



DATE: January 8, 2018

TO: Council Sustainability Committee

FROM: Director of Utilities & Environmental Services

SUBJECT Semi-Annual Update on City's Waste Reduction and Recycling Programs

RECOMMENDATION

That the Committee reviews and comments on this report.

SUMMARY

This report provides an update on the solid waste, recycling, and organic materials services Waste Management of Alameda County (WMAC) provides Hayward residents and businesses under the City's contract that commenced March 1, 2015. This report also shows WMAC's progress toward meeting contractual performance targets, and summarizes the City's compliance with the Alameda County Waste Management Authority's (ACWMA) mandatory recycling ordinance. The report provides an overview of outreach activities conducted to inform residents, businesses, and multi-family property managers about the variety of services available under the City's contract with WMAC. Since the WMAC contract commenced in 2015, the number of subscriptions to recycling and compost services by Hayward residents and businesses have increased each year, and the tonnage of material recycled and composted has also increased annually. Hayward's overall diversion rate for 2016 as reported to the State Department of Resources Recycling and Recovery (CalRecycle) is 73%.

BACKGROUND

In accordance with the requirements of Measure D, a County Charter initiative amendment passed in 1990, the Alameda County Recycling Board established the goal of at least 75% diversion of all discarded materials in Alameda County by 2010. In 2007, Hayward City Council adopted a goal of diverting at least 75% of waste from the landfill by 2010 and in 2016, the City's actual diversion rate was 73%. The City's contract with WMAC establishes diversion goals based on the tons of material collected as recyclables, organics, or solid waste to be landfilled. The diversion goals identified in the WMAC contract were designed to help the City achieve an 80% diversion rate by 2018. In conjunction with the City's contract with WMAC, staff manages a variety of programs intended to help the City achieve its diversion

goals. The last report on solid waste reduction and recycling presented to the Committee was on [July 10, 2017](#).

General Plan Policies – Hayward’s General Plan, adopted on July 1, 2014, includes the following policies related to solid waste, recycling and organics collection:

Public Facilities and Services, Policy 7.4 Solid Waste Diversion – The City shall comply with State goals regarding diversion from landfill, and strive to comply with the provisions approved by the Alameda County Waste Management Authority (ACWMA).

Public Facilities and Services, Policy 7.21: Mandatory Recycling – The City shall implement mandatory recycling for commercial and multifamily uses and work with ACWMA to increase participation in this program.

Public Facilities and Services, Policy 7.14 Commercial Recycling – The City shall encourage increased participation in commercial and industrial recycling programs, and strive to comply with the recycling provisions approved by the ACWMA. The City shall work with ACWMA to provide technical assistance to businesses to implement mandatory recycling.

The current WMA Franchise Agreement (Agreement) commenced March 1, 2015 and includes several provisions WMA must follow to improve solid waste management in Hayward and ensure the City, its residents, and businesses comply with State and County waste management regulations. Some provisions include: Franchise Recovery Rate targets and increased diversion of material from landfill; dedicated outreach resources; enhanced bulky items collection services; and compost giveaway events.

Mandatory Recycling Ordinance – The ACWMA enacts and implements County-wide ordinances and diversion programs to help member agencies achieve their waste reduction and diversion goals. In January 2012, the ACWMA Board approved a mandatory recycling ordinance, which includes a goal to reduce the amount of recyclable and compostable materials landfilled to no more than 10% by 2020. Currently the amount of recyclable and compostable material sent to landfill by Hayward residents is about 35%.

The ordinance consists of two phases: the first phase required larger businesses and all multi-family properties to arrange for collection of recyclables; the second phase required all multi-family properties, and all businesses that generate a significant amount of food scraps and food-soiled paper, such as such as restaurants, food processors, and grocers, to implement separate organics collection. The second phase also required all businesses, regardless of size, to subscribe to recycling services. Multi-family properties are defined in the ordinance as properties having five units or more.

