

# City of Sacramento

## Legislation Details (With Text)

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**Title:** Agreement: Sacramento Regional Solid Waste Authority Reimbursement for Administrative Costs  
[Continued from 03/24/2020]  
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**Title:**  
**Agreement: Sacramento Regional Solid Waste Authority Reimbursement for Administrative Costs [Continued from 03/24/2020]**

File ID: 2020-00249

**Location:** Citywide

**Recommendation:**

Adopt a Resolution authorizing the City Manager or the City Manager’s designee to: 1) execute Sacramento Regional Solid Waste Authority (SWA) Agreement No. 52478 reimbursing the City of Sacramento for staff and administrative costs related to the transition of commercial waste compliance activities from the SWA to the City in an amount not to exceed \$300,000, with the option of a one-year renewal; 2) increase the Department of Public Works Fiscal Year 2019/20 revenue and expenditure budgets by \$300,000 (Solid Waste Fund, Fund 6007); and 3) add 1.0 FTE Program Manager to the Department of Public Works to transition the management of commercial waste hauling and disposal compliance to the City of Sacramento.

**Contact:** Erin Treadwell, Program Specialist, (916) 808-4934; Jerome Council, Integrated Waste General Manger (916) 808-4949, Department of Public Works

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-Resolution

3-Agreement

4-SWA Dissolution Resolution

## Description/Analysis

**Issue Detail:** The Sacramento Regional Solid Waste Authority (SWA) is comprised of the City of Sacramento and the County of Sacramento. Effective July 1, 2021, the County of Sacramento plans to withdraw from the SWA and the City of Sacramento will assume the duties of regulating commercial waste hauling within city limits.

On September 12, 2019, the SWA Board of Directors adopted its final budget for the Fiscal Year 2019/20 which included reimbursement of up to \$300,000 to the City for staff costs and contracted services necessary to the transition of SWA services to the City prior to the dissolution of the SWA. SWA and City staff have drafted an agreement that outlines the administrative costs associated with City staff time and contracted services to facilitate the transition. On January 22, 2020, the SWA Board approved Agreement No. 52478 authorizing this reimbursement to the City of Sacramento.

**Policy Considerations:** None

**Economic Impacts:** None

**Environmental Considerations:** The recommendation in this report is not a project under the California Environmental Quality Act (CEQA): This report concerns administrative activities and government fiscal activities that do not constitute a “project” and is not subject to the provisions of CEQA. (CEQA Section 15378(b)(2).)

**Sustainability:** Not applicable

**Commission/Committee Action:** None

**Rationale for Recommendation:** The Recycling and Solid Waste Division (RSW) is responsible for providing solid waste services to the City’s residential customers and, until 2013, provided commercial waste hauling. Since 1992, the RSW has served as a liaison to the SWA on behalf of the City. This long-established relationship between RSW and the SWA has allowed both agencies to work collaboratively to mitigate and resolve the impacts that waste hauling and illegal dumping have on neighborhoods and businesses. As such, staff is recommending that once the JPA is dissolved, the duties inherited from the SWA should reside in the Department of Public Works, Recycling and Solid Waste Division as part of the new Commercial Waste Compliance office.

The new Commercial Waste Compliance office will provide oversight duties that include:

- Writing and adopting new City commercial codes related to commercial waste compliance
- Executing new franchise agreements
- Issuing annual commercial franchise permits to haulers operating within the City
- Conducting annual waste generator inspections and compliance reviews for approximately 7,800 businesses and apartment buildings
- Establishing a franchise revenue collection and reporting system that meets state requirements
- Conducting audits of commercial franchise haulers to verify fees paid match tonnage hauled
- Enforcing AB1826 and SB1383 which requires organic recycling by every business and multi-family property of five or more units that generates four cubic yards or more of solid waste per week. The organic material includes food waste and green waste. The objective behind these laws is that increased organic recycling reduces the greenhouse gas (GHG) emissions at landfills that comes from the decomposition of organic materials
- Implementing measures to mitigate the impact of illegal dumping
- Conducting education and outreach to commercial waste generators and franchisees
- Preparing and submitting regulatory reports to entities such as CalRecycle on mandated diversion requirements

The SWA Board approved Agreement No. 52478 authorizing reimbursement of up to \$300,000 to the City for staff costs and contracted services necessary to facilitate the dissolution of the SWA and transition of the duties and responsibilities the City will inherit regulating commercial waste hauling within city-limits. The agreement includes funding to pay for a Program Manager position to launch the City's Commercial Waste Compliance office.

City and SWA staff have been proactively engaged in determining the staffing needs of the City's new Commercial Waste Compliance office based on the current structure of the Regional SWA office. The Regional SWA duties are currently managed by three county staff equivalents to the City's Program Manager, Program Specialist, and Administrative Analyst.

With the approval of SWA Agreement No. 52478, staff is requesting to use the reimbursement funds to hire a Program Manager to launch the City's Commercial Waste Compliance office. The cost of the Program Manager position will be offset by the contract reimbursement. The funding for the second year of the agreement will be determined during the upcoming SWA budget process. Once the dissolution is complete, the Commercial Waste Compliance office will be funded with revenue from commercial haulers franchise fees.

**Financial Considerations:** SWA Agreement No. 52478 provides up to \$300,000 in reimbursement funding for FY2019/20. The City will be reimbursed for staff cost and contracted services necessary to facilitate the dissolution of the SWA and for administrative costs related to commercial waste compliance activities during the first year of the transition. Per the agreement, the reimbursement amount for FY2020/21 will be determined and approved by the SWA prior to July 1, 2020. City staff is

identifying costs associated with the transition and will provide SWA with a FY2020/21 funding request to cover all anticipated administrative costs leading up to the dissolution scheduled for July 1, 2021.

No residential ratepayer funds will be used for the transition. Future ongoing costs for the new Commercial Waste Compliance office will be covered by revenue from franchise fees assessed on commercial waste haulers.

**Local Business Enterprise (LBE):** None

**Background:** The Sacramento Regional Solid Waste Authority (SWA), is an autonomous governmental organization, or Joint Powers Authority (JPA) funded by commercial hauler franchise fees and governed by a Board of Directors made up of four members of the Sacramento County Board of Supervisors and three members of the Sacramento City Council.

On April 23, 2019, Sacramento County Board of Supervisors adopted Resolution No. 2019-0277, declaring the County's intent to withdraw from the SWA. The effective date of the withdrawal will be July 1, 2021. The County's withdrawal will terminate the JPA agreement between the City and County. The dissolution of the JPA will require the City of Sacramento to assume the responsibility of regulating commercial waste hauling within the city limits.

On May 9, 2019, the SWA Board accepted Resolution No. 2019-0277 outlining some of the tasks that need to be completed during the transition period. Some of these tasks include establishment by the City of a commercial franchise fee revenue collection and reporting system, establishment of new City commercial codes, and the execution of new franchise agreements by the City prior to the termination date of the JPA. Additionally, this office will assume responsibility of the implementation, monitoring, and management of waste hauler initiated commercial recycling programs required by State Assembly Bills AB1826 and SB1383. These laws have large programmatic implications on businesses throughout the City of Sacramento, especially those that generate Organics. The goals of organic waste diversion from landfills are aggressive and present a significant change in how organic waste is disposed and diverted. Implementation of these requirements will happen soon after the transition of SWA responsibilities to the City.

The waste sectors affected by the laws include multi-family complexes, supermarkets, restaurants, as well as medium and large office complexes. Programs will be ongoing after implementation and require monitoring and maintenance, as well as the collection and reporting of tonnage and recycling data.