

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 04/13/09		Item Number: <u>A-1</u>	
AGENDA ITEM: (1) Adoption of a Resolution Establishing an Organic Waste Composting Fee Schedule; and (2) Approval of a Professional Services Agreement with Athens Services to Provide Transfer and Composting Services for a One Year Period with Two Optional One Year Renewals.			
Contact Person/Dept.: Damian Skinner		Phone Number: (310) 253-6421	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Sony Pictures Entertainment on 3/26/09, Culver City Downtown Business Association on 3/30/2009, Master E-Mail Notification List (04/08/09)			
Department Approval: Charles D. Herbertson (04/01/09)		City Attorney Approval: Carol Schwab (by H. Baker) (04/07/09)	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (04/08/09)		City Manager Approval: Jerry B. Fulwood (04/08/09)	

RECOMMENDATION:

Staff recommends the City Council (1) adopt a Resolution establishing an organic waste composting fee and (2) approve an agreement with Athens Services to transport and process organic waste generated through a pilot food waste recycling program.

BACKGROUND:

The Public Works Department strives to increase the City's diversion rate by implementing cost effective and high yielding recycling programs. Programs such as weekly residential recycling collection, commercial co-mingled recycling collection, and commercial cardboard collection are cornerstones of the City' recycling program.

Through extensive research and networking, staff discovered that several surrounding cities have increased their trash diversion rates by implementing an organic waste composting program. Cities such as Santa Monica and West Hollywood have been able to increase their diversion rates by employing composting programs in their respective restaurant districts. Staff believes that Sony Pictures Entertainment (SPE) and the downtown restaurants that are on the communal compactor system are ideal candidates for an organic waste composting program because of the amount of food these business generate and their ability to keep bottles and cans out of their trash compactors.

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DISCUSSION:

In the fall of 2008, staff approached SPE to implement an organic waste composting program at their facility on Culver Boulevard. Logistics and outreach requirements were fully vetted by staff and SPE to determine the feasibility of starting a new environmental program. Since organic waste composting is substantially more expensive than disposal, staff provided SPE with a fee proposal that would cover the additional cost of the program. In January 2009, SPE expressed its interest in moving forward with a one-year organic waste pilot program and the planned fee.

Staff proposes to start a one-year organic waste pilot program with SPE in May 2009 and take the lessons learned to implement a similar program for the downtown restaurants. Annually, the pilot program will divert approximately 1,000 tons of trash from the landfill which will increase the City's diversion rate by approximately 1%. Staff optimistically anticipates implementing an organic waste composting program for downtown restaurants during Fiscal Year 2010-11.

Organic Waste Recycling Process

Organic waste collected in compactors will be taken to Athens Services, an organic waste composting company, located in Victorville. Athens uses an extensive sorting process to remove residual non biodegradable materials before the organic waste is mixed with green waste. The mixture is heaped into windrows and sits for three months to allow the material to degrade. Athens' employees monitor the windrows for heat and moisture to ensure that ideal environmental conditions exist to facilitate the composting process. The resulting compost is sold to local farmers.

FISCAL ANALYSIS:

Culver City Sanitation will transport and empty food waste compactors at the City's Transfer Station. Athens' long-haul tractor/trailers will transport the food waste from the Transfer Station to their facility located in Victorville. The cost for this service is \$50.00 per ton.

The \$50.00 per ton composting fee is substantially more expensive than landfill fees. The City currently pays Chiquita Canyon landfill \$28.00/ton to dispose of the City's trash. Staff is proposing a new fee to bridge the gap between disposal and composting cost. An analysis of the City's Drop-body trash rate revealed that increasing it from \$80.87 to \$95.87 will cover the additional cost of the program. A larger increase is not needed since City forces are not transporting the material to its final destination.

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In the event that Athens Services is no longer willing to participate in the City's organic waste composting program, Staff proposes that the City Council adopt a \$34.00 per empty contingency fee. Without the aid of Athens Services, organic waste compactors cannot go to the Transfer Station for subsequent transfer. Instead, compactors will be hauled directly to a composting facility from their point of origin. The \$34.00 per empty contingency fee is necessary to cover the additional transportation cost.

The fee has been set to recover 100% of the increased cost; therefore, there is no additional fiscal impact to the division.

ATTACHMENTS:

1. Organic Waste Composting Fee Resolution
2. Letter from Athens Services dated March 17, 2009

MOTION:

That the City Council:

1. Adopt a Resolution to establish an Organic Waste Composting Fee Schedule effective May 1, 2009, and,
2. Approve a professional services agreement with Athens Services to provide organic waste transfer and composting services for an initial term concluding on June 30, 2010 with two optional one year renewals upon mutual agreement of both parties; and,
3. Authorize the City Attorney to review/prepare the necessary documents; and,
4. Authorize the City Manager to execute such documents on behalf of the City.