



DATE: July 16, 2018

TO: Council Sustainability Committee

FROM: Director of Utilities & Environmental Services

SUBJECT: 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 continues to increase annually.

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, Council adopted a goal of diverting at least 75% of waste from the landfill by 2010. 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. 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 [January 8, 2018](#).

The current WMAC Franchise Agreement (Agreement) commenced March 1, 2015 and 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.

The City's Agreement with WMAC includes organics and recycling collection service to multi-family properties. Single-family and most multi-family recycling service is provided by WMAC's subcontractor, Tri-CED. The Agreement also offers organics service to businesses at 50% of the comparable garbage rate and recycling to businesses at 40% the cost of comparable garbage service. Per the contract, commercial recycling service will increase on March 1, 2019 to 50% the cost of comparable garbage service.

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 requires all businesses and multi-family properties to arrange for collection of recyclables. It also requires 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. 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 for all effected entities to implement required services, the ACWMA started actively enforcing all phases of the ordinance on January 1, 2017, and enforcement efforts have increased in 2018.

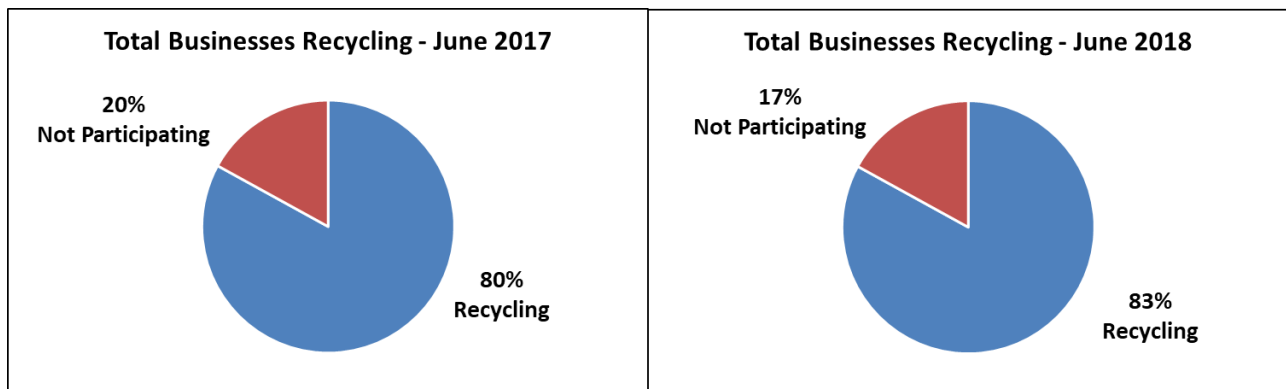
DISCUSSION

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 95% of Hayward multi-family properties with five or more units subscribe to recycling services and 93% of multi-family properties subscribe to organics collection services. The percentage of businesses in Hayward subscribing to recycling services in June 2018 was 83%, a 3% increase from June of 2017. The percentage of Hayward businesses that subscribe to organics collection services increased by about 6% since June 2017.

