

# City of Cashmere

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# CASHMERE CITY COUNCIL MEETING MONDAY, AUGUST 13, 2018 6:00 P.M., CITY HALL

## **AGENDA**

CALL TO ORDER

FLAG SALUTE

**EXCUSED ABSENCE** 

**ANNOUNCEMENTS & INFORMATION** 

PUBLIC COMMENT PERIOD - For Items Not on the Agenda

## APPROVAL OF AGENDA

# **CONSENT AGENDA**

- 1. Minutes of July 23, 2018 Regular Council Meeting
- 2. Payroll and Claims Packet Dated August 13, 2018

# **BUSINESS ITEMS**

- Completion and Acceptance of the following Small Works Roster Construction Projects: 2018 Cashmere BST Project for various streets 2018 Pavement Preservation Overlay Project for Evergreen/Fisher Street Public Works Building Re-Roof Project
- 2. Request from Waste Management for an Extraordinary Recycling Rate Increase
- 3. Agreement with Guy's Tree Care for Tree Trimming Project on Pioneer and Cottage Avenue
- 4. Discussion on hauling bio-solids from lagoons to Waste Management Landfill
- 5. Discussion on hauling sludge from treatment plant to Boulder Park

## PROGRESS REPORTS

# **ADJOURNMENT**

# MINUTES OF THE CASHMERE CITY COUNCIL MEETING MONDAY, JULY 23, 2018 AT CASHMERE CITY HALL

# **OPENING**

Mayor Pro Tem Jim Fletcher opened the regular city council meeting at 6:00 p.m. at City Hall. Clerk-Treasurer Kay Jones took minutes.

# **ATTENDANCE**

Present

Not Present

Mayor:

Jim Fletcher

Council:

Daniel Scott Chris Carlson Dave Erickson Kameon Smith Derrick Pratt

Staff:

Kay Jones, Clerk-Treasurer

Chuck Zimmerman, City Attorney

# **FLAG SALUTE**

# **ANNOUNCEMENTS & INFORMATION**

Councilor Pratt reported that the Airport Board is looking into an issue regarding the trees at the edge of the airport property that are too high. They are looking into FAA requirements for the authority to require the property owner to cut the trees since they interfere with the flight path.

# PUBLIC COMMENT PERIOD - For Items Not on the Agenda

No public comments.

## APPROVAL OF AGENDA

Mayor Fletcher requested the addition of item #3 Hauling rates regarding bio-solids.

MOVED by Councilor Erickson and seconded by Councilor Pratt to approve the agenda as amended with the addition of item #3 Hauling rates regarding bio-solids. Motion carried 5-0.

#### CONSENT AGENDA

Minutes of July 9, 2018 Regular Council Meeting Payroll and Claims Packet Dated July 23, 2018

Claims Direct Pay and Checks #39047 through #39071 totaling \$186,934.36 Manual Check #39045 and 39046 refunds not needing prior approval

MOVED by Councilor Smith and seconded by Councilor Scott to approve the items on the consent agenda. Motion carried 5-0.

# CONTRACT WITH STANDARD PALLET CO. TO GRIND MATERIAL AT THE CITY MULCHING CENTER SITE

Standard Pallet is the same company that chipped the brush pile at the Mulching Center last year. The proposed contract amount for chipping the brush pile is not to exceed \$8,600, the amount may be increased by written approval by the Mayor.

City Council Minutes July 23, 2018 Page 2

MOVED by Councilor Scott and seconded by Councilor Smith to authorize the Mayor to sign the Agreement with Standard Pallet. Motion carried 5-0.

# <u>LETTER OF INTENT TO PARTICIPATE IN THE CHELAN COUNTY HAZARD MITIGATION PLANNING PARTNERSHIP</u>

Mayor Fletcher stated that he would like to table the item, the hazard mitigation planning is regarding wildland fires and he would like more information to determine if the partnership would benefit Cashmere.

MOVED by Councilor Smith and seconded by Councilor Pratt to reject participating in the Chelan County Hazard Mitigation Planning Partnership. Motion carried 5-0.

# HAULING RATES REGARDING BIO-SOLIDS

Mayor Fletcher explained that the City has two separate issues regarding hauling bio-solids. For discussion purposes he referred to the solids from the Wastewater Treatment Plant as sludge and the solids that need to be cleaned out of the lagoons as bio-solids.

LAGOONS – Bio-Solids from the old lagoons will be hauled to the Waste Management Regional Landfill in East Wenatchee. This site was approved by Department of Ecology and the Health District as the only site approved to receive these specific bio-solids. Waste Management's rate for disposal is \$34.25 per ton and hauling is \$13.00 per ton. This arrangement with Waste Management was approved by Council earlier this year. However, staff would like to see if a better rate can be obtained for hauling.

WWTP – Sludge – A better solution is needed in drying and disposal of sludge relative to our interest in keeping hauling and disposal costs low while avoiding odors in town and in the river valley. Sludge is stockpiled at the WWTP during the winter and dried in the spring/summer to get the lowest possible water content and save on the per ton disposal cost.

The City is required to haul the sludge to "Bolder Park" near Mansfield. Disposal fee is \$14.61 per ton and the hauling is \$140.00 per hour for truck with a 4 hour per trip travel time. Initial estimate is 15 to 25 loads depending on how wet and heavy the material is when loaded. Transportation cost ranges between \$8,400 and \$14,000. Staff estimates between 250 and 300 tons with 65% water. Disposal fees range between \$3,600 and \$4,400. Preferred dry weight would be about 14% water. Thus, the total cost range is \$12,000 to \$18,400, plus taxes. We will know more about the tonnage when a truck is loaded and weighed.

Staff is directed to find a better operating solution to handle the sludge stockpiling and drying, to keep costs low yet avoid future complaints about odors.

MOVED by Councilor Pratt and seconded by Councilor Carlson to authorize the Mayor to negotiate the best deal for hauling the bio-solids from the lagoons. Motion carried 5-0.

## PROGRESS REPORTS

Mayor Fletcher reported on the progress for hiring a Director of Operations. He would like a committee to review the Association of Washington Cities (AWC) salaries to see if Cashmere's

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Director salary is where it should be. Councilors Daniel Scott and Chris Carlson volunteered to meet with Clerk-Treasurer Kay Jones to review the salaries.		
ADJOURNMENT Mayor Fletcher adjourned the meeting at 6:45 p.m.		
James Fletcher	, Mayor	
Attest:		

Kay Jones, Clerk-Treasurer

# **Staff Summary**

Date: August 13, 2018

To: Mayor and City Council

From: Clerk-Treasurer Kay Jones

RE: Completion and Acceptance of the 2018 Cashmere BST Project for

**Various Streets** 

Central Washington Asphalt Inc. completed the 2018 Cashmere BST Project for various streets on 6/13/2018. The following streets were included in the project.

Glen Street Skyline Drive Valley View Street Washington Street Lincoln Street Paton Street

The contract amount for this project was \$117,808.00

Upon City Council approval and acceptance payment less 5% retainage will be paid and a Notice of Completion (NOC) filed.

# **Recommendation:**

Staff recommends approval and acceptance of the 2018 Cashmere BST Project for various streets.

# **Staff Summary**

Date: August 13, 2018

To: Mayor and City Council

From: Clerk-Treasurer Kay Jones

**RE:** Completion and Acceptance of the 2018 Pavement Preservation

**Overlay Project for Evergreen and Fisher Street** 

Central Washington Asphalt Inc. completed the 2018 Pavement Preservation Overlay Project for Evergreen and Fisher Street on 7/13/2018.

The contract amount for this project was \$35,045.90

Upon City Council approval and acceptance payment less 5% retainage will be paid and a Notice of Completion (NOC) filed.

# **Recommendation:**

Staff recommends approval and acceptance of the 2018 Pavement Preservation Project for Evergreen and Fisher Streets.

# **Staff Summary**

Date: August 13, 2018

To: Mayor and City Council

From: Clerk-Treasurer Kay Jones

RE: Completion and Acceptance of Public Works Building Re-Roof

**Project** 

M. Vail Company completed the Publics Works Re-Roof project on 6/27/2018.

The contract amount was for this project was \$51,921.93

Upon City Council approval and acceptance payment less 5% retainage will be paid and a Notice of Completion (NOC) filed.

# **Recommendation:**

Staff recommends approval and acceptance of the Public Works Building Re-Roof Project.



#### **WASTE MANAGEMENT**

11321 E Indiana Road Spokane Valley, WA 99206

August 7, 2018

Mr. Jim Fletcher, Mayor Ms. Kay Jones, City Clerk City of Cashmere 101 Woodring Street Cashmere, WA 98815 VIA Email Only

RE: Extraordinary Recycling Rate Increase Request

Dear Mayor Fletcher and Kay:

Pursuant to Section 2.7.2 of our Contract for Solid Waste Services, Waste Management is seeking an extraordinary rate increase to recover the increased costs of recycling. Our request is equal to \$0.37 per residential customer per month. In addition to the rate increase, we would like to discuss a contamination service charge and protocol, changes to our acceptable recyclables list and changes to our contract language on recycling.

These requests are based on recycling market changes implemented by the Chinese Government in 2018. It began with their ban of Mixed Waste Paper and Plastics Imports on January 1, 2018. Then China implemented a 0.5% contamination limit. On May 3<sup>rd</sup>, China announced the suspension of all inspections of recyclables from the U.S., effectively banning all inbound recyclable materials. And although WM's Spokane Materials and Recycling Technology (SMaRT) center has primarily sourced processed recyclables to U.S. and Canadian domestic markets, the impact of China's policies on global recycling markets, including the U.S. and Canada, is significant and on-going.

