



CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING

Hayward City Hall – Conference Room 2A
777 B Street, Hayward, CA 94541-5007

Mission Statement:

Make Hayward a more sustainable community in order to ameliorate negative impacts of climate change, conserve natural resources and promote a clean environment.

June 3, 2009
4:30 p.m. – 6:00 p.m.

A G E N D A

- I. Call to Order
- II. Roll Call
- III. **Public Comments:** *(Note: For matters not otherwise listed on the agenda. The Committee welcomes public comments under this section, but is prohibited by State Law from discussing items not listed on the agenda. Items brought up under this section will be taken under consideration and referred to staff for follow-up as appropriate. Speakers will be limited to 5 minutes each; organizations represented by more than one speaker are limited to 5 minutes per organization. All public comments are limited to this time period on the Agenda.)*
- IV. Approval of Minutes of May 6, 2009
- V. Update on Federal Energy Efficiency and Conservation Block Grant Fund Projects for Hayward
David Rizk, Director of Development Services, and Erik Pearson, Senior Planner
- VI. Update on the California Bottle Bill (Senate Bill 55)
Richard Valle, President, Tri-CED Community Recycling
- VII. General Announcements and Information Items from Staff
- VIII. Committee Referrals and Announcements
- IX. Next Meeting: Wednesday, July 1, 2009
Overview of Practices/Actions by City
 - a) Energy Efficiency of Municipal Buildings
 - b) Municipal Fleet Upgrades
 - c) Actions related to Public Works projects
 - d) Environmentally Preferred Purchasing
- X. Adjournment



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CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING
Hayward City Hall – Conference Room 2A
777 B Street, Hayward, CA 94541-5007

May 6, 2009
4:30 p.m. – 6:00 p.m.

MEETING MINUTES

I. Call to Order – Meeting called to order at 4:33 p.m. Mayor Sweeney welcomed everyone and thanked them for coming to the meeting.

II. Roll Call

Members:

- Michael Sweeney, Mayor
- Olden Henson, Council Member
- Bill Quirk, Council Member
- Julie McKillop, Planning Commissioner
- Al Mendall, Planning Commissioner (Absent)
- Marvin Peixoto, Planning Commissioner
- Doug Grandt, KHCG Task Force (Absent)

Staff:

- Fran David, Assistant City Manager
- David Rizk, Director of Development Services
- Robert Bauman, Director of Public Works
- Erik Pearson, Senior Planner
- Arlynne J. Camire, Associate Planner
- Katy Ramirez, Administrative Secretary

Others:

- Andy Wilson, Citizens Against Pollution (CAP)
- Ernest Pacheco, CAP
- Anthony Irvine, Business Service Rep
- Hunter Stern, IBEW Local 1245
- Rick Thomas, RCEC/Calpine
- Donna Thomas, Hayward Demos
- Sara Lamnin, Hayward Citizens Advisory Commission
- Becca Rosati, Vox Populi
- Gregory Hoaglin, PG&E
- Tamar Sarkissian, PG&E
- Ron Dillen, PG&E
- Roxanne Cruz, PG&E
- Ontario Smith, PG&E

III. Public Comments

Many people from various organizations attended this meeting and five people spoke for or against Community Choice Aggregation (CCA), as follows:

Jim Weider, Hayward Chamber of Commerce – Mr. Weider reminded the Committee that it's the Chamber's mission to provide for the City and to remind the City Council to stay focused on the issues that reflect and assist its members to the greatest degree. This would include staying focused on the budget deficit issue of approximately \$11 million dollars, and improving the infrastructure in Hayward especially in the auto row district. Mr. Weider indicated that infrastructure should remain the primary concern of Council and its subcommittees as it pushes forward to erase the impending budget deficit. Mr. Weider concluded by stating that the Chamber urges the Sustainability Committee to reject the notion of instituting a CCA.

Mayor Sweeney reminded everyone that no decisions have been made at this point or will be made regarding CCA, and that part of the role of the Sustainability Committee is to look at ideas and options.

