



## AGENDA

### Special City Council Meeting

and Successor Agency to the  
Former Redevelopment Agency

Wednesday, November 3, 2021 – 5:30 pm.

Council Chambers

746 8<sup>th</sup> Street, Wasco, CA 93280

[www.cityofwasco.org](http://www.cityofwasco.org)

#### SPECIAL NOTICE REGARDING REMOTE PUBLIC PARTICIPATION DUE TO COVID-19\*

Pursuant to the Governor's Executive Order N-08-21, the City Council Members and staff may choose to participate in person or by video conference. The City Council meetings are presented in a hybrid format, both in-person at City Hall and virtually via Zoom Webinar. The public may participate via the following options:

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2. Members of the public can view the City Council meetings live on the city's website: <https://www.cityofwasco.org/306/city-council-meeting-videos>,
3. Additionally, members of the public who wish to make a written comments during the meeting, please email the City Clerk [cityclerk@cityofwasco.org](mailto:cityclerk@cityofwasco.org). Every effort will be made to read your comment into the record; however, they are limited to two (2) minutes. If a comment is received after the comment portion of the meeting but before the meeting is adjourned, the comment will still be included as a part of the record of the meeting but will not be read into the record.

#### **SPECIAL MEETING – 5:30 pm**

- 1) **CALL TO ORDER:** Mayor Pro Tem
- 2) **ROLL CALL:** Mayor Reyna, Mayor Pro Tem Pallares, Council Members: Cortez, Garcia, Martinez
- 3) **FLAG SALUTE:** Mayor Pro Tem
- 4) **PUBLIC COMMENTS:**  
This portion of the meeting is reserved for persons desiring to address the Council and including the Council acting as the Governing Board for the Successor Agency on any matter on this agenda and over which the Council and Successor Agency have jurisdiction. Speakers are limited to two (2) minutes. A maximum of Thirty (30) minutes will be allowed for any one subject. Please state your name for the record before making your presentation.

**BROWN ACT REQUIREMENTS:** The Brown Act does not allow action or Discussion on items, not on the agenda (subject to narrow exceptions). This will limit a Councilmember's response to questions and requests made during this comment period.

5) **NEW BUSINESS:**

- a. Discussion on upcoming Sanitation Service Expansion and Fiscal Impact- Informational item only. (Villa)

6) **REPORTS FROM CITY MANAGER:**

7) **REPORTS FROM CITY COUNCIL:**

8) **CLOSED SESSION:**

- a. **CONFERENCE WITH REAL PROPERTY NEGOTIATIONS 54956.8**

**Property:** APN: 030-071-21-1

**Agency Negotiation:** City Manager, Community Development Director

**Under Negotiation:** Price and terms of payment

**Negotiating Parties:** Rigoberto & Rosa A. Solorio

9) **CLOSED SESSION ACTION:**

10) **ADJOURNMENT:**

This is to certify that this agenda was posted at Wasco City Hall on November 2, 2021, on/or before 5:30 p.m. The agenda is also available on the City website at [www.cityofwasco.org](http://www.cityofwasco.org)



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Maria O. Martinez, City Clerk

*All agenda item supporting documentation is available for public review in the city website [www.cityofwasco.org](http://www.cityofwasco.org) and the office of the City Clerk of the City of Wasco, 746 8<sup>th</sup> Street, Wasco, CA 93280 during regular business hours, 7:30 am – 5:00 pm Monday through Thursday and 8–5 pm Friday (closed alternate Friday's), following the posting of the agenda. Any supporting documentation related to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location and available at the meeting. **Please remember to turn off all cell phones, pagers, or electronic devices during Council meetings.***

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*If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (661) 758-7215 to make reasonable arrangements to ensure accessibility to this meeting. Telephone (661) 758-7215 Requests for assistance should be made at least two (2) days in advance whenever possible.*



## STAFF REPORT City of Wasco

**TO:** Honorable Mayor and Council Members

**FROM:** M. Scott Hurlbert, City Manager  
Isarel Perez-Hernandez, Finance Director  
Luis Villa, Public Works Director  
Scott Maxey, Sanitation Superintendent

**DATE:** November 3, 2021

**SUBJECT:** Upcoming Sanitation Service Expansion and Fiscal Impacts.

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### RECOMMENDATION

Staff recommends the City Council review and discuss upcoming sanitation service expansions required by State legislation and related fiscal impacts.

