AGENDA

MEETING OF THE ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY (WMA) BOARD AND THE ENERGY COUNCIL (EC)

Wednesday, June 26, 2019

3:00 P.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

Meeting is wheelchair accessible. Sign language interpreter may be available upon five (5) days notice by calling 510-891-6500. Members of the public wanting to add an item to a future agenda may contact 510-891-6500.

I. **CALL TO ORDER**

II. **ROLL CALL OF ATTENDANCE**

III. **ANNOUNCEMENTS BY PRESIDENTS -** (*Members are asked to please advise the board or the council if you might need to leave before action items are completed*)

IV. **OPEN PUBLIC DISCUSSION FROM THE FLOOR**
An opportunity is provided for any member of the public wishing to speak on any matter within the jurisdiction of the boards or council, but not listed on the agenda. Total time limit of 30 minutes with each speaker limited to three minutes unless a shorter period of time is set by the President.

Page V. **CONSENT CALENDAR**

1 1. **Approval of the Draft Minutes of May 22, 2019 (Wendy Sommer)**

VI. **REGULAR CALENDAR**

9 1. **Public Hearing and Annual Adoption of Fee Collection Report for Household Hazardous Waste Fee (Pat Cabrera)**

Staff recommends that the WMA Board hold a public hearing on the Fee Collection Report and approve by resolution, the Fee Collection Report for FY 2019-20, which includes adjusting the annual fee downward from $7.40 per unit in FY 2018-19 to $6.64 per unit for FY 2019-20.

13 2. **Household Hazardous Waste (HHW) Fee Change and Ordinance Amendment (Pat Cabrera)**

Staff recommends that the WMA Board:

1. Introduce and waive the first reading of the attached ordinance to be considered for adoption following a public hearing and protest process in accordance with Proposition 218. The ordinance resets the annual HHW Collection and Disposal fee to $6.64 per year per residential unit through June 30, 2024. The ordinance requires that a financial analysis be conducted by March 31, 2024 to determine what the fee should be for the following five fiscal years and to conduct similar analysis in five year intervals to determine what the fee should be at that time. While the fee can be lowered or raised during those periods, it will be capped at $9.55 per year per residential unit per the original ordinance. The amended ordinance removes the previous sunset provision; however, the Board may repeal this fee at any time.
2. Approve the attached resolution regarding the protest proceedings required under Proposition 218.
3. Direct staff to prepare amendments to the HHW program Memoranda of Understandings (MOUs) with the County of Alameda and the City of Fremont reflecting the new ordinance to be considered following adoption of the ordinance.

43 3. **2019 Legislative Update (Anu Natarajan)**

This item is for information only.

49 4. **Election of WMA Officers for Fiscal Year 2019-20 (Arliss Dunn)**

Staff recommends that the WMA Board elect officers for Fiscal Year 2019-20.

5. **Interim appointment(s) to the Recycling Board for WMA appointee unable to attend future Board Meeting(s) (Wendy Sommer)**

(Planning Committee and Recycling Board meeting, July 11, 2019 at 4:00 pm, StopWaste Offices, 1537 Webster Street, Oakland, CA)

51 6. **Election of Energy Council Officers for Fiscal Year 2019-20 (Arliss Dunn)**

Staff recommends that the Energy Council elect officers for Fiscal Year 2019-20.

7. **CLOSED SESSION (WMA only)**

Pursuant to Government Code Section 54957
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Executive Director
(confidential materials mailed separately)

8. **CLOSED SESSION (WMA only)**

Pursuant to Government Code Section 54957.6
CONFERENCE WITH LABOR NEGOTIATORS
Agency Designated Representatives: Board Members Sadoff, Rood, Cox, and Hannon
Unrepresented Employee: Executive Director

VII. **MEMBER COMMENTS AND COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR**

VIII. **ADJOURNMENT**

DRAFT

MINUTES OF THE MEETING OF THE ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY (WMA) BOARD, THE ENERGY COUNCIL (EC)

Wednesday, May 22, 2019

3:00 P.M.

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

I. CALL TO ORDER

President Dave Sadoff, WMA, called the meeting to order at 3:04 p.m.

II. ROLL CALL OF ATTENDANCE

City of Alameda	Jim Oddie, WMA, EC
County of Alameda	Keith Carson, WMA, EC
City of Albany	Rochelle Nason, WMA, EC
City of Berkeley	Susan Wengraf, WMA, EC
Castro Valley Sanitary District	Dave Sadoff, WMA
City of Emeryville	Dianne Martinez, WMA, EC
City of Fremont	Jenny Kassan, WMA, EC
City of Hayward	Francisco Zermeño, WMA, EC
City of Livermore	Bob Carling, WMA, EC
City of Oakland	Dan Kalb, WMA, EC
Oro Loma Sanitary District	Shelia Young, WMA
City of Piedmont	Tim Rood, WMA, EC
City of San Leandro	Deborah Cox, WMA, EC
City of Union City	Emily Duncan, WMA, EC

ABSENT:

City of Dublin	Melissa Hernandez, WMA, EC
City of Newark	Mike Hannon, WMA, EC
City of Pleasanton	Jerry Pentin, WMA, EC

Staff Participating:

Wendy Sommer, Executive Director
Michelle Fay, Program Manager
Richard Taylor, WMA Legal Counsel
Arliss Dunn, Clerk of the Board

III. ANNOUNCEMENTS BY PRESIDENTS

President Sadoff welcomed the Business Efficiency awardees and guests and informed them that the ceremony would commence following a brief board meeting.

IV. OPEN PUBLIC DISCUSSION FROM THE FLOOR

There was none.

V. CONSENT CALENDAR

1. Approval of the Draft Joint Minutes of April 24, 2019 (Wendy Sommer)

2. Resolution - Castro Valley Sanitary District (Wendy Sommer)

That the WMA Board adopt the attached resolution "Celebrating and Commending the 80th Anniversary of the Castro Valley Sanitary District."

Board member Young extended congratulations to the Castro Valley Sanitary District on a milestone achievement.

There were no public comments for the Consent Calendar. Board member Cox made the motion to approve the Consent Calendar. Board member Kalb seconded and the motion carried 15-0-1:
(Ayes: Carling, Carson, Cox, Duncan, Kalb, Kassan, Nason, Oddie, Sadoff, Wengraf, Young, Zermeño;
Nays: None. Abstained from minutes: Martinez. Absent: Hannon, Hernandez, Pentin, Rood).

VI. REGULAR CALENDAR

1. Proposed FY 2019-20 Budget (Wendy Sommer & Pat Cabrera)

Staff recommends that the WMA Board adopt the WMA FY 19-20 Budget Resolution (Attachment A) and the Energy Council adopt the EC FY 19-20 Budget Resolution (Attachment B).

Ms. Sommer stated that staff provided a comprehensive presentation of the Fiscal Year 2019-2020 proposed budget at the April 24, 2019 combined meeting of the WMA Board, the Energy Council, and the Recycling Board. The Boards held an extensive discussion regarding the fiscal and programmatic approach for the upcoming fiscal year. The April 24, 2019 minutes (available here) reflect the comments and discussion from the meeting. The budget contains a minor correction regarding the proposed Household Hazardous Waste fee. The proposed fee should be $6.64 per residential property unit (not $6.60 as originally shown).

There were no public comments on this item. Board member Zermeño made the motion to adopt the WMA and EC FY 2019-20 budget. Board member Wengraf seconded and the motion carried by the following votes:

WMA 17-0:
(Ayes: Carling, Carson, Cox, Duncan, Kalb, Kassan, Martinez, Nason, Oddie, Rood, Sadoff, Wengraf, Young, Zermeño. Nays: None. Abstained. None: Absent: Hannon, Hernandez, Pentin).

Energy Council 17-0
(Ayes: Carling, Carson, Cox, Duncan, Kalb, Kassan, Martinez, Nason, Oddie, Rood, Wengraf, Zermeño. Nays: None. Abstained. None: Absent: Hannon, Hernandez, Pentin).

2. Interim appointment(s) to the Recycling Board for WMA appointee unable to attend future Board Meeting(s) (Wendy Sommer)

(Planning Committee and Recycling Board meeting, June 13, 2019 at 4:00 pm, StopWaste Offices, 1537 Webster Street, Oakland, CA)

There were no requests for an interim appointment for the June 26 meeting. Board member Zermeño indicated that he would require an interim appointment for the July 11 meeting. A request for an interim appointment will be made at the June 26 WMA/EC meeting.

VII. MEMBER COMMENTS AND COMMUNICATIONS FROM THE EXECUTIVE DIRECTOR

Board member Zermeño shared an article from the San Diego Tribune regarding how China's ban on scrap imports has spurred investment in American plants that process recyclables. A copy of the article is attached. Ms. Sommer distributed a copy of the most recent topic brief "Business Efficiency Awards," (available here), and a list of the May 2019 StopWaste events happening around the County (attached).

VIII. 2019 STOPWASTE BUSINESS EFFICIENCY AWARDS (Michelle Fay)

The Board recessed for a five-minute break and immediately thereafter commenced the 2019 StopWaste Business Efficiency Awards. A link to the staff report is available here: 2019-Business-Efficiency-Awards-05-25-19.pdf .

The following is a list of the awardees:
Honolulu BBQ, Alameda - Excellence in Disposable Foodware Reduction
Isla Restaurant, Newark - Excellence in Recycling & Composting
Semifreddi's, Alameda - Excellence in Energy Efficiency, Recycling & Composting
Sodexo at Fremont Unified School District, Fremont - Excellence in Food Waste Reduction
UrbanBloc, San Leandro - Excellence in Waste Reduction & Reuse
Vericool, Inc., Livermore - Excellence in Recycling & Composting

IX. ADJOURNMENT

The meeting was adjourned at 3:57 p.m.

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China's ban on scrap imports a boon to U.S. recycling plants

New investment in American facilities creating U.S. jobs

A forklift moves through stacks of recyclables at a GDB International warehouse in New Jersey. (Seth Wenig AP)

By MARY ESCH

ALBANY, N.Y.

The halt on China's imports of wastepaper and plastic that has disrupted U.S. recycling programs has also spurred investment in American plants that process recyclables.

U.S. paper mills are expanding capacity to take advantage of a glut of cheap scrap. Some facilities that previously exported plastic or metal to China have retooled so they can process it themselves.

And in a twist, the investors include Chinese companies that are still interested in having access to wastepaper or flattened bottles as raw material for manufacturing.

"It's a very good moment for recycling in the United States," said Neil Seldman, co-founder of the Institute for Local Self-Reliance, a Washington-based organization that helps cities improve recycling programs.

China, which had long been the world's largest destination for paper, plastic and other recyclables, phased in import restrictions in January 2018.

Global scrap prices plummeted, prompting waste-hauling companies to pass the cost of sorting and baling recyclables on to municipalities. With no market for the wastepaper and plastic in their blue bins, some communities scaled back or suspended curbside recycling programs.

New domestic markets offer a glimmer of hope.

About $1 billion in investment in U.S. paper processing plants has been announced in the past six months, according to Dylan de Thomas, a vice president at The Recycling Partnership, a nonprofit organization that tracks and works with the industry.

Hong Kong-based Nine Dragons, one of the world's largest producers of cardboard boxes, has invested $500 million over the past year to buy and expand or restart production at paper mills in Maine, Wisconsin and West Virginia.

In addition to making paper from wood fiber, the mills will add production lines turning more than a million tons of scrap into pulp to make boxes, said Brian Boland, vice president of government affairs and corporate initiatives for ND Paper, Nine Dragons' U.S. affiliate.

"The paper industry has been in contraction since the early 2000s," Boland said. "To see this kind of change is, frankly, amazing. Even though it's a Chinese-owned company, it's creating U.S. jobs and revitalizing communities like Old Town, Maine, where the old mill was shuttered."

The Northeast Recycling Council said in a report last fall that 17 North American paper mills had announced increased capacity to handle recyclable paper since the Chinese cutoff.

Another Chinese company, Global Win Wickliffe, is reopening a shuttered paper mill in Kentucky. Georgia-based Pratt Industries is constructing a mill in Wapakoneta, Ohio, that will turn 425,000 tons of recycled paper per year into shipping boxes.

Plastics also has a lot of capacity coming online, de Thomas said, noting new or expanded plants in Texas, Pennsylvania, California and North Carolina that turn recycled plastic bottles into new bottles.

Chinese companies are investing in plastic and scrap metal recycling plants in Georgia, Indiana and North Carolina to make feedstocks for manufacturers in China, he said.

In New Brunswick, N.J., the recycling company GDB International exported bales of scrap plastic film such as pallet wrap and grocery bags for years. But when China started restricting imports, company president Sunil Bagaria installed new machinery to process it into pellets he sells profitably to manufacturers of garbage bags and plastic pipe.

He said the imports cutoff that China calls "National Sword" was a much-needed wake-up call to his industry.

"The export of plastic scrap played a big role in facilitating recycling in our country," Bagaria said. "The downside is that infrastructure to do our own domestic recycling didn't develop."

Now that is changing, though he said far more domestic processing capacity will be needed as a growing number of countries restrict scrap imports.

"Ultimately, sooner or later, the society that produces plastic scrap will become responsible for recycling it," he said.

It has also yet to be seen whether the new plants coming online can quickly fix the problems for municipal recycling programs that relied heavily on sales to China to get rid of piles of scrap.

"Chinese companies are investing in mills, but until we see what the demand is going to be at those mills, we're stuck in this rut," said Ben Harvey, whose company in Westborough, Mass., collects trash and recyclables for about 30 communities.

Esch writes for The Associated Press.

StopWaste in Your Community - May 2019

Public Events

May 18	A-1 Community Housing - Food Waste Reduction Grant Launch	Hayward, Hayward Historical Museum, 9 am – 10 am	Stop Food Waste
May 29	Farmers Market tabling	San Leandro, downtown, 5 pm – 8 pm	Stop Food Waste
June 1	Farmers Market tabling	Alameda, Haight & Webster, 9 am – 1 pm	Stop Food Waste
June 4	Eden Garden- Food Waste Reduction Grant Launch	Livermore, Crosswinds Church, 1– 3pm	Stop Food Waste
June 5	Schools Stakeholder Meeting	Oakland, StopWaste office, 4 pm – 6 pm	Schools
June 15	Worms Eat My Garbage Workshop	Oakland, City Slickers, 10 am – 12:30 pm	Sustainable Gardening
July 13	Farmers Market tabling	Berkeley, downtown, 10 am – 3 pm	Stop Food Waste

Advertising Campaigns

Mar 11 – Jun 30	Stop Food Waste campaign	BART stations, movie theaters, and online digital ads throughout the county
Apr 15 – Jun 15	Household Hazardous Waste awareness	Online digital ads throughout the county
April 22 – May 31	BayROC Reusables regional campaign	Radio (includes Pandora), online and social media ads throughout the Bay Area
May 6 – June 14	Used motor oil and filter recycling campaign	Bart stations, AC transit, Pandora, movie theaters, gas pump toppers and online digital ads throughout county

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DATE:	June 26, 2019
TO:	Waste Management Authority Board
FROM:	Wendy Sommer, Executive Director
BY:	Pat Cabrera, Administrative Services Director
SUBJECT:	Public Hearing and Annual Adoption of Fee Collection Report for Household Hazardous Waste Fee

SUMMARY

At the June 26, 2019 WMA meeting, staff will give an overview and update on the Household Hazardous Waste (HHW) program and ask the Board to adopt the FY 2019-20 fee collection report as required by Ordinance 2014-01.

