



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE
REFER TO FILE

June 24, 2025

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**PUBLIC HEARING
ENVIRONMENTAL SERVICES CORE SERVICE AREA
AMEND ORDINANCE ON THE
ANNUAL GARBAGE COLLECTION AND DISPOSAL SERVICE FEE
LENNOX GARBAGE DISPOSAL DISTRICT
(SUPERVISORIAL DISTRICT 2)
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval to amend Part 15 of Chapter 20.90 of the Los Angeles County Code for a series of increases to the Annual Garbage Collection and Disposal Service Fee for the Lennox Garbage Disposal District beginning in Fiscal Year 2025-26, and to adopt the Annual Garbage Collection and Disposal Service Fee Report for Fiscal Year 2025-26 for the continued collection of the Annual Garbage and Disposal Service Fee in the Lennox Garbage Disposal District on the property tax roll for the upcoming fiscal year.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY LENNOX GARBAGE DISPOSAL DISTRICT, AFTER THE PUBLIC HEARING:

1. Find that the proposed project is exempt from the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the project.
2. Consider all objections or protests to the Annual Garbage Collection and Disposal Service Fee Report for Fiscal Year 2025-26, and the proposed series of increases to the Annual Garbage Collection and Disposal Service Fee, beginning in Fiscal Year 2025-26, for the Lennox Garbage Disposal District from \$545 to:

- a. \$572 per refuse unit for Fiscal Year 2025-26;
- b. \$601 per refuse unit for Fiscal Year 2026-27;
- c. \$623 per refuse unit for Fiscal Year 2027-28;
- d. \$647 per refuse unit for Fiscal Year 2028-29; and
- e. \$671 per refuse unit, beginning in Fiscal Year 2029-30.

3. To the extent that no majority protest exists against the proposed series of increases to the Annual Garbage Collection and Disposal Fee for the Lennox Garbage Disposal District and the Annual Garbage Collection and Disposal Service Fee Report for Fiscal Year 2025-26:

- a. Introduce, waive reading, and adopt by a two-thirds vote the proposed ordinance amending Part 15 of Chapter 20.90 of the Los Angeles County Code to allow a series of incremental increases to the Annual Garbage Collection and Disposal Service Fee for the Lennox Garbage Disposal District beginning in Fiscal Year 2025-26.
- b. Adopt the Annual Garbage Collection and Disposal Service Fee Report for Fiscal Year 2025-26 for the Annual Garbage Collection and Disposal Service Fee Report for Fiscal Year 2025-26 to provide for such fee to be collected on the property tax roll for the upcoming fiscal year.
- c. Instruct the Executive Officer of the Board to file with the Auditor-Controller a copy of the Annual Garbage Collection and Disposal Service Fee Report for Fiscal Year 2025-26 for the Lennox Garbage Disposal District, with a signed statement by the Executive Officer that the Report has been adopted by the Board.
- d. Instruct the Auditor-Controller, upon receipt of the copy of the adopted Annual Garbage Collection and Disposal Service Fee Report for Fiscal Year 2025-26 for the Lennox Garbage Disposal District from the Executive Office of the Board, to enter the amounts of the charges against the respective lots or parcels of land as they appear on the current property tax roll.

4. If a majority protest against the proposed series of increases exists, refer the protested item back to Public Works.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find that the project is exempt from the California Environmental Quality Act (CEQA) and adopt the proposed Ordinance (Enclosure B) to allow yearly incremental increases to the Annual Garbage Collection and Disposal Service Fee for the Lennox Garbage Disposal District (GDD) from \$545 per refuse unit to \$572 for Fiscal Year 2025-26; \$601 for Fiscal Year 2026-27; \$623 for Fiscal Year 2027-28; \$647 for Fiscal Year 2028-29; and \$671 beginning in Fiscal Year 2029-30. Collection of the service fee on the property tax roll remains the most cost-effective mechanism for the billing and accounting of these fees.

