

*“We are a welcoming, active and business-friendly rural  
Foothill community built on California’s rich gold rich history. “*



**City Manager’s Report**  
**September 26, 2023, City Council Meeting**  
**Prepared By: Pierre Rivas**  
**Item#: 12.1**

**Subject:** Consideration of Memorandum of Understanding with Waste Connections of California, Inc. for purchase and delivery of compost to satisfy the City’s requirements under Senate Bill 1383 and Assemble Bill 1985.

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**Recommendation:** Adopt a resolution to (1) Approve a Memorandum of Understanding (MOU) with Waste Management of California, Inc. for the purchase and delivery of compost for a cost of \$10,104 for Fiscal Year 2023-2024; (2) Authorize the Development Services Director to execute the MOU; (3) Approve the acquisition and purchase of materials for the development of the Community Collection Site; and purchase of public educational materials and other materials in support of public education events for a cost not-to-exceed \$21,070; and (4) Approve a \$21,070 budget appropriation in CalRecycle’s Fiscal Year 2021-2022 SB 1383 Local Assistance Grant funds.

**Strategic Plan Strategy:** Health and Public Safety, Strategy 8: Solid Waste Disposal – Develop a Solid Waste Program that protects the environment and provides efficient and effective service.

**Purpose:** To provide the City Council with a proposal to purchase compost to satisfy the City's procurement of organic waste products in satisfaction which SB 1383 and AB 1985.

**Background:** Beginning January 1, 2022, SB 1383 requires every jurisdiction to provide organic waste collection services to all residents and businesses. The purpose is to reduce emissions of short-lived climate pollutants by reducing organic waste disposal by 50% by 2020 and 75% by 2025. Organic waste in landfills emits 20% of the total methane released in the State which is considered a significant greenhouse gas.

SB 1383 also requires every jurisdiction to procure annually a quantity of organic waste products. The amount of procurement, which is based on the City’s population, is 871 tons. AB 1985 sets procurement targets at 30% for 2023, 65% for 2024, and 100% for 2025. For Fiscal Year 2023-2024, the total procurement amount is 544.38 tons (all of calendar 2023 and half of calendar year 2024).

**Discussion:** Waste Connections of California, Inc. (known as El Dorado Disposal) provides the City with collection of residential and commercial waste and the collection of organic waste under a franchise agreement. EDD is proposing to backhaul finished compost from a Waste Connections organic composting facility to Placerville to satisfy the City’s procurement of organic waste products meeting the City’s SB 1383 and AB 1985 requirements. The compost material is certified organic.

Finished compost must be produced at a facility meeting the State’s requirements. Eligible compost reduces the required tonnage by 42%. Therefore, the City’s total procurement amount for Fiscal Year 2023-2024 is 315.73 tons of compost (151.55 for calendar 2023 plus 164.18 for ½ of calendar year 2024). EDD proposes a cost of \$32 per ton to deliver compost to Placerville. This equates to a cost of \$10,103.36 for Fiscal Year 2023-2024.

Compost may be used by residents, community gardens, parks, schools, and agriculture for soil augmentation and for the reduction in use of fertilizers. The compost would be made available to the end user free of charge. Thus, procurement of compost provides a direct benefit to the community in addition to meeting the City’s State procurement requirements.

The compost will be delivered to El Dorado Disposal’s Buy-Back Center located at 600 Truck Street near the Material Recovery Facility. Costs for the development of the “Community Collection Site” will be borne by the City. The City has received \$21,070 from CalRecycle’s FY 2021-2022 Local Assistance Grant to assist with the implementation of SB 1383. No grant funds may be used by the City for the cost of the compost. The funds are sufficient to cover the site development costs, including costs for signage, and public educational materials and events.

Once the Community Collection Site is established and operational, staff will seek future funding through the regular budget process. Staff will also seek any additional funding through future grant applications.

**Options:**

1. Approve the resolution as recommended by Staff.
2. Do not approve the resolution and provide further direction to staff.

**Cost:** The cost for year one for purchase of the compost is \$10,103. The cost for the development of the Community Collection Site, education materials, and events is estimated at \$21,070. Staff administrative costs will be covered by SB 1383 Local Assistance Grant funds received for the current fiscal year.


**Budget Impact:** Compost purchase costs for Year one was included in the 2023-2024 adopted budget, and therefore no additional budget impacts are anticipated for year one. Potential budget impacts at a minimum for the following fiscal years are anticipated as follows:


Fiscal Year	Anticipated Cost*
FY 2023-2024	\$10,103
FY 2024-2025	\$13,337
FY 2025-2026	\$16,166

\*Additional costs would be incurred with staff time and staging site preparations which will be covered by SB 1383 FY 2021-2022 Local Assistance Grant Program funds received. Staff will be making an application for additional funding through the SB 1383 FY 2022-2023 Local Assistance Grant Program.

Staff will seek funding on an annual basis through the budget process.

Staff recommends the City Council approve a \$21,070 budget appropriation for the 2021/2022 CalRecycle SB 1383 Local Assistance Grant that will cover the cost for the development of the Community Collection Site, education materials, and events.

  
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 M. Cleve Morris, City Manager

  
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 Pierre Rivas, Development Services Director

Attachments:

- A. Resolution
- B. Memorandum of Understanding
- C. SB 1383 Local Assistance Grant Program Budget
- D. Site Location Map
- E. Preliminary Community Collection Site Plan