

City of Rialto **City Council**

June 27, 2023



CONSULTING GROUP, INC.

RESOURCES • RESPECT • RESPONSIBILITY

AGENDA

Background

Financial Evaluation

BACKGROUND

Senate Bill (SB) 1383:

- Sets **statewide mandates** for organics recovery efforts
- Builds on prior law to **incrementally reduce disposal** of organic waste
- Requires **all generators** to be provided organic waste recycling services
- **Edible food recovery**
- City obligated by CalRecycle CAP to meet deadlines

WHAT ARE ORGANICS?

- Food
- Green waste
- Landscape & Pruning
- Organic Textiles Carpets
- Paper products
- Printing/ Writing paper
- Lumber
- Wood
- Manure
- Digestate
- Biosolids
- Sludges

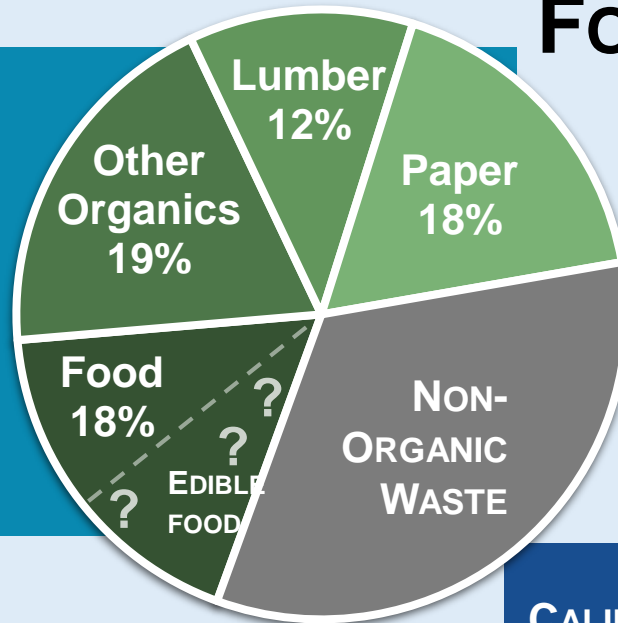


R3

BACKGROUND

CALIFORNIA GENERATES
**APPROXIMATELY
20-23 MILLION TONS**
OF ORGANIC WASTE
EVERY YEAR

*THAT'S TWO-THIRDS
OF OUR WASTE
STREAM!*



IN CALIFORNIA, MILLIONS ARE
FOOD INSECURE



**1 IN 8 CALIFORNIANS
1 IN 5 CHILDREN**

CALIFORNIA THROWS AWAY
5.6 MILLION TONS
OF FOOD WASTE EVERY
YEAR!



R3

BACKGROUND

Landfilled Organic Waste Emits

Methane Gas

A Super Pollutant

More Powerful than CO₂

Methane Gas Contributes to
Climate Change in California



CALIFORNIA
is already experiencing
the impacts of
CLIMATE CHANGE

IN 2015 THE DROUGHT COST THE
AGRICULTURE INDUSTRY IN THE
CENTRAL VALLEY AN ESTIMATED
\$2.7 BILLION & 20,000 JOBS



R3

BACKGROUND

Local Agency Responsibilities



Most requirements match and expand upon AB 1826



R3

RATE ADJUSTMENT REQUEST

- 2023 Rate Review Impacts
 - Service Consumer Price Index
 - Disposal and processing cost components
 - Trash, Organics (Green & Food Waste), Recyclables
 - Program Impacts
 - SB 1383 Compliance and expanding organics recycling amongst all generator sectors



R3

Recent Rate History

- 2020 - Defer the 2020/21 adjustment until 2021/22 and include the cost recovery component in the 2021/22 rate year
- 2021 – Revised to spread residential deferral over two years (2021/2022 & 2022/2023)
- 2022 - No adjustments; defer adjustments and 2020 residential recovery in 2023
- 2023 – Implement rate adjustments with 1383 programs



Disposal and Processing

| Cost Component (per ton) | Current | New | Change |
|-------------------------------------|----------------|------------|---------------|
| Trash | \$40.75 | \$42.07 | \$1.32 |
| Organics | \$57.29 | \$86.96 | \$29.67 |
| Recyclables | \$66.90 | \$71.23 | \$4.33 |

Note: 1) Current Organics tip fee only includes green waste. The New Organics tip fee includes food and green waste materials.

