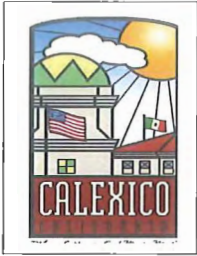


**AGENDA
ITEM**

10



AGENDA STAFF REPORT

DATE: January 19, 2022

TO: Mayor and City Council

APPROVED BY: Miguel Figueroa, City Manager *MK*

PREPARED BY: Lilliana Falomir, Public Works Manager – Administrative *L Falomir*

SUBJECT: Approve Republic Services (Allied) Request for Rate Increase Due to State of California Mandatory Organic Recycling Program (AB 1826).

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Recommendation:

It is recommended that the City Council of the City of Calexico approve the following:

1. Approve Republic Services (Allied) request for rate increase due to State of California Mandatory Organic Recycling Program (AB 1826).

Background:

In October of 2014, Governor Brown signed AB 1826 Chesbro (Chapter 727, Statutes of 2014), requiring businesses to recycle their organic waste on and after April 1, 2016, depending on the amount of waste they generate per week. Effective January 1, 2016, AB 1826 (Mandatory Commercial Organics Recycling) placed requirements on businesses, multi-family residences and jurisdictions to divert organic waste from the landfill.

What is Organic Waste?

- Food scraps include all solid, semi-solid, and liquid food such as fruit, vegetables, cheese, meat, bones, poultry, seafood, bread, rice, pasta, tea bags, coffee filters, and oils.
- Food-soiled paper is uncoated paper that is soiled by food waste such as napkins, paper towels, paper cups, fast food wrappers and take-out boxes, egg cartons, used pizza boxes, wax-coated cardboard, and other paper and compostable food packaging.
- Yard trimmings include grass clippings, leaves, flowers, hedge clippings, and weeds. Non-hazardous wood waste includes tree branches, tree trunks, and untreated lumber.

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Who is Required to Have Mandatory Commercial Organics Recycling Services?

- Commercial businesses must recycle all organics, including food scraps and yard/green waste.
- Multi-family residential complexes with 5 or more units are required to recycle their yard/green waste (e.g.: landscaping) under AB 1826.

The City of Calexico, in conjunction with our hauler Republic Services and Imperial Valley Resources Management Agency (IVRMA) have identified the commercial businesses and multi-family residential complexes that will be regulated within each tier and will be performing ongoing outreach, education, and monitoring. In addition, the City will also be required to monitor activities to identify those not recycling and to inform them of the law and how to recycle organics.

Discussion & Analysis:

On July 21, 2021, the City Council of the City of Calexico adopted Ordinance No. 1216 which updated the Calexico Municipal Code to comply with AB 341 and AB 1826, and to increase the amount of recyclable materials diverted from landfills. On December 14, 2021, Republic Services provided the City their proposed rate schedule for the implementation of a two-phase approach in order to determine the most economical viable solution for City of Calexico, Imperial and Brawley. Republic Services current estimate cost per ton is \$95.30 but they have agreed to impose a fee of \$45.00 per ton in order to encourage participation and to determine what the actual processing costs are while the program is being implemented in the City of Calexico. For this reason, City staff is recommending that the City Council of the City of Calexico approve Republic Services (Allied) request for rate increase due to State of California Mandatory Organic Recycling Program (AB 1826).

Fiscal Impact:

No fiscal impact at this time.

Coordinated With:

City Manager's Office.
Public Works Department.

Attachment(s):

1. Republic Services letter dated December 14, 2021.



December 14, 2021

Miguel Figueroa
City Manager
City of Calexico
608 Heber Avenue
Calexico, CA 92231

RE: Update Resolution for SB 1383 - CalRecycle- City of Calexico

We have submitted a previous memo stating the cost of recycling organics will be implemented in a two-phase approach in order to determine the most economically viable solution for our franchise cities and it's residents and to encourage participation in the CalRecycle state mandated program. Per your request, we are submitting a more detailed memo outlining our costs structure for this recycling program. As before, we have focused on: Labor, transportation, contamination charges and equipment operating expenses.

<u>Costs Description</u>	<u>Cost per Ton</u>
Labor Cost (including benefits)	\$27.83
Operating Expenses (fuel,maint,insurance)	\$33.98
Disposal Cost (contamination)	\$21.06
Contingency/Margin	\$12.43
Total Cost of Processing	\$95.30 *

** Note: the \$95.30 is a current estimate of cost per ton based on the program as we have determined the tasks at this time. However, as mentioned, we are initially starting the program with a \$45 per ton rate to encourage participation and to determine what the actual processing cost are as we roll out the program to the community.*

Our goal is to provide a solution, get participation and to evaluate the most economical way to comply with the state's recycling program. So in recognizing this, we are initialing proposing to subsidize the program until we have better, more detailed information on processing organics.

As always, Republic Services is committed to working with the cities to meet the California diversion requirements. Please contact me (760) 337-2412 with any questions or needed clarifications.

Thank you as always,
Your Waste Services Business Partner

George Taylor
Operations Manager
Republic Services of Imperial

Exhibits