Enforcement of the ordinance is performed by ACWMA inspectors or staff from participating municipalities. However, ACWMA may only issue citations after receiving written approval by staff from participating municipalities. ACWMA assumes all costs to implement the enforcement program, including inspection, enforcement procedures, and assistance to

businesses to implement required programs. After allowing a grace period of all effected entities to implement required services, the ACWMA started actively enforcing all phases of the ordinance on January 1, 2017.

The City's contract with WMAC includes organics and recycling collection service to multi-family properties. Single-family and most multi-family recycling service is provided by subcontractor Tri-CED. The contract also offers organics service to businesses at 50% of the comparable garbage rate and recycling to businesses at 30% the cost of comparable garbage service. Per the contract, commercial recycling service will increase on March 1, 2018 to 40% the cost of comparable garbage service.

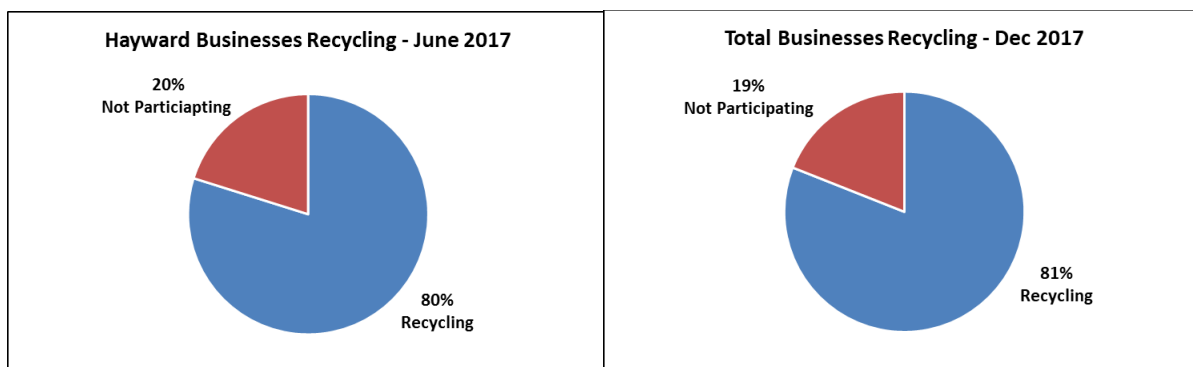
DISCUSSION

City, WMAC, and Tri-CED staff work with multi-family properties and businesses to help them meet all provisions of the mandatory recycling ordinance. Currently 98% of Hayward multi-family properties with five or more units subscribe to recycling services and 67% of multi-family properties participate in organics collection services. The percentage of businesses in Hayward subscribing to recycling services in December 2017 remained relatively flat for the last 6 months, at about 80%. The percentage of Hayward businesses subject to the ordinance subscribing to organics collection services increased by about 10% since June 2017.

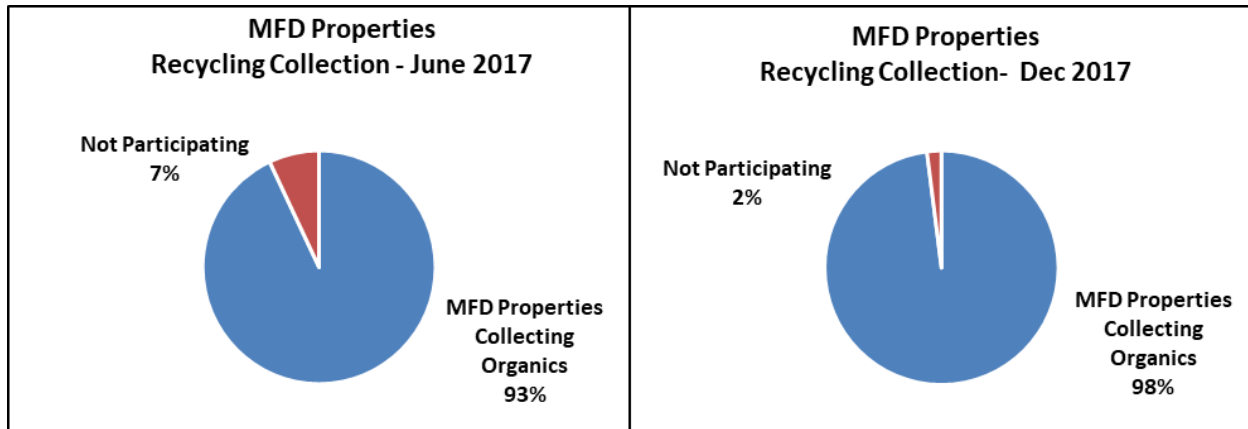
The tables and pie charts below summarize, from June 2017 through December 2017, the percent change in the number of Hayward businesses and multi-family properties that have arranged for collection of recyclables, and percent change in the number of Hayward multi-family properties that have arranged for organics collection through WMAC. The information is based on data provided by WMAC. Businesses and multi-family properties may also comply with the ordinance by arranging with other service providers, or self-hauling their recyclables and organics.

