



Request for Rate Adjustment for
Residential, Multi-Family and Commercial
Solid Waste Wastes from Athens Services

August 4, 2020 City Council Meeting

Current Status Update

- In response to COVID-19, Athens made temporary operational changes for the protection of their staff and the public.
 - This included a transition to single truck collection and only mechanical sorting of materials.
 - They have continued to collect bulky items. Requests are up from 30 per day to nearly 90.
- As of August 1, Athens has:
 - Resumed normal source separated collection (3 Trucks)
 - Materials Recovery Facilities are back online to about 85% of capacity
 - They will continue a full ramp up to normal operations unless CDC guidelines or State Orders state otherwise.

Background

- In June 2016, Athens Services was awarded an Exclusive Franchise Agreement for all solid waste and recycling management services within the City of Monrovia.
 - This agreement includes all residential, commercial, industrial, and institutional customers.
- A key component of this agreement is development of the Closed Loop Organics Recycling program
 - This was developed in response to a number of legislative initiatives that created new standards and protocols for the disposal of organic waste
 - Organic Waste includes primarily food and landscape materials

Pertinent Legislation

- AB 32 (2006) – Global Warming Solutions Act of 2006
 - Reduce organic materials in landfills and increase production of compost/mulch
- AB 1826 (2014) – Mandatory Organics Recycling
 - Established the requirement that mandatory organics recycling programs be initiated across multiple sectors to divert at least 50% of organic materials from landfills
- AB 1594 (2014) – Waste Management – Green Waste
 - Effective January 1, 2020, the disposal of green materials as Alternative Daily Cover (ADC) within landfills will no longer provide credit for meeting 50% diversion requirement. Going forward, green waste will be treated as regular solid waste.
- AB 939 (1989) – Established Diversion Requirements
 - Effective January 1, 2000 and beyond, agencies shall maintain a target of diverting 50% of all waste from landfills through recycling programs

Analysis

- The Closed Loop Organics Recycling Program, implemented in 2016, has been phased in to divert at least 50% of organic material to American Organics, where it is turned to mulch and compost
- As of January 1, 2020, green waste can no longer be utilized for ADC at landfills and will now be transferred to American Organics, where it will be turned to mulch and compost.
- Mulch and compost is returned to the community through biannual giveaway events.
 - The Spring 2020 event was impacted due to the pandemic conditions; however, plans are in the works to provide a giveaway this fall.

Analysis

- In response to the need to take all green waste away from the landfills and to American Organics, Athens has been working on implementing the necessary operational changes. Some of the impacts include:
 - The difference in time and cost of hauling the material to Victorville instead of the other locations previously used. In the past, material was primarily sent to Rialto.
 - The increased tipping fees of recycling the material rather than disposing of it in the landfill.
- As a result of the AB 1594 impacts, Athens is requesting a one-time rate adjustment of 3.64% to offset the increased costs.

Rate Adjustment Request

- Pursuant to the Exclusive Franchise Agreement, Athens may also seek annual adjustments based upon:
 - Consumer Price Index (CPI)
 - Minimum Wage
 - Included in the agreement was a plan to recoup costs associated with the LA County Minimum Wage Increase. The amounts are specified within the contract and the final adjustment is effective July 1, 2020.

- Total Requested Adjustment:

• AB 1594	3.64%
• CPI	1.70%
• <u>Minimum Wage</u>	<u>0.32%</u>
Total	5.66%

Fiscal Impact

- If approved, the cost adjustments are estimated as follows for the typical services for residential, multi-family and commercial properties:
 - Typical Residential: \$ 1.88 / month
 - Typical Multi-Family: \$10.72 / month
 - Typical Commercial: \$10.91 / month

Fiscal Impact

Service	July 1, 2019		July 1, 2020	
	Monthly	Quarterly	Monthly	Quarterly
Residential 90 Gallon Cart – Total Gross Rate	\$ 33.03	\$ 99.09	\$ 34.91	\$ 104.73
Total Service Rate	\$ 29.07	\$ 87.21	\$ 30.72	\$ 92.16
Organic Recycling Program	\$ 3.96	\$ 11.88	\$ 4.19	\$ 12.57
Multi Family 3 Yard Bin 1x/Week – Total Gross Rate	\$ 189.46		\$ 200.18	
Total Service Rate	\$ 164.75		\$ 174.07	
Organic Recycling Program	\$ 24.71		\$ 26.11	
Commercial 3 Yard Bin 1x/Week – Total Gross Rate	\$ 192.71		\$ 203.62	
Total Service Rate	\$ 170.92		\$ 180.59	
Organic Recycling Program	\$ 21.79		\$ 23.03	

Rate Survey of San Gabriel Valley Cities

Solid Waste Rate Comparison Athens Served Cities



Options

- The Options for the Council this evening are:
 - Approve the requested rate adjustment for residential, multi-family and commercial solid waste rates with Athens Services; or,
 - Do not approve the requested rate adjustment for residential, multi-family and commercial solid waste rates with Athens Services and provide staff with additional direction.

Recommendation

- Staff recommends that the City Council:
 - Approve the requested rate adjustment for residential, multi-family and commercial solid waste rates with Athens Services and authorize the City Manager to execute the necessary documents in a form approved by the City Attorney.