

Shelia Young, Chair
Oro Loma Sanitary District
Jerry Pentin, Vice Chair
City of Pleasanton
Keith Carson, County of Alameda
Rochelle Nason, City of Albany
Susan Wengraf, City of Berkeley
Melissa Hernandez, City of Dublin
Jenny Kassan, City of Fremont
Bob Carling, City of Livermore
Mike Hannon, City of Newark
Dan Kalb, City of Oakland
Tim Rood, City of Piedmont
Emily Duncan, City of Union City
Wendy Sommer, Executive Director

AGENDA
ALAMEDA COUNTY WASTE
MANAGEMENT AUTHORITY MEETING
OF THE
PROGRAMS AND ADMINISTRATION COMMITTEE

Thursday, May 9, 2019

9:00 A.M.

StopWaste Offices
1537 Webster Street
Oakland, CA 94612
510-891-6500

Teleconference
Melissa Hernandez
Office of Vice Mayor Hernandez
Dublin City Hall
100 Civic Plaza, Second Floor
Dublin, CA 94568
925-833-6663

1. Convene Meeting

2. Public Comments

Open public discussion from the floor is provided for any member of the public wishing to speak on any matter within the jurisdiction of the Programs & Administration Committee, but not listed on the agenda. Each speaker is limited to three minutes unless a shorter period of time is set by the Chair.

Page

1 3. Approval of the Draft Minutes of March 14, 2019 (Pat Cabrera)

5 4. Household Hazardous Waste (HHW) Fee (Pat Cabrera)

That the P&A Committee discuss this item and recommend the following for WMA consideration and adoption at its June 26, 2019 Board meeting:

1. Direct staff to finalize the HHW fee analysis, focusing on an annual ongoing fee of \$6.64 per residential unit.
2. Direct staff to prepare a draft ordinance amending Ordinance 2014 -1 to (a) remove the sunset provision and (b) set the fee \$6.64 fee per residential unit beginning July 1, 2020 and for the next five years. The ordinance would require a programmatic and fiscal analyses every five years to determine if the fee needs to be revised (lowered or raised) for the next five years. The ordinance would maintain the cap of \$9.55 per residential unit established in 2014. This change is under the purview of Proposition 218 and requires legal notification and a majority protest proceeding.
3. Direct staff to prepare amendments to the HHW program Memoranda of Understandings (MOUs) with Alameda County and the City of Fremont reflecting the new ordinance.

13 5. Background for Single-Use Disposable Foodware Ordinance (Anu Natarajan)

This item is for information only.

6. Member Comments

7. Adjournment

The Programs & Administration Committee is a Committee that contains more than a quorum of the Board. However, all items considered by the Committee requiring approval of the Board will be forwarded to the Board for consideration at a regularly noticed board meeting.

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**MINUTES OF THE ALAMEDA COUNTY WASTE
MANAGEMENT AUTHORITY MEETING
OF THE
PROGRAMS AND ADMINISTRATION COMMITTEE**

Thursday, March 14, 2019

9:00 A.M.

**StopWaste Offices
1537 Webster Street
Oakland, CA 94612
510-891-6500**

**Teleconference
Tim Rood
San Jose City Hall
3rd Floor Tower
200 East Santa Clara St
San Jose CA 95113
408-535-8122**

**Melissa Hernandez
Office of Vice Mayor Hernandez
Dublin City Hall
100 Civic Plaza, Second Floor
Dublin, CA 94568
925-833-6663**

Members Present:

City of Albany	Rochelle Nason
County of Alameda	Keith Carson
City of Berkeley	Susan Wengraf
City of Dublin	Melissa Hernandez (teleconference)
City of Livermore	Bob Carling
City of Newark	Mike Hannon
City of Oakland	Dan Kalb
Oro Loma Sanitary District	Shelia Young
City of Piedmont	Tim Rood (teleconference)
City of Pleasanton	Jerry Pentin
City of Union City	Emily Duncan

Absent:

City of Fremont	Jenny Kassan
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Staff Present:

Wendy Sommer, Executive Director
Pat Cabrera, Administrative Services Director

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Jennifer Luong, Financial Services Manager
Rachel Balsley, Senior Program Manager
Arliss Dunn, Clerk of the Board

1. Convene Meeting

Chair Shelia Young called the meeting to order at 9:00 a.m.

