

TRANSMITTAL		0220-05157-0000
TO The Council	DATE 1/19/17	COUNCIL FILE NO. 05-1366
FROM The Mayor	COUNCIL DISTRICT	
<p>Solid Waste Integrated Resources Plan (SWIRP)</p> <p>Approved and submitted for your consideration. See the City Administrative Officer report attached. (Ana Guerrero)</p>  <p>MAYOR</p>		
MAS:WKP:06150176f		

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER


Date: January 13, 2017

CAO File No. 0220-05157-0000

Council File No. 05-1366

Council District: ALL

To: The Mayor

From: Miguel A. Santana, City Administrative Officer 

Reference: Transmittal from the Board of Public Works dated April 17, 2015; referred for report on April 23, 2015.

Subject: **SOLID WASTE INTEGRATED RESOURCES PLAN (SWIRP)**

RECOMMENDATIONS

That the Mayor and Council:

1. Certify that the Final Program Environmental Impact Report (FEIR; State Clearing House No. 2010081061; EIR-10-026-BS) for the Solid Waste Integrated Resources Plan complies with the California Environmental Quality Act (CEQA); the FEIR reflects the lead agency's independent judgment and analysis; and the FEIR was presented to the City Council and that the Council reviewed and considered the information contained in the FEIR before approving the project;
2. Adopt the CEQA Findings of Fact and Statement of Overriding Considerations submitted by the Bureau of Sanitation in December 2014 as required by CEQA Section 21081;
3. Adopt the Mitigation Monitoring and Reporting Program as required by CEQA Section 21081.6;
4. Find that the location and custodian of the documents or other material that constitute the record of proceedings upon which the lead agency's decision is based, are specified in the CEQA Finding of Facts and Statement of Overriding Considerations;
5. Approve the Solid Waste Integrated Resources Plan as detailed in the Bureau's April 17, 2015 report, FEIR, CEQA Findings, Statement of Overriding Considerations, and Mitigation Monitoring Program;
6. Direct City staff to prepare and file a Notice of Determination with the California State Clearinghouse and with the County Clerk within five working days of approval of the Solid Waste Integrated Resources Plan; and,

7. Find that the recirculation of the EIR is not required under CEQA Section 21092.1 because no significant information has been added to the EIR since the notice of availability of the draft EIR for public review.

SUMMARY

The Solid Waste Integrated Resources Plan (SWIRP) is the City's long-term plan to achieve zero waste by 2025 and has been commonly known as the Zero Waste Plan. This would exceed the State's 75 percent waste diversion goal by 2020 established under Assembly Bill 341. On June 28, 2005, the City Council (C.F. 05-1366) adopted a Zero Waste goal for the City and directed the Bureau of Sanitation (Bureau) to expand existing programs and create new programs to achieve this goal using former Councilmember Greig Smith's Recovering Energy, Natural Resources and Economic Benefit from Waste for Los Angeles (RENEW LA) Plan as a blueprint. The RENEW LA Plan, which was adopted by Council (C.F. 05-1273-S1) on February 17, 2006, called for the following actions:

- Establishing a RENEW LA oversight committee;
- Adopting the RENEW LA Blueprint and Zero Waste Policy;
- Modifying zoning codes to allow conversion technology in M2 (light industrial) and M3 (heavy industrial) zones with conditions;
- Establishing site areas for conversion technology in each of the collection districts;
- Siting and developing the first and second conversion technology facilities;
- Establishing a fund from Sunshine Canyon host fees for the development of facilities that reduce landfilling;
- Implementing recycling in 50 percent of the commercial sector;
- Mandating a time-certain reduction in the City's solid waste disposed at Sunshine Canyon;
- Expanding multi-family recycling to 50 percent within the City;
- Establishing tax breaks for Zero Waste and new re-manufacturing companies;
- Establishing a green energy producer bonus from the Department of Water and Power; and,
- Adding residential food waste to the Green Bin program.

SWIRP was developed using an extensive stakeholder-driven planning process. In the first phase of this process, the Bureau worked with SWIRP stakeholders to develop and adopt 12 guiding principles to achieving Zero Waste. In the second phase, the Bureau worked with stakeholders to develop a Policy, Program, and Facility Plan, which identified the policies, programs, and facilities required to achieve Zero Waste. This Plan also included a timeline and projected costs to implement SWIRP. In accordance with California Environmental Quality Act (CEQA) guidelines, the City is required to prepare an Environmental Impact Report (EIR) to identify and address the potential environmental impacts of implementing SWIRP. On April 17, 2015, the Board of Public Works approved SWIRP and the Final Program EIR for SWIRP and the corresponding CEQA Findings of Fact and Statement of Overriding Consideration. Pursuant to Section 21081.6 of the Public Resources Code, these findings must also be adopted by the City Council in conjunction with the certification of the EIR.

Phase I – Stakeholder Outreach

The development of SWIRP occurred in two phases and began in April 2007 with the Bureau reaching out to stakeholders from all over the City to participate in a stakeholder-driven planning process to develop SWIRP. Over the next 13 months, the Bureau conducted 256 public outreach meetings and engaged over 3,000 different stakeholders, which included residents, small and large business owners, environmental groups, private haulers, environmental justice groups, Homeowners Associations (HOAs), Neighborhood Councils, Non-Governmental Organizations (NGOs), schools, City departments, and Faith-Based Organizations. In May 2008, the SWIRP stakeholders developed and adopted the following 12 guiding principles for achieving Zero Waste:

1. **Education to decrease wasteful consumption** – Stakeholders felt that the City should instill a Zero Waste culture by increasing awareness among the next generation of Angelenos by partnering with the Los Angeles Unified School District to develop a Zero Waste curriculum and increase recycling at schools.
2. **City leadership as a model for Zero Waste practices** – Stakeholders believed that the City needs to lead by example by implementing reduce, reuse, and recycling (three R's) practices and policies at all City facilities and parks.
3. **Education to increase recycling** – Stakeholders felt that the City should put more emphasis on educating residents and businesses about existing City programs and encouraging them to make recycling and Zero Waste “second nature.”
4. **City leadership to increase recycling** – Stakeholders felt that the City needed to use its position in Sacramento to lobby for State legislation on initiatives that are best implemented at the State level, such as producer responsibility.
5. **Manufacturer responsibility** – Stakeholders supported initiatives to encourage or require producers of products and packages to take responsibility for the “end of life” management of those products and packaging.
6. **Consumer responsibility** – Stakeholders believed that consumers, both residents and businesses, need to be part of the solution and should be required to participate in recycling and composting programs.
7. **Convenience** – Stakeholders believed that recycling programs should be convenient and that it should be just as easy to recycle as it is to waste.
8. **Incentives** – Stakeholders felt that the City should provide more incentives for recycling and composting, such as “pay-as-you-throw” rate structures.
9. **New, Safe Technology** – Stakeholders supported the development of new technology for managing the City’s waste, but emphasized that the new technology would need to be demonstrated to be safe and should not impact already burdened communities.
10. **Protect public health and the environment** – Stakeholders strongly believed that protecting public health and the environment should be at the forefront of all decisions and the City should carefully consider the long-term consequences and impacts of any new initiative or program.
11. **Equity** – Stakeholders supported equitable solutions that do not unfairly reward or penalize one community over another.
12. **Economic efficiency** – Stakeholders felt that the City should develop Zero Waste solutions that are both economically efficient and environmentally preferable that promote economic sustainability through investment in green jobs and economic development.

Phase II – SWIRP Policy, Program, and Facility Plan

Through regional workshops and a citywide conference, the Bureau continued to work with SWIRP stakeholders to develop the SWIRP Policy, Program, and Facility Plan. In the regional workshops, stakeholders learned about the new programs that had been implemented by the City (such as the plastic bag policy), discussed future service needs by wasteshed, developed future program and policies, assessed infrastructure and capacity needs, evaluated new technologies, explored disposal options for residual waste, discussed ways to instill a Zero Waste culture in the city, and discussed how to plan and manage private solid waste facilities in the city.

