

# ENVIRONMENTAL SERVICES DEPARTMENT

## Impact Analysis Report

### OVERVIEW

The Environmental Services Department (ESD) administers two fee programs as part of the Integrated Waste Management Program: Source Reduction and Recycling Fees (AB939 Fees, which are described further in Exhibit A); and Franchise Application Fees. No changes are proposed to Commercial Solid Waste AB939 and Landfill AB939 fees in 2011-2012. Projected revenues of \$3.3 million for these two fees in 2011-2012 represent a decrease of \$350,000 from the 2010-2011 Adopted level. This decrease reflects the expectation that fewer tons of garbage will be collected and hauled to the landfill. Waste Diversion Compliance Initial Review and Waste Diversion Compliance Additional Review fees, which were established in November 2010, are also now included as part of the Source Reduction and Recycling category. No revenue or expenditures are expected in connection with these two fees in 2011-2012. The Franchise Application Fees are proposed to increase by \$195, to \$390, to reflect the results of a review of time and resources used in the processing of applications.

Commercial Solid Waste AB939 Fees will remain at \$0.89 per cubic yard for loose commercial solid waste, and \$2.67 per cubic yard of compacted commercial solid waste.

The Landfill AB939 fee charged at landfills and transfer/processing stations remains at \$4.10 per ton of disposed waste. Pursuant to agreements between the City of San José and Santa Clara County, \$1.50 per ton of this fee is distributed to the City for activities related to recycling, and \$2.60 is used by the County and

participating cities for Household Hazardous Waste programs. In the event the City elects to collect its own Landfill AB939 fee, the City may collect \$4.10 per ton of disposed waste to fund activities related to recycling.

The projected cost recovery for both the Commercial Solid Waste and Landfill AB939 fees has improved compared to the 2010-2011 Adopted cost recovery estimate. The estimated cost recovery for Commercial Solid Waste AB939 fees is increasing from 83.6% to 97.9%, and the estimated cost recovery for Landfill AB939 fees is increasing from 32.9% to 57.8%. Both these increases are the result of a change in the methodology for assigning staff costs to these programs. While the number of staff directly administering these programs remains unchanged, reduced management and support staff time is assumed for 2011-2012.

In addition to these Integrated Waste Management Program fees, ESD administers two fees as part of the Silicon Valley Energy Watch Tool Lending Library Program, to recover the cost of damaged or lost power-meters rented out to the public through the library. The fee for damaged material and the fee for lost material will remain at \$25.00 in order to recover 100% of costs. In addition, when a power meter is lost or damaged, a handling fee of \$20.00 will be charged by the Library Department to the borrower. This fee can be found in the Library Department's section of this report.

## ENVIRONMENTAL SERVICES DEPARTMENT

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### Impact Analysis Report

#### *SUMMARY AND IMPACT OF PROPOSED FEE REVISIONS*

The Franchise Application Fees are proposed to increase by \$195, to \$390, to reflect the results of a review of time and resources used in the processing of applications. No other fee changes are proposed for 2011-2012.

#### *NOTIFICATION*

The Proposed Fees and Charges Report was released on May 6th 2011, allowing for a minimum of 10 days for public review. Public input on fee proposals will be heard by the City Council at public hearings held on Tuesday, May 17, 2011, at 7:00 p.m. and Monday, June 13, 2011, at 7:00 p.m. in the Council Chambers.

***SOURCE REDUCTION AND RECYCLING ELEMENT PROGRAMS  
FUNDED FROM AB939 FEES***

**General Solid Waste Management**

Provides oversight, analysis, and coordination of all Source Reduction and Recycling Element programs and activities.

**Source Reduction**

Provides public information and education, samples public opinion to determine attitudes about source reduction issues, and evaluates various educational approaches, including back yard composting programs. Works with Non-Profit Recyclers and other organizations to promote source reduction and reuse.

**Commercial Recycling**

Provides outreach, technical assistance, and educational assistance to the commercial sectors of the City. Also manages non-exclusive hauling franchises and the Construction and Demolition Recycling Program. Develops and implements programs to reach the City's waste reduction and diversion goals.

**Evaluation Component**

Provides evaluation of the effectiveness of, and participation rates for, the department's recycling programs, and makes recommendations for improving programs.

**Market Development**

Provides policy and technical analysis, program promotion, contingency planning, legislative advocacy, expansion of local recycling manufacturing activities, and expansion of City procurement of recycled products.

**Civic Recycling**

Provides storage containers, training, and recycling services for public areas, parks, and other City facilities and venues. Administers City/County funding from CalRecycle for beverage container recycling. Coordinates with City departments and outside agencies regarding model programs.

**Special Events Recycling**

Provides technical assistance and resources to the event planning community to "green" events and incorporate zero waste planning into procedures and processes. Resources include workshops, recycling equipment loans, free recycling collection services, and a certification program to encourage participation. Administers a grant program to help off-set additional costs with producing green events.

