

AGENDA
SPECIAL MEETING OF THE CITY COUNCIL
PUBLIC WORKS SUBCOMMITTEE
Agoura Hills City Hall - City Manager's Conference Room
30001 Ladyface Court, Agoura Hills, California 91301
Wednesday, September 30, 2026
3:00 PM

Please silence all cell phones and other electronic devices during the meeting.

NOTE: *The Subcommittee and City staff will be participating in this meeting in-person in the City Manager's Conference Room. Members of the public have the opportunity to participate in-person in the conference room. For public participation on items listed on this Agenda, refer to "Public Comments" below.*

PUBLIC PARTICIPATION (PUBLIC COMMENT)

Option A: To provide public comments in-person at the meeting

Members of the public have an opportunity to attend the meeting in-person and speak or submit a written comment on any item listed on this Agenda. Public testimony is limited to three (3) minutes per speaker; a speaker's time may not be transferred to another speaker. Written public comments submitted at the meeting are not read aloud by staff.

To request to speak in-person at the meeting. *The Subcommittee will open the floor for public comment and any in-person attendee who raises their hand will have the opportunity to speak. Public testimony is limited to three (3) minutes per speaker; a speaker's time may no be transferred to another speaker.*

Option B: To submit written public comments by e-mail (prior to the meeting)

Members of the public have an opportunity to submit email correspondence on any item listed on the Agenda by sending an email to: comments@agourahillscity.gov. All public correspondence received by 2:00 p.m. on the meeting date will be provided to the Subcommittee prior to the meeting. Public comments are not read into the record. Any public comments received after 2:00 p.m. on the meeting day will not be considered as part of the Subcommittee's deliberations or entered into the official record, but will be provided to the Subcommittee the next day.

CALL TO ORDER

ROLL CALL

Mayor Jeremy Wolf
Councilmember Kate Anderson

APPROVAL OF AGENDA

PUBLIC COMMENTS

(This section is reserved for persons wishing to address items not listed on the Agenda that are under the subject matter jurisdiction of the City Council. Please refer to "Public Participation" above for full details on how to speak or submit written public comments under this category.)

DISCUSSION ITEMS

1. Solid Waste Franchise Agreement Update and Direction Regarding Waste Management Proposal
Receive an update on discussions with Waste Management (WM) regarding the City's solid waste franchise agreement; review and discuss the current proposal; and provide staff with direction on next steps before City Council consideration.

SUBCOMMITTEE OR STAFF COMMENTS

ADJOURNMENT

Date Posted: September 25, 2026



REPORT TO CITY COUNCIL

DATE: SEPTEMBER 30, 2026

TO: HONORABLE MEMBERS OF THE PUBLIC WORKS SUBCOMMITTEE

FROM: NATHAN HAMBURGER, CITY MANAGER

BY: RAMIRO ADEVA, ASSISTANT CITY MANAGER

SUBJECT: SOLID WASTE FRANCHISE AGREEMENT UPDATE AND DIRECTION REGARDING WASTE MANAGEMENT PROPOSAL

The City's current residential solid waste franchise agreement with Waste Management expires on June 30, 2027. In anticipation of the expiration of the agreement, the City Council previously discussed options for securing solid waste collection services beyond the current term.

As part of the most recent discussions, the City Council directed staff to begin development of a competitive Request for Proposals (RFP) while concurrently engaging with WM, the City's existing franchisee, to determine whether mutually agreeable terms could be reached for a potential extension or renewal of the franchise agreement.

Since receiving that direction, staff and the City's solid waste consultant (SWS) have continued discussions with WM regarding the terms of a potential new agreement. Those discussions have included service levels, proposed rates and rate adjustments, franchise terms, regulatory requirements, and other provisions intended to ensure that any future agreement continues to meet the needs of the City and its residents and businesses.

Through these discussions, WM has provided a proposal outlining the terms under which it would be willing to enter into a new franchise agreement with the City. Staff has continued working with WM to clarify and refine various components of the proposal and believes the discussions have progressed to a point where it is appropriate to present the current proposal to the Public Works Subcommittee for review and discussion.

The purpose of this meeting is not to make a final determination regarding the franchise agreement. Rather, staff is seeking the Subcommittee's input regarding the current proposal, including whether there are provisions that should be modified, clarified, or further negotiated before the matter is presented to the full City Council. Refer to the attached draft proposal from WM.