Based on feedback provided by the SWIRP stakeholders at the regional workshops, the Bureau developed and presented a draft SWIRP Policy, Program, and Facility Plan at a citywide conference held on May 30, 2009. Over 300 stakeholders attended the conference and reviewed the document and provided feedback and input to ensure that SWIRP properly reflects the community's goals, values, and vision for a Zero Waste City. The Bureau incorporated the stakeholder feedback and presented the final SWIRP to the Board on April 17, 2015 for review and approval.

Summary of SWIRP Policy, Program, and Facility Plan

The SWIRP includes the following six key components:

1. Expansion of existing residential and commercial programs to further improve solid waste management, increase landfill diversion, and accommodate growth. Current City programs include the following:
 - Four-bin collection program for residential curbside customers (Blue Bin for commingled recycling, Green Bin for yard trimmings, Black Bin for residual waste, and Brown Bin for horse manure);
 - Multi-family Blue Bin recycling available to all multi-family buildings;
 - Bulky item collection available to all residential curbside customers and multi-family generators;
 - School Blue Bin recycling program and classroom recycling presentations available to all schools in the City within the Los Angeles Unified School District;
 - Restaurant food scraps collection available to all restaurants in the City;
 - Mandatory processing of all construction and demolition (C&D) loads at 13 certified C&D facilities;
 - Environmentally Preferred Procurement (EPP) Ordinance requiring City procurement of environmentally preferred services and products, as called for in RENEW LA;
 - Commercial recycling technical assistance available to all commercial and institutional generators in the City;
 - Alternative Clean Fuel Program for powering the City's collection vehicles with clean burning engines;
 - City department recycling available to all City offices and facilities;

