

Update on Solid Waste Contract

August 16, 2023



Solid Waste Consultants
to Local Government

Update on Solid Waste Contract

- 01 Background
- 02 Proposed Services
- 03 Key Contract Terms
- 04 Customer Rates
- 05 Next Steps

Background

February 2022 Study Session

- Industry Trends
- Solid waste market in Riverside County
- Two options proposed by WM
 - Long term vs. Short term
- Direct staff to negotiate



August 2022 Study Session

- Feedback on issues
- Billing and collection
- CRV
- HHW collection



Proposed Agreement

- **Recap of Background**

- Regulations and industry trends
- Solid waste landscape in Riverside County
- Corona's current agreement

- **Proposed Agreement**

- Services
- Key terms
- Customer rates

- **Next Steps**

Solid Waste Regulations

- AB 939 – Waste diversion and recycling
- AB 341 – Mandatory commercial recycling
- AB 1826 – Mandatory commercial organics
- ***SB 1383 – Short-lived climate pollutants***
 - Reduce landfilling of organics/edible food
 - Enforcement on local jurisdictions in 2022



Industry Trends

- Decrease in recyclables market value
- Cost of new regulations
- Capital spending on organics facilities
- Driver shortage
- Supply shortages; cost of material
- Significant rate increases among cities



Proposed Services

Overview of Current Services

- Three-cart residential collection system
- On-call bulky waste (3 on-call pickups/year)
- Commercial and multi-family bins
- Commercial recycling and organics
- Permanent rolloff
- No-charge: City facilities, special events



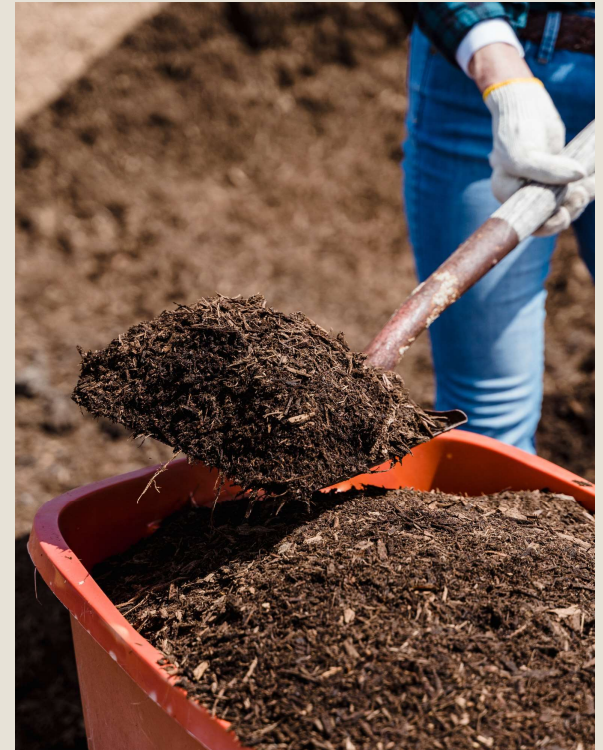
Services Added Due to SB 1383

- Continued processing of organics
- Guaranteed capacity
- Targeted education and outreach
- Contamination minimization
- Customer compliance reviews
- Assistance with waiver management



Enhanced Services

- Enhanced bulky item collection for multi-family
- One additional special cleanup event
- Mulch and compost giveaways
- WM assumes responsibility for residential billing



Key Contract Terms

New Agreement - Key Terms

- Term
 - Extended to 2036
- Fees paid to City
 - Franchise Fee – 11% residential
 - Franchise Fee – 15% commercial
 - Retain – \$0.50 fee per residential unit for SB1383 program administration
 - Annual beautification funding to City (\$200K)

New Agreement - Key Terms

- Annual Rate Adjustments
 - Limited to a blend of inflation and actual disposal costs
 - Inflation as measured by CPI All Urban Consumers
- Control of the Flow of Material
 - City has ultimate authority
- Performance Audits
 - Periodic review of contractor's performance

New Agreement - Key Terms

- Liquidated Damages
 - Prescribed amounts for service failures
- Dedicated Waste Management staff for enhanced education & outreach activities

Customer Rates

Customer Rates - Residential

Monthly Rate

Service	July 2019	December 2020	July 2021	October 2022	Proposed
Standard Service					
Residential Basic Cart Service	\$24.50	\$25.31	\$26.14	\$26.67	\$28.78
Income Qualified					
Residential Basic Cart Service	\$18.00	\$18.66	\$19.25	\$19.78	\$20.89
Additional Carts:					
Refuse	\$6.94	\$7.15	\$7.34	\$7.85	\$8.33
Recycling	\$1.38	\$1.41	\$1.46	\$1.46	\$1.46
Green Waste	\$3.51	\$3.80	\$3.92	\$4.10	\$4.10
Percent Change in Basic Cart		3.3%	3.3%	2.0%	7.9%

