

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JOEY HEJNOWICZ, ZERO WASTE COORDINATOR
TRANSPORTATION AND PUBLIC WORKS
SUBJECT: FOURTH AMENDMENT TO SOLID WASTE COLLECTION
SERVICES AGREEMENT WITH RECOLOGY SONOMA MARIN,
DBA RECOLOGY SANTA ROSA AND OMNIBUS AMENDMENT
TO WASTE DELIVERY AGREEMENT WITH REPUBLIC
SERVICES OF SONOMA COUNTY AND FRANCHISED HAULER
AGREEMENT BETWEEN REPUBLIC SERVICES OF SONOMA
COUNTY AND RECOLOGY SONOMA MARIN

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by two resolutions: 1) approve the Fourth Amendment to Solid Waste Collection Services Agreement between the City of Santa Rosa and Recology Sonoma Marin, dba Recology Santa Rosa, adding Recology's requirements assisting the City comply with SB 1383 Regulations; and 2) approve the Omnibus Amendment to the Waste Delivery Agreement with Republic Services of Sonoma County and Franchised Hauler Agreement between Republic Services of Sonoma County and Recology Sonoma Marin, transferring the fees for the commercial food waste/dry mixed waste program to the Solid Waste Collection Services Agreement in a revenue-neutral manner.

EXECUTIVE SUMMARY

In September 2016, Governor Edmund Brown Jr. set methane emissions reduction targets for California (SB 1383, Lara, Chapter 395, Statutes of 2016) in a statewide effort to reduce emissions of short-lived climate pollutants. The statewide targets enact policies designed to reduce organic waste disposal 75% and rescue currently disposed edible food by at least 20% by 2025. City of Santa Rosa is responsible for complying with SB 1383 requirements, which became effective on January 1, 2022.

The City of Santa Rosa desires to amend the Solid Waste Collection Services Agreement with Recology to assist in complying with the SB 1383 Regulations.

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Recology will assist the City in complying with SB 1383 Regulations by providing three-container organic waste collection services to all city accounts, conducting route reviews, contamination monitoring and compliance reviews, supplying necessary reporting requirements and providing education and outreach to City customers.

The Omnibus Amendment to the Waste Delivery Agreement with Republic Services (a subcontract to the Master Operations Agreement) and Franchised Hauler Agreement between Republic Services and Recology is necessary in order to transfer the fees for the commercial food waste/dry mixed waste program to the Solid Waste Collection Services Agreement in an efficient and revenue-neutral manner. This solution avoids working through a patchwork of existing agreements that would need to be supplemented by yet created additional agreements in order to establish compliance under SB 1383.

BACKGROUND

California is now experiencing the effects of a climate crisis: hotter summers with record-breaking temperatures, even more devastating fire seasons, more extreme droughts, and rising sea levels that erode our coastlines. Scientists tell us that greenhouse gasses released by human activities, like landfilling food and yard waste, cause climate change. To respond to this climate crisis, California is implementing statewide organic waste recycling and surplus food recovery.

Organic waste in landfills emits 20 percent of the state's methane, a climate super pollutant 84 times more potent than carbon dioxide. Organic materials like food scraps, yard trimmings, paper, cardboard, etc. make up nearly half of what Californian's dump in landfills. Reducing short-lived climate pollutants like organic waste will have the fastest impact on the climate crisis.

In September 2016, Governor Brown set methane emissions reduction targets for California (SB 1383 Lara, Chapter 395, Statutes of 2016) in a statewide effort to reduce emissions of short-lived climate pollutants. The statewide targets enact policies designed to:

- Reduce organic waste disposal 75% by 2025.
- Rescue for people to eat at least 20% of currently disposed surplus food by 2025.

The City of Santa Rosa (along with all California jurisdictions) is responsible for implementing SB 1383 Regulations. Due to Recology's expertise and boots-on-the-ground presence, Santa Rosa prefers to partner with Recology on certain SB 1383 implementation matters by amending the Solid Waste Collection Services Agreement.