Ernie Pacheco, CAP – After acknowledging many concerns and issues exists regarding CCA, Mr. Pacheco stated that the City of Hayward has to figure out a way to reduce greenhouse gas emissions. He stated he felt that the best financial and responsible way for the City to do this is through CCA, and indicated that CCA is an example of a municipality acting responsibly.

Anthony Irving, One Stop Career Center in Hayward - Mr. Irving gave a brief overview of the One Stop Career Center and of the services provided to Hayward residents, and indicated he is extremely concerned about the unemployment rate, lack of morale and the hurtful economy. He said that he supports PG&E, and urged the Council to do everything they can for the residents of Hayward.

Mayor Sweeney thanked Mr. Irving and reminded him that this is not the City Council, that this is a Committee of the City Council.

Andy Wilson, CAP – Mr. Wilson encouraged the Committee to see through with development of a CCA and feels that Hayward could lead the way in the area of CCAs, which is the way of the future. Mr. Wilson pointed out that this would be a long-term construction project that could mean jobs for Hayward residents. He also mentioned that he downloaded a PowerPoint that was published from the California Energy Commission regarding costs of alternative energy sources. He said that he disagrees with the figures and believes the figures to be lower. He felt it is very important to point this out to the Committee.

Hunter Stern – IBEW Local 1245 – Mr. Stern stated that he represents several agencies throughout Northern California and Alameda County. He indicated that his company is concerned about CCA, and thinks it's wise that everybody should start thinking about what they need to do to reach the AB32 requirements; and that

it is some of the best legislation in the country. After expressing many more concerns, Mr. Stern stated his opposition for development of a CCA on behalf of Local 1245 and the Alameda County Labor Council and stated that he would be happy to provide additional information.

Council Member Quirk – asked that the recommendations in the proposed *Bottle Bill* should be added to a future agenda.

IV. Approval of Minutes of April 1, 2009 - Minutes approved.

V. Community Choice Aggregation – Part 2

Development Services Director Rizk indicated there are probably 10 different parts to this topic and that the discussion will probably end with this meeting, unless the Committee wants staff to continue to bring forth additional information on the CCA. He stated that the goal and objectives of a CCA is to try to reduce greenhouse gas emissions and, more importantly, provide stable, reduced rates for consumers. He indicated that the relevance to the Sustainability Committee is the reduction of greenhouse gas emissions.

Mr. Rizk indicated that staff wanted to bring forth someone that has real life experience with development of a CCA, and introduced Michael Campbell from the San Francisco Public Utilities Commission (SFPUC).

Michael Campbell, SFPUC – Mr. Campbell provided a brief overview of a PowerPoint that was previously distributed to the Committee, which outlined what the SFPUC is going to be doing, the benefits, challenges, and issues related to CCA.

There were questions from the Committee about start-up costs, ongoing capital costs; individual participation, opt-out process and rate stability; that were addressed by Mr. Campbell. Mr. Campbell also indicated that he would be presenting the SFPUC with a report that will include market research and feasibility analysis.

Development Services Director Rizk introduced Ontario Smith, Senior Regulatory Analyst of PG&E, and asked that Mr. Smith introduce the rest of the PG&E staff in attendance.

Gregory Hoaglin, Executive Manager, PG&E – Mr. Hoaglin indicated that he was in Hayward about a year ago where they partnered with the City and the Chamber of Commerce and visited 3,000 businesses as part of public outreach for energy efficiency. He mentioned that PG&E has had some discussions with City staff about doing more with energy efficiency and even partnering and exploring alternative projects such as a local solar farm. In addition, he said PG&E is doing something in conjunction with ABAG that is based on the Berkeley solar financing model for citizens and businesses who would like to have solar installations; but cannot afford the upfront cost. He concluded by saying PG&E is interested in

pursuing these ideas and projects with Hayward and will take the necessary steps to explore and pursue them.