BACKGROUND

At the May 2014 WMA meeting, the Board adopted HHW Ordinance 2014-1: "Ordinance Establishing a Household Hazardous Waste Collection and Disposal Fee," which included an annual $9.55 fee per residential unit. This fee in combination with the HHW landfill tip fee and product stewardship savings supports the four HHW facilities (Fremont, Hayward, Livermore, and Oakland).

The fee also supports up to twelve one-day HHW events around the county per year. The permanent facilities and one-day events are operated under two Memorandums of Understanding (MOUs): one with the City of Fremont and one with the County of Alameda. The City of Fremont continues to exceed its goal of serving 13,000 households per year. The County facilities along with the one-day events are projected to serve over 56,000 households by fiscal year end, reaching approximately 85% of its collective goal of serving 66,000 households annually.

Fee change

Under the ordinance, a Fee Collection Report must be approved by the WMA Board each year prior to placing the parcel fee on the Alameda County property tax roll. A proposed Fee Collection Report (FCR) was publicly noticed this month. The purpose of the notice of the proposed FCR is to allow residential property owners subject to the fee to provide updated information about the number of units on their property, since the fee applies to each unit. The 2019 Fee Collection Report includes changes that property owners have requested throughout the year and during the review of the 2019 Fee Collection Report. Staff has incorporated all requests for changes to the proposed FCR into the draft linked below. The Fee Collection Report lists all the parcels in Alameda County subject to the fee together with the fee amount for the parcel. The 2019 Fee Collection Report may be viewed at http://www.stopwaste.org/file/6193**.** *Please be aware that the file is very large and will take time to download.* Consistent with last year, staff will keep a digital copy on a tablet at the front desk, and print any requested sections.

The HHW fee ordinance calls for the fee to be adjusted each year beginning in FY 16-17, based on the HHW tip fee collected and product stewardship savings. Based on collections and savings in FY 17-18, the FY 19-20 HHW fee will be $6.64 per residential parcel. While the current ordinance requires the fee to reset to $9.55 for the following fiscal year, staff presented a proposal at the Programs and Administration (P&A) Committee last month to amend the current ordinance. This amendment included establishing a fee of $6.64 per year through FY 23-24. The P&A directed staff to proceed with this option, which will be presented to the WMA Board for approval under separate cover.

RECOMMENDATION

Staff recommends that the WMA Board hold a public hearing on the Fee Collection Report and approve by resolution, the Fee Collection Report for FY 2019-20, which includes adjusting the annual fee downward from $7.40 per unit in FY 2018-19 to $6.64 per unit for FY 2019-20.

Attachment: Resolution Adopting the Fee Collection Report

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY
RESOLUTION #WMA 2019 -

MOVED:
SECONDED:

AT THE MEETING HELD JUNE 26, 2019
THE ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY AUTHORIZES ANNUAL ADOPTION OF THE FEE COLLECTION REPORT FOR THE HOUSEHOLD HAZARDOUS WASTE (HHW) FEE

WHEREAS, HHW Ordinance 2014-01 established a Household Hazardous Waste Collection and Disposal Fee, and

WHEREAS, the ordinance requires that a Fee Collection Report be approved by the WMA Board each year prior to placing the fee on the Alameda County property tax roll, and

WHEREAS, the ordinance further requires the fee to be adjusted each year beginning in fiscal year 2016-2017 based on a formula that includes the HHW tip fee collected and product stewardship savings, and

WHEREAS, based on this formula the annual HHW Collection and Disposal Fee for fiscal year 2019-2020 will be $6.64 per residential parcel, and

WHEREAS, legal notice of the public hearing of the Fee Collection Report been provided, and the matter scheduled on the June 26, 2019 Waste Management Authority agenda for adoption.

NOW THEREFORE, BE IT RESOLVED that the Alameda County Waste Management Authority hereby approves adjusting the annual Household Hazardous Waste Fee from $7.40 per residential unit in fiscal year 2018-2019 to $6.64 per residential unit for fiscal year 2019-2020.

Passed and adopted this 26th day of June 2019 by the following vote:

AYES:
NOES:
ABTAIN:
ABSENT:

____
Wendy Sommer, Executive Director

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DATE:	June 26, 2019
TO:	Waste Management Authority Board
FROM:	Pat Cabrera, Administrative Services Director
SUBJECT:	Household Hazardous Waste (HHW) Fee Change and Ordinance Amendment

SUMMARY

At the June 26, 2019 WMA Board meeting, staff will recommend that the WMA Board introduce an amendment to Ordinance 2014 -1 to (a) remove the current sunset provision and (b) revise the fee adjustment methodology and set the annual fee at $6.64 per residential unit through June 30, 2024. The ordinance would maintain the cap of $9.55 per residential unit established in 2014. The ordinance would require a fiscal analysis every five years to determine if the fee needs to be revised (lowered or raised) for the next five years. However, the Board retains its ability to repeal the fee at any time. This change is under the purview of Proposition 218 and requires legal notification and a majority protest proceeding. Staff further recommends that the Board direct staff to prepare amendments to the HHW program Memoranda of Understandings (MOUs) with the County of Alameda and the City of Fremont reflecting the new ordinance.

DISCUSSION

At the May 9, 2019 Programs and Administration Committee meeting, staff discussed the HHW program, the upcoming expiration of the MOUs with the County of Alameda and the City of Fremont (who run the HHW facilities), and the HHW fee structure. The staff memo is available at HHW-Fee-Memo-05-09-19.pdf. While the terms of the current ordinance stipulates that the fee sunsets on June 30, 2024, the MOUs expire on June 30, 2020 and would need to be extended or renegotiated for operations to continue. Given the ongoing need to provide this vital service to Alameda County residents, staff believed it was prudent to address both the MOU negotiations and the sunset provision (which requires amending the ordinance) at the same time. As such, the Agency engaged the services of HF&H consultants to conduct a financial analysis of the program to help determine ongoing funding needs. At the end of the presentation, the P&A Committee directed staff to finalize the analysis focusing on a fee of $6.64 per year per residential unit. The final HF&F report is attached with the following conclusions:

1. Based on the best and mid-point scenarios (described on page 2 of the HF&H report) the $6.64 fee, along with the tip fee, will be sufficient to fund the program for at least ten years (see table 1 and 2, on pages 3 and 4 of the report).
2. Based on the worst case scenario (described on page 3 of the report) the $6.64 fee, along with the tip fee will be sufficient to fund the program for eight years (see table 3 on page 4 of the report).

Since the amended ordinance would require a fiscal analysis every five years to determine if the fee would need to be adjusted, the $6.64 flat fee (along with the tip fee) would be sufficient to support the program under any of these scenarios. However, to ensure that staff covered every contingency, an additional funding scenario was requested of the consultant. This scenario would determine if the fee was sufficient under extreme financial constraints such as a severe recession (described on page 5 of the report). As shown on table 4 of the report (page 5), even under the "extreme" worst case scenario, there would be adequate funding for seven years. Therefore, staff is confident that a fiscal analysis conducted every five years would be a reasonable time frame to determine if any changes to the fee (lower or higher) would need to be made for the next five years, without jeopardizing the program.

As further outlined in the amended ordinance, the fee can never exceed $9.55 per year per residential unit, which is stipulated in the current ordinance. While the current fee sunset date of June 30, 2024 would be removed, the Board would still have the ability to repeal the fee at any time. The amended ordinance would call for the next fee review to be in 2024, covering the period from the current HF&H report forward. Reports would be prepared every five years thereafter.

Even though the amended ordinance establishes a lower fee, because the sunset provision is removed, a Proposition 218 legal process is required, which includes notification to the impacted parties and a majority protest proceeding. As outlined in the attached resolution, and if approved, the public hearing on this ordinance will be held on September 25, 2019, which is when the protests would be due.

After receiving approval from the P&A Committee to move forward with the fee change and amended ordinance, staff met with the Technical Advisory Committee and contacted the Member Agencies' City and General Managers advising them of the proposed change. No concerns have been expressed regarding this matter.

RECOMMENDATION

Staff recommends that the WMA Board:

1. Introduce and waive the first reading of the attached ordinance to be considered for adoption following a public hearing and protest process in accordance with Proposition 218. The ordinance resets the annual HHW Collection and Disposal fee to $6.64 per year per residential unit through June 30, 2024. The ordinance requires that a financial analysis be conducted by March 31, 2024 to determine what the fee should be for the following five fiscal years and to conduct similar analysis in five year intervals to determine what the fee should be at that time. While the fee can be lowered or raised during those periods, it will be capped at $9.55 per year per residential unit per the original ordinance. The amended ordinance removes the previous sunset provision; however, the Board may repeal this fee at any time.

2. Approve the attached resolution regarding the protest proceedings required under Proposition 218.

3. Direct staff to prepare amendments to the HHW program Memoranda of Understandings (MOUs) with the County of Alameda and the City of Fremont reflecting the new ordinance to be considered following adoption of the ordinance.

<u>Attachments:</u>

Attachment A: HF&F report
Attachment B: Resolution Setting the Hearing and Procedures for Notice of Proposed Amendment to HHW Collection and Disposal Fee
Attachment C: Ordinance 2019-01 Amending Ordinance 2014-01

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MEMORANDUM

Date:	June 12, 2019
To:	Pat Cabrera, Administrative Services Director, Alameda County Waste Management Authority
From:	Peter Deibler, Senior Manager; Rob Hilton, President
Copy to:	Richard Taylor, Counsel, Waste Management Authority
Subject:	Household Hazardous Waste Fee Modeling

Background

The Household Hazardous Waste (HHW) program is funded by two fees, a $2.15 per-ton fee on solid waste disposal, and a program fee (unit fee) collected primarily through the property tax roll. The per-ton disposal fee was established in 1990, while the unit fee first took effect in Fiscal Year 2014-15. During 2012 through 2014, HF&H Consultants, LLC (HF&H) assisted the Waste Management Authority (WMA) in analyzing various program service levels and options for diversifying revenues sources with a new fee, culminating in adoption of the unit fee. As provided in Ordinance 2014-1, the unit fee is set at a maximum of $9.55 per single-family and multi-family unit per year, but is annually adjusted based primarily on actual revenues. The proposed annual fee for FY 2019-20 (pending Board approval) is $6.64 per unit.

In late 2018, the WMA requested HF&H assistance in identifying options for modifying the unit fee to address a combination of three factors. First, the unit fee sunsets at the close of FY 2023-24. Second, the current WMA memoranda of understanding (MOUs) with the County, and the City of Fremont terminate in June 2020. Third, the HHW Fund (Fund) FY 2017-18 closing balance of approximately $13.2 million substantially exceeded the 2013 projected balance for the close of FY 2017-18 of about $1.8 million. The favorable fund balance reflects two factors; expenses grew more slowly than anticipated, and disposal tons and the resulting tip fee revenues have not declined as anticipated.

At the May 9th Programs and Administrative Committee meeting, the Administrative Services Director presented several options regarding the unit fee, each analyzed with three scenarios reflecting varied assumptions regarding the growth of expenses and revenues. The recommended option, approved by the Committee for presentation to the Board, answers this question:

> "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?"[1]

The objective under the selected option is to set an ongoing annual fee of $6.64 per unit, to spend down the fund balance while still maintain adequate reserves, and to revisit the fund balance every five years to determine if the fee needs to be adjusted up or down or be eliminated if there is sufficient funding for the program.

Analysis

The analysis of the $6.64 unit fee focuses on modeling the effects (from a fiscal perspective) of assumptions for "best case", "midpoint", and "worst case" scenarios as described below. The scenarios each focus on the three main factors that drive the fund balance over time. Two of the factors relate to revenue, projected growth in number of Alameda County housing units and solid waste disposal tonnages.[2] The third factor is projected growth in expenses. While the scenarios use a 15 year planning period, through FY 2033-34, we suggest that the projections based on the assumptions outlined below are more reliable over a shorter timeframe such as ten years.

The three scenarios are defined as follows:

Best Case Scenario

1. Gradual steady tonnage decline based on current WMA projections, reaching about 830,000 tons per year in FY 2033-34.
2. A 2.0 percent annual growth in both single-family and multi-family units.
3. A 2.5 percent annual growth in total program expenses.

Mid-Point Scenario

1. Disposed tonnage drops to 700,000 tons in FY 29-30, and tonnages then remain constant through the planning period.
2. A 1.0 percent annual growth in both single-family and multi-family units. This rate of growth matches recent regional projections.[3]
3. A 3.5 percent annual growth in total program expenses.

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[1] "Household Hazardous Waste (HHW) Fee", Programs and Administrative Committee, May 9, 2019, page 8.
[2] There are several small additional streams of revenue, including small business fees and interest on the Fund. Together, these represent about three percent of total annual revenue. These revenues are not treated as variables in analyzing the scenarios.
[3] "Plan Bay Area 2040 – Final Supplemental Report", Metropolitan Transportation Commission and Association of Bay Area Governments, July 2017, page 32.

Worst Case Scenario

1. Disposal tonnages meet Agency's waste reduction goals such that 540,000 tons are disposed in FY 29-30, and tonnages then remain constant through the planning period.
2. No annual growth in single-family or multi-family units.
3. A 5.0 percent annual growth in total program expenses.

Tables 1, 2 and 3 present the fiscal results for each scenario. Bolded rows show fiscal status at five year intervals, corresponding to the points at which the WMA will confirm whether the $6.64 fee should remain as is or be adjusted. The Best Case and Midpoint scenarios provide a positive fund balance through at least ten years, and for the Worst Case the fund balance is still positive in the eighth year (FY 2026-27).