2. Public Comments

There were none.

3. Approval of the Draft Minutes of February 14, 2019 (Pat Cabrera)

There were no public comments on this item. Board member Carling made the motion to approve the draft minutes of February 14, 2019. Board member Pentin seconded and the motion carried 8-0 (Ayes: Carling, Duncan, Hernandez, Nason, Pentin, Rood, Wengraf, Young. Nays: None. Abstain: None. Absent: Carson, Hannon, Kalb, Kassan).

4. Fiscal Year 2017-18 Audit Report (Jennifer Luong)

That the P&A Committee review and forward the FY 2017-18 audit report to the Waste Management Authority Board for acceptance and filing.

Jennifer Luong provided an overview of the staff report. A link to the report is available here: [FY17-18-Audit-Report.pdf](#). Ms. Luong acknowledged Nisha Patel, Management Analyst, for her role in preparing for the audit and keeping the books clean.

Chair Young inquired if there was anyone present from the auditing firm. Ms. Luong stated that they intended to be here but were stuck in traffic. Chair Young inquired about the agency's PERS status. Ms. Cabrera stated that based on the PERS actuarial estimates we are approximately 90% funded for unfunded liabilities (retirement) but that information is not reflected in the current audit as CalPERS is about one year behind with respect to the actuarial report. Ms. Cabrera added we are a little over 100% funded for OPEB (other post-retirement benefits), and going forward we will make sure to remain slightly under 100%. Chair Young stated that she is pleased that there is nothing surprising in the audit. Board member Hernandez also stated that she is pleased that we are at 90% funded but we should not exceed that threshold as we can use the funding for other projects as well. There were no public comments on this item.

Board member Pentin made the motion to forward the FY 2017-18 audit report to the Waste Management Authority Board for acceptance and filing. Board member Wengraf seconded and the motion carried 10-0-1: (Ayes: Carling, Carson, Duncan, Hernandez, Kalb, Nason, Pentin, Rood, Wengraf, Young. Nays: None. Abstain: Hannon. Absent: Kassan).

5. Changing from Contracted Inspectors to In-house Inspectors (Rachel Balsley)

That the P&A Committee recommend to the Waste Management Authority Board approval of a new "Site Inspector" classification and the conversion of two contracted MRO inspectors to two limited-term positions. This change will be included in the FY 19-20 budget.

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Pat Cabrera provided an overview of the staff report. A link to the report is available here: [Contracted-Inspectors-Conversion-Report.pdf](#). Rachel Balsley, Project Lead, was available to answer any questions.

(Board member Hannon arrived during the discussion). Board member Rood stated that he supports the staff recommendation to convert the contracted inspectors to in-house inspectors with the added benefit of paying them more and the salary savings. Board member Duncan inquired if the current proposal is an even exchange with respect to the number of inspectors and will the schedule and level of inspections remain the same. Ms. Balsley stated yes, we had two inspectors but mid-year the City of Oakland provided funding for an additional inspector that were assigned to work only on Oakland projects. Ms. Balsley added, our expectation is by having in-house inspectors we will have more oversight over quality control and hopefully increased efficiency with respect to service and inspections. Board member Wengraf inquired as to how we determined that the three-year term was the appropriate length of time for the inspectors. Ms. Cabrera stated that a three-year term allows the agency the flexibility to evaluate if the positions are working without having the positions designated to regular status. Ms. Balsley added in addition to the MRO ordinance, the inspectors will also assist with enforcement of the Reusable Bag Ordinance and more importantly, they will be vitally important with the upcoming requirements of SB 1383 and its effects on MRO. Board member Carling inquired about the process for determining who will fill the positions. Ms. Cabrera stated that the agency will conduct an open recruitment. Chair Young inquired if the current contracted inspectors will be precluded from applying for the position. Ms. Cabrera stated no. Chair Young commented that she is in favor of the proposal as it is long overdue. Chair Young added it will allow us to be more strategic in our inspections and will enable more accountability and more control. Chair Young recommended that staff provide more frequent reports to the Board. Board member Pentin inquired if the agency has a non-compete clause with the current contracting firm that would prevent the contracted inspectors from applying for the position. Ms. Cabrera stated no. Board member Hannon commented that although it is not indicated as a core requirement, he encouraged the inspectors to consider becoming members of CACEO (California Association of Code Enforcement Officers) as it can provide additional education and resources for the profession. Board member Kalb inquired about the proposed salary for the inspectors with respect to the compensation study. Ms. Cabrera stated that the data was from the compensation study conducted three years ago and the proposed salary is adjusted for CPI.

