

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 1
NOVEMBER 6, 2017

CD: ALL

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE MAYOR
NOV 06 2017

AND REFERRED TO THE CITY COUNCIL
Chang
Executive Officer
Board of Public Works

AUTHORITY TO SUBMIT APPLICATIONS AND ACCEPT PAYMENTS FOR THE USED OIL PAYMENT PROGRAM FOR FISCAL YEARS 2018 THRU 2022 FROM THE DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY FOR ESTABLISHING AND MAINTAINING LOCAL USED OIL COLLECTION AND RECYCLING PROGRAMS

RECOMMENDATIONS

1. Approve and forward this report forthwith, with its transmittals, to the Mayor and the City Council, with the recommendations that the City Council, subject to concurrence of the Mayor, authorize the Director of LA Sanitation (LASAN), or designee, to: submit applications to the Department of Resources Recycling and Recovery (CalRecycle) for the Used Oil Payment Program (OPP); and accept the payments from CalRecycle, to conduct all negotiations, to provide additional information, and to execute and submit all documents, including, but not limited to, applications, agreements, and amendments, subject to the approval of the City Attorney as to form and legality, which may be necessary to secure funding with respect to the OPP.
2. Request the City Council to adopt the Resolution (Transmittal No. 1) authorizing the submittal of applications for the OPP for fiscal years 2018-19 through 2022-23.
3. Request the City Council to approve the acceptance of the Used Oil Payment through the OPP, estimated at \$1,000,000 annually, for fiscal years 2018-19 thru 2022-23, and appoint the Director of LASAN, or designee, to conduct all negotiations and to submit all documents necessary for maintaining a used oil collection and recycling program.

TRANSMITTALS

1. Copy of proposed Resolution. (Transmittal No. 1)

FISCAL IMPACT STATEMENT

The submittal and receipt of grant funds will maintain the existing used oil and used oil filter collection and recycling program. Failure to request and accept the funds from CalRecycle will eliminate the funding available to the LASAN to conduct its used oil and used oil filters collection program. There is no fiscal impact on the General Fund, as all program expenditures are from special funds.

DISCUSSION

Since 1987 it has been illegal in California to dispose of used oil in sewers, drainage systems, surface or ground waters, watercourses, or marine waters, by domestic incineration, or onto land or in the trash. In 1991, the California legislature passed the Oil Recycling Enhancement Act (ACT) to address the significant threat to California's environment from illegally dumped used motor oil. The ACT provides funds to cities and counties for establishing and maintaining local used oil collection and recycling programs.

In 2009, Senate Bill 546 was enacted and made various changes to the California Oil Recycling Enhancement Act, including: changing the funding from a reimbursable grant program (formerly known as the Used Oil Block Grant Program [UBG]) to a payment program. In an effort to streamline the process, CalRecycle changed the administrative procedures to be more efficient and effective. The OPP allows participants flexibility in development and management of their local used oil programs while minimizing their administrative burden. Funding under the OPP is no longer reimbursements. Funds from the OPP are lump sum and distributed in April of each fiscal year.

CalRecycle has been delegated the responsibility for the administration of the program by the State of California and for setting up the necessary procedures governing the operation of the program by the different cities and counties. CalRecycle awards annual Used Oil Payments to support used oil and oil filter recycling programs, which required the submission of annual applications. CalRecycle's procedures for administering the OPP encourage local jurisdictions, among other things, to use the open-ended or 5 year resolution for the OPP.

Since 1994, the LASAN has applied for and been granted funds to support the used oil program, typically in excess of \$1 million annually. These funds have been used to develop and implement a wide range of services and activities designed to facilitate the recycling and re-use of used motor oil and used oil filters. All such activities and programs have come under the general control of the LASAN Used Oil and Oil Filter Recycling Program, managed by the Solid Resources Citywide Recycling Division of LASAN. Crucial elements of this program include:

- Funding and support of the City's seven Solvent Automotive Flammable Electronics (SAFE) Centers.
- Promotion and maintenance of the City's fourteen marina used oil collection sites.
- Conducting 20 mobile used oil collection events annually in communities throughout the City.
- Conducting 30 used oil filter exchange/promotional events annually at auto parts stores throughout the City.
- Monitoring of the City's existing 241 Certified Used Oil Collection Centers (CCC's).
- Recruitment of additional CCC's in under-served areas.

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- Promotion of the CCC's as a safe and convenient option for proper disposal of used oil.
- Provision of an environmentally sound opportunity for all residents of the City to dispose of used motor oil and used oil filters.
- Education of the public as to the environmental damage caused by the improper disposal of used motor oil and used oil filters.
- Promotion of the use of re-refined motor oil.

In order to continue the Used Oil and Oil Filters Recycling Program the City must apply for and receive annual OPP funding from CalRecycle. City of Los Angeles policy requires LASAN to receive authority from the City Council and Mayor to submit an application and to accept payments, and execute all agreements. Therefore, in order to apply for the OPP grant funds for fiscal years 2018-19 through 2022-23 from CalRecycle, estimated at \$1 million annually, an authorizing resolution must be submitted to CalRecycle demonstrating that the governing body has authorized the application of the Used Oil Payment Program (Transmittal No. 1). A 5-year resolution for fiscal years 2014-15 through 2018-19 was previously adopted in July 2014 (Council File No. 14-0721) to authorize the submittal of applications for Used Oil Payment Program. In addition, to further streamline the program, CalRecycle no longer requires a resolution to accept the funds. Therefore, staff is also requesting approval to accept OPP funds for the duration of the resolution.

STATEMENT AS TO FUNDING

Revenues will be deposited into the Used Oil Collection Trust Fund No. 586, Departmental Revenue Source Code 336101.

Respectfully submitted,



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Bureau of Sanitation

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