Rate Adjustment Detail

Description	Current Rate	Inflation	Disposal	SB 1383	Proposed Rate	Percent Increase
Service	\$17.62	\$0.87			\$18.49	4.94%
Billing	\$0.52	\$0.03			\$0.55	5.77%
Disposal	\$6.01		\$0.48		\$6.49	7.99%
Organics	\$2.52		\$0.13		\$2.65	5.16%
SB 1383*	\$0.00			\$0.60	\$0.60	
Total	\$26.67	\$0.90	\$0.61	\$0.60	\$28.78	7.91%

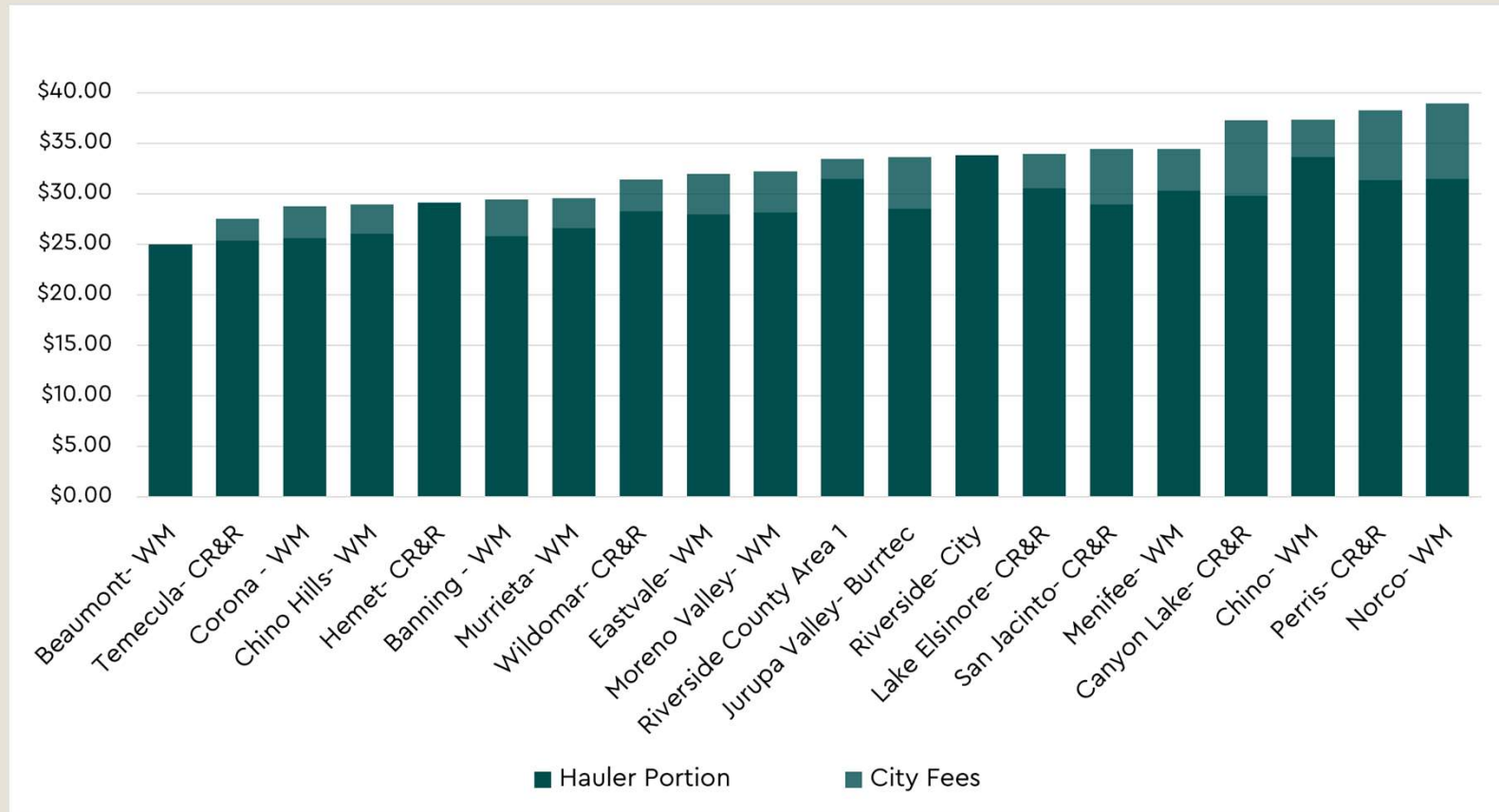
**One-time cost increase*

Customer Rates - Commercial

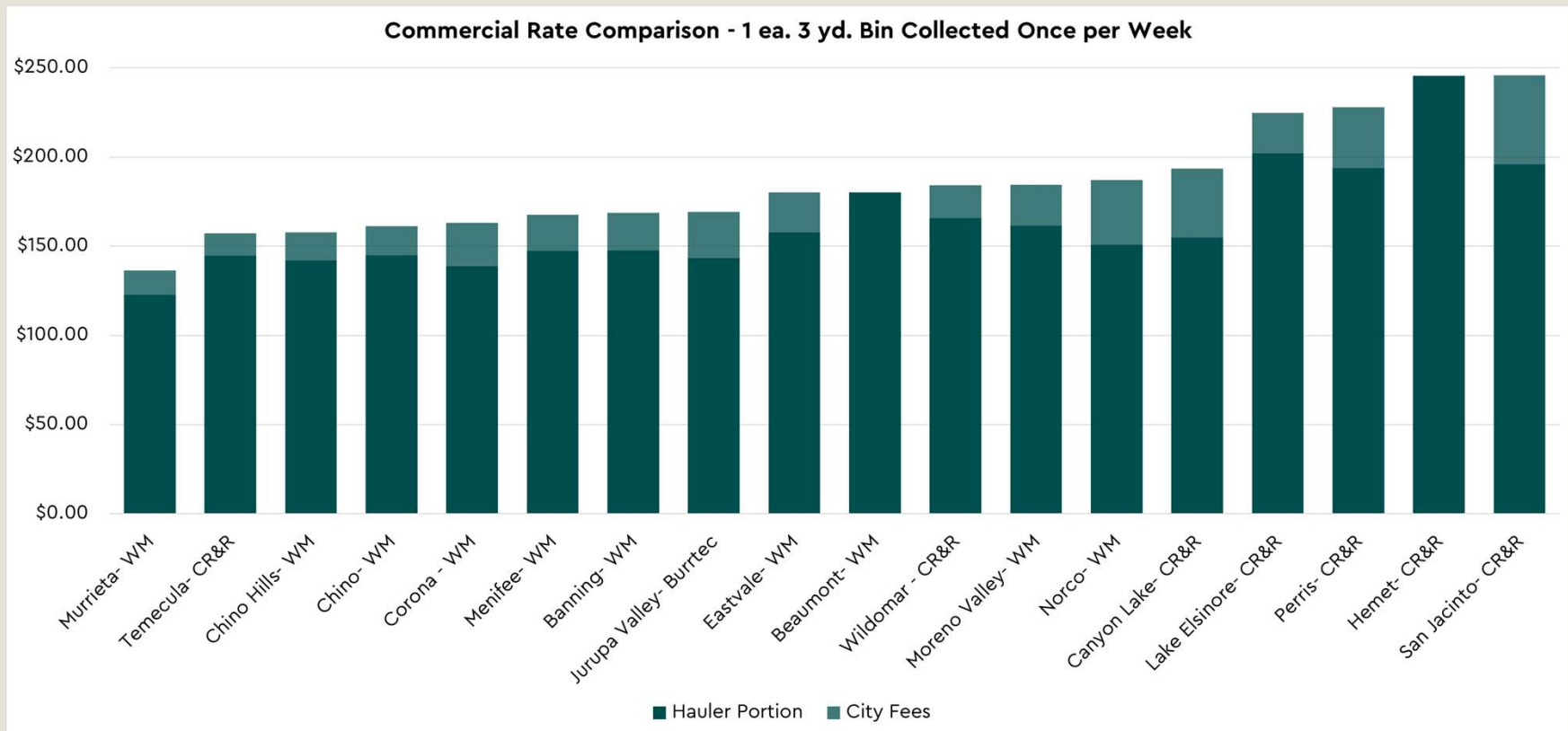
Monthly Rate for 1 Pickup per Week

Container Size	July 2019	December 2020	July 2021	October 2022	Proposed
Refuse					
2 cubic yard bin	\$105.85	\$108.38	\$112.09	\$116.98	\$123.32
3 cubic yard bin	\$139.88	\$143.25	\$148.12	\$154.76	\$163.24
4 cubic yard bin	\$186.49	\$190.98	\$197.46	\$206.30	\$217.61