Mandatory Recycling Ordinance: Summary of Participation

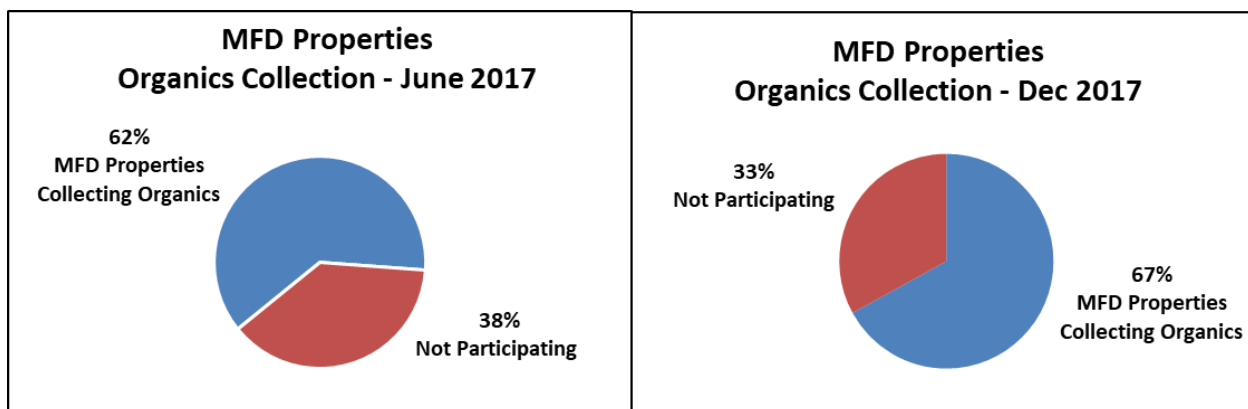
Collection of Recyclables from Businesses	Date	Percent
Percent subscribing to service	June 2017	80%
Percent subscribing to service	December 2017	81%