The Annual Garbage Collection and Disposal Service Fee is collected to fund the administration and operation of the GDD, including but not limited to, paying a contracted waste hauler to collect, transport, and dispose of refuse, recyclables, and organic waste generated by all properties within the GDD. The proposed fee increases are necessary to provide sufficient funding to meet operating expenses, including increased contract costs and compliance with new State mandates. A detailed Fee Study on the service fee was finalized by Public Works to forecast the maximum operating expenses per year. These amounts are reflected in the series of increases set forth by the proposed Ordinance.

The Annual Garbage Collection and Disposal Service Fee Report (Enclosure A) for Fiscal Year 2025

-26 for the Lennox GDD includes the estimated costs for the upcoming fiscal year. Public Works made a preliminary estimate of annual expenses for the GDD and calculated the necessary fee to finance those expenses. Based on this calculation, Public Works held community meetings on the proposed fee increases on May 31, 2025, and June 2, 2025, and provided written notice to the record owners of all identified parcels within the GDD by U.S. Mail on May 5, 2025, in accordance with article XIII D, section 6 of the California Constitution. The notice provided the proposed increased service fee amount for each parcel, the basis for calculating the increased service fee, the reason for the proposed increases, and the date, time, and location of the public hearing on this matter.

On July 3, 2018, the Board approved and awarded a service contract to provide solid waste collection services, as well as monitoring and removal of illegal dumping, for the Lennox GDD. The contract reflected a significant cost increase from previous years due to enhanced service requirements, including, but not limited to, daily monitoring and removal of illegal dumping and implementation of an Organic Waste Collection Program in accordance with Senate Bill (SB) 1383. SB 1383 requires local jurisdictions to provide source-separated collection of refuse, recyclables, and organic waste, and to divert organic waste from landfills.

The proposed increases of the Annual Garbage Collection and Disposal Service Fee for the Lennox GDD is necessary to provide enhanced refuse collection and disposal services in the GDD to improve quality of life, protect public health and safety, and comply with State law. It is essential that the operation of refuse collection and disposal services within the GDD be continued without interruption and at a reasonable cost to protect the environment and the health and safety of County residents.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: North Star 2, Foster Vibrant and Resilient Communities, Focus Area Goal D, Sustainability, Strategy I, Climate Health, by improving the environmental, economic, and social well-being of our communities while maximizing and leveraging resources by collecting sufficient funding to provide trash collection and recycling services, including illegal dumping pickup, to protect the environment and improve quality of life for residents within the GDD and surrounding areas.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

The proposed increases to the Annual Garbage Collection and Disposal Service Fee for the Lennox GDD will generate sufficient revenue to meet operating expenses. The projected revenue for FY 2025-26 for the Lennox GDD is \$3,156,296 and is included in Fund GA1, FY 2025-26 Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County currently administers a total of seven GDDs (Athens/Woodcrest/Olivita, Belvedere, Firestone, Lennox, Malibu, Mesa Heights, and Walnut Park). In September of 1980, the Board adopted ordinances establishing service fees to supplement property taxes and provide for solid waste collection and disposal services in these districts.

Each parcel of real property within the Lennox GDD is assessed an annual service fee based on the number of refuse units assigned to the parcel, which is determined by the parcel's current property

use classification derived from the County Assessor's property tax roll. A parcel containing a single-family residential unit is assigned one refuse unit. The number of refuse units per parcel varies from 1/2 unit for a vacant parcel to 18 units for a community shopping center.

A new or increased fee for the collection of refuse, recyclables, and organic waste may be imposed by an ordinance approved by two-thirds of the Board. The ordinance must include the approved fee to be collected on the property tax roll, pursuant to Sections 5471 and 5473 of the California Health and Safety Code. The proposed Ordinance has been reviewed and approved as to form by County Counsel.

