

**CITY OF SAN DIEGO**  
**WASTE MANAGEMENT REGULATION**

SUBJECT	NUMBER	EFFECTIVE DATE
ELIGIBILITY, REQUIREMENTS, AND PERFORMANCE BASED METRICS FOR ASSESSING LIQUIDATED DAMAGES	R-001-25	09/08/2025

**POLICY**

The *City* is committed to ensuring residents have access to high quality *solid waste management services*. *Solid waste management services*, including the collection and subsequent transfer, transportation, and recycling or disposal of solid waste, affects the health, safety, welfare, and quality of life of *City* residents, protects the local environment, and safeguards public health by ensuring clean streets, sidewalks, and parks.

The *City* is also committed to increasing waste diversion through recycling, reuse, and food recovery policies. These policies support climate goals by reducing landfilled waste, conserving natural resources, and preventing pollution.

**INTENT AND PURPOSE**

Pursuant to San Diego Municipal Code (SDMC) section 66.0108, the City has franchise agreements with the City’s franchise haulers for the collection and subsequent transfer, transportation, and recycling or disposal of commercial and certain residential solid waste that is not eligible for City-provided services under Section 66.0127. The *City*’s franchise agreements require franchisees to meet annual minimum diversion rates, which is the percentage of haulers’ collected waste (based on tonnage) that is kept out of landfills by recycling and organic waste recycling collection. A franchisee’s failure to meet minimum diversion rates may result in liquidated damages. The assessment of liquidated damages is at the *City*’s sole discretion.

The intent and purpose of this Waste Management Regulations (WMR) is to set forth objective criteria for evaluating when liquidated damages should be assessed against a franchisee. Having objective criteria allows the City to make consistent determinations while providing franchisees a clear framework of identifiable actions for improving diversion focused on outreach, education, and collaborative participation. These regulations are designed to strengthen the quality and effectiveness of recycling programs while ensuring compliance with state and local laws. Information from this regulation, which pilots a new approach, may be used to inform future franchise agreements.

This WMR is also intended to promote public health and safety by ensuring residents have access to *solid waste management services* in a timely manner to ensure public health and safety. In November 2022, a majority of the *City*’s voters approved Measure B, which amended Chapter 6, Article 6, Division 1, section 66.0127 of the San Diego Municipal Code to remove language that prohibited the *City* from charging a fee for *City*-provided solid waste management services and to clarify properties eligible for *City*-provided service. Following the passage of Measure B, the *City* determined that a significant number of multifamily residences are not eligible for *City*-provided service and need to transition to one of the City’s approved franchise haulers.

Because franchise haulers operate in a competitive, non-exclusive environment, the City recognizes that both haulers and customers face transition challenges - particularly with multifamily properties, which tend to have lower diversion rates. To address these barriers, the City is using a performance-based compliance framework rather than relying solely on fixed numerical standards. This approach emphasizes measurable progress and collaboration, while supporting the timely transition of multifamily residences to private franchise haulers and advancing the City's landfill diversion and compliance goals.

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**AUTHORITY**

Section 66.0124 of the SDMC delegates control and supervision of *solid waste management services* to the *City Manager* and authorizes the *City Manager* to promulgate rules and regulations relating to collection and transfer, transportation, and disposal or *recycling* of *solid waste* in the *City*.

**DEFINITIONS**

For the purposes of this Waste Management Regulation, the following definitions shall apply per the City's Municipal Code:

- a) *City* has the same meaning as in section 66.0102.
- b) *City Council* means the elected City Council of the City of San Diego.
- c) *City Forces* has the same meaning as in section 66.0127.
- d) *City Manager* or *Manager* has the same meaning as in section 66.0102.
- e) *Collect* or *Collection* has the same meaning as in section 66.0703.
- f) *Department* means the Environmental Services *Department* of the City of San Diego (or its successor).
- g) *Diversion* has the same meaning as in section 66.0703.
- h) *Director* means the Director of the Environmental Services *Department* of the City of San Diego (or its successor) or duly authorized representative.
- i) *Franchisee* has the same meaning as section 66.0102.
- j) *Hauler Interface* means the online cloud-based online tracking system maintained by the City that allows franchise haulers to record, manage, and submit required data and reports. It provides a centralized platform for tracking service information, compliance activities, and performance metrics, ensuring accurate and timely communication between franchise haulers and the City.
- k) *Organic Waste* has the same meaning as in section 66.0703.
- l) *Person* has the same meaning as section 66.0102.
- m) *Recycling* has the same meaning as section 66.0102.
- n) *Solid Waste* has the same meaning as in section 66.0102.
- o) *Solid Waste Management Services* means services such as collection, transfer, transportation, recycling, and disposal of solid waste.

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**SCOPE**

This Waste Management Regulation applies to *solid waste* collected by a *City* franchised hauler pursuant to the *City's* franchise agreements.

This Waste Management Regulation does not apply to *solid waste management services* provided by *City Forces* within the corporate limits of the City of San Diego.

This Waste Management Regulation does not negate the requirements for franchisees to meet all other requirements in their franchise agreement with the City.

**RULES AND REGULATIONS**

The following rules and regulations shall be used for determining whether to assess liquidated damages as allowed under Article 5.4.2 of the Non-Exclusive Franchise Agreement Between the City of San Diego and the Franchisees for Solid Waste Management Services.

**I) General**

**A) Authority of Environmental Services Director**

The administration and implementation of this Waste Management Regulation is under the direction of the *Director* who is authorized to administer, implement, and enforce the intent, purpose, and provisions of this WMR. This includes the authority to determine whether a franchisee has complied with the performance-based framework set forth in this WMR.

**B) Effective Date**

These regulations shall go into effect upon signature of the Mayor of the City of San Diego.

**II) Criteria for Determining Liquidated Damages Assessment**

A franchisee will be considered in compliance, and therefore not subject to liquidated damages, if it meets either of the following conditions:

- A) Meeting numerical requirements set out in the Non-Exclusive Franchise Agreement for Solid Waste Management Services Article 5.4.2; or
- B) Meeting continuous, documented performance-based compliance framework with the following criteria:

**Ineligible Customer Acquisition**

- The City estimates the total number of properties requiring transition to be approximately 20,000 properties, as identified by their Assessor's Parcel Number (APN).
- The following schedule must be met for transitioning properties that have been identified by the City as ineligible for City-provided solid waste management services following the implementation of amendments to the People's Ordinance (Ineligible Properties) to service by one of the five City-approved franchise haulers:
  - By October 31, 2025, at least 60 percent of Ineligible Properties must be confirmed to be receiving service from an approved franchise hauler.
  - By December 15, 2025, at least 80 percent of Ineligible Properties must be confirmed to be receiving service from an approved franchise hauler.

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- By February 28, 2026, at least 90 percent of Ineligible Properties must be confirmed to be receiving service from an approved franchise hauler.
- This criterion is considered by the City to be on target collectively by the five City-approved franchise haulers if the above schedule is met.
- If the Approved Franchisees do not meet the benchmarks in the above-referenced schedule, the criterion is not considered to be met by any of the City-approved franchise haulers.
- The franchise haulers should engage in proactive and continuous marketing efforts including, but not limited to:
  - Direct mailers to prospective customers
  - Provision of estimates for service to prospective customers who request service
  - Follow-up phone calls to prospective customers for whom estimates have been submitted
  - Bi-weekly written updates to Department Director and Deputy Chief Operating Officer on customer acquisition and outreach efforts

**Multi-family Transition and Diversion Commitment**

- Must maintain and demonstrate ongoing efforts to meet diversion goals for all customers, not just newly onboarded ones.

