



**DATE:** July 8, 2019

**TO:** Council Sustainability Committee

**FROM:** Director of Public Works

**SUBJECT:** Annual Update on City's Waste Reduction and Recycling Programs

### **RECOMMENDATION**

That the Committee reviews and comments on this report and recommends that Council authorize the Mayor to send letters of support for SB54 and AB1080.

### **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. The report includes an overview of activities conducted to inform residents, businesses, and multi-family property managers about the variety of services available under the City's contract with WMAC. It also provides an overview of the tons recycled and composted by Hayward. Since the current WMAC contract commenced, the number of subscriptions to recycling and compost services by Hayward residents and businesses have increased each year.

### **BACKGROUND**

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. In conjunction with the City's contract with WMAC, staff manages a variety of programs intended to help the City achieve its diversion goals. In 2016, the diversion rate was 73%. However, in 2017, in part due to a downturn in the recycling markets, the City's diversion rate was 70%. The 2018 diversion rate for Hayward will be calculated in the fall of 2019. The last report on solid waste reduction and recycling presented to the Committee was on January 14, 2019 <sup>1</sup>.

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<sup>1</sup> <https://hayward.legistar.com/MeetingDetail.aspx?ID=611204&GUID=28A94E14-7C96-43AE-A99D-EC73F000F6BA&Options=info&Search=>

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 offers organics service to businesses at 50% of the comparable garbage rate and recycling to businesses at 50% the cost of comparable garbage service.

*Mandatory Recycling Ordinance* – In January 2012, the Alameda County Waste Management Authority (ACWMA) Board approved a mandatory recycling ordinance, which includes a goal to ensure that recyclables and compostables make up less than 10% of material sent to landfill by 2020. In 2018, 36% of the material landfilled in Alameda County was recyclable or compostable. In 2008, the county-wide percentage was 60%. In 2019, ACWMA reports the amount of recyclable or compostable material landfilled remained about 36%.

In 2012 Hayward agreed to adopt the mandatory recycling ordinance, which 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.

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 plans to increase enforcement efforts in 2019.

## **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 2019 was 82%, a 1% decrease from June 2018. The percentage of Hayward businesses that subscribe to organics collection services increased by about 2% since June 2018.

The tables below summarize, from June 2018 to June 2019, 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

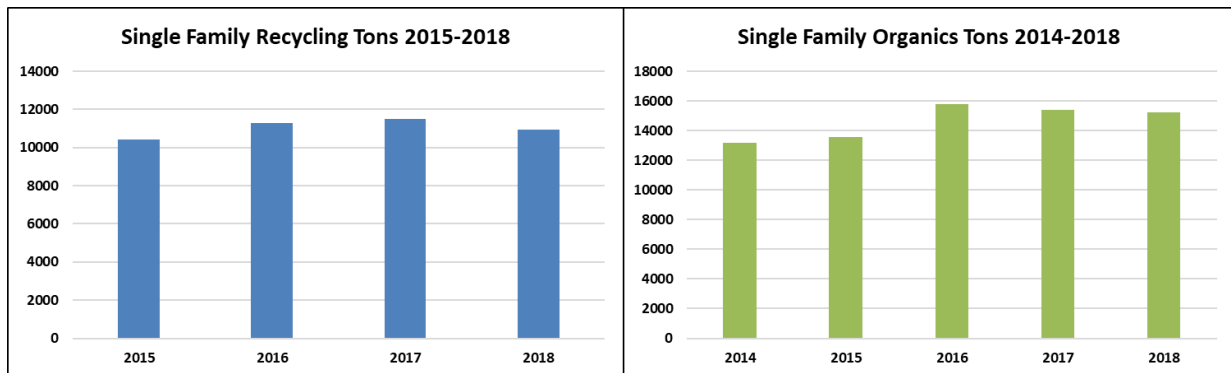
| Collection of Recyclables from Businesses | Date      | Percent |
|---|-----------|---------|
| Percent subscribing to service            | June 2018 | 83%     |
| Percent subscribing to service            | June 2019 | 82%     |

