


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: Thursday, February 14, 2022

TO: Honorable Mitch O'Farrell, Chair
Honorable Paul Koretz, Member
Honorable Kevin De Leon, Member
Honorable Paul Krekorian, Member
Honorable Gilbert Cedillo, Member
Energy, Climate Change, Environmental Justice and River Committee

FROM: Barbara Romero, Director and General Manager, LA Sanitation and Environment (LASAN)


SUBJECT: REPORT ON SENATE BILL 1383 (SB 1383) COMPLIANCE AND PROGRAM RECOMMENDATIONS

INTRODUCTION

On December 07, 2021, the Energy, Climate Change, Environmental Justice and River (ECCEJR) Committee passed City Council Motion 21-1208 (Motion). The Motion instructed LA Sanitation and Environment (LASAN) to:

1. Report to the City Council within 60 days on the steps necessary to comply with the CalRecycle regulations to reduce organic waste disposal by 75% by 2025; and the ability to develop a phased approach to compliance, and;
2. With the assistance of the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) report on the potential impact of the CalRecycle regulations on the ratepayers and methods and approaches to provide relief to ratepayers and minimize potential impacts.

RECOMMENDATIONS

In response to the Los Angeles City Council Motion 21-1208 (Motion), LASAN is hereby recommending to the Los Angeles City Council the following actions with a summary of estimated costs in Table 1 below:

Recommendation 1: That Council direct LASAN to expand the residential organics collection program from 18,000 to 40,000 residential customers starting July 1, 2022 pursuant to SB 1383. The estimated cost for the expansion to 40,000 residential customers inclusive of the cost to purchase residential kitchen counter top pails and perform public outreach and education will equate to approximately \$100,000 in FY 21-22.

Recommendation 2: That Council direct LASAN to expand the residential organics collection program from 40,000 to 750,000 residential customers by December 31, 2022, pursuant to SB 1383 and pending approval of the funds and contracts required to implement the program.

Recommendation 3: That Council consider the ongoing and pervasive impacts of the COVID-19 Pandemic on residents of the City, to determine if the City can assume the cost of expansion while LASAN determines the need for a rate adjustment.

Recommendation 4: That Council direct LASAN, the Bureau of Contract Administration (BCA), and the CAO to expedite the review and contract execution process of the received proposals from the Residential Organics Request for Proposals (RFP), such the contracts are executed by the Summer of 2022.

Recommendation 5: That Council direct LASAN to report back on the implementation and compliance plan relative to the commercial and multifamily sectors.

Table 1:

Estimated Fiscal Year 21-22 and 22-23 Compliance Costs for the Residential Program

Compliance Element		Fiscal Year 21-22 and 22-23 Estimated Cost
1	Collection and Processing Estimated Tip Fee Costs for Phased Approach	\$26,400,000
2	Purchase of Kitchen Counter-Top Pails	\$3,400,000
4	Education and Outreach to all LASAN Residential Customers*	\$3,750,000
Total Cost		\$33,550,000

*Funding for this compliance element has been applied for through a CalRecycle grant

BACKGROUND

The City of Los Angeles' aggressive measures to combat further climate impacts resulted in reducing LA's greenhouse gas (GHG) emissions to 24% below the 1990 levels, making Los Angeles on track to meet the Paris Climate Agreement by 2030.

In 2016, the California State Legislature adopted Senate Bill 1383 (SB 1383) to reduce short-lived climate pollutants as another step to combat global warming and greenhouse gas emissions. The bill sought to achieve reduction in statewide emissions of methane by 40%, hydrofluorocarbon gases by 40%, and anthropogenic black carbon by 50% below the 2014 levels by 2030. Specific organic reduction goals were carved out in SB 1383 to reduce the statewide disposal of organics by 50% by 2020, and by 75% by 2025 compared to the 2014 levels. SB 1383 also requires that no less than 20% of edible food that is currently disposed of is recovered for human consumption by 2025.

Prior to and after the introduction of SB 1383, both Council and Mayor implemented multiple aggressive environmental policies and programs to address climate change, food insecurity and advance the goals of environmental justice. In addition, Council and Mayor directed City departments to achieve zero waste (90% landfill diversion) by 2025; and further increase landfill diversion to 95% by 2035, and no waste to landfills by 2050. In addition Mayor Garcetti's Green New Deal (GND) calls for the elimination of organic waste going to landfills by 2028.

