



DEPARTMENT OF PUBLIC WORKS
Solid Waste Management Division

MINUTES
ZERO WASTE COMMISSION
Monday, May 23, 2011
North Berkeley Senior Center, 1901 Hearst Street
Workshop Room B, 1st floor

Chair Kalil called the meeting to order with a quorum at 7:15 PM

1. Roll Call:

Commissioners present: Kalil, Jensen, Halperin, Saborio, Bartlett, Blachman

Commissioners absent: Kirkpatrick (excused), Tam (excused)

Staff: Andy Schneider – Recycling Program Manager, Andrew Clough – Acting Public Works Director, Lisa Malek-Zadeh – Senior Budget Specialist

Members of the Public: Debra Kaufmann of StopWaste.Org, Martin Bourque of the Ecology Center (EC); Sara MacKusick & Jeff Belchamber of Community Conservation Center (CCC); Mary Lou Van Deventer & Dan Knapp of Urban Ore; Tania Levy, Ann Chandler, Peter Schultze-Allen, Miguel Martinez

2. Approve Agenda: M/S/C Blachman/Bartlett to approve the amended agenda 6/0/0

3. Comments from the Public:

Mary Lou Van Deventer advised against merging the ZWC with other Commissions as they are tasked with oversight of an entire 100-person Division with an independent \$34M budget and deal with different issues than the other commissions that do not oversee operations. Dan Knapp also advised against the merger as other commissions are under Planning Department. He also reported that two other cities - Burbank (300 tons per day) and El Cerrito - are planning transfer station rebuilds in which they are participating and asked that Berkeley reconsider rebuilding our own. Martin Bourque reported that the tipper problems that have plagued their recent recycling collection operations are being solved with warranty extension replacements. He also reported high and sustained recycling revenues to the City of about \$70,000/month compared to about \$20,000/month last year. Kalil noted that this represents a significant portion of our current refuse fund deficit. Martin also agreed that consolidating commissions would not save any staff time or money.

4. Announcements and Commissioner Comments:

Chair Kalil reported sending e-mails to council members reminding them of the charter of the ZWC, that the Division still doesn't have Zero Waste strategic plan, that budget review and creation of a new rate structure is on-going, and preparation for new programs including proposed mandatory recycling represent a large workload for this commission. She referenced past suggestion of eliminating and combining commissions had not been determined advisable then, and in case of ZWC, if the City Manager was proposing a new Department of the Environment or Sustainability were be, as is case in San Francisco, then a combined commission would be worthy of discussion. She polled ZWC members whether ten meetings a year was still desirable given amount of work to do and all present agreed to stay with this number of meetings. Finally, Kalil

stressed that the ZWC had no desire to burden staff and given it writes its own agendas and reports, would be willing to take back writing of the minutes as well.

Commissioner Halperin stated how, based on the budget submitted by the budget specialist, the referenced increase of reported income from sales of materials would almost eliminate the Refuse Fund deficit. Halperin also mentioned Clean Cities program and needing to have purview in our budget review.

Commissioner Bartlett mentioned how his former military high school, the largest secondary school in the country, adopted a zero waste policy and is implementing plans and programs. Commissioner Saborio asked when the ZWC would be receiving detailed budget information as previously requested from the budget specialist and if that was in the scope of tonight's presentation by Lisa Malek-Zadeh. Secretary Schneider mentioned there was some budget information that was provided by e-mail and that Ms. Zadeh was not presenting on budget issues tonight.

Chair Kalil mentioned Peter Schultze-Allen will be rejoining the ZWC, bringing with him a history of past Division budget understandings, rate issues and program considerations.

5. Presentation: San Francisco's Mandatory Recycling & Zero Waste Programs - Jack Macy, Zero Waste Coordinator for the City & County of San Francisco:

Mr. Macy gave a power point presentation on San Francisco's diversion programs and their mandatory recycling & composting ordinance and program. The presentation looked at policy framework and differences from other communities, contractor relationships, program staffing and rollout process, diversion outcomes, enforcement, and rate structure implications. He explained how the Dept. of Environment was formed from the City's sustainability plan and that their program's successes are due to political will and implementation through their exclusive franchised hauler. San Francisco's waste rates include \$6 million in annual funding for Department of Environment staff and professional services, toxics and recycling programs, grant matches, technical assistance teams, training, and sales personnel. The mandatory ordinance grew out of achieving 77% overall diversion by 2008 and movement towards functional zero waste (minimum 90% diversion) before 2020. The ordinance, written by Mr. Macy, was approved by the Board of Supervisors in October 2009. The ordinance applies to all sectors, requires three-stream services, and provides assistance for size, color, and location of containers along with education for tenants and employees. Enforcement is by The Dept. of Public Works via fines and by Dept. of Housing via liens. San Francisco's success implementing their mandatory program involved a one-year process of intensive stakeholder involvement and buy-in; outreach staff and volunteers; media attention; working with unions (particularly SEIU janitorial staff) and partnering with the hauler. Emphasis on working with the business community was noted. Property managers are provided with educational materials, signage, and technical assistance. The City and County are involved in analyzing and updating its commercial rate structure. Currently, they utilize a "pay as you throw" incentivized model with a "standard rate" that applies to all three discard streams, then a diversion rebate is offered for recycling and composting services. They are studying a "premium charge" versus fines, a higher "standard rate" for commercial accounts, and identification of how much businesses save when achieving diversion goals. Mandatory has been their most significant action and showed an immediate 50% increase in compost diversion. Overall waste disposal is down to historic levels. Mr. Macy offers his support in Berkeley's zero waste program and rate structure work.

