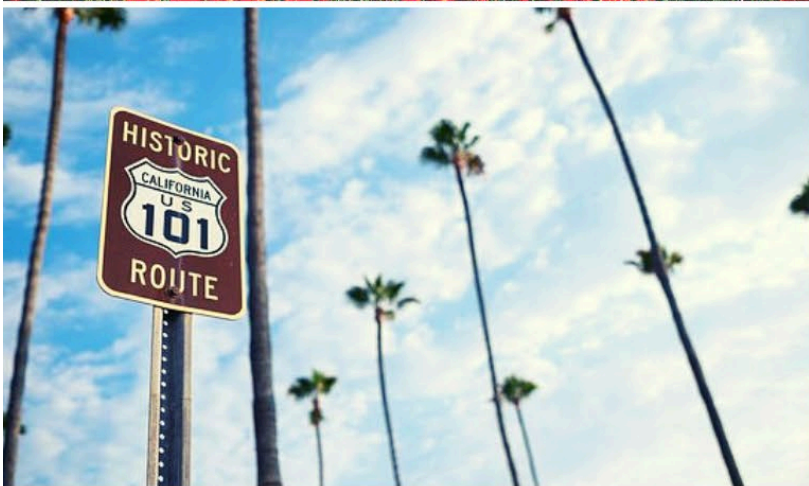




City of Carlsbad

C&D Permitted Hauler and Facilities Analysis

For SMM Internal Use



October 20, 2023

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SECTION 1. INTRODUCTION

A. Background

The City of Carlsbad's (City) Municipal Code requires any person hauling Construction and Demolition Debris (C&D) must be approved and registered (Permitted Hauler) with the SMM department, through a franchise agreement, permit, or similar agreement. However, the Municipal Code does not specify the process for permitting C&D haulers. SMM will need to develop a process for permitted haulers. The Permitted Hauler process should assist the City's tracking of C&D programs compliance with the State's SB 1383 regulations¹, and California Green Building Code (CALGreen) as described in the 2023 "C&D Program Assessment Report". The City engaged HF&H Consultants, LLC (HF&H) to assist with evaluating options for establishing the Permitted Hauler program and addressing concerns in monitoring the C&D facilities, as presented in this C&D Permitted Hauler and Facilities Analysis.

B. Applicable Laws and Requirements

The following describes relevant City policies and documents relevant to the permitted hauler program.

a. CALGreen (State Regulations)

In 2017, California Green Building Standards Code (CALGreen) introduced a 65% C&D diversion requirement from landfills and requires local agencies to enforce CALGreen requirements. The diversion requirement is primarily focused on new constructions and demolitions associated with them and any development that will expand the square footage of an existing structure.

- i. **Diversion requirements.** The California Green Building Standards Code (CALGreen) requires a minimum 65% diversion of C&D for:
 - Newly constructed buildings and demolition projects
 - Locally permitted additions and alterations to non-residential projects
 - Additions and alterations to residential buildings that increase condition area, volume, or size

It also requires that 100% of trees, stumps, rocks, associated vegetation, and soils resulting primarily from land clearing shall be reused or recycled.

- ii. **Methods of compliance.** CALGreen provides for three compliance options:
 - Require contractors to develop and maintain a Waste Management Plan (WMP) and document diversion and disposal.
 - Utilize a waste management company that can provide verifiable documentation that it meets a minimum of 65% waste diversion.
 - Use a waste stream reduction alternative.

¹ In September 2016, the Governor of California signed SB 1383 (Lara, Chapter 395, Statutes of 2016) that established methane emissions reduction targets in a Statewide effort to reduce short-lived climate pollutants (SLCP). CalRecycle developed regulations to implement SB 1383, effective January 1, 2022.

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- Non-residential, new construction, and residential high rise (four stories or more) projects with a total disposal weight of less than or equal to 2 lbs./square foot meet the 65% waste diversion requirement.
- Residential low rise (three stories or less) projects with new construction disposal of less than or equal to 3.4 lbs./square foot meet the 65% waste diversion requirement.
- iii. **Access to recycling.** Constructed non-residential buildings, certain non-residential additions, and multi-family housing with five or more units should provide readily accessible areas that serve the entire building and are identified for the depositing, storage, and collection of non-hazardous materials for recycling, including (at minimum) paper, corrugated cardboard, glass, plastics, organic waste, and metals.
- iv. **Universal waste.** Universal waste, such as batteries, e-waste, lamps, cathode ray tubes or glass, and aerosol cans, from non-residential addition and alteration projects shall require verification that the materials are disposed of properly and diverted from landfills. A list of prohibited universal waste materials shall be included in the construction documents. This is required for non-residential additions of 1,000 square feet or greater and building alterations with a permit valuation of \$200,000 or above.
- v. **Recycled content (voluntary for non-residential structures).** Use recycled content materials that meets specified recycled content value or use two or three materials out of nine product types on the list, which includes exterior paint, carpet, compost, mulch, acoustical ceiling panels, drywall, aggregate base, fiberglass, or cellulose insulation.

b. Municipal Code

The City Municipal Code includes a number of requirements for building project permittees, waste generators, and haulers. The City adopted the CALGreen regulations by reference, which is therefore enforceable under the Municipal Code. Organic waste, recycling, and solid waste requirements are covered in Chapter 6.08 of the Municipal Code.

The City Municipal Code (Section 6.08.160) requires that C&D haulers be permitted by the City and comply with the following requirements:

- Identify to the City (by May 1 of each year) the facilities used to process C&D materials during the previous calendar year, annually.
- Obtain a permit from the City to haul materials to a facility that processes C&D materials.
- Comply with education, equipment, signage, container labeling, container color, contamination monitoring, reporting, and other requirements contained within franchisee's franchise agreement or other agreement, or permitted hauler's permit entered into with or issued by the City.

The City Municipal Code (Section 6.08.160) that governs C&D permitted haulers also applies to franchise haulers collecting discarded materials and C&D materials, including compliance with the following requirements:

- Identify the facilities used to process all materials, including C&D.
- Transport source-separated materials to a facility that can process those materials.

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- Obtain a permit from the City to haul materials to a facility that processes C&D materials.
- Comply with education, equipment, signage, container labeling, container color, contamination monitoring, reporting, and other requirements outlined in an agreement or permit.

The franchise agreement is not exclusive to C&D collection and has limited requirements specific to C&D or roll-off collection, as noted below in subsection 2.d. The City is developing a process for monitoring and enforcing the permitted hauler provisions of the Municipal Code. The program specifics and recommendations are therefore not included directly in this report.

c. Franchise Agreement

The City has an exclusive franchise agreement with Republic, effective July 2022, for the collection of discarded materials within the City. Republic has exclusive rights to collect solid waste, recyclable materials, and organic materials; however, collection of C&D is non-exclusive, and other parties may haul that material. Examples of provisions related to C&D in the agreement include:

- Section 1.2 (Limitations to the Franchise) gives other parties the right to collect C&D materials, therefore the franchise agreement is not exclusive to Republic for C&D collection.
- Section 5.12 (Diversion Requirements) states that the “Contractor shall maintain at least 50% diversion for all material” it collects. This includes C&D materials. Exhibit D (Reporting Requirements) requires the contractor report in cubic yards or tons of drop boxes provided per month, per customer type.

