



Utility Advisory Committee

Waste ReSources Recycling Program: Next Steps

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Title

Waste ReSources Recycling Program: Next Steps

Recommended Action

Support staff recommendation presented at the 09/17/19 Council Study Session to remove glass and polycoated products from Residential Curbside Recycling to include community outreach and implementation plan.

Report

Issue:

Briefing on 09/17/19 Council Study Session and Waste Resources recycling program community outreach and implementation plan.

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Presenters:

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Background and Analysis:

Briefing on Recycling

In October 2018, staff briefed City Council during a study session about the state of Olympia's recycling program. Staff presented the impacts related to China's recycling import restrictions, which, at that time, had been in place for 10 months. Olympia's recycle revenues were down sharply due to a lack of markets resulting in a large supply of material. Given the challenging market conditions, the City's recyclables were still moving to markets, and the City's recycle processor and industry were optimistic about the future outlook. The expectation was an 18 to 36 month downturn while domestic capacity increased.

During the briefing, staff did not recommend any changes to its system or the accepted material list. Staff committed to monitoring the situation and to evaluate options based on market conditions, and social, financial and environmental impacts.

Since the October 2018 study session, the value of material has continued to decline and the City is experiencing its lowest value for recyclables ever. Previously, the majority of processing and hauling costs were offset by the revenue generated from sale of recyclable material. Two years ago, the average commodity value received by the City was over \$120 per ton. Today, market value is hovering in between \$8 to \$11. The decline in revenue has created a significant budgetary impact for City. Because of the declining revenue from sale of recyclables, the City's Waste ReSources Utility increased residential rates in 2019 by 5.5 percent. In addition, the City received both verbal and written recommendations from its recycle processor, Pioneer Recycling Services, to remove glass and poly-coated paper packaging (e.g., milk cartons, juice boxes, frozen food boxes) from its commingled recycle stream. Both glass and poly-coated paper create challenges for recycling in a commingled system.

On September 17, 2019, staff briefed Council on the status of current recycling markets, the City's response to date, and recommended the removal of glass and poly-coated paper from the list of accepted materials. In particular, staff discussed the ongoing challenges associated with glass when it's commingled with other recyclables, and shared options for collecting it differently, ultimately recommending removal from residential curbside collection, and using drop off sites as means of collection.

Neighborhood/Community Interests (if known):

Olympia residential recycling customers have an interest in how the impacts to recycling will affect customer rates and the City's recycle acceptance list.

Since October 2018, staff have provided recycling information via direct mail and the *Five Things* utility insert. Staff also met with neighborhood associations, the Council of Neighborhood Associations (CNA), presented at the Olympia Rotary, and heard from residents who are concerned and/or confused about recycling.

Staff briefed the Utility Advisory Committee (UAC) on market challenges and overall impacts to the utility in April 2019. Staff intends to discuss with the UAC the changes to the acceptable materials list as a result of the recent Council Study Session.

Options:

Receive briefing and request input on an education outreach plan and the effective date for changes to City's curbside recycling acceptable materials list.

Financial Impact:

Recycling Commodity Revenues impact the Waste ReSources budget, ultimately affecting customer utility rates for garbage and recycling. Declining recycle revenue continues to be the biggest driver for 2020 utility budgeting.

Attachments:

None