

THE CITY AND BOROUGH OF JUNEAU, ALASKA

November 29, 2007

MEETING NO. 2007-29: The Special meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 5:00 p.m. by Mayor Bruce Botelho.

I. FLAG SALUTE was led by Mayor Bruce Botelho.

II. ROLL CALL

Assembly Present: Jonathan Anderson, Bruce Botelho, Jeff Bush, Sara Chambers, Bob Doll, Merrill Sanford, and Randy Wanamaker (via telephone).

Assembly Absent: Johan Dybdahl.

Staff Present:; John Hartle, City Attorney; Beth McEwen, Deputy Municipal Clerk; Roger Healy, Engineering Director; Maria Gladziszewski, Special Projects Officer.

III. SPECIAL ORDER OF BUSINESS – None.

IV. MANAGER’S REQUEST FOR AGENDA CHANGES – None.

V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS. – None.

VI. NEW BUSINESS

A. Solid Waste Management Strategy

Special Projects Officer Maria Gladziszewski reported that the Solid Waste Working Group has worked for the past nine months analyzing a systematic approach to determine what should be done with solid waste in Juneau. They have held 2 public informational meetings, one in August and one in November. Members of the Solid Waste Working Group are Dave Hanna, Marcy Larsen, Gretchen Kieser, Nancy Waterman, Joe Buck, Cynthia Johnson, Assemblymember David Stone and Ms. Gladziszewski. She introduced two consultants from WIH Resource Group, Chris Bell and Richard Hertzberg. The consultants made a presentation to the Juneau Chamber of Commerce in a prior meeting.

Ms. Gladziszewski explained that the issue before the Assembly is a fundamental policy call as to what the city should or should not be doing regarding solid waste. The city has had long range solid waste goals. The Assembly has passed resolutions and comprehensive plan policies regarding integrated solid waste management regarding recycling and there has been a fundamental disconnect with those goals and the city’s ability to influence those goals, given that the landfill and the separate waste hauling service are both owned by private companies.

The power point presentation and a modified implementation schedule was distributed, in addition to the “Final Draft of the Solid Waste Management Strategy for the City and Borough of Juneau,” dated November 30, 2007, by the WIH Resource Group, in association with Zia Engineering and Environmental Consultants. The Solid Waste Working Group reviewed the plan before it was presented to the public or the Assembly and outlined a modified Section 8.0, Table 7, Implementation Schedule for review.

Mayor Botelho welcomed Mr. Bell and Mr. Hertzberg to Juneau.

Mr. Hertzberg presented the summary of the final draft document by going through their power point presentation. He said the consultant's role was to provide the city with an independent technical analysis that strives to be fairly comprehensive and detailed at the same time.

They looked at the solid waste system/program in pieces and gave a step by step analysis of the status of each piece. The various pieces were: Collection, Disposal, Recycling, Promotion, Organization, and Transfer. They looked at each of the pieces and analyzed the strengths, weaknesses, organizational priorities, and how they match up to determine their final recommendations to the Assembly.

There are approximately 30-33,000 tons per year going into the landfill. Of that about 24,000 is predictable regular trash from homes, business, and institutions. The rest is debris from construction and demolition activities. There are no local markets for recyclables so everything is shipped to Seattle. That is the current and foreseeable method for the future. The population is fairly stable and predicted to stay that way. Recycling can make a significant impact to reduce the volume of trash. Juneau is not an attractive investment opportunity for waste companies that aren't already here due to the volume.

The landfill does have capacity for 30 years and everything with the landfill is being done in accordance with state regulations. There are two very competent service providers who are underutilized and could do more if done differently. There is a growing interest of recycling. Arrow Refuse is operating under the regulations of the Regulatory Commission of Alaska and not under a contract with CBJ directly, so their terms and conditions, rates, and operations are not subject to CBJ regulation. There is no contract for disposal. CBJ has no means to affect policy. On the other hand for Arrow Refuse and Waste Management, they are making a profit but their inclination to make long term investments is not high because of a lack of a contract. This has disadvantages for both sides and it is WIH's opinion that a change in that situation would have significant advantages.