Roxanne Cruz, Governmental Relations, PG&E – Ms. Cruz thanked the Committee for the opportunity to highlight some of the successful programs that PG&E has partnered with the City of Hayward, including is the Smart Meter program, which is scheduled to go live in December 2009. She indicated that this program will allow customers to read their usage online as well as the actual meters for both gas and electricity consumption. She stated that Hayward is actually one of the first cities in the East Bay to participate. Other successful projects Ms. Cruz mentioned include the murals going up on PG&E facilities (12 boxes on B Street and 6 more boxes that are expanded to A Street), and the Solar Schools Program, which identifies Hayward High School as one of the Solar schools. Ms. Cruz also stated that PG&E has participated in various community events to provide information to residents about residential energy efficiency.

Ontario Smith, Senior Regulatory Analyst, PG&E – Mr. Smith provided the Committee with information about PG&E; provided a short PowerPoint presentation and talked about the benefits of building upon the existing relationship between the City and PG&E.

Mayor Sweeney provided a summary of where he thinks the Committee stands on the issue of CCAs, and that is to monitor the CCAs of other jurisdictions and to pursue a partnership with PG&E.

Mayor Sweeney thanked the staff of PG&E and everyone else for attending.

VI. General Announcements and Information Items from Staff:

Staff and the CSC briefly reviewed the meeting topics schedule. Development Services Director Rizk noted that the current schedule is timely in that the City's application for the formula-based Federal Energy Efficiency and Conservation Block Grant funds of \$1,361,900 is due to the Department of Energy on June 25th.

Mayor Sweeney stated Council Member Quirk mentioned that some of the Committee members had been approached by Richard Valle of Tri-Ced regarding advocating for some changes regarding the *Bottle Bill*.

Council Member Henson said that Stopwaste.org has weighed in on the *Bottle Bill* and has agreed to pass a resolution.

Mayor Sweeney suggested that staff put the *Bottle Bill* item on the Sustainability Committee agenda for June.

VII. Committee Referrals and Announcements

Development Services Director Rizk announced that the Climate Action Plan is tentatively scheduled for a public hearing before the Planning Commission on

June 11, and a hearing with the City Council on July 28. In addition, staff is bringing to the City Council the amendment to our Green Building Ordinance to reflect the Cost Effectiveness Study that StopWaste.org has prepared. This item needs to go before City Council before submitting the Green Building Ordinance to the California Energy Commission.

Development Services Director Rizk gave a brief overview of the BAAQMD event that he attended on May 4, 2009, in Oakland. He said that the keynote speaker, Thomas Friedman, offered a very interesting presentation about national policy and economics, and new technology development regarding addressing the negative impacts of global climate change.

- IV. Next Meeting: Wednesday, June 3, 2009
 - Update on Energy Efficiency and Conservation Block Grant Funds;
 - Bottle Bill

- VIII. Adjournment – Meeting adjourned at 6:15 p.m.



DATE: June 3, 2009

TO: Sustainability Committee

FROM: Director of Development Services

SUBJECT: Energy Efficiency and Conservation Block Grant (EECBG) Program

RECOMMENDATION

That the Committee reads and comments on this report.

SUMMARY

This report provides a summary of the Energy Efficiency and Conservation Block Grant (EECBG) Program and the potential funding allocations the City may make with the \$1,361,900 in funds.

BACKGROUND

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by President Obama on February 17, 2009. The Energy Efficiency and Conservation Block Grant (EECBG) Program is one of many programs funded by the Recovery Act. Over \$2.7 billion in formula-based grants are available to U.S. states, territories, local governments, and Indian tribes under the EECBG.

The purpose of the EECBG is to assist cities and counties in implementing projects and programs to reduce total energy use, reduce fossil fuel emissions, and improve energy efficiency in building and other appropriate sectors. California was allocated \$351.5 million for local governments to use for projects and programs to reduce total energy use. About \$302 million of these formula based grants will be allocated directly from the US Department of Energy (DOE) to 227 cities having a population over 35,000 and counties with populations over 200,000. Hayward's formula based allocation is \$1,361,900. Applications to the DOE are due June 25, 2009. The remaining \$49.6 million will be distributed to smaller cities and counties by the California Energy Commission (CEC).

Additional funding will subsequently be available through competitive based grants, under the EEBG program, as part of the ARRA. City staff will seek funding through that process as well when it becomes available.