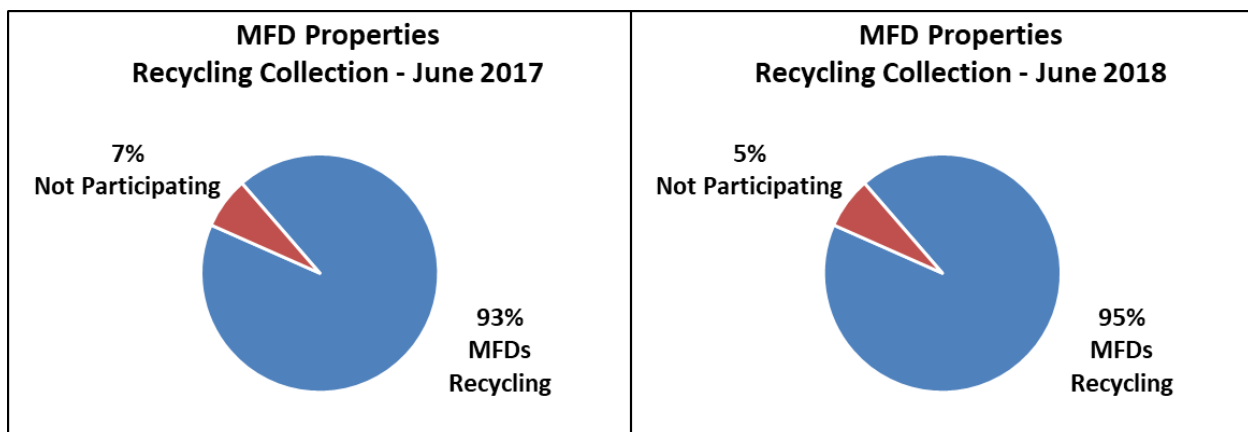
The tables and pie charts below summarize, from December 2017 to June 2018, the percent change in the number of Hayward businesses and multi-family properties that have arranged for collection of recyclables, and percent change in the number of Hayward multi-family properties that have arranged for organics collection through WMAC. The information is based on data provided by WMAC and Tri-CED. 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

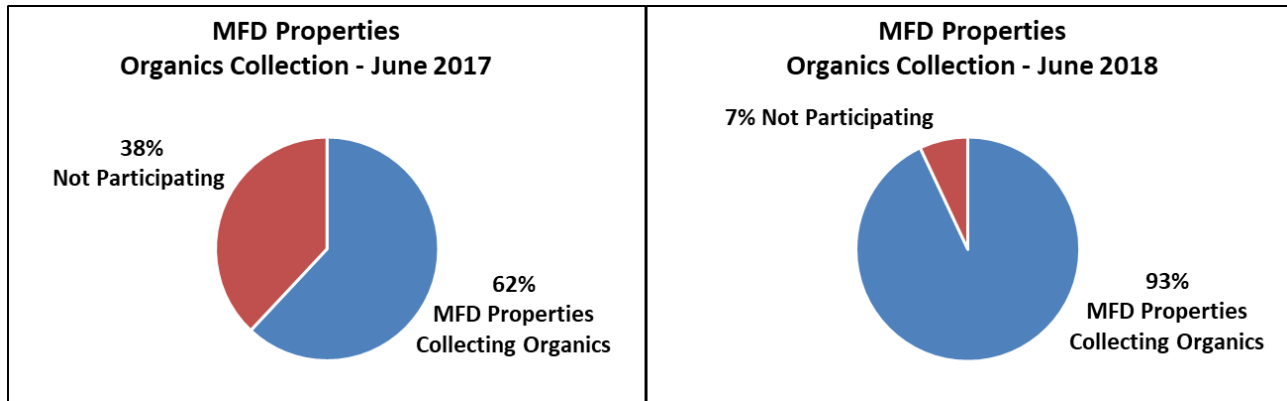
Collection of Recyclables from Businesses	Date	Percent
Percent subscribing to service	June 2017	80%
Percent subscribing to service	June 2018	83%



Collection of Recyclables from Multi-Family Properties	Date	Percent
Percent subscribing to service	June 2017	93%
Percent subscribing to service	June 2018	95%