Through 2017, over 25% of the world's recyclables were imported by China, including over 50% of the paper and plastics recycled across the globe. China's new import policies banning materials and limiting contamination means that China is no longer a viable export market for recyclables. This has resulted in an oversupply of commodities across the globe, which has led to depressed commodity pricing. Supply is high and commodity pricing is low for the material that cannot achieve China's 0.5% contamination limits. And while Waste Management and others in the industry have reduced shipments to China over the last few months using alternative markets, the May 3<sup>rd</sup> ban on <u>all</u> incoming recyclables will only extend the downturn on prices.

Due to the new material bans and 0.5% contamination limits, recyclers have had to add operating expense and slow down processing lines. This has increased the cost of recycling at the same time that commodity values are low.

Waste Management continues to be committed to education, actively working with you and your residents and businesses to improve the quality of material that we collect and process through our comprehensive *Recycle Often*. *Recycle Right*. ® education and outreach tools and social media. This program provides education on how to recycle right. Education is more important than ever and it is necessary that we work together and increase our education. We are also continuing to invest in technology at our material recovery facilities to help process material more efficiently. And we are working with industry leaders to influence upstream recyclability, as well as to encourage increased use of post-consumer content domestically.

These efforts are all necessary for the long-term health of recycling; however, they are not enough to offset the impacts of theses dramatic changes in our industry. Due to the new policies that have changed the recycling industry world-wide, Waste Management respectfully requests an extraordinary price increase due to the uncontrollable recycling market changes.

Please refer to the enclosed documentation outlining our methodology for the calculated rate increase. We will be in contact with you shortly regarding next steps. Thank you for your continued partnership and commitment to recycling!

Sincerely,

Tami Yager

Public Sector Services Manager

Sami Yager

Waste Management of Washington, Inc.

cc: Curt Kazen, District Manager, Waste Management Mindy Rostami, Sr. Contract Compliance Manager

### **Enclosures:**

- WM's Recycling News Bulletin May 2018
- WM's Recycling News Bulletin June 2018
- WM's Recycling News Bulletin July 2018
- WRRA Fact Sheet
- · Residential Recycling Rate Request Calculation
- Acceptable Recyclables List

# **China Sword Impact - Residential**

Municipality:

Cashmere

WM MRF Used: SMaRT				
1. Increased MRF Processing Costs				Explanatory Notes
а	Previous WUTC Processing Cost per Ton	\$	95.23	Based on previous WUTC tariff filing
b	Current WUTC Processing Cost per Ton	\$	117.37	Per August 2018 WUTC tariff filing
С	Increased Cost per Ton	\$	22.14	[b-a]
d	Annual Residential Recycling Tons		78	annualized 2018 resi recycling tons
е	Total Increased Processing Cost - Residential	\$	1,728	[cxd]
f	Total Residential Accounts		847	
g	Monthly Rate Increase per Residential Account	\$	0.17	[e/f/12]
	ange in Commodity Values			
h	2017 Average Commodity Value per Ton	\$	114.51	Per 2017 average commodity values - SMaRT
i	Q2-2018 Average Commodity Value per Ton	\$	87.87	Per Q2-2018 average commodity values - SMaRT
j	Revenue Loss per Ton	\$	26.64	[h-i]
k	Annual Residential Recycling Tons		78	annualized 2018 resi recycling tons
1	Total Lost Revenue Value - Residential	\$	2,079	[j×k]
m	Total Residential Accounts		847	
n	Monthly Rate Increase per Residential Account	<u>\$</u>	0.20	[1/m/12]
3. Tot	al Monthly Adjustment Requested	\$	0.37	[g+n]

