



Agenda Item No. 9A  
February 23, 2021

**TO:** Honorable Mayor and City Council Members  
Attention: Aaron M. Busch, City Manager

**FROM:** Girum Awoke, Director of Public Works  
(Staff Contact: Brian McLean, Deputy Director of Public Works, (707) 469-6504)

**SUBJECT: CALIFORNIA SENATE BILL 1383 METHANE GAS REDUCTION AND ORGANICS RECYCLING INFORMATIONAL UPDATE AND RESOLUTION APPROVING AMENDMENT #1 TO THE AGREEMENT WITH HF&H CONSULTANTS, LLC IN THE AMOUNT OF \$82,020 FOR ADDITIONAL ASSISTANCE IN ANALYSIS AND NEGOTIATIONS WITH RECOLOGY VACAVILLE SOLANO RELATED TO STATE MANDATED SENATE BILL 1383 AND A ONE-TIME BUDGET ADJUSTMENT TO THE 2020-21 FISCAL YEAR GENERAL FUND OPERATING BUDGET IN THE AMOUNT OF \$71,044**

**BACKGROUND:**

In September 2016, Governor Brown signed into law Senate Bill 1383 (SB 1383) establishing methane emissions reduction targets. Methane emissions result from the decomposition of organic waste in landfills and are a source of greenhouse gas (GHG) emissions. Senate Bill 1383 directs the Department of Resources Recycling & Recovery (CalRecycle) to adopt regulations and requirements to achieve state-wide goals including a goal to reduce organic waste disposal into landfills by 75 percent by the year 2025.

To meet the state-wide goals of SB 1383 and its January 01, 2022 compliance implementation deadline, CalRecycle has established numerous organic waste disposal program requirements impacting municipal jurisdictions, generators, processors, and haulers of organic waste – all of which will affect the Solid Waste Franchise Agreement between the City of Vacaville and our solid waste contractor, Recology Vacaville Solano (RVS). Under SB 1383, CalRecycle has the authority to financially penalize non-compliant jurisdictions up to \$10,000 per day.

**DISCUSSION:**

Compliance with SB 1383 will require the City to develop commercial and residential organics waste collection programs, new municipal codes and updates to certain existing municipal codes, edible food recovery programs, procurement mechanisms for SB 1383 qualifying recycled content products, enforcement and penalties of mandated organic waste diversion and recycling. The effects of this legislation are far reaching and will require substantial changes to the City's solid waste and recycling programs and processes. It also requires modifications to solid waste collection practices which are conducted using city forces as well as contracted through the Solid Waste Franchise Agreement with RVS (Attachment 1).

From the outset of this project, it was clear to staff that a substantial public outreach effort was necessary. As a result, staff has developed and deployed a multi-layered public outreach program utilizing a number of media formats including:

**Postal Mail**

- City utility bill insert
- RVS quarterly bill notice

- Local magazines

### **Newspapers and Flyers**

- Local newspapers
- Leisure Town HOA door hangers and bin-tags
- Posters, informational boards and flyers at City facilities

### **Electronic**

- VacavilleRecycling.com
- Business community organization targeted email
- Local radio
- Channel 26
- Social Media

The public outreach campaign is well underway; information and activities related to the City's SB 1383 compliance efforts can be found at the City's website [vacavillerecycling.com](http://vacavillerecycling.com).

To assist staff in meeting the required SB 1383 mandates as it relates to the City's Solid Waste Franchise Agreement and municipal code changes, in June 2020 the City contracted with HF&H Consultants, LLC (HF&H). Staff selected HF&H based on their 30 years of experience and support of over 150 public agencies in the field of recycling/solid waste franchise agreement planning, negotiations, rates and financial analysis. HF&H is supporting staff in the analysis and negotiations with RVS in developing these programmatic operational changes to be reflected in a new amendment to the Solid Waste Franchise Agreement.

The initial scope of the agreement with HF&H included several tasks related to the preparation of, and updates to, the draft Solid Waste Franchise Agreement Amendment #3 and cost evaluation forms, analysis of RVS's proposal, and supporting City staff in three negotiations meetings. The total cost of the initial agreement, as approved by City Council in June 2020, was \$93,400 which the City will recover from RVS as per industry standard and City past practice by 12/31/2021 (Attachment 4).

As negotiations with RVS unfolded, two issues impacting the agreement with HF&H have become apparent. First, RVS has proposed alternative approaches to structuring rates which may benefit rate payers, and in staff's determination warrants additional analysis and negotiation support from HF&H.

Second, SB 1383 requires the City to adopt municipal ordinances by January 1, 2022 that require residents, businesses, food recovery organizations, and other regulated entities to comply with certain programmatic SB 1383 requirements. The link between Amendment #3 and the programmatic changes required by SB 1383 are more closely tied to the required municipal code changes than previously anticipated due to the complexity of CalRecycle's interpretation and guidance to jurisdictions. That said, the City will greatly benefit from the parallel development of the draft Amendment #3 language alongside that of the municipal code changes the City will be required to implement by the January 01, 2022 deadline.