DISCUSSION

Overview of Guidelines and Criteria –

The City may choose to submit the required Energy Efficiency and Conservation Strategy (EECS) either with the initial application or after receiving approval of the initial application. Upon approval of the initial application, the City may receive up to \$250,000 for development of the EECS and related, approved activities. If not submitted with the application, the EECS is required to be developed within 120 days of the effective date of the award. The balance of the allocation will be allocated upon the Department of Energy's approval of the City's EECS. Given reduced staffing and fiscal resources, staff will develop an EECS after application submittal and adoption of the Climate Action Plan (CAP). The CAP provides a basis for the EECS and will help with the development of it, to include a detailed analysis of the cost and schedule for implementation of the adopted CAP strategies. Staff anticipates that development of the EECS will cost no more than \$20,000 and will take two months to develop.

According to the Guidelines, the following activities are eligible:

- Development of an EECS and Technical Consultant Services to assist in the development of such a strategy (limited to \$250,000)
- Administrative support related to the management of the awarded grant funds (limited to 10 percent of award or \$136,000)
- Residential and Commercial Building Energy Audits
- Financial Incentive Programs and Mechanisms for energy efficiency improvements such as energy savings performance contracting, on-bill financing, and revolving loan funds (revolving loan funds are limited to 20 percent of award or \$272,000)
- Grants to nonprofit organizations and governmental agencies for the purpose of performing Energy Efficiency Retrofits (limited to 20 percent of award or \$272,000)
- Energy Efficiency and Conservation Programs for Buildings and Facilities
- Development and Implementation of Transportation Programs to conserve energy
- Building Codes and Inspections to promote building energy efficiency
- Energy Distribution Technologies that significantly increase energy efficiency, including distributed resources, combined heat and power, and district heating and cooling systems.
- Material Conservation Programs including source reduction, recycling, and recycled content procurement programs that lead to increases in energy efficiency
- Reduction and Capture of Methane and Greenhouse Gases generated by landfills or similar waste-related sources
- Energy efficient Traffic Signals and Street Lighting
- Renewable Energy Technologies on Government Buildings
- Any Other Appropriate Activity that meets the purposes of the program and is approved by DOE

DOE encourages grantees to prioritize programs and projects that:

- Leverage other public and private resources.
- Enhance workforce development.
- Persist beyond the funding period.

- Promote energy market transformation such as revolving loans, low-cost loans, energy savings performance contracting, advanced building codes, building and home retrofit incentives and policies, and transportation programs and policies.

Entities are required to obligate/commit all funds within 18 months from the effective date of the award and to implement/use funds within 36 months of award.

Grantees will be required to report regularly to the DOE on five metrics:

1. Jobs created and/or retained
2. Energy savings on a per dollar invested basis
3. Renewable energy capacity installed
4. Greenhouse gas emissions reduced
5. Funds leveraged

Summary of Proposed EEBG Funded Programs/Projects for Hayward –

Below is a table that summarizes the programs/projects staff is proposing associated with the \$1,361,900 in formula based grant funds to be allocated to Hayward, followed by a brief explanation of each of those projects/programs. Staff used the program criteria and objectives as basis for recommending such projects/programs, and welcomes input by the Committee members on these and other items of interest.

Title of Project/Program	Anticipated Cost	Brief Description
Sustainability Coordinator	\$450,000	Hire a new full-time Sustainability Coordinator for three years. The first task of the Coordinator would be to develop the EECS.
Revolving Loan Program for Businesses	\$272,000	Establish a revolving loan program for use by local businesses for energy efficiency upgrades
Energy Efficiency Retrofit Grant Program for Nonprofits and Govt. Agencies	\$271,500	Establish a grant program to fund energy efficiency retrofits for nonprofit and governmental organizations
Residential and Commercial Building Energy Audits	\$250,000	Funds to be awarded to qualifying residences and commercial buildings for the purpose of conducting energy audits
LED Streetlights near South Hayward BART Station	\$70,000	Install new LED streetlights along Dixon Street between Tennyson Rd. and Industrial Pkwy. and along Tennyson Rd. between the BART tracks and Mission Blvd.
Stopwaste.org's Green Packages Development	\$48,400	Contribute to Stopwaste.org's effort to develop Countywide green packages program
TOTAL:	\$1,361,900	

