

TOWN OF LOS ALTOS HILLS
Staff Report to the City Council

September 19, 2019

SUBJECT: ADOPT THE RESOLUTION RESTABLISHING THE SOLID WASTE FUND AND APPROPRIATE \$100,000 TO THE SOLID WASTE FUND AND AUTHORIZE THE CITY MANAGER TO REIMBURSE GREENWASTE RECOVERY FROM THE SOLID WASTE FUND IN AMOUNT NOT TO EXCEED \$100,000 FOR A 50% SUBSIDY PROGRAM ON THE CUSTOMER COST FOR A SECOND GRAY MIXED COMPOSTABLES CART IN SMALL TRUCK ONLY AREAS

FROM: Carl Cahill, City Manager *cd*

RECOMMENDATION: That the City Council:

Adopt the attached resolution establishing a solid waste fund in the amount of \$100,000 and authorizing the City Manager to execute an addendum to the Franchise Agreement allowing for the reimbursement to GreenWaste Recovery from the solid waste fund in an amount not to exceed \$100,000 for a 50% customer subsidy program on the cost of a second 96-gal. gray cart service for residents in small truck only area for the current fiscal year 2019/20.

BACKGROUND:

On July 1, 2019, the Town of Los Altos Hills entered into an 15-year exclusive Franchise Agreement with GreenWaste Recovery, Inc. (GWR) for the collection of garbage, recycling, and compostable materials generated in the Town. The base customer service charge includes one gray cart (size selection by customer), one 96-gallon blue cart, and two 96-gallon green carts

For the past 11-years GreenWaste Recovery used a single small collection truck to service the mostly private, narrow and winding roads that were not suitable for large truck service. The small truck was also used for on premise service customers. Garbage (gray cart) and yard waste (green cart) were collected in the same compartment. GWR would then sort the collected materials at their Material Recovery Facility (MRF) and haul the organics material to their Z-best composting facility in Gilroy.

Because of SB 1383 rulemaking, solid waste haulers are no longer allowed to combine materials from green carts with gray carts in the same compartment of their collection trucks. SB 1383 final draft rules, however, allow a resident to combine trash and yard waste in their gray carts if it is collected and processed at a "High Diversion Facility." The GreenWaste MRF meets the State's High Diversion Facility criteria of 75% diversion.

In compliance with the new collection requirements of SB 1383, GreenWaste proposed cluster point areas along Large Truck routes where green carts could be set out by customers in Small-Truck-Only streets and areas. The Town has received feedback from some Small-Truck-Only customers regarding the difficulty of transporting green carts based on the distance and slope from their homes to the green cart cluster points. Residents also cited concerns that having several green carts in the cluster point location could be a visual eyesore and could create a road hazard due to lack of visibility and access.

To mitigate the service disruption caused by the new SB 1383 rules, GWR implemented a swap program wherein residents are able to "swap" their two 96-gal. green carts for a single 96-gal. gray cart at no additional charge. The "Swap Program" has addressed the set-out issues for a large number of residents within the Small Truck Only areas. During the implementation process, Town Staff and GWR have received several inquiries from Small-Truck-Only customers who need yard waste capacity greater than what the one "swapped" 96-gallon gray cart provides. These customers also expressed their concerns about the \$70.00 cost of the additional gray cart/s and have asked Town Staff to evaluate potential rate relief.

DISCUSSION:

Staff concurs that the clustering of large numbers of green yard waste carts of Small Truck Only customers along Large Truck routes may not always be practical and could create public safety hazards and public nuisance issues. The "Swap Program" proposed and already implemented by GWR has addressed the concerns of many customers in the Small-Truck-Only (STO) areas including those residents in STO areas enrolled in GWR's Physical limitations program. A potential rate subsidy for residents requesting a second 96-gallon gray cart could help to further reduce or eliminate the clustering of too many green carts along Large Truck routes.

Staff is recommending a 50% cost subsidy on the price of a second 96 gal. gray cart bringing the price down to \$35.00 for the remainder of the current fiscal year. The current cost of a second 96-gal. gray cart is \$70.07. The subsidy would only be available to residents in small truck only areas who are also participating in the Swap Program. The gray cart is more versatile than a green cart in terms of materials accepted. It can be used for yard waste and/ or extra trash and mixed compostable material. It is not an uncommon practice for municipalities to provide some temporary rate subsidy to give residents time to adjust to waste collection service rate increases or make service adjustments.