# RECYCLABLE MATERIALS SPECIFICATIONS

MATERIAL TYPES	ACCEPTABLE RECYCLABLES DESCRIPTION	PREPARATION INSTRUCTIONS	EXCLUSIONS
Paper	Office paper, copy paper, construction paper, file folders, note paper, computer paper, brochures     Newspaper, ads and paper inserts     Magazines and inserts     Catalogs     Cardboard     Direct mail and paper inserts     Envelopes     Paper bags     Cereal, cookie and cracker boxes     Paper towel tubes	Remove plastic bags (exterior or interior), plastic packaging, metal, electronics, magnets, twine, straws, lids and any food or liquids. Must be dry. Plastic windows in paper envelopes okay.	Shredded paper     Paper envelopes with bubble wrap liners     Insulation liners or envelopes made from plastic (Tyvek);     Laminated paper     Stickers/labels     Photos     Carbon paper     Receipts     Paper affixed to magnets     Hot or cold cups     Pet food bags     Mixed material bags     Wet or soiled paper
	<ul> <li>Toilet paper tubes</li> <li>Tissue boxes</li> <li>Non-foil wrapping paper</li> <li>Kraft paper bags or boxes</li> </ul>		<ul> <li>Paper with large amounts of paint or glue</li> <li>Frozen food boxes</li> <li>Juice boxes</li> <li>Milk, juice and ice cream cartons</li> <li>Aseptic containers – e.g. soup, broth, soy milk, almond milk</li> </ul>
Cardboard	<ul> <li>Cardboard boxes</li> <li>Cardboard packaging</li> <li>Cardboard beverage</li> </ul>	Flatten all cardboard. Remove all interior packaging, block foam, packing peanuts and exterior plastic wrap. Do not bundle with tape or twine. External tape okay. Oversized cardboard can be placed next to cart/container. Must be dry.	Waxed cardboard
Metal	Tin, aluminum and steel food or beverage containers	Remove all exterior packaging; remove lids; empty of all food or liquids. Labels do not need to be removed.	<ul> <li>Aluminum foil and trays</li> <li>Sharp or greasy metal</li> <li>Scrap metal</li> <li>Batteries</li> <li>Microwaves</li> <li>Electrical cords</li> <li>Cell phones</li> <li>Car snow chains</li> <li>Miscellaneous chains</li> <li>Aerosol cans</li> </ul>

			Wire
Plastic Bottles	<ul> <li>PET/PETE bottles #1</li> </ul>	Remove and dispose	Plastic bags
	<ul> <li>HDPE bottles/jugs #2</li> </ul>	of lids; remove straws;	Plastics items #3-#7
		empty of all food,	Food and beverage
		liquids or other debris.	containers
		Labels do not need to	Dairy tubs, e.g. butter,
		be removed.	yogurt, cottage cheese
			• Cups
			Rigid flower pots
			<ul> <li>5-gallon buckets</li> </ul>
			Plastic film
			Diapers
			Plastic bottles that
			contained HHW listed
			materials
			Deli, bakery and produce
			clamshell containers
			<ul> <li>Loose lids – any size;</li> </ul>
			plant trays
			PVC
			Large rigid plastic
			(outdoor furniture,
			laundry baskets,
			swimming pools, toys,
			etc.)
			Hoses
			<ul> <li>Landscaping/sprinkler</li> </ul>
			tubing.
			OTHER EXCLUSIONS
			Fabric (textiles)
			Carpet
			Rope
			<ul> <li>Christmas Lights</li> </ul>
			Wood
			Glass of any kind

# RECYCLING NEWS BULLETIN May 2018



As valued customers committed to recycling, we are providing this important recycling update.

#### Overview

In recent years, almost 30% of all recyclables from across the globe were shipped to China, including over 50% of the world's recyclable mixed paper and plastics. On January 1, all mixed paper and mixed plastics were banned as an import into China. On March 1, China began enforcing a new 0.5% contamination limit on imported recyclables, then later in March implemented Operation Blue Sky, a screening effort at their ports to enforce their new policies.

China's new policies have been implemented in response to their aggressive new environmental goals, which include creating their own recycling collection programs. China has announced a plan to eliminate imports of all post-consumer recyclables by 2021, and they appear to be taking steps to move down this path.

May 3, 2018 Update: Chinese Government Announces 30-day Inspection Suspension On May 3, the Chinese Government announced that it has suspended inspections/certificates for all recyclables from the U.S. through June 4, 2018. Because all loads shipped to China must be certified, recyclables will not be able to be shipped from the U.S. to China during this time. In other words, regardless of the material bans and the 0.5% contamination limit, no recyclables will ship from the U.S. to China for at least the next month. It is apparent that China will not be easing up on their import restrictions soon.

# Impact of this Latest Announcement

The suspension of U.S. imports into China adds additional pressure on global markets, which ultimately impacts recycling programs in communities across the U.S. Some of the material that was being shipped to China (cardboard, some newspaper, sorted office paper) will now compete for the same markets that have been established for lower value mixed paper. Inevitably, some paper will likely be left without a market.

With this latest news, commodity pricing continues to fall. We have seen a 50% reduction in commodity values in the past several months, while processing costs have increased. Every community and every recycler is impacted.

# Keeping the Focus on Quality

Alternative markets - domestic and export - require high quality recyclable materials with little to no contamination. Waste Management (WM) is focused on reducing contamination to help move materials to end markets. Given continued market volatility, we must all work together on solutions. We all have a role - and a responsibility - to make recycling successful.

