

Annual Rate Review 2019

Presented to the City of Rialto



Agenda

- Diversion & Recycling Compliance
- Commercial Recycling (AB 341)
- Commercial Organics (AB1826)
- Annual Rate Review Components & 2019 Impacts
- Pavement Maintenance Fee
- Multi-Family Bulky Item Program
- Future Impacts

Diversion and Recycling Compliance

- 50% Waste Reduction (AB939)
- 2020 Goal of 75% (AB341)
- Mandatory Commercial Recycling
- Mandatory Food Waste/Organics
- CalRecycle Anytime letter

California Environmental Protection Agency Edmund G. Brown, Jr., Governor

CalRecycle  **DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY**

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Date: January 10, 2017
To: Elected Officials and Recycling Coordinators
From: Scott Smithline, Director
Subject: Reviews of Jurisdiction Mandatory Commercial Recycling and Commercial Organics Recycling Programs

This memo outlines how the Department of Resources Recycling and Recovery (CalRecycle) will exercise its existing statutory authority to formally review jurisdictions' mandatory commercial recycling and mandatory commercial organics recycling programs more frequently as needed. Specifically, CalRecycle will initiate a review and may refer a jurisdiction to enforcement at any time that CalRecycle receives information that a jurisdiction has not implemented, or is not making a good faith effort to implement, its required programs.

In establishing the requirements for jurisdictions to implement mandatory commercial recycling programs through AB 341 (Chesbro, Chapter 476, Statutes of 2011) and mandatory commercial organics recycling programs through AB 1826 (Chesbro, Chapter 727, Statutes of 2014)¹, the Legislature and Governor also set ambitious goals to increase recycling and reduce statewide solid waste disposal. In particular, AB 341 established a goal to source reduce, recycle or compost 75 percent of waste by 2020. Additionally, AB 1826 set a goal to reduce organics disposal by 50 percent by 2020.

AB 341 and AB 1826 require each jurisdiction to implement commercial recycling and commercial organics recycling programs designed to divert waste generated by regulated businesses. Jurisdictions' programs must, among other requirements, include "education of, outreach to, and monitoring of, businesses," within their jurisdiction.

In spite of these goals and requirements, statewide disposal has increased every year since 2012. As a result, it is imperative that CalRecycle fully exercise its authority to ensure that jurisdictions' specified disposal reduction and recycling programs are in compliance with state law. In order to ensure that mandated statewide goals are met, AB 341 and AB 1826 specifically authorize CalRecycle to conduct reviews of jurisdictions' mandatory commercial recycling programs and mandatory commercial

¹ Per PRC 42849.82, Select rural jurisdictions that submitted a resolution to CalRecycle are exempt from the requirements of AB 1826. In 2020, if the statewide disposal of organic waste has not been reduced by 50 percent the exemptions will be repealed.


CALIFORNIA DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

AB341 Compliance

- January 2019

AB 341 accounts recycling with Burrtec	AB 341 accounts without recycling with Burrtec	AB 341 Total number	AB 341 Participation Rate
389	155	544	72%

- January 2018

AB 341 accounts recycling with Burrtec	AB 341 accounts without recycling with Burrtec	AB 341 Total number	AB 341 Participation Rate
305	206	511	60%

Note: January 2014 at 19% compliance

Commercial Organics AB 1826

Californians throw away nearly 6 million tons of food scraps each year.

- April 1, 2016, Businesses that generate 8 cubic yards (cy) or more a week must source separate food scraps and yard trimmings and arrange for organic recycling services
- January 1, 2017, Businesses generating 4 cy or more per week of organics
- **January 1, 2019, Business that generates 4 cy or more of commercial solid waste per week**

Business Compliance

- Food rescue-Donate food to local food banks
- Self haul to organics processor
- Subscribe to City's food waste/green waste organics program
- Multi-family complexes – Green Waste Only



Food Waste Program

- Adopted by City 2016
- Equalized Rates
 - Trash costs same as Food Waste
- Minimal Participation
 - January 2019: 52 food waste accounts

Annual Rate Review

- Cost Component Analysis & Review with July implementation
- Adjustments:
 - Service Consumer Price Index
 - Disposal and processing cost components
 - Trash, Green & Food Waste, Recyclables, Construction & Demolition
 - No changes to City fees
 - Programs

