

TO: HONORABLE CITY COUNCIL
ATTN: POLICY AND SERVICES COMMITTEE

FROM: CITY MANAGER **DEPARTMENT: PUBLIC WORKS**

DATE: JULY 17, 2007 **CMR:300:07**

SUBJECT: REVIEW AND RECOMMENDATION THAT THE CITY COUNCIL APPROVE THE ZERO WASTE OPERATIONAL PLAN

RECOMMENDATION

Staff recommends that the Policy and Services (P&S) Committee:

- 1) Receive and accept the responses to the questions raised at the Policy and Services Committee meeting on March 13, 2007 (Attachment A); and
- 2) Recommend to the City Council a tiered approach for the continuing review, approval, and implementation of the Zero Waste Operational Plan (Attachment B), consisting of the following elements:
 - A. Programs – Direct staff to immediately begin implementing any recommended programs that will have minor budgetary impact. As for the other programs, direct staff to begin identifying costs and funding mechanisms, including inclusion of specified programs in the Request for Proposals for new collection services to be bid in Spring 2008. Implementation of such programs will be reviewed and evaluated based upon their cost and diversion effectiveness.
 - B. Policies – Approve plan and continue the discussion of new policies and regulatory requirements such as mandatory recycling and product bans to give staff direction on whether to pursue such actions in conjunction with the start of the new collection contract in 2009.
 - C. Facilities – Approve the regional facilities approach in the Request for Proposals for new collection services and continue the discussion of local facilities in a separate process. Said activities are to be included in the proposals as alternatives, to be reviewed and evaluated at that time based upon their cost effectiveness.

BACKGROUND

On March 13, 2007, staff presented the Zero Waste Operational Plan (ZWOP) to the Policy and Services Committee for conceptual review. At that meeting, the Committee was asked to:

1) review and discuss the ZWOP; and 2) direct staff as to any desired modifications or additions to the Plan (CMR:123:07, Attachment C). A variety of questions and comments related to how current programs worked. The Committee also reviewed recommendations, suggested possible alternatives to the recommendations, discussed the time necessary to implement programs, identified ways to minimize costs, discussed how staff worked with other agencies and discussed other miscellaneous items. Committee members wanted to ensure that the ZWOP was efficient, effective, in compliance, implemented quickly, and was cost effective.

DISCUSSION

Staff has prepared a written response, to each of the questions and comments made at the March 13, 2007 Policy and Services meeting relating to the ZWOP. The questions have been divided up into eight categories: 1) Upstream Strategies; 2) Household Hazardous Waste Program, 3) Recycling Center; 4) Landfill; 5) Collection Agreement; 6) Organics Program; 7) Plan Structure; and 8) General Comments.

Staff distributed the recently revised plan to the Zero Waste Task Force members for their review and comments as requested by the P&S committee. Comments received are in Attachment D.

The following changes have been made to the ZWOP since the March 13, 2007 P&S meeting:

- 1) Under introduction, the following overview language was added: “Any qualifying projects resulting from the implementation of these policies and programs would be subject to environmental review pursuant to the California Environmental Quality Act.”
- 2) Section 4.3 was changed from “Local Sites for City Developed Facilities” to “Consideration for Local Replacement of Facilities.” The language identifying the potential available sites, Figures 4-3 through 4-7 and the specifics, were removed.
- 3) Section 4.3.1 language was changed to state the following: “Identifying Local Sites for City Developed Facilities – In assessing potential local sites, the ability to accommodate the discussed facilities, including the Recycling Drop-Off Center with HHW, Organics/Yard Trimmings composting, and C&D Debris Processing facilities will be examined. Of these facilities, a Recycling Drop-Off Center with HHW is the highest priority to be able to accommodate locally per the City’s Municipal Code. Some of the characteristics that will determine site feasibility would be property size, ownership, zoning designations, and access to the property. Should this option be chosen, a detailed site selection study subject to environmental assessment will be conducted.”
- 4) Under Section 7.0, the recommendation section of the plan, the language was strengthened to be more aggressive, removing such words as “encourage, enhance or seek” where appropriate.
- 5) Under Section 7.1, “Policies,” additional specific language was added for the recommended waste prevention programs.

- 6) Under section 7.1, "Facilities," the following language was added: "Not on City parklands unless consistent with the Park Dedication Ordinance and the Baylands Master Plan." This is per the Zero Waste Strategic Plan language recommendation approved by Council on October 17, 2005 (CMR:382:05).
- 7) "The recommended policies, programs and facilities are intended to serve as an initial menu of options for implementation. These recommendations are not intended to be exhaustive as it is expected that new opportunities for achieving the City's desired diversion goals will develop over time. Likewise, while this report has provided range of magnitude costs for many of these policies, programs and facilities, it is expected these costs may change over time and that other programs or services may be able to achieve more cost effective diversion. In addition, while this report generally addresses the key environmental factors of the Chapter 7 action plan, it is expected that some of the recommendations will require further environmental assessment before full implementation. Thus, the action plan in Chapter 7 is intended to be a living document that will be reviewed and revised over time."