To do more recycling, a substantially larger facility than what is in use right now would be needed, in addition to land, an operator, and some equipment. Ultimately they envisioned the Assembly considering a long term facility strategy to handle a whole range of materials, not just recyclables, and perform a number of functions that would continue to remove materials out of the waste stream over time. They looked at the limited developable land in Juneau for a new land fill, the possibility of a new incinerator, sending garbage to Washington, and various initiatives from Southeast Conference. There were a lot of good intentions there but no options had moved forward.

When they talk about disposal, they are mainly speaking of the 24,000 tons of regular garbage. Construction and demolition debris is always going to be land filled or a good portion because it was not going to be burned or put on a barge and shipped down south. Ultimately, at the facility they are suggesting, a portion of the construction and demolition material could be recovered that was reusable or recyclable, such as scrap metal, some wood products and other materials. With incineration, the issue of ash had to be dealt with. The ash could be put into the landfill and that is within the permit requirements and what was previously done.

They showed a breakdown of various cost breakdowns based on amounts per ton. Although it would be impossible to quote the cost of an incinerator or a landfill 10 years down the road, the purpose of giving comparative figures for ranges at this time was to help give some estimates for comparison purposes.

If the city wants to make public policy regarding solid waste, such as more recycling, more control over what happens at the land fill, greater control over the rates, a more efficient garbage collection system for the residential side, the city needs to have contracts directly with two service providers who are providing those services. There are procedures and there are jurisdictions in Alaska who have gotten certificates of operation from the RCA. They have been given an estimate that it takes maybe six months, give or take a few months to obtain the certificates.

They don't see any compelling technical reasons not to use the disposal site operated by Waste Management. They recognize that people have strong feelings about the height and smell but the fact of

the matter is that it is operating in a compliant manner and there are good technical reasons why it is a mountain and it is growing and Waste Management can get into that. They are recommending that CBJ, for the next 5-7 years, put its efforts and resources into recycling if that is what the Assembly wants to do.

Their recommendations are as follows

- Continue to use Waste Management Landfill
- Hire expert to carry out the program – there is currently no expertise in the city administration on this matter that would be responsible for carrying out this program.
- Garbage service needs to be universal, mandatory, and has to be a combined garbage/recycle service so that whatever rates are set up you can spread out the rate base on the largest number of ratepayers as possible.
- Transfer the Regulatory Commission of Alaska certificate from Arrow Refuse to CBJ
- At the same time as transferring the certificate, establish contracts between CBJ and Arrow Refuse and Waste Management.
- Secure a site for a multi-purpose recycling and recovery facility.
- Do an inventory of available land to see what the options are for future sites. A site would need to be 10 acres plus and that land will have to be dedicated and not used for any other purpose for a considerable amount of time.
- The collection system should be cart based, 35, 65, or 95 gallon size. 65 gallon is needed for recycling, the hauler can choose a semi automated or fully automated system.
- Design and construct a MRF (Material Recycle Facility).
- Implement a commercial recycling system.
- Designate minimum material use recycling requirements for specified construction and demolition projects.
- Design a promotion, education and outreach program that is regular and ongoing.

The more material diverted by recycling, the less expensive the program becomes.

Mayor Botelho asked the Assemblymembers for any questions.

Mr. Doll asked what percentage of Juneau households currently used scheduled trash picked up. Arrow Refuse representatives said about 85% of the households in Juneau.

Ms. Chambers asked what the advantages or disadvantages would be, beyond reducing overall cost, of adoption of universal trash and recycling service standards.

Part of approach is to bring everyone into the system and to promote equity in the cost of the system. To some extent, people and businesses which don't have services currently are still benefiting directly or indirectly of the Arrow Refuse service. A standard level of service could be set, for example, a 65-Gallon cart for service would equal price X. Everybody is going to pay that fee. If you think you generate more or less, you can go higher or lower and there is a standard rate at those levels. Everyone covers the cost of the basic service, and within that the individual behavior dictates the total cost. There are some exceptions that can be made for segments of the population such as seniors, handicap, etc. We conclude that the participation in recycling in Juneau will be quite high. Regarding the 15% who aren't participating – are they generating waste, and if they are, what are they doing with it?