2019 Rate Review Impacts

- Service: Consumer Price Index Change: 3.8%
- Disposal and Processing Costs
 - Trash
 - Green Waste
 - Recyclables
- Bin Service Compliance Programs
 - Commercial Recycling & Organics
 - Multi-Family Bulky Item
- Pavement Maintenance Fee

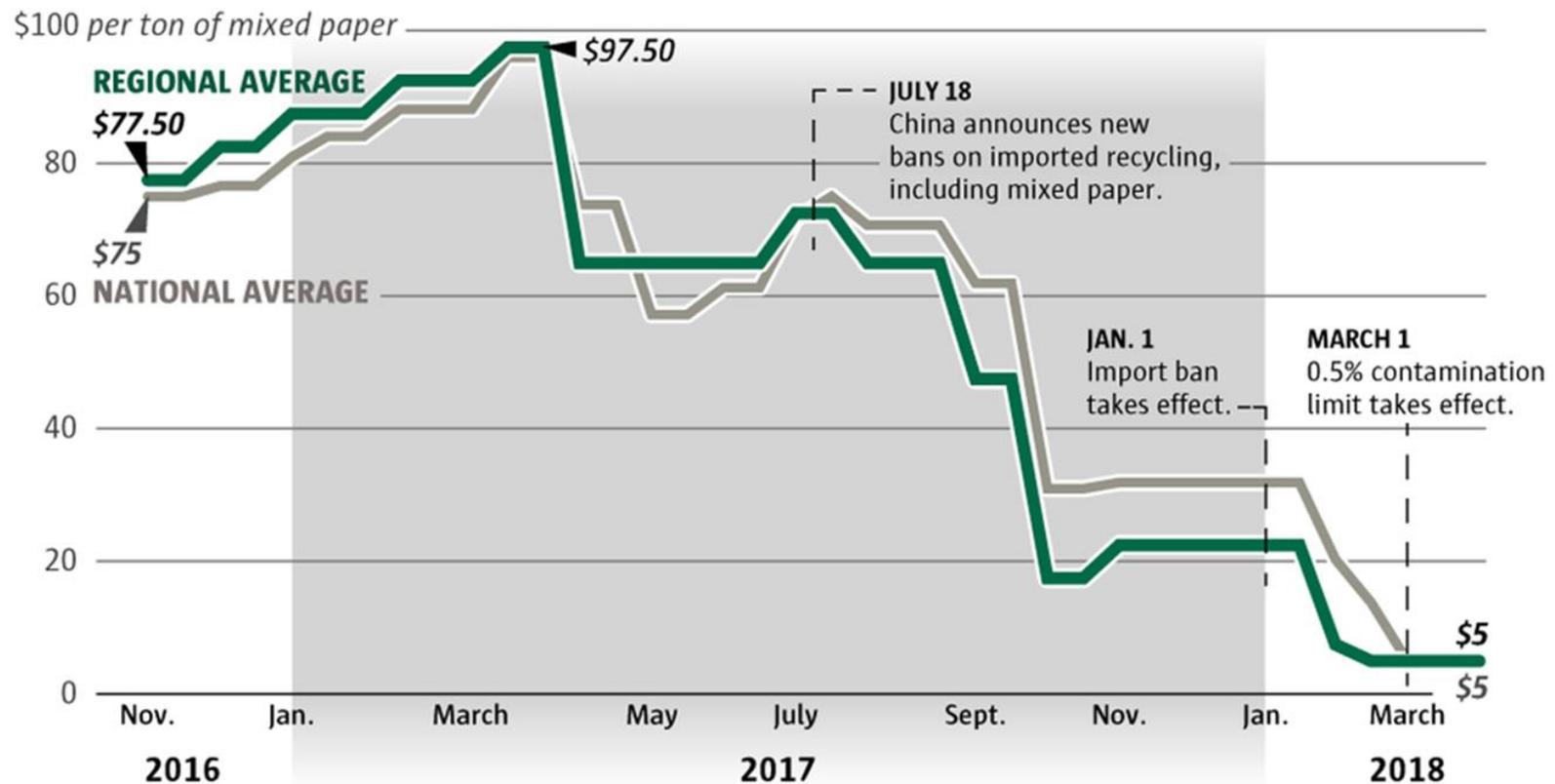
Disposal and Processing

- Title 14 – Green Waste Processing Contamination Limits
 - Compost shall not contain more than 0.5% by dry weight of physical contaminants greater than 4 millimeters
 - Compost shall contain no more than 20% by dry weight of the film plastic contaminants greater than 4 millimeters
- China's National Sword Policy
 - Recyclable Commodity markets collapse in early 2018
 - Impact: Mixed paper market decline of 82%;
\$181/ton in 2011 decreased to \$32/ton in October 2018

Recyclables: China's Policy Impacts

China closes the door, prices crash

The average price paid to recyclers for a ton of mixed paper in the Pacific Northwest and across North America has plummeted in the last year.



