

DATE SUBMITTED 11/22/2021
 SUBMITTED BY COMMUNITY DEVELOPMENT DIRECTOR
 DATE ACTION REQUIRED 12/1/2021

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS em

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

SUBJECT: DISCUSSION/ACTION: REPUBLIC SERVICES GREEN WASTE/ORGANIC RECYCLING FOR COMMERCIAL AND SELECT MULTI-FAMILY UNITS RATE INCREASE 1. Approval of Rate increase due to mandatory organics recycle law (AB1826)	
DEPARTMENT INVOLVED:	COMMUNITY DEVELOPMENT
BACKGROUND/SUMMARY: The State of California has made organic recycling mandatory. The signing of AB1826 into law, has made organics recycling mandatory for certain commercial and multi-family operations. During April 2016, AB 1826 began requiring that certain operations recycle their organic waste. The goal of the mandatory organics recycling law (AB 1826) is to help California achieve aggressive increased recycling and greenhouse gas emission reductions goals. IVRMA, Republic Services, and City Staff have been promoting the mandate and meeting with businesses. The City adopted Ordinance 811 in efforts to become compliant with the AB 1826. The fee imposed by Republic Services for the commercial businesses and multi-family operations is \$45 monthly, low enough to encourage participation but still provide some cost recovery.	
FISCAL IMPACT: N/A	ADMIN SERVICES SIGN INITIALS <u>[Signature]</u>
STAFF RECOMMENDATION: Approval of rate increase to \$45 a month	DEPT. INITIALS <u>em</u>
MANAGER'S RECOMMENDATION: <i>consider Republic Services request to provide a state mandated service</i>	CITY MANAGER'S INITIALS <u>[Signature]</u>
MOTION: SECONDED: APPROVED () REJECTED () AYES: DISAPPROVE () DEFERRED () NAYES:	



October 5, 2021

Mayor
Council Members
City Council Staff
CITY OF IMPERIAL
Community Development Department
400 South Imperial Avenue, Ste. 101
Imperial CA 92251

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

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

A handwritten signature in black ink, appearing to read "George Taylor".

George Taylor
Operations Manager
Republic Services of Imperial

Exhibits

Exhibit A

Summary of Republic Services cost for processing organics (previously approved greenwaste processing is attached within the document as well).

	Imperial					Total Cost	# Tons	Cost Per		Margin	Total		# Homes	\$/Home	\$/Home/ Month
	Load	Transportation Copper	Labor	Process, DD&A	Residual			Cost/Ton	Cost/Ton						
Greenwaste processing Cost	\$23,140	\$180,635	\$144,752	\$56,233	\$8,670	\$413,430	8500	\$48.64	\$ 7.30	\$55.93	\$475,445	17631	\$26.97	\$ 2.25	
Tip Fee	\$ 23.65														
Transportation	\$ 21.25														
Transfer/Push	\$ 2.72														
Contamination (disposal)	\$ 1.02														
Margin	\$ 7.29														
Total	\$ 55.93														

	Collection Cost					Total Collection Cost	# Tons	Disposal Cost		Total Cost		
	Labor	Truck Operating	Truck Maint.	Container Maint.	Insurance /Risk Expense			Cost Per Ton	Disposal Cost	Cost to Provide Service	Contingency/ Margin	Cost per location per month
Organic Service Cost	\$ 27.83	\$ 10.60	\$ 13.95	\$ 3.08	\$ 6.35	\$ 61.81	0.433	\$48.64	\$21.06	\$82.87	\$ 12.43	\$95.30

Other California cities:

Comparison of proposed commercial food waste rate collected 1 x per week while factoring in a 25% franchise fee		
	64-gal food waste cart collected 1X per week	2-yrd food waste bin collected 1X per week
Chula Vista	\$99.49	\$187.51
Encinitas	\$109.92	\$202.39
La Mesa	\$111.27	\$198.37
Lemon Grove	\$109.87	\$208.95
National City	\$111.70	\$212.72
Poway	\$106.19	\$191.00
Market Average	\$109.79	\$194.24
Compared to newly proposed Chula Vista rate	9% less	8% less

Also, please note, El Centro is currently at \$37.43 however, we can ascertain what costs went in to producing that number.