Based on the feedback and direction from the Public Works Subcommittee, staff will continue working with WM to resolve any remaining issues the Subcommittee identified.

Staff's goal is to return to the City Council later this calendar year with sufficient information for the Council to provide formal direction regarding whether to proceed with a new franchise agreement with WM or pursue an alternative procurement process.

Obtaining direction within this timeframe is important given the June 30, 2027 expiration of the existing franchise agreement. Once a direction is established, staff will be able to focus its efforts and resources on implementing that approach, and preparing the necessary agreement if the City Council elects to continue with WM, or proceeding with an RFP and procurement process if directed to pursue a competitive solicitation.

Ultimately, staff's objective is to provide sufficient time for implementation and transition so that solid waste collection services continue without interruption upon expiration of the existing agreement.

FISCAL IMPACT

There is no direct fiscal impact associated with receiving this update and providing direction to staff. Should the City ultimately elect to proceed with a new franchise agreement with Waste Management, the fiscal impacts associated with the proposed agreement, including rates, franchise revenues, and other financial terms, will be further evaluated and presented to the City Council as part of its consideration of the agreement. Alternatively, should the City elect to pursue a competitive Request for Proposals (RFP) process, any associated fiscal impacts will be evaluated as part of that process.

RECOMMENDATION

Staff respectfully recommends the Public Works Subcommittee (1) receive an update on discussions with Waste Management (WM) regarding the City's solid waste franchise agreement; (2) review and discuss the current proposal; and (3) provide staff with direction on next steps before City Council consideration.

Attachments

[WM Proposal for Agoura Hills Updated - May 2026 - Revised 9-25-26.pdf](#)

CITY OF AGOURA HILLS + WM
PROPOSAL FOR SOLID WASTE SERVICES AGREEMENT RENEWAL

Bringing \$5.2+ MILLION in Benefits to Agoura Hills Over the Life of an Extended Agreement

Decades of safe, reliable service, environmental protection, SB 1383 compliance momentum, and community program success cannot be transferred. Extending our agreement protects your residents and preserves what works while bringing the following benefits:

NEW BENEFITS

 \$3,000,000+ Additional Revenue to City with Commercial Exclusivity	 \$450,000 New Carts at No Cost to the City or Residents Delivered in Year 1	 \$400,000 Estimated Savings to Residents by Phasing in Rates vs. RFP
 \$100,000 New ABOP Community Recycling Event Funding Over Term	 \$400,000 Potential Street Sweeping Cost Savings Over Term Through WM's Vendor Network	 \$50,000 Funding for Sharps and Battery Recycling Programs
 35% Diversion Commercial Diversion Rate Commitment with Exclusivity	 \$250,000 Value of Enhanced SB 1383 Compliance Programs	 \$150,000 Value of SB 1383 Recovered Organic Waste Products Procurement Credits

RETAINED & ENHANCED BENEFITS

15% Senior Discount Maintains the region's largest discount with new outreach requirements	Most Favored City Rate Protection Maintains rate protection that delivered nearly \$1M since 2021	10 More Years of Excellent Service City avoids the impact of a costly RFP and the hassle of a transition
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Good Faith Negotiation Secures Future for Agoura Hills

Both parties negotiated in good faith and City staff delivered a strong result for residents.