In order to achieve the ambitious goals set by Council, the City's GND, and SB 1383, various programs are being developed and implemented by LASAN including: launching a citywide residential food scraps collection program in 2019, establishing food scrap drop-offs and local composting hubs, creation of organics processing infrastructure, recovering edible food, and leading by example through Zero-Waste City events and City facilities. These programs align with and exceed the goals and requirements set out in SB 1383.

In December 2020, CalRecycle finalized the regulations to meet the SB 1383 targets. The final regulations have prescribed programs for jurisdictions to follow, including acceptable programs, technologies, education, bin labeling, reporting, enforcement, and procurement requirements.

The purpose of this report is to inform the City Council about the 20 main elements of SB 1383 regulations, the City's current organic programs, status of the discussions with CalRecycle, and recommended next steps.

ORGANIC WASTE IMPACTS AND ESTIMATED QUANTITIES

The City disposes approximately 2.5 million tons of waste to the landfills each year as reported by LASAN collection services and the recycLA service providers. Approximately one million tons of this waste is generated from the residential sector, and the other 1.5 million is generated from the commercial, industrial, large multifamily sectors, and others.

SB 1383 defines organic waste as “*solid wastes containing material originated from living organisms and their metabolic waste products, including but not limited to food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges.*”

Organic materials can be further separated into *compostable* versus *non-compostable materials*. Readily compostable materials would include food waste, green waste, landscape and pruning waste, wood, lumber, biosolids, digestates, and sludges. These types of materials could either be composted or anaerobically digested (*digestible*). Non-compostable materials would include most textiles, carpets, and rubber. Paper waste may or may not be readily compostable or digestible, depending on factors such as coatings and other additives. Paper towels, napkins, and tissues are more easily compostable than other paper wastes that may include coatings or plastic liners. The addition of fiber-based materials to an organic waste or recycling program will have to be vetted prior to acceptance to ensure that that material is beneficially reused.

In 2014 and 2018, CalRecycle reported in their Facility-Based Characterization of Solid Waste reports that food waste ranked at the top of the most prevalent material disposed of in California. For both commercial and residential sectors, the waste stream consisted of about 20% food waste. Other compostable organics (i.e., leaves, grass, prunings, trimmings, branches, stumps, lumber, and manures) were shown to increase in both the residential and commercial sectors from 2014 to 2018.

A local waste characterization was conducted in August 2015 on City of LA material received at Sunshine Canyon Landfill (SCL). The study is called the “Sunshine Canyon Landfill Comprehensive Waste Characterization Study” and was conducted by EcoTelesis International and Tetra Tech, Inc. From the residential samples, 16.6% of the material was food waste; 3.3% was of green waste (i.e., leaves, grass, branches, twigs, stumps); 21.7% was paper waste; and 12.5% was textile, carpet, and other organics. From the commercial samples, 20.3% of the material was food waste; 5.3% was of green waste (i.e., leaves, grass, branches, twigs, stumps); 26.4% was paper waste; and 11.4% was textile, carpet, and other organics. A comparison of the studies are found in Table 2 and Table 3 below.

Table 2.*Comparison of Waste Characterization Studies for Residential Sectors*

Material Type	CalRecycle, 2014 Residential (%)	Calrecycle, 2018 Residential (%)	City of LA , 2016 Residential (%)
Food Waste	21.9	19.9	16.6
Green Waste	9.8	12.1	5.8
Paper Waste	19.2	19.5	21.7
Textiles, Carpets, Others	13.5	8.0*	12.5
Total	64.4	59.5	56.6

Note: *Residential organic textile percentage was reported as 1.9%.

Table 3.*Comparison of Waste Characterization Studies for Commercial Sectors*

Material Type	CalRecycle, 2014 Commercial (%)	Calrecycle, 2018 Commercial (%)	City of LA, 2016 Commercial (%)
Food Waste	20.1	20.0	20.3
Green Waste	7.9	15.7	7.4
Paper Waste	20.4	16.6	26.4
Textiles, Carpets, Others	6.8	3.7**	11.4
Total	55.2	56.0	65.5

Note: ** Commercial organic textile percentage was reported as 1.2%.

As evidenced by Table 2 above, the City of Los Angeles residential organic green material programs have significantly reduced the organic material disposed of at landfill. While the State has reported green waste landfill disposal of 12.1%, the City’s residential disposal of green material was at 5.8%. This means the City of Los Angeles was able to divert 109% more than the state average, a 1 fold reduction.

Table 4 shows the estimated amount of waste in tons that Council has directed LASAN to divert from landfills by 2025. One million tons is through the executed recycLA programs and the remaining through the LASAN residential collection program.