The franchise agreement has limited expectations and requirements for C&D specific reporting, education, and compliance. However, the franchise agreement does require Republic to provide additional data to the City that may be beneficial for the City to assess Republic’s C&D collection program including:

- Section 6.1 (Record Keeping) states that the “Contractor shall provide to the City the Contractor’s data and records with respect to the matters covered by this Agreement and Applicable Law. Contractor shall permit the City, or its designee, to audit, examine, and make excerpts or transcripts from such data and records.”
- Exhibit D (Reporting Requirements, Section 3.C, Customized Reports) allows the City to request the contractor to provide additional reports.

Understanding how the franchise agreement can help or hinder the City’s ability to gather C&D data will inform how Republic interacts with a new permitted hauler program.

SECTION 2. REVIEW OF CURRENT SYSTEM

A. Introduction

1. Purpose

The purpose of this section is to describe and evaluate the City’s current C&D recycling program, as it relates to the permitted hauler program. This section will also identify roles and responsibilities of relevant City departments and third parties, and identify potential needs and opportunities to assist compliance with State regulations.

2. Roles and Responsibilities

The table below summarizes the current roles and responsibilities of primary entities related to the City’s C&D management. These current roles and responsibilities may shift depending on selection of recommended options in this report.

Community Development	Permittees	SMM	Haulers
<ul style="list-style-type: none"> • Educate permittees of CALGreen requirements • Conduct inspections and enforce CALGreen and related requirements • Maintain the building permit process and WMP form (B-59) • Review and approve applications and WMPs • Maintain records and weight tickets, and provide required reports • Verify projects use a permitted hauler • Verify projects have service and containers for organics and recyclables • Implement C&D related items from CDD’s Individual Action Plan in City’s SMMIP 	<ul style="list-style-type: none"> • Submit permit application and WMP • Complete both sections of B-59 WMP • Arrange for service with permitted hauler • Achieve at least 65% diversion of C&D • Maintain records and submit weight tickets at project completion 	<ul style="list-style-type: none"> • General SB 1383 implementation (collection programs, education, etc.) • Establish and administer the permitted hauler system • Franchise hauler oversight • Facility oversight • Manage the franchise agreement and transfer station agreements with Republic • Provide education on waste reduction and collection services 	<ul style="list-style-type: none"> • Register with SMM through the permitted hauler system (once established) • Comply with terms and conditions of the permitted hauler system, once established (diversion requirements, reporting, etc.) <p>Republic (current requirements):</p> <ul style="list-style-type: none"> • Provide C&D collection service at approved rates • Provide education and outreach • Maintain 65% diversion • Maintain records and report to the City • Pay applicable fees to the City

B. C&D Hauler Process

1. Description of Current System

As described in Section 1.B.2, the City has an exclusive franchise agreement with Republic for collection of discarded materials in the City. Republic has exclusive rights to collect solid waste, recyclable materials, and organic materials; however, collection of C&D is non-exclusive, and other parties may haul that material. The City's Municipal Code requires any person hauling C&D to be approved and registered with the SMM department, through a franchise agreement, permit, or similar agreement. However, the Municipal Code allows flexibility in the process for permitting C&D haulers. In order to specify how this process will work, SMM will need to develop a process for permitted haulers. Currently, Republic is the only "permitted hauler" of C&D due to their existing franchise agreement. The CDD has been directing permit applicants to establish service with the franchise hauler until SMM establishes the list of approved permitted haulers.

Republic currently provides C&D roll-off services, at rates established under the franchise agreement. Upon City request, the prior franchise hauler provided landfill carts as a bundled service when C&D roll-offs were delivered to help avoid contamination. Republic has not established that service. It is required that all properties have standard collection service from Republic, regardless of the C&D hauler on a site.

HF&H met with a Republic representative to review their process for establishing service, their customer service system (KMT) scripts, and the education materials provided. Calls are directed to operators outside of the City, who then utilize the script in the KMT to answer questions. The KMT system script was largely focused on container size, frequency, and pricing, and does not currently include educational information. Republic is required to deliver bin signage on acceptable materials to customers requesting C&D service. This signage is delivered at the bottom of the roll-off bin, and customers are responsible for assembling the signage.

Republic provides monthly and annual reports to the City, which include information on C&D services provided. The reports include number of customers with roll-off services and the total roll-off tonnage collected per month.

The Municipal Code requires all C&D haulers to be regulated. There are currently no exceptions based on size. Outside of larger, highly visible hauling companies in the area, the City does not have a grasp on the number of smaller C&D haulers operating within City limits. There is also not a system for how to permit those self-hauling C&D material from projects. Without knowing how many smaller C&D haulers there may be, it will be challenging to determine the full extent of resources needed to manage the new permitted hauler process.

2. Needs and Opportunities

a. Identified Needs and Gaps

- i. SMM needs to develop the permitted hauler system and determine a system for capturing smaller haulers operating within the City, per Municipal Code Section 6.08.160.
- ii. Per the Municipal Code, the City should verify that project permittees are receiving service and are using a permitted hauler. This includes both using a permitted hauler for C&D materials, as

well as having solid waste, organics, and recyclables containers during the span of the project permit.

- iii. Education materials provided by Republic for C&D are minimal and do not include information regarding C&D diversion requirements as stated in CALGreen. Signage is delivered at the bottom of the bin, which may lead to it never being placed on the bin, and instead may be disposed of with the remaining material.
- iv. Republic reports could provide more detail and supporting information to verify reported diversion percentage and information by project, to support the diversion requirements of CALGreen and source-separation requirements of SB 1383.

b. Opportunities

- i. An opportunity for improved sorting on project sites is for Republic to ensure that permittees are subscribed to landfill, recyclable materials, and organic materials container service when requesting C&D container service, as required by the municipal code.
- ii. An opportunity for improved education is for Republic to update its KMT scripts to include additional information on C&D diversion to increase touch points for identifying education.
- iii. An opportunity for improved education is to reorient how bin signage is managed by having drivers place signage once the bin is delivered, rather than having customer assemble the signage.
- iv. The City has an opportunity to increase and standardize education requirements across all permitted haulers via the permitted hauler process that will be developed. By requiring certain types of education and/or a minimum number of touch points for education customers as a condition of the permit, the City can enable more consistent messaging for diversion efforts.

C. C&D Facility System

1. Description of Current System

Six medium and large-scale facilities have solid waste facility permits for acceptance of C&D materials in San Diego County. Three are permitted processing facilities, and the remaining three facilities are permitted as inert debris engineered fill operations, which provide disposal services in addition to diverting materials for reuse and recycling. There are several additional facilities that accept one or more types of source separated and mixed C&D materials for recycling and/or reuse. All the C&D facilities are dispersed throughout the unincorporated and incorporated areas of San Diego County.^{2, 3}

The City entered into an agreement at PTS for the transfer and disposal of the City’s collected materials.⁴ The agreement outlines priority use of PTS capacity for the City’s materials, but the City is not required to

² [County of San Diego Solid Waste Facilities Map](#)

³ [County of San Diego County C&D Recycling Facility Directory](#)

⁴ The SMM department is actively conducting an audit of PTS’ operations at the writing of this report.

