COUNCIL AGENDA: 06-03-08
ITEM: 3.9

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Lee Price, MMC
City Clerk

SUBJECT: **AB 2460 (HUFFMAN) SOLID WASTE: COMPOSTABLE ORGANICS MANAGEMENT**

DATE: 05-29-08

RECOMMENDATION

As recommended by the Rules and Open Government Committee of May 21, 2008 and outlined in the attached memo previously submitted to and approved by the Rules and Open Government Committee, adopt a position of support for AB 2460 (Huffman) Solid Waste: Compostable Organics Management.

RULES COMMITTEE: 05-28-08
ITEM: C1a

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: RULES AND OPEN GOVERNMENT COMMITTEE

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 05-21-08

Approved

Date 5/22/08

SUBJECT: AB 2640 (HUFFMAN) SOLID WASTE: COMPOSTABLE ORGANICS MANAGEMENT

RECOMMENDATION

It is recommended that:

1. The City Council support AB 2460 (Huffman); and

2. The Committee provide a one-week turnaround for Mayor and City Council review.

OUTCOME

Providing the Rules and Open Government Committee and City Council accept staff's recommendation, the City lobbyist could begin seeking support for AB 2640 (Huffman).

AB 2640 supports Council's 2008 legislative priority to increase state funding to create adequate infrastructure for processing organics waste and Council direction to implement San Jose's Green Vision and Urban Environmental Accords Zero Waste goals. Staff's participation in policy, program, and incentive development as part of AB 2640 implementation ensures that San Jose has the opportunity to provide leadership and address its interests related to solid waste diversion.

Currently, organic material is not subject to most City fees. Passage of this bill would impose a state fee on organic material which could discourage green waste generators from using limited landfill space for organic material and reduce the environmental and economic impacts of green waste.

BACKGROUND

According to the California Integrated Waste Management Board (CIWMB), approximately 2.8 million tons of green waste was used as Alternative Daily Cover (materials other than dirt used to cover the tipping face of the landfill) in 2006. In December 2007, the CIWMB released an Organics Policy Roadmap, which included a directive for cities to reduce organics in the waste stream by 50% by 2020. The Alternative Daily Cover Policy Task Force, of which San Jose is a member, met for the first time earlier this month to develop options to reduce green material Alternative Daily Cover, including potential statutory changes. One of the policy options that the working group is analyzing includes the use of tipping fees to create a disincentive for green material as Alternative Daily Cover while creating a fund for infrastructure or marketing grants.

Description

AB 2640 is intended to promote the highest and best use of organic materials in California. The bill would establish a process to reduce the volume of compostable organic material disposed in solid waste landfills. Specifically, this bill would:

1. Require the CIWMB to adopt policies and implement programs to ensure that, starting January 1, 2020, the amount of compostable organics deposited in landfills is reduced by at least 50% from current levels;

2. Impose a $1.40 per ton tipping fee, on all green material received at a solid waste landfill for use as Alternative Daily Cover or other purposes at the landfill. This fee mirrors the current $1.40 tipping fee imposed on all solid waste;

3. Require revenue generated by the green material tipping fee to be deposited into a newly-created Organics Management Account (OMA);

4. Require the CIWMB to develop a program of grants and loans for compostable organics management projects that meet or exceed new or existing state environmental standards;

5. Require the CIWMB to adopt a program, to start on July 1, 2010, for compostable organics management.

ANALYSIS

A fact sheet and analysis of AB 2460 is attached.

COORDINATION

This memorandum was coordinated with the City Attorney's Office, Intergovernmental Relations Director in the City Manager's Office, and the City's Legislative Representative in Sacramento.

POLICY ALIGNMENT

The attached fact sheet and analyses support Council-adopted 2008 Legislative Priorities and Legislative Guiding Principles, and the City's Green Vision, Zero Waste, and Urban Environmental Accords goals.

JOHN STUFFLEBEAN
Director, Environmental Services

For questions, please contact Jo Zientek, Deputy Director, (408) 535-8557.

Attachment: Fact sheet and Analysis of AB 2460

AB 2460 (Huffman)
SOLID WASTE: COMPOSTABLE ORGANICS MANAGEMENT

What's the issue the bill is trying to resolve?

