

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 13, 2014

TO: Honorable Felipe Fuentes, Chair
Honorable Bob Blumenfield, Vice Chair
Honorable Tom LaBonge, Member
Honorable Jose Huizar, Member
Honorable Paul Koretz, Member
Energy & Environment Committee

FROM: Enrique C. Zaldivar, Director
Bureau of Sanitation



SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT ON THE CITY-WIDE EXCLUSIVE FRANCHISE SYSTEM FOR MUNICIPAL SOLID WASTE COLLECTION AND HANDLING

Please find transmitted herewith the Final California Environmental Quality Act (CEQA) documents for the Exclusive Commercial and Multifamily Solid Waste Franchise Collection and Handling System.

Transmittals

1. The Final Program EIR, for the Proposed Project, SCH No. 2013021052
2. CEQA Findings of Facts and Statement of Overriding Considerations, including the Custodian of Records
3. Mitigation Monitoring Plan
4. The Draft Program EIR, for the Proposed Project, SCH No. 2013021052

Recommendations

Sanitation recommends that the City Council, upon consideration of the Final Program EIR and the other documents:

1. CERTIFY that the Final Program EIR for the City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling SCH No. 2013021052: (a) complies with the California Environmental Quality Act (CEQA); (b) reflects the lead agency's independent judgment and analysis; and (c) was presented to the City Council, which reviewed and considered the information in the Final Program EIR before approving the project.
2. ADOPT the CEQA findings required under Public Resources Code Section 21081.
3. ADOPT the Statement of Overriding Considerations
4. ADOPT the Mitigation Monitoring and Reporting Program

5. SPECIFY the location and custodian of the documents or other material that constitute the record of proceedings upon which the lead agency's decision is based, as stated in the CEQA Findings of Facts and Statement of Overriding Considerations
6. ADOPT the Proposed Project for the Implementation of the City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling
7. AUTHORIZE City staff to prepare and file a Notice of Determination (NOD) with the California State Clearinghouse and with the County Clerk within five working days of approval of the Proposed Project
8. APPROVE the Final Ordinance for the Exclusive Franchise System for Municipal Solid Waste Collection and Handling System, transmitted under a separate cover.

Project Background

In November 2010, a motion was introduced in City Council directing Sanitation to examine whether an exclusive commercial and multifamily franchise system would assist the City in meeting its Zero Waste, environmental and financial goals. Sanitation prepared a number of reports to examine these issues. In December 2011, Sanitation received City Council approval and issued a 5-year notice to permitted private waste haulers that exclusive solid waste handling services are to be provided or authorized by the City of Los Angeles, in accordance with section 49520 of the California Public Resources Code. This notice is required whenever a change in the privately served hauling system is made.

The Franchise development process included extensive stakeholder outreach and opportunities for public comment. This process included: twenty-eight (28) Public Workshops for the development of the Franchise System and Environmental Impact Report (EIR); multiple meetings with industry groups including studios, hospitals, non-profit organizations, and business associations; a Board of Public Works Hearing, seven Council Committee Meetings, and two City Council Meetings. The City Council provided extensive direction and review of the elements involved in implementing an Exclusive Commercial Franchise system.

On November 14, 2012 the City Council directed Sanitation to develop an implementation plan for the Franchise System, and begin the CEQA process. The City Council further requested the City Attorney's Office to prepare an ordinance in support of the Franchise System.

On April 24, 2013, the Council approved the Energy and Environment and the Ad Hoc on Waste Reduction and Recycling Committees' Report (C.F.10-1797-S15), and adopted the following recommendations:

1. Direct Sanitation to begin the development of a Request For Proposals (RFP).
2. Direct Sanitation to complete the CEQA process.
3. Direct Sanitation to finalize the RFP as necessary upon Council consideration and approval of the CEQA documentation and ordinance.
4. Approve the goals and actions for the Exclusive Commercial Franchise System, Final Implementation Plan as detailed in the April 12, 2013 Sanitation Report, as follows:

- a) Meet the City's Zero Waste goals by establishing the maximum disposal for each zone, providing Blue Bin recycling, at minimum, at every customer site, and preserving existing organic waste separation and recycling programs.
- b) Meet and exceed California requirements for waste diversion and mandatory commercial and multifamily recycling.
- c) Improve health and safety for solid waste workers under City contract provisions.
- d) Improve efficiency of the City's solid waste system by maximizing system routing.
- e) Improve the City's air quality by requiring late model, low emission, clean fuel vehicles.
- f) Provide the highest level of Customer Service through communication and delivery of services.
- g) Create a consistent, clearly defined system with uniform unit rates and contingency plans to ensure reliable service.
- h) Create an environment that ensures long-term competition by utilizing an RFP process that yields the best value service template for customers.
- i) Ensure sufficient staffing to meet Program Goals.
- j) Ensure reliable system infrastructure to provide uninterrupted service to City customers.