**Service and Diversion Practices**

- Promptly address City- or customer-reported container issues (broken or missing lids, leaks) within five (5) business days to prevent contamination, vermin, and illegal dumping.
- Implement contamination reduction measures, including:
  - Work diligently with the customer to minimize the contamination in the containers
  - Documentation of annual conducted contamination container checks
  - Provide customers with education and outreach materials
  - Right-sizing customers with overflowing or high contamination issues
  - Provide container labeling per City Recycling Ordinance (CRO) standards and targeted education for recurring offenders.
  - Allow City representatives to observe these activities upon request to join the hauler when performing these activities.

**Customer Service, Outreach, and Engagement**

- Distribute, upon City request, printed and/or virtual education and outreach material to all customers. These could include materials such as City campaign branded materials such as fliers, brochures, newsletters, website content, social media, and bill inserts on topics such as waste reduction, reuse, recycling, or solid waste and recycling rules and regulations.
- Conduct in-person and virtual targeted outreach and technical assistance to underperforming or unengaged customers. This includes proactively and continually working with customers to adjust their service levels to achieve the most efficient system, highest diversion rate, and compliance with SB 1383 and CRO requirements.
  - Allow City representatives to observe these activities upon request to join the hauler when performing these activities.
- Assign a point of contact(s) with decision making abilities and subject matter expertise to actively participate in City-led Education and Outreach Working Group meetings in-person and virtually at least quarterly.
- Implement culturally competent, multilingual education materials in alignment with City guidance.
- Require customer service representatives and staff who conduct technical assistance and outreach to attend required trainings upon City request to ensure messaging alignment.

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- In the event the City receives a complaint from a customer, the franchisee must cooperate with the City to investigate and attempt to reasonably resolve the dispute within ten (10) business days and provide records to City upon request.

**Coordination with City Enforcement**

- Refer non-compliant customers to the City monthly for enforcement action.
- Support CRO compliance by responding within five (5) business days to reported issues from their collection drivers, customers, and County and City reported observable violations, such as container overflow, egregious contamination, or absence of required service.

**Reporting and Verification Requirements**

- Adhere to existing records and reports requirements per section 7 of the franchise agreement.
- Additional compliance will be verified through mandatory bi-weekly reporting using City-provided templates, including:
  - Number of transition inquiries received from customers eligible for franchise hauler service
  - Number of inquiries denied with APN/address and denial reason
  - Number of services offered to customers with CRO-compliance confirmation
  - Type of service offered (carts, dumpster or both)
  - Number of new customers enrolled in service
  - Number of site visits conducted
  - Summary with quantities and descriptions describing the education, outreach, customer service, and technical assistance provided to customers
  - Notable operational or customer challenges

Submit a written annual plan that describes the franchisee's strategies for outreach and technical assistance that will address customers who are not in compliance with SB 1383 and CRO or who have ongoing contamination issues. The City and the franchisee will review and coordinate on this plan during quarterly in-person meetings.

All reporting shall be submitted in a timely manner using the City provided template and upon the provided deadlines from the City. Onboarding activity must also be reported through the City's Hauler Interface, including customer address, service start date, service level, collection day of the week, and new container deployment.

Meet in-person at least quarterly with the City to assess and discuss the individual franchisee's compliance-based performance. These are separate meetings from the quarterly meetings with all the franchise haulers.

The City will monitor the franchisee's compliance on a quarterly basis for implementation of the performance-based criteria and review annually the franchisee's completeness and quality of the conditions of this agreement to determine if liquidated damages will be assessed beginning calendar year 2025 through calendar year 2027.

Failure to meet any of the above requirements – including repeated late or missing report or documentation submissions - may result in loss of eligibility for liquidated damage waivers for the calendar year, at the sole discretion of the Environmental Services Department Director.

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By:  ...  
Environmental Services Director

Date: 9/8/25

Authorized:   
Mayor of the City of San Diego

Date: 9/8/25

Authority:

San Diego Municipal Code sections 66.0124, 66.0127

California Public Resources Code Section 40059