Another element is the length of time of the contract; there are no competitors other than Arrow Refuse and Waste Management. CBJ is currently out of it as they do not have the certificate.

Recycle items can be put in same truck later in the day after being washed out so you are getting double use of the trucks. Long term contract would recommend 7-10 year contract to keep rates from

skyrocketing. The advantage of using Waste Management is that they have worldwide sources for buyers of recyclable material and Juneau's recyclables can be added to their waste stream.

Mr. Anderson asked if the current service was in the urban service area or borough wide. Arrow Refuse said that of 8000 households borough wide (their certificate extended to the end of the road) 6500 households were participating.

Mr. Anderson asked if the provision of the carts was included in the estimated monthly fees, and Mr. Hertzberg said yes.

Mr. Anderson asked if the payment for recyclable processing was a separate negotiation with Waste Management or was it part of the collection. Mr. Hertzberg said it was two separate things. The recyclable material does not pay for itself, other than delaying the closing of the landfill.

Mr. Anderson asked if 20% of the waste could be diverted, what would be the disposal costs of the diverted material. Mr. Hertzberg estimated \$258,000. Mr. Anderson said currently the city was paying \$165,000 to dispose of recycled materials. The consultants said that households are fairly uniform, but commercial recycling is more varied and with greater participation, could reduce the disposal costs.

Mr. Bush asked about glass disposal and composting. Mr. Hertzberg said that due to shipping costs and co-mingling, glass was problematic. Paying for the transportation of the glass down to California doesn't make a lot of sense. Compost is a material stream and you need a place to take it. Hopefully you can set aside a piece of land that over time would phase in waste streams that wouldn't be targeted initially. The recommendations they make are significant steps in and of themselves. They did not eliminate these items – they just saw them further down the road.

Mayor Botelho asked about the pressure to join Southeast Conference on a regional facility. We as a city or community, have no way of compelling Arrow Refuse or Waste Management to provide services outside of Juneau. Mr. Hertzberg said that transferring the certificates is essential to doing any options. The city had to control the material as a preliminary step. The consultant met with executive directors of Southeast Conference and had read their material. The volumes are not sufficient now and Ketchikan is out of the picture in a contract for the next seven years. Recycling now does not foreclose options down the road. To benefit the Southeast Conference proposal, you would want to make as much garbage as possible and not recycle anything, to cover the capitol costs.

Mr. Wanamaker asked the consultant's view on current incineration technology and where will it be in 5 years?

Mr. Bell said current incinerator technology is available, and one was just installed one in Nome. CBJ could be in competition with Waste Management for the waste stream to feed it if CBJ installed an incinerator. For the SE conference option, you could barge other communities' trash and incinerate it.

Mr. Hertzberg said they were not experts in incineration, and the report section on incineration was written by another consultant. The estimates were based on 24,000 tons in trash. If the garbage output was cut in half due to recycling, then the costs would go up. It doesn't seem feasible to have a recycling program and an incinerator, since there would not be enough garbage of the type necessary to make an incinerator cost efficient.

Ms. Chambers asked if the cost of the entities that don't subscribe to the pick up fees but they take their stuff to the dump included. Mr. Bell said that was not figured into the system costs as it was an unknown factor. Exemptions would need to be determined by the Assembly, based on a variety of factors and there are all kinds of models. The base rate pays for the service to be available.

Mayor Botelho acknowledged the members of the Solid Waste Working Group present and asked for any comments from the group.

Marcy Larsen said she was serving as a business owner and a resident, and was skeptical that recycling could really work, and the associated costs, and the possible government intervention and regulation. Through the process, she learned that both Waste Management and Arrow Refuse are willing to work with the city and there is a need to form a partnership if we want to move things further ahead. Recycling doesn't pay as a profitable enterprise. She appreciated the fiscally conservative approach that the working group took. Their recommendations were to adopt, or at least accept the consultant's recommendation and use the information and move forward.

Mr. Bush asked why it would take 4.5 years to implement the recommendations. It does not take 1.5 years to negotiate contracts with willing partners.

Mr. Hertzberg said it was up to the Assembly to determine the timeline; however, they were fairly conservative in estimating the time. They have worked with groups who have been too ambitious in their timeframes on this. Mr. Bell said hiring a solid waste coordinator with expertise could speed things up.

Mr. Anderson asked for clarification regarding the distribution of a handout replacing pages 40 – 43 in the draft report. Mr. Bell said all the items are the same recommendations; the solid waste committee amended how the order the information was presented.

Ms. Chambers asked if any other similar sized communities had hired a solid waste coordinator, and asked for more specifics on how they saw the position being developed.

Mr. Hertzberg said currently one employee in the Public Works Department was handling the Junk Vehicle Disposal Contract, the Hazardous Waste Contract and the Recycling Contract. Ultimately, they see these contracts falling under the jurisdiction of the solid waste coordinator. You do need someone who has had fairly extensive experience, you don't want a novice. Someone who has worked with contracts worked with the regulatory commission and has worked as an education liaison with the community. Fairly extensive promotion would be needed to get the community involvement – virtually door to door with personal contact. Right now there is no data base for what is being collected and where so you can measure the contracts over time and determine the volumes of commercial and residential waste. On a broader scale, there is a Sustainability program being initiated and this activity would fall within that scope.

Ms. Chambers asked about Item #3, adopting a policy on universal trash and Item #7 to design and implement the fully automated system. Is there a reason we would adopt policy before looking at the rates and options available to us?

Mr. Hertzberg said the policy would be provided as a general intention of goals and objectives, without specifics. More specific functions would come under that general umbrella.

MOTION by Doll, that

(a) the Assembly conceptually approves the following recommendations:

- 1. Continue to use Waste Management (WM) landfill for disposal;*
- 2. Hire solid waste coordinator*
- 3. Propose ordinance on universal trash and recycling collection service;*
- 4. Explore transfer of Arrow Refuse RCA certificate to CBJ;*
- 5. Scope contractual partnerships between CBJ and Arrow Refuse and CBJ and Waste Management;*
- 6. Identify alternatives for Multipurpose Materials Recovery Facility (MRF);*
- 7. Design and implement residential refuse collection with variable rates;*
- 8. Design and construct an MRF;*

9. *Design and implement Promotion, Education, Outreach (PEO) plan;*
10. *Design and implement residential recycling collection service;*
11. *Design and implement commercial/institutional recycling collection service; and*
12. *Adopt recycling standards for designated construction and demolition projects.*

and

(b) direct the consultants to work with CBJ staff and the Solid Waste Working Group to re-evaluate and further delineate the activities, steps and timelines for each recommendation.

Mr. Doll said that this motion avoids the issue of timelines, and minimizes the multitude of detailed questions about how many of these things are going to be done. It recognizes the public's desire to get on with this subject and tasks the manager to respond to us on all of these areas.

Mayor Botelho requested an at-ease for the Assembly to review the motion.

Mayor Botelho said the recommendations soften some of the recommendations in the report, such as Rec. #3, 4, 5 & 6.

Mr. Doll said yes, he took some of the action verbs and made them more exploratory so the manager could come back with recommendations on all 12 of these areas, and let us know if they were possible or not.

Ms. Chambers supported the motion and was very excited about MRF option. Do we know if Arrow Refuse is interested in participating?

Ken Kimple, Waste Management representative from the Pacific Northwest market area and Glenn Thompson, General Manager, Arrow Refuse were present.

Mayor Botelho asked if the industry representatives were aware of their role in this issue and if they were prepared to play the role. Mr. Kimple said he supported the way this motion was written. There are tremendous opportunities but we are not sure what the specifics are at this time. They have property, leveraging power with recyclable materials and are interested in a long term partnership with the city and borough and think it will take this type of language to get there. They are very anxious to sit at the table. He supports Eric Vance who is the manager of the local facility who has done a tremendous job making improvements at the landfill. They are ready to start the dialogue with staff to get things going.

Mr. Thomson said they were long trying to encourage recycling and come up with a way to break into that market but there had not been a good business model without a partnership and the authority of the city. It is very frustrating and expensive for our company to deal with the Regulatory Commission of Alaska, as they don't have a lot of interest in regulating waste, but do have more interest in gas pipelines and telephone/electric. It is a long process to make changes to our service. We have in incredible amount of data we report to them. We took over in 2003 from Waste Management and kept the same rates that were in existence then. RCA made Arrow Refuse go through rate/revenue study which was a 1.5 year process, which was onerous and expensive, and allowed only an increase for inflation. After that there was another revenue study they required, which took another 1.5 years. Dealing with a local community with local needs, such as service on the task force regarding bears, would help them make changes to their operations in a timelier manner. They propose CBJ obtain the certificate at fair market value and an exchange of a ten-year franchise for the certificate, and after ten years we will be able to establish that we can do the job sufficiently. This would allow CBJ to direct as a policy decision how solid waste would be dealt with in the community.

Mr. Sanford asked when the money for the consultants work was scheduled to be completely spent.

Ms. Gladziszewski said this is the semi-final draft, and there is another round of work in January. In lieu of this, we can work on these issues, so there is some small amount left.

Mr. Sanford said he did not want to be continuing the consultants work at this point unless there were more specific items to complete that were included in the scheduled amount.

Mr. Wanamaker said this was a far reaching motion, with many points he agreed with, and many points needed further information. He preferred this be referred to the COW to discuss what had been heard and to decide what we want in a solid waste contract, and what we want for a long term solid waste strategy for the community. After this he would take up the motion again with the elements of agreement and forward the recommendations to staff. Otherwise he was prepared to object to the present motion, vote against it, and if adopted, offer a notice of reconsideration.

Mr. Doll said he understood Mr. Wanamaker's desire to obtain further precision on the great many steps to be taken. The challenge that would be to get through the list in a series of meetings – he urged the Assembly to allow the City Manager to get additional information through work of staff, and bring it back to the body for further decisions.

Mr. Anderson supported the wording of the motion and would like to move forward with this concept.

Mr. Bush supported the motion and would like to see fairly fast timeline incorporated, but understands the need to give staff some flexibility.

Mr. Wanamaker said his concerns are that the lengthy list conveys that the Assembly is conceptually approving the establishment of a new governmental agency and additional costs and burdens. We haven't really talked about this. The community does not want to add more government, does want a resolution of this issue, but not a solution that adds another department. We know there will be additional costs for recycling, and we need to discuss this further. He was in agreement with most of the points in this, it was the timing of them, and the complete number. He did not want to vote against this unless he was forced.

Ms. Chambers said she was in agreement with Mr. Wanamaker, and supported many of the issues in the motion to occur right now if possible. Her concerns were hiring a coordinator, establishing a new department and mandating additional costs to households. Those things could be done in a fiscally conservative way but would like to talk a bit more about the direction before saying she approves of these twelve.

Mr. Doll said the Assembly will be receiving proposals from the city manager and voting on each topic for at least the next 3 years. Each initiative would get its own scrub with more definition than we have now, which is what he hoped would be obtained from the manager before the decisions were made.

Mr. Wanamaker said part of the motion is to continue work with the consultants, and he understood that their work was complete. He was concerned that the Assembly was authorizing a new contract.

Ms. Gladziszewski said that there was some work left in the present contract. She did not consider the motion to authorize a new contract. The work to flesh out the implementation schedule and copy edit the document, in cooperation with the Solid Waste Working Group, was part of the present contract.

Roll Call:

Aye: Anderson, Bush, Doll, Sanford, Stone, Botelho

Nay: Chambers, Wanamaker

Motion passed, 6 ayes, 2 nays.

Mayor Botelho said the regardless of the vote, the members were largely in conceptual agreement with the direction heard and all members were supportive of the process and the city looked forward to working with Waste Management and Arrow Refuse to move us forward.

Mr. Doll complimented Ms. Gladziszewski and the consultants for the product of their work.

VII. ASSEMBLY COMMENTS AND QUESTIONS

Mr. Wanamaker gave notice of reconsideration of the vote.

VIII. ADJOURNMENT – 6:38 p.m.

Signed: _____
Elizabeth McEwen, Deputy Clerk

Signed: _____
Bruce Botelho, Mayor