

March 31, 2011

Honorable Mayor & Council Members

Subject: 2010 ESAC Annual Report

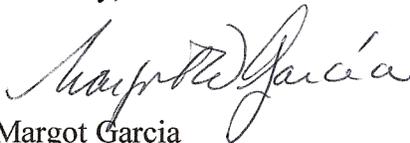
Dear Honorable Mayor & Council Members:

The Environmental Services Advisory Committee (ESAC) is pleased to provide its 2010 Annual Report to you. ESAC was established by the Mayor & Council to serve as the advisory body to the Environmental Services Department (ES) to review departmental operations and represent citizens' interests regarding rate setting and services provided. ESAC meets monthly, unless there is no quorum. In 2010, eleven meetings were held. This Annual Report summarizes ESAC activities in the following areas:

- Financial Planning, including review of ES operating and capital budgets and revenue sources
- Development of ES Rates and Fees
- Waste Reduction and Diversion Programs

The report also includes information about the tasks ESAC has begun working on this year to continue providing service to the community.

Sincerely,



Margot Garcia
ESAC Chair

MG/dg

Attachment: 2010 ESAC Annual Report

c: Mike Letcher, City Manager
Richard Miranda, Deputy City Manager
Sean McBride, Assistant City Manager
Andrew Quigley, Director, ES
Roger Randolph, City Clerk
ESAC

ESAC 2010 Annual Report

As noted in the cover memo, this Annual Report summarizes ESAC activities in 2010 in the following areas:

- Financial Planning, including review of ES operating and capital budgets and revenue sources
- Development of ES Rates and Fees
- Waste Reduction and Diversion Programs

FINANCIAL PLANNING

The ESAC Finance Subcommittee held six meetings between January and April to review ES' proposed Operating Budget, 5-year Capital Projects Budget, and Revenue projections. In addition to reviewing ES' spending and revenue projections the subcommittee also reviewed ES' newly developed 10-Year Financial Plan and Cost of Service model. A special meeting was held in March to specifically review the new 10-Year Financial Plan and the impact of several changes made by the City, such as moving costs for the Low Income Program to ES. As the subcommittee's review of the work completed by ES financial staff was positive, the plan was presented to the full ESAC with a recommendation for its approval in April.

The Finance Subcommittee also reviewed ES' Quarterly Financial Results and noted the health of the ES fund remained on a positive track throughout the year. At the end of the fiscal year the Finance Subcommittee was also notified that ES was able to allocate portions of the ES fund balance to address both future liabilities for long-term landfill closure and post-closure monitoring costs, and necessary capital project reserves for development of future landfill cells.

ES RATES AND FEES

After approving ES' 10-Year Financial Plan and Cost of Service Model, the Finance Subcommittee undertook a review of ES' Rates and Fee proposals for FY 2011. That process involved two Finance Subcommittee meetings and a subsequent full meeting of ESAC. The Finance Subcommittee reviewed ES' new Variable Rates for Residential Containers, increases to commercial rates, and made key recommendations to ES staff in capping the meter size for the proposed new Groundwater Protection Fee. The Subcommittee completed its review of the updated rates and fees schedules in April and forwarded a recommendation for approval to the full ESAC at the May 2010 meeting.

ESAC's approval of ES' proposed Residential and Commercial rates and the new Groundwater Protection Fee was communicated to Mayor & Council with a letter of support dated May 6, 2010. A public hearing was conducted on May 25, 2010 and the proposed ES Rates and Fees were subsequently approved by Mayor & Council.

WASTE REDUCTION AND DIVERSION PROGRAM OVERSIGHT

Mayor & Council originally established ESAC to provide oversight for the implementation of the Blue Barrel Recycling Program. In 2005, the Mayor & Council charged ESAC with acting as an advisory body for ES operations and financial responsibility, however, waste reduction and diversion has been an important concern of the committee and the Collections, Recycling, and Public Information subcommittee of ESAC. The Collections, Recycling and Public Information subcommittee met eleven times during 2010.

The subcommittee received regular updates on the status of the recycling program and service changes implemented during the year, including the “Right Size Your Can” volume-based collection system. The service changes implemented by the department have been developed in order to ensure residents receive quality collection service and increased options for diverting waste from the landfill through recycling.

The subcommittee encouraged the Department's program of waste audits in the commercial accounts in order to demonstrate opportunities for more recycling which increase the amount of waste diverted from the landfill and saves the department money. The subcommittee has worked on a rewards program to help increase the quality and quantity of materials for recycling in the residential sector. A member participated on the panel that evaluated the RFPs for the development of the new MRF.

The subcommittee also reviews the public outreach efforts associated with new programs or service changes to make sure questions that residents may have are fully addressed and explained. They have also supported programs to encourage more participation in recycling by advertising on collection vehicles and continuing a public school environmental education outreach program. The subcommittee has been part of the discussion and study on the organization and management of the Brush & Bulky program. The subcommittee will continue to advise staff as new opportunities for waste reduction and diversion are pursued.

ESAC MEMBERSHIP

Membership: ESAC has 13 voting members: 1 appointed by each member of the Mayor & Council (7 total), and 5 members nominated by the City Manager and appointed by the Mayor & Council.

Environmental Services Advisory Committee (ESAC)

| <u>Appointer (Classification)</u> | <u>Member</u> | <u>Appointment Expiration</u> | |
|--|-----------------------|-------------------------------|-----------|
| Mayor 1 Vacant Position(s) | | | |
| Mayor & Council (City Manager nominee) | Margaret N. Bowman | 9/5/2007 | 9/4/2011 |
| Mayor & Council (City Manager nominee) | Judy Burns | 5/5/2009 | 4/10/2013 |
| Mayor & Council (City Manager nominee) | Tina E. Cook | 6/12/2007 | 6/11/2011 |
| Mayor & Council (City Manager nominee) | Margot Garcia (Chair) | 5/5/2009 | 4/10/2013 |
| Mayor & Council 2 Vacant Position(s) (City Manager nominee) | | | |
| Ward 1 | Yvonne Merrill | 3/25/2010 | 12/5/2011 |
| Ward 2 | John A. Hingle | 6/22/2010 | 12/5/2011 |
| Ward 3 | Joe Higgins | 12/8/2009 | 12/2/2013 |
| Ward 4 | Michael W. Block | 12/4/2007 | 12/5/2011 |
| Ward 5 | Ellen Rauch | 9/7/2010 | 12/2/2013 |
| Ward 6 | Wilson Hughes | 12/8/2009 | 12/2/2013 |