Source: RecyclingMarkets.net

EMILY M. ENG / THE SEATTLE TIMES

Disposal and Processing

Cost Component (per ton)	Current	New	Change	Cause
Trash	\$38.21	\$39.55	\$1.34	County annual cost adjustment
Green Waste	\$42.44	\$49.93	\$7.49	Title 14, Green Waste Contamination Limits
Recyclables	\$7.22	\$37.40	\$30.18	China's policy impacts to global recycling markets
Food Waste	\$73.11	\$84.24	\$11.13	Title 14 and processing costs increases.

Pavement Maintenance Fee Budget

Pavement Maintenance Fees			
Fiscal Year	Revenues	Budgeted Expenditures	Project Notes
2014/15	\$ 632,117	\$ -	n/a
2015/16	\$ 785,007	\$ -	n/a
2016/17	\$ 1,549,609	\$ -	
2017/18	\$ 1,453,924	\$ 1,000,000	Slurry Seal/Chip Seal Zone 5, Project # 170805 All local streets South of Randall Ave. between Maple Ave. and Cactus Ave., and a line roughly 1300 feet North of Randall Ave.
2018/19 estimated	\$ 1,550,000	\$ 4,200,000	Slurry Seal Zone 4, Project #180805 (Construction to begin July, 2019) Slurry Seal Zone 3, Project # 190805 (Construction to begin November, 2019)

