



DEPARTMENT OF PUBLIC WORKS
Solid Waste Management Division

MINUTES
ZERO WASTE COMMISSION
Monday, November 24, 2008
North Berkeley Senior Center, 1901 Hearst Street
Workshop Room B, 1st floor

Chairwoman Nashua Kalil called the meeting to order with a quorum at 7: 10 p.m.

1. Roll Call:

Commissioners present: Blachman (7:25), Dodsworth, Jensen, Kalil, Kirkpatrick, Nava, Schultze-Allen, Tam (7:40)

Commissioners absent: Sadigh

Staff: Claudette Ford, Public Works Director and Acting Division Manager; Tania Levy, Acting Recycling Manager; Lisa Malek-Zadeh, Senior Budget Analyst, Public Works; Neal deSnoo, City Energy officer.

Members of the Public: Martin Bourque and Daniel Maher of the Berkeley Ecology Center; Sara MacKusick and Jeff Belchamber of Community Conservation Centers (CCC); Mary Lou Van Deventer and Dan Knapp of Urban Ore; Heather Abrams (Sloan-Vasquez LLC), Leila Khatapoush, and resident Val Peterson.

2. Approve Agenda: M/S Dodsworth/Kirkpatrick to approve the agenda, 6/0/0.

3. Comments from the Public: None.

4. Announcements and Commissioner Comments: Jensen reported on his tour of Grover Landscaping, City's composting contractor. He was impressed with the well-organized site, high quality product, and operator's innovative spirit. One problem is compostable plastic food service items, which are difficult to distinguish from normal plastics. Grover typically removes all plastics. On the assumption that plastic from City commercial customers is mostly compostable, Grover will try placing City's material in a static pile to let compostable items begin to decay for better recognition before sorting. Nava reported that she would be traveling in India for six months. Tam reported that the director of the California Integrated Waste Management Board is encouraging the Air Resources Board to promote mandatory commercial recycling for generators of four cubic yards/week or more.

5. Approve Meeting Minutes of 10/27/08: M/S Schultze-Allen/Dodsworth to approve minutes with minor corrections: 7/0/0.

6. Contractor Quarterly Reports:

a. Community Conservation Centers (CCC). Jeff Belchamber distributed the report and budget documents distributed. He reported offers of \$30/ton for mixed paper, \$45/ton for newsprint and \$60 for cardboard, up from \$5, \$5 and \$10 in October. He credits good quality and long-term market relationships for these prices. CCC built a reserve due to record high prices for paper in 2005 to 2008, so can survive a year of low to moderate market prices. MacKusick reported that the budget had a surplus after the first quarter

in FY 09, and will be balanced if there is moderate market recovery. She expects that independent collectors will stop picking up cardboard due to its low value, with more tons from the City Commercial collection and drop-off. Beverage container redemption values are steady; on Sundays after Cal football games there are typically 40-60 people sorting containers to sell. When asked about domestic paper markets, Belchamber respond that CCC's site is configured to load shipping containers for overseas markets, rather than the flatbed trucks used for domestic shipments.

b. Berkeley Ecology Center (EC): Martin Bourque explained that CCC pays Ecology Center the net of revenue minus processing and marketing costs. During high markets this net revenue has been \$50,000-\$80,000/month, but may be negative in October. The City pays EC their net costs, thereby sharing the risk and profits of market fluctuation. City costs for Ecology Center have been low in recent years, but will increase by as much as \$500,000 in FY2009.

Tons have been stagnant since 2005, with only slight increases associated with education campaigns; Bourque predicts that implementing cart service will increase volume by 15-20%. The current contract expires December 31, and will be continued through June, with a new contract (including dual stream cart service) to begin July 1, 2010 if new refuse rates are adopted. EC has installed a GPS system on collection trucks. Among other advantages, the GPS system helps Ecology Center staff tell residents when the truck will arrive on their block, so they can avoid poachers. Dodsworth asked about EC's worker training: ergonomic and safety training has resulted in reduced insurance costs. New trucks have compaction, and are safer for workers than the old configuration. Cart service will further reduce injuries and stress.

