



City of Grass Valley City Council Agenda Action Sheet

Title: Update on amendments to the Waste Management Franchise Agreement tied to state-mandated implementation of SB 1383, AB 341, and AB 1826 (Recycling and Organic Waste programs)

Recommendation: Informational only, no action required; however, Council can provide input generally and on the proposed bundled rates for service.

Prepared by: Thomas Last, Community Development Director

Council Meeting Date: 10/11/2022

Date Prepared: 10/04/2022

Agenda: Administrative

Background Information: In January and February 2021, Staff provided the City Council with updates on several pieces of legislation that would impact the collection of solid waste. The three above-noted bills created state unfunded mandates tied to recycling and organic waste collection which requires the City to implement and enforce. It is important for Council to understand that all residences and businesses in the City must comply with these mandates and the City must ensure compliance and enforce the regulations.

In the January and February meetings, staff also informed Council that these bills required the City to amend its franchise agreement with Waste Management to fully comply with the new laws. The existing contract terminates on June 30, 2032. In early 2022, staff began the negotiation process. The purpose of this report is to provide Council with an overview of the major amendments proposed within the contract. These include:

1. Addition of performance standards with liquidated damages. This gives the City the ability to assess liquidated damages (fees) for failure to meet certain standards.
2. Addition of performance bond/letter of credit requirement and new “events of default”.
3. Modifications to ensure compliance with current state mandates required by SB 1383, and ABs 341 and 1826. This includes WM assistance with state-mandated monitoring and reporting.
4. Implementation of programs to reduce residential contamination and overage.
5. Additional educational outreach programs to be implemented by WM.
6. WM proposes to bundle rates to ensure better success in the implementation and monitoring of the state requirements. The attached rates assume 10% of the

residents will self-haul and self-compost. Staff and WM will review the pros and cons of this proposal at the meeting. See attachment.

7. Amendments to the annual rate adjustments based on CPI tied to Garbage and Trash Index.

Council Goals/Objectives: There are no specific goals or objectives that support the implementation of this mandate.

Fiscal Impact: The implementation of SB 1383 is an unfunded state-mandate and requires the City to dedicate staff and general fund money.

Funds Available: Implementation requires the City to fund this effort.

Account #: General Fund

Reviewed by: ____ City Manager ____ Finance Director

Attachments: Proposed Residential Bundled Rates