



CITY OF LAGUNA NIGUEL

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CITY COUNCIL

Mayor Kelly Jennings
Mayor Pro Tem Stephanie Oddo
Council Member Ray Gennaway
Council Member Gene Johns
Council Member Stephanie Winstead

September 25, 2023

Julie Barreda
Regional Vice President
CR&R Incorporated
11292 Western Avenue
Stanton, California 90680-2912

RE: Request for Letter Agreement as Direct Service Provider of Renewable Natural Gas for the City of Laguna Niguel

Dear Ms. Barreda:

Senate Bill 1383 requires California cities to purchase a prescribed amount of recycled-content organics products, including Renewable Natural Gas (RNG) generated from an anaerobic digestion facility. SB 1383 requires a written agreement between a City and its direct service provider in order for RNG to be used as vehicle fuel by a third party to count towards the City's SB 1383 procurement requirements. It is the City's understanding that CR&R is currently using RNG to power its collection vehicles in the City and has done so since 2020. The purpose of the letter is to memorialize the recovered organic waste product, in the form of RNG, that CR&R uses to fuel its collection vehicles in the City of Laguna Niguel, as required by Senate Bill 1383 (SB 1383).

Section 18993.1 of SB 1383 requires that the City maintain the following with a direct service provider of recovered organic waste products:

- (a) a written contract or agreement with any direct service providers of recovered organic waste product (e.g., RNG),
- (b) written documentation of such procurement to the City, and
- (c) invoices or similar records evidencing procurement.

As defined by SB 1383, CR&R's anaerobic digestion facility in Perris, California (SWIS ID 33-AA-0239) is a fully permitted facility to recover organic waste.

The City wishes to memorialize the following terms as they pertain to CR&R's use of RNG in this letter agreement. In the terms below, "Contractor" refers to CR&R Incorporated and "City" refers to the City of Laguna Niguel.

- All Collection vehicles, as defined by Article 7.03.B of the franchise agreement between the City and Contractor, used by Contractor under this letter agreement shall be powered by RNG, directly or indirectly via a book and claim agreement, generated by CR&R's anaerobic digestion facility in Perris, California that is permitted or otherwise authorized by Title 14 of CCR to recover Organic Waste and meets the requirements of 14 CCR Section 18993.1(h). Contractor shall comply with this requirement effective immediately.

- Contractor shall maintain records of the amount of RNG that is generated at a CR&R owned and operated anaerobic digestion facility and/or purchased and used to power collection vehicles in the City. Quantities of RNG used in the City, in diesel gallon equivalents (DGE), shall be included in the reports that are submitted quarterly to the City per Attachment K of the franchise agreement or more frequently, as requested by the City.
- Upon the City's request, Contractor shall obtain and provide the City with invoices or similar records evidencing procurement of the RNG from CR&R's Perris facility.
- Contractor shall agree to the City the right to report this RNG usage toward the Jurisdiction's fulfillment of its annual recovered Organic Waste product procurement target in accordance with 14 CCR Section 18993.1.

To indicate CR&R's acceptance of the terms of this letter agreement, please sign and date in the space provided below.

The City appreciates its partnership with CR&R and its ongoing efforts to assist the City in meeting SB 1383 compliance.

Sincerely,

Justin J. Martin
Assistant City Manager
City of Laguna Niguel

Agreed:

Justin J. Martin
Assistant City Manager
City of Laguna Niguel

Julie Barreda
Regional Vice President
CR&R Incorporated