6 cubic yard bin	\$251.33	\$257.44	\$266.12	\$278.34	\$294.67
64 gallon cart	\$39.70	\$40.58	\$42.04	\$43.50	\$45.65
96 gallon cart	\$45.66	\$46.67	\$48.35	\$50.03	\$52.50
Recyclables					
3 cubic yard bin	\$46.65	\$47.68	\$49.39	\$51.10	\$53.63
Organics					
64 gallon cart	\$45.44	\$46.45	\$48.12	\$49.79	\$52.25
2 cubic yard bin	\$242.28	\$247.65	\$256.54	\$265.43	\$278.56
Percent Change		2.4%	3.4%	4.5%	5.5%

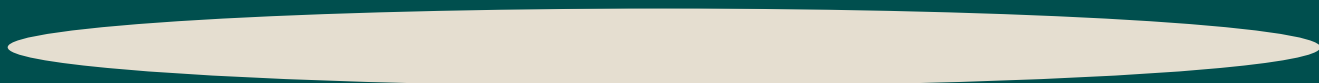
Rate Comparison – Residential



Rate Comparison – Commercial



Next Steps



Next Steps

- Set public hearing per Prop 218
- Notify residents 45 days prior to public hearing
- Council considers final agreement
- Conduct public hearing
- Approve agreement and adopt new rates

Thank you.

