

**Indian River County, Florida
Solid Waste Disposal District
Board Memorandum**

Date: August 2, 2019

To: Jason E. Brown, County Administrator

From: Vincent Burke, PE, Director of Utility Services

Prepared By: Himanshu H. Mehta, PE, Managing Director, Solid Waste Disposal District

Subject: Update on Potential Transition to Mandatory Garbage Collection

Descriptions and Conditions:

On July 17, 2019, the Indian River County (IRC) Solid Waste Disposal District (SWDD) Board discussed and voted to include the costs for six (6) months of mandatory garbage collection (starting April 1, 2020) within Unincorporated IRC areas on the preliminary Truth in Millage Rate (TRIM) notices issued by the IRC Property Appraiser. Specifically, the SWDD Board approved a proposed Solid Waste Residential Charge of \$75.56 per Waste Generation Unit (WGU), which equates to a rate of \$120.90 per Equivalent Residential Unit (ERU) for all municipalities and a Solid Waste Residential Charge of \$107.44 per WGU, which equates to a rate of \$171.90 per ERU for Unincorporated IRC. This initial approval is subject to final SWDD Board review at the Budget Hearings/Meetings starting at 5:01 pm on September 11, 2019, and September 18, 2019.

Subsequently, the IRC SWDD Board, at a Special Call Meeting on July 23, 2019, approved a proposed Solid Waste Residential Charge of \$107.44 per WGU, which equates to a rate of \$171.90 per ERU rate for the Unincorporated IRC properties within the Urban Service Area (USA), and to approve the proposed Solid Waste Residential Charge of \$75.56 per WGU, which equates to a rate of \$120.90 per ERU for Unincorporated IRC properties outside the USA.

On Friday, July 26, 2019, at the request of the IRC Property Appraiser, staff submitted a final list of approximately 36,960 residential parcels for the Unincorporated IRC properties within the USA and also included the Traditional Neighborhood Districts (TNDs) that would have the proposed rate of \$107.44 per WGU. Please note, this number does not include multi-family residential properties that are serviced by a dumpster, and that there may be some outliers that may have been missed due to limitations in time to prepare this list. The TRIM notices are anticipated to be issued on Monday, August 12, 2019.

Staff also requested information from Waste Mangement regarding the mandatory collection rate and the process to implement the change by April 1, 2020.

Analysis:

One of the primary reasons that the SWDD Board is considering mandatory collection is due to the identification that there are residents within the USA and TNDs that are using their residential recycling carts for garbage service. Several months of field audits starting in June 2019 have resulted in tagging approximately 800 carts through August 1, 2019. In addition, the IRC Code Enforcement Division has issued approximately 50 Notice of Violation letters; however, the overall contamination problem remains. Going to mandatory garbage collection would not completely eliminate recycling contamination, but it certainly would provide the necessary framework for the residents to not use the recycling carts for garbage service.

In comparing the June 2019 service information from Waste Management, staff has estimated that there are approximately 26,825 carted customers within the USA and TND areas. Comparing this to the 36,960 parcels, there are approximately 10,135 new customers that would receive collection service from Waste Management. In terms of percentages, Waste Management is currently servicing 73% of the parcels within the USA and TND areas on a subscription-carted basis, and there would be an additional 27% added through the proposed mandatory collection process.

In terms of the impact outside the USA and TND areas, staff has estimated, based on June 2019 service information from Waste Management, that there are 389 carted customers out of a total of 1,483 parcels that are currently being serviced by Waste Management. In other words, 26% of the residents outside the USA and TND are on carted subscription service, and 74% are not.

Please note, the numbers provided above represent staff's understanding of the Waste Management service listing and service codes at this time.

Based on staff's review of the Agreement, Article 6.6-Provision for Universal Residential Collection Service includes the process whereby SWDD can decide to implement mandatory collection within the USA of the Solid Waste Franchise Area with an adjustment to the mandatory collection rate based on the 100% change in the consumer price index after September 30, 2018. It is staff's position that the mandatory rate would apply to residents within the USA, and the subscription rate would remain as-is for the residents outside the USA.

However, on July 29, 2019, Waste Management submitted a letter to the County Administrator clarifying that the rate for mandatory collection within the USA will be \$8.19 per residential unit, which is a 19% decrease to the current subscription customers. However, they also clarified that the rate outside the USA will be \$14.54 per residential unit, which is 43% higher than the proposed \$10.14 per residential unit approved to start on October 1, 2019. Staff's opinion is that this "new" rate is not justified.

Staff met with Waste Management on July 31, 2019, to discuss the rate letter and implementation plan. Waste Management stipulated at the meeting and followed up in writing to the County Administrator on August 1, 2019, that they are requesting certain contractual reliefs in order to honor the current subscription rate to residents living outside the Unincorporated IRC properties of the USA and the TNDs.

The following items in quote are requested by Waste Management for our consideration:

- "Waiver of Administrative Charges related to cart deployment, re-routing and understanding the contract is still complex to the residents with having mandatory and non-mandatory services, the specific performance standard violations include:

SWDD Item

- Failure to resolve missed pickups or complaints with the specified time frame
- Failure to repair, replace, or deliver a container or Roll Cart within three (3) Days of notification
- Vehicle and Collection Equipment General Requirements, such as frontline vehicle maximum age, as we explore truck inventory availability
- Redefine ancillary services such as overflowing commercial containers
- Radio Frequency Identification (RFID) requirement / Asset Management review of what is currently being reviewed by the County and in what manner and benefit
- Article 2.3 Renewal Option changed from sole option of SWDD to mutually agreed by SWDD and Franchisee”

Based on the unwillingness for Waste Management to cooperate with SWDD and Waste Management’s plan to impose a 43% increase on our current subscription customers outside the USA, staff recommends that the SWDD Board not consider implementing mandatory collection until the current contract expires on September 30, 2022.

In order to address the single stream contamination issue, staff recommends the following:

- Authorize staff to consider outside services to assist with the identification, education and enforcement of residents that are utilizing recycling carts for garbage service.
- Ensure that Waste Management is adhering to the terms and conditions of the franchise agreement.

Funding:

This is an update to the SWDD Board and does not require any funding approval.

Recommendation:

Staff recommends that the Board authorize staff to obtain proposals for outside services to assist with the identification, education and enforcement of residents that are utilizing recycling carts for garbage service. Staff recommends not implementing mandatory collection until October 1, 2022.

Attachments:

1. Letter from Waste Management to Jason Brown dated July 29, 2019
2. E-Mail from Waste Management to Jason Brown dated August 1, 2019