

**PHOENIX ENVIRONMENTAL QUALITY and SUSTAINABILITY  
COMMISSION MINUTES**

**November 14, 2019**

Phoenix City Hall  
Room 12 Central  
200 West Washington St  
Phoenix, AZ 85003

<b>Commission Members Present</b>	<b>City Staff Present</b>
Allen, Dwayne via phone	Karen Peters, Office of the City Manager
Barr, Kelly	Joe Giudice, Public Works
Bendor, Josh	Rosanne Albright, Office of Environmental Programs (OEP)
Chapman, Darren	Mark Hartman, Phoenix Office of Sustainability (OOS)
Groman, Kevin	Cindy Salazar, OEP
Howell, Park via phone	Matthew Potzler, OEP
Lobo, Caroline	Katrina Gerster, OEP
Porter, Sarah via phone	Shannon Wright, City of Phoenix
Ruht, Kimberly	Nick Brown, OOS
Sandweg, Bill, via phone	
Tetreault, Colin	
Torres, Ginger	
<b>Commission Members Not Present</b>	<b>Community Members Present</b>
Allee Taylor, Penny	Bethany Rawlins, Forest Gardens
Guidas, Elyse	Trevor Root, HDR
Nelson, John	

1. **Call to Order/Roll Call and Announcements:**

The meeting of the Environmental Quality and Sustainability Commission (EQSC) was called to order with a roll call at 2:48 p.m. There were 8 members present at roll call. The following Commissioners arrived at the times stated below:

- Dwayne Allen at 2:59 p.m.
- Darren Chapman at 3:14 p.m.
- Sarah Porter at 3:15 p.m.
- Bill Sandweg at 3:01 p.m.

Chair Colin Tetreault updated the commission on the status of the recommendations made by the Urban Heat Island and Tree and Shade Subcommittee. The Mayor's Office and Office of the City Manager are considering which Council subcommittee the recommendations should be submitted to before going to full council some time in December. He encouraged members of the commission and public to attend. Commissioner Josh Bendor then inquired if there is a budget for the Tree and Shade administrator along with the return of a representative from Planning to discuss further developments. Chair Tetreault responded that the city budget is not published until February or March and that Planning could return around the same time.

Commissioner Ginger Torres then announced that Climate 2020: Seven Generations for Arizona would be occurring the day after the commission meeting at Northern Arizona University and welcomed all to attend.

2. **Review and approval of October 10, 2019 Minutes:**

**ACTION:**

Commissioner Caroline Lobo made a motion to approve the October 10, 2019 minutes. Commissioner Kelly Barr seconded the motion and it carried 8:0.

3. **Public Comment – No one spoke:**

Commission Chair Colin Tetreault indicated that attendees wishing to offer comments to feel free to do so. There were no public comments.

4. **Public Works: Current State and Reimagine Phoenix Update**

Joe Giudice, Assistant Director for Public Works, Solid Waste Division, presented an update to the possible rate increase being proposed by Public Works. Before his update, Asst. Director Giudice invited EQSC members to the Green Business Leaders event occurring after the commission meeting at 6 p.m. at the Jewish Heritage Building. The event is to recognize those businesses that apply sustainable practices, such as water conservation.

Asst. Director Giudice described the current financial standing of the Solid Waste Division. Solid Waste is an enterprise fund. About 80% of expenses are covered by fees from city services bill. Previously, there was greater revenue from recyclables. Revenue is also generated from gate fees. The rate to residential customers and gate rates have not changed for 10 years. Commissioner Kelly Barr inquired if the subcommittee looked at only Solid Waste or at all city fees. Asst. Director Giudice indicated that this fee increase was due to an 18-month study performed only for the Solid Waste Department, focusing on expenses and revenue. The Water Department has city code provisions to have a city commission review rates. As part of a PowerPoint presentation, Asst. Director Giudice described the possible rate increases in further detail. The last time Solid Waste faced financial difficulty

was in 1996 and they required a loan from the General Fund. This was the same year an increase in fees was approved after years of no change. Commissioner Kevin Groman inquired as to the basis of the increase with Asst. Director Giudice replying that this was the year that Skunk Creek Landfill was closed and when Buckeye Landfill opened requiring a transfer station. Commissioner Barr asked why did the rates stop increasing in 2010? Asst. Director Giudice replied that is when there was a recession and as a result people utilized Solid Waste services less and the burden on finances came down. Certain rate stabilization actions occurred at the same time, including deferring capital investments and employee concessions. The money that was saved from these actions were placed in the fund balance and used as savings until now.

