



# Mandatory Commercial Organics Recycling

JULY 16, 2018

# Background

- ▶ The State has identified organic waste in California landfills as a significant source of methane, a greenhouse gas
- ▶ Statewide, approximately 10 million tons of organic waste is landfilled annually – materials that could otherwise be composted or converted to energy for generating electricity
- ▶ AB 1826 was enacted in 2014 and became effective in 2016
  - ▶ Mandatory commercial organics recycling
  - ▶ Defines organics to include food waste and food-soiled paper waste, plus landscape materials and wood

# AB 1826 Requirements

- ▶ Affected businesses are required to separate and recycle their organic waste
- ▶ Cities are required to have a program by which businesses can recycle organics.
  - Identify affected businesses
  - Provide education and outreach
  - Monitor compliance
  - Report annually to CalRecycle

# Rainbow Proposed Program

- ▶ Commercial trash and recycling services are arranged, invoiced and collected directly between customer and Rainbow Environmental/Republic Services
- ▶ At the July 2 study session, Rainbow staff provided an overview of the Organics Collection Program they are proposing for Huntington Beach businesses
  - Organics collection and recycling services include:
    - Food donation through Waste Not OC organization
    - Green waste collection for processing by Composting
    - Food waste collection for processing by Biogas to Energy
  - Current commercial solid waste collection rates do not include a component to provide the segregated collection and recycling of organics



# Rainbow Proposed Program

- ▶ Rainbow is proposing a 2.18% rate increase in order to provide organics collection and recycling services at rates equal to the rates for commercial solid waste
  - Rainbow's cost to provide program is \$632,566
  - This proposal is for Tiers 1 and 2 until January 1, 2019
  - Includes savings through shared routing with City of Fountain Valley.
  - Effective September 1, 2018
  - Additive rate adjustment to cover AB1826 Tier 3 Implementation is anticipated to come forward in the next six month to twelve months.

# Rainbow Proposed Program

- ▶ The rate increase will apply across the entire commercial sector, regardless of whether a business produces organics waste or meets the Tier 1 and 2 thresholds
- ▶ Businesses that meet the thresholds will also pay for a separate organics recycling container in addition to the regular container
- ▶ Equal rates will help to ensure maximum participation by the affected businesses

# Rainbow Proposed Program

- ▶ To help ensure program success Rainbow's proposal includes
  - On site waste audits to confirm organics generation
  - Educational outreach materials
  - Training, support and guidance for their customers on how to implement organics separation and recycling
- ▶ Rainbow estimates that Tier 1 and Tier 2 implementation affects approximately 130 businesses
  - Tier 1 – businesses that generate > 8 cubic yards of organics
  - Tier 2 – generate > 4 cubic yards of organics
  - Based on preliminary field audits and ongoing pilot collections program

# Rainbow Proposed Program

- ▶ Source-separated food waste collected under this program will be transported directly to processing facilities—not to Huntington Beach MRF
  - COrre facility in Orange, CA
  - Agromin in Chino, CA
- ▶ Rainbow has already invested in partnerships and equipment to provide the necessary offsite processing capacity
- ▶ Additional investments will include dedicated trucks, specialized containers, route staff, and outreach services



