



Legislation Text

File #: ORD 15-0011, **Version:** 2

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Tony Olmos, Public Works Director

Sona Coffee, Environmental Programs Manager

SUBJECT:

Conduct Public Hearing Regarding the Proposed Solid Waste Fees for the Food Waste Recycling Program (Public Works Director Olmos).

CONDUCT PUBLIC HEARING; ADOPT ORDINANCE NO. 15-0011; APPROVE CONTRACT AMENDMENT NO. 15-0037

RECOMMENDATION:

Staff recommends that City Council conduct the public hearing and adopt Ordinance No. 15-0011 to increase the solid waste fees for the food waste recycling program; and adopt contract amendment No. 15-0037 to put the program in place with Waste Management.

FISCAL IMPLICATIONS:

By adopting Ordinance No. 15-0011, City Council will authorize the increase of solid waste fees by 3% for residential customers, and 3.6% for commercial customers.

BACKGROUND:

In September 2014, AB1826 was signed into law, requiring every jurisdiction in California to offer yard and food waste collection services to businesses, and offer yard collection services to multi-family dwellings (with five or more units) by January 1, 2016. A yard/green waste program for businesses and multi-family dwellings is already established in the City. The residential food waste program assists the State of California and the City with its overall diversion goals, but the residential program is not part of the requirements under AB1826.

Waste Management proposed a Food Waste Diversion program (Attachment 1) to comply with the City's solid waste agreement and subsequent Assembly Bill AB1826. On March 4, 2015, City Council accepted the program proposal for commercial customers, as well as Option 1 for the residential program. The food waste recycling program requires an increase in solid waste fees by 3% for residential customers, and 3.6% for commercial customers.

Proposition 218 requires a mailed notice to each prospective payer of the proposed fee increase, followed by a public hearing within forty-five days of the mailing. A notice to rate payers (Attachment 2) was sent out on May 21, 2015. City Council set a public hearing for July 7, 2015 to consider

increasing solid waste fees for the purpose of paying the costs associated with a food waste recycling program.

The first reading of Ordinance 15-0011 (Attachment 3) to begin consideration of raising solid waste fees in Manhattan Beach in order to implement the food waste recycling program was approved by City Council on June 16, 2015. If City Council decides to implement the food waste recycling program, a second reading of the ordinance will take place as part of the public hearing on July 7th.

DISCUSSION:

A public hearing is being held to review the results of the Proposition 218 process, and consider adopting the increased fees for the food waste program. Unless protests are received from a majority of fee payers (50% + 1) at the public hearing, the City Council can adopt Ordinance 15-0011 by a 2/3 vote to increase rates for solid waste services in the City.

21 protests were received by City Staff at the time this report was prepared, and staff responded to numerous phone calls and emails from residents expressing concern over the proposed rate increase. Once an explanation was given on how the food waste recycling program would work, and that the anticipated increase to residents is estimated at \$0.45 per month and approximately \$9 for commercial accounts, most constituents were accepting of the program. However, several residents felt that there should be an opt-out feature of the program so that those who do not use the program do not have to pay for it.

Program Pricing

The food waste recycling program is not a subscription-based program, and is structured to be paid for by all franchise users. However, the pricing has been separated for commercial and residential customers. Rate payers can opt-out of participation, but the fees for the program will still be charged to all rate-payers citywide. The main reason residents cannot opt of paying for the service is that it would be extremely difficult for the drivers to differentiate between non-paying and paying customers when picking up food waste from the green waste container. If the proposed rates are approved, the program is scheduled to begin August 1, 2015.

If approved, commercial and roll-off franchise customers will receive a 3.6% rate for food waste recycling services. The most common commercial service level is one 3-yard trash bin serviced 3 times per week. Based on current rates, the rate increase for this service level would be approximately \$9 per month. Participating in the food waste recycling program will also give businesses the opportunity to reduce the number of weekly trash pickups, and container size, resulting in potential cost savings for solid waste service.

The residential program is an expansion of the existing pilot food waste program which has been running successfully. The residential food waste proposal utilizes the current curbside cart system, and is offered at a modest price increase of approximately \$0.45 per household, per month.

As an example, residents with the 32-gallon trash container currently pay \$10.52 each month for solid waste service. An annual rate increase will take place on July 1st, bringing the solid waste fee to \$10.55 each month. If approved, the proposed food waste recycling rates would take effect on August 1st, and the fee for solid waste service would come to \$10.87 each month, a \$0.32 increase. The rates for the remaining residential container sizes and commercial rates are available in Attachment 1.

Waste Management Contract Amendment

A contract amendment is required to update service needs for the food waste recycling program into the contract with Waste Management. The contract amendment will require Waste Management to make the food waste recycling program available to all residential customers, including both single and multi-family customers.

Waste Management will also collect, process and divert food and organics waste from commercial properties, and will tailor the program to fit the waste generation and space constraints of each commercial customer.

If City Council approves the fee increase for the food waste recycling program, Staff recommends that City Council approve Contract Amendment No. 15-0037 (Attachment 4) to include the program requirements in the solid waste contract.

POLICY ALTERNATIVES:

ALTERNATIVE #1: Approve Rates for Commercial Program Only

Should City Council decide not to move forward with the residential food waste recycling program, a commercial-only program could be developed with Waste Management.

PROS:

Residents would not be charged for the program.

CONS:

Residents in Manhattan Beach have asked for this program. If designed for commercial-only accounts, this program would not be available to residents who may benefit from the food waste recycling initiative. Limiting the program to commercial-only may affect the overall pricing structure, and new rates may need to be obtained from Waste Management.

PUBLIC OUTREACH/INTEREST:

Waste Management staff have presented details on the proposed food waste recycling program to local business associations and community groups. City Staff has also sent information to the business associations, and presented program summaries as well. As part of the 218 process, the City sent out a letter to all rate payers notifying them of the public hearing and the proposed rate increase.

Waste Management provided additional information summarizing the food waste recycling program to residents and businesses in the City (Attachment 5), including 13,100 door hangers to residents with more information on how the food waste recycling program will work, and how those who do not wish to participate can opt-out.

CONCLUSION:

Staff recommends that City Council approve Ordinance No. 15-0011 to authorize the increased rates for the food waste recycling program and approve contract amendment 15-0037 to put the program in place for Waste Management.

Attachments:

1. Ordinance No. 15-0011
2. Waste Management Food Waste Diversion Proposal

3. Notice to Fee Payers
4. Contract Amendment No. 15-0037
5. Waste Management Outreach Materials