Slurry Seal Zone Map

Pavement Maintenance Fees

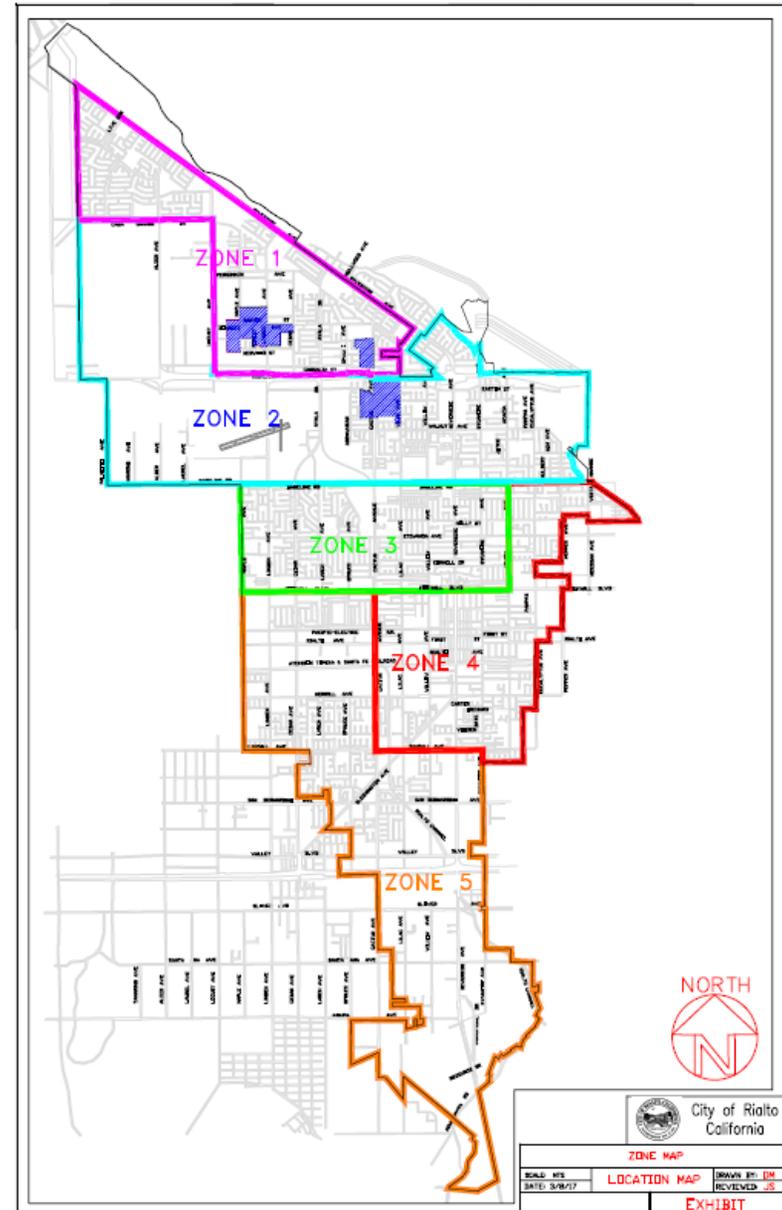
2017-18

\$1,000,000 awarded for
Zone 5 Slurry Seal Project.

2018-19

\$1,800,000 budgeted for
Zone 4 Slurry Seal Project.

\$2,400,000 budgeted for
Zone 3 Slurry Seal Project



Residential – Standard Review 60 gallon at \$29.96 (Tax Roll Billing)

- Burrtec CPI increase of \$0.58 or 3.80%
- Disposal & Materials Processing increase to \$7.16 or 19.96%
- No changes to City fees (Franchise, AB939, Pavement Maintenance and HazMat)

Residential Rates

Service	Monthly Charge	
	Current 2018-19	Proposed 2019-20
60 gallon tax roll	\$ 28.19	\$ 29.96
60 gallon direct bill	\$ 28.75	\$ 30.54
40 gallon tax roll	\$ 27.49	\$ 29.25
40 gallon direct bill	\$ 28.07	\$ 29.85
Senior tax roll	\$ 21.24	\$ 22.74
Senior direct bill	\$ 21.73	\$ 23.25

Rate Survey

Note: Many rates under review for 2019 adjustment.

2019 RESIDENTIAL RATE SURVEY	
Jurisdiction	Monthly Rate
Rancho Cucamonga	\$23.26
Grand Terrace	\$23.98
San Bernardino	\$24.31
Colton	\$25.10
Highland	\$25.23
Upland	\$26.23
Yucaipa	\$26.89
Fontana	\$27.65
Rialto (current tax roll)	\$28.19
Rialto (current direct)	\$28.75
Montclair	\$29.12
Rialto (proposed tax roll)	\$29.96
San Bernardino County	\$29.98
Rialto (proposed direct)	\$30.54
Ontario	\$31.27
Redlands	\$35.85