In accordance with Article XIID, Section 6 of the California Constitution, Public Works provided written notice by U.S. mail to the record owners of all identified parcels of property within the Lennox GDD on May 5, 2025. The notice provided the proposed increased service fee amount for each parcel, the basis for calculating the increased service fee, the reason for the proposed increases, and the date, time, and location of the public hearing on this matter.

Pursuant to Section 5473 of the California Health and Safety Code, the Annual Garbage Collection and Disposal Service Fee Report for FY 2025-26 for the Lennox GDD has been prepared and filed with the Registrar-Recorder/County Clerk.

Section 5473.1 of the California Health and Safety Code requires that notice of the filing of this report and of a time and place of hearing thereon (Enclosure C) be published once a week for two successive weeks in a newspaper of general circulation pursuant to Section 6066 of the Government Code.

Section 5473.2 of the California Health and Safety Code requires the Board to hear and consider all written protests against the proposed increases to the Annual Garbage Collection and Disposal Service Fee and the Annual Garbage Collection and Disposal Service Fee Report for Fiscal Year 2025-26. If written protests against the proposed fee increases are presented by a majority of owners of the parcels identified in the report, the Board shall not impose the fee increases and the protested matter shall be returned to Public Works.

ENVIRONMENTAL DOCUMENTATION

The proposed project is exempt from CEQA. Adoption of the proposed ordinance to increase the Annual Garbage Collection and Disposal Service Fee for the Lennox GDD and to provide for the collection of the fee on the property tax roll is for the purpose of meeting operating expenses and exempt from CEQA pursuant to Section 21080, Subdivision (b)(8) of the California Public Resources Code and Section 15273, Subdivision (a) of the State CEQA Guidelines and based upon the written findings incorporated in the record setting forth the basis of the exemption with specificity (Enclosure C).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Revenues generated from increasing the Annual Garbage Collection and Disposal Service Fee for the Lennox GDD will be used to continue solid waste collection and management services for residential, commercial, and industrial customers within the GDD service area.

CONCLUSION

Please return one adopted copy of this letter and the Annual Garbage Collection and Disposal Service Fee Report for FY 2025-26 for the Lennox GDD to Public Works, Environmental Programs Division. In addition, Public Works is requesting the Executive Officer to file a copy of the adopted report with the Auditor-Controller on or before July 15, 2025.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Pestrella". The signature is fluid and cursive, with the first name "Mark" and last name "Pestrella" clearly distinguishable.

MARK PESTRELLA, PE

Director

MP:MKT:ak

Enclosures

c: Auditor-Controller
Chief Executive Office (Chia-Ann Yen)
County Counsel
Executive Office, Board of Supervisors

**Annual Garbage Collection
and Disposal Service Fee Report
Fiscal Year 2025-26**

Lennox Garbage Disposal District



Prepared By:
County of Los Angeles
Public Works
Environmental Programs Division

**LOS ANGELES COUNTY PUBLIC WORKS
ANNUAL GARBAGE COLLECTION AND DISPOSAL SERVICE FEE REPORT
FISCAL YEAR 2025-26
LENNOX GARBAGE DISPOSAL DISTRICT**

INTRODUCTION

Section 5470, et seq. of the California Health and Safety Code requires that, if existing garbage collection and disposal service fees are to be continued and collected on the property tax roll, a report shall be prepared each year and filed with the Executive Officer of the County of Los Angeles (County) Board of Supervisors (Board).

The report must contain a description of each parcel receiving such services and the amount of the fee for each parcel for the year. The Executive Officer shall file a copy of the report with the Auditor-Controller on or before August 10 of each year, with a statement that the report has been finally adopted by the Board, and the Auditor-Controller shall enter the amounts of the fees against the respective parcels of land as they appear on the current assessment roll.

