



**City Manager's Report**  
**May 10, 2022 City Council Meeting**  
**Prepared By: Pierre Rivas**  
**Item#: 12.2**

**Subject:** Receive presentation from El Dorado Disposal on the proposed Annual Rate Increase request for the Collection of Solid Waste and Recycling; and the Organics Waste Collection Program within the City of Placerville Franchise Area and provided staff with any comment and direction.

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**Purpose:** To consider a rate increase based on increase in consumer price index (CPI), fuel cost increase, and company performance, in accordance with City Ordinance and the City's franchise agreement with El Dorado Disposal; and implementation of organic (food) waste collection as mandated by Senate Bill 1383.

**Background:** In July of 2009, the Council adopted an Ordinance (Ordinance No. 1629, City Code Title 7, Chapter 1A) regarding mandatory garbage service. Rates were set at that time based on mandatory service. Included in the ordinance is an inflator provision for rate increases based on two components, consumer price index and fuel surcharge. Staff meets with El Dorado Disposal monthly to review the two indexes and determine the amount of increase, if any. The attached letter received from El Dorado Disposal (Attachment 1) outlines the proposed adjustment based on the indexes. The rate increase is based on two factors, the Consumer Price Index (CPI) for California and the Producer Price Index (PPI) for #2 Diesel Fuel. Attachment 1 also includes the data sheets showing the calculation of these two indexes. The CPI increase is 4.226%, and the fuel adjustment is 2.361%, for a total net adjustment of 6.587%.

Senate Bill 1383:

In September 2016, SB 1383 was signed into law by the Governor requiring a 50% reduction of organic waste disposal by 2020 and 75% by 2025 in an effort to reduce emissions of short-lived climate pollutants. Required programs include: (1) collection and recycling of organic waste from residences and businesses; (2) recovery of edible food from food service businesses; and (3) procurement requirements requiring local governments to use products made from recycled organic material such as renewable energy, compost, and mulch. Staff has determined that the annual recovered organic waste product procurement is 871 tons for Placerville based on our population (Attachment 2).

SB 1383 Local Assistance Grant Program-FY 2021-22

The City has received a grant from CalRecycle in the amount of \$21,070 to assist the City with implementation of SB 1383. Eligible costs may include administrative oversight and internal staffing costs, contract services to perform education, public outreach, program evaluation, and monitoring.

**Discussion:** Staff recommends that the Council receive the presentation by El Dorado Disposal staff outlining the company's performance standards, the annual collection rates per CPI and fuel increases, the SB 1383 organics collection and recycling requirements and pilot program, and the impact (cost) of implementation of the collection of organics.

Staff will return to the Council on May 24, 2022 with a resolution for the adoption the proposed rate increases.

**Recommendation:** Receive the presentation from El Dorado Disposal on the proposed Annual Rate Increase request for the Collection of Solid Waste and Recycling; and the Organics Waste Collection Program within the City of Placerville Franchise Area and provided staff with any comment and direction.



M. Cleve Morris, City Manager



Pierre Rivas, Development Services Director

Attachments:

1. Request from El Dorado Disposal Requesting Rate Increase
2. Cal Recycle Notification of Procurement Target
3. EDD PowerPoint Presentation