



## Staff Report

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**Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of September 10, 2019**

**ADOPTION AND IMPLEMENTATION OF AN ORGANIC  
WASTE RECYCLING PROGRAM FOR HERMOSA BEACH  
BUSINESSES AND RESIDENTS**

(Acting Public Works Director Lucho Rodriguez)

**Recommended Action:**

Staff recommends that the City Council:

1. Adopt a resolution approving an organic waste recycling program to comply with State mandates and authorizing the collection of additional fees related to commercial and residential organic waste recycling services; and
2. Direct staff to coordinate with Athens Services on the implementation of the organic waste recycling and to conduct education and outreach to Hermosa Beach businesses and residents on the new program.

**Executive Summary:**

At the June 11, 2019 meeting, City Council reviewed organic waste recycling program options and requested staff return with a resolution approving a program for Hermosa Beach businesses and residents. The City, through the existing franchise agreement with Athens Services, is required to provide an organic waste recycling program for the 145 businesses that currently meet the AB 1826 threshold of four (4) or more cubic yards of solid waste per week.

In June 2019, City Council considered various rate options for commercial and multifamily accounts and recommended staff return with a resolution that would implement a 27.46% across-the-board increase to provide organics waste recycling for all commercial and multifamily accounts, and a 2.34%, or \$0.30 month, across-the-board increase for residential accounts to provide a food waste recycling program for all Hermosa Beach residents.

Prior to implementing the programs, staff will coordinate with Athens Services to conduct a 4-6 week education and outreach campaign to commercial and residential customers.

**Background:**

In October 2014, Governor Brown signed AB 1826 Chesbro (Chapter 727, Statutes of 2014), which requires local jurisdictions across the State to implement an organic waste recycling program to divert organic waste generated by businesses, including multifamily residential dwellings that consist

of five or more units. In September 2016, Governor Brown signed into law SB 1383 (Lara, Chapter 395, Statutes of 2016) that establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025.

To comply with these new State laws, staff has worked with Athens Services, the City's exclusive waste hauler to develop a new organic waste recycling program for both businesses and residential customers. 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.

### **Discussion:**

At the June 11, 2019 meeting, Athens Services presented various organic waste recycling program options and associated rates for City Council consideration, including subscriber-only rates for commercial, multifamily, and residential customers, and across the board rate increases on all carts to subsidize and reduce the program cost and encourage participation.

City Council reviewed organic waste recycling program assessment options, and provided direction to prepare the necessary materials for an across the board increase in residential rates for single-family and multifamily accounts with 4 or less units by 2.41% 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) rates by 27.46%. **Table 1** shows monthly cart and bin rates adjusted for these preferred organic waste recycling program options.

Table 1. Proposed Monthly Cart and Bin Rates for Fiscal Year 2019-20.

Fiscal Year 2019-20	Residential – Single Family & Multi-Family <5 units		Commercial / Multi-Family w/5+ Units	
	32-Gallon	64-Gallon	3 Cu. Yard Bin	64-Gallon
Cart / Bin Type 1 Pickup per Week				
Current Monthly Rate	\$7.55	\$12.08	\$124.02	\$41.86
New Rate (est. July 2019)	\$7.73	\$12.37	\$158.08	\$53.35
% Change	+2.41%	+2.41%	+27.46%	+27.46%

To implement the direction provided on June 11, 2019 staff is returning with a resolution to approve an organic waste recycling program to comply with State mandates (AB 1826 & SB 1383) and authorizing the collection of additional fees related to providing the organic waste recycling program

by Athens Services under the City's franchise agreement (**Attachment 1**).

With the passage of Proposition 218 in 1996, the City is required to provide written notice of the proposed rate increases, set a date and time for a public hearing in which the proposed rate changes will be discussed, and provide affected property owners the opportunity to submit a written protest under the majority protest rule. This means that the proposed assessment would be defeated if more than 50% of the ballots received are opposed to the increase.

Consistent with Prop 218 requirements, the July 25, 2019 notice (Attachment 2) was provided to all affected customers via certified mail. The notice provided an opportunity for property owners to file a written protest against the proposed fee increase with the City Clerk. The City Clerk has compiled all received written protest forms which includes a total of 148 protests as of September 5, 2019.

With adoption of the resolution, staff will work with Athens services to implement the new organics waste recycling program and conduct outreach and education to let customers know about the new opportunity and provide instructions for proper disposal of organics materials. If approved, the program and associated rate increases will Commercial and residential customers will be required to request a green cart and instructions for requesting carts and cart options will be provided by Athens Services.

#### **General Plan Consistency:**

PLAN Hermosa, the City's General Plan, was adopted by the City Council in August 2017. As part of PLAN Hermosa, the City set goals and adopted policies aimed at offering waste reduction and recycling programs to the community and achieving progressively higher rates of waste diversion.

#### **Sustainability and Conservation:**

- *6.1 Franchise agreements. Ensure waste franchise agreements and program offerings provide progressively higher rates of waste diversion.*
- *6.2 Food waste collection. Ensure food waste collection is available and convenient for all residents, businesses, and organizations.*
- *6.10 Evaluate recycling and waste diversion opportunities. Periodically evaluate and consider new opportunities to achieve greater waste diversion rates.*

#### **Fiscal Impact:**

There is no fiscal impact to the City associated with this action. Residential and commercial customers have been notified of the proposed rate increases that, if approved, will appear on their quarterly invoices from Athens Services beginning October 1, 2019.

#### **Attachments:**

1. Resolution establishing an Organic Waste Recycling Program and Authorizing the Collection of Additional Fees

2. Prop 218 Protest Notice

**Respectfully Submitted by:** Leeanne Singleton, Environmental Analyst

**Concur:** Lucho Rodriguez, Acting Public Works Director

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Legal Review:** Mike Jenkins, City Attorney

**Approved:** Suja Lowenthal, City Manager