

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH APPROVING AN ORGANIC WASTE RECYCLING PROGRAM FOR HERMOSA BEACH BUSINESSES AND RESIDENTS AND AUTHORIZING THE COLLECTION OF ADDITIONAL FEES IN ORDER TO IMPLEMENT AN ORGANIC WASTE RECYCLING PROGRAM

SECTION 1. RECITALS

1. Assembly Bill (AS) 1826 was signed into law on September 28, 2014, and requires businesses, including restaurants; supermarkets; large venues; and food processors, that generate a specified amount of organic waste, specifically food waste, per week to arrange for recycling services for that organic waste in a specified manner beginning April 1, 2016; and

2. AB 1826 defines a "business" as a commercial or public entity, including, but not limited to, a firm, partnership, proprietorship, joint stock company, corporation, or association that is organized as a for-profit or nonprofit entity, or a multifamily residential dwelling of 5 units or more; and

3. "Organic Waste" is defined as food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste; and

4. AB 1826 requires that jurisdictions implement an organics recycling program for businesses by January 1, 2016, that includes education, outreach, and monitoring activities and reporting annually to the Department of Resources Recycling and Recovery (CalRecycle); and

5. SB 1826 requires that jurisdictions implement an organics recycling program for businesses by January 1, 2016, that includes education, outreach, and monitoring activities and reporting annually to the Department of Resources Recycling and Recovery (CalRecycle); and

6. In 2016 the State of California enacted SB 1383 (Lara, Chapter 395, Statutes of 2016), establishing methane emissions reduction targets, to be achieved via even greater diversion of organics from landfills, in a statewide effort to reduce emissions of short-lived climate pollutants; and

7. The City's existing franchise agreement with Athens Services contemplates requiring an organic waste recycling program and the City has worked with Athens Services to develop a new organic waste recycling program for both businesses and residential customers; and

8. The organic waste recycling program will divert food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste from the landfill to a green cart and will be hauled to Athens' owned American Organics facility in Victorville, California, for composting; and

9. The current level of solid waste collection and disposal service rates is insufficient to recover the total costs of providing the organic waste recycling program; and

10. The City proposes to collect additional fees in the amount necessary to implement the organic waste recycling program; and

11. The City Council finds, with respect to the revenue derived from the additional fees, that (1) there is a reasonable relationship between the fees and the services for which they are imposed; (2) the revenue derived from the increased fees does not exceed the amount necessary to provide the services; (3) the increased fees shall not be used for any purpose other than that for which the fees are imposed; (4) the increased fees do not exceed the proportional cost of the services attributable to each parcel served; and (5) the increased fees are not levied for general governmental purposes; and

12. Pursuant to California Proposition 218 (California Constitution Article XIID, Section 6), at least 45 days prior to the hearing on this Resolution, the City has mailed, postage prepaid, a notice of the public hearing on the proposed solid waste rate increase to the property owner of each identified parcel upon which the increased rates are being proposed, and

13. Said notice identified: (1) the amount of the additional fees to be charged; (2) the basis upon which the fees were calculated; (3) the reason for the fees; and (4) the date, time, and location for the public hearing on the fees; and

14. On September 10, 2019, the City Council conducted a duly noticed public hearing at which time all those wishing to be heard were afforded an opportunity to be heard, and at which time the City Council considered any and all written protests concerning the proposed organic waste recycling program fees; and

15. All other prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The following fee increases, as set forth in Exhibit "A" (attached hereto and incorporated by reference herein) are hereby approved and adopted by the City Council; an increase of 2.41% in residential rates for single-family and multi-family accounts with 4 or less units on all carts (trash, blue recycling and green organic waste, with a green cart to be made available to all customers); and across the board increase for commercial and multi-family (with 5 or more units) of 27.46%.

SECTION 2. Pursuant to Government Code section 53756, an Annual Rate Adjustment will be applied, limited to the weighted change in the Bureau of Labor Statistics indices shown in the table below, capped at no more than a 5% increase in any one year. If approved, these rates, charges and adjustments will be effective October 1, 2019, and the annual adjustment will be applied July 1 of each year, ending June 30, 2021 and subject to a two-year extension.

Cost Category	Rate Adjustment Factor
Labor	Employment Cost Index CIU20100005200000I, Total compensation, Private industry, Index number, Transportation and material moving
Fuel	Producer Price Index WPU 0531, Not seasonally adjusted, Fuels and related products and power, natural gas

Equipment	Producer Price Index, PCU336120336120, Heavy duty truck manufacturing
Processing/Disposal	Consumer Price Index for All Urban Consumers (CUUR0000SA0L1E), all items less food and energy index -U.S. city average or 5%, whichever is lower
All Other	Consumer Price Index for All Urban Consumers (CUUR0000SA0L1E), all items less food and energy index -U.S. city average

The automatic adjustments authorized by this Section 2 may be implemented by the City during the time frame provided, without complying with the notice, hearing and majority protest procedures provided in Proposition 218. However, the City shall provide property owners written notice thirty (30) days prior to implementing any increase in accordance with Government Code Section 53756. At no time may an automatic adjustment exceed the cost of providing the solid waste services.

SECTION 3. The new fees proposed will be effective upon completion of an education and outreach campaign to Hermosa Beach businesses and residents for a minimum of four weeks from the date of adoption of this resolution.

SECTION 4. Pursuant to Section 21080(b)(8) of the Public Resources Code, and Section 15273(a) of the Guidelines for the Implementation of the California Environmental Quality Act ("CEQA"), review under CEQA is not required because the City Council action increasing solid waste service rates is for the purpose of (i) meeting solid waste collection and disposal operating expenses due to a new organic waste recycling program, (ii) purchasing or leasing supplies, equipment, or materials for the solid waste collection and disposal services and a new organic waste recycling program, and (iii) obtaining funds for capital projects necessary to maintain solid waste collection and disposal service. This action is also exempt pursuant to Sections 15061(b)(3) and 15378(b)(4) of the CEQA Guidelines because it involves the creation of a government funding mechanism that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. This action is also exempt pursuant to Sections 15307 and 15308 of the CEQA Guidelines because the organic waste recycling program will assure the maintenance, restoration, enhancement, or protection of a natural resource or the environment by reducing methane emissions via diversion of organic waste from landfills.

SECTION 5. The City Manager shall have the authority to interpret the provisions of this Resolution for purposes of resolving ambiguities.

SECTION 6. The City Clerk shall certify to the adoption of this Resolution, which shall be effective upon its adoption.

PASSED, APPROVED AND ADOPTED this ____ day of September 2019.

MAYOR of the City of Hermosa Beach, California

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney