Zero Waste Advisory Commission **Regular Meeting Minutes**
May 10, 2017

The Zero Waste Advisory Commission convened in a regular meeting on May 10, 2017, in Council Chambers in City Hall in Austin, Texas.

CALL TO ORDER

Chair Acuna called the Commission Meeting to order at 6:35 p.m.

Board Members in Attendance: Gerry Acuna, Heather-Nicole Hoffman, Amanda Masino, Joshua Blaine, Cathy Gattuso, Blythe Christopher de Orive, Kaiba White.

Staff in attendance: Richard McHale, Michael Sullivan, Erin Benoit, Amy Slagle, Donald Hardee, Andy Dawson, Emlea Chanslor, Jennifer Denton, Woody Raine, Jessica Frazier, Natalie Betts.

1. CITIZEN COMMUNICATION: GENERAL

One member of the public signed up to speak on this item.

Steve Shannon, Waste Connections and the State of Texas Alliance for Recycling, spoke to the commission on the importance of recycling and to understand it in the context of other industries like oil, which he stated receives heavy subsidy from the government. He mentioned the state of Texas' recycling rate is being measured, including its economic impact, and this offers a great opportunity for the state of Texas to embrace recycling for job creation and economic benefit. Mr. Shannon noted that if extraction of resources is valued, resources for recycling should be as well.

2. APPROVAL OF APRIL 2017 MEETING MINUTES

A motion to approve the April 12, 2017 meeting minutes was made by Commissioner Hoffman and seconded by Commissioner Gattuso. The minutes were approved 7-0-0-4 with Commissioners Bones, Rojo, Joyce and Savage absent.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

3. NEW BUSINESS

a. **Outreach Services for Residential Compost Program** – Receive recommendations from the Organics Management Committee and provide a recommendation to negotiate and execute a contract to provide information to customers for the planned expansion of curbside residential compost services.

Two members of the public signed up to speak on this item.

Jennifer Denton, ARR, presented the item and asked for a recommendation from the commission.

Andrew Dobbs, Texas Campaign for the Environment and Austin Zero Waste Alliance, asked for future reference what made the proposed vendor so attractive to staff, so what was right about it can be used in future planning. Ms. Denton answered that some of what made the proposed vendor stand out was their focus on multiple cultural communities, multiple languages, and experience working with state and local agencies and City of Austin projects.

Phil Gosh, Organics By Gosh, asked how results of the outreach would be measured and if there were changes suggested to the program how they would be implemented. Richard McHale, ARR, answered that continuous evaluation would occur, and contamination levels would be monitored to ensure that messaging was getting through on the process of collection and processing of organic materials. Commissioner Blaine noted he appreciated the access to information during the procurement process and noted that it is an example of how best to handle proposed contracts considered by this body.

Commissioner Hoffman moved to approve the item, with a second by Commissioner White. The item was recommended on a 7-0-0-4 vote with Commissioners Bones, Rojo, Joyce and Savage absent.

b. Council Working Group – receive an update from ZWAC appointee to City Council's Waste Management Policy Working Group.

Commissioner Blaine provided an update from the recent working group tasked with policy questions. In regard to RFP's there is a verbal commitment from the department to bring RFP's to the commission before they are released for them to work on, and Commissioner Blaine hopes this is formalized in a resolution from Council. There is concern that releasing the actual draft of solicitations could bring undue influence to particular vendors. There was also indication that executive session is not appropriate for boards and commissions to utilize due to confidentiality concerns.

The discussion ended and no action was taken on the item.

3d. Committee Update: the Universal Recycling Ordinance Committee will update the Commission on recent meeting items. This item was taken up out of order.

Vice Chair Gattuso updated the commission on a recent meeting of the URO Committee. Reducing contamination was a topic of discussion, as well as the financial impact on the MRF due to downtime caused by it.

Vice Chair Gattuso noted that Balcones Resources stated that they want to use their MRF as a classroom and that ARR might publicize that, where one could call and get a tour of the MRF. Messaging consistency was noted as important. Multi-family access points were noted, that side by side collection points were desirable. When in doubt, it was noted by speakers at the meeting to dispose of the item in question instead of recycling, due to the downstream impact of improper recycling. Vice Chair Gattuso noted in El Paso, TX, it takes three workers just to remove bags from machinery, so the plastic bag ordinance in Austin is considered effective.

The discussion ended and no action was taken on the item.

3c. Department Audit – discussion of next steps for a review of the department.

No members of the public signed up to speak on this item.

Chair Acuna discussed the Office of Performance Management review that is planned for the department and also noted that a 3rd party audit is important for a new director to be able to use as a baseline for programs. Chair Acuna noted that he would like to know where programs are now, and where they will be in the future, and what changes need to be made to get to the goals involved. Chair Acuna noted the commission is due for a review of master plan.
Mr. McHale noted that the review is still on the schedule for OPM, and staff will update the commission at next month's ZWAC meeting.

4. STAFF BRIEFINGS

a. [re]Manufacturing Hub – receive an update from staff and consultant on analysis of the proposed [re]Manufacturing Hub.

Mr. McHale introduced the item, and noted that Commissioner Blaine requested more info at the last ZWAC meeting.

Darin Smith, EPS, presented a slideshow of the analysis of the proposed project, after being retained by the City to conduct a feasibility study stemming from the directive from Council detailed in resolution no. 20160414-003.

Commissioner Blaine asked about loan forgiveness by the Austin Water Utility for infrastructure work, and the consultant noted any potential financial forgiveness was speculative.

The commission and the consultant discussed subsidies to business to mitigate risk, other locations with less infrastructure requirements, wage variables for developer's labor, and return on investment concerns. The consultant noted a similar project in Canada, regarded as the most advanced in the world, rooted in positive policy, but that is losing money with key tenants having left the project. The Canadian location, it was noted, had to import material from beyond the region to supplement what was generated locally.