This report documents the methodology and cost basis for increasing the Annual Garbage Collection and Disposal Service Fee (Service Fee) per refuse unit in the Lennox Garbage Disposal District (GDD or District) for Fiscal Year (FY) 2025-26. The Lennox GDD provides refuse, recyclable material, green waste, and abandoned waste collection services to approximately 3,000 parcels with an estimated population of 20,000 residents. The District encompasses only County unincorporated territory, as shown in Exhibit 1. It is essential that operation of the refuse collection and disposal services within the Lennox GDD be continued without interruption to protect the health and safety of the District's residents, businesses, and the general public. The necessary funds must be available to pay the cost of refuse, recyclable material, green waste and abandoned waste collection services, and administration of the District's contract.

ANNUAL GARBAGE COLLECTION AND DISPOSAL SERVICE FEES

In 1980 and 2003, the Board adopted ordinances establishing the Service Fee to supplement property taxes for the collection and disposal of refuse, recyclables, organic waste, and illegal dumping in the Lennox GDD. The collection of the Service Fee on the property tax roll is the most cost-effective mechanism for the billing and accounting of the fees.

The current Service Fee for the Lennox GDD is established in Title 20, Division 4A, Chapter 20.90, Part 15 of the Los Angeles County Code (County Code). The Service Fee is levied annually upon each parcel of real property within the District and is calculated by multiplying the fee per refuse unit by the number of refuse units assigned

to each parcel according to the parcel's property use classification pursuant to Table 1 in Section 20.90.740 of the County Code. The number of refuse units per parcel varies from one-half unit for a vacant parcel to 18 units for a community shopping center. A parcel containing a single-family residential unit is assigned one refuse unit.

On July 3, 2018, the Board approved and awarded a service contract to provide solid waste collection services, as well as monitoring and removal of illegal dumping, for the Lennox GDD. The contract reflected a significant cost increase from previous years due to enhanced service requirements, including, but not limited to, daily monitoring and removal of illegal dumping and implementation of an Organic Waste Collection Program in accordance with Senate Bill (SB) 1383. SB 1383 requires local jurisdictions to provide source-separated collection of refuse, recyclables, and organic waste, and to divert organic waste from landfills. Additional drivers of increased costs include inflationary pressure and increased overhead costs.

The current Service Fee for the Lennox GDD, as indicated in Section 20.90.720 of the County Code, is \$545 per refuse unit. This is the District's only source of revenue used to fund its operations unlike the other six GDDs that collect ad valorem taxes in addition to the annual service fee. The estimated revenues from the Service Fee at the current rate are insufficient to finance the District's projected annual operating costs. District reserves are stable in alignment with the current fee structure and is estimated to be \$1,670,000 as of June 30, 2025. Continuing to collect the Service Fee at the existing rate would exhaust reserves and jeopardize services.

Public Works made a preliminary estimate of annual expenses for the Lennox GDD and calculated the necessary Service Fee to finance those expenses by projecting anticipated costs for refuse collection and related services for the upcoming fiscal year. To determine the Service Fee required for financial sustainability, an analysis was conducted on these projected expenditures in relation to the total refuse service needs of the District. The resulting Service Fee was established to distribute the cost of service incrementally over a five-year period which factored operational considerations and cost projections. This approach ensures that the fee structure reflects actual service demands and anticipated costs, supporting the District's long-term financial stability while minimizing ratepayer impact, as detailed in the table below.

The projected expenditures, revenues, and reserves for the Lennox GDD beginning in FY 2025-26 are set forth in Table 1, below.

Table 1. Lennox GDD Projected Annual Expenditures, Revenues, and Reserves Beginning FY 2025-26.