PRIOR CITY COUNCIL REVIEW

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July 29, 2014 – Adopted Resolution No. 28525 approving Waste Delivery Agreement with Republic Services of Sonoma County Inc.

August 29, 2017 – Adopted RES-2017-172 approving the Solid Waste Collection Services Agreement with Recology to provide City's garbage, recyclable material and organic waste collection services

December 5, 2017 – Adopted RES-2017-232 approving the Franchised Hauler Agreement to be Bound by City's Waste Delivery Commitment between Recology Sonoma Marin and Republic Services of Sonoma County Inc.

December 19, 2017 – Adopted RES-2017-250 approving First Amendment to Solid Waste Collection Services Agreement implementing a low-income discount program

September 25, 2018 – Adopted RES-2018-163 approving Second Amendment to Solid Waste Collection Services Agreement updating certain refuse rate indices and Bureau of Labor Statistics data and revising time periods used to determine service recipient rate adjustments

May 7, 2019 – Adopted RES-2019-051 approving Third Amendment to Solid Waste Collection Services Agreement adding infrequent service rates, reallocating several operating costs in the Refuse Rate Index, and correcting typographical errors in Section 10.07.13.2 and Section 13.04

November 9, 2021 – Adopted Ordinance—2021—013 amending Title 9 of the Santa Rosa City Code by amending Chapter 9-12 Refuse and Sanitation and Chapter 9-14 Construction and Demolition Debris by adding provisions and requirements of SB 1383

ANALYSIS

Fourth Amendment to the Solid Waste Collection Services Agreement

The Fourth Amendment to the Solid Waste Collection Services Agreement is necessary to adhere to SB 1383 Regulations and to define the assistance Recology will provide to the City regarding SB 1383 implementation. The City and Recology wish to expand the scope of the Solid Waste Collection Services Agreement to assist implementation of SB 1383 in the following manner:

- Expand citywide collection routes to provide mandatory organics collection service across all customer segments
- Perform route review inspections for prohibited container contaminants for each Santa Rosa hauler route annually
- Provide education and follow-up for any account found to have container contamination
- Perform commercial and multi-family account compliance reviews annually to determine adequate organics subscription

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- Provide education and outreach on an annual basis to all customer segments regarding SB 1383 and the requirements to properly separate materials in appropriate containers (among additional targeted education and outreach)
- Provide necessary SB 1383 reporting (organics subscription service levels and any approved waivers, outreach and education, route reviews, contamination monitoring and follow up, etc.) to City during regular quarterly reporting

SB 1383 became effective on January 1, 2022. SB 1383 Regulations authorize local jurisdictions to charge fees to recover the costs incurred in complying with the regulations. The City of Santa Rosa has already signed a Memorandum of Understanding (MOU) with Zero Waste Sonoma to provide certain SB 1383 Regulations program assistance for Santa Rosa.

Zero Waste Sonoma will be marginally increasing the Agency Surcharge that is included in the tipping fee charged on solid waste entering the Sonoma County waste management system to fund their costs that will be incurred in the implementation of Zero Waste Sonoma's responsibilities under the signed SB 1383 MOU. These responsibilities include education and outreach, organic waste procurement, reporting and recordkeeping, organic waste processing capacity and diversion planning, initial follow-up on complaints and violations, inspections of commercial edible food generators, edible food recovery, and initial review of waiver applications.

Recology is the remaining City partner in SB 1383 implementation. The Fourth Amendment to the Solid Waste Collection Services Agreement with Recology will provide necessary amendments to memorialize this partnership. Beginning January 1, 2023, Recology will increase each Santa Rosa customer rate by 1.9% over and above any other adjustment that may be applicable under the Solid Waste Collection Services Agreement.

In total, SB 1383 specific implementation costs are expected to increase Santa Rosa solid waste collection rates by approximately five percent (5%).

