



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

**SUBJECT: COMMERCIAL SOLID
WASTE PROCESSING**

DATE: December 14, 2020

Approved

Date

12/17/20

RECOMMENDATION

Authorize the City Manager to engage in preliminary discussions with Allied Waste Services of North America, LLC, dba Republic Services and Zero Waste Energy Development on the processing of all commercial solid waste for the City of San José at an alternate materials recovery facility.

OUTCOME

Approval of the recommendation will allow the City to enter into discussions with Allied Waste Services of North America, LLC, dba Republic Services (Republic Services) and Zero Waste Energy Development (ZWED) to explore transitioning the processing of all commercial solid waste from Republic Services to ZWED, which may include a new Materials Recovery Facility (MRF) in San José, proposed by ZWED.

BACKGROUND

Republic Services is the exclusive commercial franchised hauler servicing more than 10,000 business sites citywide. Republic Services currently collects and processes Dry and Customized (single-stream recyclable) materials at their MRF located at 1601 Dixon Landing Road, Milpitas, CA 95035. Wet materials (organics) are collected and delivered by Republic Services for processing at the ZWED anaerobic digestion facility located at 685 Los Esteros Road, San Jose, CA 95134.

ZWED is exploring the possibility of developing a MRF, possibly through the lease or purchase of land owned by the San José-Santa Clara Regional Wastewater Facility, that could process all commercial solid waste for the City of San José exclusively, which includes Wet (including organic material such as food waste or plant trimmings), Dry (such as clean paper or plastic) and Customized (customized recyclables such as cardboard, glass, or plastic).

ANALYSIS

Authorizing the City Manager to engage in preliminary discussions with Republic Services and ZWED will allow the City to further explore the possibility of transitioning all commercial solid waste processing to ZWED, as well as the merits of a new MRF in San José for this purpose.

ZWED and its affiliates, GreenWaste, Zanker, and Z-Best, have demonstrated a commitment to investing in technology advancements. They recently installed AI and robotics at their GreenWaste Recovery MRF on Charles St. and their Zanker Materials Processing Facility. Their Zanker Road Resource Recovery facility in San José is one of the most advanced Construction and Demolition (C&D) recycling operations in the United States.

A state of the art MRF may lead to increased diversion and mitigation of odor concerns, as well as increase commercial solid waste capacity to accommodate new commercial development and assist the City in complying with SB 1383 (Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reductions), which takes effect on January 1, 2022 and will require that the solid waste containers that include organic waste be transported to a facility that recovers 75% of organic content. Furthermore, the City of San José's Living Wage Policy (3-3) would apply to a facility providing exclusive solid waste processing services for the City of San José.

The current agreements with Republic Services and ZWED are through June 30, 2032. If ZWED intends to move forward with its proposal to process all the City's commercial solid waste, amendments to the current agreements with Republic Services and ZWED will need to be negotiated and executed.

CONCLUSION

The Environmental Services Department is requesting approval to engage in preliminary discussions with Republic and ZWED to further explore the possibility of transitioning all commercial solid waste processing to ZWED, as well as the merits of a new MRF in San José for this purpose.

EVALUATION AND FOLLOW-UP

Staff will provide an update with possible action to start the negotiations between both parties.

CLIMATE SMART SAN JOSE

The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals.

POLICY ALTERNATIVES

No policy alternative is associated with this action.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the January 5, 2021 Council Meeting.

COORDINATION

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-007, Preliminary direction to staff and eventual action requires approval from decision-making body.

/s/
KERRIE ROMANOW
Director, Environmental Services Department

For questions, please contact Valerie Osmond, Deputy Director, Environmental Services Department, at 408-535-8557.