c. Urban Ore: VanDeventer reported that Urban Ore's new contract to salvage at the Transfer Station went into effect November 1, 2008. It allows up to five salvagers on the transfer station floor, requires Urban Ore employees to have Hazardous material recognition training, and increases their price per ton salvaged, so that they can retrieve lower value items. She distributed their new reporting form and copy of an ad showing that low landfill costs hurts recycling. Urban Ore's store generates \$17,000 in Sales tax per month

d. Leila Khatapoush: Leila Khatapoush is the City's part-time contractor responsible for recruiting, training and maintaining commercial recycling accounts, with emphasis on food scrap diversion. This program is supported by StopWaste.org. She has enrolled over 100 new generators since October 2007, adding 100 tons of food scrap diversion per month. Most of her customers are continuing successful participation. She also works with sororities through the Green the Greeks program, and with multi-family buildings as time permits. Most restaurants save money by composting because they can reduce their trash so much. Recently, non-food businesses have set up compost service for their employee lunchrooms, even if they have to pay more. The City collects commercial organics Monday through Saturday. Khatapoush recommends adding a Sunday route because restaurants generate most of their material on weekends.

7. Status of Refuse fund and FY 2009 Budget

Commission invited Lisa Malek-Zadeh, Senior Budget Analyst for Public Works, to present quarterly budget update. Previous projection spreadsheet presented by former division manager at June 08 meeting showed a \$3.8 million reserve, with budget going negative in 2011 without a rate increase. Given rate study has not been delivered, rate increase is overdue and programs cannot roll out without resources. Ms. Malek-Zadeh did not have an updated spreadsheet for this meeting. However, she described that budget projections for the remainder of FY 2009 has now gone negative with a projected \$900,000 deficit and 2010-11 shows a deficit of almost \$8 million. Commissioners expressed great concern that this information was not preceded with data for review. Chair Kalil asked for details on what has changed since June and when the Commission would have a new spreadsheet for review as well as a recommended rate increase. Ms. Malek-Zadeh stated there were several line items of unanticipated costs including new landfill fee increases, unplanned capital improvement needs at the transfer station facility, a decrease in income due to residential changes in refuse cart size (referred to as “decreased participation”), and unexpected personnel costs. Chair Kalil referenced the June 08 spreadsheet and pointed out that several of the items listed verbally were accounted for in the prior projection. When asked what the Division was doing in response to the deficit, Ms. Malek-Zadeh reported on a 2-phase approach, first looking at other departments and a rate increase for cost recovery, and then what could be delayed or pushed into the next fiscal year. Staff is also looking at line item reductions and open positions. Commissioners asked if a new business model for refuse/recycling service is part of this consideration with reply that the new Division Manager would be expected to work on this need. The Rate Study by consultant R3 is expected to be complete in January 2009. The delay in completing this study created a two year backlog for her office to move forward on rates. Chair Kalil expressed great concern about budget transparency and accurate projections as well as need to assess impacts to achieving 75% diversion by 2010. Ms. Malek-Zadeh offered to provide bi-monthly updates to the Commission, and work together to support a rate increase and the investigation of a new rate structure.

8. Division Update

- a. **Position recruitment:** Ford announced hiring of Andrew Schneider as Recycling Program Manager. Mr. Schneider previously worked as a compost specialist for Portland, Oregon. The City received 23 applications for Solid Waste Division Manager, as of the November 21 closing date, and will begin interviews.
- b. **Status of Facility Rebuild:** Ford expects to post the feasibility study RFQ/RFP in December, and have tentatively scheduled a walk-through for bidders in early January.

9. Extended Producer Responsibility Resolution: M/S Jensen/Kalil to adopt the Extended Producer Responsibility Resolution, and forward it to Council. 8/0/0.

Due to time constraints, Commissioners postponed items 10 (Plastic Bag Reduction ordinance) and 11 (multi-family presentation). The next meeting will be January 26.

Adjourn: **M/S Schultze-Allen/Kalil to adjourn at 9:35 pm. 8/0/0.**