



Staff Reports

File #: 3-2022, **Version:** 1

To: Honorable Mayor and Members of City Council

From: Phil Brun, Utilities Director

Prepared By: Kevin Miller, Materials Diversion Administrator

TITLE:

SB 619 Notification of Intent to Comply with Short-lived Climate Pollutants: Organic Waste Reduction Requirements

RECOMMENDED ACTION:

Adopt a resolution 1) adopting the Notification of Intent to Comply with Short-lived Climate Pollutants: Organic Waste Reduction Requirements; 2) authorizing the Utilities Director to submit the Notification of Intent to Comply to the Department of Resources Recycling and Recovery (CalRecycle); and 3) determining that the actions authorized by this resolution are exempt from CEQA.

DISCUSSION:

SB 1383

Governor Brown signed into law Senate Bill 1383 (Lara, Chapter 395, Statutes of 2016) (SB 1383) in 2016 establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants (SLCP) in various sectors of California's economy. SB 1383 is the State's most aggressive waste reduction law in the last 30 years and enacts the following targets to reduce organic waste in landfills:

- Achieve a 50% reduction in statewide disposal of organic waste from 2014 levels by 2020 and a 75% reduction by 2025; and
- Recover at least 20% of currently disposed surplus food by 2025.

Landfills are the third largest producer of methane. Food scraps, yard trimmings, paper, and wood are organic materials that account for a significant portion of California's overall waste stream that is ultimately disposed in landfills. As a result, the State's SLCP strategy includes managing disposal of organic waste to reach the reduction targets noted above. Increasing food waste prevention, encouraging edible food rescue, and expanding the composting and in-vessel digestion of compostable waste will reduce methane from landfill operations.

SB 619 & Notification of Intent to Comply (NOIC)

Given the breadth, scope and complexity of SB 1383, on October 6, 2021, Governor Newsom signed

Senate Bill 619 (SB 619), amending Section 42652.5 of the Public Resources Code, giving jurisdictions more time to locally implement the SB 1383 regulations before fines may be imposed. Local jurisdictions can seek relief from the prescribed time timelines in SB 1383 through CalRecycle by submitting a Notification of Intent to Comply (NOIC) by March 1, 2022. However, local jurisdictions still need to work towards adopting the enforceable mechanism or CalRecycle can demand retroactive payment of penalties for non-performance. City staff has prepared the necessary resolution (Attachment 1) and NOIC (Exhibit A) for the Council's consideration in order to meet the state's March 1, 2022 submission deadline.

NOIC Implementation Plan and Timeline

To become fully compliant with the requirements of SB 1383, the City via Napa Recycling & Waste Services (NRWS) will need to provide composting collection services to approximately 1,000 more commercial accounts and multi-family complexes (defined as complexes with 5 units or more). Per SB 1383, all waste generators within the City must ultimately be provided with "full spectrum" compostable organics collection service and recycling service. "Full spectrum" composting service includes food scraps and soiled paper in addition to more traditional yard trimmings. While many commercial and multi-family generators have had some form of composting service in the past, SB 1383 requires that they move beyond just yard trimmings and include food scraps and soiled paper to capture the full spectrum of compostable organics. SB 1383 also makes full participation in both recycling and composting programs mandatory while it was previously voluntary. It also requires that the City prepare to fully enforce the mandatory aspects of SB 1383 by 2024.

The NOIC requires that the City develop and commit to an implementation plan and timeline for compliance for elements of SB 1383 that still need to be addressed. To this end, the NOIC contains an implementation plan and timeline that would provide adequate time to for both NRWS and the City to hire staff to meet the requirements of SB 1383. Among these requirements are collection, monitoring, customer training, contamination and compliance enforcement, processing of additional recyclable and compostable organics at the City's Materials Diversion Facility (MDF), record-keeping, and reporting to CalRecycle.

The City is well positioned for many key aspects of SB 1383 including having a fully permitted, state-of-the-art recycling and composting facility with adequate capacity for many years to come and full spectrum residential and commercial compostable organics collection offered to residents and businesses since April of 2015. Because the City and NRWS have the benefit of experience with these programs for almost six years now, much of the thrust of the NOIC implementation plan is to not just roll out equipment to City/NRWS customers but instead provide adequate time and resources for generators to successfully participate in the expanded and enhanced collection programs. The implementation plan also attempts to prioritize the largest generators first (particularly generators of compostable organics) in order to capture and recover the maximum amount of compostable and recyclable materials that might otherwise be destined for landfill disposal. The NOIC implementation plan provides an honest assessment of where the City currently stands in relation to SB 1383 requirements and attempts to lay out a reasonable game plan for how to achieve thoughtful and full compliance in the months and years to come. Please see Exhibit A to this staff report for the implementation plan contained in the NOIC.

If the Resolution is adopted by Council (Attachment 1), the Utilities Director will submit the NOIC (Exhibit A) to CalRecycle by March 1, 2022 in order to meet the state's filling deadline.

FINANCIAL IMPACTS:

The financial impacts of the recommended NOIC implementation plan as currently drafted are approximately \$500,000 per year for the Solid Waste & Recycling (SWR) Enterprise Fund. Potential program costs include: a new commercial compost collection vehicle, 2.75 full time equivalent (FTE) NRWS staff (including one driver, one Recycling Specialist and 75% of a new customer service representative to be shared with Napa County Recycling & Waste Services), 1 City staff FTE (to provide education and support for multi-family/school/commercial generators), additional processing equipment for "compost overs" at City MDF, vehicles/computers/phones for added NRWS/City staff, additional maintenance/insurance/operating costs associated with added equipment, improved organics processing and additional collection service equipment such as interior bins/pails and exterior carts/bins. Staff continues to evaluate and determine best approach for both collection programs and processing needs at the MDF and is awaiting confirmation of potential state grant support for additional organics processing equipment at the City's MDF.

Staff estimates that the costs associated with the recommended action and NOIC implementation plan for FY2021/22 will be \$66,000 and \$100,000 is available in City Expenditure Account No.51004-58916 to fund these costs.

Complete implementation of the NOIC and compliance with SB 1383 will have additional cost impacts to the City in the future as noted above. These impacts will be become more well-defined over time and will need to be addressed in future reports to Council and during both the City budget and rate-setting process.

CEQA:

The Utilities Director recommends that the City Council determine that the Recommended Action described in this Agenda Report is exempt from CEQA pursuant to CEQA Guidelines Section 15308, Class 8 of the CEQA Guidelines as taken by a regulatory agency for the protection of the environment, specifically, for the protection of the climate. There are no usual circumstances that would cause this recommended action to have a significant effect on the environment. Furthermore, the recommended action is adopted pursuant to CalRecycle's SB 1383 Regulations. The SB 1383 Regulations were the subject of the SB 1383 Regulations, Short-Lived Climate Pollutants: Organic Waste Methane Emission Reductions program EIR (SB 1383 Regulations EIR), SCH#2018122023, prepared by the Department of Resources Recycling and Recovery, and the activities to be carried out under this Ordinance are entirely within the scope of the SB 1383 Regulations and that EIR.

DOCUMENTS ATTACHED:

ATCH 1 - Resolution

EX A - City of Napa SB 619 Notification of Intent to Comply with Short-lived Climate Pollutants: Organic Waste Reduction Requirements

NOTIFICATION:

Courtesy Copy (via electronic mail) to:

Greg Kelley, General Manager/Managing Partner, Napa Recycling & Waste Services
Mike Murray, Chief Financial Officer, Napa Recycling & Waste Services
Tim Dewey-Mattia, Recycling and Public Education Manager, Napa Recycling & Waste Services