



DATE: January 9, 2017

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 provides updates on WMAC's progress toward meeting contractual performance targets, as well as on the City's 2015 diversion rate. This report also includes a summary of the City's compliance with Alameda County Waste Management Authority's (ACWMA) mandatory recycling ordinance as well as an overview of outreach activities conducted to inform residents, businesses, and multi-family property managers about the expansion of the mandatory recycling ordinance and the variety of services available under the City's contract with WMAC.

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 2015, 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 are 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 [March 14, 2016](#).

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 ACWMAB. The City shall work with ACWMA to provide technical assistance to businesses to implement mandatory recycling.

DISCUSSION

Staff continues to work with WMAC to increase participation in on-going waste diversion programs as well as in newer programs that became available March 1, 2015 when the current WMAC Franchise Agreement (Agreement) commenced. The Agreement includes several provisions WMAC 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. The ordinance consists of two phases, and Council opted to participate in each phase.

Phase 1, which took effect July 1, 2012, required large businesses (those with four cubic yards or more of weekly garbage service) and all multi-family property owners to arrange for collection of recyclables. Hayward has met the multi-family property provisions of Phase 1 of the ordinance in that all multi-family properties have arranged for collection of recyclables.

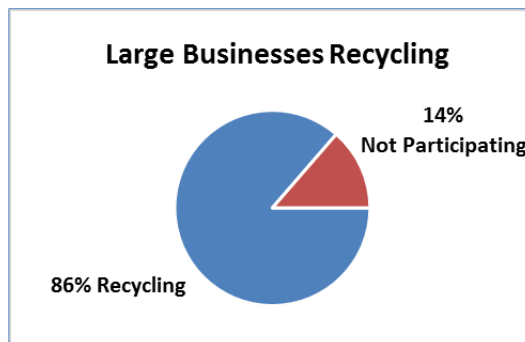
Phase 2 of the ordinance, which took effect January 1, 2016, requires all businesses to implement recycling and some businesses such as food processors, grocers, and restaurants that regularly generate organics (food scraps and food-soiled paper) to implement separate organics collection. Phase 2 also requires multi-family properties with five or more units to implement separate organics collection. The City's contract with WMAC initiated organics

collection service to multi-family properties free of charge, and offers organics service to businesses at 50% of the comparable garbage rate.

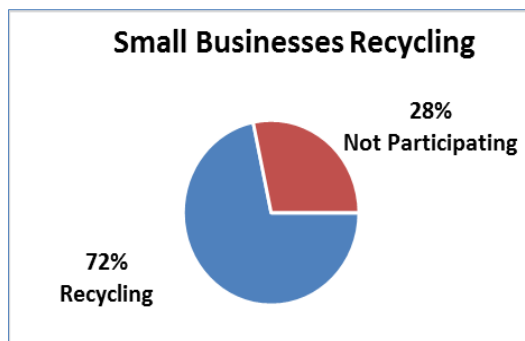
City and WMAC staff continue to work with multi-family properties and businesses to help them meet the provisions of Phase 2 of the ordinance. Currently 57% of Hayward multi-family properties with five or more units participate in organics collection services, and 76% of all Hayward businesses subscribe to recycling services. Over the past year, the total number of businesses in Hayward (both large and small) subscribing to recycling services increased about 5%. The table below summarizes the number and percent of businesses and multi-family properties that have arranged with WMAC for collection of recyclables and organics and is based on data provided by WMAC. Entities may also comply with the ordinance by arranging with other service providers, or self-hauling their recyclables and organics for donation or sale.

Mandatory Recycling Ordinance: Summary of Participation

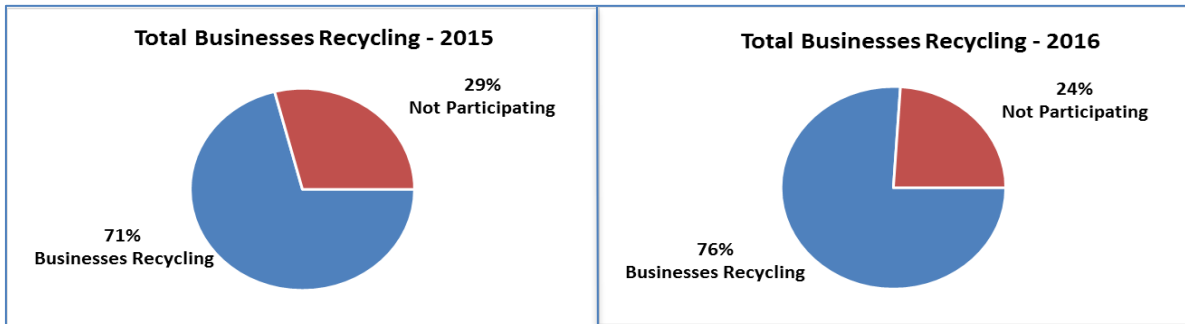
Phase 1: Collection of Recyclables from Large Businesses	No. Accounts	Percent
Total subject to Ordinance	763	
Currently subscribing to service	659	86%
Balance that have not subscribed to WMAC service	104	14%



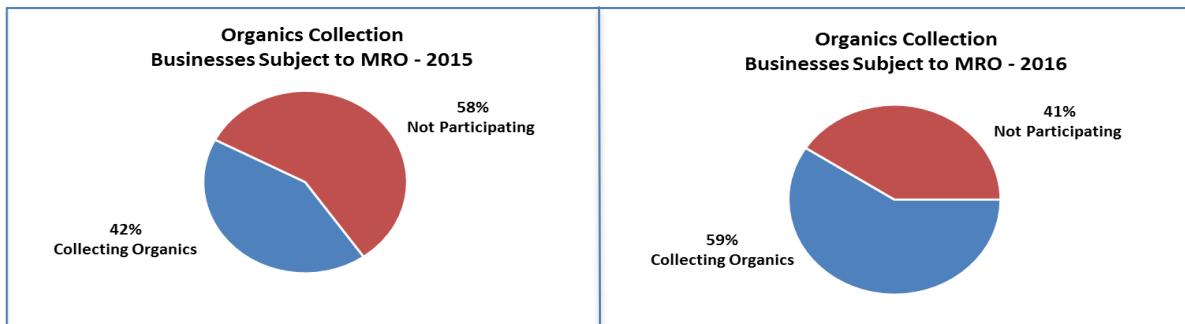
Phase 2: Collection of Recyclables from Small Businesses	No. Accounts	Percent
Total subject to Ordinance	1,930	
Currently subscribing to service	1,384	72%
Balance that have not subscribed to WMAC service	546	28%



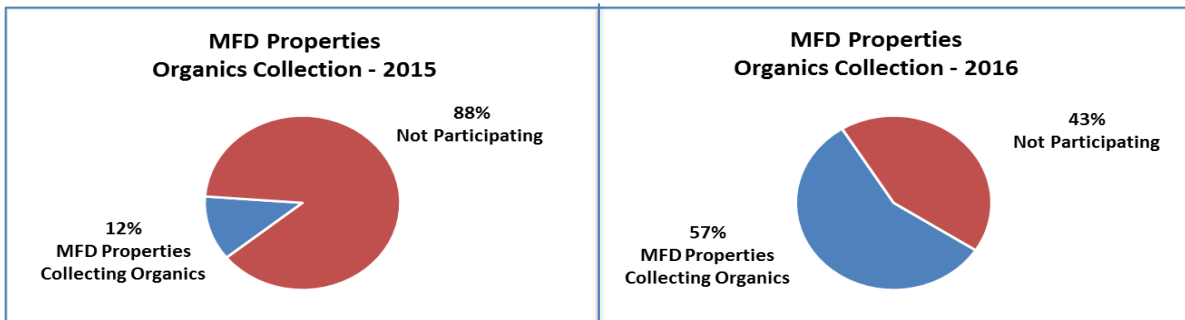
Collection of Recyclables from All Hayward Businesses	Year	Percent
Percent subscribing to service	2015	71%
Percent subscribing to service	2016	76%



Collection of Organics from Businesses Subject to the Ordinance	Year	Percent
Percent subscribing to service	2015	42%
Percent subscribing to service	2016	59%



Collection of Organics from Multi-Family Properties	Year	Percent
Percent subscribing to service	2015	12%
Percent subscribing to service	2016	57%



At the commencement of the Agreement, WMAC was very slow to implement the required additional level of WMAC staffing dedicated to perform outreach. This additional staff is mandated by the Agreement and paid for by pass-through costs. Currently, WMAC staff, including two to three interns dedicated to Hayward, and City staff continue to work with the remaining businesses and multi-family properties to provide assistance to implement both services.

Enforcement of the ordinance is performed by ACWMA inspectors or staff from participating municipalities. Notices of violation may only be issued after three warning letters have been mailed and assistance to implement services has been offered. ACWMA may only issue notices 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.

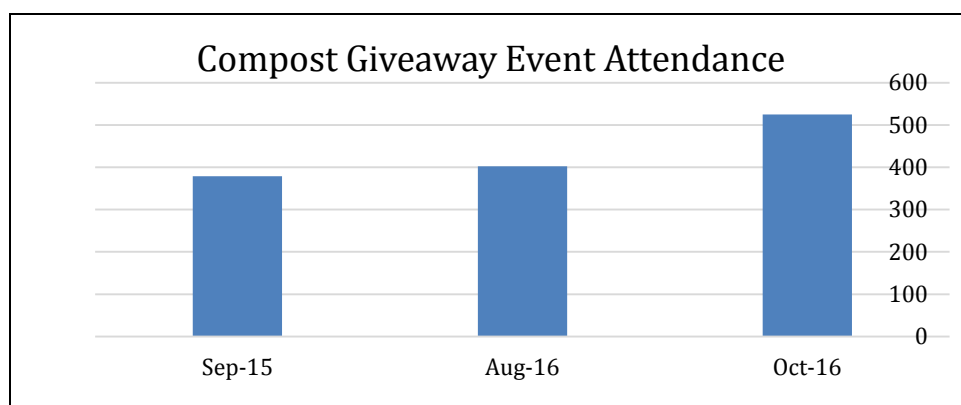
Outreach to Multi-Family Properties – In 2015, ACWMA mailed three letters to multi-family property managers informing them of the expanded mandatory organics recycling requirements. The letters offered resources and assistance to help properties comply with the ordinance. In 2016, ACWMA continued outreach to multi-family properties through social media and email. City and WMAC staff also continue to work with property managers and owners to implement organics services and facilitate bulky item removal. Presentations to tenants are coordinated with WMAC and the property manager. Brochures have also been distributed at each of the 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 – Three letters summarizing the expanded requirements of Phase 2 of the ordinance were mailed to businesses in May through November of 2016, offering resources and assistance to help them comply with the ordinance. WMAC representatives dedicated to assisting Hayward businesses offer 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 20% 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.

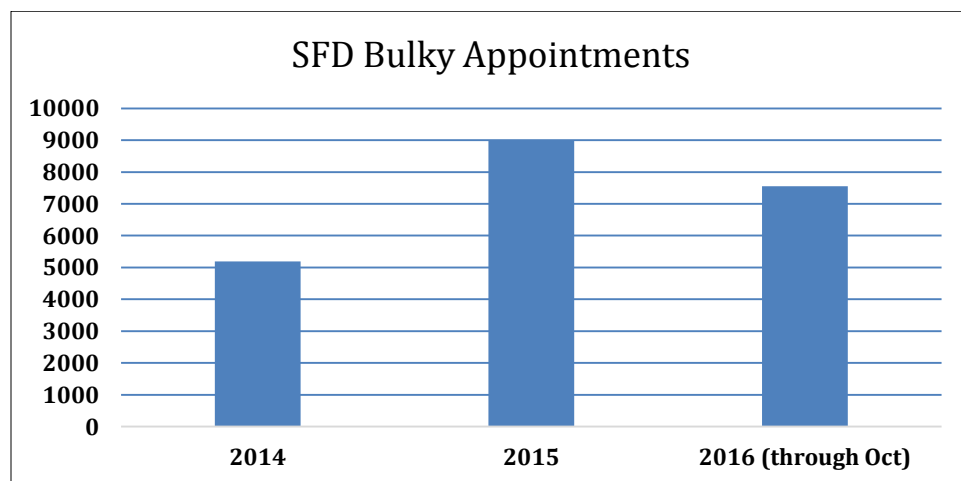
Outreach to Single-Family Residents – The mandatory recycling ordinance does not apply to single-family households. However, staff conducts outreach to single-family households to help residents properly sort recyclables and increase their organics diversion by placing food scraps and food-soiled paper 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 also mails postcards describing removal of bulky items to all households, and sends holiday tree removal instruction postcards to all residents.