There were no public comments on this item. Board member Carling made the motion to approve the staff recommendation. Board member Pentin seconded and the motion carried 11-0:

(Ayes: Carling, Carson, Duncan, Hannon, Hernandez, Kalb, Nason, Pentin, Rood, Wengraf, Young. Nays: None. Abstain: None. Absent: Kassan).

6. Member Comments

Chair Young recognized the arrival of the representative from the audit firm. Chair Young encouraged everyone to stay tuned to SB 1383 as it is one of the most important issues that we will face over the next couple of years.

7. Adjournment

The meeting adjourned at 9:20 a.m.

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DATE: May 9, 2019

TO: Programs and Administration Committee

FROM: Pat Cabrera, Administrative Services Director

SUBJECT: Household Hazardous Waste (HHW) Fee

SUMMARY

At the May 9, 2019 Programs and Administration Committee meeting, staff will discuss the HHW program and recommend that the Committee consider changes to the fee structure and related agreements with the County of Alameda and the City of Fremont.

DISCUSSION

The Household Hazardous Waste Program

Because household hazardous wastes cannot be disposed in landfills, Alameda County and the City of Fremont provide household hazardous waste disposal services to Alameda County residents through a network of drop-off centers and one-day disposal events at various locations around the county. This program is funded by fees collected by the Agency and discussed in more detail below. The Agency has separate agreements with Alameda County and the City of Fremont regarding the program and the allocation of fee revenues.

The agreements with the County and Fremont must be extended or otherwise amended before June 30, 2020. In addition, the primary source of revenue for the program will sunset by its own terms on June 30, 2024. As discussed below, staff believes that it would be prudent to continue the program in its current form by extending the agreements with the County and Fremont and amending the relevant fee ordinance to remove the sunset provision and simplify the process for setting the fee, while retaining the upper limit on the fee amount established in 2014.

Current HHW Fee Structure

The Household Hazardous Waste (HHW) program is funded by two fees, a per-ton fee on solid waste and a collection and disposal fee collected primarily on the property tax roll. The per-ton fee was established in 1990. It is set at \$2.15 per ton and is collected for all solid waste tons disposed within Alameda County, transferred through a county solid waste facility but disposed out-of-county, and franchise waste direct-hauled and disposed out-of-county. The fee was intended to support the then three Alameda County HHW facilities and program.

With increased demand for HHW disposal services and anticipated declining revenues from the per-ton fee, the WMA evaluated options for the future of the program beginning in 2012. The review determined that the per-ton fee alone would not support the program without a drastic cut in services (referred to as austere operations). On May 28, 2014, the Waste Management Authority approved Ordinance 2014 -1, which established a household hazardous waste collection and disposal fee capped at \$9.55 per household per year. The household fee was established to supplement the \$2.15 per ton fee to support four countywide HHW facilities and one-day collection events. The household fee is adjusted each year to take into account revenues from the per-ton fee and the PaintCare program.

The fee adopted by the WMA in FY 14-15 was set at \$9.55¹ per residential unit and remained in effect through FY 15-16. Beginning in FY 16-17 the ordinance required that the fee be adjusted based on a formula that looked at the per-ton fee revenue and PaintCare offsets. When those amounts exceeded the annual thresholds outlined in the ordinance, the fee was reduced for the following year then “reset” back to \$9.55 for the next year’s calculation. Based on this formula the fee dropped to \$8.60 in FY 16-17, \$8.46 in FY 17-18, \$7.40 in FY 18-19 and a proposed fee of \$6.64 (pending Board approval) in FY 19-20. The annual fee calculation is somewhat cumbersome and the annual change (although lower these past years) is potentially confusing for residents.

