74	\$1.82	\$59.57	
25 CY	\$714.53	\$22.58	\$8.00	\$745.11	\$57.74	\$1.82	\$59.57	
30 CY	\$870.83	\$27.52	\$9.75	\$908.10	\$57.74	\$1.82	\$59.57	
40 CY	\$1,183.00	\$37.38	\$13.25	\$1,233.63	\$57.74	\$1.82	\$59.57	
Demurrage Charge								
Daily	\$17.48	\$0.55	-	\$18.03				
Weekly	\$51.00	\$1.61	-	\$52.62				
Extra Services								
Off-Day Relocation, Per Hour	\$114.24	\$3.61	-	\$117.85				
Overweight Per ton (>8Tons)	\$105.07	\$3.32	\$1.18	\$109.57				
Standby Monday- Friday, Per Hour	\$110.60	\$3.50	-	\$114.10				
Standby Off Hours, Per Hour	\$171.37	\$5.42		\$176.79				

NOTICE OF PUBLIC HEARING ON PROPOSED 2026 INCREASES IN REFUSE COLLECTION RATES

NOTICE IS HEREBY GIVEN that the Council of the City of Portola will hold a public hearing on proposed increases to the residential and commercial refuse collection rates of the City of Portola, which are billed by Intermountain Disposal (IMD) in accordance with its franchise agreement with the City. The public hearing will be held on December 10, 2025 at the hour of 6:00 p.m., or as soon thereafter as possible, in the City Council Chamber, Portola City Hall, 35 Third Avenue, Portola, California.

The purpose of the public hearing is to consider all oral and written testimony and written protests of the proposed rates. At the public hearing, any interested person may appear and be heard and/or submit written materials and protests of the proposed rates. Written comments and protests submitted to the City Manager at the address listed below prior to December 10, 2025 and those received prior to the close of the public hearing on December 10, 2025 will be presented to the City Council at the public hearing.

A copy of the proposed rates for refuse collection fees and commercial recycling rates charged by Intermountain Disposal are attached to this Notice. Additional cost data is available for inspection at the City Manager's Office, 35 Third Avenue, Portola, California. For further information on waste collection fees, contact (530) 832-6803.

PROPOSED 2026 REFUSE COLLECTION RATES CALCULATION AND APPROVAL PROCESS

Proposed 2026 rates for refuse collection in the City of Portola are attached to this Notice. Proposed rates are calculated using procedures described in Section 5.3 of the Franchise Agreement between Intermountain Disposal and the City of Portola.

The proposed refuse collection rates are calculated on changes in the cost of doing business, based on data published by the U.S. Bureau of Labor Statistics and the U.S. Energy Information Administration for consumer indices and fuel price changes over a one-year period (August 2024 to August 2025). Specifically, the two federal agency statistics used to calculate the annual increase are:

- Bureau of Labor Statistics Consumer Price Index for All West Urban Consumers, Non-Seasonally Adjusted; and
- Energy Information Administration California No. 2 Diesel Retail Prices.

City staff calculated the inflation and diesel fuel increases using August 2024 and August 2025 federal data and the calculation procedure stated in section 5.3 of the franchise agreement. The combined CPI/Diesel Fuel rate increase is 3.16%.

Some, but not all, of the refuse collection rates are also proposed to be adjusted due to a disposal fee increase (4.42%) effective July 1, 2025 at the Delleker Transfer Station, as approved by the Plumas County Board of Supervisors. Following review of IMD's financial records of revenues and expenses, City staff calculated a 1.12% increase for rates to collect and dispose of solid waste. Note that an increase in refuse disposal fees at the Delleker Transfer Station are a pass-through expense and eligible for a rate adjustment upon request by IMD under its franchise agreement.

On October 8, 2025, the Portola City Council approved the calculations of the proposed 2026 refuse collection rates, authorized the distribution of this Notice to establish a 45-day written public comment and protest period, and set a public hearing for December 10, 2025 at the City Council chamber

PROPOSITION 218 – WRITTEN PROTEST

Owners of parcels, tenants and the public may comment on and protest the proposed rates in writing prior to, or orally during the public hearing. Consistent with the provisions of Proposition 218 (as implemented by Assembly Bill 1260) this Notice has been mailed to all **property owners** (and/or tenants) within the City who receive refuse collection services from IMD. If you are a property owner (and/or tenant) and wish to protest the proposed rates as described in this Notice, then you must file a written protest with the City before the public hearing on December 10, 2025 is closed. If the party signing the protest is not shown on the last equalized assessment roll of Plumas County as the owner(s) of the parcel(s), the protest must contain, or be accompanied by, written evidence that such party is the owner, or tenant, of the parcel(s). If protests from a majority of the affected parcels are timely submitted, the proposed rate increases will not go into effect. Only one protest per parcel will be counted (the first one received by the City). Owners of multiple properties may submit one protest for each property owned.

LEGAL CHALLENGE

Any judicial action or proceeding to attack, review, set aside, void, validate, or annul an ordinance, resolution, or motion adopting a fee or charge for residential and commercial refuse collection service, shall be commenced within 120 days of the effective date or of the date of the final passage, adoption, or approval of the ordinance, resolution, or motion, whichever is later.

Protests can be mailed or personally delivered to the City of Portola as follows:

Ryan Bonk, City Manager City of Portola P.O. Box 1225 35 Third Avenue Portola, California 96122

Dated & Published by: October 25, 2025

For accessible meeting information, please call (530) 832-6801

FROM THE DESK OF

Jeanne Dansby

October 28, 2025

Ryan Bock, City Manager City of Portola PO Box 1225 35 Third Avenue Portola, CA 96122

Dear Mr. Bock,

I am writing today to object to the proposed rate increases for Intermountain Disposal. With rising inflation, healthcare uncertainty, and job losses nationwide, a rate increase would be onerous to our most vulnerable community members. I also think it will lead to increased problems with illegal trash disposal both on individual properties and in the forests that surround our community.

I respectfully request that the rate increase be postponed until our economy becomes more stable.

Sincerely yours,

Jeanne Dansby

Oct 29, 2025 Ryan Bonk, City Manager Oty of Portola P. O. Box 1225 35 third avenue To whom it may concern'. I am owner of the building at 149. Seems hay. There are two parts of the building one occuppeed by Rearson Realty; the other in a shop with my belongings refuse collection lates. I don't feel that your company should decide it is time for on increase? The citizen has seen an increase on Leverything. Some have lost their insurance and have had to replace it at double the cost. shone has gone up, gas has gone up, food and electricity have gone up. your founded was founded was salary increases, but here in nonburedurates land, people have either gotten no raise been laid off or lost then job entirely and so wany of residents are residents

on fixed incomes. So it isn't just that you are one entity that is asking for more money. it is all of you - why because you have the power to do let. Just because you have the power to do it, doesn't make power to make other people pay, is too fust in case this letted is too teclious for you, just know that I want to be counted among those that approve the nate increase. Sincerly Maurea Molta 157 Seenie Way,