Table 4.

Tons of Material Potentially Diverted from Landfills Annually by Sector (Based on SCL Study)

Material Type	Residential (tons)	recycLA (tons)
Food Wastes	166,000	304,831
Green Waste	58,000	111,120
Paper Waste	217,000	396,430
Other Organics	125,000	171,185
Total Potential Organics Diversion	566,000	983,566

SB 1383 MAJOR ELEMENTS

Compliance with SB 1383 falls into 20 major compliance elements which are listed below in bold and italics:

A. Collection and Processing:

1. Provide organic waste collection services to all organic waste generators

Curbside Program:

Since 1990, LASAN has provided residential customers with green organic collection bins. LASAN has also provided backyard composting workshops for over 20 years educating residents on composting their food waste at home and providing discounts on compost bins purchased through the City.

In order to divert food waste from landfills and reduce GHG, LASAN began piloting a residential collection program in 2019 titled Curb Your Food Waste LA (CYFWLA). This program allowed residents to commingle green waste and food waste into their green bin. This pilot was provided to 18,000 households throughout the City in all 15 Council Districts. Short term contracts were executed with vendors that had the ability to process this newly commingled material through commercial composting and anaerobic digestion. LASAN utilized nonprofit organizations (Pacoima Beautiful and LACC) to help conduct the outreach and education efforts.

To expand the program Citywide, LASAN released a Request for Proposals (RFP) in October 2021 to solicit and negotiate contracts with vendors that have the ability to process commingled organic waste from the City's curbside program. Proposals were received in December 2021 and are currently being evaluated.

Once the funding and contracts are approved by Council, LASAN will be able to begin expansion of the curbside commingled organics collection to the remaining 750,000 residential customers using recommendations and best practices learned from the CYWFLA pilot program.

Next Steps:

LASAN will be able to expand the program from the 18,000 households currently in the pilot to the total 750,000 households once the funding for the tip fees is approved and the new organics contracts have been executed. With Council approval, LASAN can expand the program from 18,000 households to 40,000 households starting July 1, 2022. The remaining 710,000 households will be able to participate starting on December 31, 2022.

Compliance with this aggressive timeline will require expedited review of the RFP proposals by the Bureau of Contract Administration, Mayor's Office and CAO as well as a prioritized review by the City Attorney's office. The newly executed organic waste contracts will also require an increase in the City's residential tip fee budget due to the higher tip fee costs of processing the commingled organic waste.

recycLA Commercial Franchise:

In 2017, the City launched recycLA, a new public-private partnership with recycLA Service Providers (RSPs). Through recycLA, all commercial businesses were automatically provided with black bin and blue bin service. RSPs are required to offer source-separated organic services to all customers, and to provide them if requested by a customer. Customers are informed of the requirements of SB 1383 and they can subscribe to the program. The maximum rate for organic services is set in the existing contracts and is equivalent to trash rates.

The recycLA haulers are contractually obligated to achieve a reduction of one million tons disposed per year by the year 2025, of which organics make up 21%. If the RSPs do not achieve these reduction goals, they will face liquidated damages as early as 2023.

2. Provide collection containers that comply with color requirements

LASAN's curbside collection program and the recycLA commercial franchise already have a three-bin system with colors that are compliant with the requirements of SB 1383. For the residential organics program, LASAN will look to offer kitchen counter top pails available for residents upon request to assist with separating their food scraps from the black-bin. Starting in 2036, the City can no longer utilize brown color bins for horse manure.

3. Label all new containers or lids with SB 1383 compliant labels

Curbside Program:

Labels for the green-bin will be distributed to customers as food waste recycling is expanded. Black-bin and blue-bin labeling for accepted materials and prohibited contaminants will be rolled out starting in 2022.

RecycLA Program:

The recycLA program bin labels are already compliant for the black, blue, and green-bins.

B. Outreach and Education:

4. Annually provide all generators information on properly separating materials and environmental impacts

LASAN is developing an overall outreach strategy to notify customers (both residential and commercial) of the requirements of SB 1383. These strategies will begin to be implemented in 2022. The citywide outreach campaign will provide uniform messaging for all residents and generators with print and radio advertising, bus and truck signs, citywide workshops, and more.