## THE BATTLE TO REDUCE RECYCLING CONTAMINATION

The sustainability of all recycling programs is dependent upon collecting high quality recyclable materials free of unacceptable materials. From an environmental, economic and safety perspective, addressing the quality of recycling is imperative and we must tackle this together. Here is what WM is doing, and how you can help:

- Waste Management's education and outreach program, <u>Recycle Often</u>. <u>Recycle Right</u> website has tips and tools to help customers **reduce and eliminate contamination**. Practice and share these tips!
- We continue to invest in technology to process cleaner material, more efficiently. Send us clean materials!
- As allowable, WM will enforce contract provisions related to contamination to the fullest extent. We will also work
  closely with our customers to adjust the current recycling business model to reflect today's marketplace. We are
  seeking cost recovery as allowed, charging for contamination and amending contract language. Let's work
  together to eliminate contamination and make recycling work!

Resources for Recycling Industry News

Recycle Often. Recycle Right.® Newsroom WasteDive Waste360 Resource Recycling Waste Today



# RECYCLING NEWS BULLETIN June 2018



As valued customers committed to recycling, we are providing this important recycling update.

# Background

For the past year, the global recycling industry has been adjusting to a series of changes to China's policies related to importing recyclables. Previous import actions, such as the Chinese "Green Fence" (2013) impacted the flow of plastics into China; however, the policy announcements over the past year have much broader implications to all aspects of recycling across the globe. As recently as May 2018, China announced a one-month suspension of all commodity imports from the U.S. Although this suspension has ended, the market disruption caused by the suspension exacerbated an already difficult market situation, dramatically impacting recyclers' ability to move materials.

# Recycling and the Public Trust

Our customers tell us that recycling is an important value in their communities. Consumers want to do the right thing for their local communities and the environment, and recycling gives them that opportunity by giving commodities a second life. As a service provider, Waste Management values the trust communities place in us to process and recycle materials responsibly and keep recycling economically sustainable. Working together with our customers, we will continue our focus on educating consumers to recycle right and reduce contamination as we face this global recycling challenge.

# Impact of Global Market Conditions on Local Recycling Programs

China's import restrictions have eliminated the world's largest market for Mixed Paper and Mixed Plastics, forcing recyclers to find a new home for over 13 million tons of materials per year. This over-supply of material ultimately impacts recycling programs in communities across the U.S. since the paper and plastics that were previously shipped to China are now competing for limited markets. As the largest volume of material recycled, finding markets for paper is critical.

How can we work together to address the new recycling norm?

Because markets - both domestic and export - require high quality recyclable materials with little to no contamination, we need to work together to reduce contamination and improve quality. Waste Management remains committed to continue to work with customers to improve the quality of material we collect and/or process. Below are some ways we can work together to educate, enforce, and reset the recycling market.

- Practice and share recycling tips at every opportunity Waste Management's education and outreach website Recycle Often. Recycle Right <sup>®</sup> has tips and tools to help customers reduce and eliminate contamination.
- Make recycling work Be transparent with constituents about keeping recycling sustainable in your community. Engage your residents to help find solutions and maintain their trust in the recycling process.
- Enforce quality requirements Expand recycling education and adopt consequences for not recycling properly to drive behavior change we need to keep reinforcing the message about the importance of recycling the right things correctly. Waste Management will continue to help educate customers to reduce contamination and we also will take necessary steps to seek the recovery of increased costs to keep recycling economically sustainable.
- Market Reset Market quality requirements and depressed commodity values necessitate a holistic market reset to
  reflect the new 'norm.' The cost of collection and processing has always exceeded the value of the commodities;
  however, this cost has never been transparent to consumers. And current quality requirements are driving up
  processing costs at MRF's. Every community and every recycler is impacted. It is time for a paradigm shift
  regarding the business of recycling.

Resources for Recycling Industry News

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THINK GREEN®

# RECYCLING NEWS BULLETIN July 2018



China notified the World Trade Organization a year ago of its intent to ban the import of 24 materials, including mixed waste paper and mixed plastics. While the news was met with skepticism at the time, over the past year China followed through with the ban, and the Chinese government implemented additional restrictions including announcing a ban on all recyclables by 2020.

What are the effects of China's policy changes? Impacted by basic supply and demand economic principles, recycling commodity markets plummeted due to the global over-supply of recyclables and simultaneous reduced demand, driven by China's restrictive import policies. These policies are creating challenges for recyclers and cities:

- China's 0.5% contamination limit elevated quality expectations for all buyers across the globe. It also increased
  recycling processing costs in Material Recovery Facilities (MRF's) as recyclers work to remove non-acceptable items.
- Recyclers have a hard time selling paper and plastics and many are carrying large inventories.
- MRF residual rates continue to increase due to the amount of non-recyclable materials from curbside programs.
- In short, these factors contribute to increasing the cost of community recycling programs.

What can we do to adapt to the new reality and norms of recycling?