New Collection and Processing Procurement Process

The current collection and processing contract with the Palo Alto Sanitation Company (PASCO)/ Waste Management is set to expire June 30, 2009. On March 12, 2007, Council awarded a contract to HF&H Consultants, LLC, to assist the City in the solicitation process for a new solid waste and recyclable material collection and processing agreement (CMR:154:07). The development of the request for proposals and agreement for these services is currently under way and the process is estimated to be completed in May 2008. The new contract would be awarded by July 2008. There will be a study session with the full Council to discuss the process, timeline, and contract issues, to be scheduled in late September or early October 2007.

In this RFP process, staff plans to obtain a base price for the services provided to the community. Staff will then solicit additional prices for each of the following services:

- 1) Roll out recycling services to all commercial customers.
- 2) Add food scraps, compostable paper, untreated wood and other compostables.
- 3) Implement commercial and multi family organics collection.
- 4) Expand types of materials currently collected curbside that might include textiles, milk & juice cartons, plastic bags, expanded polystyrene packaging and containers.
- 5) Implement a bulky item reuse and recycling program.

In June 2008, when staff returns to Council to recommend award of a contract, Council would see the base price (price for current services) plus a price for each of the five optional programs that the ZWOP is recommending. The Council then will have a clear understanding and ability to decide if the prices of the programs are justified in obtaining the potential additional diversion credits.

Facilities

The ZWOP recommends utilizing existing regional facilities, located outside of the City limits, for mixed recyclables (curbside and materials recovery facility), organics and construction & demolition debris processing.

The ZWOP also recommends that a local recycling drop-off center with a permanent household hazardous waste facility be developed with further study being required to determine the specific site location. The local recycling drop-off center will continue to provide a convenient opportunity for residents and business to divert more materials to reuse and recycling and will reduce the toxicity of the disposed waste stream.

ALTERNATIVES TO STAFF RECOMMENDATION

At the March 13, 2007 meeting, the Policy and Services Committee was presented three alternatives in CMR:123:07 (Attachment C). A fourth alternative has been added per the request of Council Member Cordell. The fourth alternative would only implement the policies and programs in the ZWOP and require no new City-developed facilities.

New - Alternative 4: Implementation of Policies and Programs Only From the ZWOP - No New City-Developed Facilities

This alternative would only implement the policies and programs in the ZWOP and not any new City-developed facilities. When the City landfill closes in 2011, the existing facilities would be closed as well. The City would opt not to replace the Recycling Drop-Off Center including handling of certain HHW materials. Public Works Operations would continue its current HHW collection events at the Palo Alto Regional Water Quality Control Plant. In addition, all self-haul materials would be diverted to the Sunnyvale Materials Recovery and Transfer (SMaRT) Station or other regional facilities. Under this scenario, the City Municipal Code would require modification.

Estimated Costs and Diversion Rate Overview					
Approach/Year	Estimated Net Annual Cost*	Projected one standard can rate (\$24.16) increase	2004 Diversion	2011 Estimated Diversion	2021 Estimated Diversion
Regional Facility Approach (ZWOP recommendation)	\$3,991,000	\$4.67	61.90%	76.60%	77.60%
Alternative 1: City Developed Facility - LATP Site	\$5,857,000	\$6.86	61.90%	77.30%	78.30%
Alternative 2: City Developed Facility - PARWQCP Site	\$5,957,000	\$6.97	61.90%	77.30%	78.30%

Alternative 3: No New City Developed Polices, Programs, or Facilities	\$0	\$0	61.90%	65.30%	66.30%
Alternative 4: Implementation of Policies and Programs Only - No New City-Developed Facilities	\$2,351,000	\$2.75	61.90%	60.90%	60.90%
* Cost includes amortized capital cost, annual operating cost, estimated material sales, net material sales and existing processing cost.					

RESOURCE IMPACT

Additional Refuse Fund expenses and revenues will be required to support the ZWOP recommendations. At the March 13, 2007 meeting, the Policy and Services Committee was presented the resource impact in CMR:123:07. Since that time, Refuse rates have increased (CMR:281:07) which has changed the overall rate impacts of the ZWOP. The following charts (above and below) have been updated to reflect this increase.

Zero Waste Operational Plan Overview				
Year/Term	2004 Base	2008 Short Term	2011 Mid Term	2021 Long Term
Diversion Rate	62%	68%	77%	78 to 90%
Estimated additional cost				
Total	NA	\$615,000 (on-going)	\$3,376,000 (on-going cost) \$150,000 (one-time cost)	Not available
Approximate rate impact	NA	3%	17%	Not available
Projected one standard can rate (FY 2007-08 one standard can rate is \$24.16) increase.	0	\$0.72	\$3.95	Not available
Cost per additional ton diverted.	0	\$54.80	\$203.58	Not available

POLICY IMPLICATIONS

At the March 13, 2007 meeting, the Policy and Services Committee was presented the policy implications in CMR:123:07 (Attachment C).

ENVIRONMENTAL REVIEW

This project is a feasibility study and exempt under the California Environmental Quality Act.

ATTACHMENTS

- Attachment A: Staff's answers to questions raised at the March 13, 2007 Policy and Services Committee Conceptual Review of the Proposed Zero Waste Operational Plan
- Attachment B: Zero Waste Operational Plan - June 2007
- Attachment C: CMR:123:07 (without attachments)
- Attachment D: Comments received from the Zero Waste Task Force review of the June 2007 revised version

Copies of the attachments to this CMR:300:07 may be viewed at the City Clerk's Office located at 250 Hamilton Avenue, 7th Floor, Palo Alto or by contacting Russ Reiserer at 650-496-6951.

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