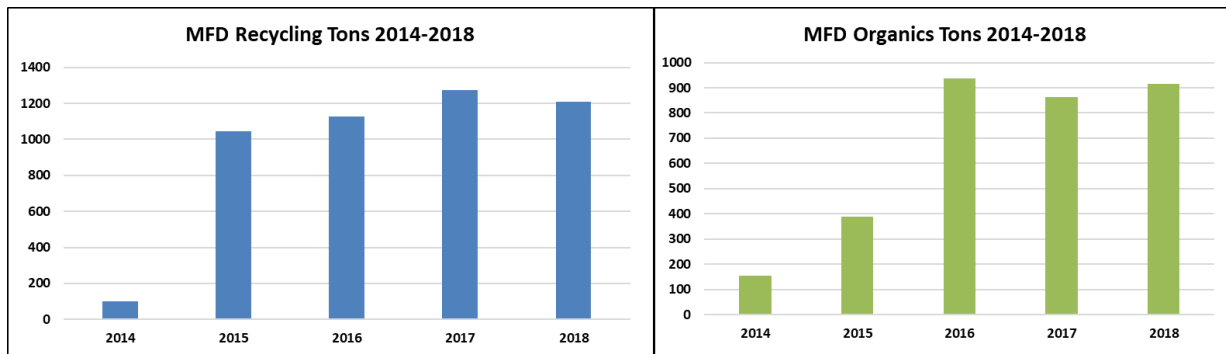
| Collection of Recyclables from Multi-Family Properties | Date      | Percent |
|--|-----------|---------|
| Percent subscribing to service                         | June 2018 | 95%     |
| Percent subscribing to service                         | June 2019 | 95%     |

| Collection of Organics from Multi-Family Properties | Date      | Percent |
|---|-----------|---------|
| Percent subscribing to service                      | June 2018 | 93%     |
| Percent subscribing to service                      | June 2019 | 93%     |

The tables 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. Tri-CED collects the majority of the recycling from multi-family properties in Hayward and has observed that multi-family recycling carts are often heavily contaminated. Staff is working with WMAC and Tri-CED to increase outreach to multi-family properties.

The tables below show the tonnage of recyclable and organic material collected from residential properties from 2014 through 2018.





In late 2017, China, the market to which most recycling processors in the western United States sent mixed paper and certain plastics, ceased to accept most shipments. China initiated a stringent policy against accepting bales of recyclables that contain more than half a percent to 1% non-recyclable material (contamination). Local processors of mixed paper and mixed plastic have struggled to meet the new contamination limits and sell material. The difficulties facing the recycled paper and plastic markets may require some rethinking of the diversion goals set by the City, WMAC, and ACWMA. In response to the stricter contamination standards, WMAC and City staff started increasing outreach to all Hayward customers regarding the importance of reducing contamination and keeping recyclables clean. In the summer of 2019 residents and businesses will start receiving monthly postcards from WMAC that show how to properly sort certain problematic items. An example is provided below.



**Figure 1, Contamination Postcard Mailer**

### Legislation

In addition to staff and WMAC efforts to address contamination, two companion bills have been proposed in the State legislature that could help reduce the level of contamination in Hayward's recycling and organics streams. AB1080 and SB54, both titled the California Circular Economy and Plastic Pollution Reduction Act, would require significant reductions in the use of disposable products by requiring manufacturers to make packaging exclusively out of recyclable or compostable materials. AB1080 and SB54 would require the following:

- All single-use plastic packaging and products sold or distributed in California be reduced or recycled by 75% by 2030
- All single-use packaging and products be recyclable or compostable by 2030
- CalRecycle develop incentives and policies to encourage in-state manufacturing using recycled material generated in California

Staff recommends the Committee endorse seeking authorization from Council to have the Mayor send letters of support for both AB1080 and SB54.

Illegal Dumping Collection – Another new service included in the 2015 Franchise Agreement is that WMAC will collect up to six occurrences of illegal dumping per week in Hayward. To maximize WMAC's collection of illegal dumping, staff searches the Access Hayward tool for illegal dumping collection requests, and then sends up to six requests to WMAC per week. Since the inception of the new method, the number of illegal dumping collections performed by WMAC per month has increased from approximately 5 per month to more than 20 per month. WMAC and staff are discussing increasing the number of occurrences of illegal dumping WMAC collects weekly.

Franchise Recovery Rate – CalRecycle's diversion rate takes into consideration all waste 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 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. In 2017, after the City's funding for interns was expended, WMAC hired an intern to serve Hayward for 10 hours a week to continue outreach efforts. In addition to more outreach, in 2018 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 multi-family properties and is working to improve the diversion rate from City facilities.

The China National Sword policy created additional challenges to meeting the Franchise Recovery Rate. Although markets have been found for certain recyclables, WMAC and Tri-CED continue to face challenges selling recyclable material. Reducing contamination in recycling streams remains a priority in 2019.

## **ECONOMIC/FISCAL 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 are 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 Recycling Fund balance to pay costs associated with implementing the ordinance. However, funds will decrease as tons landfilled decreased. To replenish the City's Recycling Fund, starting in FY2018-2019, additional funds are remitted to the City by WMAC per the terms of the contract.