**Go Green Schools**

Provides resources and technical assistance to promote environmental education and environmental action projects in San José's K-12 schools. Provided resources include: grant funding for school fieldtrips, teacher training, and class projects promoting environmental stewardship; recycling containers; class assemblies; and hosting the annual Bay Area Schools Environmental Conference.

**Zero Waste Planning**

Provides development of a Zero Waste Plan for the City, including analysis of long-term processing requirements, disposal capacity, and recovery of energy from non-recyclable wastes.

# DEPARTMENTAL FEES AND CHARGES

# ENVIRONMENTAL SERVICES

Service	2010-2011 Adopted Fee	2010-2011 % Cost Recovery	2011-2012 Proposed Fee	2011-2012 Estimated Cost	2011-2012 Estimated Revenue		2011-2012 % Cost Recovery		
					Current Fee	Proposed Fee	Current Fee	Proposed Fee	
<b>ENVIRONMENTAL SERVICES FEES - CATEGORY I</b>									
<b>1. Franchise Application Fees</b>									
1 Commercial Solid Waste Application Fee	\$195 per application		\$390 per application						
<b>Sub-total Franchise Application Fees</b>		<b>100.0%</b>		<b>629</b>	<b>390</b>	<b>390</b>	<b>62.0%</b>	<b>62.0%</b>	
<b>SUB-TOTAL ENVIRONMENTAL SERVICES FEES - CATEGORY I</b>									
<b>ENVIRONMENTAL SERVICES FEES - CATEGORY I (GENERAL FUND)</b>									
<b>1. Miscellaneous Fees</b>									
1 Damaged Power Meter Fee	\$25		No Change						
Note: In addition to the fee listed here, the Library will charge a handling fee for damaged material. This fee is described in the Library Department section of this report.									
2 Lost Power Meter Fee	\$25		No Change						
Note: In addition to the fee listed here, the Library will charge a handling fee for lost material. This fee is described in the Library Department Section of this report.									
<b>Sub-total Miscellaneous Fees</b>									
<b>SUB-TOTAL ENVIRONMENTAL SERVICES FEES - CATEGORY I (GENERAL FUND)</b>									

# DEPARTMENTAL FEES AND CHARGES

# ENVIRONMENTAL SERVICES

Service	2010-2011 Adopted Fee	2010-2011 % Cost Recovery	2011-2012 Proposed Fee	2011-2012 Estimated Cost	2011-2012 Estimated Revenue		2011-2012 % Cost Recovery		
					Current Fee	Proposed Fee	Current Fee	Proposed Fee	
<b>ENVIRONMENTAL SERVICES FEES - CATEGORY II</b>									
<b>1. Source Reduction and Recycling</b>									
1 Commercial Solid Waste	\$0.89/uncompacted cubic yard collected; \$2.67/compacted cubic yard collected (paid by generators); and \$14.83 per ton collected from City facilities in rolloff boxes; effective August 1, 2006	83.6%	No Change	2,401,250	2,350,000	2,350,000	97.9%	97.9%	
2 Landfill - Waste Disposal Note: San José receives only a portion of these fees collected by the County based on surplus available from the County after administration of the Household Hazardous Waste Program.	\$4.10 per ton (\$1.50 per ton San José portion - fee collected by County; \$2.60 per ton - fee collected by the County for Household Hazardous Waste Programs)	32.9%	No Change	1,556,678	900,000	900,000	57.8%	57.8%	
3 Waste Diversion Compliance Additional Review Note: This fee was established on November 30, 2010 at \$100 per hour of review.			No Change						
4 Waste Diversion Compliance Initial Review Note: This fee was established on November 30, 2010 at \$100 per review.			No Change						
<b>Sub-total Source Reduction and Recycling</b>		<b>58.6%</b>		<b>3,957,928</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>82.1%</b>	<b>82.1%</b>	
<b>SUB-TOTAL ENVIRONMENTAL SERVICES FEES - CATEGORY II</b>		<b>58.6%</b>		<b>3,957,928</b>	<b>3,250,000</b>	<b>3,250,000</b>	<b>82.1%</b>	<b>82.1%</b>	

**DEPARTMENTAL FEES AND CHARGES**

**ENVIRONMENTAL SERVICES**

Service	2010-2011 Adopted Fee	2010-2011 % Cost Recovery	2011-2012 Proposed Fee	2011-2012 Estimated Cost	2011-2012 Estimated Revenue		2011-2012 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
TOTAL DEPARTMENT - GENERAL FUND								
TOTAL DEPARTMENT - NON-GENERAL FUND				3,958,557	3,250,390	3,250,390	82.1%	82.1%
TOTAL DEPARTMENT - Category I				629	390	390	62.0%	62.0%
TOTAL DEPARTMENT - Category II				3,957,928	3,250,000	3,250,000	82.1%	82.1%
TOTAL DEPARTMENT				3,958,557	3,250,390	3,250,390	82.1%	82.1%