Omnibus Amendment to the Waste Delivery Agreement and Franchised Hauler Agreement

The Master Operations Agreement requires Republic Services to provide a commercial food waste program to urban areas of each Sonoma County city as reasonably necessary to meet the diversion goals of the Master Operations Agreement, subject to cost considerations. Republic Services subcontracts this responsibility to Recology under the Prime Subcontract. The current programs required by the Master Operations Agreement (MOA) / Prime Subcontract and the Franchised Hauler Agreements do not require Recology to perform all duties required by SB 1383.

Because each County jurisdiction needs to amend existing franchise agreements with Recology (or their respective hauler) to comply with SB 1383, the County is proposing to amend the MOA and FHA Agreements to retire the existing commercial food waste /

dry mixed waste program and eliminate the \$4.22/ton gate fee that funds the program.

For Santa Rosa the commercial food waste / dry mixed waste program is memorialized in the Waste Delivery Agreement (WDA is a subcontract to the MOA) with Republic Services and Franchised Hauler Agreement (FHA) with Republic Services and Recology. Retirement of the existing program under the WDA and FHA will allow all Sonoma County jurisdictions, Santa Rosa included, to manage their SB 1383 obligations directly with their haulers through individual jurisdiction franchise agreements. This solution avoids working through a patchwork of existing agreements that would need to be supplemented by yet created additional agreements in order to establish compliance under SB 1383.

Recology will need to raise Santa Rosa's franchised hauling rates to fully implement SB 1383. Adjusted rates due to the transfer of this fee from the MOA to the Solid Waste Collection Services Agreement will reflect the net effect of the lowered tip fee, the loss of the gate rate fee funding, and the additional costs Recology will incur to deliver Santa Rosa's required SB 1383 programs. Transferring the fees for the commercial food waste / dry mixed waste program to Santa Rosa's Solid Waste Collection Services Agreement will be performed in a revenue-neutral manner where no additional impact will be placed on solid waste rates for Santa Rosa citizens.

- \$4.22 gate rate that funded commercial food waste / dry commercial waste program fee being removed
 - \$147.08 - 2021 Disposal Tip Fee
 - \$148.25 - 2022 Disposal Tip Fee (adjusted April 1, 2022 – includes the removal of \$4.22 gate rate fee)
- One time increase of 2.55% (\$4.22 gate rate / \$147.08 disposal tip fee) to disposal element under Solid Waste Collection Services Agreement to account for the removal of the \$4.22 commercial food waste program fee

Additional amendments are being proposed to the FHA to allow Recology to provide more cost-effective commingled commercial food waste routing, all the while ensuring compliance with the City's and Recology's obligations to deliver commercial food waste (a Committed Waste under the MOA) to Republic Services.

Recology will be allowed to collect up to 15% of the total tonnage of Commercial Food Waste in residential organics service routes (not a Committed Waste under MOA) for collection efficiency and cost reduction purposes. Recology will compensate Republic Services for the difference in tipping fees for the specific amount of commingled organic waste generated on a quarterly basis.

This allows Recology to pick up commercial food waste accounts that have compost bins (versus front load dumpsters) during their regular residential organics collection routes where collection vehicles are already in the area. This is a much cheaper option than providing new and dedicated commercial food waste routes for these specific

accounts.

If compensation payable to Republic under this agreement were to exceed the cost of a new dedicated commercial food waste route, the City and Recology could opt to create such a new route, thereby reducing or eliminating the amount of commercial food waste commingled with residential organics and the associated compensation to Republic. Ultimately, this is being done to save costs by allowing for more efficient collection of commercial food waste.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

This action is exempt from the provisions of California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution 1/ Exhibit A – Fourth Amendment to Solid Waste Collection Services Agreement
- Resolution 2/ Exhibit A – Omnibus Amendment to Waste Delivery Agreement and Franchised Hauler Agreement

CONTACT

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