# Rainbow Proposed Program

## 2018 AB 1826 Compliant Proposed Rates

## Comparison

SOURCE SEPARATED RECYCLING				
SERVICE LEVELS	BASE RATE	STATE RECYCLING FEE	5% FRAN FEE	RATE
3 YARD				
1 X PER WEEK	\$ 135.73	\$ -	\$ 6.79	\$ 142.51
2 X PER WEEK	\$ 204.42	\$ -	\$ 10.22	\$ 214.64
3 X PER WEEK	\$ 275.46	\$ -	\$ 13.77	\$ 289.24
4 X PER WEEK	\$ 323.56	\$ -	\$ 16.18	\$ 339.74
5 X PER WEEK	\$ 414.31	\$ -	\$ 20.72	\$ 435.02
6 X PER WEEK	\$ 484.40	\$ -	\$ 24.22	\$ 508.62
2 YARD				
1 X PER WEEK	\$ 106.19	\$ -	\$ 5.31	\$ 111.50
2 X PER WEEK	\$ 152.20	\$ -	\$ 7.61	\$ 159.81
3 X PER WEEK	\$ 190.78	\$ -	\$ 9.54	\$ 200.32
4 X PER WEEK	\$ 223.75	\$ -	\$ 11.19	\$ 234.94
5 X PER WEEK	\$ 275.50	\$ -	\$ 13.77	\$ 289.27
6 X PER WEEK	\$ 316.38	\$ -	\$ 15.82	\$ 332.20
1 YARD				
1 X PER WEEK	\$ 65.23	\$ -	\$ 3.26	\$ 68.49
2 X PER WEEK	\$ 102.34	\$ -	\$ 5.12	\$ 107.46
3 X PER WEEK	\$ 128.18	\$ -	\$ 6.41	\$ 134.59
4 X PER WEEK	\$ 140.93	\$ -	\$ 7.05	\$ 147.97
5 X PER WEEK	\$ 164.94	\$ -	\$ 8.25	\$ 173.19
6 X PER WEEK	\$ 190.72	\$ -	\$ 9.54	\$ 200.26
160 GALLON				
1X PER WEEK	\$ 51.38	\$ -	\$ 2.57	\$ 53.94
2X PER WEEK	\$ 80.35	\$ -	\$ 4.02	\$ 84.37
3X PER WEEK	\$ 100.65	\$ -	\$ 5.03	\$ 105.68
4X PER WEEK	\$ 110.66	\$ -	\$ 5.53	\$ 116.19
5X PER WEEK	\$ 129.51	\$ -	\$ 6.48	\$ 135.99
6X PER WEEK	\$ 149.76	\$ -	\$ 7.49	\$ 157.24
95 GALLON				
1X PER WEEK	\$ 32.05	\$ -	\$ 1.60	\$ 33.66
2X PER WEEK	\$ 50.22	\$ -	\$ 2.51	\$ 52.73
3X PER WEEK	\$ 62.90	\$ -	\$ 3.15	\$ 66.05
4X PER WEEK	\$ 69.17	\$ -	\$ 3.46	\$ 72.62
5X PER WEEK	\$ 80.95	\$ -	\$ 4.05	\$ 84.99
6X PER WEEK	\$ 93.60	\$ -	\$ 4.68	\$ 98.28
65 GALLON				
1X PER WEEK	\$ 22.42	\$ -	\$ 1.12	\$ 23.54
2X PER WEEK	\$ 35.16	\$ -	\$ 1.76	\$ 36.92
3X PER WEEK	\$ 44.04	\$ -	\$ 2.20	\$ 46.24
4X PER WEEK	\$ 48.41	\$ -	\$ 2.42	\$ 50.83
5X PER WEEK	\$ 56.67	\$ -	\$ 2.83	\$ 59.50
6X PER WEEK	\$ 65.52	\$ -	\$ 3.28	\$ 68.79