Table 1 Best Case Scenario

Fiscal Year	Opening Fund Balance	Total Revenue	Total Expenses	Closing Fund Balance
FY 2019-20	$14,811,667	$6,863,276	$6,486,919	$15,188,024
FY 2020-21	$15,188,024	$6,889,271	$6,534,099	$15,543,196
FY 2021-22	$15,543,196	$6,917,558	$6,697,107	$15,763,647
FY 2022-23	$15,763,647	$6,947,805	$6,864,183	$15,847,269
FY 2023-24	**$15,847,269**	**$6,957,513**	**$7,035,428**	**$15,769,353**
FY 2024-25	$15,769,353	$6,970,179	$7,210,948	$15,528,584
FY 2025-26	$15,528,584	$6,985,768	$7,390,848	$15,123,503
FY 2026-27	$15,123,503	$7,004,239	$7,575,239	$14,552,503
FY 2027-28	$14,552,503	$7,025,544	$7,764,231	$13,813,816
FY 2028-29	**$13,813,816**	**$7,049,659**	**$7,957,941**	**$12,905,533**
FY 2029-30	$12,905,533	$7,076,544	$8,156,485	$11,825,592
FY 2030-31	$11,825,592	$7,106,162	$8,359,985	$10,571,769
FY 2031-32	$10,571,769	$7,138,484	$8,568,564	$9,141,688
FY 2032-33	$9,141,688	$7,173,480	$8,782,350	$7,532,819
FY 2033-34	**$7,532,819**	**$7,211,122**	**$9,001,471**	**$5,742,470**
FY 2034-35	$5,742,470	$7,251,381	$9,226,062	$3,767,789

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Table 2 Midpoint Scenario

Fiscal Year	Opening Fund Balance	Total Revenue	Total Expenses	Closing Fund Balance
FY 2019-20	$14,811,667	$6,824,074	$6,514,131	$15,121,610
FY 2020-21	$15,121,610	$6,718,138	$6,620,201	$15,219,547
FY 2021-22	$15,219,547	$6,619,064	$6,850,217	$14,988,394
FY 2022-23	$14,988,394	$6,526,056	$7,088,266	$14,426,184
FY 2023-24	**$14,426,184**	**$6,438,678**	**$7,334,631**	**$13,530,231**
FY 2024-25	$13,530,231	$6,356,521	$7,589,601	$12,297,151
FY 2025-26	$12,297,151	$6,279,198	$7,853,477	$10,722,871
FY 2026-27	$10,722,871	$6,206,321	$8,126,572	$8,802,621
FY 2027-28	$8,802,621	$6,137,530	$8,409,207	$6,530,944
FY 2028-29	**$6,530,944**	**$6,072,480**	**$8,701,716**	**$3,901,708**
FY 2029-30	$3,901,708	$6,010,831	$9,004,445	$908,093
FY 2030-31	$908,093	$6,039,963	$9,317,752	($2,369,696)
FY 2031-32	($2,369,696)	$6,083,913	$9,642,005	($5,927,788)
FY 2032-33	($5,927,788)	$6,128,301	$9,977,589	($9,777,075)
FY 2033-34	**($9,777,075)**	**$6,173,135**	**$10,324,899**	**($13,928,839)**
FY 2034-35	($13,928,839)	$6,218,420	$10,684,346	($18,394,766)

Table 3 Worst Case Scenario

Fiscal Year	Opening Fund Balance	Total Revenue	Total Expenses	Closing Fund Balance
FY 2019-20	$14,811,667	$6,784,830	$6,555,281	$15,041,216
FY 2020-21	$15,041,216	$6,574,171	$6,751,084	$14,864,302
FY 2021-22	$14,864,302	$6,377,445	$7,085,323	$14,156,424
FY 2022-23	$14,156,424	$6,192,939	$7,436,274	$12,913,089
FY 2023-24	**$12,913,089**	**$6,019,396**	**$7,804,772**	**$11,127,712**
FY 2024-25	$11,127,712	$5,855,644	$8,191,696	$8,791,660
FY 2025-26	$8,791,660	$5,700,588	$8,597,965	$5,894,283
FY 2026-27	$5,894,283	$5,553,205	$9,024,548	$2,422,940
FY 2027-28	$2,422,940	$5,412,534	$9,472,461	($1,636,987)
FY 2028-29	**($1,636,987)**	**$5,301,419**	**$9,942,768**	**($6,278,337)**
FY 2029-30	($6,278,337)	$5,201,290	$10,436,592	($11,513,639)
FY 2030-31	($11,513,639)	$5,201,290	$10,955,106	($17,267,455)
FY 2031-32	($17,267,455)	$5,201,290	$11,499,546	($23,565,712)
FY 2032-33	($23,565,712)	$5,201,290	$12,071,208	($30,435,630)
FY 2033-34	**($30,435,630)**	**$5,201,290**	**$12,671,453**	**($37,905,794)**
FY 2034-35	($37,905,794)	$5,201,290	$13,301,711	($46,006,215)

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HF&H also analyzed an "extreme worst case", such as might occur with a severe recession. This scenario, shown in Table 4 below, features sharp revenue decreases resulting from a drop in disposal to 540,000 tons per year beginning in FY 2020-21 and a 2.0 percent annual decrease in housing units. Expense growth was assumed to remain at 5 percent, since there are opportunities to reduce costs at the margin should it prove necessary. Even in this case, the fund balance is positive through the seventh year (FY 2025-26).

Table 4 Extreme Worst Case Scenario

Fiscal Year	Opening Fund Balance	Total Revenue	Total Expenses	Closing Fund Balance
FY 2019-20	$14,628,754	$6,917,048	$6,553,955	$14,991,847
FY 2020-21	$14,991,847	$6,630,415	$6,748,458	$14,873,804
FY 2021-22	$14,873,804	$5,054,838	$7,081,424	$12,847,218
FY 2022-23	$12,847,218	$4,967,991	$7,431,127	$10,384,082
FY 2023-24	**$10,384,082**	**$4,879,943**	**$7,798,402**	**$7,465,624**
FY 2024-25	$7,465,624	$4,790,554	$8,184,127	$4,072,051
FY 2025-26	$4,072,051	$4,699,674	$8,589,222	$182,503
FY 2026-27	$182,503	$4,619,227	$9,014,653	($4,212,923)
FY 2027-28	($4,212,923)	$4,552,860	$9,461,437	($9,121,500)
FY 2028-29	**($9,121,500)**	**$4,487,828**	**$9,930,640**	**($14,564,312)**
FY 2029-30	($14,564,312)	$4,424,091	$10,423,379	($20,563,600)
FY 2030-31	($20,563,600)	$4,361,635	$10,940,832	($27,142,797)
FY 2031-32	($27,142,797)	$4,300,421	$11,484,231	($34,326,607)
FY 2032-33	($34,326,607)	$4,240,428	$12,054,873	($42,141,052)
FY 2033-34	**($42,141,052)**	**$4,181,638**	**$12,654,119**	**($50,613,533)**
FY 2034-35	($50,613,533)	$4,124,029	$13,283,397	($59,772,901)

In general, the relatively higher tonnages and growth in the number of units for the Best Case and Midpoint scenarios result in relatively greater tip fee and unit fee revenues, respectively. Conversely, the Best Case and Midpoint scenarios provide for lower relative growth in expenses. Figures 1 through 4 graphically illustrate the relationship of the three factors for each of the scenarios.[4]

[4] Figures 1 through 4 exclude the minor amount of "other revenue".

