

FINANCE OFFICER'S REPORT
September 29, 2006

To: Board of Directors

From: Suha Kilic, Finance Officer

Subject: **Solid Waste Program Review**

RECOMMENDATION

This report has been submitted to provide an overview of the District's solid waste program and information on issues which may be carried forward to the District's next strategic planning session.

HISTORY AND BACKGROUND

1987:

In a special election held on March 31, 1987 the voters gave the District authority to provide garbage collection and disposal services (at that time the State Law required voter approval for assumption of a new service by a special district). Prior to the District's take over, the garbage service in Pebble Beach was provided under a contract between the Pebble Beach Company and the Carmel Marina Corporation ("CMC"), then a privately held local company. During that time not all property owners were using the garbage service.

Upon assumption of this authority, in June 1987 the District adopted Ordinance No.13 which established the following major points. The ordinance is still in effect.

- No person shall accumulate garbage or refuse on any premises if it is a menace to health or a fire hazard or otherwise dangerous or offensive.
- No person shall dump garbage into roadways, open spaces or undeveloped lots.
- No person shall collect or transport garbage other than the District or its contractors, except occupants who may personally remove and transport refuse from their property.
- All improved lots shall be provided with basic collection services at all times. The service shall not be discontinued for vacancy or other reasons.
- Fees for basic collection services shall be collected by the District on the property tax rolls. Fees for supplemental services (requested by residents on a discretionary basis) shall be collected directly by the service provider.

Also in June 1987, the District awarded a 10-year exclusive franchise agreement to CMC to collect and dispose garbage for the residential and commercial properties within the District. The agreement required CMC to pay the District 5% of its revenues generated in Pebble

Beach as franchise fees.

1989:

California Integrated Waste Management Act (AB 939 by Senator Byron Sher) placed California at the forefront of environmental protection and solid waste reduction with an ambitious goal to reduce the amount of trash going to landfills by 25% in 1995, and by 50% in 2000, with penalties of up to \$10,000 per day for non-compliant local governments.

Also in 1989, the District sought representation on the Monterey Regional Waste Management District ("MRWMD") Board. However, the MRWMD Board suggested that the District demonstrate a period of participation in MRWMD programs and issues before this request would be seriously considered.

1990:

In coordination with the Del Monte Forest Property Owners ("DMFPO"), in September 1990 the District started a recyclable material collection program. CMC distributed 3 green plastic carts for residents to separate paper, glass, and plastic/metals.

1993:

In February 1993, the President of the DMFPO appeared before the Board requesting consideration for collection of household hazardous waste ("HHW"). Various alternatives were researched including MRWMD's purchase of a special truck to accept HHW at certain collection points on the peninsula. In August 1993, it was concluded that providing a HHW collection program on an on-going basis was not feasible (for the same reasons which still exist today and discussed later in this report). Yet, the District and the MRWMD co-sponsored a HHW collection event on Saturday October 23, 1993 from 9:00 a.m. to 1:00 p.m. at the District Fire Station to test the feasibility of holding one-day collection events. A photo of the event is attached.

Also in November 1993, the District more assertively began pursuing the objective of securing a seat on the MRWMD Board.

1995:

In January 1995, CMC requested a 15-year extension of its franchise agreement with the District (as well as all of the peninsula cities it serves). The request was based on the need to secure financing for construction of a Materials Recovery Facility ("MRF") to increase the amount of recyclable materials diverted from the waste stream to help comply with the

requirements of State Law.

In June 30, 1995, the District entered into a 15-year franchise agreement with CMC. The District developed its franchise agreement in coordination with other cities served by CMC. However, the franchise agreement of the District includes the following unique provisions:

1. If requested by a resident, containers can be collected from or be returned to a location within 100 feet of the roadway free of charge.
2. As long as the District is provided membership on the MRWMD Board, the garbage collected in the District will be delivered to the MRWMD landfill and recyclables which are not delivered to the CMC MRF (yardwaste, construction and demolition material, wood, scrap metal etc.) shall be delivered to MRWMD's MRF. This was one of the negotiation points of the District in its effort to secure a seat on the MRWMD Board.

In addition, the new agreement provided the residents to dispose an additional seven cans of garbage four times a year during quarterly clean-up weeks.

In October 1995, the MRWMD approved addition of a District's representative as its ninth Board member. Although its enabling legislation limits MRWMD Board membership to one representative from each participating city and county, it allows for addition of a member when there is an even number of members to eliminate potential tie vote situations. Currently, Director Leo Laska represents the District on the MRWMD Board. Although currently it is not an issue, *if in the future there would be another city participating in MRWMD (Carmel Valley or other), the continued representation of the District would require modification of MRWMD's enabling legislation.*

In addition the District started participating in the Monterey County Integrated Waste Management Task Force established pursuant to AB 939 to coordinate solid waste programs and increase recycling in the County. Membership on the Task Force includes staff from landfill operators, service companies, cities, the County and the District.