Motion to extend meeting 20 minutes M/S/C Jensen/Halperin 6/0/0

Debra Kaufman of StopWaste.Org reported that the County wide Mandatory Recycling and Plastic Bag Ban EIR will be completed over the summer and available for public review sometime in August. They will be hosting an Alameda County Board Session (public event) in Castro Valley with speakers from SF, San Diego, Sacramento and Seattle on September 8, 2011 to discuss best practices. Staff will be starting to speak with stakeholders through the Fall, with policy recommendations and EIR certification by the Board in November and December.

6. Refuse Rate Subcommittee Report & Discussion:

Chair Kalil briefly reviewed Rate Structure Subcommittee Report #2, dated May 24, with focus on 3 important things: 1) Commercial Refuse, Recycling and Organics Service with four alternatives for cost-benefit analysis: a) enhanced status quo of open competition between City and other servicers, but with focus on diversion and immediate increase in franchise fee; b) City taking over all commercial accounts and work; c) an all non-exclusive franchise service with City not providing commercial service but redeployed to multi-family; or d) option of sole source contract with an exclusive franchisee. Next was: 2) Mandatory Recycling addressing new categories of service, in particular multi-family, with new rate categories supporting staff and capital needs. Finally, 3) Street Sweeping Fee based upon studying models of other cities to address storm water quality mandates. Kalil noted that these effectively solved the budget situation, provided resources for necessary staff, and also advanced effective achievement of the City's zero waste mandate.

7. Refuse/Recycling Rates RFP Review - Lisa Malek-Zadeh

The City proposes to release a Request for Proposal (RFP) for a consultant to create a new rate structure based upon current cost models with the goal of rates that cover all refuse and recycling service costs. Timing is for Staff to go to Council on June 7th, with proposal that RFP be released on June 8. Then do analysis of proposals/interviews, award contract at end of September through end of March. Intent is to return to Council with a draft Rate Structure in March, going forward with Prop 218 process and with new rate increase effective for 2013. The scope of the RFP would address the budget deficit; paying for current programs with a base fee that covers the cost of residential service; a capital improvement plan (CIP) set-aside for landfill repairs and other capital needs; and a model that can be adjusted in the future. Division focus is on conversion to one-person routes, and funding the repayment of loans to bridge the budget gap and to purchase new trucks. Commissioner Bartlett brought up the issue of scope needing to address cost-benefit analysis of Subcommittee recommendations, particularly commercial services. Kalil brought up concerns related to the Sloan Vasquez Report, new budget income, and the need to see RFP scope. Kalil recommended that staff work together with the Commission, including having the selected consultant reflect on Subcommittee work. Clough stated that the core part of scope is addressing current budget needs, not new programs. Malek-Zadeh clarified that this RFP would not address any changes in programs other than change to one-man trucks. Commissioner Halperin expressed great concern with focus on a budget that is resolving itself and requested clarification of what the scope covers. Malek-Zadeh replied that rate model would need to have enough revenue to support existing programs. Kalil asked for clarification on how new programs and mandatory recycling would be addressed on next 2-year budget cycle. Malek-Zadeh replied there are no new programs addressed. Commissioner Halperin stated his concern that there appears to be no discussion about creating incentives within rates to support diversion. Malek-Zadeh replied that incentive rates are a problem due to Prop 218, and that an outside hauler has more flexibility than the City does. Commissioner Saborio stated concern with a general lack of communication from Public Works, for example the Sloan Vasquez Report that came to ZWC

very late with little or no communication by contractors with the ZWC, and with no coordination with zero waste policy; how any new consultant should be focused on the cost-benefit analysis of Subcommittee recommendations and then do financial projections; and that there is a disconnect between what contractors are hired to do versus what is required. Malek-Zadeh replied that the City started rate analysis process in 2006 after the Bighorn case, and that the R3 Model basically took the current system and didn't build-in separate fees for recycling and refuse. Deventer noted that the City needs a business plan, not a focus on raising rates without thoughtful analysis. She asked why City did not consider the ZWC Rate Subcommittee's work to inform the scope of the rate RFP. Malek-Zadeh replied that ZWC will inform work beyond general scope once the consultant is selected. Commissioner Blachman asked who was coordinating the RFP scope language and if the ZWC wants the elements of study included, they should send to Malek-Zadeh. Kalil reflected on past RFP endeavors and having a ZWC point person. Malek-Zadeh will look into this and find out if this will be possible, getting back to the Chair after the meeting. Kalil asked staff to include, at a minimum, a proposed streetsweeping fee and an increase in franchise fees in the scope. PW staff stated interest in pursuit of a street sweeping fee. After much continued discussion, Public Works staff agreed they will come back to the ZWC with scope development and advance a meeting with the City Attorney. Commissioner Blachman asked if it would be helpful if commissioners contact their council members. Chair Kalil asked all to do so and all members agreed.

8. Future Agenda Items and Meeting Dates: EC & CCC First Quarter Reports

9. Approve Meeting Minutes of April 25, 2011: M/S/C Jensen/Bartlett to approve the April 25, 2011 minutes 6/0/0

10. Adjourn: M/S/C Jensen/Halperin to adjourn at 9:45 6/0/0