	FY 2025-26 Projection	FY 2026-27 Projection	FY 2027-28 Projection	FY 2028-29 Projection	FY 2029-30 Projection
Number of Refuse Unit	5,524	5,524	5,524	5,524	5,524
Proposed Annual Service Fee per Refuse Unit	572	601	623	647	671
Operating Revenue ⁽¹⁾	3,248,000	3,406,000	3,531,000	3,660,000	3,794,000
Reserves ⁽²⁾	-	-	-	44,000	17,000
Total Financing Sources	3,248,000	3,406,000	3,531,000	3,704,000	3,811,000
Labor	161,428	166,271	171,259	176,396	181,688
Equipment	3,537	3,643	3,752	3,865	3,981
Miscellaneous	1,376	1,417	1,460	1,504	1,549
Task 1 Customer Service	2,684,197	2,764,723	2,847,665	3,132,431	3,226,404
Task 2 County Service	340,111	346,914	353,852	389,237	397,022
Total Cost	3,191,000	3,283,000	3,378,000	3,704,000	3,811,000

Notes:

- (1) Operating revenue includes the annual Service Fee (proposed annual service fee multiplied by number of refuse units) and other revenue such as interest.
- (2) When operating revenue is insufficient to cover the total cost of the District, reserves are used to supplement funding. When operating revenue is sufficient, any additional revenue will be transferred to reserves.
- (3) Estimated Public Works labor costs are determined based on the positions needed to perform the service. The calculation applies FY 2024-25 System Employee Benefit and Overhead rates and cost of living adjustment (COLA); and is made by multiplying the estimated number of hours required for each position by the fully loaded hourly rates. For each Fiscal Year, an estimated 3 percent COLA is added.
- (4) Estimated equipment such as contract monitoring vehicles are calculated based on prior year actual costs, adjusted for CPI. For each Fiscal Year, an estimated 3 percent annual CPI is added.
- (5) Estimated miscellaneous charges including costs for outreach material and services from other County departments are calculated based on prior year actual costs, adjusted for CPI. For each Fiscal Year, an estimated 3 percent annual CPI is added.
- (6) Task 1 Customer Service cost is calculated by multiplying the number of refuse units by the monthly unit waste hauler cost from FY 2023-24 for 12 months, plus a 5 percent annual rate increase to determine estimated costs for FY 2024-25. For the estimated Task 1 Customer Service costs for each year, a 5 percent annual rate adjustment is added.
- (7) Task 2 County Service cost is calculated using the average of the last two fiscal years actual cost for waste hauler illegal dumping monitoring/collection and public receptacles, plus a 2 percent annual rate increase to determine estimated costs for FY 2024-25. For estimated Task 2 County Service costs for each year, a 2 percent annual rate adjustment is added.

Based on this calculation, Public Works held community meetings on the proposed fee increases on June 7, 2025 and June 12, 2025, and provided written notice of the proposed fee increase to the record owners of all identified parcels within the GDD by U.S. Mail on May 5, 2025, in accordance with article XIII D, section 6 of the California Constitution. The notice included the maximum proposed Service Fee to be collected in FYs 2025-26, 2026-27, 2027-28, 2028-29, and 2029-30; the basis for calculating the increased fee amounts; the reason for the proposed increases; and the date, time, and location of the public hearing on this matter.

Upon the Board's approval, the annual Service Fee for the Lennox GDD will increase to: \$572 per refuse unit for FY 2025-26; \$601 per refuse unit for FY 2026-27; \$623 per refuse unit for FY 2027-28; \$647 per refuse unit for FY 2028-29; and \$671 per refuse unit beginning in FY 2029-30.