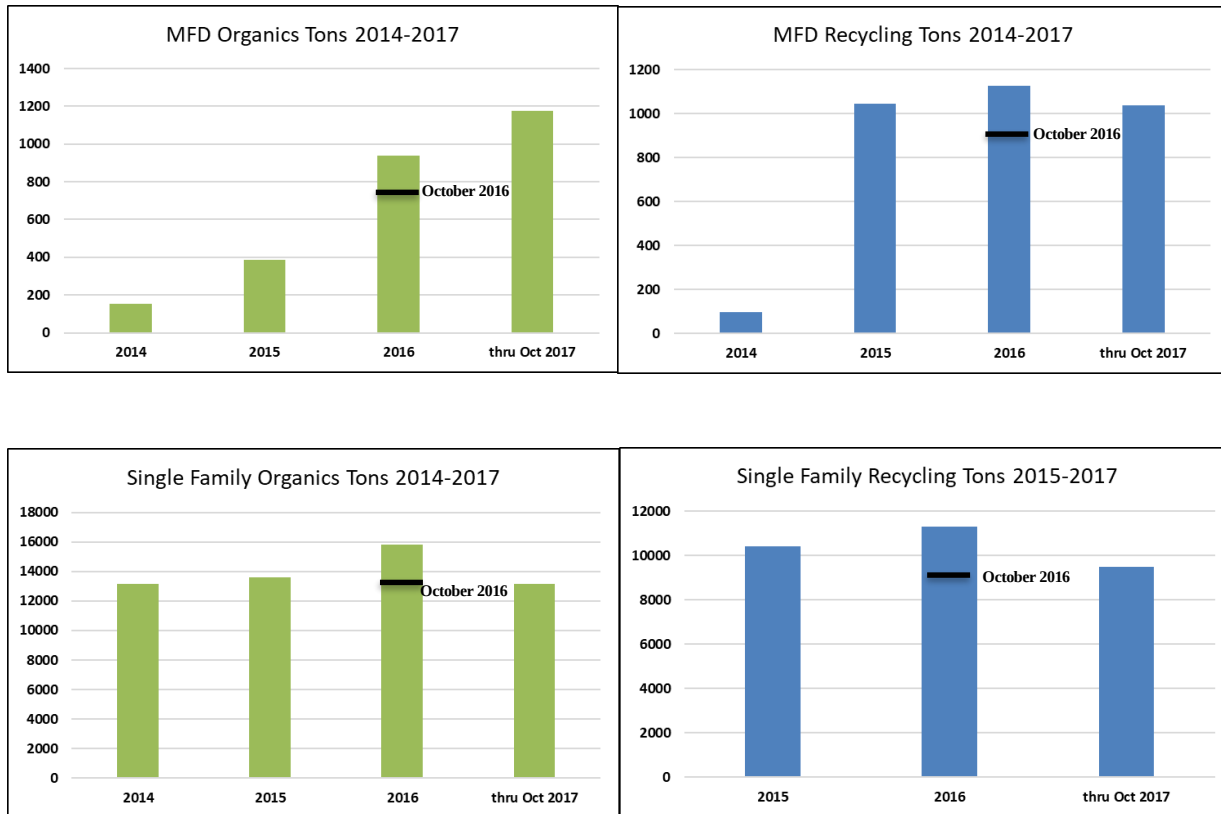
Collection of Recyclables from Multi-Family Properties	Date	Percent
Percent subscribing to service	June 2017	93%
Percent subscribing to service	December 2017	98%



Collection of Organics from Multi-Family Properties	Date	Percent
Percent subscribing to service	June 2017	62%
Percent subscribing to service	December 2017	67%



The pie charts above show the percentage of multi-family dwellings and businesses that subscribe to services. The data does not indicate whether a property or businesses subscribes to an adequate level of service or sorts material properly. The tables below show the tonnage of recyclable and organic material collected from residential properties from 2014 through October 2017.



WMAC staff, including interns dedicated to Hayward, as well as City staff, continue to perform outreach and provide assistance to businesses and multi-family properties so they can implement both services and comply with the ordinance.

Outreach to Multi-Family Properties – In 2016 and 2017, ACWMA, also known as StopWaste, performed outreach to multi-family properties through social media and email. ACWMA also launched a new website tool that enables businesses and multi-family property owners to create customize signage for recycling, trash and compost containers. City and WMAC staff also continue to work with property managers and owners to improve organics sorting/collection and facilitate bulky item removal. Presentations to tenants are coordinated with WMAC, Tri-CED, and property managers. Brochures have also been distributed at Hayward Downtown Street Parties and to the Keep Hayward Clean & Green Task Force. In addition, the City and WMAC collaborate to design and send bill inserts and mailings throughout the year to help inform residents of program parameters.

Outreach to Businesses – WMAC representatives offer Hayward businesses waste assessments and employee training to help facilitate implementation of programs. City assistance includes offering labels for containers and posters for reference by employees and patrons. City staff will continue to disseminate informational materials to businesses via field visits and inserts with bills issued by WMAC, and to inform businesses that recyclables collection is available at 30% of the comparable garbage rate, and organics collection is available at half the price of regular garbage collection. Although not always the case, numerous businesses, including

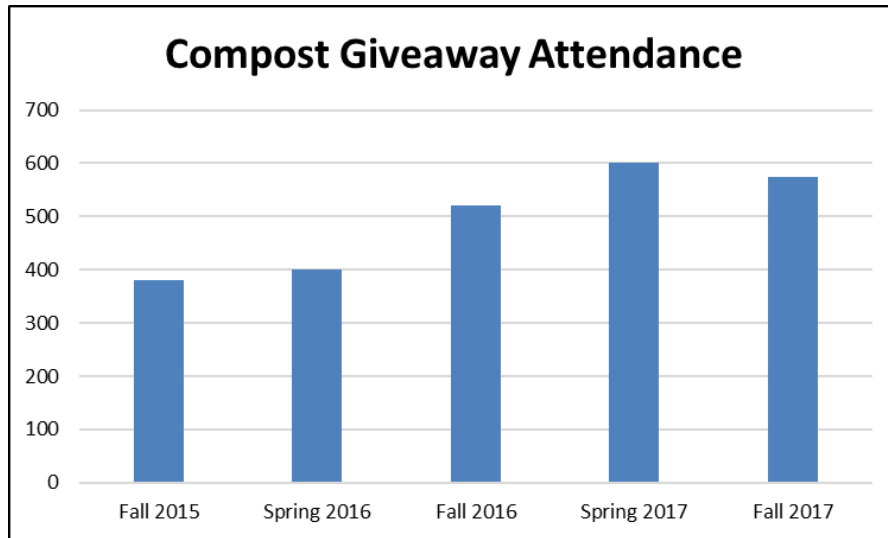
restaurants, grocers, and food processors, have been able to reduce garbage service and cost after implementing one or both services.

Outreach to Single-Family Residents – The mandatory recycling ordinance does not apply to single-family households. However, staff conducts outreach to single-family households to help residents properly sort recyclables and increase their organics diversion by placing food scraps and food-soiled paper in the green bin. Informational materials to single-family residents include bill inserts that highlight the twice-annual bulky item appointments and the variety of other services that continue to be offered. Additionally, the City's website and WMAC's website each offer residents and businesses extensive information regarding recycling and available services. WMAC and City staff recently posted Holiday Facebook ads to provide tips on recycling common Holiday items. WMAC also mails postcards to all households describing removal of bulky items, and sends holiday tree removal instruction postcards to all residents.

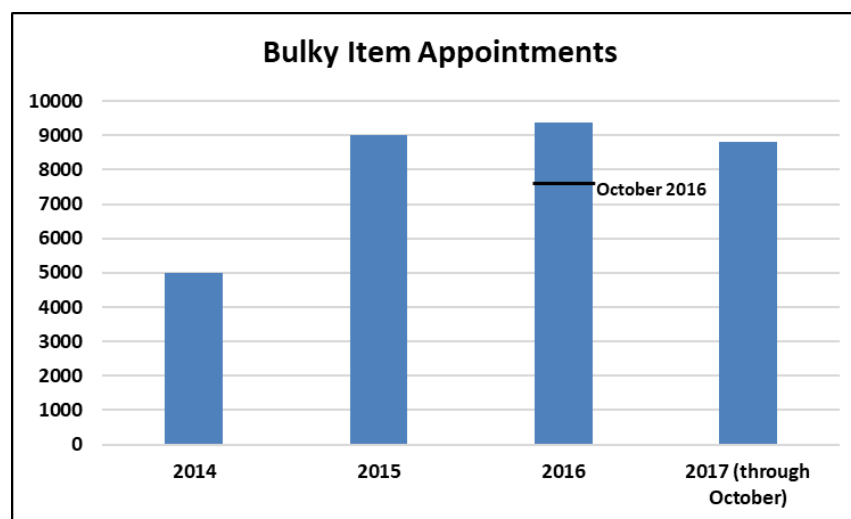
Cal State East Bay

In addition to outreach conducted with WMAC, in 2017 staff worked with Cal State East Bay classes as part of the Pioneers for Sustainable Communities (PFSC) pilot program to design and conduct outreach for Hayward residents. Cal State PFSC program students placed hang tag flyers on the garbage carts of approximately 6,000 single-family homes. The tags reminded residents to place food scraps in the green yard trimmings cart and not in the garbage. In 2018, the City and Cal State East Bay are not operating the PFSC program, however, staff plans to leverage the relationships formed through the Program to team with a Cal State East Bay Human Development class to perform the hang tag outreach again.