The Franchise System will not provide service to customers served by City crews. In addition, as approved by City Council, the Franchise System does not include the collection of materials such as:

- Medical Waste;
- Hazardous Waste;
- Radioactive Waste;
- Pharmaceutical Waste;
- Construction and Demolition Debris (C&D);
- Recyclable materials source separated where the generator of the waste sells or is otherwise compensated by a collector;
- Recyclable materials and Organics that are Source Separated at the premises by the owner and/or operator of the premises and donated;
- Yard waste removed from a site as incidental to a landscaping business, provided that the landscaping business documents the locations where the yard waste Organics is recycled; and
- Other Specialty waste as designated by the City (e.g., biosolids, fats, oils, and grease, electronics, Universal Waste, etc.).

Proposed Project (Exclusive Franchise System)

The Proposed Project would replace the existing open market waste collection and handling system for commercial establishments in the City. Sanitation will continue the collection of Solid Resources from single family homes and small multifamily complexes, and continue to provide some special services such as bulky item collection for all households. Under the Proposed Project, the Franchised Haulers would be required to meet the City's recycling and diversion goals, including compliance with State mandatory commercial recycling requirements and the City's goal of Zero Waste by 2025.

Under the Proposed Project, Franchised Haulers would operate under the following conditions:

- The City has established 11 geographical franchise collection zones. These zones would delineate the boundaries in which the Franchised Hauler would be allowed to operate.
- The City would award a Franchised Hauler the exclusive rights to operate in each of the 11 franchise collection zones.
- A single Franchised Hauler may be awarded more than one franchise collection zone.
- The City would establish a fair and equitable rate structure for each collection zone. The rate structure may be similar for multiple or all franchise collection zones. This rate structure would detail the rate schedule for Solid Resources collection services Commercial Establishments will pay.
- The City would establish a formula and caps on how rates for Solid Resources and recycling collection services that are charged to Commercial Establishments can be increased annually.
- Under the Proposed Project, three collection streams are anticipated: Commingled Recyclables (Blue Bin), Organics (Green Bin), and Solid Waste (Black Bin).
- Recycling services would include a Blue Bin system for the collection of Commingled Recyclables.
- Existing Organics recycling will be preserved. This includes restaurants participating in Sanitation's existing commercial food waste diversion program, existing green waste diversion from multifamily properties, and other recycling programs such as organics recycling from grocery stores. Haulers would be required, in a phased manner, to offer expanded Organics recycling as the necessary processing capacity is established.
- The City would mandate that every Commercial Establishment be provided a recycling service.
- The City would mandate maximum annual disposal levels and specific diversion requirements for each franchise zone to promote Solid Resource diversion from landfills.
- The City would mandate that all Solid Resources collection vehicles operated by the Franchised Hauler be late model, low emission, clean fuel vehicles.
- The City would require employees working under the franchise agreements to be paid, at a minimum, a living wage in accordance with the Living Wage Ordinance.
- The Franchised Hauler would assist the City in complying with existing and new regulations.
- The Franchised Hauler would assist the City in citywide public education.
- The Franchised Hauler will provide consistent reporting on all downstream recycling activities.
- The City and the Franchised Hauler would participate in a partnership to increase diversion and identify challenges.
- New or expanded recycling facilities would be needed as recycling increases under the Proposed Project.
- New or expanded facilities that support collection activities, such as transfer stations and truck base yards, could be required.
- The location and processing capacity of the new or expanded recycling facilities and the locations of transfer stations and truck base yards are not known at this time.

Environmental Review Process

A Notice of Preparation (NOP) of the Program EIR for the proposed ordinance was initially submitted on February 20, 2013. The NOP was received by the State Clearinghouse on February 22, 2013, and distributed to various federal, state, regional, and local government agencies. The NOP was revised and recirculated for a 30-day review period that began on February 26, 2013, and closed on March 27, 2013. Copies of the NOP and Revised NOP, and the comment letters submitted in response to the NOP are included in Appendix A of the Draft Program EIR. The NOP advertised seven Public Scoping meetings for interested parties to receive information on the proposed ordinance and the CEQA process and to allow interested parties an opportunity to submit comments. The scoping meetings facilitated early consultation with interested parties in compliance with Section 15082 of the State CEQA Guidelines.

The Draft Program EIR was released for a 50-calendar-day public review period between November 21, 2013 and January 10, 2014. On November 21, 2013, the Draft Program EIR was provided to the State Clearinghouse for distribution to additional agencies and was filed with the Los Angeles County Clerk. A public Notice of Availability (NOA) of the Draft Program EIR was published in the Los Angeles Times, and in the following local foreign-language newspapers: La Opinion (Spanish), Asbarez (Armenian), World Journal LA (Chinese), and the Korea Times (Korean).

Copies of the Draft Program EIR were distributed to agencies, organizations and the public who requested to be on the mailing list for the Draft Program EIR, and was were provided to members of the public on request. The Draft Program EIR was also made available electronically on Sanitation's web site, and at eight libraries for public review.

Sanitation held public information meetings on the Draft Program EIR to provide the public with an overview of the Draft Program EIR and an opportunity to provide written comments on the Draft Program EIR. Sanitation received letters from one agency and eleven public organizations on the Draft Program EIR. Sanitation prepared responses to all comments received as noted Section 3 of the Final Program EIR.

Sanitation respectfully appreciates your consideration.

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Attachments:

- Final Program EIR for City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling
- Statement of Overriding Considerations for the Final Program EIR for City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling
- Mitigation Monitoring Plan for the Final Program EIR for City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling

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