

DATE: October 7, 2008
TO: Mayor and City Council
FROM: Director of Public Works
SUBJECT: Implementation of Residential Food Scraps Collection Service

RECOMMENDATION

That Council approves the attached resolutions that:

1. Authorize the City Manager to execute an amendment to the Franchise Agreement with Waste Management of Alameda County (WMAC) to reflect the compensation provisions for residential food scraps collection and processing;
2. Authorize appropriation of \$150,000 in FY 2009 from Measure D Funds to compensate Waste Management of Alameda County for costs associated with a food scraps collection program for single-family homes, through June 30, 2009; and
3. Authorize appropriation of \$280, 000 to purchase and distribute plastic indoor containers for each single-family home, and outreach efforts to promote the new service.

SUMMARY

Council approved a new Franchise Agreement with WMAC on January 9, 2007, that included a variety of enhancements to current services and implementation of new services. The new Agreement also provides the option for the City to implement a food waste collection program for single-family homes beginning in June 1, 2009. Staff was planning to make a recommendation to implement this new service by that date.

Since the Agreement was executed, staff has learned that receipt of certain funds from the Alameda County Waste Management Authority (Authority) will be contingent upon agencies making food scraps collection available to residents, beginning in July 2009. In order to address this requirement and to provide residents with an environmentally sustainable means of food waste disposal, staff recommends that Council authorizes collection of food scraps from single-family homes beginning January 5, 2009. This program, which has been successfully implemented in other communities, would allow residents to co-mingle food scraps and food-soiled paper with the yard trimmings that are already being collected.

DISCUSSION

Food scraps collection is a program in which residents place their food waste and food-soiled papers in their green yard trimmings cart for weekly pickup. For convenience, residents could use a plastic storage container to store food scraps on kitchen counters, under sinks or in pantries, before periodically removing them to their green yard trimmings cart. The contents of the cart would be emptied when placed curbside and then be delivered to a compost facility in accordance with the terms of the Franchise Agreement.

Impact on City's Current and Projected Landfill Diversion Rates --

As Council is aware, State law requires cities to divert 50 percent of its waste from landfills beginning in 2000. In addition, there is a County-wide goal to reduce materials sent to landfills by 75 percent by 2010. Food scraps comprise about 24 percent of the total waste sent to landfill by residents, and residential waste, in turn, is 20 percent of all waste categories (residential, commercial, industrial, and institutional), according to the most current data. Staff estimates that implementing a residential food scraps collection program would have no appreciable effect on the overall diversion during each of the first two to three years of the program. This is based on projected tonnage estimates, information provided by WMAC, and the experiences of other Alameda county jurisdictions. In fact, co-mingling food scraps with yard trimmings would preclude the City from continuing its past arrangement of diverting yard trimmings as biofuel, because food scraps are not acceptable for this purpose. This change could result in a reduction of about 3 percentage points of diversion. Staff believes, however, that increased tonnage from other programs, including commercial recycling and organics, will help offset this reduction.

Despite the fact that the anticipated diversion from food scraps collection will not positively impact the City's diversion, at least in the first few years of implementation, staff believes that this program is a necessary addition to the City's recycling and sustainability efforts. Food scraps account for a significant portion of the residential waste stream, and the finished compost may be used to improve soil and plants. As the program becomes better established, it is anticipated that more residents will participate. Other jurisdictions in Alameda County report 30 to 60 percent of their residents participate in residential food scraps collection, and staff anticipates comparable participation levels in four to five years, as the program matures.

Food Scraps Collection as a Requirement for Receiving Mitigation Fees --

Implementing a food scraps collection program complies with the Authority's requirement that such a program be initiated by July 1, 2009 in order to continue receiving funds that are disbursed by the Authority for fees charged on tons landfilled annually by San Francisco in Alameda County. The Authority's objective in requiring implementation of this service is to provide an incentive to member agencies to achieve the 75 percent landfill diversion goal. The City receives about \$90,000 annually from these funds.

Program Start-Up Plans –

For the residents' convenience, green plastic storage containers will be provided to each single-family home just prior to program start-up. Staff has evaluated several containers. The proposed container has a tight-fitting lid, measures 9" long x 8" high x 9" deep, has a capacity of 1.45 gallons, is dishwasher safe, and has a sturdy handle. These units are made of high-density polyethylene and contain from 25 - 55 percent recycled content. Staff recommends this container because it has a lid that snaps shut (to minimize odors and exclude insects), yet can easily be opened with one hand, and has a flat lid with sufficient space to accommodate a decal describing acceptable and unacceptable materials. Containers would be distributed between about December 8 and December 19. While every attempt would be made to keep this date, it is important to note that distribution of the containers is not a pre-requisite to starting the program.

A postcard announcing the new service, distribution of the containers, and acceptable materials would be direct-mailed to all eligible households about two weeks prior to distribution of the containers. A brochure describing how to participate in the program, tips to reduce odors and ants, and reasons to participate in the program will be placed inside each pail prior to distribution. The brochure will also include an offer to attend meetings of homeowners' associations in order to respond to questions about the new service.