Brownfields sites were discussed as alternate sites and could be another way to offset a required subsidy, but the consultant noted that no EPA funding could be assumed as the future of the EPA was not known.

Mr. McHale noted that finances had been expended, and there were other possible ways to potentially recoup expenditures that staff could report back on. Ms. Betts noted a ballpark figure of a few hundred thousand dollars, and stated she would confirm exact figures. The consultant noted that infrastructure funding costs could not be mitigated by phasing the infrastructure, by his estimation.

Commissioner Blaine asked what proportion of respondents to the letters of interest for the project were construction and demolition related. Ms. Betts noted that the information was kept confidential due to the limited number of firms in the industry, including the category of C&D.

Commissioner White noted that funds from the City have been expended to attract jobs to Austin in the past and whether this project could fall under that type of strategy or funding used by Economic Development Department. Natalie Betts, ARR, noted that more traditional strategies were being explored, but the city was prohibited from pursuing project-based ED grants, and therefore individual company agreements would be needed for that type of approach.

Chair Acuna requested more information on the opportunities that exist without the five million dollar cost, based on the several hundred thousand invested at FM812 site without further infrastructure improvements. Ms. Betts noted she would look into that question. Chair Acuna requested the item come back next month with answers to the questions posed tonight, at which point the commission could make a recommendation to either put this item to rest or pursue it further.

Discussion ended and no action was taken on the item.

b. ARR FY2018 Budget Update – receive an update and provide input on the April 19th budget presentation to Council and the curbside composting program.

Jessica Frazier, ARR, presented a slideshow on the item. Mr. McHale closed the slideshow by discussing the impact on the diversion rate which would be about 7% to 8% of an increase in diversion in a conservative estimate, extrapolated out over 200K approximate households expected to be involved by 2020.

Commissioner Blaine commented that this shows an expenditure of $22.4 million dollars for a 7% increase in diversion rate, and noted that it appeared very conservative. Mr. McHale noted compostable plastic bags might be a suggestion based on the "yuck" factor noted from the pilot. Commissioner Masino asked how costs were brought down to $3.90 per bill. Mr. McHale noted that staffing estimates went from two to one person per truck, and cart size decreases saved on capital expenses.

Commissioner Blaine noted that staff was using data at their disposal but asked if we shouldn't we set a higher standard to achieve, being that projections fall short of stated goals. Mr. McHale noted that staff will always strive to achieve goals.

Commissioner Blaine asked for diversion number from the 14K households, looking at garbage, recycling, and organics. Mr. McHale said staff could but it would take some time to do that due to some operational variables.

Andrew Dobbs, Texas Campaign for the Environment, noted he was excited to see cost reduction but concerned with this conservative estimate, noting that this is the floor of the estimate and more efforts are being taken now with research and

outreach, and information that the innovation fellows insights contains. Mr. Dobbs noted if the floor is 45% this is a good thing, if recycling goes up too, it gets closer to 60%. This model is using the 96 gallon carts that are not popular, as well as passive education methods, according to Mr. Dobbs. He has looked at rates in research more similar to recycling rates and noted they are closer to 70%.

Chair Acuna noted this is a perfect time to revisit the master plan and adjust numbers for realistic expectations, as he stated the Commission doesn't need an OPM to do that for the ZWAC. The intent with the Master Plan was every 5 years to make adjustments to the plan and one is due now, and stated that three million dollars per diversion point is a lot of money.

Mr. McHale stated the OPM review is a departmental audit not a financial one. Chair Acuna said cost of service is included in a departmental review. Mr. McHale noted master plan has been discussed and staff realizes it is time to revisit it for a revision.

Ms. Frazier noted that this is the opportunity for Commission to weigh in on the budget, to make recommendations, and convey issues to have addressed.

Commissioner Blaine asked if a detailed budget would be presented. Ms. Frazier said this forecast focuses on organics expansion, and the rest of the programs and expenses are not changing, only increases in cost drivers like staffing, wages, etc. Commissioner Blaine asked if staff was spot on in what was budgeted vs. what was spent. Ms. Frazier noted she would review what was presented last year to see what would be appropriate this year.

Chair Acuna asked for a package similar to what was provided last year in terms of detail and he would like something similar to that. Ms. Frazier noted last years' presentations and said that FY18 budget hasn't been presented to Council yet, but this forecast is identical but with the cost drivers added, and when Council gets it the Commission will see it. Commissioner White noted that the information could be referenced online and related to the forecast document to get an idea of the new numbers. Ms. Frazier noted yes, the drivers would change figures but any changes beyond that would be because of the organics expansion.

Commissioner Masino asked why diversion rate was not included in presentation to Council, and Ms. Frazier said it was likely due to the length of the presentation.

Discussion ended and no action was taken on the item.

c. **Director's Report –** General Updates: Mattress Recycling, City Council Actions, Statistical Reports and Performance Measures.

Mr. McHale discussed on call concept for better bulky collection to try to create some diversion in that category.
Commissioner Blaine asked why there were differences in Balcones and TDS revenue or loss on the statistical reports. Mr. McHale noted staff could send web links to the master agreements.

5. FUTURE AGENDA ITEMS

Staff and commission discussed the following items to address at future meetings: Reuse directory where all mailings will have a link to access the directory; PARD recycling update; C&D working group update; Departmental audit/OPM update; Code Next update; Council working group update; Master Plan 5 year review.

6. ADJOURNMENT

A motion to adjourn the meeting was made by Commissioner Blaine, seconded by Commissioner Gattuso, and the meeting was adjourned by Chair Acuna at 8:50 pm to no objection.