



**A Public Agency**

# COLLECTION AND RECYCLING PROGRAM SUPPORT AND COMPLIANCE



## STAFF REPORT

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To: SBWMA Board Members  
From: Cliff Feldman, Recycling Programs Manager  
Date: June 23, 2016 Board of Directors Meeting  
Subject: Status Report on Implementation of Commercial Recycling Hauler Reporting System Ordinance

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### Recommendation

This staff report is for discussion purposes only and no formal action is requested of the Board of Directors.

### Analysis

On October 23, 2014, the SBWMA Board of Directors adopted Ordinance No. 002, the JPA's Commercial Recycling Reporting Ordinance, which became effective on January 1, 2015 and requires commercial recycling haulers to report tons collected quarterly. Staff last provided an update to the Board at the January 28, 2016 Board meeting.

Staff continues contacting businesses to register online and begin reporting. Since the last update to the Board, registrations have increased 45% from 48 businesses registered to the current 70. The active list of businesses that are being contacted to register totals 203 and 113 are currently identified as non-compliant or potentially non-compliant. The number of reports submitted by quarter range from 33 for Q1-2015 to 27 for Q1-2016. However, it is important to note that in many cases businesses tend to submit reports well after the deadline and only after receiving several notices from staff, thus it is anticipated that many more Q1-2016 reports will be forthcoming. (The deadline for Q1-2016 reports was May 1, 2016.) In addition, as businesses are registered, they are requested to provide past quarterly reports to the extent feasible.

We are frequently faced with barriers in obtaining more registrations and will continue to work towards overcoming these barriers. For example, businesses contacted to register have simply refused to comply and/or the parent corporation is unresponsive to requests to provide a clear point of contact responsible for recycling at the local store/business locations, and most commonly the store/business manager or other individual presented as the appropriate contact, is either unavailable or non-responsive. Staff will continue to encourage these businesses to comply and will be requesting the assistance from our Member Agencies to send letters to these potentially non-compliant businesses as we have done in the past. A list is being prepared and will be shared with our Member Agencies to commence sending letters directly to non-compliant and potentially non-compliant businesses.

From the reports provided, the amounts and types of material collected vary and approximately 18,000 tons were reported for Q1-2015, 11,000 for Q2-2015, 11,000 for Q3-2015, 20,000 for Q4-2015 and 20,000 for Q1-2016. The largest quantities (in order) of individual material types are mixed construction and demolition debris, dirt/inerts, green/yard waste and cardboard. As predicted, even a small sampling of non-franchised commercial recycling activities provides some insights as to the magnitude of independent recycling occurring in the RethinkWaste service area. As a matter of comparison, Recology's 2015 commercial recycling totaled of 58,784 tons, and was comprised of 33,542 tons of recyclables and 25,241 tons of organics.

Staff's original diversion projections based on the Q1-2015 reports estimated an additional 26,500 tons of commercial recycling (Table 1) to the diversion figures used in the Long Range Plan. Table 2 provides an update of this diversion estimate based on the information provided to date through Q1-2016 (i.e., an increase of the potential diversion estimate by including 60,000 additional tons).

Table 3 shows an update on projected future diversion through 2020 reflective of the revised baseline forecast in Table 2 plus new diversion expected from recommended Long Range Plan projects. The SBWMA's new forecasted overall diversion rate for 2020 has increased from 70.02% to 72.49%.

**Table 1 (based on Q1-2015 projected for entire year)<sup>1</sup>**

Projected Future Measured Diversion Rate % by Sector with Current Programs 2015-2020								
Sector	Year							
	Actual Results		Projected Results					
	2013	2014	2015	2016	2017	2018	2019	2020
Residential	66.90%	66.48%	66.59%	66.59%	66.59%	66.59%	66.59%	66.59%
Commercial/MFD	29.77%	31.04%	41.06%	43.46%	45.49%	46.87%	48.54%	49.71%
Overall	48.83%	48.90%	52.971%	54.26%	55.34%	56.08%	56.97%	57.59%

Note: Preliminary Commercial Recycling Reporting Ordinance data is included (i.e., 26,500 tons).

<sup>1</sup>Table 1 as shown is included in the Board adopted 2015 Long Range Plan document as Table 2.1: Baseline Measured Diversion Rate by Sector with Current Programs 2015-2020.

**Table 2 (based on tonnage thru Q1-2016 projected for entire year)**

Projected Future Measured Diversion Rate % for 2015-2020								
Sector	Year							
	Actual Results		Projected Results					
	2013	2014	2015	2016	2017	2018	2019	2020
Residential	66.90%	66.48%	66.59%	66.59%	66.59%	67.02%	67.88%	68.22%
Commercial/MFD	29.77%	31.04%	49.55%	51.60%	53.34%	54.52%	55.95%	56.95%
Overall	48.83%	48.90%	56.845%	58.03%	59.02%	59.88%	61.06%	61.78%

Note: Preliminary Commercial Recycling Reporting Ordinance data is included.

**Table 3 (projected future diversion through 2020 including new diversion and LRP projects)**

Projected Future Measured Diversion Rate % by Sector for 2015-2020								
Sector	Year							
	Actual Results		Projected Results					
	2013	2014	2015	2016	2017	2018	2019	2020
Residential	66.90%	66.48%	66.59%	66.59%	66.59%	71.32%	76.35%	76.60%
Commercial/MFD	29.77%	31.04%	49.55%	51.60%	53.34%	61.96%	69.40%	69.40%
Overall	48.83%	48.90%	56.845%	58.02%	59.02%	65.97%	72.38%	72.49%

Note: Preliminary Commercial Recycling Reporting Ordinance data is included.

Staff's efforts to continue reaching out and educating businesses about the Ordinance will be ongoing via additional direct mail letters, phone calls and emails. Staff will also continue to work with our Member Agencies regarding the businesses located in their jurisdictions. However, it is important to note that less than 50% of all

identified businesses are located in our Member Agencies. In addition, the list of potentially affected businesses continues to be refined. For example, after contacting some businesses that were initially identified it turns out they are not required to submit reports, and our efforts continue to result in identifying other independent recycling haulers which are then added to the list.

### **Background**

At the October 23, 2014 Board meeting, the Board adopted Ordinance No. 002 – Recycling Reporting Requirements for Commercial Recycling Haulers. The Ordinance will enable RethinkWaste to develop a more complete picture of existing diversion efforts for the commercial sector, since the only diversion information currently available is provided by Recology, the Member Agencies franchised service provider. Based solely on tonnage data provided by Recology, the commercial diversion rate for 2015 was 33.0%. The actual overall commercial diversion rate is likely much higher once we factor in diversion data from non-franchised haulers.

This SBWMA-wide Ordinance implements reporting requirements for non-franchised commercial recycling haulers (e.g., paper recycling companies, scrap metal haulers, construction and demolition debris haulers, businesses that backhaul recyclables and/or compost materials to distribution centers, etc.) in an effort to begin collecting diversion data that is currently unavailable. The Ordinance became effective on January 1, 2015 and the haulers are required to provide reports quarterly.

### **Fiscal Impact**

There is no fiscal impact associated with this staff update. The approved FY1516 budget included \$15,000 for stakeholder engagement and encouraging compliance efforts and the FY16/17 budget proposes the same amount. The Ordinance allows the Executive Director to establish an administrative fee in an amount not to exceed \$150 to cover the SBWMA costs to administer the Ordinance. The administrative fee for 2015 and 2016 was set at \$125 and is charged to commercial recycling haulers required to register and submit reports.