

Agenda Report

June 5, 2017

TO: Honorable Mayor and City Council

THROUGH: Municipal Services Committee (May 23, 2017)

FROM: Department of Public Works

SUBJECT: ADOPTION OF A RESOLUTION AND SETTING A PUBLIC HEARING ON JUNE 19, 2017 TO CONSIDER GRANTING NON-EXCLUSIVE SOLID WASTE FRANCHISE RENEWALS

RECOMMENDATION:

It is recommended that City Council:

1. Find that the non-exclusive Solid Waste Collection Franchise System Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061 (b)(3);
2. Adopt a Resolution declaring its intention to consider granting renewal of a non-exclusive franchise to 22 existing franchises;
3. Set a public hearing for June 19, 2017 to consider granting these franchises; and
4. Direct the City Clerk to publish the Resolution at least once in a newspaper of general circulation in the City not less than ten days prior to the date set for the hearing.

BACKGROUND:

On November 3, 1992, the City Council adopted the Solid Waste Collection Franchise System as reflected in Chapter 8.61 of the Pasadena Municipal Code (PMC). The purpose of the Ordinance is to provide standards and procedures for granting non-exclusive franchises for solid waste collection of commercial, industrial and multi-family residential accounts and to generate revenue for municipal purposes including but not limited to the preparation and implementation of an Integrated Waste Management Plan and maintenance of public streets which are impacted by heavily laden vehicles.

The recommended franchisees have completed renewal applications and are in compliance with the provisions set forth in section 8.61.080 of the PMC. Franchisees operating within the City, are in compliance with alternative-fuel solid waste collection vehicles, per Rule 1193 through South Coast Air Quality Management District (SCAQMD). All 22 franchisees are meeting the past performance requirements, including the diversion requirement of 60% for solid waste and 75% for construction and demolition debris, or have paid liquidated damages for not meeting the diversion percentage rate (see Attachment A).

As part of the Administrative Rules and Regulations approved by the Public Works Director on October 2012, franchisees are held accountable to remove bulky or abandoned items from their commercial and multi-family customer accounts within 24 hours. Franchisees mirror the City's efforts in getting educational material to all residents, not just landlords, in order to sustain cleaner neighborhoods through community participation and support.

On August 6, 2007, City Council approved the closure of the Solid Waste Collection Franchise System as reflected in Chapter 8.61 of the PMC. On December 6, 2010 City Council revisited the franchise application program and voted to maintain a closed franchise system until further action of the City Council. On August 23, 2015, the Solid Waste Franchise System was revisited and approved by City Council to remain closed and be reviewed in three years (August 2018). However, a franchisee with the City on or prior to August 6, 2007, may apply for a franchise renewal by following the procedures set forth in the non-exclusive Solid Waste Franchise section of City Ordinance 8.61.070.

State law requires cities to issue a five-year notification to commercial franchise haulers of its intent to consider future changes in the Non-Exclusive Solid Waste Collection Franchise System. On March 5, 2015, as a practice, staff issued a five-year notification to franchisees informing them of possibly proposing modifications in 2020 to the Non-Exclusive Solid Waste Collection Franchise System. This notice does not apply to haulers collecting construction and demolition debris or organics material.

In October 2014, Governor Jerry Brown signed Assembly Bill 1826, requiring businesses generating over a certain amount of organics to arrange organic waste recycling service effective April 1, 2016. Staff is working with franchise haulers to ensure compliance with this bill.

A public hearing will be held at 7:00 p.m. on June 19, 2017, in the City Council Chambers, 100 North Garfield Avenue, or as soon thereafter as each of the matters may be heard. At the hearing, all persons desiring will be provided the opportunity to speak in favor of, or in opposition to, the granting of a non-exclusive franchise to the applicants.

Franchisees Recommended for Renewal

	Franchisee	Location
1.	AAA Rubbish, Inc.	Bell Gardens
2.	American Reclamation, Inc.	Los Angeles
3.	Arakelian Enterprises, Inc. dba Athens Services	City of Industry
4.	Cedarwood-Young Company dba Allan Company	Baldwin Park
5.	City Rent-A-Bin dba Serv-Wel Disposal/A Rent-A-Bin	Montebello
6.	Consolidated Disposal Service, L.L.C.	Santa Fe Springs
7.	Direct Disposal	Huntington Beach
8.	Haul-Away Rubbish Service Co., Inc.	Montebello
9.	Heritage Disposal, Inc.	Alhambra
10.	Interior Removal Specialist, Inc.	Southgate
11.	J&L Hauling and Disposal, Inc.	Thousand Oaks
12.	Metropolis Disposal, Inc.	Van Nuys
13.	NASA Services, Inc.	Montebello
14.	Perez Disposal Company, Inc.	Granada Hills
15.	Recology Los Angeles	Sun Valley
16.	Southland Disposal Company	Los Angeles
17.	United Pacific Waste	Pico Rivera
18.	Universal Waste Systems, Inc.	Santa Fe Springs
19.	USA Waste of California dba Waste Management	Long Beach
20.	Valley Vista Services, Inc.	City of Industry
21.	Ware Disposal Company, Inc.	Santa Ana
22.	Waste and Recycling Services, Inc.	Whittier

For the recommended franchisees, the franchise term shall be July 1, 2017 through June 30, 2018, with up to four, one-year renewal terms at the sole discretion of the City Manager. The franchisees shall have no vested or contract right in any of the four additional, one-year renewal terms.

Current Non-Exclusive Solid Waste Collection Franchise System

Currently, 3,485 commercial and multifamily customers are serviced by 22 haulers that compete for customers throughout the City. These 22 haulers operate 76 vehicles within the City. Customers arrange for solid waste services and negotiate rates with the haulers. Five haulers serve 3,346 customers or 96% of the customer base. The remaining 17 haulers serve between one and 33 customers.

COUNCIL POLICY CONSIDERATION:

The recommended action is consistent with the City Council's goal to increase conservation and sustainability. It also supports the United Nations Urban Environmental Accords of 2005 Action 4 of achieving zero waste to landfills and incinerators by 2040.

ENVIRONMENTAL ANALYSIS:

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b)(3). The project is covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment.

FISCAL IMPACT:

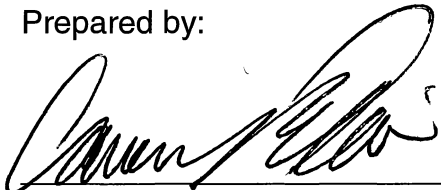
Per chapter 8.61 of the PMC, franchisees are required to remit 23.066% of gross monthly customer receipts to the City for the preparation and implementation of an integrated waste management plan and the repair and maintenance of the City's infrastructure due to operation of heavy duty solid waste collection vehicles. In FY 2017, franchise revenue is estimated to be \$4.9 million.

Respectfully submitted,



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