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use PTS. PTS is currently operated by Republic. PTS accepts solid waste, recyclables, organic waste, and C&D materials. C&D materials come into PTS from Republic directly or from self-haulers.

Amendment five of the PTS agreement specifies diversion goals for several material streams, including C&D materials. As part of Amendment 5, Replacement of Section 3.30 (Material Recovery Activities) to the Services Agreement, PTS was to include a C&D specific bay and store the materials separate from other materials to ensure C&D materials were delivered and processed at a C&D processing facility. PTS has communicated to the City that spotters assist self-haulers with directing them to the bay intended for C&D tipping. If a self-hauler reports that the load is trash, the scale house does not question if the load could still be diverted and instead directs the self-hauler to the disposal bays. During Republic's C&D collection, drivers review that the material in the roll-off is correct (e.g., dirt, concrete) to ensure the container is not overweight. However, drivers do not confirm the level of contamination (e.g., solid waste, recyclables, or organics) in the container.

There are some challenges with the current PTS agreement. PTS staff have voiced that there are some issues with exporting specific weight tickets from their software system and would like assistance with how to track the origin of loads, specifically for self-haulers. The agreement specifies that source-separated C&D materials transported by the designated hauler and self-haulers were not to be disposed of without prior City approval. Despite this, SMM staff report that substantial quantities are still being landfilled.

2. Needs and Opportunities

Aside from the post-collection agreement with PTS, the City does not have a system to regulate C&D facilities. PTS is not certified by an external body as a certified C&D facility, and the City relies on self-reporting from PTS for the 65% diversion requirement outlined in the agreement. The following section identifies current needs and opportunities to improve the facility(ies) system to ensure C&D material is being diverted as required.

a. Identified Needs and Gaps

- i. PTS has had challenges with reporting the data the City needs. Reporting and recordkeeping improvements that can provide verifiable data to ensure PTS is meeting the regulatory requirements for CALGreen are needed. Similarly, there are challenges with Republic providing reports related to the City's C&D materials delivered for processing at Otay Landfill.
- ii. The City will need to implement a mechanism for identifying permitted haulers so that PTS can adequately record City-based tonnage and assist the enforcement of a permitted hauler program.
- iii. There are other C&D processing facilities in the area that also receive materials from the City. Self-haulers are not required to deliver to PTS and can choose any permitted C&D facility. This makes tracking C&D tonnage difficult. Therefore, the City may want to consider a system for tracking or certifying C&D processing facilities in order to track all of the C&D tonnage generated within the City.
- iv. More robust instructions from scale house staff and directional signage are needed to better direct self-haulers to the correct bays. This is needed to help ensure the loads are dealt with appropriately to support diversion efforts and support agreement compliance.

b. Opportunities

- i. There is an opportunity to better track C&D tonnage through harmonized reporting. Standardized reporting and recordkeeping enable facilities to provide the data needed to ensure that the facility is meeting the regulatory requirements of CALGreen. This can be achieved through prescribing reporting forms or implementing use of a software-based platform.
- ii. There is an opportunity to track C&D tonnage through more robust facility oversight at PTS through desktop compliance reviews, improved reporting, and site visits.
- iii. There is an opportunity for better education and signage at PTS to help direct haulers to the correct areas. As Republic is both the operator of PTS and the City's franchise hauler, education can be implemented at multiple touch points with C&D customers to have a higher chance of achieving the necessary behavior changes needed to comply with diversion requirements.
- iv. There is an opportunity to adopt facility certification systems for C&D facilities in order to provide assurances that facilities are properly processing and recycling C&D materials. This is particularly helpful for facilities that process the City's materials but are not regulated by the processing agreement with PTS (e.g., C&D processing by Republic at Otay landfill).

SECTION 3. PROGRAM OPTIONS ASSESSMENT

A. Introduction

HF&H conducted a series of activities ranging from desk research to interviewing various City departments to understand the City of Carlsbad's C&D recycling landscape. These activities informed the range of considerations in the options assessment. Each option was reviewed to identify benefits and challenges, based on factors such as: regulatory compliance, operational efficiency for the City, feasibility, cost effectiveness, and diversion impacts. Not all benefits and challenges were weighted equally but were considered in combination of its overall impact to City resources and compliance, sustainability of program processes, and adoption by external stakeholders.

This section will detail the pros and cons of each program option while discussing how they address or fail to address the City's needs. The options presented are not exclusive, and the City can opt to develop one or any combination of these options.

B. C&D Hauler Processes

1. Permitted Hauler Process

As described in Sections 1 and 2, SMM department needs to establish a process for permitting and regulating C&D haulers in the City. There are several factors to consider and many stakeholders to include prior to implementing, monitoring, and enforcing a permitted hauler process for C&D. HF&H reviewed the County of San Diego's non-exclusive franchise agreement (NEFA) and certified materials collectors (CMC) program, Oakland's non-exclusive franchise agreement program, and Santa Cruz County's non-exclusive roll-off collection program to inform program options and considerations as outlined below.

a. C&D Hauler Types

The Municipal Code requires that all haulers be permitted and does not delineate any exceptions or exemptions based on tonnage collected, size of entity, or if a project is permitted. An assessment of the types of entities to be regulated concluded that there was potentially significant variance in scale and size of C&D hauling entities, as well as the number of haulers who may qualify under each category. This included:

- i. Large haulers whose main business model was hauling (e.g., Republic Services, WM, EDCO).
- ii. Mid-size C&D hauling companies (e.g., 1-800-JUNK).
- iii. Contractors who may be hauling as an ancillary service to the projects they are permitted to do.
- iv. Sub-contractors to projects (plumbers, framers, etc.).
- v. Self-haulers working on their own projects.

HF&H considered what entities need to be permitted and assessed if entities should be regulated the same or differently.

i. Option 1: Permit all haulers the same

- (A) **Description.** This option would permit all C&D haulers, regardless of size or business model, in the same manner.
- (B) **Benefits and Challenges.** Permitting all haulers similarly would create the most streamlined and efficient workflow for applicants to follow and for staff to oversee. However, it is the least equitable for haulers as there would be no way to differentiate permits based on scope or scale of projects or business. With consultation from SMM, HF&H conducted minimal exploration into this option due to it being the least realistic based on the initial list of permitted entities.

ii. **Option 2: Permit haulers by entity type**

- (A) **Description.** It is assumed that the large and mid-size haulers likely collect most of the C&D material. The contractors and self-haulers on specific projects may be a significant number of permitted haulers to track but represent a much smaller percentage of the volume of collected C&D material. Permitting by entity under this option would include two categories of permits:

- vi. C&D haulers whose main business model is hauling materials on an on-going basis.
- vii. Project based permits for residents or project permittees who are hauling their own materials for a specific project.