Consequently, staff requested a proposal from HF&H to provide additional negotiation and analytical support, as well as assistance in drafting the required SB 1383 updates to the City's municipal code ordinances. HF&H has submitted an amended proposal with an additional cost of \$82,020. Of the \$82,020 additional cost, \$71,044 will be recovered from RVS by the City by 12/31/2021 while the remaining \$10,976 will be funded through the City's Solid Waste Recycling account (a non-General Fund account).

To assist City staff in completing the negotiations process with RVS, and supporting the City in revising the City's municipal code ordinances to meet SB 1383 requirements, staff is recommending the approval of Amendment 1 to the HF&H Agreement (Attachment 5), at a cost of \$82,020.

Staff is anticipating the finalizing of Amendment #3 to the Solid Waste Franchise Agreement in May 2021, followed by a July 2021 comprehensive City Council informational presentation. Further, staff anticipates presenting Amendment #3 and the required municipal code updates for City Council's consideration in August 2021, which will allow for the required time and noticing requirements needed by RVS to gear-up for implementation on January 01, 2022.

**FISCAL IMPACT:**

The total fiscal impact for this amendment is \$82,020 of which \$71,044 will be recovered from Recology Vacaville Solano by 12/31/2021. The remaining \$10,976 will be funded through the City's Solid Waste Recycling (Non General Fund CIP 810250) account which has sufficient funding and budget to cover this portion of the expense.

Amount Requested: \$71,044

Funding Source: General Fund Reserve (1001) \$71,044; Solid Waste Recycling Account (810250.09.10.429) \$10,976

Budget Distribution: If approved by Council, the budget would be loaded into the General Fund Non-Departmental Account (1001.01.0101.672)

Strategic Goal:  
4 – Maintain Effective and Efficient Services

**RECOMMENDATION:**

By simple motion, adopt the subject resolution.

**ATTACHMENTS:**

- Attachment 1: 2012 Solid Waste Franchise Agreement
- Attachment 2: Amendment #1 to Solid Waste Franchise Agreement
- Attachment 3: Amendment #2 to Solid Waste Franchise Agreement
- Attachment 4: HF&H Consultants, LLC Agreement, dated June 25, 2020
- Attachment 5: Amendment #1 to the Agreement with HF&H Consultants, LLC

**RESOLUTION NO. 2021-**

**CALIFORNIA SENATE BILL 1383 METHANE GAS REDUCTION AND ORGANICS RECYCLING INFORMATIONAL UPDATE AND RESOLUTION APPROVING AMENDMENT #1 TO THE AGREEMENT WITH HF&H CONSULTANTS, LLC. FOR ADDITIONAL ASSISTANCE IN ANALYSIS AND NEGOTIATIONS WITH RECOLOGY VACAVILLE SOLANO RELATED TO STATE MANDATED SENATE BILL 1383 IN THE AMOUNT OF \$82,020 AND A ONE-TIME BUDGET ADJUSTMENT TO THE 2020-21 FISCAL YEAR GENERAL FUND OPERATING BUDGET IN THE AMOUNT OF \$71,044**

**WHEREAS**, in 2016 Governor Brown signed into law Senate Bill 1383 establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants; and

**WHEREAS**, SB 1383 will create broad and significant impacts to the City's recycling programs as well as the City's contracted solid waste/recycling programs through Recology Vacaville Solano; and

**WHEREAS**, to meet the requirements of Senate Bill 1383 the City of Vacaville will be required to update its Solid Waste Franchise Agreement to expand its organic waste diversion programs; and

**WHEREAS**, to assist in the process of analyzing the data and negotiating the cost impacts, staff secured the services of HF&H Consultants, LLC, a consulting firm specializing in such work, and entered into an agreement for said services on June 25, 2020; and

**WHEREAS**, negotiations with Recology Vacaville Solano have resulted in the need for additional consulting support and assistance in revising City municipal code ordinances not included in the June 25, 2020 agreement with HF&H Consultants, LLC.; and

**WHEREAS**, HF&H Consultants, LLC has submitted a proposal for Amendment 1 to the consulting agreement in the amount of \$82,020 for a total project cost of \$175,420, an amount determined to be consistent with market costs and whereas the City shall recover \$164,444 of the consultant expenditure on this effort from Recology Vacaville Solano and the remaining balance of \$10,976 shall be funded through the City's Solid Waste Recycling account, a non-General Fund account.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Vacaville hereby authorizes the Director of Public Works to execute Amendment #1 to the Agreement between the City and HF&H Consultants, LLC to assist staff in the update of the City's Solid Waste Franchise Agreement and negotiations with Recology Vacaville Solano, and support City staff in preparing the necessary municipal code changes to comply with Senate Bill 1383 in the amount of \$82,020 and approves a one-time budget adjustment to the 2020-21 fiscal year General Fund operating budget in the amount of \$71,044.

**I HEREBY CERTIFY** that the foregoing resolution was introduced and passed at a regular meeting of the City Council of the City of Vacaville, held on the 23rd day of February 2021, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

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Michelle A. Thornbrugh, City Clerk