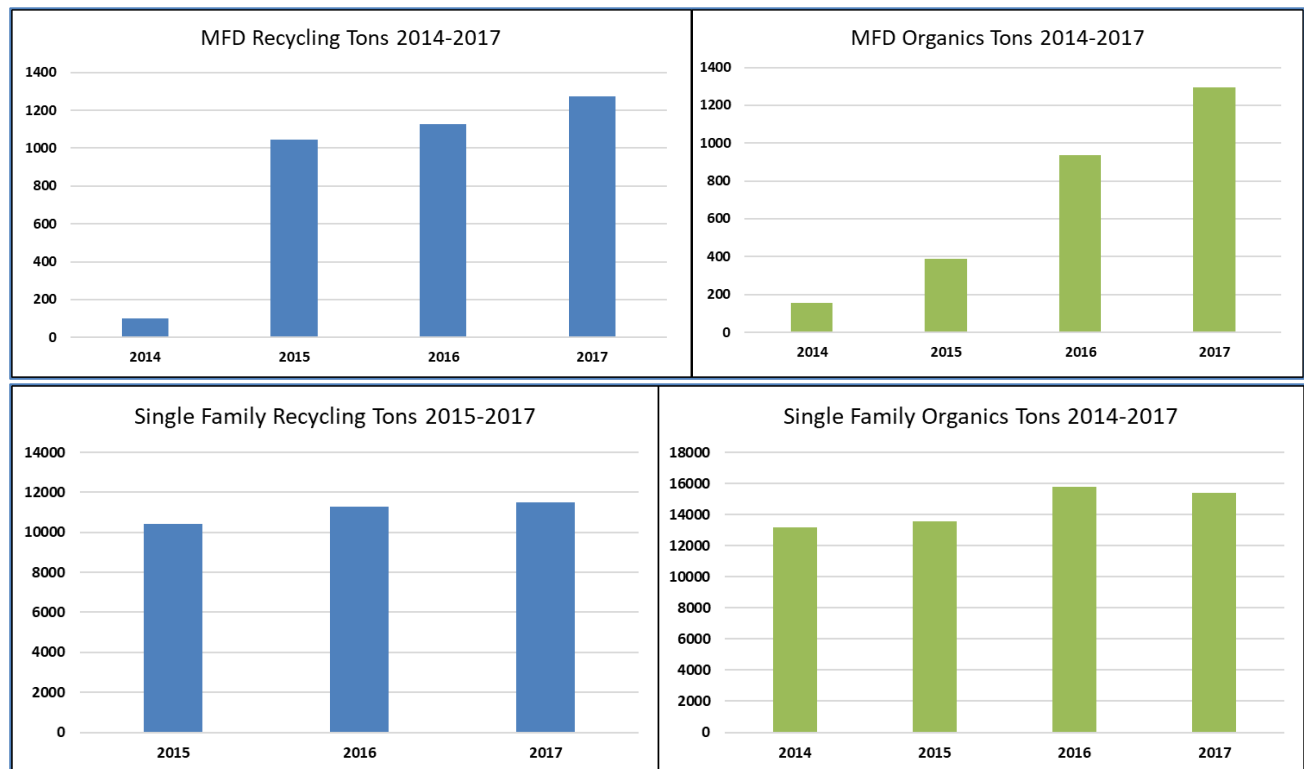


Collection of Organics from Multi-Family Properties	Date	Percent
Percent subscribing to service	June 2017	62%
Percent subscribing to service	June 2018	93%



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. Stopwaste inspectors currently track level of service but have not started enforcing.

The tables below show the tonnage of recyclable and organic material collected from residential properties from 2014 through 2017.