MOU with County of Alameda

In 2014, the WMA entered into memoranda of understanding (MOUs) with the County of Alameda and the City of Fremont, which included operational parameters. Those parameters for the County were as follows:

Oakland facility	Hayward Facility	Livermore Facility
Household Program		
Wed-Fri 9-2:30 Sat 9-4:00	Fridays 9-2:30 Sat 9-4:00	Fridays 9-2:30 Sat 9-4:00
Accept E-Waste	Accept E-Waste	Accept E-waste
Small Business program		
Tuesdays (excluding holidays and training) Residential landlord program Drop in for Universal Waste/ Latex paint, other materials by appointment	Alternate Tuesdays or Wednesdays 2x per month Residential landlord program Drop in for Universal Waste/Latex paint, other materials by appointment	Alternate Tuesdays or Wednesdays 2x per month Residential landlord program Drop in for Universal Waste/Latex Paint, other materials by appointment

¹ Fee on the property tax roll was \$9.54 or \$4.77 per billing since the assessor has to bill in equal installments

In addition to the operations of the facilities described in the table, the County is required to host twelve one-day events per year, which is hard to achieve due to lack of adequate locations. At the May 23, 2018 WMA Board meeting, the Board approved opening the Livermore and Hayward facilities on Thursdays to address capacity issues at the Livermore facility and to increase participation at the Hayward facility.

Household participation at County facilities has increased from approximately 33,000 in FY 14-15 to 53,000 in FY 17-18 and is expected to serve over 57,000 household by the end of FY 18-19 with a goal of serving 60,000 households in years to come.

MOU with City of Fremont

The City of Fremont contracts with BLT Enterprises to provide transfer station/recyclables processing services at the Fremont Transfer Station, which includes an HHW drop off center. The center is convenient to residents of Fremont, Union City and Newark and is available to all Alameda County residents. The HHW operational parameters for the Fremont Facility are listed below:

Fremont Facility
Open to households Wed-Fri: 9-2:30 Sat: 9-4:00 E-Waste Accepted
Small Businesses including Residential Landlord Program: Tuesdays between 9 am and 2 pm Drop in for Universal Waste & Latex paint, other materials by appointment

Since FY 15-16 Fremont has exceeded its goal of serving 13,000 households per year.

The program for both the County and Fremont has clearly been successful based on the levels of participation and feedback from residents. Given both the level of participation in the program and the ongoing need for the safe disposal of HHW products, the analysis provided in this report is based on the funding needed to maintain the current level of service.

In light of the MOUs expiring in June 2020 and the 2014 fee expiring in 2024, staff recommends planning for the long term future of the HHW Program at this time.

Preliminary Analysis

We engaged the services of HF&H Consultants to analyze the following questions based on continued service at its current level:

1. Assuming the 2014 fee sunsets on June 30, 2024, when would the program be out of funding including available fund balances?

2. Based on the funding scenarios described below, what is the lowest fee needed to fund ongoing operations for the next 5, 10, and 15 years while maintaining fund balances equivalent to one year's program expense?
3. Based on an annual fee of \$6.64 and the three funding and expenditure scenarios described below, how long would the HHW program maintain adequate funding to continue ongoing operations for the next 15 years?

The funding and expenditure scenarios depend on revenues received from the \$2.15 per ton fee, increased demand associated with growth in the number of households in the county, and the rate of growth in program expenses. HF&H developed three scenarios based on the following assumptions:

- Best case scenario (from a financial perspective): Gradual tonnage decline based on current projections; 2.0% growth in both SFD and MFD and 2.5% annual growth in program expenses
- Mid-Point scenario: Disposed tonnage drops to 700,000 tons in FY 29-30 and remains constant at this level. 1% growth in both SFD and MFD (matching ABAG's 2040 Regional Projections) and 3.5% annual growth in program expenses.
- Worst case scenario (from a financial perspective): Meet Agency's waste reduction goals such that 545,000 tons are disposed in FY 29-30, resulting in less per-ton revenue. No growth in either Single or Multi Family Dwellings (SFD and MFD) and 5% annual growth in program expenses.

Preliminary Findings

Question 1: Fee sunsets in 2024, maintain current level of service.

The program would have exhausted its funding, including accumulated fund balances within two to three and one-half years.