1998:

In July 1998, the District implemented a separate yardwaste collection program and a variable can rate system. Previously, the basic service included one 96-gallon container for both regular trash and yardwaste. Under the new program, the basic service included a 32-gallon container for trash and a separate 96-gallon container dedicated only for yardwaste.

The variable can rate system also referred to as "pay as you throw" was implemented to provide an incentive for recycling. The District negotiated a \$1.18 per month reduction (from \$13.78 to \$12.60 per month) in the fee charged for the basic service. Residents were

given the option to request 64-gallon or 96-gallon trash containers at \$14.80 and \$17.00 per month respectively. The revenue reduction to CMC as a result of the decrease in the basic service fee was assumed to be offset by the increase in fees collected from the subscribers of larger size containers.

2003:

In January 2003, the District implemented a single-stream recycling program to further facilitate recycling. The program involved replacement of three separate recycling carts used for paper, glass and plastic/metals with one 64-gallon wheeled container as part of the basic service. Thus residents became able to place all types of recyclables in that container without having to sort them. Similar to the cities of Camel-by-the-Sea and Pacific Grove, the District granted a five-year contract extension to CMC extending the term of the contract to June 30, 2015. The basis of the extension was to reduce the fee increase necessary to implement the new program, by allowing CMC to finance the cost of a new collection truck and new containers over a longer time period.

2006:

As shown in the attached August 22, 2006 MRWMD report, The District's current waste diversion rate is 60% (see the last column of the report) which exceeds the State's 50% requirement. This result may largely be attributed to the merits of various programs implemented over the years (i.e. yardwaste separation, variable can rate system and single stream recycling) and public education efforts. MRWMD does not separately report the District's diversion rates to the State, because the law only refers to the cities and the County. Yet the attached quarterly report is distributed to all MRWMD members, evidencing the District's efforts and its contribution towards higher County diversion rates.

Service Fees:

The District was able to keep the rates at reasonable levels over the years through negotiations and by carefully evaluating the financial impacts of new programs or issues on the franchise holder. The current monthly fee for the basic residential service in the District is \$15.11 per month. The monthly fees in other neighboring areas are: Carmel Valley: \$30.54; Carmel: \$21.81; Pacific Grove: \$15.93 and Monterey: \$15.92. In addition, the District and the city of Carmel are the only two jurisdictions where the fees include free one-way pickup or delivery service within 100 feet.

Current User Profile:

The District collects fees for the basic service on the property tax rolls from 2673 households. The following table summarizes the current profile of users per CMC records

Type of service Used	# of Households	Extra Cost (month)
Basic Service, One 32-gallon trash container	1434	
One 64-gallon trash container	635	\$2.65
One 96-gallon trash container	485	\$5.30
More than one 96-gallon trash container	119	Varies
Free 100-foot pick-up <u>or</u> delivery service	2422	
Both pickup and delivery service	178	\$3.89 for 32-gallon within 100 feet

Service Complaints:

The quality of the service provided by CMC is considered satisfactory indicated by very few service complaints over the years. During the last three years 10 service related complaints reported by the residents to the District for missed pickups (4), containers left at curbside after emptied (2), late delivery of containers for new service (1), late collection of containers for discontinued service (1) and late replacement of broken containers (2).

CURRENT ISSUES

1) Collection of Electronic waste and bulky items.

State Law prevents disposal of electronic waste which is also referred to as “universal waste” in landfills. Some examples of universal waste include: disposable and rechargeable batteries, fluorescent tubes, electronic devices (cell phones, computers, and televisions), cathode ray tubes (computer monitors and televisions) and mercury wastes (thermometers and toys). Bulky items include household furnishings (e.g. sofas, and mattresses) and appliances (e.g. hot water heaters, dishwashers, freon-free refrigerators).

In late July 2006, the residents were informed by mail that they can dispose used batteries and fluorescent light bulbs at one of the District's two fire stations. Over the past two months, about half of a five gallon bucket full of disposable batteries, 10 rechargeable batteries, 14 eight-foot light bulbs and 25 four-foot light bulbs have been collected (see attached photos). The items collected will be delivered to the MRWMD collection facility by the District staff every two to three months until another method of disposal is available.