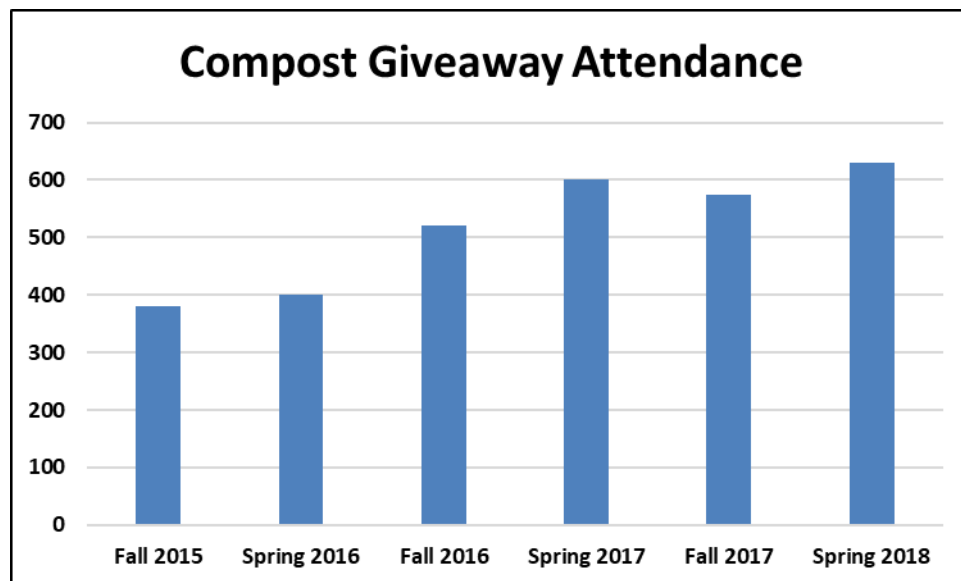
WMAC staff, including an intern dedicated to Hayward, as well as City staff, and consultant customer service representatives hired by ACWMA perform outreach and provide assistance to businesses and multi-family properties, so the properties can implement both services, comply with the ordinance, and increase material diverted from the landfill.

Outreach to Multi-Family Properties – In 2017 and 2018, ACWMA, also known as StopWaste, continued to perform outreach to multi-family properties through social media and email. ACWMA also launched a new outreach campaign focused on prompting residents to reduce food waste and compost food scraps. Advertisements included images of food in the shape of a heart and provided tips on not wasting food. City and WMAC staff also continued to work with property managers and owners to improve organics sorting 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. In addition, WMAC and City staff have teamed to perform targeted outreach to multi-family properties not in compliance with the mandatory recycling ordinance. The targeted outreach consists of the City sending a letter to property managers advising them about the need to subscribe to service or to increase the level of service and WMAC following up with a phone call two weeks later. This targeted outreach has helped bring more than 90% of multi-family properties in compliance with the organics portion of the mandatory recycling ordinance.

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 40% 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. In addition, for the past three years Stopwaste's consultant, Cascadia, has offered sorting assistance to businesses that receive a warning letter or notice of violations from County MRO enforcement officers.

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.

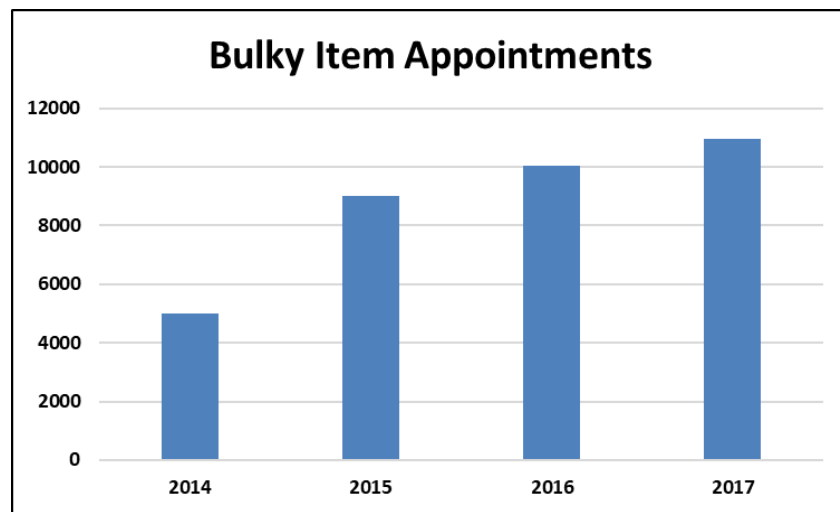
Compost Giveaways – A provision of the WMAC Agreement requires WMAC provide Hayward residents with 5,000 one cubic-foot bags of compost annually. The City distributes these bags of compost to residents by means of compost giveaway events held twice a year on Saturdays. During these events, residents 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 six events and given roughly 14,220 bags of compost to about 3,000 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. Since October 2017, in response to a request from the Committee, staff has held the giveaway at Tennyson High School and plans to hold the next compost giveaway in October 2018 at Tennyson High School.