Keep recycling the right things! A quote in a <u>recent article</u> notes that we should "keep calm and recycle." Recycling will survive this crisis. It will evolve and may look different in a few years, but recycling will continue.

The best thing we can all do is to evaluate and adapt our programs for today's environment:

- Review your acceptable items list. Does it include only those materials with viable recycling end markets? Are you emphasizing the three rules of Recycle Often. Recycle Right.<sup>®</sup>? Are you focusing on recycling all your empty plastic bottles, aluminum cans, paper and cardboard?
- Review informative recycling education materials to recycle right. Visit <u>Recycle Often. Recycle Right.com</u> to see all the recycling education resources for residents, businesses, municipalities, multi-family complexes and more.
- . Actively discuss the current state of recycling and consider adjusting recycling contracts. New contract language needs to mitigate the risk associated with recycling services and the role of the global commodity market.

Recycling has weathered difficult times before. Although this situation is different since it stems from Chinese policy changes changing global market dynamics rather than economic supply and demand trends, we expect markets will eventually recover, albeit, the industry will likely look very different. Now more than ever it is imperative to collect materials with long-term market viability: cardboard, paper, aluminum, tin and plastic bottles (water/soda bottles and milk/juice jugs).

Join us in the battle against recycling contamination. It takes all of us working together to educate consumers to the new realities of recycling.

- Become a Recycling Ambassador. Share good recycling practices with Waste Management's education and outreach program, <u>Recycle Often. Recycle Right.</u> Download educational materials that help consumers and businesses reduce and eliminate contamination.
- **Don't bag your recyclables!** We need to help consumers change their behavior and place their recyclable materials directly into their containers no plastic bags! It's safer for workers and better for the environment.
- Collaborate: Let's work together to make recycling work to adjust the current recycling business model to reflect today's marketplace.

Resources for Recycling Industry News

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# WASHINGTON REFUSE & RECYCLING ASSOCIATION

# **China's National Sword Policy**

**Updated 5.15.18** 

- China launched a customs program called "Operation Green Fence" in 2013, aimed at increasing environmental quality by reducing waste importation and contamination in recyclable materials. China instituted a customs crackdown on waste importation called "National Sword" in 2017. The latest phase is called "Blue Sky 2018," is a 10-month long period of 'special actions against foreign garbage smuggling'. As a result of these policies, China banned the import of many recyclable materials on January 1, 2018 and lowered the contamination rate for recyclables not covered by the ban to 0.5%. May 2018 Update: China has halted the import of all recyclable materials from the U.S. until June 4.
- China notified the World Trade Organization in July 2017 that it planned to ban the import of at least 24 varieties of solid waste and recyclables, including mixed paper, plastics 3-7, metals, and other materials commonly collected by U.S. recycling programs and exported by U.S. recyclers. In April 2018, China announced a ban on 32 additional varieties of recyclable materials to enter into effect by the end of 2018.
- China has also imposed a new 0.5% contaminant limit for the remaining recyclable materials not covered by the ban. A
  typical permitted recycling facility (Material Recovery Facility or MRF) achieves contaminant rates of 3-5%. The new limit
  is far below any existing international standard and all but unachievable with current equipment and system costs.
- On May 4, 2018 China suspended ALL imports of recyclable materials from the U.S. through June and will conduct 100% inspections of all materials with China Certification and Inspection (CCIC) permits before the suspension. CCIC has been suspended from performing inspections and issuing certificates for recyclables through June 4 due to the discovery of continuing contamination in recyclables entering China. This development has added to the uncertainty and volatility in the recycling market and indicates China will not relax import policies in the near future.
- China is the largest manufacturing nation in the world and the single largest consumer of recyclables. Recyclable
  materials are the sixth largest U.S. export to China. U.S. recyclers have relied on demand from the Chinese market. In
  Jan-Feb 2017, the U.S. exported 4.67 million tons of paper and 1.23 million tons of plastics to China. For Jan-Feb 2018
  exports fell to 2.51 million tons of paper and just 10,000 tons of plastic. Economies around the world are growing, but
  there is no country or combination of countries that can consume the amount of material China has historically
  imported for manufacturing.
- U.S. recycling is facing a time of challenge and uncertainty. Washington Material Recovery Facilities (MRFs) are working to achieve the drastically lower contamination rate. Conveyor belts have been slowed, separation equipment fine-tuned, and additional labor has been added. New equipment is on the way but will take time.
- The Chinese Market is unlikely to return in the near term. National Sword is part of a broader effort by the Chinese government to reduce pollution and China continues to ban additional materials. China has not renewed the import licenses of many facilities. In the first batch of 2017, China issued 2,937 import permits. China issued only 108 import permits in the first round of 2018, and many facilities in China will likely close. Some Chinese recyclers and manufacturers are relocating to other countries, but this process will take years.
- As a result, there is continuing market uncertainty even for materials not covered by the ban. China is now conducting
  strict inspections of recyclables at U.S. facilities. Even materials that meet the new 0.5% contaminant threshold will still
  be rejected if any banned material is found. For example, an entire shipment will be disallowed if a single bottle with
  dried juice inside is found during an inspection of materials that otherwise meet the 0.5% threshold. This includes not
  only the bale or container inspected, but the entire shipping allotment of 10 or more shipping containers, all rejected due
  to one prohibitive.