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Figure 1 Best Case Scenario

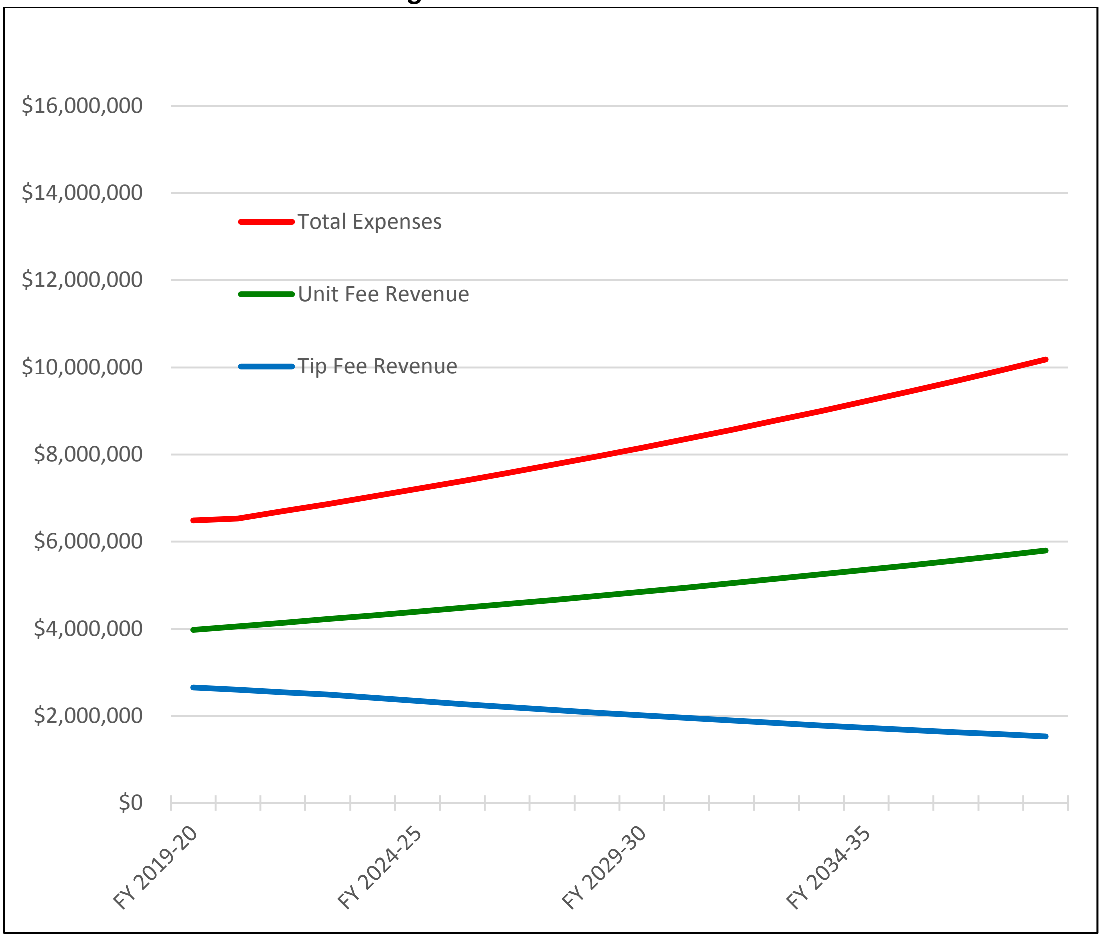

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Figure 2 Midpoint Scenario

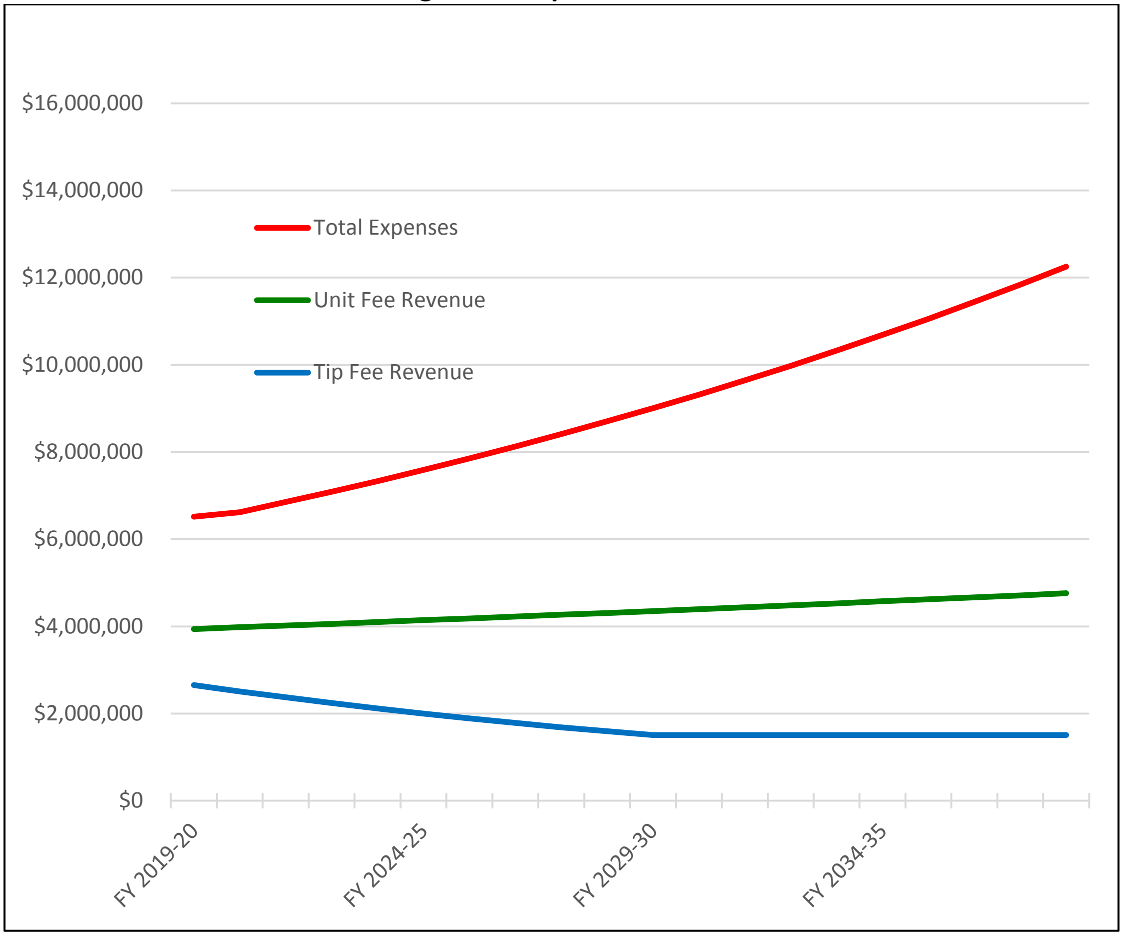


Figure 3 Worst Case Scenario

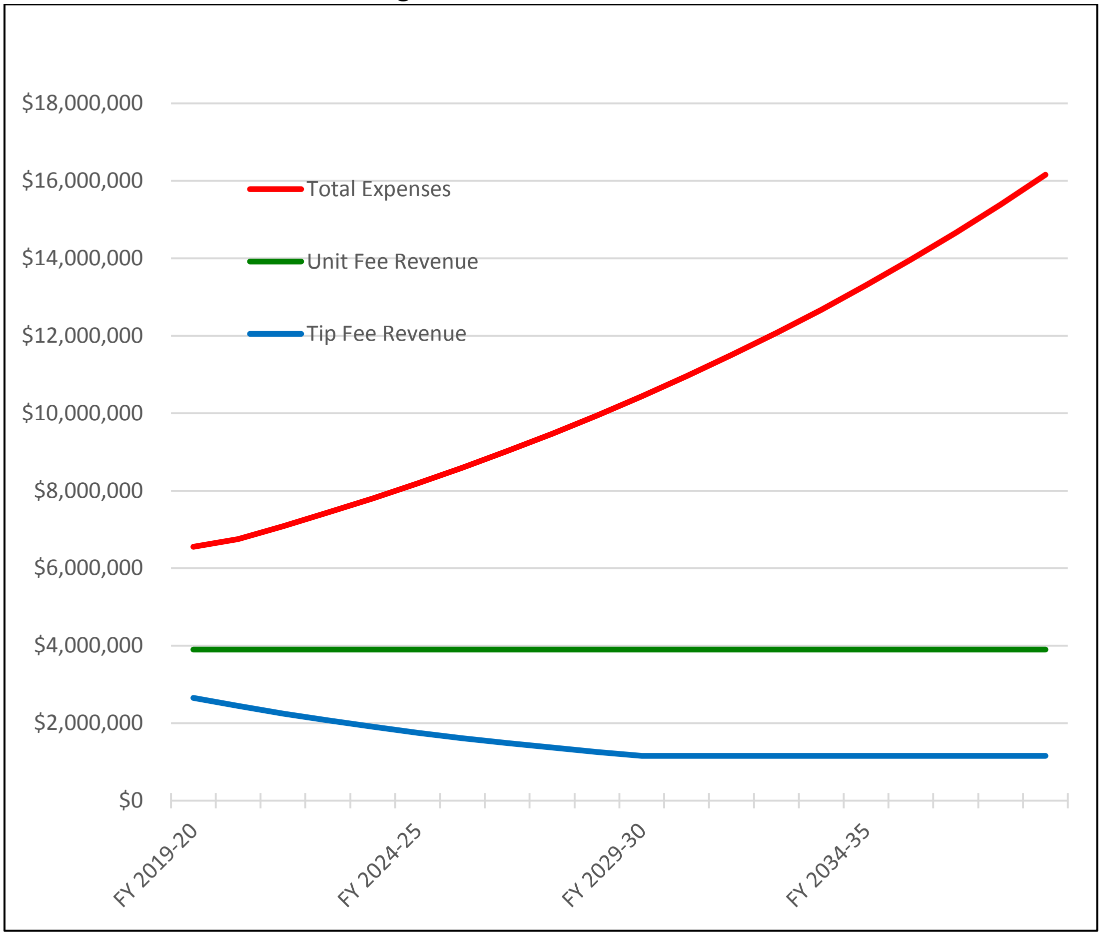
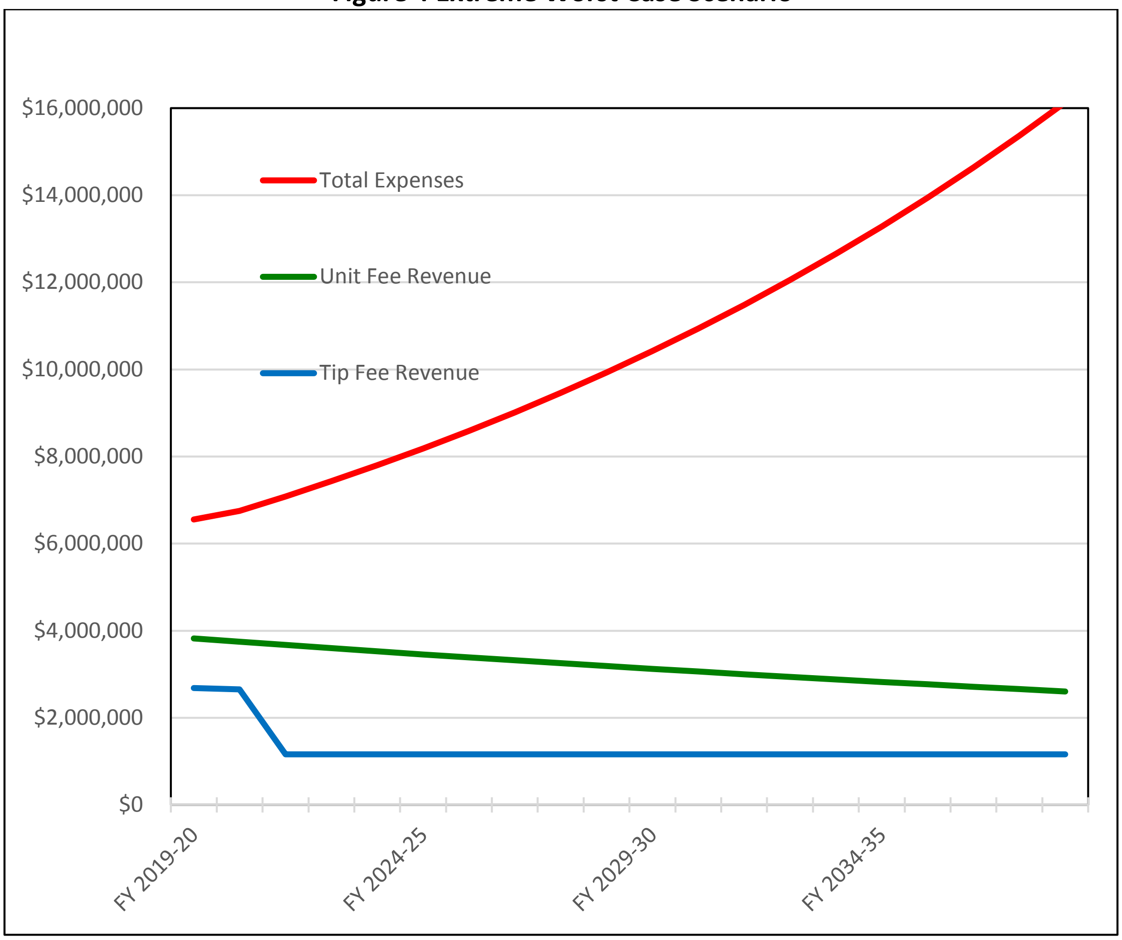


Figure 4 Extreme Worst Case Scenario



Additional Information

Attachment 1 provides additional expense and revenue detail to that shown in Tables 1 through 4 for the four scenarios. There are three projected streams of revenue, with "other revenue" in addition to the unit fee and tip fee revenues. Expenses include the County and Fremont programs, the Agency's oversight budget (including additional one-time expenses for FY 2019-20 related to developing the amended fee ordinance. The Attachment 1 tables begin with projected final data for 2018-19, and continue revenue and expense projections through FY 2038-39.

ATTACHMENT 1:
ADDITIONAL INFORMATION

Best Case Scenario

Fiscal Year	Opening Fund Balance	Revenues				Expenses					Net Revenue	Interest on Fund Balance	Closing Fund Balance
		Unit Fee Revenue	Tip Fee Revenue	Other Revenue	Total Revenue	County Expenses	Fremont Expenses	Agency Expenses	County Assessor's Fee	Total Expenses			
FY 2018-19	$13,244,189	$4,346,708	$2,866,169	$140,000	$7,352,878	$4,385,022	$983,067	$432,237	$73,894	$5,874,219	$1,478,658	$88,820	$14,811,667
FY 2019-20	$14,811,667	$3,978,296	$2,655,250	$140,000	$6,773,546	$4,774,206	$1,085,419	$559,663	$67,631	$6,486,919	$286,627	$89,730	$15,188,024
FY 2020-21	$15,188,024	$4,057,863	$2,599,490	$140,000	$6,797,353	$4,893,561	$1,112,554	$459,000	$68,984	$6,534,099	$263,254	$91,918	$15,543,196
FY 2021-22	$15,543,196	$4,139,017	$2,544,900	$140,000	$6,823,918	$5,015,900	$1,140,368	$470,475	$70,363	$6,697,107	$126,811	$93,640	$15,763,647
FY 2022-23	$15,763,647	$4,221,798	$2,491,458	$140,000	$6,853,256	$5,141,298	$1,168,877	$482,237	$71,771	$6,864,183	($10,927)	$94,549	$15,847,269
FY 2023-24	$15,847,269	$4,306,233	$2,416,714	$140,000	$6,862,946	$5,269,830	$1,198,099	$494,293	$73,206	$7,035,428	($172,482)	$94,566	$15,769,353
FY 2024-25	$15,769,353	$4,392,353	$2,344,212	$140,000	$6,876,566	$5,401,576	$1,228,052	$506,650	$74,670	$7,210,948	($334,382)	$93,613	$15,528,584
FY 2025-26	$15,528,584	$4,480,201	$2,273,886	$140,000	$6,894,087	$5,536,616	$1,258,753	$519,316	$76,163	$7,390,848	($496,762)	$91,681	$15,123,503
FY 2026-27	$15,123,503	$4,569,807	$2,205,669	$140,000	$6,915,477	$5,675,031	$1,290,222	$532,299	$77,687	$7,575,239	($659,762)	$88,762	$14,552,503
FY 2027-28	$14,552,503	$4,661,200	$2,139,499	$140,000	$6,940,700	$5,816,907	$1,322,477	$545,607	$79,240	$7,764,231	($823,532)	$84,844	$13,813,816
FY 2028-29	$13,813,816	$4,754,426	$2,075,314	$140,000	$6,969,740	$5,962,329	$1,355,539	$559,247	$80,825	$7,957,941	($988,201)	$79,918	$12,905,533
FY 2029-30	$12,905,533	$4,849,517	$2,013,055	$140,000	$7,002,572	$6,111,388	$1,389,428	$573,228	$82,442	$8,156,485	($1,153,913)	$73,971	$11,825,592
FY 2030-31	$11,825,592	$4,946,508	$1,952,663	$140,000	$7,039,171	$6,264,172	$1,424,163	$587,559	$84,091	$8,359,985	($1,320,814)	$66,991	$10,571,769
FY 2031-32	$10,571,769	$5,045,437	$1,894,083	$140,000	$7,079,521	$6,420,777	$1,459,768	$602,248	$85,772	$8,568,564	($1,489,044)	$58,963	$9,141,688
FY 2032-33	$9,141,688	$5,146,345	$1,837,261	$140,000	$7,123,606	$6,581,296	$1,496,262	$617,304	$87,488	$8,782,350	($1,658,743)	$49,874	$7,532,819
FY 2033-34	$7,532,819	$5,249,272	$1,782,143	$140,000	$7,171,415	$6,745,828	$1,533,668	$632,737	$89,238	$9,001,471	($1,830,056)	$39,707	$5,742,470
FY 2034-35	$5,742,470	$5,354,257	$1,728,679	$140,000	$7,222,936	$6,914,474	$1,572,010	$648,555	$91,022	$9,226,062	($2,003,126)	$28,445	$3,767,789
FY 2035-36	$3,767,789	$5,461,340	$1,676,818	$140,000	$7,278,159	$7,087,336	$1,611,310	$664,769	$92,843	$9,456,258	($2,178,099)	$16,072	$1,605,762
FY 2036-37	$1,605,762	$5,570,568	$1,626,514	$140,000	$7,337,082	$7,264,519	$1,651,593	$681,388	$94,700	$9,692,200	($2,355,118)	$2,569	($746,786)
FY 2037-38	($746,786)	$5,681,981	$1,577,718	$140,000	$7,399,699	$7,446,132	$1,692,883	$698,423	$96,594	$9,934,032	($2,534,332)	$0	($3,281,119)
FY 2038-39	($3,281,119)	$5,795,618	$1,530,387	$140,000	$7,466,005	$7,632,286	$1,735,205	$715,883	$98,526	$10,181,900	($2,715,895)	$0	($5,997,014)

ATTACHMENT 1:
ADDITIONAL INFORMATION

Midpoint Scenario

Fiscal Year	Opening Fund Balance	Revenues				Expenses					Net Revenue	Interest on Fund Balance	Closing Fund Balance
		Unit Fee Revenue	Tip Fee Revenue	Other Revenue	Total Revenue	County Expenses	Fremont Expenses	Agency Expenses	County Assessor's Fee	Total Expenses			
FY 2018-19	$13,244,189	$4,346,708	$2,866,169	$140,000	$7,352,878	$4,385,022	$983,067	$432,237	$73,894	$5,874,219	$1,478,658	$88,820	$14,811,667
FY 2019-20	$14,811,667	$3,939,293	$2,655,250	$140,000	$6,734,543	$4,802,082	$1,085,419	$559,663	$66,968	$6,514,131	$220,411	$89,531	$15,121,610
FY 2020-21	$15,121,610	$3,978,688	$2,508,699	$140,000	$6,627,387	$4,970,155	$1,123,408	$459,000	$67,638	$6,620,201	$7,186	$90,751	$15,219,547
FY 2021-22	$15,219,547	$4,018,475	$2,370,236	$140,000	$6,528,711	$5,144,110	$1,162,728	$475,065	$68,314	$6,850,217	($321,506)	$90,353	$14,988,394
FY 2022-23	$14,988,394	$4,058,660	$2,239,416	$140,000	$6,438,076	$5,324,154	$1,203,423	$491,692	$68,997	$7,088,266	($650,191)	$87,980	$14,426,184
FY 2023-24	$14,426,184	$4,099,244	$2,115,816	$140,000	$6,355,060	$5,510,499	$1,245,543	$508,902	$69,687	$7,334,631	($979,571)	$83,618	$13,530,231
FY 2024-25	$13,530,231	$4,140,233	$1,999,038	$140,000	$6,279,270	$5,703,367	$1,289,137	$526,713	$70,384	$7,589,601	($1,310,331)	$77,250	$12,297,151
FY 2025-26	$12,297,151	$4,181,640	$1,888,705	$140,000	$6,210,344	$5,902,984	$1,334,257	$545,148	$71,088	$7,853,477	($1,643,133)	$68,854	$10,722,871
FY 2026-27	$10,722,871	$4,223,458	$1,784,461	$140,000	$6,147,920	$6,109,589	$1,380,956	$564,228	$71,799	$8,126,572	($1,978,652)	$58,401	$8,802,621
FY 2027-28	$8,802,621	$4,265,695	$1,685,972	$140,000	$6,091,667	$6,323,425	$1,429,289	$583,976	$72,517	$8,409,207	($2,317,540)	$45,863	$6,530,944
FY 2028-29	$6,530,944	$4,308,357	$1,592,918	$140,000	$6,041,275	$6,544,744	$1,479,314	$604,415	$73,242	$8,701,716	($2,660,441)	$31,204	$3,901,708
FY 2029-30	$3,901,708	$4,351,444	$1,505,000	$140,000	$5,996,444	$6,773,810	$1,531,090	$625,570	$73,975	$9,004,445	($3,008,001)	$14,386	$908,093
FY 2030-31	$908,093	$4,394,963	$1,505,000	$140,000	$6,039,963	$7,010,894	$1,584,679	$647,465	$74,714	$9,317,752	($3,277,789)	$0	($2,369,696)
FY 2031-32	($2,369,696)	$4,438,913	$1,505,000	$140,000	$6,083,913	$7,256,275	$1,640,142	$670,126	$75,462	$9,642,005	($3,558,092)	$0	($5,927,788)
FY 2032-33	($5,927,788)	$4,483,301	$1,505,000	$140,000	$6,128,301	$7,510,245	$1,697,547	$693,581	$76,216	$9,977,589	($3,849,287)	$0	($9,777,075)
FY 2033-34	($9,777,075)	$4,528,135	$1,505,000	$140,000	$6,173,135	$7,773,103	$1,756,961	$717,856	$76,978	$10,324,899	($4,151,764)	$0	($13,928,839)
FY 2034-35	($13,928,839)	$4,573,420	$1,505,000	$140,000	$6,218,420	$8,045,162	$1,818,455	$742,981	$77,748	$10,684,346	($4,465,926)	$0	($18,394,766)
FY 2035-36	($18,394,766)	$4,619,156	$1,505,000	$140,000	$6,264,156	$8,326,743	$1,882,101	$768,985	$78,526	$11,056,354	($4,792,199)	$0	($23,186,964)
FY 2036-37	($23,186,964)	$4,665,344	$1,505,000	$140,000	$6,310,344	$8,618,179	$1,947,975	$795,900	$79,311	$11,441,364	($5,131,020)	$0	($28,317,984)
FY 2037-38	($28,317,984)	$4,711,996	$1,505,000	$140,000	$6,356,996	$8,919,815	$2,016,154	$823,756	$80,104	$11,839,828	($5,482,832)	$0	($33,800,816)
FY 2038-39	($33,800,816)	$4,759,114	$1,505,000	$140,000	$6,404,114	$9,232,008	$2,086,719	$852,588	$80,905	$12,252,220	($5,848,106)	$0	($39,648,922)