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 three events and given nearly 7,000 bags of compost to more than 1,200 residents. The events are promoted via inserts in garbage bills, flyers at libraries, and by way of Nextdoor.com. Surveys conducted at the events indicate an overwhelmingly positive response from residents.



Bulky Item Collection – The WMAC Agreement offers Hayward single-family households and multi-family properties two free collections annually of bulky items such as furniture, mattresses, and appliances. From 2014 to 2015, the number of bulky item collections from single-family households increased by about 73%, from about 5,191 collections in 2014 to 8,995 collections in 2015. Through October of 2016, 7,555 collections have occurred from single-family homes, and 336 from multi-family properties.

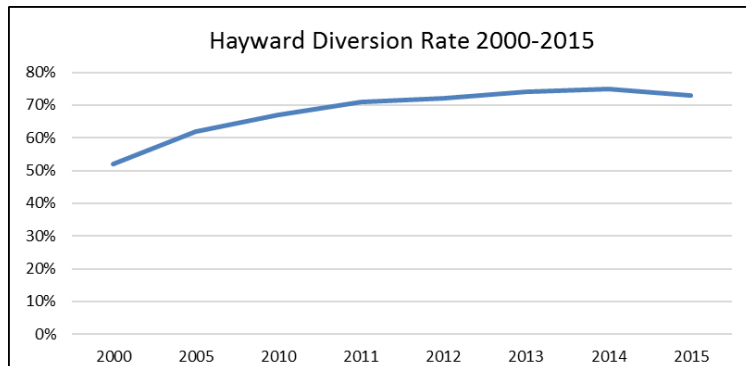


Franchise Recovery Rates and CalRecycle Landfill Diversion Rate – CalRecycle’s diversion rate takes into consideration all wastes generated within Hayward’s boundaries – some of which, is not hauled by WMAC. The Franchise Recovery Rate is an annual benchmark included in the WMAC Agreement to track WMAC’s 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 2015, WMAC achieved a Franchise Recovery Rate of 37.4%. This rate is short of the 46% contractual requirement for 2015. As of October 2016, WMAC is achieving a Franchise Recovery Rate of 37.1%, well below the target of 50% for 2016. Staff is working with WMAC to confirm the calculation of WMAC’s recovery rate in the first two years of the contract, which have not nearly met the requirements.

WMAC periodically experienced challenges fully staffing its outreach team in 2015 and 2016, but expects to be fully staffed in 2017 and be able to reach more businesses and multi-family properties in 2017. Staff will continue to work closely with WMAC and their outreach team to improve the Franchise Recovery Rate.

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 apartments increased by about 55% over 2015. Participation by businesses and apartment complexes 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

Based on current information, the City’s approved CalRecycle diversion rate for 2014 will likely be about 75%. Staff calculated that the City achieved a 73% diversion rate during 2015, based on the per capita disposal rate compiled by the State and a methodology approved by CalRecycle staff.



Although the 2015 rate is lower than 2014, the rate has increased from the mid-60% range achieved from 2008-2010 to 71% in 2013. The 2015 County-wide diversion rate based on the population of each jurisdiction was 73%, in 2014 the County-wide diversion rate was also 73%.

Diversion Rate 2010-2015							
2000	2005	2010	2011	2012	2013	2014	2015
52%	62%	67%	71%	72%	74%	75%*	73%*
*CalRecycle confirming rate							

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 IMPACT

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.

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 and the Chamber of Commerce.

In early 2017, staff will present new Construction and Demolition Debris (C&D) Ordinance language to Council. The C&D Ordinance is being updated to better-align with new State requirements and increase diversion of material from landfill.

In March 2017, staff will follow procedures outlined in the Agreement and increase the rates WMAC charges Hayward by 3%. In June 2017, City staff will follow the Agreement rate-setting procedures and begin 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 designed to ensure WMAC receives a 5.5% return on its investment to provide services to Hayward.

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', written in a cursive style.

Kelly McAdoo, City Manager