REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY AND RECORD OF ACTION

August 20, 2024

FROM

NOEL CASTILLO, Director, Department of Public Works - Solid Waste Management

SUBJECT

Amendment to Solid Waste Handling Franchise Agreement with Burrtec Waste & Recycling Services, LLC for County Franchise Area 25

RECOMMENDATION(S)

- 1. Conduct a public hearing pursuant to Proposition 218.
- 2. Find the proposed Amendment No. 1 to the Solid Waste Handling Franchise Agreement No. 22-1212 is exempt from the California Environmental Quality Act Guidelines (Title 14 of the California Code of Regulations, Sections 15061(b)(3) and 15308).
- 3. Approve Amendment No. 1 to the Solid Waste Handling Franchise Agreement No. 22-1212 with Burrtec Waste & Recycling Services, LLC, effective October 1, 2024, to revise the franchise area boundary; relabel Zone "A" to "A-1;" add parcels from portions of the Class "A" Permit Area 8 into the franchise area to become the new Zone "A-2;" as well as revise contract language and revise, replace, and add Exhibits.
- 4. Authorize the Chief Executive Officer or the Director of the Department of Public Works to execute any non-substantive revisions to the Solid Waste Handling Franchise Agreement No. 22-1212, subject to review and approval by County Counsel.
- 5. Direct the Department of Public Works to file the Notice of Exemption in accordance with the California Environmental Quality Act.

(Presenter: Noel Castillo, Director, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost) as the Department of Public Works - Solid Waste Management Division (SWMD) is financed by fee revenue. SWMD establishes the Refuse Franchise Fee, which is included in the County Fee Ordinance, and is utilized to manage the franchise agreements to meet the mandate of providing solid waste handling services in the unincorporated areas of the County. Sufficient appropriation and revenue are included in SWMD's 2024-25 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

On September 19, 2016, Governor Brown signed Senate Bill 1383 (SB 1383) (Chapter 395, Statutes of 2016) into law, establishing methane emissions reduction targets in an effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy. SB

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1383 mandates jurisdictions to require haulers to provide refuse, organic waste recycling, and recycling collection services for all residential and commercial businesses unless a waiver from mandatory service has been granted. Waivers can be granted to residents and businesses by CalRecycle for unincorporated areas of the County with low population (areas within census tracts with less than 75 people per square mile), and the County can issue de minimus or space constraint waivers to businesses only.

The majority of the County's Class "A" Permit Areas have been replaced with County Franchise Areas (CFA) since the County adopted the Solid Waste Handling Franchise Agreements Ordinance on November 8, 1996. The remaining two Permit Areas 8 and 10 have not been replaced with a CFA due to the rural nature of those Permit Areas. Portions of Permit Area 8 do not meet the SB 1383 low population waiver requirements and therefore are required to comply with the SB 1383 mandatory collection requirements. Because the Class "A" Permit is an operating license and the Solid Waste Handling Franchise program is a contract, it is being recommended that the Permit Area 8 parcels required to comply with SB 1383 be added into the nearby CFA 25 in order to implement the SB 1383 mandatory collection requirements. CFA 25 is covered through the Solid Waste Handling Franchise Agreement No. 22-1212 (Agreement No. 22-1212) and includes the areas of Joshua Tree, the sphere of the Town of Yucca Valley and Morongo Valley.

The County's Solid Waste Handling Franchise Agreements (Agreements) were initially adopted by the Board of Supervisors (Board) on May 19, 1998 (Item No. 57) to provide affordable solid waste handling services that protects the health and safety of the community and establishes waste reduction and recycling programs in compliance with the Integrated Waste Management Act of 1989. The majority of the Agreements (including Agreement No. 22-1212) were substantially revised and restated and subsequently approved by the Board on December 13, 2022 (Item No. 91) to include new services and rates to ensure County compliance with the California Short-Lived Climate Pollutant Act of 2016, SB 1383.

The proposed Amendment No. 1 (Amendment) to Agreement No. 22-1212 with Burrtec Waste & Recycling Services, LLC (BWRS) includes the following revisions:

- 1. Revision to the franchise area legal description and boundary.
- 2. Relabel Zone "A" to "A-1."
- 3. Add parcels from portions of the Class "A" Permit Area 8 into the existing CFA 25 to become the new Zone "A-2."
- 4. Revise contract language related to the rate adjustment methodology and add contract language regarding the use of electronic signatures and campaign contribution disclosure.
- 5. Revise, replace and add Exhibits within the contract.
- 6. Add two new residential cart rates in the CFA 25A-1 zone to allow residential customers with existing refuse bin service to add on recycling and organic waste cart services in order to be in compliance with SB 1383 requirements.
- 7. Add a residential Clean Desert site rate in the CFA 25A-1 zone to allow residential customers to subscribe to a service that allows them to take their source-separated trash, recycling, and organic waste to a designated Clean Desert site (currently located at the Yucca Valley Transfer Station) to be in compliance with SB 1383 requirements.

Residents and businesses incorporated into the new CFA 25A-2 zone would be subject to new rates/services and a new cost of living adjustment methodology.

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Recommendation No. 4 will allow the Chief Executive Officer or the Director of the Department of Public Works to execute any non-substantive revisions to Agreement No. 22-1212, subject to review and approval by County Counsel. Future revisions may include clarifying or updating information that does not directly impact customer rates, rate methodology calculation, or the contract term. No changes will be made under this authorization to change the substantive portions of Agreement No. 22-1212.

Pursuant to Proposition 218 requirements, property owners in the CFA 25A-1 zone were mailed a notice indicating the County's intent to consider additional rates for new services beginning October 1, 2024, that would, going forward be annually adjusted using the existing Board-approved rate adjustment methodology beginning July 1, 2025. Similarly, property owners in the proposed CFA 25A-2 zone were mailed a notice for new rates for solid waste collection and disposal services charged by the County's solid waste collection franchisee in order to comply with SB 1383 beginning October 1, 2024, and also the proposed rate adjustment methodologies that would be used to calculate the annual Cost of Living Adjustment (COLA) for the new rates/services beginning July 1, 2025. The Proposition 218 notices were mailed on or before July 6, 2024. Each owner/tenant had at least 45 days to submit a written protest to the proposed rates/services and COLA calculation methodology, where applicable.

The Amendment to Agreement No. 22-1212 is exempt from the California Environmental Quality Act (CEQA) Guidelines under the Common Sense exemption in Section 15061(b)(3) of Title 14, Division 6, Chapter 3 of the California Code of Regulations. The collection and disposal of solid waste is not only mandated and regulated by state law, but an essential service for the public's health, safety, and welfare. The proposed Amendment for mandatory services imposed on additional parcels will not result in significant impacts on the environment and is eligible for the Common Sense exemption.

The Amendment is also exempt from CEQA requirements because the County's action assures the protection of the environment since the Agreement contains several regulatory mandates for complying with state law for the disposal of multiple waste streams in a manner that ensures the protection of the environment pursuant to Section 15308 of Title 14, Division 6, Chapter 3 of the California Code of Regulations. SWMD will have fulfilled its obligation under CEQA with the posting of the Notice of Exemption by the Clerk of the Board.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Jolena Grider, Deputy County Counsel, 387-5455) on July 26, 2024; Finance (Jessica Trillo, Administrative Analyst, 387-4222) on July 30, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on July 31, 2024.

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Record of Action of the Board of Supervisors San Bernardino County

Hearing Opened Public Comment: Alan Evans Hearing Closed

APPROVED

Moved: Joe Baca, Jr. Seconded: Curt Hagman

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

DATED: August 20, 2024



cc: PW - Meeka w/ agree

Contractor c/o PW w/ agree

File w/ agree

JLL 08/20/2024