ATTACHMENT 1:
ADDITIONAL INFORMATION

Worst Case Scenario

Fiscal Year	Opening Fund Balance	Revenues				Expenses					Net Revenue	Interest on Fund Balance	Closing Fund Balance
		Unit Fee Revenue	Tip Fee Revenue	Other Revenue	Total Revenue	County Expenses	Fremont Expenses	Agency Expenses	County Assessor's Fee	Total Expenses			
FY 2018-19	$13,244,189	$4,346,708	$2,866,169	$140,000	$7,352,878	$4,385,022	$983,067	$432,237	$73,894	$5,874,219	$1,478,658	$88,820	$14,811,667
FY 2019-20	$14,811,667	$3,900,290	$2,655,250	$140,000	$6,695,540	$4,843,895	$1,085,419	$559,663	$66,305	$6,555,281	$140,258	$89,291	$15,041,216
FY 2020-21	$15,041,216	$3,900,290	$2,444,433	$140,000	$6,484,722	$5,086,090	$1,139,690	$459,000	$66,305	$6,751,084	($266,362)	$89,448	$14,864,302
FY 2021-22	$14,864,302	$3,900,290	$2,250,354	$140,000	$6,290,643	$5,340,394	$1,196,674	$481,950	$66,305	$7,085,323	($794,680)	$86,802	$14,156,424
FY 2022-23	$14,156,424	$3,900,290	$2,071,684	$140,000	$6,111,973	$5,607,414	$1,256,508	$506,048	$66,305	$7,436,274	($1,324,301)	$80,966	$12,913,089
FY 2023-24	$12,913,089	$3,900,290	$1,907,200	$140,000	$5,947,489	$5,887,784	$1,319,333	$531,350	$66,305	$7,804,772	($1,857,283)	$71,907	$11,127,712
FY 2024-25	$11,127,712	$3,900,290	$1,755,775	$140,000	$5,796,064	$6,182,174	$1,385,300	$557,917	$66,305	$8,191,696	($2,395,632)	$59,579	$8,791,660
FY 2025-26	$8,791,660	$3,900,290	$1,616,373	$140,000	$5,656,662	$6,491,282	$1,454,565	$585,813	$66,305	$8,597,965	($2,941,303)	$43,926	$5,894,283
FY 2026-27	$5,894,283	$3,900,290	$1,488,039	$140,000	$5,528,328	$6,815,846	$1,527,293	$615,104	$66,305	$9,024,548	($3,496,220)	$24,877	$2,422,940
FY 2027-28	$2,422,940	$3,900,290	$1,369,894	$140,000	$5,410,183	$7,156,639	$1,603,658	$645,859	$66,305	$9,472,461	($4,062,277)	$2,351	($1,636,987)
FY 2028-29	($1,636,987)	$3,900,290	$1,261,129	$140,000	$5,301,419	$7,514,471	$1,683,841	$678,152	$66,305	$9,942,768	($4,641,350)	$0	($6,278,337)
FY 2029-30	($6,278,337)	$3,900,290	$1,161,000	$140,000	$5,201,290	$7,890,194	$1,768,033	$712,060	$66,305	$10,436,592	($5,235,302)	$0	($11,513,639)
FY 2030-31	($11,513,639)	$3,900,290	$1,161,000	$140,000	$5,201,290	$8,284,704	$1,856,434	$747,663	$66,305	$10,955,106	($5,753,816)	$0	($17,267,455)
FY 2031-32	($17,267,455)	$3,900,290	$1,161,000	$140,000	$5,201,290	$8,698,939	$1,949,256	$785,046	$66,305	$11,499,546	($6,298,256)	$0	($23,565,712)
FY 2032-33	($23,565,712)	$3,900,290	$1,161,000	$140,000	$5,201,290	$9,133,886	$2,046,719	$824,298	$66,305	$12,071,208	($6,869,918)	$0	($30,435,630)
FY 2033-34	($30,435,630)	$3,900,290	$1,161,000	$140,000	$5,201,290	$9,590,580	$2,149,055	$865,513	$66,305	$12,671,453	($7,470,164)	$0	($37,905,794)
FY 2034-35	($37,905,794)	$3,900,290	$1,161,000	$140,000	$5,201,290	$10,070,109	$2,256,508	$908,789	$66,305	$13,301,711	($8,100,421)	$0	($46,006,215)
FY 2035-36	($46,006,215)	$3,900,290	$1,161,000	$140,000	$5,201,290	$10,573,615	$2,369,333	$954,228	$66,305	$13,963,481	($8,762,191)	$0	($54,768,406)
FY 2036-37	($54,768,406)	$3,900,290	$1,161,000	$140,000	$5,201,290	$11,102,296	$2,487,800	$1,001,939	$66,305	$14,658,340	($9,457,050)	$0	($64,225,456)
FY 2037-38	($64,225,456)	$3,900,290	$1,161,000	$140,000	$5,201,290	$11,657,410	$2,612,190	$1,052,036	$66,305	$15,387,941	($10,186,652)	$0	($74,412,108)
FY 2038-39	($74,412,108)	$3,900,290	$1,161,000	$140,000	$5,201,290	$12,240,281	$2,742,799	$1,104,638	$66,305	$16,154,023	($10,952,734)	$0	($85,364,842)

ATTACHMENT 1:
ADDITIONAL INFORMATION

Extreme Worst Case Scenario

Fiscal Year	Opening Fund Balance	Revenues				Expenses					Net Revenue	Interest on Fund Balance	Closing Fund Balance
		Unit Fee Revenue	Tip Fee Revenue	Other Revenue	Total Revenue	County Expenses	Fremont Expenses	Agency Expenses	County Assessor's Fee	Total Expenses			
FY 2018-19	$13,244,189	$4,346,708	$2,683,256	$140,000	$7,169,964	$4,385,022	$983,067	$432,237	$73,894	$5,874,219	$1,295,745	$88,820	$14,628,754
FY 2019-20	$14,628,754	$3,822,283	$2,866,169	$140,000	$6,828,452	$4,843,895	$1,085,419	$559,663	$64,979	$6,553,955	$274,497	$88,596	$14,991,847
FY 2020-21	$14,991,847	$3,745,836	$2,655,250	$140,000	$6,541,086	$5,086,090	$1,139,690	$459,000	$63,679	$6,748,458	($207,372)	$89,329	$14,873,804
FY 2021-22	$14,873,804	$3,670,924	$1,161,000	$140,000	$4,971,924	$5,340,394	$1,196,674	$481,950	$62,406	$7,081,424	($2,109,500)	$82,914	$12,847,218
FY 2022-23	$12,847,218	$3,597,506	$1,161,000	$140,000	$4,898,506	$5,607,414	$1,256,508	$506,048	$61,158	$7,431,127	($2,532,621)	$69,485	$10,384,082
FY 2023-24	$10,384,082	$3,525,554	$1,161,000	$140,000	$4,826,554	$5,887,784	$1,319,333	$531,350	$59,934	$7,798,402	($2,971,848)	$53,389	$7,465,624
FY 2024-25	$7,465,624	$3,455,044	$1,161,000	$140,000	$4,756,044	$6,182,174	$1,385,300	$557,917	$58,736	$8,184,127	($3,428,082)	$34,509	$4,072,051
FY 2025-26	$4,072,051	$3,385,948	$1,161,000	$140,000	$4,686,948	$6,491,282	$1,454,565	$585,813	$57,561	$8,589,222	($3,902,273)	$12,725	$182,503
FY 2026-27	$182,503	$3,318,227	$1,161,000	$140,000	$4,619,227	$6,815,846	$1,527,293	$615,104	$56,410	$9,014,653	($4,395,426)	$0	($4,212,923)
FY 2027-28	($4,212,923)	$3,251,860	$1,161,000	$140,000	$4,552,860	$7,156,639	$1,603,658	$645,859	$55,282	$9,461,437	($4,908,577)	$0	($9,121,500)
FY 2028-29	($9,121,500)	$3,186,828	$1,161,000	$140,000	$4,487,828	$7,514,471	$1,683,841	$678,152	$54,176	$9,930,640	($5,442,811)	$0	($14,564,312)
FY 2029-30	($14,564,312)	$3,123,091	$1,161,000	$140,000	$4,424,091	$7,890,194	$1,768,033	$712,060	$53,093	$10,423,379	($5,999,288)	$0	($20,563,600)
FY 2030-31	($20,563,600)	$3,060,635	$1,161,000	$140,000	$4,361,635	$8,284,704	$1,856,434	$747,663	$52,031	$10,940,832	($6,579,197)	$0	($27,142,797)
FY 2031-32	($27,142,797)	$2,999,421	$1,161,000	$140,000	$4,300,421	$8,698,939	$1,949,256	$785,046	$50,990	$11,484,231	($7,183,810)	$0	($34,326,607)
FY 2032-33	($34,326,607)	$2,939,428	$1,161,000	$140,000	$4,240,428	$9,133,886	$2,046,719	$824,298	$49,970	$12,054,873	($7,814,445)	$0	($42,141,052)
FY 2033-34	($42,141,052)	$2,880,638	$1,161,000	$140,000	$4,181,638	$9,590,580	$2,149,055	$865,513	$48,971	$12,654,119	($8,472,481)	$0	($50,613,533)
FY 2034-35	($50,613,533)	$2,823,029	$1,161,000	$140,000	$4,124,029	$10,070,109	$2,256,508	$908,789	$47,991	$13,283,397	($9,159,368)	$0	($59,772,901)
FY 2035-36	($59,772,901)	$2,766,563	$1,161,000	$140,000	$4,067,563	$10,573,615	$2,369,333	$954,228	$47,032	$13,944,207	($9,876,645)	$0	($69,649,546)
FY 2036-37	($69,649,546)	$2,711,232	$1,161,000	$140,000	$4,012,232	$11,102,296	$2,487,800	$1,001,939	$46,091	$14,638,126	($10,625,894)	$0	($80,275,440)
FY 2037-38	($80,275,440)	$2,657,009	$1,161,000	$140,000	$3,958,009	$11,657,410	$2,612,190	$1,052,036	$45,169	$15,366,806	($11,408,796)	$0	($91,684,237)
FY 2038-39	($91,684,237)	$2,603,869	$1,161,000	$140,000	$3,904,869	$12,240,281	$2,742,799	$1,104,638	$44,266	$16,131,984	($12,227,115)	$0	($103,911,351)

ATTACHMENT B

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY

RESOLUTION #WMA 2019 – [__]
MOVED:
SECONDED:
AT THE MEETING HELD JUNE 26, 2019

SETTING A PUBLIC HEARING DATE AND PROCEDURES FOR NOTICE AND PROTEST OF PROPOSED AMENDMENT TO HOUSEHOLD HAZARDOUS WASTE COLLECTION AND DISPOSAL FEE

WHEREAS, the Alameda County Waste Management Authority is considering adoption of Ordinance 2019-01 amending Ordinance 2014-01, which established a Household Hazardous Waste Collection and Disposal Fee; and

WHEREAS, the Alameda County Waste Management Authority wishes to ensure broad public awareness of the proposal and solicit public participation in the process from persons subject to the fee and other members of the public in accordance with sound public policy and all applicable laws.

NOW THEREFORE BE IT RESOLVED THAT:

1. A public hearing on proposed Ordinance 2019-01 amending Ordinance 2014-01, which established a Household Hazardous Waste Collection and Disposal Fee, shall be held September 25, 2019, at 3:00 p.m. at 1537 Webster Street, in Oakland, California.

2. Notice of the hearing shall be published in a newspaper of general circulation in Alameda County at least once a week for two successive weeks prior to the date of the hearing.

3. The Executive Director shall cause to be prepared and filed with the office of the Clerk of the Board a report containing a description of each parcel of real property with one or more households served by the Household Hazardous Waste Collection and Disposal Program described in the proposed ordinance, the number of households on each parcel, and the amount of the charge for each parcel computed in conformity with the proposed ordinance.

4. At least 45 days prior to the hearing the Executive Director shall cause notices in writing of (i) the proposed ordinance, (ii) the filing of the above-described report, and (iii) the time and place of hearing thereon, to be mailed to each person to whom any parcel or parcels of real property described in the report is listed in the last equalized assessment roll available on the date the report was prepared (a “Record Owner”), at the address shown on said assessment roll or as known to the Executive Director. If the assessment roll indicates more than one owner, each owner shall receive notice. Only Record

Owners shall receive notice. Failure of any person to receive any notice shall not invalidate the proceedings.

5. The mailed notice described above shall inform the recipient of their ability to file a written protest concerning the proposed ordinance. The following guidelines shall apply to written protests:

(a) Any Record Owner of a parcel to which the fee would apply may submit a written protest.