In March of 2019 staff completed the Agreement's required rate-setting procedures and the rates were adjusted based on a consumer price index procedure. The rates also included an additional special increase of \$2.00 per household for Tri-CED, the residential recycling subcontractor to WMAC. The additional increase for Tri-CED, which would generate over \$1 million per year for the company, is to address the decrease in the marketability of recyclables and the increased sorting necessary. The rates were increased a total of 2.611% from the 2018 rates.

## **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.

## **PUBLIC CONTACT**

Outreach to Multi-Family Properties – In 2019, ACWMA, also known as StopWaste, continues to perform outreach to multi-family properties through social media and email. StopWaste has also continued to focus on prompting residents to reduce food waste and compost food scraps, and City and WMAC staff work with property managers and owners to improve organics sorting and facilitate bulky item removal. WMAC has initiated an outreach campaign in which WMAC coordinates with property managers to invite multi-family residents to learn about recycling while they enjoy a free meal. 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. Staff distributes brochures at the Hayward Downtown Street Parties

and to the Keep Hayward Clean & Green Task Force. City staff also send letters to property managers identified by WMAC as not having organics service, and WMAC follows up with a phone call to the property manager two weeks later.

*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 and organics collection are available at half the price of regular garbage collection. In addition, Stopwaste's consultant, Cascadia, continues to offer sorting assistance to businesses that receive a warning letter or notice of violation from County mandatory recycling ordinance enforcement officers.

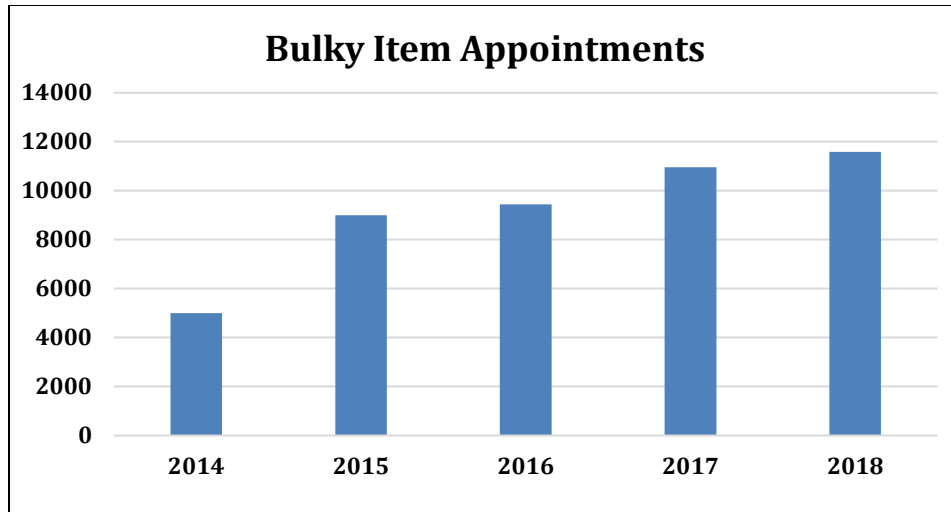
*Outreach to Single-Family Residents* – The mandatory recycling ordinance does not apply to single-family households. However, staff conducts outreach to single-family households to help residents properly sort recyclables and increase their organics diversion by placing food scraps and food-soiled paper 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. Staff also performs outreach at the Hayward Downtown Street Parties as well as the City's compost giveaways.

*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 given roughly 17,700 bags of compost to about 3,800 residents. The spring 2019 compost giveaway was canceled due to rain. It is being rescheduled for the summer of 2019.

*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 each year of the new contract, residents only utilize about one-quarter of the appointments allowed by the contract. Staff continues to prioritize promotion of the bulky item collection service. In fall of 2018, staff expanded the bulky collection outreach to include advertisements on the side of WMAC trucks and staff has increased Facebook advertisements in 2019. In addition, WMAC will conduct a telephone message campaign from mid-July through late August 2019. The campaign was also performed in 2018, and consists of a brief, recorded message reminding residents of the bulky collection service available to them. In 2018, staff posted a video on the City's [website](#)<sup>2</sup> that shows residents how to properly set out their material for bulky collection. In 2016, 10,048 collections occurred. In 2017, a total of 10,958 collections occurred, and 11,588 in 2018.

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<sup>2</sup> <https://www.hayward-ca.gov/services/city-services/bulky-item-pickup>



### **NEXT STEPS**

City staff will continue to assist 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. If endorsed by the Committee, staff will also prepare a report for Council on July 9, 2019 to request authorization for the Mayor to send letters of support for AB1080 and SB54.

*Prepared by:* Jeff Krump, Solid Waste Program Manager

*Recommended by:* Alex Ameri, Director of Public Works

*Approved by:*

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Kelly McAdoo, City Manager