COMPLIANCE WITH PROPOSITION 218 AND PROPOSITION 26

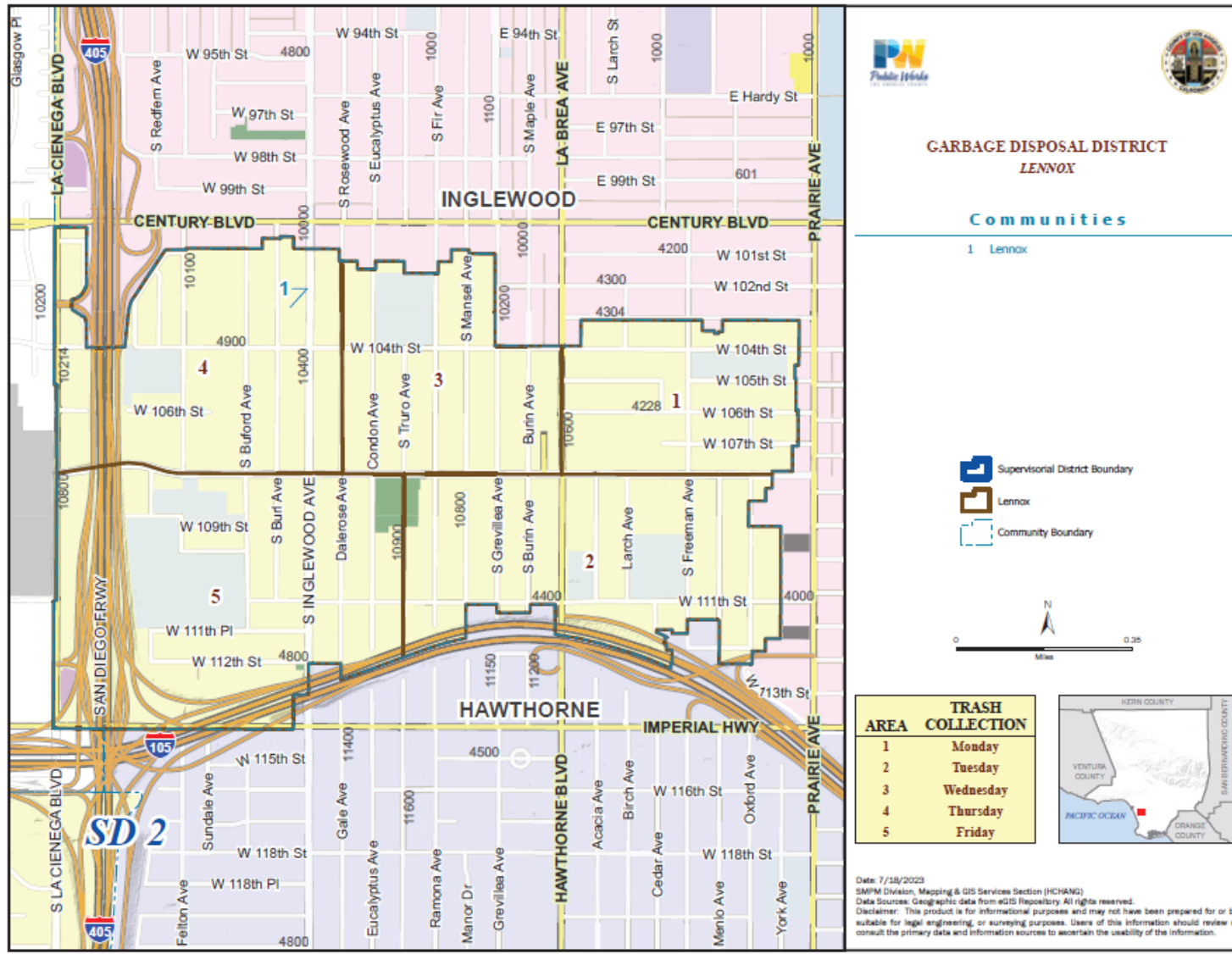
The Service Fee for the Lennox GDD is allocated uniformly per refuse unit. Each parcel within the District pays only its proportional share of the District's cost of service, in accordance with Article XIII D, section 6, subdivisions (b)(3) and (4). Revenues from the fee will not exceed and may not be used for purposes other than the District's solid waste collection and disposal services. (Cal. Const., art. XIII C, § 1 3 (2).)

Written notice of the proposed increases to the Service Fee was provided to the record owners of all identified parcels within the District at least 45 days prior to the public hearing on this matter. The increases will not be adopted if written protests are received from a majority of affected parcel owners.