Sunset of Current Fee - Best Case

Fiscal Year	Opening Fund Balance	Total Projected Revenue	Total Projected Expenses	Closing Fund Balance	Projected Unit Fee
2019-20	\$15,134,885	\$6,946,418	\$6,500,288	\$15,581,015	\$6.64
2020-21	\$15,581,015	\$7,325,897	\$6,548,546	\$16,358,366	\$7.21
2021-22	\$16,358,366	\$7,447,275	\$6,712,676	\$17,092,965	\$7.35
2022-23	\$17,092,965	\$7,570,267	\$6,880,923	\$17,782,309	\$7.47
2023-24	\$17,782,309	\$7,694,833	\$7,053,389	\$18,423,753	\$7.63
2024-25	\$18,423,753	\$2,676,092	\$7,230,179	\$13,869,666	\$0.00
2025-26	\$13,869,666	\$2,607,130	\$7,411,403	\$9,065,392	\$0.00
2026-27	\$9,065,392	\$2,539,386	\$7,597,172	\$4,007,606	\$0.00
2027-28	\$4,007,606	\$2,472,790	\$7,787,599	(\$1,307,204)	\$0.00

Sunset of Current Fee - Midpoint

Fiscal Year	Opening Fund Balance	Total Projected Revenue	Total Projected Expenses	Closing Fund Balance	Projected Unit Fee
2019-20	\$15,134,885	\$6,907,214	\$6,528,163	\$15,513,936	\$6.64
2020-21	\$15,513,936	\$7,120,090	\$6,625,139	\$16,008,887	\$7.27
2021-22	\$16,008,887	\$7,096,068	\$6,845,476	\$16,259,478	\$7.51
2022-23	\$16,259,478	\$7,077,293	\$7,073,234	\$16,263,537	\$7.73
2023-24	\$16,263,537	\$7,085,784	\$7,308,666	\$16,040,655	\$7.94
2024-25	\$16,040,655	\$2,315,359	\$7,552,033	\$10,803,982	\$0.00
2025-26	\$10,803,982	\$2,200,312	\$7,803,604	\$5,200,690	\$0.00
2026-27	\$5,200,690	\$2,089,482	\$8,063,659	(\$773,487)	\$0.00

Sunset of Current Fee - Worst Case

Fiscal Year	Opening Fund Balance	Total Projected Revenue	Total Projected Expenses	Closing Fund Balance	Projected Unit Fee
2019-20	\$15,134,885	\$6,867,969	\$6,569,977	\$15,432,877	\$6.64
2020-21	\$15,432,877	\$6,941,805	\$6,741,074	\$15,633,608	\$7.43
2021-22	\$15,633,608	\$6,802,835	\$7,048,645	\$15,387,798	\$7.77
2022-23	\$15,387,798	\$6,675,199	\$7,370,849	\$14,692,148	\$8.08
2023-24	\$14,692,148	\$6,580,105	\$7,708,400	\$13,563,853	\$8.36
2024-25	\$13,563,853	\$2,055,713	\$8,062,044	\$7,557,522	\$0.00
2025-26	\$7,557,522	\$1,904,970	\$8,432,567	\$1,029,925	\$0.00
2026-27	\$1,029,925	\$1,762,233	\$8,820,792	(\$6,028,634)	\$0.00

Question 2: Lowest fee needed to maintain one year program expenses.

Under this scenario, the fees would range from \$3.68 -\$5.17 for five years to \$6.80 - \$11.54 for fifteen years.

Setting a Fee Based on Fund Balance - Best Case

Planning Year	Fiscal Year	Projected Unit Fee	One Year's Projected Expenses
5	2023-24	\$3.68	\$7,100,000
10	2028-29	\$5.75	\$8,000,000
15	2033-34	\$6.80	\$9,000,000

Setting a Fee Based on Fund Balance - Midpoint

Planning Year	Fiscal Year	Projected Unit Fee	One Year's Projected Expenses
5	2023-24	\$4.35	\$7,300,000
10	2028-29	\$7.12	\$8,600,000
15	2033-34	\$8.76	\$10,100,000

Setting a Fee Based on Fund Balance - Worst Case

Planning Year	Fiscal Year	Projected Unit Fee	One Year's Projected Expenses
5	2023-24	\$5.17	\$7,700,000
10	2028-29	\$8.86	\$9,700,000
15	2033-34	\$11.54	\$12,100,000

Question 3: Maintain a consistent \$6.64 fee for at least 10 years.