Compost Giveaways – A provision of the WMAC Agreement requires WMAC provide Hayward residents with 5,000 one cubic-foot bags of compost annually. The City distributes these bags of compost to residents by means of compost giveaway events held twice a year on Saturdays. During these events, residents drive to a designated venue and City staff loads bags of compost into residents' vehicles. Since the inception of the contract in March 2015, the City has hosted five events and given roughly 11,700 bags of compost to more than 2,350 residents. The events are promoted via inserts in garbage bills, emails, flyers at libraries, and by way of Nextdoor.com. Surveys conducted at the events indicate a very positive response from residents. In October 2017, in response to a request from the Committee, staff held the giveaway at a new location. The event occurred at Tennyson High School for the first time, however, a delay in confirming the availability of the high school delayed the announcement of the location until a week before the event. Staff believes the delayed venue announcement caused a decrease in attendance of about 50 residents. However, staff received very positive feedback regarding the new venue, and plans to hold the next compost giveaway in April 2018 at Tennyson High School.



Bulky Item Collection – The WMAC Agreement offers Hayward single-family households and multi-family properties free collections of 4 cubic yards per dwelling unit of bulky items such as furniture, mattresses, and appliances each year. While the participation by Hayward residents in the program has increased over the first few years of the new contract with WMAC, residents only utilize about one-quarter of the appointments allowed by the contract. Also, about 20% of bulky appointments are second collections for the same address. Staff has continued to prioritize promoting bulky item collection in 2017. In summer of 2017, staff teamed with WMAC to create and post a Facebook ad promoting the bulky item collection service. The ad scored very well on Facebook’s Relevancy scale and generated more clicks than anticipated. In 2018, staff and WMAC plan to create two bulky item collection videos to be posted on the City and WMAC websites as well as promoted through Facebook. One video will promote the service and the other will show residents how to properly set out their material for collection. Through October of 2017, 8,807 collections have occurred. Through October of 2016, 7,891 collections had occurred.