Sustainability Coordinator:

Staff is proposing that a portion of the grant funds be used to fund a full-time contract Sustainability Coordinator position for three years. Staff has received several approximate estimates from various

vendors as to the rate/cost for such a consultant, and is estimating that such position would cost approximately \$150,000 per year. Staff will continue to refine the cost estimate for the grant application package. The Sustainability Coordinator would be the lead on sustainable activities/planning for the City, under the direction of the Development Services Director or City Manager. Besides development of an Energy Efficiency and Conservation Strategy, which would provide specifics on the costs and processes for implementing the CAP actions, the Coordinator would have several responsibilities including:

- Administration with Economic Development staff of the energy efficiency revolving loan program
- Liaison to PG&E for partnership programs
- Development and implementation of a Residential Energy Conservation Ordinance (RECO)
- Development and implementation of a Commercial Energy Conservation Ordinance (CECO)
- Coordination of reports/presentations to the City Council Sustainability Committee
- Oversight of development of financing programs for Hayward, including a Countywide program similar to Berkeley's for residential and commercial energy efficiency and renewable energy improvements
- Monitoring and reporting on the City's progress toward the greenhouse gas emissions reductions targets identified in our Climate Action Plan (CAP), including updating the emissions inventory
- Development and implementation of community outreach programs associated with the CAP, in coordination with other jurisdictions and entities, such as Stopwaste.org and PG&E
- Coordinating the Climate Action Management Team, whose formation is recommended by the CAP
- Preparing a financial plan as part of the EECS for the implementation of the CAP
- Pursuing additional grant funding and other financing related to energy efficiency and sustainability.

Revolving Loan Program:

Staff envisions this program would be run in similar fashion to the City's Small Business Revolving Loan Fund program, with the Sustainability Coordinator working with the Economic Development staff to develop criteria for loan awards, to be presented to the Sustainability Committee at a future date as part of the EECS development process.

Grant Program for Nonprofits and Governmental Agencies:

This would be a grant program established for use by nonprofit entities and the City to fund energy efficiency upgrades for facilities. Staff envisions the Sustainability Coordinator would establish participation and performance criteria to be used by a recommending committee, to be presented in the future to the Sustainability Committee, which will be identified during the preparation of the EECS. Staff welcomes input from the Committee members on whom they feel should serve on such committee and the criteria to be used in determining awards.

Residential and Commercial Building Energy Audits:

This program would provide funding to eligible residents and business owners to perform energy audits of their structures. An energy audit for a single-family home typically costs several hundred

dollars. Assuming an audit costs \$750, the proposed \$250,000 allocation toward this function would allow for 333 residential energy audits. As with the loan and grant programs described above, staff envisions the Sustainability Coordinator would develop criteria to be used in determining allocation of these funds by a recommending committee, which will be presented to the Sustainability Committee for review and feedback as part of the process for preparation of the EECS.

South Hayward BART LED Streetlights:

This project would entail installation of 44 street light heads along Dixon Street and Tennyson Road near the South Hayward BART station. The use of these stimulus EECBG funds strengthens the scoring of the two State Proposition 1C grant applications associated with the approved South Hayward BART Mixed Use project. The maximum amount of those two Proposition 1C grants if awarded would be \$47 million.

Stopwaste.org's Green Packages Development:

Green Packages is an Alameda County-wide existing building retrofit program being developed by Stopwaste.org that support's Hayward's climate action goals of reducing greenhouse gas emissions and complements its existing green building ordinances. The core objective of Green Packages is to stimulate demand and strengthen the infrastructure to retrofit existing residential and small commercial buildings by overcoming obstacles that hinder widespread deployment of proven resource-efficient retrofit strategies. During a 2-year implementation period, this project will produce the following countywide benefits: \$115.5 million in local private investment, 1,100 jobs created, \$43.5 million of energy savings, and 46,120 tons of CO₂ reductions. Representatives from the California Energy Commission and California Public Utilities Commission will be participating in the Green Packages Technical Advisory Group to ensure coordination with state programs and objectives. Hayward and other County jurisdictions will be contributing 3.55% (\$48,400 for Hayward) of their allocated grant funds toward this program development, with Stopwaste.org to contribute \$130,000.

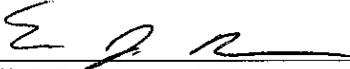
FISCAL IMPACT

There will be no direct impacts to the General Fund, though additional staff time to administer the revolving loan program will be required. Staff will ensure that the EECBG revenue and expenditure items are incorporated into the final FY10 Budget for the City. It is also possible the City may wish to continue the Sustainability Coordinator position beyond the three years, which would require funding from other sources.

NEXT STEPS

Staff will prepare and submit an application without a Strategy to the Department of Energy by June 25, 2009. The Strategy will be developed and submitted to DOE within 120 days of the funding award.

Prepared by:



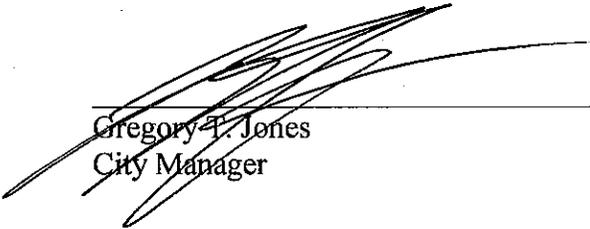
Erik J. Pearson, AICP
Senior Planner

Recommended by:



David Rizk, AICP
Director of Development Services Department

Approved by:



Gregory T. Jones
City Manager

Senate Bill 55

Expansion of the Beverage Container Recycling Program

Author - Senator Ellen M. Corbett

Summary

Senate Bill 55 would expand the Beverage Container Recycling Program to cover beverages it currently covers regardless of size or container types with few exceptions. Currently, glass, metal and plastic beverage containers are the only container types in the program. Senate Bill 55 will put other container types in the program, such as paper. Senate Bill 55 will also reform the market development grant program to help aseptic containers be recycled and create green jobs. In addition, Senate Bill 55 provides assistance to our local conservation corps, recyclers and local government recycling programs.

Background

California's successful Bottle and Can Recycling Law has reached historic rates of recycling. Containers covered in this program are recycled at almost 70 percent. Each container type has increased its recycling rate every year. Participants in this recycling program have worked hard to do the right thing by making their products out of recyclable material.

Since 1988, Californians have recycled more than 10 million tons of aluminum, glass and plastic beverage containers. No other recycling program or policy in this state has resulted in higher recycling levels, and no program of its kind in the country has been found to be more cost effective. Beverage container recycling in California prevents the emissions of nearly 300,000 metric tons of green house gases annually. Our recycling infrastructure also employs a significant number of Californians with high wage jobs. California's recycling industry is comprised of 5,300 establishments, 85,000 jobs, generates \$4 billion in salaries and wages, and produces \$10 billion worth of goods and services annually.

Contact: Michael Jarred (916) 651-4010

SB 55

Senate Bill 55 would expand the Beverage Container Recycling Program to cover beverages it currently covers regardless of size and container type with few exceptions. Currently, glass, metal and plastic beverage containers are the only container types in the program. Senate Bill 55 will put other container types in the program, such as paper. This will level the playing field and that will compel every producer of a covered beverage to pick a beverage container type that is recyclable. If manufacturers can pick a container type that is non-recyclable and not be in the beverage container recycling program, it jeopardizes a key principle of the program that drives manufacturers to produce products out of recyclable material.

Senate Bill 55 will also reform the market development grant program to help aseptic containers be recycled and create green jobs. Currently, there are no facilities in California that can extract the high grade paper fibers that make up 70 percent of aseptic packages. Other countries have such machines and are able to recycle both the paper fiber and the plastic from these containers.

In addition, Senate Bill 55 provides assistance to our local conservation corps, recyclers and local government recycling programs. This assistance will protect jobs and our recycling infrastructure.

Support

Californians Against Waste (Sponsor)
California State Association of Counties
Stopwaste.org
Tomra Pacific, Inc