



Staff Reports

File #: 2121-2019, **Version:** 1

To: Honorable Mayor and Members of City Council

From: Phil Brun, Utilities Director

Prepared By: Kevin Miller, Materials Diversion Administrator

TITLE:

2019/20 CalRecycle Organics Grant Program

RECOMMENDED ACTION:

Adopt a resolution authorizing the Utilities Director to submit an application for, and execute all necessary documents to implement, a CalRecycle organics grant in the amount of approximately \$1.5 million for a shredder, conveyor, rock screener, air classifier and grant eligible labor at the City's Material Diversion Facility; and determining that the actions authorized by this resolution were adequately analyzed by a previous CEQA action.

DISCUSSION:

The City's Materials Diversion Facility (MDF), which is located in south Napa County, has been in operation since the early 1990's and receives and processes all residential and commercial source-separated recyclable and compostable materials generated within the City and collected by the City's authorized hauler, Napa Recycling & Waste Services LLC (NRWS). The MDF also receives and processes materials delivered by haulers servicing surrounding jurisdictions (such as the unincorporated Napa County) and by private (self-haul) customers. In 2004, the City purchased the MDF and in 2005, NRWS took over as the City's contracted operator. The MDF property was annexed into the City of Napa in March of 2014.

The City has developed a plan for the Napa Renewable Resources Project (NRRP), which, among other things, envisions enhanced composting technology and anaerobic digestion for management of the City's organic waste streams. In the past five years, many system and capital improvements have been made to transition the MDF from open air, turned windrow composting system to a Covered Aerated Static Pile (CASP) composting system. Before compostable materials ever get to the active composting system, they go through a pre-processing system to clean and prepare organic materials.

Public Resources Code sections 48000 et seq. authorize CalRecycle to administer various grant programs in furtherance of the State of California's efforts to reduce, recycle and reuse solid waste generated in the state thereby preserving landfill capacity and protecting public health and safety and the environment; and reduce short-lived climate pollutants to comply with SB 1383, which will need to divert 75% of all organics from landfilling by the year 2025. The proposed grant application would seek approximately \$1.5 million to further improve and refine the organics pre-processing system at

the MDF with both efficiency and final product quality benefits. The current CalRecycle Organic Program grant application is due November 21, 2019, and according to the state's current schedule grant awards will be announced in March 2020.

The grant funded capital improvements include a slow-speed, high volume shredder, stacking conveyors, a rock screener, an air classifier (to remove plastic) and magnetic belts to be added to the organics pre-processing system and sort line. These improvements are expected to increase throughput on the organics pre-processing system from current 30 tons per hour to 45 tons per hour. This in turn will require two additional sorting positions on the organics pre-processing line. While the grant can pay for some of the new sorter position labor costs, NRWS has committed to providing funding for the two new sorters at no additional cost to the City during the term of the grant and the full labor cost of the two sorters beyond the term of the grant (which ends in April of 2022). As part of the grant application, a community benefit agreement would be added to implement public education and awareness, along with minimizing impacts to the community. NRWS, as operator of the facility, will be delegated the task of implementing this additional public education and awareness (currently NRWS has identified the non-profit group "Napa Climate Now" as its likely community outreach partner).

If the City is awarded the grant, an amendment to the NRWS Contract will be brought to Council for consideration in order to add the installation and operation of the new equipment to the scope of work.

FINANCIAL IMPACTS:

Capital Improvements costs and initial operating costs of approximately \$1.5 million will be funded by the grant. The on-going cost for two additional sorters will be funded by NRWS and not the City. There will be increased operating costs for maintenance and fuel of approximately \$80,000 per year. The system would result in increased sales of compost by approximately 5,000 cubic yards and capture approximately 10,000 more tons of organic materials that can be composted and/or turned into marketable mulch material than without the grant-funded equipment. Being able to process more compostable organic material at the MDF has a major long-term avoided cost benefit to the City to the extent that organic materials do not need to be transfer off site to other facilities (which currently cost the City rate payer between \$20-22 per ton for transfer off site from the MDF). Thus, capturing 10,000 more tons as a marketable finished product (compost or mulch) will save the City \$200,000-\$220,000 in avoided transfer/transportation costs and thus would have an estimated net benefit to City rate payers of \$120,000-\$140,000 per year.

CEQA:

City staff recommends that the City Council determine that the potential environmental effects of the Recommended Action described in this Agenda Report were adequately analyzed by the Initial Study and Mitigated Negative Declaration prepared for the Napa Renewable Resource Project (File No. PL12-0022), adopted November 7, 2013 (Resolution No. PC2013-15), pursuant to CEQA Guidelines Section 15162.

DOCUMENTS ATTACHED:

ATCH 1 - Resolution

NOTIFICATION:

Courtesy Copy to:

Greg Kelley, General Manager/Managing Partner, Napa Recycling & Waste Services
Mike Murray, Controller/Chief Financial Officer, Napa Recycling & Waste Services
Evan Edgar, Edgar and Associates
Peter Ex, Local Enforcement Officer/Solid Waste Program Manager, County of Napa