- (B) **Benefits and Challenges.** Designating permitting by entity considers whether permitted entities have the resources to comply with the terms of the permit, particularly for smaller haulers if a fee system is implemented or there are increased programmatic requirements, as described below. Tailoring the permit approach by entity may help ensure that staff time is used effectively to enforce the permit process and reach diversion goals. It also allows some flexibility for mid-size haulers or contractors who may haul as an ancillary service to determine what kind of permit they would want to qualify for. The challenge with a more flexible approach is it may be less clear to potential permitted haulers which entity they want to be, which may result in improperly filled out applications, resulting in additional administrative burden for City staff.

iii. **Option 3: Permit haulers by size**

- (A) **Description.** This framework is an alternative to Option 2 and considers the scope and scale of business conducted within the City, and where the potential permitted hauler will initiate the permitted hauler process.

- viii. Large, permitted haulers: These permitted haulers likely have the resources and bandwidth to comply with more stringent terms and conditions and are likely hauling a significant portion of C&D materials within the City. Their contact would primarily be with the SMM department throughout the permit term.
- ix. Small, permitted haulers: These permitted haulers would be akin to self-haulers who are less likely to hire a large, permitted hauler; or may be smaller contractors that haul de minimis volumes as incidental part of service. These haulers may identify themselves on their WMP application and be routed to SMM for approval as part of the plan checks process, or may communicate and be tracked directly by CDD, depending on chosen systems.

(B) Benefits and Challenges. This considers entity type and size as the main determining factor between permit types making it easier to delineate between the two. It accounts for how potential permitted haulers engage with the permit process (e.g., small project-based or incidental haulers will have more interaction with CDD through the permitting system, whereas larger external haulers will engage directly with SMM). If clear communication channels are established, this designation can streamline the permitting process between CDD and SMM. It creates equitable access for haulers to receive and comply with the permit. If selecting this option, the City will need to clearly outline the size tiers and qualifications for each hauler size and type.

b. Application Process

i. Option 1: Designated application period

(A) Description. Allow permitted haulers to apply for a permit for a given period on an annual basis.

(B) Benefits and Challenges. An annual application period would allow staff to allocate resources at a specific and planned time of year to review the level of compliance with the prior permit and pose any clarification or follow up needed to confirm compliance. Renewing permits may be easier to track as they will expire at a similar time. However, permitted haulers who may not know they will be hauling on a project at the specified enrollment period, would not be able to enroll unless they know they will have business within the City each year.

i. Option 2: Ongoing applications (open enrollment)

(A) Description. Allow permitted haulers to apply at any time during the year.

(B) Benefits and Challenges. An ongoing application period would allow permitted haulers to apply on an as needed basis. It allows non-compliant haulers to enter the registration system throughout the year, thereby reducing barriers to becoming permitted. However, it may be more difficult for staff to allocate appropriate time and resources to reviewing applications. Consolidating review to a specific time each month may create unnecessary bottlenecks to C&D project permitting. Permit renewal may be harder to track if permits expire at various times throughout the year.

c. Permit Length

i. Option 1: Annual renewal

(A) Description. Renewing permits annually.

(B) Benefits and Challenges. Annual renewal provides the most frequent assessment for compliance by SMM staff. Staff can be more proactive in educating permitted haulers on the requirements of their permit and be able to course correct and issues sooner. However, annual renewal may be administratively burdensome and not consider C&D projects that may take longer than one year to complete.

ii. Option 2: Periodic renewal

(A) Description. Renewing permits every two to five years.

(B) Benefits and Challenges. Allowing for a longer permit length would provide time to cure any compliance issues with the terms and conditions prior to the end of the permit. It also aligns with larger scale projects that may take a year or more to complete. This also reduces the City staff time needed to conduct more frequent renewals, such as annually in Option 1. The challenge with periodic renewal is that the City has less frequent check-points to address non-compliance issues that may arise, compared to annual renewal which provides more touch points for oversight.

iii. **Option 3: Hybrid renewal**

(A) Description. Renewing permits at different frequencies based on hauler type or agreement type. For example, renewing permits more frequently for smaller, project-based haulers versus less frequently for larger haulers with more consistent service.

(B) Benefits and Challenges. This approach would be most applicable if the City selects options 2 or 3 under Section 1.a. This would allow tailoring of the application process to reflect the type of service provided. This may also incentivize permittees to use a franchise hauler or larger permitted hauler rather than “self-haul” as a small, permitted hauler; therefore, reducing the number of haulers the City needs to regulate. However, having different renewal frequencies creates less consistency for SMM staff and will likely require more staffing resources for administration.

d. **Agreements**

As a condition of the permit, the City may require the permitted haulers to enter into an agreement. Doing so allows the City to effectively manage and oversee all permitted haulers and give the City power to enforce program elements that ensure the City complies with State and local requirements for C&D collection. HF&H reviewed examples from the County of San Diego, City of Oakland, and the County of Santa Cruz. The example programs each had differing levels of responsibility for C&D haulers. Below is a summary of the level of effort and responsibility the agreements could require. If the City decides to regulate hauler entities differently, a combination of the below options could be utilized.

i. **Option 1: Limited terms and conditions (minimal level of effort)**

(A) Description. A limited ‘terms and conditions’ document that must be agreed to as a condition of the permit. This may include provisions, such as minimum insurance and indemnification requirements but would not include additional items identified in Options 2 and 3.

(B) Benefits and Challenges. Limiting the terms and conditions to very minimal business terms lowers the barrier of entry for traditional C&D self-haulers and small hauling operations. It also requires the lowest level of administration by City staff. However, it may be more difficult to receive the data required by regulatory requirements, require haulers to assist with education, or ensure that diversion standards are being met.

ii. **Option 2: Enhanced terms and conditions (medium level of effort)**

(A) Description. An enhanced ‘terms and conditions’ document that must be agreed to as a condition of the permit. In addition to the basic provisions in Option 1, the terms and conditions can specify CALGreen and diversion requirements, recordkeeping, reporting, education, and outline monitoring and enforcement mechanisms.

- (B) **Benefits and Challenges.** An enhanced terms and conditions agreement enables more information to be reported to City staff for regulatory reporting, allows for greater oversight of permittees, and may enact more behavior change through increased education. However, this may add barriers for some of the smaller permittees, as they are taking on additional requirements that require more resources in order meet compliance standards.

iii. **Option 3: Non-exclusive franchise agreement (highest level of effort)**

- (A) **Description.** The highest level of oversight and enforcement would be to develop a non-exclusive franchise agreement (NEFA) process. The NEFA t can specify CALGreen and diversion requirements, recordkeeping, reporting, specific provisions for contamination, education, facility standards, and other business terms and enforcement procedures, as a condition of the permit.

- (B) **Benefits and Challenges.** This ensures the highest level of oversight by City staff. It also requires the greatest level of effort by City staff to develop, implement, and manage. This creates the highest barrier to haulers to become permitted and therefore may present barriers for small haulers or project-based self-haulers to participate in the program.

e. **Fees and Charges**

Application review and ongoing oversight of the permitted hauler program will take staff time and resources. HF&H reviewed different fee structures to recoup costs associated with implementing the program.

i. **Option 1: Application fee**

- (A) **Description.** Application fees could be assessed for initial and renewed applications. If the City permits haulers differently, the application fee may vary depending on the time required to review and approve applications.