Curbside Program:

LASAN's green-bin and blue-bin programs collect approximately 425,000 and 220,000 tons of material for processing and recovery each year, respectively. In order to educate residents and ensure higher diversion of organics from the landfills, there is a need for permanent funding of printed materials, educational information, and advertising (print, video, giveaways and social platforms) specifically targeting contamination issues. LASAN over the years has provided this information through its social media platforms and at community events where education can be provided directly to residents. Additionally, LASAN Ambassadors will perform direct monitoring and inspection of bins to ensure materials are properly separated into their appropriate bins. When contamination is found, outreach and appropriate messaging can be made directly through a conversation with the resident or by leaving behind educational materials.

recycLA Commercial Franchise:

Businesses were notified to work with their respective RSP to establish organic waste recycling services. Public education and outreach materials were also created and placed on LASAN's fleet of solid waste collection vehicles as well as those of the RSPs. Communal messaging and education was also provided online through social media and websites as well as public outreach events.

5. Annually provide self-haulers with information regarding their requirements

All self-haulers operating within the City must apply for and obtain an annual registration from LASAN. Compliance information, including the requirements of SB 1383, are provided as part of the self-hauler application process.

6. Annually provide Tier One and Tier Two commercial edible food generators with required information

LASAN has been working in conjunction with the RSPs to identify Tier One and Tier Two Commercial Edible Food Generators (EFGs) and notify them of the edible food recovery requirements of SB 1383.

LASAN has requested that all of the RSPs complete and forward their Tier One and Tier Two lists by February 28, 2022 so that the generator lists can be combined into one master list that will be reported in March to LA County Public Works.

7. Provide translated communications materials for non-English speakers

As part of the overall outreach strategy for both residential and commercial customers, translation of outreach materials is being developed at minimum in 10 languages that are most commonly spoken throughout the City of Los Angeles based on census tract data.

C. Edible Food Recovery Program:

8. Implement food recovery program that educates commercial generators and increases access to edible food recovery

LASAN will be establishing grant funds to support food rescue in food insecure communities in the amount of \$1,000,000 as approved in the City budget for Fiscal Year 21-22. These grants will support food rescue organizations in low-income communities and to expand their food distribution efforts. One of the major components of recycLA is the food rescue program. The RSPs have partnered with food rescue and reuse organizations to promote to their customers the benefits of donating edible surplus food. The RSPs are contractually required to develop partnerships with food rescue and materials reuse non-profit organizations. The two ways that an RSP can partner with a food rescue organization are through donations (monetary or equipment) or in-kind services.

From January 1, 2018 through November 30, 2021, the recycLA food partnerships have:

- Rescued approximately 16,792.16 tons of food (equal to approximately 28 million meals)
- Diverted approximately 2,273.47 tons to material reuse
- Funded \$2,657,845.26 to support food rescue organizations and material reuse

To date, twenty-three non-profit food rescue organizations have partnered with the RSPs. These partnerships have continued to build public awareness of recycLA's food rescue programs and created new beneficial "Before the Bin" programs.

9. Notify Food Rescue and Food Service Organizations of requirements

LASAN has been working in conjunction with the County to identify Food Rescue and Food Service Organizations and provide outreach regarding the SB 1383 requirements, including, but not limited to, establishing contracts or agreements with Food Rescue Organizations and reporting rescued food tonnages and capacities to the City.

10. Develop and maintain list of food recovery organizations

LASAN has been working in conjunction with the RSPs, County Public Health, and County Public Works in identifying the food recovery organizations located within, as well as accepting rescued food from, the City of LA. This compiled list along with the information gathered from surveys of the FRO's and the RSPs will be provided on the LASAN website.

D. Capacity Planning:

11. Estimate the amount of organic waste disposed, verifiable organic waste recycling capacity available

Curbside Program:

LASAN's organic waste tonnage from the residential curbside has been estimated based on waste characterization data. Ongoing waste characterization information will be needed for waste estimates and capacity planning. On the curbside program, LASAN has existing waste characterization requirements for the blue-bin and green-bin contracts. Additional funding and contracts will be needed for waste characterization of the black-bin. Capacity for organic waste recycling for curbside has recently been identified through the newly released RFP.

recycLA Commercial Franchise:

Waste characterization of the commercial green-bin will begin by Spring 2022. Capacity for the commercial side is identified through the recycLA certification program. The recycLA contracts include in excess of \$200 million for investment in recycling and processing infrastructure.

12. Estimate the edible food that will be disposed by applicable generators, identify food recovery capacity available

Estimates for edible food disposal are being evaluated based on CalRecycle 2018 waste characterization data. Edible food recovery capacity is being evaluated through surveys and outreach to food recovery organizations in the City of LA.