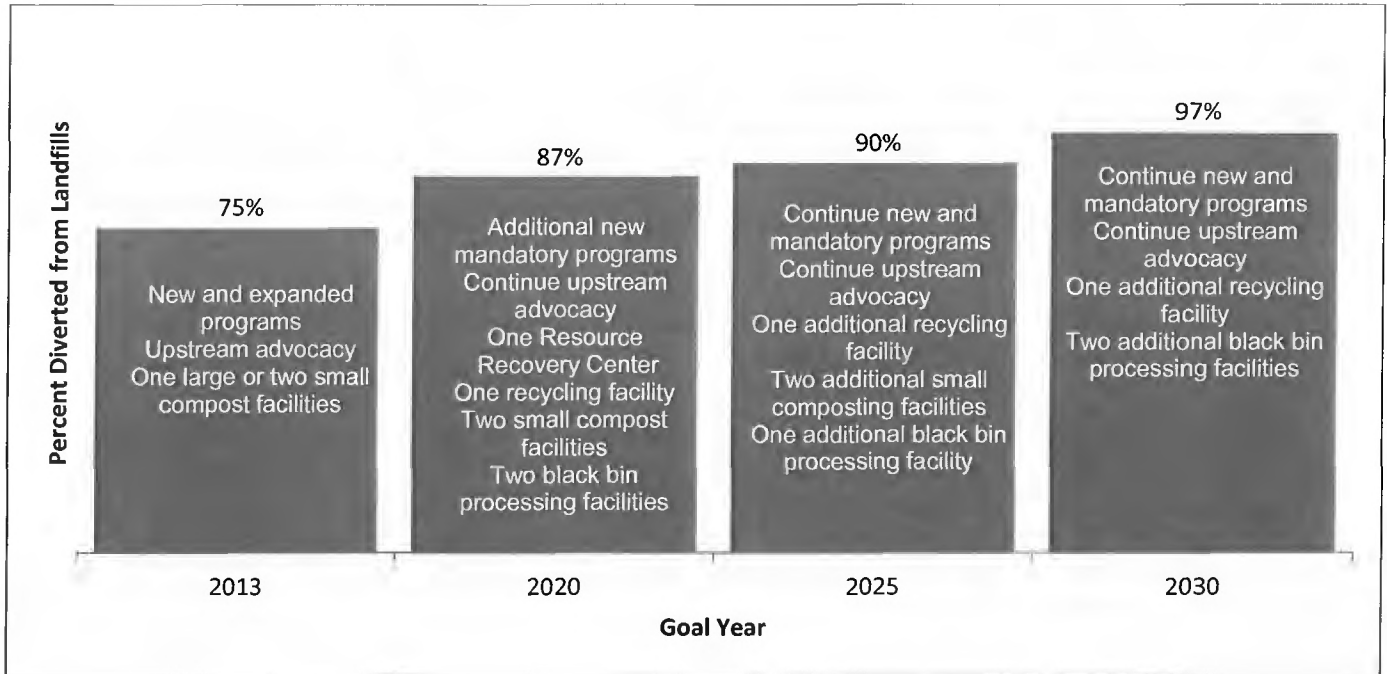
- Seven Solvents/Automotive/Flammables/Electronics (SAFE) Centers for proper management of household hazardous wastes throughout the City; and,
 - Processing and composting of yard trimmings and making the mulch available free of charge to City residents at 11 giveaway locations.
2. Implementation of new downstream policies and programs, which address the collection, processing, diversion, and disposal of materials after they are generated. These initiatives include the following:
- Expanding the Recycling Ambassador Program to assist residential customers in proper use of the City's recycling and yard trimmings collection program;
 - Expanding the Commercial Recycling Technical Assistance Program to assist commercial businesses to implement recycling programs;
 - Adding textiles to the Blue Bin program or partnering with NGOs to divert textiles from landfills;
 - Providing separate collection of bulky items for recycling, repair and reuse and/or partner with a number of reuse entities (thrift stores, repair shops, and non-profits to repair, reuse, and resell appropriate bulky items);
 - Adding food scraps to the Green Bin program;
 - Implementing a large scale media/social marketing campaign to create a "culture change" around discarded materials and their value as resources;
 - Modifying collection rates to increase diversion by providing incentives to ratepayers;
 - Providing recycling bins wherever trash cans are located in all public locations; and,
 - Requiring private solid waste collection service providers to ensure that their multi-family and commercial customers have access to recycling collection services.
3. Implementation of mandatory participation programs to motivate all waste generators within the City to separate materials at their homes or businesses, and place them in the proper collection bin on a regular basis. These programs include the following:
- Mandatory recycling (Blue Bin) and organics separation (Green Bin) from trash (Black Bin);
 - Requiring transfer stations and landfills to provide resource recovery centers for reusable and recyclable materials for customers that self-haul their discarded materials to the landfill; and,
 - Increasing diversion requirements at construction and demolition facilities.
4. Adoption of upstream policies to minimize the amount of waste prior to the point of generation. Upstream policies would affect the design of the product or package prior to manufacturing and these policies include the following:

- Advocate for legislation making businesses responsible for their products, which if inappropriately disposed, can release toxins into the environment;
 - Advocate for legislation making businesses responsible for their products that are difficult to recycle such as disposable diapers, composite materials, appliances, durable goods, and food packaging;
 - Advocate for legislation making businesses responsible for their packaging, including alternatives to Styrofoam, single-use bags, and support for reusable shipping containers;
 - Implement the citywide reusable bag policy at designated supermarkets and retail establishments;
 - Advocate for businesses to develop life-cycle analyses for products and packaging, taking into account all environmental impacts of the product from manufacturing to the end of its useful life; and,
 - Advocate for legislation to incentivize manufacturers to use local reuse and recycling markets for the products they manufacture.
5. Development of processing facilities for discarded materials to meet the City's future solid waste management needs. This component includes the construction and operation of the following additional Blue, Green, and Black Bin facilities:
- One large-scale composting facility or six small-scale composting facilities;
 - Three clean material recovery facilities;
 - One resource recovery center; and
 - Five alternative technology facilities.
6. Disposal of remaining residual waste at local or remote landfills. After implementing the various policies, programs and constructing the needed facilities to achieve the goals of SWIRP, there will be a need to transport and dispose residual waste to landfills. These options include the following:
- Refuse collection or transfer trucks hauling residual waste to landfills located within the local region that can accept residual waste transported from the City;
 - Transfer trucks hauling residual waste to landfills located outside the local region that can accept residual waste from the City; and,
 - Rail transportation of residual waste to landfills located outside the local region that can accept residual waste from the City. This may include the construction of new and or expansion of facilities and infrastructure such as rail transfer stations, rail yards, rail tracks, or loading docks.