- (B) **Benefits and Challenges.** This would provide the City with funding to recoup administrative costs for application review, and is relatively straightforward to calculate. However, it would not cover the costs for on-going hauler management, which requires the most significant amount of staff time.

ii. **Option 2: Administrative flat rate fee**

- (A) **Description.** Charging a periodic fee throughout the term of the permit at a flat rate, regardless of hauler or amount of business conducted.

- (B) **Benefits and Challenges.** This option would be the simplest to administer by staff but may not be equitable to all permitted haulers. Permitted haulers may conduct substantially different amounts of business. A fee that does not scale with service may be more difficult to justify with legal counsel under applicable law. Additionally, depending on the amount, a flat administrative fee may be too big of a barrier for some hauling businesses to bear if the amount of business they do specifically within the City is minimal. HF&H could not find an example jurisdiction with a flat rate fee for ongoing administration of the permits.

iii. **Option 3: Administrative per-pull fee**

- (A) **Description.** A per-pull fee assess a specific dollar amount per load of C&D debris hauled.

The City of Oakland uses a per-pull fee as part of their non-exclusive franchise system for C&D collection. They piloted the fee, in addition to a franchise fee and an application fee, as part of an 18-month pilot, when they implemented their non-exclusive franchise system in 2015. Likewise, the County of Santa Cruz uses a non-exclusive franchise system for its roll off collection program, which includes an administrative fee based on the number of pulls each quarter.

- (B) **Benefits and Challenges.** This option requires a moderate amount of effort for City staff as they will need to calculate and review the accuracy of the submitted reports and fees by each hauler. However, because it scales with the amount of business a permitted hauler is doing within the City, it lowers the barrier for a hauler to conduct business.

iv. Option 4: Administrative percentage-based fee

- (A) **Description.** Much like a franchise fee, this fee assesses a percentage of the gross receipts of each permitted hauler to determine the appropriate administrative fee amount. The percentage fee would be adjusted periodically, similar to a franchise fee adjustment process.

- (B) **Benefits and Challenges.** This option also scales with the permitted haulers level of business conducted within the City. This option would require additional auditing and verification from SMM staff to ensure the fee paid matches the provided C&D services, as it would be up to the hauler to determine what the accurate fee would be based on their revenue. If the City determines that Republic will be permitted under the new system, this fee would match the fee structure in the current agreement.

v. Option 5: No administrative fee

- (A) **Description.** The Municipal Code does not require that a permit fee be put in place. The City could determine that they do not want or need a fee to cover the costs of program oversight.

- (B) **Benefits and Challenges.** The City would then need to carve out budget for staff resources to oversee the program if a fee were not charged. Additionally, Republic includes C&D and roll-off in their franchise fee calculation. To not charge other permitted haulers for their permit may be interpreted as inequitable to the franchisee. The majority of jurisdictions with multi-hauler systems establish some type of administrative or regulatory fee.

f. Interdepartmental Coordination and Responsibility

HF&H assessed the current permitting process to determine communication workflows between the project permittees who would want to apply to become a permitted hauler, Community Development who oversees project permit approvals, timelines and the WMP, and SMM who oversees the haulers, facilities, reporting, and diversion of projects. These options should be considered in tandem with workflow decisions determined from Section 3.B.

i. Option 1: Pre-approval of permit application

- (A) **Description.** If a project permittee wants to haul their own C&D material, they would need to be approved by SMM as a permitted hauler prior to submitting their project plans and WMP.

- (B) **Benefits and Challenges.** By pre-approving a permitted hauler, staff could reduce eliminate those who may not qualify or understand the scope of requirements to become a permitted hauler. However, as this is separate from the current process, it may be more confusing for project permittees as it adds an additional step.

ii. **Option 2: Concurrent review of permit application**

- (A) **Description.** If a project permittee wants to haul their own C&D material, they would denote that on their WMP and submit a small hauler application as an attachment. SMM would review their application during the current permitting checks process, and CDD would approve the permit only upon confirmation from SMM that the applicant meets the requirements to be a permitted hauler. This process will depend on the type of recordkeeping and permit system selected.
- (B) **Benefits and Challenges.** This option mirrors the current process used for special permit approvals (e.g., certain plans being routed to a different department for review prior to permit approval) and reduces back and forth for project permittees. It adds SMM as another “plan check” on project plans and is therefore tracked through the established system. However, if there are a large number of project permittees who want to haul material that are not qualified to do so, it may create additional staff time for following up and could stall the permit approvals process.

g. **Franchise Hauler**

The City will need to determine if and how the permitted hauler process will be applied to the current franchise hauler, Republic. The franchise agreement is not exclusive for C&D hauling and therefore the City has discretion for how it regulates C&D hauling within the City. The franchise agreement primarily addresses C&D with respect to general reporting requirements. HF&H reviewed the franchise agreement and other public agencies with non-exclusive roll-off and/or C&D collection services who also utilize a franchise hauler for their other solid waste, recycling, and organics collection programs, to establish a precedent for potential outcomes in the City.

i. **Option 1: Regulating using the Franchise Agreement**

- (A) **Description.** The City could use sections of the established Franchise Agreement to justify the more specific C&D-related data and programmatic activities that it is requiring from the other permitted haulers, depending on the option selected in Section 3.C.1.d. If the City finds that Republic does not comply with the C&D reporting and requirements under these sections, the City retains the right to initiate the liquidated damages process outlined in Exhibit F of the Franchise Agreement, regarding the reporting and records, diversion, or facilities performance areas, to the extent permitted under the agreement; or, amend the Franchise Agreement to align the C&D requirements the City imposes on the other permitted haulers.
- (B) **Benefits and Challenges.** By utilizing the existing agreement, the City would be able to continue using Republic as a primary permitted hauler and use existing communication channels. However, the City would not likely be able to request all of the data or perform the due diligence on Republic’s C&D specific operations that staff will be able to perform for other C&D haulers. This option may ultimately allow a hauler with a large market share to have the least robust requirements or oversight. Therefore, creating an uneven market between

permitted haulers and not maximizing the permitted hauler system to effectively monitor and achieve diversion.

ii. Option 2: Regulating using the new Permitted Hauler program

(A) Description. The City could require that Republic become a permitted hauler for C&D outside of their franchise agreement, requiring them to comply with the terms and conditions other large, permitted haulers in the City would need to agree to. Republic has a historically entered C&D agreements outside of their franchise agreements in other cities. Since 2011, the City of Fresno has two franchise zones for multi-family and commercial collection. Republic services the City under a subsidiary, Allied Waste Services, and is included on the list of nearly two dozen approved roll-off collection service providers that have agreements with the City. The City of Oakland and the County of Santa Cruz similarly have exclusive collection haulers that are required to register through the City's and County's non-exclusive permitting system for roll-off collection services, in addition to their existing franchise agreement.