Currently more than 2.8 million tons of compostable green material is delivered to landfills for use as Alternative Daily Cover, when that material has a higher and better use. AB 2640 will set up a "Compostable Organics Management Program" that will encourage the development of environmentally superior alternatives to landfilling organic compostable materials including composting, anaerobic digestion, biomass-to-energy, and other technologies that process organic materials. The bill would charge a fee of $1.40 per ton of green materials used for "beneficial reuse" in landfills, including use as daily cover. The revenue from this fee will be used to promote activities that divert these materials from landfills.

How would the passage of this bill affect San Jose?

There would be limited impact on the City of San Jose, as current contract provisions specifically prohibit the use of green material use as Alternative Daily Cover or any other use at the landfill. The cities and counties that have taken an "opposed" position are largely in Southern California where there is great reliance on green waste ADC as the least expensive way to meet their diversion mandates. The list of non-supporting cities was also created when the legislation contained language to remove the diversion credit for green waste as ADC. This provision has subsequently been removed, but the opposed list has not been modified. One of the key discussions about fees in the state working group has been how to provide support for the most affected communities through the Organics Management Account. While Santa Clara County and the Bay Area in general are small users of green material ADC, the region would benefit from more state funds to support processing infrastructure.

San Jose has been able to meet state mandates without the use of green material as Alternative Daily Cover, and continues to provide statewide leadership for highest and best use of green waste as compost and other beneficial soil amendments. The proposed fees would incentivize local commercial generators who currently use green material as Alternative Daily Cover to find higher and better uses for the material rather than paying higher fees. Staff could recommend language to clarify that the legislature does not intend to restrict the authority of jurisdictions to regulate Alternative Daily Cover or to apply local fees as already authorized.

The Author's intent for the proposed Organics Management Account (OMA) is to encourage the development and use of environmentally superior alternatives to Alternative Daily Cover, including composting, anaerobic digestion, biomass-to-energy, and other technologies that process organic materials. These funds could provide opportunities for supporting regional compost infrastructure that would benefit San Jose's zero waste implementation. There is insufficient processing capacity for organic wastes in the Bay Area and the State. The lack of capacity results in higher costs, unnecessary disposal of recyclable materials, waste causes increased Green House Gas (GHG) emissions. There are insufficient funds dedicated at the State

level to address these issues and more and more restrictions on the City's ability to fund new programs and facilities. The City would benefit from the increased State funding to site and promote organics processing infrastructure. State-supported organics processing capacity will moderate the City's costs to implement 75% diversion and Zero Waste over the next 15 years by covering some of the capital costs and creating a more competition environment for facilities that process organic wastes.

What is staff's Proposed Position?

Staff recommends that the City support AB 2460.

Who are the bill's supporters and opponents?

Supporters.
Californians Against Waste
California Association of Professional Scientists
California Compost Coalition
California Refuse Removal Council
California Resource Recovery Association
City of Azusa
City and County of San Francisco Department of the Environment
Green Waste
Marin Sanitary Service
Norcal Waste Systems, Inc.
Rethink Waste (South Bayside Waste Management Authority)
Sonoma Compost Co., LLC
StopWaste.Org (Alameda County Waste Management Authority)
Waste Management
Z-Best Products
Zanker Road Resource Management

*Many other cities are currently considering a "support" position for the bill including Oakland and the City of Los Angeles

Opposition.
Athens Services
City of Alhambra
City of Artesia
City of Desert Hot Springs
City of El Segundo
City of Pomona
City of West Covina
Consolidated Disposal Services
County Sanitation Districts of Los Angeles County

CR&R Incorporated
Desert Valley Disposal, Inc.
Inland Empire Disposal Association
Lassen Regional Solid Waste Management Authority
Palm Springs Disposal Services
Rainbow Disposal Co., Inc.
Regional County of Rural Counties
Republic Services of Southern California
Richmond Sanitary Service
San Gabriel Valley County of Governments
Sanitation Districts of Los Angeles County
Solid Waste Association of North America
Solid Waste Association of Orange County
SWAOC
Taormina Industries
Varner Bros., Inc.

What is the current status of the measure?

AB 2640 was put on the Appropriations Committee Suspense File April 30. Previously, the bill passed out of the Assembly Natural Resources Committee on April 14th with a 5-3 vote.