Compliance Fee Commercial and Multi-Family Trash

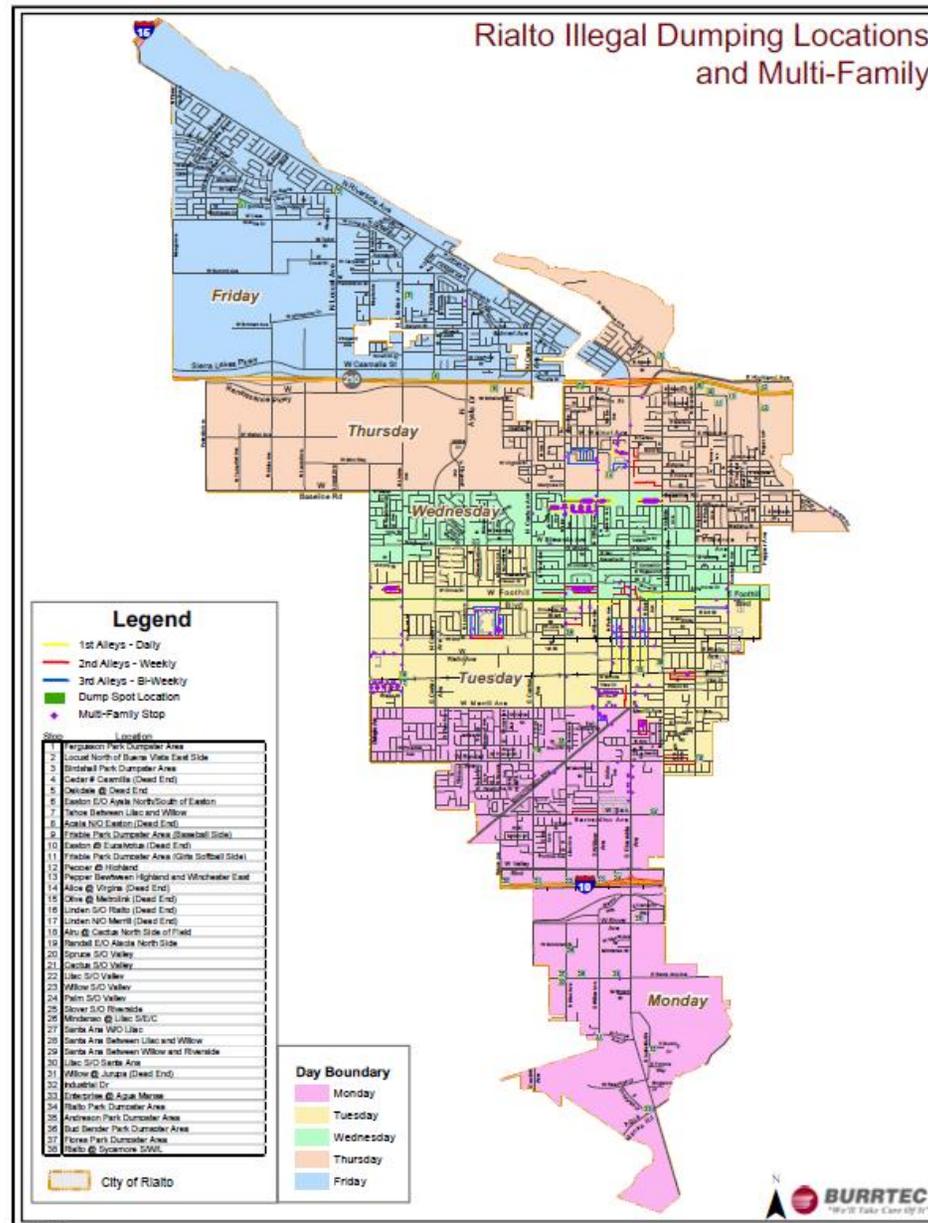
- Equivalent to \$1.95 per month for common service 1–3 yard bin - 1x/week
- Implementing new state compliance requirements
- Food waste generators, green waste recycling validations, exemptions validation, food recovery tracking, self haul 3rd party & compliance tracking systems, audits and organics generators, mailings, trainings

Multi-Family Bulky Item Program

- Burrtec collects bulky items at MF complexes
- Includes 52 hours per week (excess hours to be used for illegal dumping of bulky items)
- Multiple vehicles for different commodities in order to comply with disposal regulations

Multi-Family Bulky Item Tonnage	
December 2018	July – December 2018
82.29 tons	372.37 tons

Illegal Dumping Map



Commercial & Multi-Family Rates

Service	Monthly Charge	
	Current 2018-19	Proposed 2019-20
Commercial services One time per week		
3 yard trash bin	\$217.03	\$242.91
2 yard food waste or trash bin	\$164.62	\$182.47
Multi-family 3 yard bin With bulky item collection program	\$225.74	\$245.77

Ongoing Impacts

- China's National Sword Policy - impact on recycling values ongoing global impacts
- AB1383: Regulations and Enforcement for solid waste diversion and recycling
- Green Waste: Alternative Daily Cover will not count as Diversion
- Organics Reduction at landfills
- Land Application and Compost contamination: Title 14

Recommendation

- No Change to City Fees (Franchise, AB939, Pavement Maintenance and HazMat)
- One Year Rate Structure & Prop.218 Hearing



?? Questions ??