Bulky Item Collection – The WMAC Agreement offers Hayward single-family households and multi-family properties free collections of four 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 each year 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 continues to prioritize promotion of the bulky item collection service. In the Spring of 2018, staff teamed with WMAC to rebrand the bulky collection outreach and coordinate the dissemination of mailers, bill inserts, new Big Belly public can signage and Facebook advertisements. The initial Facebook ad reached about 58,000 people and scored very well on an on-line advertisement effectiveness measure called the click-through rate. In addition, WMAC will conduct a telephone message campaign over six weeks from mid-July through late August 2018. The campaign consists of a brief, recorded message reminding residents of the bulky collection service available to them. In 2018, staff and WMAC plan to complete two bulky item collection videos to be posted on the City and WMAC websites. One video will promote the service and the other will show residents how to properly set out their material for collection.

In the fall of 2018, WMAC will place bulky service messaging on the sides of their trucks that serve Hayward. In 2016, 10,048 collections occurred. In 2017, 10,958 bulky collections have occurred.

The bulky collection program expanded to include multi-family properties as part of the March 2015 Franchise Agreement with WMAC. Another new service offered by the Franchise Agreement is that WMAC will collect up to six occurrences of illegal dumping per week in Hayward. To fully utilize WMAC's collection of illegal dumping, staff will initiate a more efficient method of communication between the City and WMAC in the summer of 2018. Staff from the Maintenance Services Department will send illegal dumping removal requests directly to WMAC's collection team via email on a weekly basis.



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. In 2017, the Franchise Recovery Rate was 39%, well below the 54% target for 2017. In 2018, the Franchise Recovery Rate has remained about 39%. The Franchise Agreement allows the City to penalize WMAC for not achieving its Franchise Recovery Rate.

WMAC has periodically experienced challenges fully staffing its outreach team since the Agreement began in 2015, but more effectively stabilized it's staffing in 2017. In 2017, after City's funding for interns was expended, WMAC hired an intern to serve Hayward for ten hours a week to continue outreach efforts. In addition to more outreach, WMAC increased recycling for some large industrial accounts whose roll-off bin material could be processed to retrieve recyclables. WMAC also increased organics collection from MFDs and is working to improve the diversion rate from City facilities.

In 2017 the number of businesses participating in the recycling and organics collection services offered under the City's contract with WMAC continued to increase and the tonnage of organics collected from multi-family properties increased by about 38% over 2016. 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 WMAC to increase business and multi-family participation in recycling and organics collection services.

An additional challenge to meeting the Franchise Recovery Rate emerged in late 2017. China, the market to which most recycling processors in the western United States send mixed paper and certain plastics, ceased to accept most shipments. China initiated a stringent policy against accepting bails of recyclables that contain more than half a percent to 1% non-recyclable material (contamination). The Chinese government call the new policy the National Sword, and local processors have struggled to meet National Sword's contamination limits. In response, Stopwaste formed a National Sword Task Force comprised of haulers, municipal solid waste staff, and county solid waste staff. The task force is developing a coordinated plan for Alameda County jurisdictions to reduce contamination in paper and plastic recycling streams.

STRATEGIC INITIATIVES

This agenda item does not relate to one of Council's three Strategic Initiatives.

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 FY 2018-2019.

In May 2018, City staff completed the Agreement's required rate-setting procedures by conducting an evaluation of WMAC's operating costs for 2016 and setting the rates on a cost-based analysis for 2018-2019. The rates were set at a 5.004% increase from the 2017 rates. In March of 2019 the rates will be adjusted based on a consumer price index procedure.

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.

Prepared by: Jeff Krump, Solid Waste Program Manager

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

Approved by:

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

Kelly McAdoo, City Manager