



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)

CEQA: Not a project.

Recommendation: That Council provide general input and direction to staff.

Prepared by: Zac Quentmeyer, Deputy Public Works Director

Council Meeting Date: 7/9/2024

Date Prepared: 7/2/2024

Agenda: Administrative

Background Information: In March of this year, City staff updated Council on contract amendment negotiations with Waste Management (WM) related to the implementation of SB 1383. In an effort to identify options to minimize rates increases due to SB 1383 requirements, staff presented a solid waste model where garbage is collected every other week (EOW) and reviewed the potential pros and cons. Council directed staff to proceed to work with WM to identify service rates for every other week garbage service collection. Over the past several months a committee of staff and council members worked with WM staff to complete a rate study for collection services where garbage and recycling would be picked up every other week and organics would be picked up weekly. The committee was hopeful the EOW rate study would result in significant cost savings compared to the 3-cart bundled rate, however, cost savings for the model proved to be minimal. The primary factors the EOW garbage service did not provide substantial cost savings were related to increases in processing cost of mixed organics (green waste and food waste) and the cost of the 2600 additional carts required to upsize all accounts to a 96-gallon garbage bin.

Over the past 18 months, City committees and WM staff have diligently investigated various rate models in a concerted effort to minimize rate increases related to additional services required by SB1383. After concluding this lengthy investigative process and considering cost, convenience to customers, logistics of implementing the organics collection services, it is staff's recommendation for council to replace the existing residential rate structure with a 3-cart bundled service rate model in the amended WM Agreement. This model would provide every week garbage and organics collection and every other week recycling collection. Under this bundled model, customers who subscribe to WM services are automatically provided 3 bins (garbage, recycling and organics). Customers will not have the option to opt out of individual

services if subscribed to WM services. Residents would have an option to apply for a waiver and choose to self-haul, opting out of all WM services.

Once staff have direction on the rate model to include in the agreement amendments, staff will finalize the WM contract update process over the next several months. Simultaneously, Staff will continue to work with consultants and WM to prepare and plan for the roll out organics collection services by developing implementation timelines, waver programs and providing education and outreach.

Council Goals/Objectives: High performance government and quality service.

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

Attachments: Rate schedule options for implementation of a SB1383 organics collection program.