### DISCUSSION

#### Overview

Beginning in 1989 with the adoption of AB 939 (California Integrated Solid Waste Management Act of 1989), the State has adopted more stringent solid waste requirements for recyclables, green waste and organic collection, recovery, and disposal progressively in order to prolong the life of landfills and mitigate other related environmental impacts associated with solid waste disposal.

The most recent of these is SB 1383 (Short-lived Climate Pollutant Reduction Act of 2016). It establishes statewide targets to reduce the amount of organic waste disposed of in landfills (50% reduction by 2020 and 75% by 2025). It also sets a goal to rescue at least 20% of currently disposed of edible food by 2025 and redirect that food to people in need.

The first phase of SB 1383 is required to be implemented by January 1, 2022. As outlined in the schedule below, due to the tasks required, full City compliance with SB 1383 is not expected until March 1, 2022. The City is not alone with delayed compliance, and we believe that as long as we are making demonstrable progress, we will not incur any adverse consequences.

The main service impacts of complying with SB 1383 and other State requirements will be expanding organic waste collection services for all customers and recyclable collection services for single-family residential (SFR) customers. These expanded service needs are envisioned to be delivered via a combination of the City and American Refuse (AMR) services under a franchise agreement.

As discussed below, there will be significant rate impacts in funding these mandated, expanded services as well as in meeting other sanitation service requirements, such as funding long-delayed and needed vehicle replacements.

### Current Solid Waste Services

The following summarizes sanitation (solid waste) services currently provided by the City and AMR.

City	AMR
<ul style="list-style-type: none"> <li>SFR, multi-family residential (MFR), and Commercial refuse collection.</li> <li>SFR curbside green waste collection.</li> </ul>	<ul style="list-style-type: none"> <li>Commercial recycling</li> <li>Voluntary residential curbside recycling.</li> <li>Some roll-off commercial green waste recycling.</li> <li>Some commercial organic accounts.</li> <li>Spring and Fall city clean-up events.</li> </ul>

### Expanded Solid Waste Services

The following summarizes proposed expanded solid waste services, which will be mandatory under a proposed ordinance that will be submitted to the Council for consideration on November 16, 2021; and selected services that will be provided by AMR under a proposed City franchise agreement, which will also be submitted for Council consideration on November 16.

City	AMR Franchise Agreement
<ul style="list-style-type: none"> <li>SFR organic collection comingled with existing residential curbside green waste</li> <li>2-gallon organic totes for residents to carry their organics to the green waste cart</li> </ul>	<ul style="list-style-type: none"> <li>Separate SFR collection of recyclables in 96-gallon recycling containers (blue).</li> <li>MFR and commercial organic recycling</li> <li>Appropriately-sized recycling and organic waste containers for MFR and commercial accounts.</li> </ul>

Under these expanded services, SFR customers will be provided with three containers in separating their solid waste:

- Gray: Refuse
- Blue: Recyclables
- Green: Yard waste and organics

Recyclable materials that should be placed in the "blue" recyclables cart include:

- Cardboard
- Newspaper
- Computer paper
- Mixed wastepaper ("junk mail")
- Magazines
- Cereal and shoeboxes

- Aluminum cans
- Tin cans
- Plastics (1-6)
- Drink cartons
- Glass bottles and jars
- Wine bottles

Other than green waste/organics, other solid waste generators should be placed in the gray “refuse” cart to avoid contamination of the recyclable materials.