(b) The Board shall consider all protests submitted in accordance with the requirements of this section. Any Record Owners whose names and addresses appear on the last equalized secured property tax assessment roll may submit a protest against the proposed fee either at the noticed hearing or, prior to the hearing, by mail to the Executive Director, 1537 Webster Street, Oakland, CA, 94612, and received by no later than 12:00 p.m. on the date of the hearing. Mailed protests received after that time will not be considered regardless of the date of mailing.

(c) The protest must be in writing. Protests submitted by e-mail or facsimile, as well as verbal protests, will not be considered by the Board of Directors to determine whether a majority of the owners of the identified parcels or households subject to the fee have submitted protests. All members of the public are entitled to make comments at the hearing whether or not they choose to submit a written protest or own property that would be subject to the proposed ordinance.

(d) All written protests must be submitted before the conclusion of the hearing. The Executive Director shall not accept or consider any protest that is received after the conclusion of the hearing.

(e) Written protests must identify the affected property (by assessor's parcel number), the number of residential units on the parcel, and must include the original signature of the person submitting the protest. The person signing the protest shall identify him or herself as an owner of the parcel as shown on the last equalized secured property tax assessment roll.

(f) One written protest per parcel, submitted by the owner of the parcel whose name appears on the last equalized property tax assessment roll, shall be counted. If one of the owners of a parcel that is owned by more than one person or entity submits a written protest, that protest shall be included in the calculation of whether there is a majority protest against the fee or charge. Under all circumstances, only one protest per parcel shall be counted.

(g) Any person who submits a written protest may withdraw it by submitting a written request that the protest be withdrawn in person at the hearing or by letter addressed to the Executive Director at 1537 Webster Street, Oakland, CA, 94612 and received by no later than 12:00 p.m. on the date of the hearing. Mailed protest withdrawal requests received after that time will not be considered regardless of the date of mailing. The written withdrawal of a protest shall identify the parcel and the name of the owner whose name appears on the last equalized secured property tax assessment roll and include a request that the protest be withdrawn. The withdrawal of a protest shall only be valid if it is submitted by the same person who submitted the protest and includes an original signature of the person submitting the withdrawal request. A person who withdraws a protest in person at the hearing shall provide evidence that s/he is the person listed on the last equalized secured property tax assessment roll for the affected property.

(h) Written protests shall be placed in a sealed container immediately upon receipt and remain in that container until tabulated. From and after the start of the hearing, the written protests shall constitute "public records" as defined in Government Code § 6254. The Executive Director shall establish appropriate safeguards to ensure that sealed protests are not opened prior to tabulation.

6. Tabulating Protests. The following guidelines shall apply to tabulating written protests and determining whether a written protest against the proposed fee has been received:

a. An impartial person designated by the Executive Director who does not have a vested interest in the outcome of the proposed fee shall tabulate the written protests submitted, and not withdrawn, in opposition to the proposed ordinance (the "Tabulator"). The Tabulator shall determine the validity of all protests. The Tabulator shall not accept as valid any protest if the Tabulator determines that any of the following conditions apply:

i. The protest does not identify a parcel that would be subject to the fee;

ii. The protest does not bear an original signature of the person submitting the protest;

iii. The protest does not state its opposition to the proposed fee;

iv. The protest was not received by the Executive Director before the close of the hearing;

v. The protest appears to be tampered with or otherwise invalid based upon its appearance or method of delivery or other circumstances; and/or

vi. A request to withdraw the protest is received prior to the close of the hearing.

b. The Tabulator's decision regarding the validity of a protest shall constitute a final action of the Authority and shall not be subject to appeal to the Board or to any other committee or employee of the Authority.

c. The Tabulator shall begin tabulating written protests not sooner than September 25, 2019 and shall not disclose any interim or final results of the tabulation until the start of the hearing. If, at the conclusion of the hearing, cursory review of the protests received demonstrates that the number received is manifestly less than one-half of the parcels served by the Household Hazardous Waste Collection and Disposal Program, then the Tabulator may advise the Board of the absence of a majority protest without tabulating the protests.

7. If written protests against the proposed ordinance are presented by either (i) a majority of the owners of the identified parcels subject to the ordinance or (ii) the owners of a majority of the residential units subject to the ordinance, the Board shall not adopt the ordinance.

Passed and adopted this 26th day of June, 2019, by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

I certify that under the penalty of perjury that the foregoing is a full, true and correct copy of Resolution No. 2019-__.

____
ARLISS DUNN
CLERK OF THE BOARD

ATTACHMENT C

ORDINANCE 2019-01
AMENDING ORDINANCE 2014-01

ORDINANCE AMENDING THE HOUSEHOLD HAZARDOUS WASTE COLLECTION AND DISPOSAL FEE ORDINANCE

The Board of the Alameda County Waste Management Authority ("Authority") finds that:

1. In 2014 the Authority adopted Ordinance 2014-01, the Ordinance Establishing a Household Hazardous Waste Collection and Disposal Fee. For the reasons set forth in the findings in Exhibit A, the Authority wishes to amend the ordinance to change the method of periodic fee adjustment subject to the cap established in 2014 and remove the sunset date.

2. The Board of the Alameda County Waste Management Authority held a public meeting on June 26, 2019, and after considering all testimony and written materials provided in connection with that meeting introduced this ordinance and waived the reading thereof and called for a hearing on the ordinance as set forth in the findings in Exhibit A.

Therefore, the Board of the Authority hereby ordains as follows:

Section 1. Adoption.

Ordinance 2014-01, the Ordinance Establishing a Household Hazardous Waste Collection and Disposal Fee is hereby amended as set forth in Exhibit A. Text to be added is indicated in bold underlined font (e.g., **underlined**) and text to be deleted is indicated in strikeout font (e.g., ~~strikeout~~).

Section 2. Severability.

If any provision of this Ordinance or its application to any situation is held to be invalid, the invalidity shall not affect other provisions or applications of this Ordinance, which can be given effect without the invalid provision or application, and to this end, the provisions of this Ordinance are declared to be severable.

Section 3. Publication.

Within 15 days after adoption of a summary of the ordinance with the names of those voting for and against, the ordinance shall be published and a certified copy of the full text with the names of those voting for and against the ordinance shall either (i) be posted on the Authority's website or (ii) be posted in the Authority offices.

- Continued on following page -

Following introduction on June 26, 2019, passed and adopted September 25, 2019 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

I certify that under the penalty of perjury that the foregoing is a full, true and correct copy of ORDINANCE NO. 2019-01.

____
ARLISS DUNN
CLERK OF THE BOARD

Exhibit A

ORDINANCE 2014-1
<u>as amended by Ordinance 2019-1</u>

AN ORDINANCE ESTABLISHING A HOUSEHOLD HAZARDOUSWASTE COLLECTION AND DISPOSAL FEE

The Board of the Alameda County Waste Management Authority hereby ordains as follows:

<u>Section1.</u> <u>Findings</u>

The Authority finds that:

(a) It has been standard ~~practices~~ since the early l990s for Cities and Counties in California to periodically characterize the components of garbage and refuse sent to landfill in order to facilitate planning for diverting recoverable and harmful materials from landfill disposal. Waste characterization studies for Alameda County, and the State of California overall find that household hazardous waste (HHW; see Health & Safety Code Section 252l8.l (e)) is about the same weight or percentage of residential garbage and refuse regardless of whether the dwelling unit is in a single family or multi-family residential building. Furthermore, vacant Households also require household hazardous waste collection and disposal in connection with property improvements, maintenance, or landscaping.

(b) State law precludes disposal of household hazardous waste in municipal landfills such as those serving Alameda County residents and the Alameda County Integrated Waste Management Plan calls for removing hazardous wastes from the solid waste stream for proper separate management through separate collection and other programs.

(c) In Health and Safety Code section 252l8 the State legislature has found that "residential households which generate household hazardous waste and conditionally exempt small quantity generators which generate small amounts of hazardous waste in the state need an appropriate and economic means of disposing of the hazardous waste they generate" and disposal of household hazardous waste "into the solid waste stream is a threat to public health and safety and to the environment." The Health and Safety Code further provides for the establishment of "household hazardous waste collection facilities", which are defined in Section 252l8.l (f) as facilities operated by public agencies or their contractors for the purpose of collecting, handling, treating, storing, recycling, or disposing of household hazardous waste and hazardous waste from conditionally exempt small quantity generators.

(d) The Alameda County Environmental Health Department, with policy direction and funding provided by the Waste Management Authority, operates three permanent Household Hazardous Waste (HHW) collection facilities located in the northern, southern, and eastern sections of the County and BLT Recycling, under contract with the City of Fremont, operates a fourth HHW collection facility at the Fremont Transfer Station, partially funded by the Authority. These facilities are operated in accordance with Health & Safety Code 252l8 et seq, and under two memoranda of understanding (MOUs) between the Authority and the County of Alameda and the Authority and the City of Fremont. These MOUs will be revised to implement this ordinance.

(e) These Household Hazardous Waste collection facilities benefit and serve Alameda County residential property owners by collecting and providing a legal, safe, place for disposal of HHW materials generated in Alameda County in compliance with the law. The services and facilities of this program may be used only by Alameda County Households. The Household Hazardous Waste Collection and Disposal Fee funds this program and may not be used for any other purpose. The program was evaluated in an October 4, 2013 memorandum from HF&H Consultants, LLC to the Alameda County Waste Management Authority which determined that the funds generated by the fee do not exceed the costs of the program services and facilities. **The program was reviewed in a June 12, 2019 memorandum from HF&H Consultants, LLC to the Alameda County Waste Management Authority which evaluated a revised fee adjustment methodology and confirmed that the funds generated by the fee and revised methodology do not exceed the costs of the program services and facilities.**

(f) The costs of the program's HHW collection and disposal services and facilities for Alameda County Households are offset in part by funds received or cost reductions associated with product stewardship programs implemented in accordance with State law (such as the PaintCare Product Stewardship Program established at Public Resources Code sections 48700 et seq. which reduces costs associated with collection and disposal of architectural paints and provides funds for processing those materials). These programs are expected to expand in the future and **reduce program expenses accordingly. These reduced expenses will be reflected in** the amount of the fee ~~will be reduced commensurate with the cost offsets or funding associated with these programs. In anticipation of full cost offset and funding from these programs in the future the fee sunsets in 2024~~.

(g) Article 4 of Health & Safety Code Division 5, Part 3, Chapter 6 authorizes public agencies including cities, counties, and special districts, upon a two-thirds vote of the legislative body, to prescribe and collect fees for garbage and refuse collection services and facilities on the tax roll. This ordinance prescribes a fee for collection and disposal at the four HHW facilities in Alameda County of the HHW component of garbage and refuse generated by Alameda County Households.

(h) The Authority has the power to enact this Ordinance pursuant to the Joint Exercise of Powers Agreement for Waste Management. That agreement grants the Authority all of the powers necessary to implement the Alameda County Integrated Waste Management Plan including the power to levy and collect fees and charges for programs such as HHW collection and disposal services and facilities.

(i) This Ordinance was introduced on December 18, 2013 at which time the Board set a public hearing for consideration of the Ordinance on February 26, 2014 and directed the Executive Director to prepare a report containing a description of each parcel of real property with one or more Households, the number of Households on each parcel, and the amount of the charge for each parcel computed in conformity with this Ordinance. The Board directed the Executive Director to publish and cause a notice in writing of the filing of said report and the proposal to collect the annual charge on the tax roll together with the time and place of hearing thereon, to be mailed to each person to whom any parcel or parcels of real property described in said report is listed as owner in the last equalized assessment roll available on the date said report is prepared (a "Record Owner"), at the address shown on said assessment roll or as known to the Executive Director. On January 22 the Board continued the protest hearing date to March 26, 2014. Notice of the new hearing date and extended protest period was published and mailed in accordance with law. This Ordinance was re-introduced with clarifying amendments on February 26, 2014.

(j) Following the **2014** protest hearing the Board considered all objections or protests to the report and this Ordinance. Protests were received from the Record Owners of (l) less than a majority of the separate parcels of property described in the report and (2) less than a majority of the Households on property described in the report. The Board approved the ordinance by a two-thirds majority or greater of the Board membership.

(k) This ordinance was amended in 2019 to revise the method for periodic adjustments to the fee subject to the cap established in 2014 and remove the 2024 sunset date. This amendment was introduced on June 26, 2019 at which time the Board set a public hearing for consideration of the amendment on September 25, 2019 and directed the Executive Director to prepare a report containing a description of each parcel of real property with one or more Households, the number of Households on each parcel, and the amount of the charge for each parcel computed in conformity with this Ordinance. The Board directed the Executive Director to publish and cause a notice in writing of the filing of said report and the proposal to collect the annual charge on the tax roll together with the time and place of hearing thereon, to be mailed to each person to whom any parcel or parcels of real property described in said report is listed as owner in the last equalized assessment roll available on the date said report is prepared (a "Record Owner"), at the address shown on said assessment roll or as known to the Executive Director. Following the 2019 protest hearing the Board considered all objections or protests to the report and this amendment to this Ordinance. Protests were received from the Record Owners of (l) less than a majority of the separate parcels of property described in the report and (2) less than a majority of the Households on property described in the report. The Board approved the ordinance by a two-thirds majority or greater of the Board membership.

~~(k)~~ **(l)** Enactment **and amendment** of this Ordinance is not a "project" subject to the requirements of the California Environmental Quality Act, California Code of Regulations, title 2l, section l5378(b)(4); further, even if it were a "project," it would be categorically exempt from the California Environmental Quality Act pursuant to California Code of Regulations, title 2l, section l5308.

Section 2. Definitions

(a) "Alameda County" or "County" means all of the territory located within the incorporated and unincorporated areas of Alameda County.

(b) "Authority" means the Alameda County Waste Management Authority created by the Joint Exercise of Powers Agreement for Waste Management.

(c) "Board" means the governing body of the Authority made up of elected representatives of the member agencies pursuant to the Joint Exercise of Powers Agreement for Waste Management.

(d) "Executive Director" means the individual appointed by the Board to act as head of staff and perform those duties specified by the Board.

(e) "Fee" means the fee described in section 3 of this ordinance.

(f) "Fee Collection Report" means the annual report containing a description of each parcel of real property with one or more Households served by the Household Hazardous Waste Collection and Disposal Program, the number of Households on each parcel described, the amount of the charge for each parcel for the year, computed in conformity with this Ordinance, and whether the Fee is to be collected on the tax roll or by other means.