As shown on the following charts, the \$6.64 fee would fund operations under the best case and mid-point funding scenarios for at least 10 years, which we believe is a more reasonable planning horizon as projections become less accurate the further the timeline. Assuming the projections presented under either of these scenarios are accurate, there would be no need to alter the fee through FY 28-29. The program would draw down on the fund balances that have accumulated through the years to fill in any funding gaps. However, should these projections not materialize (due to changes in landfill volume, more progress with respect to extended producer responsibility programs such as PaintCare, etc.), the five year review would allow for modification without another ordinance, provided that it did not exceed the original \$9.55 annual fee.

Setting a New \$6.64 Fee - Best Case

Fiscal Year	Opening Fund Balance	Total Projected Revenue	Total Projected Expenses	Closing Fund Balance	Projected Unit Fee
2019-20	\$15,134,885	\$6,946,418	\$6,500,288	\$15,581,015	\$6.64
2020-21	\$15,581,015	\$6,975,266	\$6,548,546	\$16,007,735	\$6.64
2021-22	\$16,007,735	\$7,006,489	\$6,712,676	\$16,301,548	\$6.64
2022-23	\$16,301,548	\$7,039,759	\$6,880,923	\$16,460,383	\$6.64
2023-24	\$16,460,383	\$7,052,577	\$7,053,389	\$16,459,572	\$6.64
2024-25	\$16,459,572	\$7,068,445	\$7,230,179	\$16,297,838	\$6.64
2025-26	\$16,297,838	\$7,087,330	\$7,411,403	\$15,973,765	\$6.64
2026-27	\$15,973,765	\$7,109,193	\$7,597,172	\$15,485,786	\$6.64
2027-28	\$15,485,786	\$7,133,990	\$7,787,599	\$14,832,176	\$6.64
2028-29	\$14,832,176	\$7,161,698	\$7,982,802	\$14,011,072	\$6.64
2029-30	\$14,011,072	\$7,192,282	\$8,182,901	\$13,020,453	\$6.64
2030-31	\$13,020,453	\$7,225,707	\$8,388,018	\$11,858,142	\$6.64
2031-32	\$11,858,142	\$7,261,946	\$8,598,279	\$10,521,809	\$6.64
2032-33	\$10,521,809	\$7,300,975	\$8,813,813	\$9,008,971	\$6.64
2033-34	\$9,008,971	\$7,342,766	\$9,034,753	\$7,316,984	\$6.64
2034-35	\$7,316,984	\$7,387,297	\$9,261,235	\$5,443,046	\$6.64

Setting a New \$6.64 Fee - Midpoint

Fiscal Year	Opening Fund Balance	Total Projected Revenue	Total Projected Expenses	Closing Fund Balance	Projected Unit Fee
2019-20	\$15,134,885	\$6,907,214	\$6,528,163	\$15,513,936	\$6.64
2020-21	\$15,513,936	\$6,804,157	\$6,625,139	\$15,692,954	\$6.64
2021-22	\$15,692,954	\$6,708,109	\$6,845,476	\$15,555,588	\$6.64
2022-23	\$15,555,588	\$6,618,280	\$7,073,234	\$15,100,634	\$6.64
2023-24	\$15,100,634	\$6,534,242	\$7,308,666	\$14,326,210	\$6.64
2024-25	\$14,326,210	\$6,455,592	\$7,552,033	\$13,229,770	\$6.64
2025-26	\$13,229,770	\$6,381,952	\$7,803,604	\$11,808,117	\$6.64
2026-27	\$11,808,117	\$6,312,940	\$8,063,659	\$10,057,399	\$6.64
2027-28	\$10,057,399	\$6,248,205	\$8,332,486	\$7,973,117	\$6.64
2028-29	\$7,973,117	\$6,187,410	\$8,610,386	\$5,550,142	\$6.64
2029-30	\$5,550,142	\$6,130,225	\$8,897,665	\$2,782,702	\$6.64
2030-31	\$2,782,702	\$6,159,654	\$9,194,645	(\$252,289)	\$6.64
2031-32	(\$252,289)	\$6,199,400	\$9,501,655	(\$3,554,545)	\$6.64
2032-33	(\$3,554,545)	\$6,247,253	\$9,819,038	(\$7,126,330)	\$6.64
2033-34	(\$7,126,330)	\$6,295,654	\$10,147,147	(\$10,977,823)	\$6.64
2034-35	(\$10,977,823)	\$6,344,615	\$10,486,348	(\$15,119,556)	\$6.64