Asst. Director Giudice described the services offered by Solid Waste. Every house in the City of Phoenix is serviced. Bulk trash is picked up four times a year for \$3 per household per month. Each household can dispose of up to one ton of material at the 27<sup>th</sup> Ave. Transfer station. There are nine household hazardous waste collection events location throughout the city. There are also two recycling facilities. Currently, the base rate of \$26.80 covers all these services. The Solid Waste Division employs 600 people and utilizes 433 trucks. A typical unit includes a driver and truck who take material to the transfer station. Commissioner Josh Bendor requested a clarification on what a transfer station is and how they operate. Asst. Director Giudice explained that landfills are dangerous that may be filled with toxic waste and listed as a “superfund” site and garbage trucks are very specialized, expensive pieces of equipment. Instead of collecting refuse and delivering it to a landfill located very far away from the city, the garbage trucks deliver to transfer stations where the material is sorted and placed in a semi-trailer to be delivered to the landfill. Chair Tetreault inquired as to the definition of a “superfund.” Asst. Director Giudice described these sites as being listed as “superfund” if they rank high enough when compared to other locations containing hazardous waste. 19<sup>th</sup> Ave. and Lower Buckeye Landfill was delisted. Asst. Director Giudice suggested landfills are forever liabilities even 30 years after they close. Currently, it requires \$3 million to take care of closed sites. Commissioner Caroline Lobo inquired what does “taking care of” mean? Asst. Director Giudice described the collection of samples and monitoring the impacts of the landfill on the environment.

Council policy dictates that 40% of waste be diverted from the landfill by 2020, with a goal of zero waste for 2050. Asst. Director Giudice’s presentation included a history of the solid waste program that began in 1915. The Phoenix Recycling Program began in 1989 and was expanded city-wide in 1991. SR-85 Landfill was opened in 2006.

Commissioner Darren Chapman was introduced to the Commission by Chair Tetreault.

To achieve diversion goals, Asst. Director Giudice spoke about the approach being taken by the city, which included education. He also spoke about the locations of recycling stations or “eco stations” for multi-family residential customers to use. He described the current challenges to waste diversion. The compost facility is at capacity. The curbside service cannot be expanded throughout the city due to lack of resources.

Asst. Director Giudice then showed comparisons of Phoenix Solid Waste Division. The highest diversion rate is in California where they are legally mandated to divert waste. Other cities with comparable diversion rates to Phoenix at 36%, included

Austin and San Antonio. As part of the fee rate increase analysis, the size of the other cities and how their fees are calculated was included. The City of Phoenix is the largest in land area. The lack of density affects cost of service. The fee Phoenix charges also includes many services as part of the flat fee, which other cities do not. Many other cities also contract out services. Other cities in the Phoenix metropolitan area charge lower prices. Commissioner Groman asked what would be a better metric to compare the fees? Asst. Director Giudice indicated that overall, people care about what residents pay per month. The City of Phoenix fee would be \$32.07 if only adjusting for inflation. Commissioner Barr asked for an example of a City that compares similar services and is local. Asst. Director Giudice indicated that Mesa/Tempe would be the best comparison.

Asst. Director Giudice then described the growth of the division with 30-40,000 new households added in the last ten years and a similar amount will be added in the next ten years for a projected population of 2 million. This alone will require more drivers and trucks to provide the same level of service.

Asst. Director Giudice spoke about recycling. Previously, about \$8-13 million in revenue from recycling with 60-70% being shipped to China. Recycling revenue will be about \$3.3 million this year. Currently, most of the demand for recyclables is in paper/cardboard products, not plastic.

Asst. Director Giudice next spoke about efficiencies and savings being employed by the Solid Waste Division. \$1.5 million were saved from routing changes under the program new way, same day. Landfill leases brought in \$2.6 million from 2009-2016. Right-sizing the fleet reduced the number of trucks and drivers which saved \$1.1 million. Equipment rebuilds, instead of purchasing new equipment as scheduled, saved \$1.3 million. Converting to different fuel sources, like CNG (compressed natural gas) saved \$1.3 million. Commissioner Barr asked if CNG has lower emissions, which Asst. Director Giudice confirmed.

Asst. Director Giudice and Commissioners Groman, Barr, Lobo, Ginger and Chair Tetreault entered into a discussion about the current state of recycling around the world to identify markets for Phoenix's recyclables. Products identified included paper/cardboard products and locations include areas of the Midwest USA, Southeast USA, Utah, and Texas. Nick Brown from Office of Sustainability interjected that a lot of deforestation occurring in Indonesia and parts of Southeast Asia is due to need for paper products.