(B) Benefits and Challenges. By regulating Republic through the proposed permitted hauler program, it could create a more equitable market for C&D hauling and provide a greater chance at achieving diversion through consistent oversight. This will create a consistent and transparent process that the City is uniformly applying to all C&D haulers. It not only supports the City's ability to ensure that it is receiving the same level of quality of service, recordkeeping and reporting, education, and diversion standards across haulers, but also simplifies the City's contract management processes and administrative needs. For example, reporting would be provided in a similar format and frequency, and education materials would meet the same standards.

If the City determines to regulate Republic under the permitted hauler process, it will need to consider how the fee options selected in Section 3.C.1.e interact with the administrative payments and fees Republic already pays to the City. Section 7.1 of the Franchise Agreement states that "the Contractor shall pay a Franchise Fee to City each quarter in exchange for the exclusive rights granted under this Agreement. The amount of the Franchise Fee shall be equal to seven and one-half percent (7.5%) of Gross Receipts, paid out of Contractor's Profit, for *all services* performed under this Agreement and shall be paid in equal quarterly installments, paid in arrears." This states that the franchise fee includes C&D and roll-off collection services, and therefore Republic is paying some administrative costs for their C&D services. If selecting this option two, the City should refer to Section 3.C.1.e above for further discussion on fee structure options.

2. Recordkeeping and Reporting

Staff will need to manage both the permits for the new permitted hauler program and the data being reported by the permitted haulers. Many of the options for tracking and reporting will depend on the decisions made in Section 2.C.1 above. Each decision about the program format will inform the reporting systems and communication workflows for collecting data. SMM's communication with Community Development will influence the flow of requested data and should be considered when developing the reporting system(s). Both departments will need to work together to alleviate excess administrative burden and prevent bottlenecks. Note the below options are not mutually exclusive and the City may consider a combination of reporting procedures.

a. Systems for tracking external parties

i. Option 1: Using the Existing Construction Permit Management Software

(A) Description. The City can continue to use its existing construction permit management software, and evaluate whether this software is sufficient for tracking permitted haulers. SMM and Community Development would work with IT to determine what fields would need to be added or updated to provide the permit information.

(B) Benefits and Challenges. The City's database is already integrated into the current permit process; however, this system is not currently used by SMM for hauler or facility tracking, and the City will need to evaluate whether the existing system is appropriate for that purpose. HF&H can make no representations regarding the capabilities of the current software system and the City will need to consult with its IT department or outside IT consultants to determine the benefits, challenges, and resource needs for this option

ii. Option 2: Using a C&D Specific web-based or digital platform

(A) Description. There are a number of web-based and digital products that the City may consider in tracking its permit program and the facilities haulers will use (e.g., GreenHalo). C&D specific software were designed to support CALGreen diversion tracking and reporting, and can be especially useful when tracking haulers.

(B) Benefits and Challenges. Using a turn-key system designed to support C&D requirements can help the City track and manage its numerous haulers of varying capacities, as well as communicate between different City departments that may interact with haulers or the waste they haul. As mentioned in Section 3.B.2.b, a third-party application, such as GreenHalo, may be an efficient way to support the City's ability to meet CALGreen requirements because it was designed with the intent to meet C&D requirements. This includes the ability to synergize with many existing City and facility data capture and reporting software. These turn-key solutions can be more predictable for the City's budget because they are offered at set prices that the City can plan for, versus expanding the City's current system as the need arises. GreenHalo has been a low-cost option when used in other jurisdictions, as the fee is charged to project permittees, unless the jurisdiction decides to subsidize the cost. However, HF&H can make no representations to the effectiveness of different software platforms nor guarantee compliance by use of specific platforms. The City will need to consult with its IT department to assess the benefits and challenges of each option.

i. Option 2: Creating an internal City system

(A) Description. The City may design and implement its own permitting tracking system for haulers using existing software (e.g., Microsoft Excel).

(B) Benefits and Challenges. Staff would have a high level of control over how the system is set up and can customize it to its exact needs. However, based on the proficiency in the existing software, this can be time consuming to establish and may not be as effective or efficient as other options.

b. Permitted hauler-provided reports

Permitted haulers will be required to submit reports on the tonnage they collect, and other requirements outlined as a condition of the permit pending the protocol decisions outlined in the previous Section.

i. Option 1: Tracking data directly reported to SMM

(A) Description. Permitted haulers may report directly to SMM each month (or other predetermined period) with operational data, such as tonnage, pulls, list of projects and permit numbers, diversion, project and permit numbers, etc. The franchise hauler, Republic, already reports directly to SMM per their agreement. This should be a similar reporting system.

(B) Benefits and Challenges. This system works well for haulers who may have many projects or customers on a consistent basis. However, it may be challenging to collect data from haulers who are hauling their own C&D materials or have limited business operations within the City, as they may not have material to report at a regular frequency. Additionally, some permitted haulers may be hesitant to request permit or project numbers and be misconceived as an enforcement agent for the City. The City would need to notify haulers of the need to know permit and project numbers effectively to alleviate this perceived challenge.

ii. Option 2: Tracking data reported on the WMP

(A) Description. As part of the WMP, weight tickets and tonnages are required to be reported if a permittee is not using the franchise hauler or another permitted hauler. Community Development would translate reported tonnage on the WMP and send it to SMM for review.

(B) Benefits and Challenges. This data tracking is currently contemplated as part of the permitting system, if properly implemented. However, as discussed in Section 2, tonnage data from the WMP process is not being uploaded into the system. With additional effort by Community Development and the IT department, it may be simple to forward the data to SMM. However, SMM would need to work closely with both departments to ensure that the data being recorded is necessary to collect as it will take additional work to aggregate and record the data.

3. Ongoing Enforcement

There are several options for enforcing the permitted hauler system. These enforcement options assume that the City will implement a form of terms and conditions or non-exclusive franchise agreement as discussed in Section 3.C.d. Note that these are not discrete and can be done in combination.

a. Option 1: Liquidated damages

i. Description. One way to enforce the requirements of the permit would be to include a list of liquidated damages within the agreement. The list of liquidated damages would include a description of the violating action and an associated amount that the permitted hauler would be required to pay to the City.

ii. Benefits and Challenges. LDs are a contract mechanism that SMM staff are already familiar with through the Franchise Agreement, and therefore may be more straightforward to implement as compared to less familiar approaches. The ability to successfully apply liquidated damages relies on City staff's capacity to actively track compliance, calculate liquidated damages, and assess violation letters. If the cost associated with a liquidated damage is not high enough, it may not be an effective

standalone method to achieve behavior change and compliance. It would be beneficial for the language in the agreement to address escalation in the event of repeated non-compliance.

b. Option 2: Permit revocation

- i. **Description.** The City can reserve the right to revoke a permit, in the event of non-compliance by the permitted hauler. Parameters for permit revocation should be outlined in the terms and conditions agreement signed by the permitted hauler.
- ii. **Benefits and Challenges.** Having this option is the strongest option for staff to be able to enforce compliance with the required permits for particularly challenging actors. A specific process can be embedded in the agreement and/or Municipal Code. This option may be politically challenging to enforce and may be perceived as the least business friendly option.