As to collection of other electronic waste and bulky items, CMC proposed providing two

semi-annual collections at curbside for a \$1.19 per month rate increase. In review of this proposal, the Board may consider the aesthetic effects of such curbside collection program on the neighborhoods, in addition to the cost. Currently, there are periodic free electronic waste collection events available on the peninsula funded by the State and provided by non-profit organizations. The residents were notified by mail regarding one such event held at Monterey County Fairgrounds on July 28-30, 2006 which was also advertised in the Herald. There will be another event on Saturday September 30th at the Monterey Peninsula College for which the District could not notify the residents due to the short notice received. It is expected that in the future more such events will be held at convenient locations which may eliminate the need for an on-going collection program. In addition, electronic waste is now accepted free of charge at MRWMD facilities in Marina.

2) Collection of Household Hazardous Waste ("HHW"):

The law prevents disposal of flammable materials (e.g. paints and petroleum based products), corrosives (e.g. acids and drain clog remover) and toxics (e.g. poisons, pesticides, gardening chemicals, ammonia, and solvents) in the landfills. Currently residents can dispose such materials at the HHW collection facility of MRWMD in Marina. Implementation of a more convenient method of disposal does not seem to be financially feasible because collection and transportation of HHW requires: a) staff with special training, certification and license, b) special vehicle and, c) expensive pollution liability insurance which the District currently does not have or self-insurance which would be risky. For these reasons CMC does not provide this service, and previous efforts of the MRWMD and the District to provide such service on their own did not come to fruition. As reported earlier, in 1993, MRWMD moved forward as far as purchasing a truck to provide a mobile collection program where residents could drop off HHW at various convenient locations. Yet the program was never implemented.

Another method considered was special collection events where residents would bring HHW to a designated drop-off location. When researched by the staff, PSC Environmental Services of Benicia, CA, a company providing this special service, indicated that the cost of holding a daily HHW collection event depends on the amount of waste brought by the residents. Their experience shows that the average cost per participating vehicle ranges from \$70 to \$100. If, for example, 500 cars attend the event, it is estimated that the cost will be \$35,000 to \$50,000. They indicated that they could provide door-to-door collection programs, yet it would be more costly. The extreme cost was probably the reason that the special event held at the District in October 1993 on a test basis was never repeated.

Attachments: Photo from HHW collection event held at the District in October 1993
MRWMD Waste Diversion Rates Report, August 22, 2006
Photos of batteries and fluorescent lights at the District Fire Station

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Household Hazardous Waste Collection Event held at the District on Saturday October 23, 1993 9:00 am to 1:00 p.m.

AB 939 Recycling Rates

as of August 22, 2006

Cities	1995	1996	1997	1998	1999	2000	2001	2002	2003*	2004*	2005**	2Q 2006***
Carmel-by-the-Sea	26%	34%	33%	37%	42%	52%	56%	51%	52%	57%	56%	59%
Del Rey Oaks	31%	39%	37%	23%	39%	48%	55%	55%	60%	63%	64%	67%
Marina ****	43%	52%	59%	57%	58%	65%	63%	60%	55%	64%	47%	41%
Monterey	23%	28%	35%	54%	60%	65%	66%	64%	64%	67%	65%	66%
Pacific Grove	26%	35%	36%	38%	40%	52%	55%	54%	56%	61%	61%	60%
Sand City	7%	30%	40%	37%	45%	48%	51%	48%	47%	59%	58%	53%
Seaside ****	38%	47%	49%	47%	51%	56%	58%	47%	48%	59%	56%	57%
Monterey Co. In Dist *****	12%	17%	23%	37%	41%	48%	48%	47%	47%	48%	43%	43%
Pebble Beach *****	N/A	30%	37%	35%	43%	59%	58%	59%	60%	56%	58%	60%

* 2003 & 2004: These rates have been submitted to the CIWMB for the next biannual review in the fall of 2006.

** 2005 rates may change when the final 2005 Adjustment Factors become available in the 4th Qtr of 2006 and when waste taken outside of the District is reported to CIWMB.

*** 2nd Qtr 2006 represents tonnage landfilled at the District during 1st and 2nd Qtrs 2006, and 3rd and 4th Qtrs 2005 with 2004 adjustment factors.

**** Marina and Seaside 2002-6 rates reflect the deconstruction of portions of FL Ord within Marina and Seaside boundaries.

***** Monterey Co. In District rates are based on tonnage accepted and diverted at the District.

***** Pebble Beach tonnage was not tracked separately until 1996. 1996 and 1997 rates use an estimated 1990 base year method. 1998 through 2006 rates use a current year disposal to current year generation method.

Prepared by Don Prescott, MRWMD Information Systems Manager



Used batteries and fluorescent lights currently collected at PBCSD Fire Station

*Non-
Rechargeable
Battery Waste
Bin*