The proposed program changes will be more fully described in the ordinance and AMR franchise agreement planned for Council consideration on November 16.

### **Public Education and Outreach**

Given the significance of these changes in recycling and organic waste diversion services, an effective public education and outreach program is essential in:

- Informing residential and commercial customers of the changes in services provided by the City and AMR.
- Advising the City’s customers on effectively recycling, composting, diverting reusable materials, and reducing overall waste.

Stated simply, an effective public outreach and education program will increase diversion from landfill disposal and help ensure that the City remains in compliance with SB 1383 as well as other state laws.

Under the proposed franchise agreement, AMR will have the primary responsibility for the public education and outreach program in informing customers about:

- Organic waste generators requirements to properly separate materials in appropriate containers.
- Methods for preventing organic waste generation; recycling organic waste on-site and sending organic waste to community composting.
- Methane reduction benefits of reducing landfill disposal of organic waste; and methods of organic waste collection and recovery.
- How to recover organic waste and a list of approved haulers.
- Public health and safety and environmental impacts associated with landfill disposal of organic waste.
- Programs for the recovery and donation of edible food.
- Self-hauling requirements.
- Commercial edible food generator requirements under SB 1383.
- Food organizations and food recovery services operating within the City; and where a list of those food recovery organizations and food recovery services can be found.
- Actions that commercial edible food generators can take to prevent the creation of food waste.
- SFR requirements to separate refuse, recyclables, and green waste/organics.

- Consequences of failing to meet the City's mandatory solid waste collection and disposal requirements.

A variety of methods will be used in "getting the word" out, including:

- Truck banners
- Automated calls.
- Face-to-face visits.
- Newsletters.
- Tri-fold brochures distributed through City facilities and other key sites throughout town.
- Community group presentations.
- Attendance at City events.
- City and AMR websites.
- Social media.
- SFR recycling containers with graphics-rich labels describing acceptable recyclables and materials that should not be placed in the blue containers.
- Direct outreach to each MFR complex via a door-to-door campaign, providing handouts and flyers for residents describing the new programs.
- Direct outreach to each commercial generator, including zero-waste programs to assist companies in achieving their corporate sustainability goals and facilitate zero-waste certification.
- As discussed below under *Fiscal Impact*, rate increase notices required under Proposition 218 will also provide an opportunity to discuss the expanded services and their need under State requirements.

All printed materials will be bilingual in both English and Spanish.

### **Implementation**

- **Before new services start**, Pending Council approval of new program services and requirements, there have been modest outreach efforts to date, primarily presentations to business groups on recycling and organics business requirements. (The presentation from March 2021 is on the City's website: <https://www.cityofwasco.org/346/SB-1383---For-Business>.) However, after Council adoption of the proposed ordinance and franchise agreement (scheduled for November 16), City staff will work closely with AMR in finalizing and implementing the public education outreach program through the March 1 implementation.
- **After new services start**, AMR will be responsible for closely monitoring and auditing materials placed in the separate containers and notifying customers (and building owners in the case of MFR complexes) of any problems via cart tagging and follow-up phone calls and emails. City staff will have the responsibility for enforcing any actions due resulting from non-compliance. Information will remain online and on social media, and as noted above, graphics will remain on the "blue" recyclable carts

regarding eligible (and non-eligible) recyclables. In accordance with SB 1383, “renewal” outreach programs like the initial roll-out will be conducted annually.

## **FISCAL IMPACT**

The need to increase solid waste rates (along with water and sewer) was highlighted in the 2021-22 Budget. As noted in the *Overview* section of this report, there will be significant rate impacts in funding these mandated, expanded solid waste services as well as in meeting other Sanitation Fund service requirements.

The City has contracted with R3 Consulting Group to prepare a ten-year fiscal forecast for the Sanitation Fund that addresses SB 1383 impacts and other funding needs, such as funding long-delayed and needed vehicle replacements. Their report cannot be completed until the costs of the expanded services provided by AMR are finalized under the franchise agreement, which is planned for November 16. The presentation of their findings and recommendations to the Council is planned for a special study session on December 14.