Setting a New \$6.64 Fee - Worst Case

Fiscal Year	Opening Fund Balance	Total Projected Revenue	Total Projected Expenses	Closing Fund Balance	Projected Unit Fee
2019-20	\$15,134,885	\$6,867,969	\$6,569,977	\$15,432,877	\$6.64
2020-21	\$15,432,877	\$6,660,231	\$6,741,074	\$15,352,034	\$6.64
2021-22	\$15,352,034	\$6,466,672	\$7,048,645	\$14,770,061	\$6.64
2022-23	\$14,770,061	\$6,285,593	\$7,370,849	\$13,684,805	\$6.64
2023-24	\$13,684,805	\$6,115,755	\$7,708,400	\$12,092,160	\$6.64
2024-25	\$12,092,160	\$5,956,002	\$8,062,044	\$9,986,119	\$6.64
2025-26	\$9,986,119	\$5,805,260	\$8,432,567	\$7,358,811	\$6.64
2026-27	\$7,358,811	\$5,662,522	\$8,820,792	\$4,200,542	\$6.64
2027-28	\$4,200,542	\$5,526,850	\$9,227,584	\$499,808	\$6.64
2028-29	\$499,808	\$5,407,105	\$9,653,849	(\$3,746,935)	\$6.64
2029-30	(\$3,746,935)	\$5,310,147	\$10,100,539	(\$8,537,327)	\$6.64
2030-31	(\$8,537,327)	\$5,313,412	\$10,568,653	(\$13,792,568)	\$6.64
2031-32	(\$13,792,568)	\$5,316,776	\$11,059,239	(\$19,535,031)	\$6.64
2032-33	(\$19,535,031)	\$5,320,241	\$11,573,397	(\$25,788,187)	\$6.64
2033-34	(\$25,788,187)	\$5,323,809	\$12,112,281	(\$32,576,659)	\$6.64
2034-35	(\$32,576,659)	\$5,327,485	\$12,677,103	(\$39,926,277)	\$6.64

In order to stabilize the fee, streamline the process, and make the program more transparent, staff used the proposed fee for FY 19-20 which 1) is 30% lower than the original fee and 2) could be modified every five years (if needed) based on the findings of a programmatic and financial review.

We have discussed our analysis with the County and City of Fremont staff who have reviewed our expenditure assumptions and support our recommendation.

This fee falls under the purview of proposition 218. Because the current ordinance contains a sunset provision (even though we are recommending a lower fee), a new proposition 218 majority protest proceeding will be required to extend the life of the fee, even if it is lower than the original fee established in 2014.

As previously discussed, we are bringing forward the fee and sunset issue now because the MOUs with the County and Fremont will expire at the end of FY 19-20. At this point and unless directed otherwise, we will be finalizing the analysis based on the \$6.64 annual fee. We will also be proposing a revised ordinance that encompasses the new fee, removes the sunset provision and requires programmatic and financial reviews every five years, which may result in changing the fee for the next five-year period with a not to exceed amount of \$9.55 per year. With P&A Committee approval, we will be presenting the finalized analysis and draft ordinance to the full Board in June.

RECOMMENDATION

That the P&A Committee discuss this item and recommend the following for WMA consideration and adoption at its June 26, 2019 Board meeting:

1. Direct staff to finalize the HHW fee analysis, focusing on an annual ongoing fee of \$6.64 per residential unit.
2. Direct staff to prepare a draft ordinance amending Ordinance 2014 -1 to (a) remove the sunset provision and (b) set the fee \$6.64 fee per residential unit beginning July 1, 2020 and for the next five years. The ordinance would require a programmatic and fiscal analyses every five years to determine if the fee needs to be revised (lowered or raised) for the next five years. The ordinance would maintain the cap of \$9.55 per residential unit established in 2014. This change is under the purview of Proposition 218 and requires legal notification and a majority protest proceeding.
3. Direct staff to prepare amendments to the HHW program Memoranda of Understandings (MOUs) with Alameda County and the City of Fremont reflecting the new ordinance.