MIXED WASTE PROCESSING				
SERVICE LEVELS	BASE RATE	STATE RECYCLING FEE	5% FRAN FEE	RATE
3 YARD				
1 X PER WEEK	\$ 159.68	\$ 4.71	\$ 7.98	\$ 172.37
2 X PER WEEK	\$ 240.49	\$ 10.50	\$ 12.02	\$ 263.02
3 X PER WEEK	\$ 324.07	\$ 20.54	\$ 16.20	\$ 360.82
4 X PER WEEK	\$ 380.66	\$ 30.14	\$ 19.03	\$ 429.83
5 X PER WEEK	\$ 487.42	\$ 37.68	\$ 24.37	\$ 549.47
6 X PER WEEK	\$ 569.88	\$ 45.22	\$ 28.49	\$ 643.59
2 YARD				
1 X PER WEEK	\$ 124.93	\$ 4.70	\$ 6.25	\$ 135.87
2 X PER WEEK	\$ 179.06	\$ 9.22	\$ 8.95	\$ 197.23
3 X PER WEEK	\$ 224.45	\$ 14.98	\$ 11.22	\$ 250.65
4 X PER WEEK	\$ 263.24	\$ 20.04	\$ 13.16	\$ 296.44
5 X PER WEEK	\$ 324.11	\$ 25.04	\$ 16.21	\$ 365.36
6 X PER WEEK	\$ 372.21	\$ 30.08	\$ 18.61	\$ 420.90
1 YARD				
1 X PER WEEK	\$ 76.74	\$ 2.66	\$ 3.84	\$ 83.23
2 X PER WEEK	\$ 120.40	\$ 5.40	\$ 6.02	\$ 131.82
3 X PER WEEK	\$ 150.80	\$ 8.14	\$ 7.54	\$ 166.48
4 X PER WEEK	\$ 165.80	\$ 10.92	\$ 8.29	\$ 185.01
5 X PER WEEK	\$ 194.05	\$ 13.66	\$ 9.70	\$ 217.41
6 X PER WEEK	\$ 224.38	\$ 16.42	\$ 11.22	\$ 252.02
ORGANICS PROCESSING				
SERVICE LEVELS	BASE RATE		5% FRAN FEE	RATE
1 YARD				
1 X PER WEEK	\$ 79.40	\$ -	\$ 3.84	\$ 83.23
2 X PER WEEK	\$ 125.80	\$ -	\$ 6.02	\$ 131.82
3 X PER WEEK	\$ 158.94	\$ -	\$ 7.54	\$ 166.48
4 X PER WEEK	\$ 176.72	\$ -	\$ 8.29	\$ 185.01
5 X PER WEEK	\$ 207.71	\$ -	\$ 9.70	\$ 217.41
6 X PER WEEK	\$ 240.80	\$ -	\$ 11.22	\$ 252.02
CONTAMINATION				\$ 100.00
65 GALLON				
1 X PER WEEK	\$ 42.86	\$ -	\$ 2.14	\$ 45.00
2 X PER WEEK	\$ 85.71	\$ -	\$ 4.29	\$ 90.00
3 X PER WEEK	\$ 128.57	\$ -	\$ 6.43	\$ 135.00
4 X PER WEEK	\$ 171.43	\$ -	\$ 8.57	\$ 180.00
5 X PER WEEK	\$ 214.29	\$ -	\$ 10.71	\$ 225.00
6 X PER WEEK	\$ 257.14	\$ -	\$ 12.86	\$ 270.00
CONTAMINATION	\$ 47.62		\$ 2.38	\$ 50.00

1 YARD BIN PER MONTH			
	CURRENT RATE	PROPOSED AB 1826 RATE	PROPOSED ORGANICS BIN
1 X PER WEEK	81.52	83.23	83.23
2 X PER WEEK	129.12	131.82	131.82
3 X PER WEEK	163.10	166.48	166.48
4 X PER WEEK	181.29	185.01	185.01
5 X PER WEEK	213.07	217.41	217.41
6 X PER WEEK	246.99	252.02	252.02

# Summary

- ▶ State law requires certain businesses to recycle organic waste
- ▶ The commercial trash service is arranged and billed directly between customer and Rainbow, and the city does not provide any of the billing or collection services
- ▶ Under AB 1826 the city is required to have an organics recycling program and to provide monitoring, education and annual reporting
- ▶ Rainbow has proposed an AB 1826 compliant Organics Recycling Program that includes a 2.18% rate increase across the commercial sector
- ▶ Not providing a program could expose the city to state compliance orders and possible monetary penalties



Questions?