- U.S. recycling programs currently mandate the collection of many recyclables covered by the ban and many other
  materials which contaminate the recycling stream. The surplus of materials from mandated recycling programs has
  driven prices for recyclables to historic lows and left others with no clear processing and manufacturing destination. For
  example, the price paid to Northwest recyclers for paper has plummeted in the last year from \$97.50 to \$5 a ton as of
  mid-March. In some cases, prices have gone negative and the cost of shipping exceeds the value of the recyclables. The
  impact varies by region and local markets, but the West Coast is suffering the strongest impacts due to historical
  reliance on Chinese markets for recyclables.
- Across our state, region, and nation, recyclable materials without a market demand are accumulating and may have to
  be diverted to landfills. In Washington, some communities are diverting accumulated recyclables to landfills to prevent
  public health and fire code issues. It's not safe to store large quantities of recyclables inside for fire code reasons and not
  feasible to store them outside due to our wet climate.
- The ban presents an opportunity to review curbside recycling programs and improve their quality. Communication
  about the new market realities across the recycling supply chain is essential to ensure high quality recyclables that will
  have a market. The list of the materials accepted in local recycling plans may need to be modified both in the short and
  longer terms. Reducing contamination in commingled recyclables collected at the curb is essential.
- What can you do to help? Check with your local recycling program to learn which materials are collected in the
  commingled bin through your program. Ensure that anything you recycle is on that list. Ensuring everything that goes
  into the bin is recyclable is crucial for reducing contamination. Source separation of recyclables from garbage is the first
  step. Recyclables must also be empty, clean, and dry. If you do not know whether something can be recycled, throw it in
  the garbage. WHEN IN DOUBT, THROW IT OUT! Recycling programs collect too many materials that contaminate the
  entire stream: <a href="https://grist.org/article/we-recycle-so-much-trash-its-created-an-international-crisis/">https://grist.org/article/we-recycle-so-much-trash-its-created-an-international-crisis/</a>

#### Materials banned under National Sword

<u>A Comprehensive list of banned materials is available on wrra.org.</u> For materials, not subject to the ban, China has instituted a new and extremely prohibitive quality standard for material limiting contaminants to one half of one percent (0.5%). This requirement applies to all materials, even those not covered under the ban.

Check with your local recycling program to of materials are collected through your program. Ensure that anything you recycle is on that list, and is clean, empty and dry. Ensuring everything that goes into the bin is recyclable is crucial for reducing contamination. If you do not know whether or not something can be recycled, throw it in the garbage. WHEN IN DOUBT, THROW IT OUT!

#### **About WRRA:**

The Washington Refuse and Recycling Association (WRRA) represents the private sector solid waste industry in Washington. WRRA member companies and the solid waste industry serve a vital role in public health, safety, and environmental protection. WRRA members are the largest real recyclers in Washington. Solid Waste by the numbers:

- 14,700 people employed in Washington's waste management and remediation industry during 2016. (Washington State Employee Security Department)
- \$75,156 is the average annual wage for Washington state workers in the waste management and remediation industry, compared to the national average of \$46,790. (Washington State Employee Security Department)
- For every million dollars generated by Washington's solid waste industry, \$2.17 million is generated in the economy through the multiplier effect. (Office of Financial Management)
- For every 10 jobs in Washington's solid waste industry, an additional 17.01 jobs are created outside the industry. (Office
  of Financial Management)

For more information please contact WRRA Executive Director Brad Lovaas at (360) 943-8859 or <a href="mailto:brad@wrra.org">brad@wrra.org</a>. Most recent version and other resources always available on wrra.org

### **AGREEMENT**

The City of Cashmere, Washington ("City") and Guy Berglin, d/b/a Guy's Tree Care, a sole proprietor ("Contractor") enter into this Agreement as of the Effective Date set forth below (the "Agreement").