DATE: May 9, 2019

TO: Programs and Administration Committee
Planning Committee/Recycling Board

FROM: Anu Natarajan, Legislative and Regulatory Affairs Manager

SUBJECT: Background for Single-Use Disposable Food Service Ware Ordinance

SUMMARY

At the May 9, 2019 Programs & Administration Committee and Planning Committee/Recycling Board meetings, staff will provide an overview of environmental issues associated with different types of food service ware (plates, bowls, cutlery and beverage containers), with a particular focus on “compostable” food ware. The information is background as staff begins preparations for development of a model single-use disposable service ware ordinance and associated environmental documentation.

DISCUSSION

During the priority setting discussions, the Board stressed the importance of addressing plastic pollution. In addition to working with the State legislature on these issues, there was interest in developing a model single-use disposable food service ware ordinance to address this countywide. As a first step, we need to review and understand the implications of the different food service ware options available. Our intention is to get a better understanding of the complexities of this issue in order to minimize the likelihood of any unintended consequences of ordinance requirements.

The discussion at the meeting will focus on the primary types of food service ware (see attachment) in addition to other factors such as acceptable alternatives, current and future processing capacity, and lifecycle impacts of reusable food ware.

An initial discussion with member agency staff, who will be part of an ongoing working group, was held on May 2 to solicit their input. Staff will elaborate on these issues at the meetings, and provide a summary of actions we will take in preparation of a model single-use food service ware ordinance.

RECOMMENDATION

This item is for information only.

Attachment A: Types of Food Service Ware

ATTACHMENT A

Single-Use Disposable Food Service Ware Product Types

Product type	Advantages	Disadvantages	Criteria/Standard Alignment
Unlined/uncoated paper/fiber products	<ul style="list-style-type: none"> • Easy to understand for consumers and businesses • Paper and wood readily acceptable at compost facilities 	<ul style="list-style-type: none"> • Paper may not perform in every food application i.e.; hot food, paper clamshells, soup bowls, etc. • Unlined products may have moisture barriers and other undisclosed additives like PFC's • Usually not labeled or certified • Allowable under OMRI/NOPS 	<ul style="list-style-type: none"> • BPI does not certify unlined paper products. • ASTM if labeled "compostable"
Non-compostable poly-coated paper	<ul style="list-style-type: none"> • Readily available • Lower cost point • May help collect organics • Other products like milk cartons, coffee cups, etc. have been promoted as compostable for many years 	<ul style="list-style-type: none"> • May generate microplastics in finished compost and need screening in composting • Not allowable under OMRI/NOPS 	<ul style="list-style-type: none"> • No rating/certification program
PLA-coated paper	<ul style="list-style-type: none"> • Better performance in hot applications compared to unlined paper 	<ul style="list-style-type: none"> • Not many options for products • Not allowable under OMRI/NOPS • PLA can become contaminate in finished compost 	<ul style="list-style-type: none"> • BPI certified • ASTM 6400 if labeled "compostable"
Plastic (1-7)	<ul style="list-style-type: none"> • Readily available to businesses in a variety of products • Often accepted for recycling at curbside and commercial programs • Wide range of products 	<ul style="list-style-type: none"> • May not be accepted at facilities if there's food contamination • Consumer concern about hot food and plastic • Can become contaminates in organics stream 	
Compostable plastics	<ul style="list-style-type: none"> • Easy two bin sorting for customers • Facilitates capture of more organics • Range of products 	<ul style="list-style-type: none"> • Lack of labeling • Confusing claims, "biodegradable" • Processors and composters don't want CP's • Even some certified products do not break down depending on composting process • Not allowable OMRI/NOPS 	<ul style="list-style-type: none"> • BPI certified • ASTM 6400 if labeled "compostable"
Wood products	<ul style="list-style-type: none"> • Readily acceptable at compost facilities • Limited product choices (mostly flatware) 	<ul style="list-style-type: none"> • Expensive • Performance issues 	<ul style="list-style-type: none"> • ASTM 6400 if labeled "compostable"

3/3/2015