The full implementation of SWIRP will reduce the amount of truck trips to landfills and reduce the amount of methane gas produced at landfills which will result in the reduction of 2.6 million metric tons in greenhouse gas emissions, which is equivalent to removing 500,000 passenger vehicles from the road. In addition, the full implementation of SWIRP will create 4,000 new green jobs in refurbishing, recycling and processing, and remanufacturing.

SWIRP Implementation Timeline

The full implementation of SWIRP occurs in the following four phases:



Funding Sources

The projected cost for the full implementation of SWIRP from the date of this report through 2031-32 is approximately \$723.7 million with an average annual cost of approximately \$45.2 million over the next 16 years. Eligible funding sources to support the implementation of SWIRP are as follows:

Solid Waste Resources Revenue Fund (SWRRF)

The Solid Waste Resources Fee is imposed on all single family dwellings in the City and those multiple unit dwellings for which the City provides solid waste collection services. Revenues from this fee are deposited into SWRRF and used to support the City’s costs related to the collection, transfer, recycling, recovery of waste resources and/or disposal of solid waste collected by the City. These funds pay for salaries and overhead, equipment, refuse containers and vehicles, landfill costs, alternative fuel infrastructure, buildings and facilities, transfer facilities, resource recovery facilities, and the maintenance of facilities or equipment. The fee was created in 1983 at a monthly rate of \$1.50 for single family dwellings and \$1.00 for multi-family dwellings and is currently at \$36.32 for single family dwellings and \$24.33 for multi-family dwellings.

The Bureau's five-year forecast for SWRRF projects a structural deficit within the fund in 2020-21 as a result of increasing fuel and labor costs, higher tip fees associated with the implementation of an organics recycling program, potential liability expenditures, and the need to replace an aging fleet of refuse collection vehicles and equipment. It is anticipated that an increase to the monthly fee is required in 2019-20 to avoid the projected structural deficit. However, the amount of this increase is unknown at this time as the Bureau continues to analyze different fee structures and optimum implementation schedules to minimize the impact to the ratepayers. The SWIRP elements that are eligible for SWRRF funding are the textile diversion programs, increasing bulky item reuse and recycling, mattress collection and recycling, and the food scraps program for residential customers. It is anticipated that the implementation of SWIRP projects will not advance the rate adjustment date. However, the new rate will incorporate the future cost of SWIRP.

Citywide Recycling Trust Fund (CRTF)

The CRTF was created in 2002 for the deposit of Assembly Bill (AB) 939 compliance fees, which are 10 percent of gross receipts from Black Bin services, from private refuse haulers who operate within the City. These funds are used to pay for industrial, commercial, and multi-family recycling programs, which include the administration of such programs, operational costs, public education, technical assistance to private businesses, AB 939 research and documentation, market development, infrastructure development of material recovery/diversion facilities, recycling rebates and incentives, and other programs designed to increase solid waste diversion rates in the industrial, commercial, and multi-family sectors.

During the first seven years of the CRTF, revenues exceeded expenditures as the Bureau was developing and implementing its recycling programs. This created a healthy reserve within the fund, but once these programs were fully implemented, expenditures began to exceed revenues. The CRTF is still carrying a modest reserve, which has been used to support the development and implementation of the City's Exclusive Franchise System for Commercial and Multi-family Solid Waste Collection and Handling. The Franchise System will allow the CRTF to reduce its annual costs for providing recycling services to multi-family properties as these services will be provided by the franchise haulers under the Franchise System. However, these savings will be offset by the reduction in AB 939 revenues as a result of increased diversion of Black Bin materials. The SWIRP elements that are eligible for CRTF funding include the construction of a commercial organics processing facility at the Central Los Angeles Recycling and Transfer Station (CLARTS) and large scale media and outreach to promote recycling programs. If these elements are implemented, the CRTF is projecting a structural deficit in 2020-21. The Bureau is proposing the use of the Franchise fee revenues to support the costs to administer the Franchise System.