No Council action on rates is planned at that time: under Proposition 218 adopted by the voters in June 1996, 45-day notice to all customers about proposed rate increases is required before rates can be adopted. Accordingly, the December 14 meeting will also be an opportunity for the Council to review the Proposition 218 notice before it is distributed. Council approval of the rate increase would then be scheduled for the regular Council meeting on February 15, 2022.

As discussed below, we plan on a multi-year phase-in of needed rate increases. The Proposition 218 notice would reflect these: if approved, the one notice would cover all future planned rate increases. The proposed effective date for the first-phase rate increase is March 1, 2022, with subsequent rate increases beginning July 1, 2022, and each July 1 thereafter until the phase-in is complete.

**Preliminary Rate Impact Estimates.** As noted above, the results of the R3 rate analysis will not be presented until December 14. However, very preliminary estimates show the potential need for an across-the-board rate increase of up to 60% over the phase-in period. This would result in a monthly rate increase from \$28.12 to approximately \$45.00 at the end of the phase-in period.

The need for this rate increase should be placed in context. Key drivers include:

- Increased costs for mandated, expanded recycling and organic waste services.
- Long-delayed and needed vehicle replacements: the City has eight collection vehicles and one street sweeper that need to be replaced over the next six years, at an estimated cost of \$3 million (or about \$500,000 per year).
- As presented in the 2021-22 Budget, current annual Sanitation Fund costs (\$4.0 million) exceed revenues (\$3.1 million) by \$900,000. Preliminary estimates show this gap growing to about \$1.9 million by 2022-23. This trend is not sustainable and must be addressed.

There are several ways that this rate increase might be mitigated:

- **Phased rate increases.** As noted above, rate increases can be phased over several years, using the Sanitation Fund reserves to cover the gap until revenues fully cover costs.
- **Debt financing initial vehicle purchases.** Whether through lease-purchase agreements or General Fund loans (there are pros and costs to each approach that will be analyzed later), debt financing initial purchases can help smooth initial year costs and facilitate rate phase-ins.
- **Modest rate restructuring.** Currently, the SFR monthly rate equates to 30 cents per monthly gallon of service, compared with 19 cents for commercial accounts. This large rate differential is uncommon (in fact, the commercial per gallon cost is typically higher). While the overall revenue requirements would remain unchanged, the impact on SFR customers could be reduced if the comparable cost per gallon were equalized for commercial customers. However, any rate reductions for SFR customers would have to be offset by proportionately higher rates for commercial customers.
- **Other cost savings.** Other cost-saving opportunities that R3 may surface in their report.

**The Short Story.** It is too soon to say with certainty what the rate increase requirements may be: this is the purpose of the December 14 study session. However, whether the requirements are more or less than preliminary estimates, they will be significant.

## ACTION STEPS

The following outlines key dates and tasks leading to the implementation of expanded solid waste services by March 1, 2022.

When	What
November 03, 2021	<b>Special Council Study Session: Upcoming Sanitation Service Expansion and Fiscal Impacts</b>
November 16	<b>Regular Council Meeting: Approve solid waste ordinance first reading and American Refuse franchise agreement</b>
November 17	Begin developing and implementing public education and outreach program
December 7	<b>Regular Council Meeting: Approve ordinance second reading</b>
December 14	<b>Special Council Study Session</b> <ul style="list-style-type: none"> <li>• Consider R3 rate study</li> <li>• Review draft Proposition 218 rate notice</li> </ul>
December 20	Mail Proposition 218 rate notices (at least 45 days before rate hearing)
January 15, 2022	Ordinance effective date
February 15	<b>Regular Council Meeting (public hearing): Approve multi-year rate increase</b>
March 1	<ul style="list-style-type: none"> <li>• Implement first phase rate increase</li> <li>• Begin implementing recycling/green waste program</li> </ul>