c. Option 3: Site visits

- i. **Description.** If provided reports are inconsistent or there is a question amongst staff related to the efficacy of reports, staff can perform site visits at project sites or noted facilities to determine the level of diversion occurring in real time.
- ii. **Benefits and Challenges.** This is more time and resource intensive than a review of hauler provided reports but may provide the most accurate insight into actual diversion occurring on project sites or at C&D facilities.

d. Option 4: Citations for unpermitted haulers

- i. **Description.** Once the permitted hauler program is implemented, it is important that the City have a method to regulate unpermitted haulers who may be hauling within City limits. If the City discovers a person or entity is hauling C&D material without a permit, the City should have a process to ensure they come into compliance and issue a penalty for non-compliance, such as an administrative citation.
- ii. **Benefits and Challenges.** Citing unregulated C&D haulers ensures the validity of the permitted hauler program and can provide additional reinforcement in the event that other administrative mechanisms were not successful. However, it can be difficult to identify unregulated hauling operations. The Municipal Code gives the Department authority to enforce chapter 6.08, including permitted hauler requirements; however, it would be beneficial to consult with the City Attorney to ensure these citations are properly and reasonably administered.

C. C&D Facility Systems

1. Facilities Process

Confirming that material is diverted at facilities is critical for ensuring that the City is able to effectively divert C&D, meet AB 939 requirements, and achieve its environmental goals. Establishing systems for facility oversight also supports the City's ability to capture necessary data for program monitoring and State reporting. HF&H explored three ways in which the City can choose to work with facilities: facility certification, directing debris to specific facilities, or a facility open market, which are described below.

a. Option 1: Certified Facilities

The City can consider requiring haulers to deliver materials only to facilities that meet a specified certification. This may include meeting minimum diversion standards, environmental practices, recordkeeping and reporting, and more. The extent of the standards will depend on the certification approach selected, as outlined below, but certification aims to support the City in ensuring that material is properly diverted, data is being captured and reported, and facilities are accountable for these requirements.

i. Option 1.A: City certified facilities

(A) Description. The City may develop its own City-specific certification process. This would require the City to develop certification criteria, establish an application process, conduct inspections, and reverify certified facilities.

(B) Benefits and Challenges. This option allows the City the most flexibility to build a certification program that fits its needs and allows the greatest level of direct facility oversight. For example, the City will have the ability to define its diversion requirements. The City can require a higher diversion rate than 65%, delineate diversion by material type, define diversion to include or exclude alternative daily cover (ADC), as well as salvageable materials, or establish other standards. The City would need to establish enforcement procedures and dedicate City staff time to conduct inspections, reverify permits, and enforce requirements.

However, this option would also require significant funding and staff resources to develop, implement, and maintain a certified facility system. The resource intensity of conducting ongoing inspections has prevented other jurisdictions (e.g., Marin, San Jose, San Francisco) from continuing their own certification schemes. Additionally, considering that facilities operate regionally, developing a brand-new system would create a lack of consistency with neighboring jurisdictions and the County.

ii. Option 1.B: Accept third party certifications

(A) Description. The County of San Diego developed a robust facility certification process that holds facilities to the County's diversion standards, which are higher than CALGreen's requirements. The County requires each construction and demolition project to divert 65% of all debris generated which includes a minimum of 90% inert material diversion. Finally, grading projects must divert 100% of land clearing materials including associated vegetation. This Certified Facility list⁵ has been adopted by many surrounding local jurisdictions, such as the City of Encinitas, as the facilities serve many jurisdictions and are required to support the County in its reporting.

Similarly, other jurisdictions have opted for the RCI certification, which is a nationally accepted private certification. Many jurisdictions throughout California have adopted RCI's certification because it is the most thorough process, requiring a two-step process where the facility must submit operation summaries, insurance information, other registrations and monthly waste processing data, etc. Once a facility has passed this phase, RCI sends an inspector to inspect

⁵ County of San Diego Certified Facility list: certified-cd-recycling-facility-directory.pdf

the facility and furnish RCI with a recommendation. RCI also requires re-registration annually and re-certification every three years.

- (B) Benefits and Challenges.** The benefit of a third-party certification is that once a facility is certified the certifying body requires that the facility meet and maintain certain operational, diversion, and reporting requirements to state and local jurisdiction. This is a cost-effective and simple option, especially if the City does not have the resources to assess multiple facilities, maintain the database, ensure yearly re-registration, and re-certification after a specified number of years. However, this also means that the City will have to accept the certifying body's definition of diversion, certification process and standards, as well as fees and timelines. A pre-certified facility may choose not to participate in the City's own certification process if the requirements are too stringent, as compared to third-party certification.

This turn-key solution does not allow the same creative flexibility that the City developing its own program allows. However, it is cost and time effective, saving limited City resources. Additionally, utilizing a third-party certification already in place for nearby facilities and jurisdictions, such as RCI's certification system, supports regional consistency to ensure that facilities maintain standards that all jurisdictions can expect and monitor.

Using a third-party certification process can strengthen the City's hauler management processes. For example, if the City requires that haulers deliver C&D materials to only certified facilities, the City can cross check data received from the haulers with data obtained through the third-party facility certification reports.

b. Option 2. Direct to Specific Facilities

The City can also choose, as part of the permitted hauler process, to specify the facilities that can receive C&D debris collected in the City, as described in the following three sub-options.:

i. Option 2.A: Direct to only PTS

- (A) Description.** The City currently has an agreement for transfer and disposal with PTS. The agreement allows the City to direct C&D materials to PTS (Section 2.04 as amended in Amendment 5). The City could require that all permitted haulers use PTS directly.
- (B) Benefits and Challenges.** Directing materials to PTS can alleviate some of the administrative burden required when monitoring several facilities. Likewise, the City can leverage its existing communication channel and agreement with PTS to implement improvements. to help the City achieve diversion goals such as directing PTS to use a certified facility, as noted above. However, there may be legal issues or concerns over market restrictions with this approach that will need to be evaluated. This approach may be more or less favorable based on the type of hauler and existing facility arrangements.

ii. Option 2.B: Direct to specific facilities

- (A) Description.** The City can choose to expand its C&D processing exclusively to a set of facilities, including but not limited to PTS, to closely monitor materials that originated in the City. The City could provide even further specificity, if desired, and direct to different facilities by material type.

- (B) Benefits and Challenges.** This option provides more flexibility compared to Option 2.a by allowing more facilities than PTS on the list. However, if the City does not have an agreement with these external facilities, the City has minimal leverage in ensuring the facility meets the City's intended goal. The City would also need a strong justification for how the facilities were selected. Therefore, this option is not likely to be effective for meeting the City's goals, without some certification or agreement system in place.

c. Option 3. Open market to any facility

i. Option 3.A: Facility open market

- (A) Description.** This option allows for a facility open market with no certification. This means that haulers have the freedom to choose facilities to which they will deliver materials. Facilities (other than PTS under the current agreement) would therefore not be required to meet any City-specific diversion or reporting requirement aside from process materials they receive by their own facility standards.
- (B) Benefits and Challenges.** This option provides the most flexibility for permitted haulers and project permittees. There is little to no City involvement in this sub-option, on the facilities side, as it is not possible to hold facilities to a certain diversion rate without a mechanism to monitor the diversion. This can only be done if the facility agrees to voluntarily comply with and participate in the City's C&D Recycling Program. An open market to any facility would shift administrative effort towards a WMP or hauler system as the primary mechanisms for compliance with diversion and reports.