Asst. Director Giudice and Chair Tetreault entered into a discussion about the major cost drivers of the Solid Waste Division, which included salaries, vehicle maintenance and replacement, recycling, as well as haul contracts. Asst. Director Giudice indicated that a website (<https://www.phoenix.gov/publicworks/trashandrecycle>) would be available with this information along with a survey and public meeting schedule to discuss the possible rate increase.

Commissioner Chapman and Asst. Director Giudice entered a discussion about changing rules and regulations to limit what can go into the landfill. Asst. Director Giudice indicated that the rate of diversion would change and may drive up cost as the material recovery facility is staffed with 160 people, while the landfill has 12 people.

Asst. Director Giudice then began to describe the different rate increases and what services would change as a result. To maintain current services in Option #1, the rate would increase to \$33.20. To keep the rate at \$26.80, various services would be eliminated decreasing diversion to the landfill. Option #2 would eliminate composting for a rate of \$32.45. Chair Tetreault indicated that choosing options that decrease recycling or composting go against Council policy which requires certain diversion goals.

Asst. Director Giudice and Commissioners Barr, Lobo and Torres discussed possible increase in revenue from increasing gate rates. Asst. Director Giudice indicated that raising the gate rate would lead to those customers going elsewhere and that the current rate was to maintain market competitiveness.

Asst. Director Giudice spoke about Option #3 which would involve an increase in rate to \$32.30. This option would only pick up recycling every other week. Recycling cans have a weekly set out rate of about 50%, while regular trash cans are set out at about 80%. The City of Tucson has moved to every other week recycling to reduce costs by \$5.5 million per year and has had a "pretty positive" response and not a significant decrease in recycled material that was collected. Commissioner Groman asked if this doubling up on recycling would require reroutes. Asst. Director Giudice indicated that the reroutes required would not be totally be decreased by half and the set out rate will be assumed to be 90%.

Asst. Director Giudice and Commissioners Barr, Lobo, Torres, and Bendor spoke about container sizes and associated rates. The rates being proposed are for the large container. Smaller size containers are \$3 per month less. Asst. Director Giudice indicated that trying to change all containers to the smaller size may disproportionately affect lower income customers. Finally, option #4 would eliminate recycling and composting completely for a rate of \$31.55.

Asst. Director Giudice, Commissioner Barr and Chair Tetreault discussed the composting program indicating that the rates should increase for that service as that current price is not covering expenses. Asst. Director Giudice indicated that the service may no longer be provided as the interest seems to be focused on retaining recycling. Mark Hartman, Chief Sustainability Officer, confirmed that the focus during the meeting was to eliminate services other than recycling. Commissioner Torres asked if any of the options had been analyzed to determine the most environmentally preferred/sustainable option? Asst. Director Giudice indicated that has not been done yet. Commissioner Barr requested clarification concerning the option with no increase in rate. Asst. Director Giudice indicated that recycling would not be eliminated, but that collection would go to every other week and only one recycling facility would remain open which would reduce the amount of material recycled by more than half. Commissioner Chapman asked if there was city that Phoenix could emulate with Asst. Director Giudice replying that people look to us for guidance. Chair Tetreault listed other costs that are not being discussed within the rate. He would like to know what the environmental effects of each option. He also stated that the cost of landfill creation, including possible "superfund" site create and monitoring, was not factored into these options. Nor was the cost to future generations considered.

Asst. Director Giudice then requested the support from the commission in retaining the programs that would help the City of Phoenix achieve its diversion goals with option #3. This support would include public engagement and discuss the

sustainability benefits of composting and recycling. Future projections do not assume any revenue from recyclables, which Commissioner Bendor questioned.

Asst. Director Giudice and Chair Tetreault spoke briefly about utilizing green bonds as a possible source of funding for these programs.

Deputy City Manager Karen Peters informed the commission of the schedule for public hearings along with a timeline required by state law to increase this fee. There will be 10 community meetings throughout Phoenix beginning in December. A 60-day notice must be given before Council may vote on the fee increase with the earliest council meeting date in this timeline occurring on January 29, 2020. Members of the commission then discussed the best way to proceed to provide guidance to council. The Commission held a vote for Chair Tetreault to compose a letter in support of maintaining recycling and composting programs, which won by unanimous vote.

**5. EQSC Brand and Commission Impact**

This item was tabled until a future date.

**6. EQSC Policy Work Calendar**

This item was tabled until a future date.

**7. Announcements and Review of Future Agenda Items**

Future possible agenda items include:

Permitting for Rooftop Solar: City and State  
Working Together: Trees and Green  
Batteries / Storage & Fire Codes  
Mayor Kate Gallego  
Rio Reimagined

**8. Adjournment**

The meeting was adjourned at 5:03 p.m.

Respectfully Submitted,  
Matthew Potzler, Environmental Quality Specialist