

Proposed Revised Second Amendment to Agreement for Solid Waste Handling Services for Organics Waste Recycling Mandates

November 20, 2018

Background

- Solid waste agreement with MG Disposal became effective on March 9, 2009
- First Amendment February 5, 2013
- Agreement will expire June 30, 2027
- In 2014 Governor Brown signed AB 1826 into law mandating the recycling of commercial organic waste



Fullerton Commercial Organics Waste Collection Program



Mandatory Commercial Organics Recycling (MORe)

- ▶ AB 1826 - Food waste and other organics to be phased out of disposal tonnage. Phase in schedule for businesses:
 - ▶ April 1, 2016: 8 cubic yards of organic waste per week
 - ▶ January 1, 2017: 4 cubic yards of organic waste per week
 - ▶ January 1, 2019: 4 cubic yards or more of solid waste per week
 - ▶ Summer/Fall 2021: 2 cubic yards of solid waste if organics disposal has not been reduced by 50% since 2014



Customer Compliance Options

1. Subscribe to an organics waste recycling program
2. Back haul / self haul
3. Food donation
4. Recycle or compost organics onsite



Proposed Commercial Organics Program

- Source-separated bins and carts
- Containers:
 - 1.5 cubic yard bin
 - 65-gallon cart
- Collection: 1 to 3 times per week
- *If CalRecycle requires Tier 4 (2 cubic yards of solid waste) to be implemented, Republic will offer a 35-gallon cart for customers with low generation of organics.*
- Initial and ongoing outreach
- Organics to be delivered to CVT for preprocessing



Organics Rates of Surrounding Orange County Cities

	Fullerton	Placentia	Yorba Linda	Garden Grove
Commercial Organics Sector-Wide Increase	3.21%	3.24%	3.36%	3.65%
Status of Adjustment	Proposed	Approved	Approved	Approved

Commercial Organics Program Rates

Time	Commercial Sector-wide Adjustment %	Waste Stream	Container Size	Collection Frequency		
				1x	2x	3x
Current	N/A	Trash	1.5 Cubic Yard Bin	\$138.79	\$204.63	\$270.47
January 1, 2019*	3.21%	Trash and Organics	1.5 Cubic Yard Bin	\$143.25	\$211.20	\$279.15
January 1, 2019*	3.21%	Organics	65-Gallon Cart	\$46.44	\$92.89	\$139.33
Fall 2021	N/A	Organics	35-Gallon Cart	If Tier 4 is implemented, rate will be equal to commercial "Hand Stops," currently \$28.17/month for 1x/week service.		

*Excludes the annual CPI adjustment.



Rate Rebalancing Mechanism

- ▶ To be applied July 1, 2022 unless the organics tonnage threshold is achieved earlier
- ▶ Initial 3.21% sector-wide increase to be updated based on:
 - ▶ Organics Tonnage Collected
 - ▶ Collection Hours
 - ▶ Number of Containers
 - ▶ Public Outreach Costs



Recommendations

- Adopt Resolution No. 2018-XX
Approving the Second Amendment to the Franchise Agreement for Solid Waste Handling Services with M-G Disposal Services for Organic Waste Recycling Mandates
- Authorize the City Manager to solicit bids and execute an agreement for a third-party auditing firm to perform a discretionary audit per Section 28 of the Agreement for Solid Waste Handling Services, to include additional services to determine if M-G Disposal has assigned, sub-contracted, or otherwise transferred its obligations per Section 16.
- Direct Staff to schedule and take necessary action, per Section 17 of the current agreement, to hold a hearing to review contractor's solid waste collection efforts, source reduction, processing and other diversion services and overall performance.

Questions?