



# Memorandum

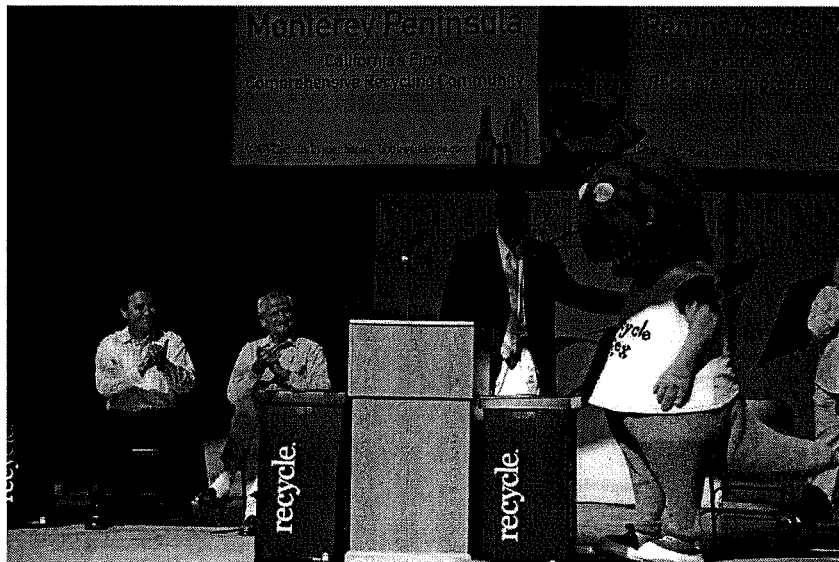
## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by LMM Date 11/14/08  
General Manager

DATE: November 14, 2008  
TO: General Manager  
FROM: Public Education and Recycling Manager  
SUBJECT: Report on Public Education, Recycling and Litter Activities

### Comprehensive Recycling Community Program Wrap-up

The California Department of Conservation (DOC) held a press conference at the Monterey Fairgrounds on October 23<sup>rd</sup> to recap the success of the 12 month Comprehensive Recycling Community (CRC) project conducted on the Peninsula that concluded in the Spring of 2008. Board Chair Leo Laska spoke on behalf of member agencies to thank the DOC for the considerable resources provided to the Peninsula during the CRC campaign. The DOC findings showed that per capita beverage container recycling rates on the Monterey Peninsula increased 18% during the CRC project. This compares with an 11% increase state-wide during the same time period. The results demonstrate that the DOC promotional effort and local assistance during the CRC project helped boost local recycling rates well above the State average.



Monterey Mayor DellaSalla with MRWMD Board Chair Leo Laska, DOC Assistant Director Stephen Bantillo, and Recycle Rex.

### Electronic Waste Recycling in the News

The 60 Minutes television program November 9, 2008 reported on an undercover investigation of electronic waste (e-waste) recycling in Colorado. The story documented how televisions and computers collected in Colorado community drop-off events were illegally shipped to the Far East where they were crudely dismantled and processed to recover precious metals while causing great harm to the environment and the workers associated with the practice. The report served as a reminder that in many states e-waste still goes unregulated and nationally, there is no Federal e-waste recycling mandate.

California is said to have the most successful e-waste recycling law in the country and one with detailed regulations to authenticate and verify proper e-waste recycling. The program presented a good opportunity for the District to update the practices of the e-waste recycling vendor we utilize, E-Recycling of California. E-Recycling has been recognized as a "responsible recycler" by the non-profit watchdog group Computer Take-back Coalition. In 2004, the company signed the Basel Action Network Pledge of Stewardship (which the US has not signed though 170 other countries have). E-Recycling has provided a chain-of-custody flow chart for all the materials they process and recycle to verify that they do not take short-cuts in the proper management of District e-waste.

### Recycling Markets Slump Worldwide

The price paid for recyclable commodities such as scrap metal and cardboard have plummeted following record high prices as recently as last summer. The price the District is paid for scrap metal has decreased from a high of \$260 per ton last July, to \$25 per ton this month. The price of cardboard has decreased from \$70 per ton to \$0 and now costs the District \$85 per load to haul away. In recent weeks we have heard from several local recyclers, as well as programs in California and across the country that they are experiencing the same precipitous drop in commodity prices. As recycling has become part of the global economy, market prices for recyclable raw materials have become closely tied to the global financial markets. Elsewhere in California, some recycling programs are beginning to discuss the reality that they may need to landfill some commodities that now have negative value.