	Point	Current	Request(s)	Negotiated Benefit
1	Contract Term	N/A	City: 10 years WM: 5 years	City Win: Full 10-year term; WM accepted despite financial uncertainty
2	Capacity Guarantee	None	City: Guaranteed capacity	City Win: Disposal and processing capacity secured for full 10-year term
3	Rate Adjustment Formula	CPI only; SWRA is a separate request	WM: CPI (Garbage & Trash Index) + Disposal	Compromise: CPI (Regional Index) + Disposal (aligned with City of Westlake Village)
4	Annual Rate Cap	3%	WM: Remove Cap or Increase to 5%	Compromise: 4% Annual Rate Cap
5	MFC Provision	Most Favored City (MFC) rate cap already in place	WM: Eliminate MFC	City Win: MFC fully retained. WM gets a minor methodology refinement (from “two city” to “two-city average” comparison)
6	Rate Structure	5 tiers, 3 covered by MFC protections	City: Provide savings for residents not covered by MFC protections	City Win: Simplified 3-tier structure means immediate savings to previously higher-tier residential customers who did not benefit from MFC protections
7	Market Rate Adjustment	Full correction in Year 1 with RFP	City: Phased-in adjustments	Compromise: WM absorbs costs in Year 1; \$1.25/mo. supplemental adjustments in Years 2 and 3 only (~\$400K in resident savings)
8	Senior Discount Program	15%	WM: Reduce to regional average (10%)	City Win: 15% retained, plus WM commits to proactive outreach efforts and reporting to be memorialized in agreement
9	SB 1383 Cart Replacement	None; Regulation allows until 2036 to complete	City: Expedited schedule commitment	City Win: Replacement of remaining carts in Year 1 at no cost to City or residents (a \$450K value)
10	ABOP Support	None	City: Supplemental funding	City Win: \$10K/year to supplement City’s existing \$5K grant (\$100,000 over term)
11	Illegal Dumping Support	None	City: Illegal Dumping Support	City Win: WM agreed. Memorialized at current service volumes
12	Sharps Disposal / Battery Recycling Programs	None	City: Sharps mail-back containers; battery recycling support	City Win: \$5K/year in support (\$50K over term)
13	SB 1383 Compliance Support	None	City: Enhance agreement commitment	City Win: Contamination monitoring, route reviews, education and reporting included
14	ROWP Procurement Support	None	City: Provide ROWP procurement credit	City Win: \$15K/year in credit toward recovered organic waste procurement (\$150K over term)
15	Commercial Service Rates	None; Open Market	City: Bundled base rate, plus annual rate cap	City Win: Recycling and organics included in every commercial base rate
16	Commercial Diversion	None	City: Improvement target commitment	City Win: Recycling Coach, site visits, 10% Year 1 improvement; 35% by Year 4
17	Street Sweeping	None	City: Cost relief	City Win: Potential Savings to City through WM Vendor Network + optional bundled services.

For the Win - Highlights of How This Proposal Benefits Agoura Hills

1. 10-Year Agreement Life

The City asked for a ten-year commitment. WM agreed.

- **City request:** The City requested a ten-year agreement term.
- **WM's financial exposure:** WM preferred a five-year term due to historical impact of Most Favored City (MFC) clause, 3% Annual Rate Cap, unprecedented labor cost escalations, shrinking landfill capacity, and tightening environmental compliance costs.

Why this is a City win: WM accepts the full risk of the requested term. Agoura Hills gets ten years of rate certainty, program continuity, and avoids incurring any procurement costs.

2. Guaranteed Disposal and Processing Capacity

With the continuation of the agreement, the City has a guaranteed home for its waste.

- **Capacity required:** The City requested disposal and processing capacity commitments, as required by SB 1383, for the full term of an extended agreement.
- **Environmental alignment and accountability:** WM operates properly permitted disposal and processing facilities with the highest compliance and ethical standards. The City's materials are handled responsibly, and its environmental reputation is protected.

Why this is a City win: Regional landfill capacity is rapidly diminishing and tipping fees are rising. This agreement provides the City an unconditional capacity guarantee at WM facilities with long lifespans and strong environmental records.

3. Predictable, Phased in Approach to Adjusting Rates

Agoura Hills rates are below cost. WM is offering a phase-in not available in an RFP.

- **Market reality:** Agoura Hills' rates have not kept up with rising service costs, meaning a rate adjustment is unavoidable regardless of the provider servicing the city.
- **The WM difference:** Rather than the full increase you would likely get in Year 1 with an RFP, WM is proposing a three-year phase-in: WM absorbs all the costs in Year 1; \$1.25 per household per month supplemental adjustments in Years 2 and 3 along with annual rate adjustments.
- **Resident savings:** WM's phased-in approach saves approximately \$400,000 compared to a single full rate correction at the contract start under an RFP.
- **RFP-related costs added to rates:** A competitive procurement process will add another \$200-\$400K in costs from any provider if reimbursed by the awardee. This is on top of the startup capital costs (collection vehicles, containers, infrastructure, etc.) another proposer would need to service the city. These additional costs would all be factored into the starting service rates.
- **Diversions and reputational risk:** A transition resets the City's SB 1383 compliance momentum. A new provider starts at zero on diversion performance, community trust, and service history in Agoura Hills. With WM, the City avoids all these challenges.