(g) "Household" means a residential dwelling unit (e.g., a single family home, apartment unit or condominium unit in a multi-unit building, etc.). Nothing in this Ordinance is intended to prevent an arrangement or the continuance of an existing arrangement under which payment for garbage and refuse collection and disposal service is made by residents of a household who are not the owner or owners thereof. However, any such arrangement will not affect the property owner's obligation should such payments not be made.

(h) "Household Hazardous Waste Collection and Disposal Program" means the Proposed System Expansion Option described in the October 4, 20l3 memorandum from HF&H Consultants, LLC to the Alameda County Waste Management Authority.

~~(i) "Other Revenue" means the sum of (l) revenue received from the household hazardous waste fee of $2.l5 per ton pursuant to Authority Resolution No. l40 and Resolution No. 2000-03 and (2) Product Stewardship Offsets.~~

~~(j) "Product Stewardship Offset" means funds received by the Household Hazardous Waste Collection and Disposal Program or operational cost reductions at the program attributable to household hazardous waste product stewardship programs implemented in accordance with federal, state, or local laws.~~

(i)~~(k)~~ "Small Quantity Generator" has the same meaning as Conditionally Exempt Small Quantity Generator as defined in California Health and Safety Code Section as it now exists or may be amended from time to time hereafter.

Section 3. Household Hazardous Waste Collection and Disposal Fee

(a) An annual household hazardous waste collection and disposal fee of $9.55 or such lesser amount established by the standards below shall be paid by each Household in Alameda County beginning July 1 2014 ~~and ending June 30, 2024 in the manner set forth in this ordinance~~. **The fee shall be set at the amount of $6.64 through June 30, 2024, subject to adjustment thereafter as set forth below, subject to the cap of $9.55. This fee may be repealed by the Board at any time.**

(b) No later than ~~December~~ **March** 31 of ~~2015~~ **2024** and ~~each year~~ **every five years** thereafter the Executive Director shall prepare a report **evaluating Program expenses and revenues during the previous five fiscal years and projecting expenses and revenues for the following five fiscal years. The Fee per Household shall be set for the following five fiscal years beginning July 1 of the year in which report is prepared at a level projected to maintain an annual fund balance sufficient for two years of operating costs.** ~~identifying the amount of Other Revenue received by the Household Hazardous Waste Collection and Disposal Program in the prior fiscal year. If the report of Other Revenue exceeds the projected amount specified in subsection (c), the fee shall be reduced for the following fiscal year by an amount equal to the excess revenue divided by the number of Households subject to the fee in the prior fiscal year. If revenues equal or fall below that specified in subsection (c) there shall be no increase in the fee.~~ The Fee per Household shall never be greater than $9.55 per year.

~~(c) The fee is based on the following projected Other Revenue:~~

~~Fiscal Year~~	~~Projected Product Stewardship Offset~~	~~Projected Tip Fee~~	~~Total~~
~~2014–2015~~	~~$263,225~~	~~$1,849,000~~	~~$2,112,225~~
~~2015–2016~~	~~$263,225~~	~~$1,713,550~~	~~$1,976,775~~
~~2016–2017~~	~~$263,225~~	~~$1,578,100~~	~~$1,841,325~~
~~2017–2018~~	~~$263,225~~	~~$1,442,650~~	~~$1,705,875~~
~~2018–2019~~	~~$263,225~~	~~$1,307,200~~	~~$1,570,425~~

~~2019–2020~~	~~$263,225~~	~~$1,171,750~~	~~$1,434,975~~
~~2020–2021~~	~~$263,225~~	~~$1,171,750~~	~~$1,434,975~~
~~2021–2022~~	~~$263,225~~	~~$1,171,750~~	~~$1,434,975~~
~~2022–2023~~	~~$263,225~~	~~$1,171,750~~	~~$1,434,975~~
~~2023–2024~~	~~$263,225~~	~~$1,171,750~~	~~$1,434,975~~

(c)~~(d)~~ The fee shall be used exclusively for the Household Hazardous Waste Collection and Disposal Program.

(d)~~(e)~~ As a condition of receiving payments funded by the Fee, a collection and disposal service provider (e.g., at present, the County of Alameda and the City of Fremont) must agree that no charge will be imposed on (1) residents of Alameda County Households for services included in the Household Hazardous Waste Collection and Disposal Program or (2) Small Quantity Generators who are owners of residential rental property in Alameda County for disposal of household hazardous wastes from Households in Alameda County. Any such agreement shall be in the form of a contract or memorandum of understanding (MOU) approved by the Board. The Executive Director shall not cause the fee to be collected as described in Section 4 of this ordinance until revised MOUs with the County of Alameda and the City of Fremont have taken effect.

Section 4. Administration

(a) Each year the Executive Director shall cause a Fee Collection Report to be prepared in accordance with this Ordinance and applicable law.

(b) The Fee Collection Report shall be reviewed by the Board to ascertain the accuracy of the information contained therein. A notice of the report's availability and a time and place of a public hearing on the report and the collection of such charges on the tax roll shall be published as set out in Government Code Section 6066 in a newspaper of general circulation printed and published within the County. At the conclusion of the hearing, the Board shall make its determination upon each charge and its collection on the tax roll or by other means. The determination of the Board shall be final. Upon such final determination, on or before August 10 of each year, the Executive Director shall endorse the final report with a statement that it has been finally adopted by the Board, and shall file the signed report with the County Auditor. Authority staff is hereby authorized to undertake all administrative tasks to implement collection of the Fee, including, but not limited to an agreement with Alameda County for collection, which may provide payment to Alameda County of its reasonable costs of collection.

(c) The Fee for the period of July 1st, to and including June 30th of each fiscal year shall be entered as a charge on the tax roll against the parcels identified in the Fee

Collection Report as paying through the tax roll. The Fee shall be collected at the same time and in the same manner as ad valorem taxes and other charges as are otherwise collectible by the county. All laws applicable to the levying, collection and enforcement of ad valorem taxes shall be applicable to such charges as provided herein except as otherwise provided by law. Fees paid with the tax bill shall be deemed to have been paid by those Households located on that property/parcel.

(d) The annual Fee for any Household located on property which is not designated for collection on the tax roll in the Fee Collection Report shall be collected by the Executive Director and shall be due and payable at least once per year on a schedule to be determined by the Executive Director.

Section 5. Enforcement. The Executive Director and the County of Alameda are authorized to undertake all appropriate actions necessary to collect the Fee in the manners authorized by law. The Executive Director may direct collection and disposal service providers to deny access to services included in the Household Hazardous Waste Collection and Disposal Program for Households with unpaid charges.

Section 6. Severability. If any provision of this Ordinance or its application to any situation is held to be invalid, the invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 7. Notice. This Ordinance shall be posted at the Authority Office after its second reading by the Board for at least thirty (30) days and shall become effective thirty (30) days after the second reading.

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Date: June 26, 2019

TO: Waste Management Authority

FROM: Anu Natarajan, Legislative Affairs Manager

SUBJECT: 2019 Legislative Update

Date: June 26, 2019

TO: Waste Management Authority

FROM: Anu Natarajan, Legislative Affairs Manager

SUBJECT: 2019 Legislative Update

SUMMARY:

This is the first year of the 2019/2020 legislative session. As of the deadline on February 22, 2,576 bills were introduced (1,801 in Assembly, 775 in Senate). Working with Jason Schmelzer and Priscilla Quiros of Shaw Yoder Antwih, we are actively working with authors of priority bills, and tracking several bills in the legislative process as approved by the Board in April. The report below provides an update on the status of bills.

We will return to the WMA in October with another status update.

DISCUSSION:

In December 2018, the Waste Management Authority Board approved its legislative priorities for 2019, and emphasized plastic pollution prevention, contamination, climate change, organics to landfill and unsustainable consumption. In April 2019, the Board provided direction to staff on a set of bills to track.

Below is an update on those bills.

Plastic Pollution Prevention

AB 1080 (Gonzalez) /SB 54 (Allen, Skinner, Wiener, Wieckowski): California Circular Economy and Plastic Pollution Reduction Act

These two companion bills provide a comprehensive framework to address single use plastic packaging and products by requiring source reduction and recycling of 75% by 2030, and 100% recyclable and compostable on or after 2030. CalRecycle will develop a Scoping Plan by 2021 to develop criteria to achieve the stated goals and to select the top ten priority packaging products that contribute to the litter problem.

This remains one of our priority bills and we have been working with the authors' staff along with our partners Californians Against Waste (CAW) and California Product Stewardship Council (CPSC). In addition

to providing technical input, we have focused our efforts to ensure that the impact to local jurisdictions with reporting requirements is minimized.
Position: Support (S1)
Status: Active/Committee Hearings
Link: SB 54

AB 886 (Eggman): Plastic bags
Current law requires an operator of a retail store to establish an in-store recycling program that provides customers the opportunity to return clean plastic carryout bags to that store by providing a collection bin located in a visible area. This law sunsets in January 2020. This bill would extend those requirements to January 1, 2021.
Position: Support (S1)
Status: Two year bill.
Link: AB 886

AB 1672 (Bloom): Product Labeling: Flushable Products
This bill prohibits a manufacturer from labeling products as safe to flush, safe for sewer systems or safe for septic systems unless they meet the International Water Services Flushability Group testing methods and criteria for flushability. The bill requires non-flushable products to be labeled clearly to communicate that they cannot be flushed.
Position: Support (S1)
Status: Two year bill
Link: AB 1672

AB 619 (Chiu): Retail Food: Reusable Containers: Multiuse Utensils
This bill promotes the use of reusable food containers by stipulating that clean consumer-owned containers provided or returned to the food facility for filling may be filled by either the employee or the owner of the container. The bill also includes requirements to minimize contamination and for the containers to be designed for reuse. The bill would require the food facility to prepare, maintain, and adhere to written procedures to prevent cross-contamination.
Position: Support (S2)
Status: Active Committee Hearings
Link: AB 619

Recycling

SB 667 (Huezo): Organic Waste Infrastructure
This bill focuses on funding for infrastructure and requires the State Air Resources Board to develop a 5-year investment strategy to drive innovation and infrastructure, in order to meet specified organic waste reduction and recycling targets.

The bill requires an unspecified amount to be appropriated from the Greenhouse Gas Reduction Fund to be transferred into the California Recycling Infrastructure Investment Account for a five-year period. It also requires coordination with the States of Nevada, Oregon, and Washington on infrastructure financing to

support the recycling needs of the region and to create an advisory stakeholder committee to support development of interstate recycling infrastructure and markets for recyclable materials.
Position: Support (S1)
Status: Active/Committee Hearings
Link: SB 667

AB 792 (Ting): Recycling: Plastic Beverage Containers: Minimum Content Standards

This bill sets minimum recycled content requirements to be phased in for all plastic beverage containers in order to encourage efficient use of recyclable plastics. It requires a minimum content of 25% in 2021 to no less than 75% after January 2030. The bill authorizes CalRecycle to assess penalties, and deposit the money in a Recycling Enhancement Penalty Account.
Position: Support (S1)
Status: Active/Committee Hearings
Link: AB 792

AB 1583 (Eggman): The California Recycling Market Development Act

This bill reauthorizes existing, and creates new recycling infrastructure development programs (including the 10 year extension of the Recycling Market Development Zone (RMDZ) program). It requires the state to develop a commission of private and public sector recyclers to develop strategies for education and to promote product design for recyclability. This bill eliminates the chasing arrows and the plastic resin number on plastic bottles and rigid plastic containers.
Position: Watch
Status: Active/Committee Hearings
Link: AB 1583

Climate/Energy

SB 43 (Allen): Carbon Taxes

This bill requires the State Air Resources Board to conduct a study with an assessment on retail products sold or used in the state based on the carbon intensity of the product to encourage the use of less carbon-intensive products. The bill requires the state board to revise the scoping plan by January 1, 2022 to reflect the carbon emission reduction benefits that may be realized through the imposition of the assessment based on carbon intensities of products.
Position: Support (S1)
Status: Active/Committee Hearings
Link: SB 43

SB 739 (Stern): Climate change: research, development, and demonstration: financial assistance

The bill requires the State Energy Resources Conservation and Development Commission to develop a new model for providing agile financial assistance for research, development, and demonstration of climate change mitigation technologies with transformational potential to meet the state’s energy goals.
Position: Support (S2)
Status: Two year bill
Link: SB 739

AB 1276 (Bonta): Green New Deal
This bill enacts legislation to develop and implement a Green New Deal with the objective of reaching specific environmental outcomes in a 10 year timeframe.
Position: Watch
Status: Two year bill
Link: AB 1276

Extended Producer Responsibility (EPR)/Circular Economy

AB 1509 (Mullin, Bermen): Lithium-ion batteries
This bill requires manufacturers of products with a non-removable rechargeable lithium-ion battery to provide disassembly information to recyclers of rechargeable consumer products for the purpose of ensuring safe removal of the battery, and would prohibit the sale or offer of sale of that product if the manufacturer does not provide that information.
Position: Support (S1)
Status: Active/Committee Hearings
Link: AB 1509

AB 1163 (Eggman): California Right to Repair Act
This bill requires manufacturers of electronics to make service literature and equipment or parts available to product owners and to regulated, independent repair shops at no charge.
Position: Two year bill
Status: Support (S1)
Link: AB 1163

SB 424 (Jackson): Tobacco Products: Single-use and Multi-use Components
This bill prohibits the use of single-use filters made of any material, an attachable and single-use plastic device meant to facilitate filtration of a tobacco product, and a single-use electronic cigarette or vaporizer device.
Position: S2
Status: Active Committee Hearings
Link: SB 424

Other

AB 1216 (Bauer-Kahan): Solid Waste: Illegal Dumping
This bill authorized a pilot program for the Counties of Alameda and Contra Costa to employ a law enforcement officer for each county solely for the purpose of dealing with illegal dumping and enforcing dumping laws in those counties.
Position: S2
Status: Two year bill
Link: AB 1216

SB 726 (Caballero): Hazardous Waste: Materials Exchange Program

The bill would authorize the operation of a hazardous waste collection facility to accept reusable household hazardous products or materials and providing those products or materials to recipients. The bill would require the determination as to which reusable household hazardous products or materials are suitable and acceptable for distribution to be made without regard as to whether the distribution would be to the public.
Position: S2
Status: Active
Link: SB 726

Bills to Watch
There are several bills that are on the "watch" list and are listed below.