E. Procurement:

13. Procure recovered organics

Based on calculations determined by CalRecycle, the City must procure the equivalent of approximately 325,000 tons of organics. Currently, approximately 75,000 tons have been identified from existing procurement and production of mulch/compost used by City facilities and residents. Work is ongoing to identify and procure necessary equivalent recovered organics including renewable natural gas and electricity produced from California diverted organic waste for transportation purposes. This planning work is ongoing with LASAN's fleet operations, the RSPs fleet, and providers such as So Cal Gas and LA Department of Water and Power (LADWP).

14. Establish policy of purchasing paper products with at least 30% post-consumer, recycled content fibers

As part of the City Zero Waste plan, policies for paper product procurement that will meet the 30% post-consumer content are being implemented as part of the overall environmentally preferable purchasing policies of the City. Discussions are ongoing with the City's General Services Department (GSD) to update procurement guidelines and requirements.

F. Monitoring, Inspection, Compliance, and Enforcement:

15. Jurisdictions may use an ordinance or other enforceable mechanisms as appropriate, requiring compliance with various sections of SB 1383

LASAN is coordinating with CalRecycle on this element of the program.

16. Contamination review and notification

Curbside Program:

LASAN has requested permanent funding of ten Ambassadors for the contamination reduction program beginning in FY 22-23. Having the ability to hire more Ambassadors to educate residents according to their needs is of utmost importance. Los Angeles is a diverse, multicultural City, with many languages spoken and this is a culture shift. LASAN needs to have the ability to reach out to residents in multiple languages as well as through multiple media and outreach tools to decrease contamination in the bins and help the City reach its zero waste goals.

The need for Ambassadors is to provide inspections of the solid waste loads (black, blue, and green) at City and City-contracted facilities to ensure compliance with container contamination minimization requirements, as well as provide targeted education and engagement with residents on proper use of the bins. Ambassadors will be able to better assess the benefits and challenges happening in our communities so that LASAN may have better insight on how to best service them. The public outreach will center upon contamination issues which have not been addressed in more recent years, and contamination has increased up to 40% in the blue-bin and up to 20% in the green-bin.

recycLA Commercial Franchise:

Each RSP monitors customers' bins for contamination. When contamination is observed, customers are notified of the contamination. In addition, the RSP notifies the City of contamination instances through electronic service requests.

17. Implement inspection and compliance program

The inspection and compliance program will commence in 2024. Additional staffing resources will be needed for the increased inspection and enforcement workload. The staffing resource request, with associated analysis, will be included in the FY 23-24 budget request.

18. Provide educational materials to non-compliant entities

LASAN ambassadors and inspectors as part of their inspections and reviews will provide outreach material to entities on the requirements of the program and resources from LASAN to assist in achieving compliance with SB 1383. Out of 65,000 recycLA customers, only about 2,000 can be categorized as compliant with an organic waste subscription with the RSPs.

19. Investigate and maintain records of all complaints received alleging non-compliance with SB 1383

The City maintains a database (MyLA 311) of all complaints reported for both the curbside and recycLA programs. LASAN ambassadors and inspectors will conduct inspections and reviews regarding alleged non-compliance and take the necessary steps to notify entities of the various SB 1383 requirements. Records of all complaints, inspection dates, notices, follow-ups, and investigation status will be kept in the City's database. Additionally, LASAN has been looking into software and reporting solutions for maintaining SB 1383 complaint and implementation records.

20. Take enforcement actions, including issuing notices of violations and assessing penalties in amounts consistent with those specified in SB 1383 starting in 2024

Per SB 1383, starting in 2024, LASAN is required to begin enforcement actions against non-compliant entities identified through the inspection and compliance program.

COMPLIANCE DISCUSSIONS WITH CALRECYCLE

The City has been in communication with CalRecycle regarding the City's ongoing efforts toward reducing organics in the landfill and compliance with the SB 1383 regulations. CalRecycle recognizes the great strides the City has made in organic diversion and greenhouse gas reductions. Despite these efforts, CalRecycle identified a few areas where they believe changes are required to bring the City into full and complete compliance with SB 1383.

While the City has come a long way towards compliance with the policies and requirements of SB 1383 we need to align our strategies to comply with the remaining requirements including the adoption of an enforceable ordinance, in a phased approach with the guidance of the Council. Numerous Council actions and Mayoral directives for City departments are aligned with the goals of SB 1383 including the Citywide waste reduction goals of 90% diversion of waste from landfills by 2025, 95% by 2035, and 100% by 2050. Discussions are ongoing and LASAN will report back to the committee as progress is made toward these requirements.