Why this is a City win: The City and its residents have enjoyed a tremendous amount of rate stability amid the most volatile business climate in four decades. While no provider can completely shield Agoura Hills from the pending correction, WM can delay and lessen the impact, all without

any potential risk to the community's reputation, reduction in services, or non-compliance with recycling regulations.

4. Predictability and Consistency for Agoura Hills Businesses

City oversight, full SB 1383 compliance, diversion commitment, and a secure cost recovery revenue stream would align Agoura Hills with the region.

- **Open market drawbacks:** With limited current control or oversight, the City has all the responsibility, but none of the resources or framework to manage how commercial services are provided. Worse, rising operational costs and mounting regulations have virtually eliminated the vigorous competition the open market arrangement was supposed to be fostering.
- **Bundled service:** Under WM's proposal, every commercial account would receive a base level of services that include recycling and organics collection, driving SB 1383 compliance from day one. Rates for services would be set and adjusted by the City Council.
- **Diversion accountability:** By adding a local Recycling Coach, quarterly site visits to non-compliant customers and an annual report commitment to Council, WM can deliver a 10% year-over-year improvement to Agoura Hills' commercial diversion rate, with a target of 35% overall by Year 4.
- **City Administration Costs Covered:** As a part of the franchise, WM would remit 10% of gross receipts for commercial services to the City, a revenue stream that does not exist today.
- **Balanced rate benefit:** By including commercial services in the franchise, WM can better balance costs and offer lower residential rates. Without it, residential rates would be substantially higher.

Why this is a City win: Agoura Hills values predictability and consistency for its residents and can extend this same approach to its business community. Commercial exclusivity is the key to improving the City's diversion rate, standardizing service offering and rates for businesses, reaching citywide SB 1383 compliance, and lowering service costs for residents.

5. New Year 1 Commitments and Enhanced Community Programs

Tangible, immediate value for Agoura Hills residents.

- **New SB 1383-Compliant Carts in Year 1:** All existing non-compliant trash and recycling carts will be replaced within the first year of the new agreement, eight years ahead of the regulatory deadline. This accelerated replacement schedule, valued at \$450,000, will be fully absorbed by WM with no additional cost to the City or residents.
- **Antifreeze, Battery, Oil (and filter) and Paint (ABOP) Collection Event Support:** Up to \$10,000 per year (for ten years) in in-kind services will be provided to supplement the City's existing \$5,000 ABOP community grant, ensuring Agoura Hills' residents can properly dispose or recycle hard to handle items.
- **"Region's Highest" senior discount retained:** Agoura Hills will maintain its 15% senior discount program (regional average is 10%), supplemented by an annual enrollment drive, bilingual outreach, and regular Council updates.
- **Sharps and Battery Recycling Program Enhancement Support:** Up to \$5,000 per year (for ten years) in in-kind sharps and battery recycling services will be provided to supplement the City's existing efforts to properly recycle household generated sharps and batteries.

- **SB 1383 Recycled Organic Waste Products (ROWP) Procurement Credits:** Up to \$15,000 per year (for ten years) in Recycled Organic Waste Products (ROWP) procurement credits to support the City's compliance with SB 1383 procurements requirements.
- **Illegal Dumping Response:** Memorializes the City's ability to direct the periodic abatement of illegal discarded items from City property and rights of way at no additional cost to City or its residents.

Why this is a City win: *With the average procurement process taking 18-24 months to complete, this means waiting a year or more to see the benefits. By negotiating these enhancements now, Agoura Hills and its residents could start taking advantage of them in 2026.*

A Partnership Worth Preserving

WM remains a committed, long-term partner in the health, sustainability, and fiscal strength of Agoura Hills and we offer this proposal in the spirit of collaboration. As clearly demonstrated, our negotiations have produced a path forward that is not only appropriate but is the most fiscally and politically responsible option for Agoura Hills to protect its existing programs and reputation.

We welcome the opportunity to present these terms to the City Manager, City Attorney, and Council at their earliest convenience.

Respectfully Submitted by WM