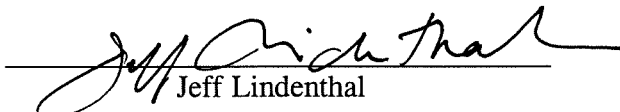
The holiday season is historically a strong period for raw materials but with China having all but stopped purchasing paper and metal, stockpiles are growing. Market professionals now project the slowdown will last several months and in the case of paper recycling, the market will begin to rebound by late 2009. Market fluctuations are a reminder that the District is here to recycle in good economic times and bad. Staff will continue to watch market trends closely and explore every opportunity to ensure that the commodities we divert are recycled and not disposed. The attached article from the *Contra Costa Times* portrays the free-fall in market prices for recyclable commodities around the State.

### County General Plan Proposes 75% Waste Diversion Goal

The Draft Environmental Impact Report for the County General Plan includes a detailed section on Climate Change. One of the mitigation measures proposed is to "Promote Recycling and Waste Reduction" including adopting a "75% waste diversion goal." The EIR specifically calls for the expansion of food and green waste recycling, supporting waste conversion and methane recovery in local landfills, and shall "support and require" the installation of anaerobic digesters for winery facilities and wastewater treatment facilities under County jurisdictions. A news article that appeared this week on the General Plan EIR is attached.

### Strategic Planning Impact

A6a: Program focus on public awareness, increased diversion of organics and commercial wastes, proper management of hazardous and prohibited materials, litter abatement, and sustainability.

  
Jeff Lindenthal

Attachments

# Recycling in the dumps

By Matthias Gafni  
Contra Costa Times  
11/02/2008

**BENICIA** - As a forklift stacked two more bales of recycled newspaper on a growing paper mountain, Steve Moore frantically searched for warehouse space to store the suddenly worthless commodity.

The pile of paper — mostly from central Contra Costa residents' recycling bins — represents an international problem that could raise homeowners' garbage rates and dent the drive to cut waste sent to landfills.

Moore's stack has reached its height limit at 16 feet and 1,000 tons. He has squeezed a week's worth of paper into the shrinking open space behind his Benicia recycling facility. "Our forklifts can only go so high," he said, only halfjoking.

Moore, Pacific Rim Recycling's owner, has taken the unprecedented step of leasing two acres in Oakland to store some of Contra Costa's recycled waste, and he is searching for more warehouse space. He is not alone.

The dominos-like collapse of the housing, credit, stock market and commodity collapses click-clacked into the recycling industry, and it fell fast. In six weeks, the price for recycled cardboard has gone from just under \$200 a ton to \$30 to \$40 a ton — if you can find a buyer, dealers say.

"This isn't volatility — this is the bottom falling out," said Paul Morsen, executive director of Central Contra Costa Solid Waste Authority, which contracts with Pacific Rim to take its recyclables.

Recycling plants nationwide are debating whether to charge disposal companies for the recycled goods that garbage companies bring in. Most recyclers pay for the materials, then sell them for a profit.

If recyclers start charging, disposal companies likely would raise garbage residential rates. With storage space dwindling and material shelf life limited, it is possible that recycled materials will be sent directly to landfills, which could violate state regulations and set back green practices.

The global economic slowdown, particularly in China, has tanked the market during a historically peak period — Halloween and Christmas seasons. China, the largest consumer for West Coast recyclers, has almost stopped buying paper and most other recyclables, industry analysts say, creating a raw materials bottleneck.

In some instances, ships full of recycled materials sit anchored off the Chinese coast with no buyers. In other cases, Chinese buyers break contracts and force sellers into taking bargain-basement prices, industry analysts and brokers said. "The entire industry is upside down right now," Moore said. "The question is how long people can hold on for or will they have to close their doors."

## Making green

Commodities recycling exploded as the world's economy thrived a few years ago.

Recycling plants found endless customers who paid top dollar for raw materials, particularly in booming Asian markets. The trade kept waste out of landfills, increased efficiency and created a lucrative industry.

California mandated that municipalities divert half their waste from landfills. Central Contra Costa's waste authority received a cut of recycling proceeds — \$2.33 million this past fiscal year. It used the money for new recycling programs, such as a test of turning restaurant food waste into electricity.

Pacific Rim receives 5,000 to 6,000 tons of recycled materials a month, three-quarters of it paper products. Moore estimated that earlier this year he could sell his materials for about \$800,000 a month. "The industry has enjoyed very good success the last few years," he said.

About the only problem the industry had was a sharp increase in metal thefts. Thieves have been stealing suddenly valuable metals off just about anything, sometimes even war memorials and gravestones, to sell as scrap.

## **Nine Dragons**

When China opened its Nine Dragons paper mill in 1995, recycled cardboard prices jumped within months from below \$25 a ton to more than \$225 a ton. China is the No. 1 consumer of recycled fiber. Other Asian countries, such as South Korea and Japan, used to purchase recyclables but now buy internally. China, however, needs recycled paper because it has few forests and its economy is based on exporting products that need packaging, said Brook Edwards, author of *The Brown Sheet*, a paper recycling industry newsletter.

Typically, China buys the bulk of its paper from October to December, to prepare packaging for all the toys, electronics and other products exported for the holidays.

But as the world economy stiffened and China sold fewer products, a backlog began. Normally, Chinese buyers could take out loans to bridge the gap, but the credit crunch prevented that, said Bob Wallace of WIH Resource Group, a Phoenix-based waste management, recycling and logistical consulting firm.

Declining construction and car sales sent metal prices plummeting, as steel was no longer in demand, he said. China began playing hardball, Edwards said. "They don't want to buy anything until they know we're at a bottom," he said.

## **'Borderline illegal'**

On Thursday, recycling broker Jim Fagelson was forced to drop the price of two shipments of cardboard heading to China by \$10 a ton, two weeks after it left Los Angeles with a set agreement. Rather than argue the point with his Chinese buyers and risk having the price drop to today's rate of about \$80 a ton, Fagelson reluctantly agreed to sell for \$120 a ton. "They kind of have you," said Fagelson, vice president of Newport CF Intl., a Southern California recycling brokerage firm. "It's truly unethical and borderline illegal. But to tackle it in the courts and overseas isn't practical."

Taking advantage of the recycled materials glut, Chinese buyers are wielding a powerful ax. Buyers will find a small mistake in letters of credit and quote a lower price to brokers once shipments are halfway across the Pacific Ocean. With few other options, most brokers are forced to accept it, Fagelson said.

Some speculators shipped tons of scrap metal and materials to China hoping to negotiate prices once there. This was not a problem during the good days, but now ships full of recycled materials are anchored off China's coast with no buyers. "It's about as bad as I've seen it, and I've been doing this my entire life," said Fagelson, a 35-year industry veteran.

The domestic market for recyclables is small and other options have been exhausted, Edwards said. For instance, once the Chinese market slowed, trains with Midwest recycled waste were diverted from Los Angeles to Mexico. Now, Mexico is taking no more materials, he said.

## **Joe Recycled Sixpack pays**

Moore needs a warehouse to keep his paper dry; waterlogged bales are useless. Storage costs money. "I'm losing a lot of money right now "... a lot of money right now," he said.

Moore has some financial leeway, but he said that smaller "scrappers" and other recycling plants, many of which can not get credit, will shutter. The facilities that stay open may have to pass costs on to others.

Pacific Rim pays the Central Contra Costa waste agency \$30 a ton for recycled materials picked up from homes mostly along the Interstate 680 corridor. That price fluctuates, but may flip Pacific Rim asks the waste authority to pay to take the materials. "That's a very serious concern of ours and we're watching the market very closely, hoping it will loosen up," said Morsen, the waste authority executive. "If it eats into the operational budget then customers "... will wind up paying more."

Many recycling centers are renegotiating their contracts with cities, said Wallace, who consults recycling facilities across the country.

## **Green no more**

If Moore cannot sell his materials, he may have to send recyclables to landfills when he runs out of storage space.

That prospect does not make Morsen happy. "In terms of a green approach, paper's very recyclable. If you take something that good and such a rich commodity and stick it in a landfill "... that would be a giant step back," he said.

It also might violate state law. The state requires half of all waste from cities and counties to go somewhere other than into landfills, with the percentage scheduled to rise in the next few years. The state could fine non-complying cities or counties \$10,000 a day. "We will work with local jurisdictions to help them be in compliance," said Beatriz Sandoval, a spokeswoman for the state's Integrated Waste Management Board.