Plastic Pollution Prevention
AB 129 (Bloom): Waste Management: Plastic Microfiber **(Status: Active)**
AB 1162 (Kalra): Single-Use Hotel Toiletries **(Status: Active)**
AB 1171 (Chen): Recycling: Grocery Store Food Packaging: Sustainability Standards **(Status: 2 year bill)**
SB 372 (Wieckowski): Single-use Plastic Products: Extended Producer Responsibility **(Status: 2 year bill)**

Recycling
AB 827 (McCarty): Solid waste: Commercial and Organic Waste: Recycling Bins **(Status: Active)**
SB 213 (Wieckowski): Litter: Receptacles **(Status: Active)**
AB 900 (Flora): Waste Management: City Source Reduction and Recycling Element **(Status: Active)**

Climate/Energy
SB 739 (Stern): Climate Change: Research, Development, and Demonstration: Financial Assistance **(Status: Active)**
AB 975 (Calderon): California Adaptation Leadership and Coordination Act of 2019 **(Status: Active)**
AB 660 (Levine): Building Energy Efficiency Standards **(Status: Active)**

Extended Producer Responsibility
SB 724 (Stern): The California Beverage Container Recycling and Litter Reduction Act **(Status: Held in committee)**
AB 729 (Chu): Carpet recycling: Carpet Stewardship Organizations **(Status: Active)**
AB 187 (Garcia, Cristina): Used Mattress Recovery and Recycling Act: Budget **(Status: Active)**

Budget Update

Listed below are allocations from the Governor's budget proposal:
CalRecycle Waste Diversion: $25 million
Healthy Soils Program: $28 million
Transition to a Carbon Neutral Economy: $3 million

An assembly trailer bill directing CalRecyle to expend $5 million to provide assistance to certified recycling centers is still pending.

RECOMMENDATION

This item is for information only.

DATE: June 26, 2019

TO: Waste Management Authority Board

FROM: Arliss Dunn, Clerk of the Board

SUBJECT: Election of WMA Officers for Fiscal Year 2019-20

SUMMARY

Authority officers' terms are on a fiscal year basis. Since the end of June concludes our fiscal year, it is time for election of new officers, effective July 1.

DISCUSSION

Dave Sadoff from East County is the current President, Tim Rood from North County is the current First Vice President, and Deborah Cox from South County is the current Second Vice President.

Items to consider:

- Authority policy calls for the geographic origin of officers to rotate each year. The next President should be from North County, the next First Vice President from South County, and the next Second Vice President from East County. It is customary, but not required by policy, for each officer to 'advance one level' each year.
- The county's geographic designation is determined by the member's supervisorial district boundary:
    - North County is defined as Albany, Berkeley, Oakland, Emeryville, Piedmont and Alameda.
    - South County is defined as Hayward, San Leandro, Union City, Newark, and Fremont.
    - East County is defined as Castro Valley Sanitary District, Oro Loma Sanitary District, Dublin, Livermore, and Pleasanton.

RECOMMENDATION

Staff recommends that the WMA Board elect officers for Fiscal Year 2019-20.

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DATE: June 26, 2019

TO: Energy Council

FROM: Arliss Dunn, Clerk of the Board

SUBJECT: Election of EC Officers for Fiscal Year 2019-20

SUMMARY

Energy Council officers' terms are on a fiscal year basis. It is time for election of new officers for FY 2019-20. Jim Oddie (Alameda) is the current President, Deborah Cox (San Leandro) is the First Vice President, and Melissa Hernandez (Dublin) is the Second Vice President.

DISCUSSION

Items for consideration when electing officers:

- It is customary for each officer to "advance one level" each year.
- Unlike the Waste Management Authority, the Energy Council does not require the geographic origin of officers to include one from each of three defined parts of the county.
- The Energy Council was interested in ensuring that the officers were not all from large or small member agencies. Larger agencies might be defined as those with more than one vote on the Energy Council, in recognition that they have larger populations than the other agencies. The agencies with more than one vote are City of Oakland (3), County of Alameda (2), City of Hayward (2), and City of Fremont (2).

RECOMMENDATION

Staff recommends that the Energy Council elect officers for Fiscal Year 2019-20.

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July 2019
Meetings Schedule

Alameda County Waste Management Authority, the Energy Council, & Source Reduction and Recycling Board

(Meetings are held at StopWaste Offices unless otherwise noted)

SUN	MON	TUES	WED	THURS	FRI	SAT
	1	2	3	4 **AGENCY HOLIDAY**	5	6
7	8	9	10	11 **9:00 AM** **Programs & Administration Committee** **Key Items:** 1. HR Manual update **4:00 PM** **Planning Committee & Recycling Board** **StopWaste Offices** **Key Items:** 1. Grantee report – Daily Bowl (Meri/Cassie) 2. RecycleWhere demo/what goes where 3. Sustainable Landscaping	12	13
14	15	16	17	18	19	20
21	22	23	24 **3:00 PM** **Waste Management Authority and Energy Council** **Key Items:** 1. ED Evaluation 2. HR Manual 3. CoIWMP Discussion 4. WMA Appointee to RB	25	26	27
28	29	30	31			

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Energy Council
TECHNICAL ADVISORY GROUP (TAG)
Tuesday June 18, 2019 – 1:00 to 3:00 pm

Attendance:
County of Alameda: Karen Cook
City of Alameda: Patrick Pelegri-O'Day
City of Albany: Claire Griffing
City of Dublin: Rebecca Parnes, Anna Fessler (Fellow)
City of Emeryville: Edgar Barraza (Fellow)
City of Fremont: Jake Silver (Fellow)
City of Hayward: Erik Pearson, Jack Steinmann (Fellow)
City of Oakland: Danielle Makous (Fellow), Jared O'Shaughnessy (Fellow)
City of Piedmont: Mira Hahn
City of Pleasanton: Zack Reda (Fellow)
StopWaste: Jeffery Liang, Emily Alvarez, Miya Kitahara, Ben Cooper, Meghan Starkey
Guests: Wes Sullens, U.S. Green Building Council, Frances Yang, Arup, Hoi-Fei Mok, ICLEI, Sally Barros, former City of San Leandro TAG member, JP Ross, EBCE

AGENDA

Introductions and welcome

Whole Community Life Cycle Assessment Game – Emily Alvarez and Miya Kitahara, StopWaste

- Per the Energy Council's adopted priority to advance Zero Net Carbon buildings, StopWaste staff developed a planning charrette-style "game" to explore how local government planning and policy affect carbon emissions related to energy and materials in the built environment. The findings are intended to inform jurisdictions' planning processes (general plans, specific plans, climate action plans). In the building industry, the concept of "true zero" is gaining traction, and refers to a building that emits less operational and embodied carbon than it saves through renewable energy (on-site or grid) and carbon storing materials. This is currently evaluated at the building scale. The WCLCA Game expands the concept to the community planning scale, and challenges players to accommodate a required growth projection while minimizing total carbon impacts from energy and materials. Players decide where and what to build, and can adopt local government policies to drive down emissions. Each move's carbon impacts are tracked on a dashboard, and two competing teams see how close they can get to zero carbon. StopWaste staff explained the set-up and rules:
    - A mid-sized, suburban city is planning for its 2030 growth. A baseline number of jobs and housing units, as well as buildings, was assigned. Teams must meet the projected 2030 growth numbers for jobs and housing units, while trying to minimize operational and embodied carbon.
    - Teams can build residential, commercial, or mixed-use building through new construction on empty lots, additions/remodels to existing buildings, or demolition and re-construction.

    - Teams can reduce carbon by passing policies, such as an electrification code for new buildings, a deconstruction and salvage ordinance, or a whole-building life-cycle assessment with reductions for embodied carbon.
- This was the first run of the game, and was designed to inspire questions and new insights for TAG members, as well as inform improvements for future iterations.
- Key takeaways:
    - Embodied carbon emissions were a much larger percentage of 10-year cumulative emissions that expected.
    - It was more difficult to reduce embodied carbon than operational carbon. This shows a need for greater understanding and innovative ways to address embodied carbon. Members requested StopWaste staff bring policy examples and options to a future meeting.
    - Overall teams were able to reduce their baseline emissions when compared to 2030, even though they had met their growth numbers. However, this required passing many aggressive policies to do so, and they were still far above carbon neutral.
    - Many teams concentrated on growth first and reducing GHGs later. Feedback was given on how to better integrate the timing of these considerations.
    - Teams provided feedback on the game play and ways to improve the game for future uses. Requests and suggestions were made for future opportunities to use the game.

Member comments

- There were no member comments.

3:00 PM: East Bay Community Energy meeting – J.P. Ross and Jessie Denver, EBCE

- Overview of FY19/20 budget and programming

Notes by EBCE, not StopWaste

UPCOMING TAG MEETING: July 9, 2019

Waste 360

SOFTWARE FOR THE WASTE & RECYCLING INDUSTRIES

Why (and How) to Talk Optimistically About Recycling Right Now

Be optimistic about the road ahead because real change is afoot, and [redacted] *are standing on the edge of a defining moment.*

Kate Bailey | Jun 11, 2019

I firmly believe recycling is a cornerstone of sustainability, creating a circular economy and providing for a growing population on a finite planet. Yet, I have to admit that even I am struggling to remain upbeat in the face of what seems like a relentless stream of negative press around recycling .

Every day my news feed has another story on a town shuttering its recycling program or temporarily landfilling its recyclable materials until recycling markets improve. While sensational headlines like “Is this the end of recycling?” are part ploy to draw readers, the truth is that times are extraordinarily tough: industry experts are saying these are some of the worst markets possibly ever. Everywhere I go, from meetings with local elected officials to weekend BBQs, I am being asked what is up with recycling. Recently I was directly asked, “How do we talk optimistically about recycling right now and should we?” And I wanted to offer my best response to help fuel the positive side of the conversation.

First, let’s set the record straight: recycling is not dead , it’s not going away, and with few exceptions, your materials are still being recycled and mostly through domestic markets. The communities cited on the news that are landfilling recyclable materials are the exception, not the rule. Only about one-third of our scrap materials are exported , which still leaves the majority of recycling happening in the U.S., creating domestic jobs and supporting local economies.

Second, there is no future without recycling. We have a single planet with finite resources—we need recycled materials to replace and augment virgin resources. And more pressing than that, we have a climate crisis unfolding before us. According to the ICLEI, the leading network of local governments working toward sustainability, “Programs to increase recycling and composting rates can be among the most cost-effective actions local governments can take to reduce community GHG [greenhouse gas emissions] emissions." Recycling is needed now more than ever.

That said, while recycling is not dead, a better word might be “broken.” The economics of recycling have been broken for some time, there have been countless calls for reinvestment in U.S. domestic recycling markets for the better part of a decade, and the issues with contamination and a lack of investment in public education have all been escalating. The recent export bans from China have just brought all these mounting problems to a head. None of this is new news in the industry, but the collision of all these forces at once has been pretty rough and monumental.

Strengthening Recycling in the Long Run

What I see happening right now are a lot of much-needed course corrections. We are having some long-overdue and tough conversations, both in the industry and with our private sector and public sector partners, and moving toward some needed investments to ensure the long-term viability of recycling. Here are several upshots to the current market woes that attest recycling is going to come out stronger:

- **We are (finally!) investing in domestic recycling processing and markets.** There are more than 17 new or expanding paper mills coming on board in North America, and new opportunities are coming in bottle-to-bottle recycling and expanded polypropylene recycling facilities. Retailers are coming forward in record numbers to pledge to use more recycled content and to make more of their products recyclable, and the buzz around a circular economy has never been louder.
- **We are recognizing recycling is more about quality than tonnage.** Recycling contamination has gotten way out of control. Recycling is the feedstock to make new products, and you need quality in to make quality out. Communities and haulers are recommitting to recycling education and more transparency about what is recyclable, which will improve markets and reduce processing costs.
- **We are starting to have a real conversation about plastics.** The lack of markets for junk plastics (aka Nos. 3, 6 and 7 plastics) isn't a failure of the recycling industry—it's a failure of the plastics industry to design a product that's compatible with recycling infrastructure or that they are willing to buy back to use in their products. Recycling alone is not going to solve our global problems with producing so much toxic plastic packaging and products. Finally, we are starting to talk about real solutions to eliminate unnecessary plastics like straws and bags and to phase out toxic plastics like PVC (polyvinyl chloride) and Styrofoam and to seriously plan a future where reduce and reuse are the priority over recycling. See my recent blog on a path forward with plastics here.
- **We are shifting responsibility from cities to producers.** The value of recyclables no longer covers the costs of collection and processing, which is forcing the conversation about how to pay for recycling. Cities are being asked to foot the bill, yet again, but this is an outdated and misguided approach. Cities were instrumental in getting recycling off the ground because it's important to residents and helps protect our climate, air and water. However, in the long run, cities have no influence over whether products are made to be recyclable. Manufacturers need to take more responsibility for funding the collection and recycling of their materials, as they do in Canada and Europe. The price you pay at the counter needs to cover the full cost of the product, including the costs to recycle it at end of life. Three states introduced producer responsibility legislation this year, demonstrating a changing conversation about who should pay the bill for recycling.
- **We are getting closer to talking about the true costs.** Recycling brings quantifiable benefits to our environment and local economies, but none of those benefits are included in the costs of providing the service. Full cost accounting is a method of monetizing the environmental and social benefits of recycling, and it demonstrates that the "costs" of recycling are less than

landfilling or incineration when you factor in the damages and real public health and environmental costs caused by air, water and climate pollution. Full cost accounting needs to be integrated into local and national decision-making, and we need to address these economic shortfalls system-wide through policies like a carbon tax or plastics tax.

- **We are looking beyond the blue bin.** Curbside recycling alone isn't going to create a circular economy, so there is still plenty of work we can do in other areas that do not depend on global markets. For example, composting, made from organic materials that make up one-third to one-half of the waste stream, produces a nutrient-rich soil amendment used in local markets and offers tremendous potential as a solution to sequester carbon and draw down CO_2 emissions. Recycling of construction materials is another giant opportunity to reduce waste, cut carbon pollution and build local markets.

The Important Work Ahead

In the next few years, recycling markets will rebuild with more focus on domestic opportunities. We will also clean up the recycling stream and be more transparent about what materials are actually recyclable, and we will use robots and other technologies to reduce sorting costs and improve efficiencies. That will all take time and a lot of hard work, but it's not our biggest challenge. It's not the recycling industry I'm worried about rebuilding—it's our public image.

There is no denying that recycling has taken a beating in the media and public trust may be at an all-time low. Rebuilding the brand is going to be a significant challenge and may be our most important work. We need to keep recycling, and we need to keep improving recycling, while also being honest that it's not a sufficient solution when it comes to reducing unnecessary plastic production or our overall unsustainable consumption patterns. We're really just getting started on some of the tough conversations about how to transition to a circular economy , including how to pay for recycling in the long run and when we must simply reduce rather than just depend on recycling. This is why I have optimism about our road ahead because it means real change—not just incremental improvements—are afoot, and we are standing on the edge of a defining moment.

Kate Bailey is the policy and research director for Eco-Cycle and helps citizens, government staff and elected officials implement zero waste solutions.

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