

# CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI

MAYOR

June 2, 2014

OFFICE OF THE  
BOARD OF PUBLIC WORKS

200 NORTH SPRING STREET  
ROOM 381, CITY HALL  
LOS ANGELES, CA 90012  
(213) 978-0261  
(213) 978-0278 Fax

ARLEEN P. TAYLOR  
EXECUTIVE OFFICER

<http://www.bpw.lacity.org>

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Mayor Eric Garcetti  
Room 305  
City Hall  
Attn: Mandy Morales

City Council  
Room 395  
City Hall

Subject: AUTHORITY TO SUBMIT APPLICATIONS AND ACCEPT PAYMENTS FOR THE USED OIL PAYMENT PROGRAM FOR FISCAL YEARS 2014-2015 THROUGH 2018-19 FROM THE DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE) FOR ESTABLISHING AND MAINTAINING LOCAL USED OIL COLLECTION AND RECYCLING PROGRAMS

As recommended in the accompanying report of the Director of the Bureau of Sanitation, which this Board has adopted, the Board of Public Works requests that the City Council, subject to concurrence of the Mayor, authorize the Director of the Bureau of Sanitation, or his 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, 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 Used Oil Payment Program (OPP)

It is further requested, that the City Council adopt the Resolution (Transmittal No. 1) authorizing the submittal of applications for Used Oil Payment Program (OPP) for fiscal years 2014-15 through 2018-19; and also request approval of the acceptance of the Used Oil Payment, estimated at \$1,000,000 annually, for fiscal years 2014-15 thru 2018-19, and appoint the Director of the Bureau of Sanitation, or his designee, to conduct all negotiations and to submit all documents necessary for maintaining a used oil collection and recycling program.

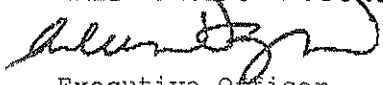
## FISCAL IMPACT

The receipt of submittal of grant funds will maintain the existing used oil and used oil filter collection and recycling program. Failure to accept and request the funds from the CalRecycle will eliminate the funding available to the City of Los Angeles 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.

Respectfully submitted,

  
Arleen P. Taylor, Executive Officer  
Board of Public Works

APT:dpc

ADOPTED BY THE BOARD  
PUBLIC WORKS OF THE CITY  
of Los Angeles California  
**AND REFERRED TO THE MAYOR**  
JUN - 2 2014  
**AND REFERRED TO THE CITY COUNCIL**  
  
Executive Officer

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION  
BOARD REPORT NO. 1  
June 2, 2014

CD: ALL

**AUTHORITY TO SUBMIT APPLICATIONS AND ACCEPT PAYMENTS FOR THE USED OIL PAYMENT PROGRAM FOR FISCAL YEARS 2014-2015 THRU 2018-2019 FROM THE DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE) FOR ESTABLISHING AND MAINTAINING LOCAL USED OIL COLLECTION AND RECYCLING PROGRAMS**

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### 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 the Bureau of Sanitation, 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, 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 Used Oil Payment Program (OPP) for fiscal years 2014-15 thru 2018-19.
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 2014-15 thru 2018-19, and appoint the Director of the Bureau of Sanitation, 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 the CalRecycle will eliminate the funding available to the City of Los Angeles 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.

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## 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.

The Department of Resources Recycling and Recovery (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 City of Los Angeles 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 City of Los Angeles Used Oil and Oil Filter Recycling Program, managed by the Solid Resources Citywide Recycling Division of the Bureau of Sanitation. 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 fifteen 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 236 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 the Bureau of Sanitation 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 2014-15 thru 2018-19 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). 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

Funds in the approximate amount of \$1,000,000 will be deposited in Fund No. 586, Department 50, Revenue Source Code 3410 – Other state grants.

Respectfully submitted,



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ENRIQUE C. ZALDIVAR, Director  
Bureau of Sanitation

Prepared by:  
Sokha Ty, SRCRD  
(213) 485-3824

**RESOLUTION**

WHEREAS, the State of California (State) has enacted the California Oil Recycling Act, which provides funds to cities and counties for establishing and maintaining local used oil collection, used oil filter collection and public outreach programs to encourage used motor oil and filter recycling by “Do it Yourself” oil changers; and

WHEREAS, the Department of Resources Recycling and Recovery (CalRecycle), formerly known as the California Integrated Waste Management Board, has been delegated the responsibility for the administration of the program by the State, setting up the necessary procedures governing the operation of the program by the different cities and counties; and

WHEREAS, pursuant to Public Resources Code § 48960 CalRecycle has established the Used Oil Payment Program (OPP) to make payments to qualifying jurisdictions for implementation of their used oil programs; and

WHEREAS, the CalRecycle has now changed the block grant program for used oil recycling into an annual funding program with lump-sum disbursements, which requires the submittal of an OPP application to CalRecycle; and

WHEREAS, CalRecycle’s procedures for administering the OPP encourages, among other things, to use an open-ended or 5 year resolution for the Used Oil Payment Program; and

WHEREAS, the City recognizes the need to continue to maintain ongoing programs and expand the public education/outreach programs to reach new residents and business owners in Los Angeles; and

WHEREAS, the City will be reimbursed from the CalRecycle OPP, approximately \$1 million for Fiscal Year 2014/15 funds, for all expenses incurred during the term for the development, implementation and maintenance of the City’s Used Oil recycling programs; and

WHEREAS, the City of Los Angeles may now submit an annual OPP application to the CalRecycle to continue the City’s used oil collection program, which includes support of City SAFE Centers, maintenance of marina used oil collection sites, mobile used oil collection events, an extensive Citywide multimedia public education/outreach program, and recruitment and monitoring of CalRecycle-certified used oil collection centers in Los Angeles; and

NOW THEREFORE BE IT RESOLVED, that the City Council, with the concurrence of the Mayor, hereby authorizes the Director of the Bureau of Sanitation, or her/his designee, to submit annual applications to the CalRecycle for the Used Oil Payment Program (OPP), and

BE IT FURTHER RESOLVED that the Director of the Bureau of Sanitation, or designee, is hereby authorized to accept the annual payments from CalRecycle, to conduct all negotiations, to provide additional information, and to execute and submit all documents, including, but not limited to, applications, 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 Used Oil Payment Program, and

BE IT FURTHER RESOLVED that this authorization is effective for fiscal years 2014-15, 2015-16, 2016-17, 2017-18, and 2018-19.

PRESENTED BY \_\_\_\_\_

SECONDED BY \_\_\_\_\_

April 3, 2014  
Daniel Meyers