FISCAL AND ECONOMIC IMPACT

Additional budget appropriations are requested for implementation of food scraps collection, as these expenses were not budgeted in FY 2009. Brief descriptions of major expenses are provided below.

1. Compensate WMAC for Costs to Process Food Scraps: Co-mingling food scraps with yard trimmings requires that the materials be delivered to a specialized compost processing facility. A different facility is required as yard trimmings will no longer be diverted as biofuel for the reasons explained earlier in this report. WMAC's additional expenditure includes the vendor's fees for processing the co-mingled materials and marketing the finished compost. The compensation for this service is approximately \$25,000 per month, for a total of \$150,000, through June 2009.
2. Purchase Plastic Containers: A total of 35,000 containers would be purchased, for a total expenditure of \$140,500. This number allows for a sufficient inventory for WMAC's distribution to new customers through May 31, 2014, when the Franchise Agreement expires.
3. Distribution of Containers: WMAC has selected a vendor who would be responsible for distributing one green, plastic container to each single-family residence. A variety of distribution methods will be employed to ensure that all single-family homes subscribing to service will receive a container. This includes residents who are not currently subscribing to yard trimmings service in hopes that they will participate in the food scraps collection. The total expenditure will be \$65,000.

4. Prepare and Mail Outreach Materials Promoting the Service: A total of \$75,000 is requested to fund costs incurred by the City for design, printing and postage costs for the outreach materials. The materials include a decal to be attached to each container, a direct-mail postcard announcing the new service, and a brochure that will be placed inside each container. During the twelve months following program start-up, two other brochures will be prepared and direct-mailed to residents in order to address questions raised during start-up.

The Authority offers reimbursement of some expenditures associated with a residential collection program for food scraps and food-soiled paper when those materials are co-mingled with yard trimmings. Eligible expenditures include purchase and distribution of containers, and development of outreach literature promoting the service. The total amount available to the City would be \$8.00 per household, or a total of \$222,000 (actual amount will depend on verified number of households). With Council approval of these plans, staff will work with the Authority to execute an agreement for this funding.

The total cost in FY 2009 for implementation of the food scraps collection program is summarized as follows:

Compensation to WMAC for Processing Materials	\$150,000
Purchase of Plastic Containers	\$140,000
Distribution of Containers	\$65,000
Outreach Materials	<u>\$75,000</u>
Sub-Total	\$430,000
Reimbursement from the Authority	(222,000)
Net	<u>\$208,000</u>

Measure D Funds are proposed to be used for the expenses not reimbursed by the Authority. Sufficient monies are available in this fund, and the City has been informed by the Authority that expenditures associated with a food scraps collection programs are an appropriate use. In addition, the Authority has noted that the City must reduce its Measure D Fund balance, and this will help achieve that objective.

PUBLIC CONTACT

Public outreach would be conducted to inform residents of the new service and to educate them on the proper materials to dispose of in the yard trimmings cart. Outreach materials would include:

- Decals attached to each indoor container;
- Direct-mail postcard;
- Initial brochure placed inside each indoor container; and
- Additional direct-mail brochures within twelve months of start-up.

In addition, staff will send a letter to each of the homeowners' associations on file in the Planning Division to offer presentations and answer questions regarding the new service. The brochure that

will be inserted in the pail will graphically convey how to participate in the program and will include some text indicating the importance of doing so.

SCHEDULE

Execute reimbursement agreement with ACWMA	November 2008
Order containers	October 10, 2008
Mail postcard announcing new program	November 26, 2008
Distribute containers to all single-family homes	December 8 – 19, 2008
Implement program	January 5, 2009

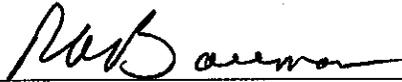
It should be noted that, while every effort will be made to distribute indoor containers prior to program start-up date of January 5, 2009, initiation of food scraps collection will not be dependent on this distribution being completed by this date.

Prepared by:



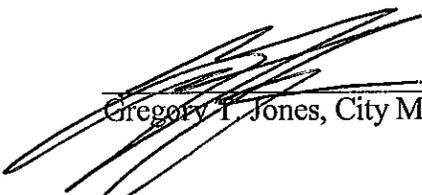
Alex Ameri, Deputy Director of Public Works/Utilities

Recommended by:



Robert A. Bauman, Director of Public Works

Approved by:


Gregory T. Jones, City Manager

Attachments:
Draft Resolutions

DRAFT

mac
10/08/08

HAYWARD CITY COUNCIL

RESOLUTION NO. 08-

Introduced by Council Member _____

RESOLUTION AMENDING RESOLUTION 08-097, THE BUDGET RESOLUTION FOR FISCAL YEAR 2008-09, RELATING TO AN APPROPRIATION OF FUNDS FROM MEASURE D FUNDS (FUND 215) FOR IMPLEMENTATION OF RESIDENTIAL FOOD SCRAPS COLLECTION SERVICE

BE IT RESOLVED by the City Council of the City of Hayward that Resolution No. 08-097, the Budget Resolution for Fiscal Year 2008-09, is hereby amended by approving an additional appropriation of \$280,000 from Measure D funds (Fund 215) to purchase and distribute plastic indoor container for each single-family home, and outreach efforts to promote the food scraps collection program.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2008

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward