



Legislation Text

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Memo to: Manteca City Council
From: Peni Basalusalu, Public Works Deputy Director, Operations
Date: June 18, 2019
Subject: Solid Waste Services and Recycling Update

Receive and file a report on Solid Waste recycling and authorize the City Manager to sign an amendment with San Joaquin County.

Background:

The recycling world has had a tremendous shift since China implemented its National Sword policy and restrictions on the import of recyclable material into their nation. This shift has negatively affected how we recycle here in Manteca and even more so, what we are able to recycle.

Despite the difference of opinions on the issue, the fact remains that waste is generated daily and there is an obligation for that waste to be managed wisely and cost effectively. Along with the challenges of the new recycling policy, there are mandates enforced by State governing bodies that the City still needs to follow.

AB 341 - Mandatory Commercial Recycling, requires businesses that generate four cubic yards or more of commercial solid waste per week or are a multifamily residential dwelling of five units or more must now arrange for recycling services.

AB 1826 - Mandatory Commercial Organic Recycling, requires commercial businesses to arrange for organic waste recycling services if they generate 4 cubic yards of solid waste per week, in addition to laws aiming to reduce the amount of organic waste by 50 percent by 2020 and by 75 percent by 2025.

There are efforts that are underway to assure that Manteca is doing its due diligence in keeping with the new recycling policies. Manteca residents have responded actively by putting forth the effort to source separate appropriate commodities for the appropriate cans. Similar approaches are being taken by the commercial businesses. Public Outreach and Education efforts will continue to be a part of the entire process. Staff will report what has been done so far, what staff will continue to do and what staff could prepare for in managing our solid waste and doing our part to protect our environment.

On September 15, 2015, the City approved an Agreement with San Joaquin County (County) to accept the City's solid waste at the County's Lovelace Transfer Station.

On November 22, 2017, the City approved the First Amendment to the Agreement. The Amendment

was approved by the County April 10, 2018. The County and City now desire to further amend the Agreement in order **to increase the flexibility for disposal of food waste and recyclables**. Except as amended, all other terms and conditions of the Agreement remain the same.

Over the years, the County has been a great partner to the City in managing its waste stream. Recent adjustments in the waste management world prompted this contract amendment, one that will benefit both the City and County. The contract gave the County exclusive rights to the City's municipal waste and recyclables that were delivered to the Lovelace Transfer Station. The City pays a tipping fee for municipal waste, but the County was obligated to take the recycles at no cost to the City. With China's National Sword Policy now in full effect the County has no place to take the recycles, but the City was unable to offer the recycles to others due to the exclusive clause in the contract. This amendment will remove the exclusive clause and allow the City to pursue other options for disposal of its recyclable materials.

The actual amendment of the contract does not have any fiscal impact to the City. However, any load of salable commodities brought to the transfer station that exceeds 20% contamination is going to be charged the normal refuse rates. Since the initial execution of the agreement, there was no charge levied upon the City by the County, giving the County opportunity to generate revenue from the City's recyclables it collects at Lovelace Transfer Station. Now in 2019 with the market changes, the County and the City are reconsidering the cost effectiveness of the current agreement.

Since materials taken to Lovelace from the City is having a negative fiscal impact, the County has set the expectation to have less than 20% contamination on salable and recyclable materials being brought over to the Lovelace Transfer Station.

By increasing the **flexibility** of where the City can take its waste and salable recyclable materials, staff can then research options available to assure that they are in the best interest of the City. An RFI process has been initiated by staff to gauge estimates of the market costs we will be facing. The following companies have been contacted or have expressed interest in working with the City.

- Forward Landfill
- Tracy Material Recovery
- Stockton Recycling
- Cal Waste
- Gilton Waste Management

With Council's approval, staff will move forward with an RFP process and bring back to Council the best options to managing to Manteca's recyclable commodities.

Fiscal Impact:

The County looks to charge regular refuse rate of \$52.83 per ton for any load that comes in with more than 20% contamination of non-salable commodities. It is also important to note that recyclers are looking for ways to keep their businesses afloat as they too struggle to adjust to the effects of the change in the recycling world. Staff projects that whatever fiscal impact the recyclers face they will pass them on to those who wish to use their services.

Staff will continue to monitor the effects these changes will have on the Solid Waste budget and will return to Council should additional funding be necessary.

Documents Attached:

1. Attachment 1 - Amendment
2. Attachment 2 - Residential Blue Cart Waste Characterization Study, February 2019