IDENTIFICATION OF PARCELS TO BE CHARGED

Exhibit 2 lists the tax rate areas for the Lennox GDD for FY 2025-26. Parcels within the District are further described in maps on file at the Los Angeles County Assessor's Office. Each parcel within the District will be charged a Service Fee in the amount of its proportionate share of the District's total cost of service.

Lennox Garbage Disposal District Map



Enclosure A

EXHIBIT 2

LENNOX GARBAGE DISPOSAL DISTRICT

ACCOUNT NO.	ANNUAL FEE PER REFUSE UNIT	TAX RATE AREA
3371	\$572	05237

ANALYSIS

This ordinance amends Title 20, Chapter 20.90, Part 15 of the Los Angeles County Code to increase the Annual Garbage Collection and Disposal Service Fee for the Lennox Garbage Disposal District from \$545 per refuse unit to \$572 for Fiscal Year 2025-26; \$601 for Fiscal Year 2026-27; \$623 for Fiscal Year 2027-28; \$647 for Fiscal Year 2028-29; and \$671 beginning in Fiscal Year 2029-30. The proposed annual service fee increases are necessary to provide sufficient funding to meet the District's increased operating expenses.

DAWYN R. HARRISON
County Counsel

By
HEIDI LIU
Deputy County Counsel
Public Works Division

ORDINANCE NO. _____

An ordinance amending Title 20, Chapter 20.90, Part 15 of the Los Angeles County Code to increase the Annual Garbage Collection and Disposal Service Fee for the Lennox Garbage Disposal District.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 20.90.720 is hereby amended to read as follows:

20.90.720 – Service fees.

A. An annual garbage collection and disposal service fee is levied upon parcels of real property in the District for the services provided by the District.

B. The amount of the fee for each parcel shall be computed by multiplying the refuse unit fee by the number of refuse unit(s) assigned to the property use classification of the parcel as shown in Table 1, codified in Section 20.90.740. The maximum refuse unit fee is set forth as follows:

- ~~\$350 per unit in the 2020-21 fiscal year plus a cost of living adjustment;~~
- ~~\$499 per unit in the 2021-22 fiscal year plus a cost of living adjustment;~~
- ~~\$513 per unit in the 2022-23 fiscal year plus a cost of living adjustment;~~
- ~~\$529 per unit in the 2023-24 fiscal year plus a cost of living adjustment; and~~
- ~~\$545 per unit in 2024-25 fiscal year plus a cost of living adjustment.~~

1. \$572 per unit for the 2025-26 fiscal year;

2. \$601 per unit for the 2026-27 fiscal year;

3. \$623 per unit for the 2027-28 fiscal year;

4. \$647 per unit for the 2028-29 fiscal year; and

5. \$671 per unit, beginning with the 2029-30 fiscal year.

~~C. For a period of four years, beginning on July 1, 2020 through June 30, 2024, the amount of the fee in this section shall also include a cost of living adjustment based on the increase, if any, in the Consumer Price Index for All Urban Consumers, United States city average, applicable to water and sewer and trash collection services, not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics from the previous calendar year.~~

FINDINGS PURSUANT TO CEQA GUIDELINES SECTION 15273

The Board of Supervisors finds as follows:

1. The proposed action is to increase the Annual Garbage Collection and Disposal Service Fee (Service Fee) for the Lennox Garbage Disposal District (GDD or District), beginning Fiscal Year 2025-26.
2. The proposed increase to the Service Fee for the District is based upon a comprehensive fee study, which forecasted the Lennox GDD's projected operating expenses and determined the necessary Service Fee adjustments. The fee study has confirmed that the proposed series of increase to the Service Fee is necessary to generate sufficient funding for ongoing operations, increased contract costs, and State law compliance.
3. For the above reasons and those stated in the June 24, 2025 Board letter and accompanying documents related to this proposed service fee increase, the recommended actions are exempt under the California Environmental Quality Act (CEQA) pursuant to section 21080, subdivision (b)(8) of the Public Resources Code and section 15273 of the State CEQA Guidelines.