2. Recordkeeping and Reporting

Recordkeeping and reporting options for the facility system will greatly depend on the options selected above. The City may choose to update existing reporting systems, subscribe to new software to streamline reporting, or depend on certification system reporting requirements.

a. Reporting by External Facilities

For external facilities to maintain their status on an approved facilities list, the use of third-party software or a certification could harmonize reporting requirements and ease administrative burden. Certification structures typically include reporting requirements that the City could use to support the inclusion of that facility within the acceptable list of processing facilities. Internally developed reporting templates could be useful, but would take City staff effort to create and maintain, particularly if multiple facilities are involved.

SECTION 4. RECOMMENDATIONS

Based on the above analysis, HF&H recommends the following for consideration in the new permitted hauler process.

1. **Develop a comprehensive permitted hauler process.**

- a. Develop a permitted hauler process differentiated into two hauler types. HF&H recommends drafting a permitted hauler protocol that outlines the application, review, and renewal process for all C&D permitted haulers. In the protocol, the City should designate C&D permitted haulers into a tiered system based on size (large and small haulers). Qualification for the two tiers can be determined using a number of factors, such as volume collected, revenue, or vehicle or container type (e.g., roll offs versus small pickup trucks). This differentiation helps create an equitable system that is tailored to the different types of haulers, and aims to streamline the communication between SMM, CDD, the permittee, and the permitted hauler(s).

Once implemented, the City may want to evaluate the number of small haulers and determine if the Municipal Code should be updated to provide exemptions for de minimis volumes, if staff determine the number of haulers is more resource intensive to manage versus the amount of diversion being achieved.

- b. Draft terms and conditions agreements. Staff should work with the City Attorney's Office to draft a standard form of agreement(s) for permitted haulers to comply with to retain a permit. An agreement will ensure that permitted haulers comply with all the reporting, facilities, and education requirements needed to meet City and State regulatory standards. HF&H recommends establishing a standard terms and conditions document for each hauler tier, which may vary in length and scope based on the type of hauler.
- c. Conduct fee study. HF&H recommends that the City conduct a study that meets the requirements of Prop 218 and Prop 26, to determine the appropriate administrative fees to be assessed, and the amount and adjustments mechanisms for such fee(s).
- d. Leverage haulers to provide education. HF&H recommends that the City include clear and robust education requirements and technical assistance in the terms and conditions documents for the permitted hauler process and work with Republic to improve its educational materials. Haulers already have existing communication lines, account details, and touch points to provide information to service recipients, such as building projects, and therefore can efficiently provide education. In addition to providing signage and education materials, the City can have haulers conduct in-person outreach, such as having a C&D service representative conduct site visits to advise projects on types and quantities of materials that may be generated on their project, and their corresponding options for C&D recycling services (including information on both source separation and mixed C&D).
- e. Evaluate third-party software tracking system for permitted haulers. A third-party tracking system such as GreenHalo can help manage and monitor multiple haulers as it becomes the interface where the register and upload necessary details ranging from registration information to weight tickets. This information would be easily accessible to both SMM and

CDD, if needed. Furthermore, reports can be exported to fit City needs or state reporting needs and formats. The decisions made related to software systems for the WMP and permitting process may inform the City's decision around software for permitted hauler tracking. As mentioned above, HF&H cannot represent or guarantee the capabilities of specific software systems, and the City will need to consult with its IT specialists in selecting software platforms.

2. **Include Republic in the permitted hauler process.** Implementing the permitted haulers process is intended to create consistent requirements for C&D haulers and efficiencies for staff to monitor and oversee C&D hauling throughout the City. The franchise agreement allows Republic to haul C&D materials. However, SMM staff have stated that the current requirements may not be enough to achieve the desired results from all permitted haulers. Republic currently does not use the highest diversion facilities and has encouraged mixed C&D collection over source separation. Additionally, including Republic in the process could lead to one hauler with a large market share being significantly less regulated than other haulers. If the agreement for permitted haulers is more satisfactory to SMM staff in its requirements than the current franchise agreement requirements, it may create an inequitable and inconsistent enforcement program for City staff to implement and oversee. Amending the franchise agreement and reentering negotiations with Republic to expand C&D requirements would be costly, resource intensive, and unnecessary. HF&H recommends that the City include Republic in the proposed permitted hauler process and require Republic to enter into the separate terms and conditions agreement for C&D hauling. The City will need to evaluate whether there are unique connections between how the franchise agreement and terms and conditions interact, and include corresponding language in the terms and conditions document.
3. **Conduct a C&D tonnage audit.** HF&H recommends conducting an audit, after the program has been implemented, to determine how much tonnage is not being tracked by the permitted hauler process by comparing reported tonnages on the permitted hauler reports to facility reports (e.g., RDRS reports). This will help inform whether there is a significant number of haulers or volume of material that is not being registered or tracked through the registered system, which may trigger the City to conduct additional audits or revise the permitted hauler program.
4. **Consult with City Attorney regarding Municipal Code updates.** HF&H recommends consulting with the City Attorney's Office to determine if code changes are needed to implement any revised C&D program processes (e.g., implementing fees and fines, revising enforcement methods, allowing for exemptions, clarifying permitted hauler language).
5. **Develop an internal permitted hauler protocol.** HF&H recommends developing a fully prescribed permitted hauler protocol for City staff to follow. The protocol would outline in great detail the steps and timeline for implementing, executing, and maintaining the permitted hauler process. It will also outline the responsibilities for both SMM and CDD.
6. **Adopt a third-party facility certification system.**
 - a. Generate facilities list. HF&H recommends that the City focus first on implementing the permitted hauler process and then evaluate facility certification options. These new requirements and recordkeeping systems through the WMP and permitted hauler process will help the City identify which facilities materials are being taken to. Once this data is in the system, HF&H recommends that the City extract the list of facilities being used to evaluate whether narrowing the list of facilities through a certification process would be beneficial for administrative simplicity and/or diversion compliance.

b. Integrate into permitted hauler process. HF&H recommends that the City craft its permitted hauler terms and conditions document to provide flexibility for the City to direct materials to specified approved facilities at a future date.

c. Establish a certification list. Informed by the recommendation above, HF&H recommends that the City adopt a third-party certification list, such as referencing the County of San Diego's list which has been adopted by surrounding jurisdictions, or one from private entities such as RCI. This can minimize administrative burden and costs it takes to certify, monitor and maintain the certification process. This provides some assurance that the facilities are meeting minimum standards, with less work on City staff to conduct audits and inspection. Furthermore, as more jurisdictions opt to use third party certifications, it allows for facilities to meet a consistent standard for all jurisdictions.