2) Alternative Organics Processing per ton costs:

Victor Valley Compost - \$106.58;

Puente Hills MRF - \$117.67;

Scholl Canyon - \$136.05.



➤ Residential Rates

| Service Level | Monthly Charge | | | | |
|--------------------|----------------|----------|----------|----------|---------------|
| | 2019 | 2020 | 2021 | 2022 | Proposed 2023 |
| 60-gallon tax roll | \$ 29.96 | \$ 29.96 | \$ 30.81 | \$ 30.81 | \$ 33.88 |
| 40-gallon tax roll | \$ 29.25 | \$ 29.25 | \$ 30.08 | \$ 30.08 | \$ 33.11 |
| Senior tax roll | \$ 22.74 | \$ 22.74 | \$ 25.57 | \$ 25.57 | \$ 28.14 |

| SB 1383 Cost Impacts | | |
|-------------------------|-----------------------|---------|
| Mixed Organics Disposal | SB 1383 Program Costs | Total |
| \$ 1.86 | \$ 0.90 | \$ 2.76 |

Note: 1) Residential rates not adjusted in 2020 or 2022
2) Seniors 62 & older



➤ Commercial & Multi-Family Rates

| Commercial Service One time per week | Monthly Charge | | | |
|--|-----------------------|----------------|--------------------------|-------------------|
| | 2021 | Current | Proposed 2023 | Difference |
| 3 yard trash bin (includes no charge recycling) | \$262.86 | \$235.82 | \$238.43 | \$2.61 |
| 2 yard food waste or trash bin | \$196.56 | \$178.53 | \$182.90 | \$4.37 |
| 65 gallon Food Waste barrel | \$49.47 | \$46.97 | \$46.07 | (\$0.90) |
| Multi-family 3 yard bin With bulky item collection program | \$255.84 | \$228.80 | \$278.47 | \$49.67 |

Note: 1) Commercial rates not adjusted in 2020 or 2022.
 2) MF rates now include the organics recycling program.
 3) Pavement Maintenance Fee moratorium April 1, 2023, included in the Current Rate



R3

Rate Comparison

| Jurisdiction | Residential (current) | Residential (proposed) | Commercial Trash (current) | Commercial Trash (proposed) |
|-----------------------|--------------------------|---------------------------|----------------------------------|-----------------------------------|
| Rialto | \$ 31.40 | \$ 33.88 | \$ 235.82 | \$ 238.43 |
| Highland | \$ 33.29 | \$ 34.23 | \$ 268.15 | \$ 268.15 |
| Grand Terrace | \$ 33.25 | \$ 34.29 | \$ 206.95 | \$ 184.44 |
| Yucaipa | \$ 32.71 | \$ 34.96 | \$ 235.40 | \$ 264.37 |
| Fontana | \$ 34.17 | \$ 36.43 | \$ 233.28 | \$ 233.28 |
| Upland (City billed) | \$ 34.83 | \$ 36.58 | \$ 183.37 | \$ 195.83 |
| San Bernardino County | \$ 33.28 | \$ 36.86 | \$ 173.39 | \$ 185.15 |
| Montclair | \$ 37.64 | \$ 37.64 | \$ 261.78 | \$ 261.78 |
| San Bernardino | \$ 26.42 | \$ 37.97 | \$ 155.88 | \$ 176.60 |
| Colton | \$ 32.44 | Unknown | \$ 175.17 | Unknown |
| Ontario | \$ 35.75 | Unknown | \$ 172.83 | Unknown |
| Redlands | \$ 40.77 | Unknown | \$ 229.96 | Unknown |

Note: Commercial rates vary due to subsidy recycling and food waste programs.



R3

RATE ADJUSTMENT REQUEST

- Rate increase is reasonable
 - 9.96% - 10.11% for residential
 - -5.86% to 25.13% for commercial
 - Based upon only increases to Burrtec's costs of operation
 - City-requested program adjustments via amendment, including hiring additional staff & legislative compliance
- Cost savings for economies of scale



Questions & Comments



R3