One benefit of the struggling economy is less waste, which will make hitting diversion laws easier, she said. Nationwide, garbage is down 10 percent to 40 percent in different regions, mostly due to declines in housing and retail waste, Wallace said.

Still, East Coast and Canadian recycling centers have started sending recycled materials to landfills, Moore said.

Reach Matthias Gafni at 925-952-5053 or [mgafni@bayareanewsgroup.com](mailto:mgafni@bayareanewsgroup.com).

## **Paltry paper**

The crumbling global economy has taken down the recycled paper market in the past few weeks. Here's how much buyers were paying per ton as of Nov. 1 in the Bay Area market, with decline since Oct. 1.

Nov. 1 Oct. 1

Cardboard \$40 to \$45 \$55

Mixed paper \$25 to \$30 \$75

Newspaper \$65 to \$70 \$80

Office paper \$130 to \$140 \$70

Sources: The Brown Sheet and The Yellow Sheet

## Plan requires cut in emissions

By JIM JOHNSON  
Herald Salinas Bureau  
11/13/2008

Within two years after the long-delayed general plan update is finally approved, Monterey County would be required to adopt a plan to reduce greenhouse gas emissions by nearly 30 percent in an attempt to offset the environmental impacts of future growth.

That is according to an overview of the latest version of the county's blueprint for growth during the next quarter century, known as General Plan Update 5, and its draft environmental impact report, which was presented to county planning commissioners Wednesday. The public hearing, which drew only a smattering of participants, was the commission's first on the draft report.

But some commissioners said they are worried about the potential costs of implementing such a sweeping, ambitious plan in difficult economic times, as well as its impact on the local business climate, and called for a full accounting of the expense of such a plan.

Commissioner Juan Sanchez expressed concern that the global warming measures would be a deal-breaker, similar to other controversial measures that scuttled previous general plan update proposals.

According to the overview, presented to the commission by Resource Management Agency deputy director Alana Knaster, the county would be required to adopt a greenhouse gas reduction plan that would cut emissions 28 percent by 2020.

As part of the emissions reduction plan, the county would take an inventory of transportation and industrial emissions, approve a "green building" ordinance focused on large industrial and commercial projects, and aim for a 75 percent waste diversion goal through recycling and waste reduction initiatives. The county would use electric or ultra-low emission fleet vehicles and show preference to contractors who use low-emission business practices.

Commissioner Jay Brown called the climate change section "mind-boggling" and suggested that the recommended measures to reduce emissions were potentially so costly and extensive that they could require the creation of an entirely new county entity he dubbed the "Department of Greenhouse Gas Standards." Brown asked for an accounting of the plan's costs so the Board of Supervisors could ultimately decide what measures the county could actually afford.

Planning Commission Chairman Aurelio Salazar said general plan policies should focus on the county's top two industries — agriculture and tourism. Though he agreed the impact of "global warming is important" and should be considered by future planning commissioners, Salazar said it was more important to bring "closure" to the general plan update process.

Commissioner Martha Diehl suggested that the draft EIR should include a list of emission-reduction goals rather than specific measures.

But commissioner Keith Vandevere argued that "good intentions standards are not the same as mitigation measures" and said he wanted some specifics included in the plan.

Knaster pointed out that some of the measures will actually end up saving the county money in the long run though she acknowledged there would be initial implementation costs. She added that county staff is required to write an implementation report, including a cost analysis, within three months of adoption of the general plan update.

Knaster's overview also focused on other changes made to the proposed growth policy document, as well as proposed mitigations to offset the environmental impacts associated with projected growth. Knaster reviewed everything from water and biological resources to transportation and air quality.

Chris Fitz, Landwatch Monterey County's executive director, testified briefly and told the commission the local land-use watchdog is still conducting its review, but already has concerns about the loosening of restrictions for cultivation on steep slopes, especially with regard to the wine industry.

Commissioners discussed the ever-changing review schedule and several expressed frustration at the repeated delays that have extended the public comment period to at least Dec. 2. The plan now is to set a final review schedule on Dec. 10, but the review process won't begin until the following week at the earliest and will almost certainly extend into next year.

Complaints by the public, including The Open Monterey Project, which has threatened litigation, regarding the availability of the draft EIR and the supporting documents, have prompted several extensions of the public comment period.