FISCAL IMPACT:

GreenWaste reports 420 customer accounts in small truck only areas. If each customer took advantage of the 50% (\$35.04) subsidy, it would annually cost the Town \$176,576.40. It's possible but not likely that all 420 households will take advantage of the Town Subsidy Program. GWR reports that they are aware of 113 households in

small truck areas with a second green cart. However, some households may use their own containers for yard waste set-out and GWR does not track that data. Additionally, GreenWaste reports that 77 households currently have on premise service. On premise customers already receive a 25% discount on a second gray cart from GWR. The Town would only pay the other 25% (\$17.52) keeping the total discount at 50%.

Staff recommends appropriating \$100,000 to reestablish the Solid Waste Fund in order to fund the Subsidy Program. The recommended \$100,000 appropriation is based on the available customer information from GWR. GWR will invoice the Town based on the number of customers participating in the subsidy program. GreenWaste is amenable to this arrangement and an addendum will be executed as part of the current Franchise Agreement. The subsidy program will sunset on June 30, 2020. During this period GWR and Town staff will monitor program effectiveness and provide a report and any recommendations to City Council with regard to the collection of yard waste for the Small-Truck-Only areas.

ATTACHMENTS

1. Resolution
2. Service Area Map showing purple shaded small truck only streets
3. Subsidy Program eligibility Diagram
4. Example of resident complaint expressing reasonable concerns dated August 13th

RESOLUTION**RESOLUTION REESTABLISHING THE SOLID WASTE FUND AND APPROPRIATING \$100,000 TO THE SOLID WASTE FUND AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE REIMBURSEMENT TO GREENWASTE RECOVERY FROM THE SOLID WASTE FUND IN AMOUNT NOT TO EXCEED \$100,000 FOR A 50% SUBSIDY PROGRAM ON THE CUSTOMER COST FOR A SECOND GRAY MIXED COMPOSTABLES CART IN SMALL TRUCK ONLY AREAS FOR THE CURRENT FISCAL YEAR**

WHEREAS, the Town of Los Altos Hills (“Town”) regulates the collection and disposal of Garbage to protect the physical health and safety of its inhabitants; and

WHEREAS, the Town is acting under clearly expressed policies of the State of California empowering Cities to regulate the collection and disposal of Garbage; and

WHEREAS, on June 20, 2019 at the regular City Council meeting, the City Council approved the proposed rate structure (Alternative 2) and directed the City Manager to finalize, effective July 1, 2019, a new Franchise Agreement with GreenWaste Recovery, Incorporated (GWR) for recyclables, mixed compostables, and yard trimmings collection services; and

WHEREAS, Members of the public in small-truck-only areas have expressed concerns about potential safety hazards and the public nuisance brought about by aggregating too many green carts in designated cluster points along large truck routes and have requested some measure of rate relief on the additional cost of swapping out of a second yard trimmings green cart for a mixed compostables gray cart that can be picked up on premise or on streets in small-truck-only areas;

WHEREAS; staff recommends that City Council authorize the appropriation of funds for a 50% rate subsidy on a second 96-gallon gray cart, for residents residing in small-truck-only areas in order to minimize clustering of green carts in certain locations along Large Truck routes and reduce the potential for public safety hazards;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Los Altos Hills hereby reestablishes the solid waste fund and appropriates \$100,000 to the Solid Waste Fund and authorizes the City Manager to execute an addendum to the Franchise Agreement with GreenWaste Recovery allowing for GreenWaste Recovery to be reimbursed from the solid waste fund in an amount not to exceed \$100,000 for a 50% subsidy program on the cost to provide, upon customer request, a second gray cart for residents in small-truck-only routes as shown on the attached Service Area Map and for a term expiring on June 30, 2020.

The above and foregoing Resolution was passed and adopted by the City Council of the Town of Los Altos Hills at a regular meeting held on the 19th day of September 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

BY: _____
Roger Spreen, Mayor

ATTEST:

Deborah Padovan, City Clerk