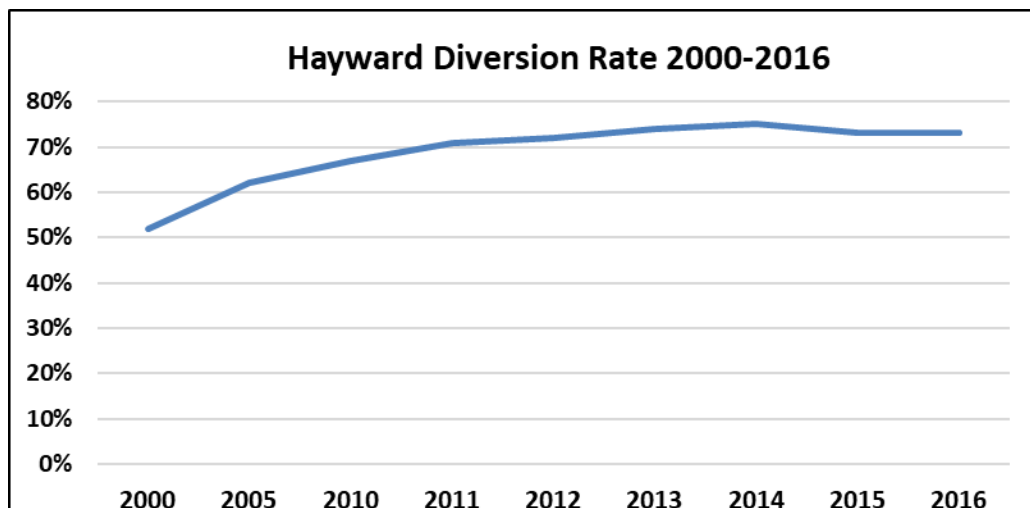


Franchise Recovery Rate – CalRecycle’s diversion rate takes into consideration all wastes generated within Hayward’s boundaries, some of which is not hauled by WMAC. The Franchise Recovery Rate is an annual benchmark included in the WMAC Agreement to track WMAC’s performance diverting material from landfill. It measures only the material collected and managed by Waste Management and the required Franchise Recovery Rate gradually increases each year of the contract to reach 80% by 2024, the final year of the Agreement. In calendar year 2016, WMAC achieved a Franchise Recovery Rate of 37%, well below the target of 50% for 2016. As of October 2017, the Franchise Recovery Rate was 39%, well below the 54% target for 2017. The Franchise agreement allows the City to penalize WMAC for not achieving its Franchise Recovery Rate

WMAC periodically experienced challenges fully staffing its outreach team since the Agreement began in 2015, but more effectively stabilized it’s staffing in 2017. In addition to more outreach, WMAC is working to increase recycling for some large industrial accounts that use roll-off bins whose loads can be processed to retrieve recyclables.

Despite WMAC outreach staffing challenges, in 2016 the number of businesses participating in the recycling and organics collection services offered under the City’s contract with Waste Management continued to increase (or increased by 4%), and the tonnage of organics collected from multi-family properties increased by about 55% over 2015. Participation by businesses and multi-family properties is critical because about 80% of all materials sent to landfill are generated by those two groups. Staff will continue to work with Waste Management to increase business and multi-family participation in recycling and organics collection services.

Diversion - The City achieved a 73% diversion rate during 2016, based on the per capita disposal rate compiled by the State and a methodology approved by CalRecycle. Although the 2016 rate remained the same as 2015 at 73%, the rate has increased from the mid-60% range achieved from 2008-2010 and the 71% achieved in 2013.



STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities strategy is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This item supports the following goal and objectives:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Objective 2: Foster a sense of place and support neighborhood pride.

Objective 3: Increase collaboration with businesses, non-profits and neighborhood groups on placemaking projects.

SUSTAINABILITY FEATURES

Solid waste management involves the safe and responsible management of discarded material from generation through processing to disposal. Reducing waste landfilled by maximizing the reuse, recycling, and composting of materials increases diversion, conserves natural resources, and plays an important role in making a community sustainable.

FISCAL/ECONOMIC IMPACTS

Solid Waste Program staff will continue to work with the ACWMA and WMAc to coordinate implementation and enforcement of the mandatory recycling ordinance. Recycling Fund monies will be used to fund these activities, so there will be no impact to the General Fund. These funds are based on tons of garbage disposed at the landfill, and are collected and disbursed by ACWMA. Currently, there is sufficient revenue in the Recycling Fund balance to pay costs associated with implementing the ordinance. However, funds have decreased by about 50% from several years ago, as tons landfilled has decreased. To replenish the City's Recycling Fund, additional funds will be remitted to the City by WMAc per the terms of the contract starting in FY2018-2019.

In June 2017, City staff started following the Agreement's rate-setting procedures and began the process of conducting an evaluation of WMAc's operating costs for 2016, the second year of the Contract. The cost analysis is part of the 2018 rate-setting process and will be presented to Council this winter. In addition, City staff is in the process of hiring a consultant to help review WMAc's revenues, expenditures, and return on investment. New rates will be effective March 1, 2018.

NEXT STEPS

City staff will continue to offer assistance to businesses and multi-family properties to implement separate collection of recyclables and organics. Outreach efforts will continue through a variety of channels, including the Rental Housing Owners Association, special events and the Chamber of Commerce. In early 2018, City Staff will present the rate-setting process and new rates to Council.

Prepared by: Jeff Krump, Solid Waste Program Manager

Recommended by: Alex Ameri, Director of Utilities & Environmental Services

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', is positioned above a horizontal line.

Kelly McAdoo, City Manager