Multi-family Bulky Item Fund (MFBI)

The Multi-family Bulky Item Fee is imposed on all multi-family residential buildings (of five or more units) such as apartments. Revenues from this fee are deposited into the MFBI and support the City's costs to pick up large/bulky household items such as mattresses, couches, doors, carpet,

toilets, electronic waste, appliances, and other furniture and items. The City currently services over 440,000 multi-family units and will be expanding this program by adding about 140,000 condominiums, townhouses, and other units not currently paying the MFBI fee in late 2016-17 or early 2017-18. There are currently no structural deficits projected within this fund. The SWIRP elements that are eligible for MFBI funding are increasing bulky item reuse and recycling and mattress collection and recycling.

Program Environmental Impact Report

The California Environmental Quality Act (CEQA) was enacted in 1970 for the purpose of providing decision-makers and the public with information regarding environmental effects of proposed projects, identifying means of avoiding environmental damage, and disclosing to the public the reasons behind a project's approval even if it leads to significant environmental impacts. Given that SWIRP is a broad master plan that provides guidance for future actions, it was determined that a Program Environmental Impact Report (PEIR) is the appropriate document to address the CEQA requirements.

A PEIR analyzes potential impacts of the project at a program level and provides the basis for future project-level CEQA analysis at a later time, if needed. To ensure that decision-makers and the public have been informed of the potential impacts at this master plan level, the analysis must be conducted in a conservative manner that assumes a "worst case" scenario. Since the details of the future projects are not known, CEQA requires that the impact analysis be based on typical programs and facilities currently in operation. Future site-specific projects under SWIRP will be evaluated through subsequent project-level environmental reviews.

CEQA requires the City to solicit input from the public and stakeholders on the scope, focus, and content of the PEIR. In accordance with these requirements, the draft PEIR was circulated for public comment and all comments were addressed in the Final PEIR. In addition, CEQA requires the City Council, as the Lead Agency, to adopt the Final PEIR and determine if it adequately addresses all components of SWIRP and identifies all potential cumulative-level impacts and determine if the benefits of SWIRP outweigh the potential for any significant and unmitigated impacts.

The PEIR has identified the following environmental areas with potentially significant but mitigable impacts:

- Aesthetics and Visual Resources
- Agriculture and Forestry Resources
- Biological Resources
- Cultural Resources
- Geology and Soils
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Mineral Resources
- Noise
- Population and Housing
- Public Services, Utilities, and Service Systems
- Recreation

The implementation of proposed mitigation measures outlined in the PEIR would reduce the potential significant impact to a level that is less than significant.

The PEIR has also identified Air Quality and Greenhouse Gas Emissions and Transportation and Traffic as the two environmental areas with potentially significant and unmitigable impacts. Even with the implementation of proposed mitigation measures, the potential impact will remain significant and unmitigated at this program level of environmental review pending a more detailed site-specific analysis at the project level of environmental review. As such, if the Council approves SWIRP, it must adopt a "Statement of Overriding Consideration" pursuant to CEQA guidelines.

The PEIR also presents five alternatives to SWIRP, which include modified versions of the full SWIRP plan and no SWIRP at all. These alternatives fail to meet most of the project goals and objectives and have significant environmental impacts of their own.

FISCAL IMPACT STATEMENT

There is no fiscal impact to the General Fund or Sanitation special funds from adopting the Solid Waste Integrated Resources Plan (SWIRP) and approving the corresponding Final Program Environmental Impact Report. Some elements of SWIRP have already been implemented while other elements are in the process of being implemented or will be implemented at a later time. At this time, the estimated cost for the full implementation of SWIRP is approximately \$723.7 million with an average annual cost of approximately \$45.2 million over the next 16 years. As the City moves forward in implementing each individual element of SWIRP, there will be fiscal impacts that need to be identified and addressed.

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