In consideration of the mutual covenants and provisions contained herein, the City and Contractor agree as follows:

<ol> <li>Contractor Services. The City retains the Contractor to perform tree</li> </ol>	
on trees lining the following streets within the City: Pioneer Ave	Cottage
tvenue	J₹ the
Contractor uses employees of Contractor to perform any of the Agreement	services, Contractor

- **Term of Agreement**. Contractor shall provide the services within thirty (30) days of the Effective Date of this Agreement over the course of one, two, or three consecutive days at a time mutually agreed upon by City and Contractor.
- 3. <u>Independent Contractor</u>. The Contractor is an independent contractor with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the City and Contractor. Neither Contractor nor any employee of Contractor shall be entitled to any benefits afforded City employees by virtue of the services provided under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or Social Security or for contributing to the State Industrial Insurance program, or otherwise assuming the duties of an employer with respect to the Contractor, or any employees of Contractor.
- 4. <u>Payments to Contractor</u>. For the service provided pursuant to this Agreement, the City shall pay the Contractor the sum of \$5842.80 within ten (10) days following Contractor's completion of the Contractor's services.
- 5. <u>Indemnification</u>. Contractor agrees to hold harmless, indemnify and defend the City, its officers, agents and employees, from and against any and all claims, losses, or liability, for injuries, sickness or death of persons, including employees of the Contractor, or damage to property, arising out of any willful misconduct or negligent act, error, or omission of the Contractor, or its agents or employees, in connection with the services required by this Agreement, provided however:
- **5.1** The Contractor's obligations to indemnify, defend and hold harmless shall not extend to injuries, sickness, death or damage caused by or resulting from the sole willful misconduct or sole negligence of the City, its officers, agents or employees.

- 5.2 With respect to the performance of the services required by this Agreement and as to claims against the City, its officers, agents and employees, the Contractor expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligation to indemnify, defend and hold harmless provided for herein extends to any claim brought by or on behalf of any employee of the Contractor and includes any judgment, award or costs thereof, including attorney's fees.
- **5.3** The Contractor agrees that its obligation and agreement to indemnify, defend, and hold harmless pursuant to this provision, includes the agreement of Contractor to reimburse the City for all of the City's costs and reasonable attorney's fees incurred as a result of any action of the City to enforce this provision.

THIS WAIVER IS MUTUALLY NEGOTIATED BY AND BETWEEN THE CITY AND THE CONTRACTOR.

- 5.4 This Section 5 shall survive the Term or earlier termination of this Agreement.
- 6. <u>Insurance</u>. The Contractor shall secure and maintain in force during all times Contractor is performing any services pursuant to this Agreement, comprehensive general liability insurance written on an occurrence basis with a minimum coverage of \$1,000,000 per occurrence and \$1,000,000 aggregate for personal injury, and \$1,000,000 per occurrence/aggregate for property damage. Said comprehensive general liability policy shall name the City as an additional named insured and shall include a provision prohibiting cancellation of said policy except upon 30 days prior written notice to the City. Certificates of coverage as required herein shall be delivered to the City within fifteen (15) days following execution of this Agreement.

# 7. Contractor Standard of Care.

- 7.1 Contractor shall perform its services pursuant to this Agreement to conform to generally accepted industry standards. Contractor shall be responsible for the professional quality, technical adequacy and accuracy, timely completion and coordination of all work performed pursuant to this Agreement. Contractor shall, without additional compensation, correct or revise any errors or omissions in such work.
- 7.2 The City's approval of Contractor's work and/or payment of Contractor for its services shall not relieve Contractor of responsibility for the adequacy or accuracy thereof. Contractor shall remain liable for damages and costs incurred by the City arising out of the Contractor's errors, omissions, or negligent performance of services furnished by the Contractor pursuant to this Agreement.
- **Severability.** In the event any provisions of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties.

- **9.** <u>Assignment</u>. The Contractor shall not assign, transfer, or subcontract any interest in this Agreement without the prior written consent of the City.
- 10. <u>Attorney's Fees</u>. Except as otherwise specifically provided in this Agreement, in the event it is necessary for either party to utilize the services of an attorney to enforce any of the terms of this Agreement, each party shall pay for its own costs and reasonable attorney's fees.
- **11.** <u>Governing Law and Venue</u>. This Agreement shall be governed by the laws of the State of Washington and venue for any lawsuit shall be in the Chelan County Superior Court.
- 12. <u>Entire Agreement</u>. This Agreement represents the entire and integrated agreement between the City and the Contractor and supersedes all prior negotiations, representations or agreements, either written or oral. The terms of this Agreement may be amended only by written instrument signed by both the City and the Contractor. The "Effective Date" of this Agreement shall be deemed to be the date of the last signature set forth below.
- 13. <u>Counterpart and Facsimile Signatures</u>. This Agreement may be signed in counterparts, each of which shall be an original, but all of which shall constitute one and the same Agreement. Signatures transmitted by facsimile or via PDF e-mail shall be deemed valid execution of this Agreement, binding on the parties.

APPROVED BY CONTRACTOR:
By: June Hy Beylin
Guy Berglin O
Dated: August 9th 2018
Address for Giving Notices:
Guys Tree Care
PO BOX 3244
Wenatchee WA 98807
Phone: 509 421-9542