

San Diego's Trash a Gold Mine for Recyclers

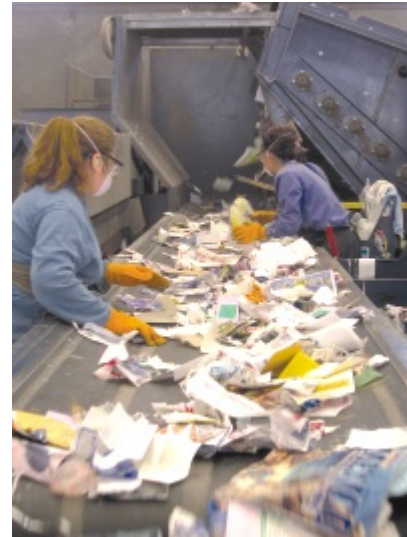
Estimates Are More Than \$250 Million Worth of Material Still Dumped

BY JULIE POUCHER HARBIN

Amidst the flotsam and jetsam and the ear-splitting humming at a local recycling center, the plastic-wrapped April issue of Martha Stewart Living magazine sits atop a mound of paperbacks and unread magazines.

To the Allan Co., a California recycler that employs 115 people at its three plants in San Diego, it's a valuable commodity. The recycler processes and sells 12,000 tons of San Diego's trash — paper, plastic, glass, and aluminum — every month.

Hundreds of other companies in the county move, sort, sell, and in some cases remanufacture these products as well as metals, concrete, wood, yard waste, electronics, rubber, cars, and other waste. The local recycling industry is a job creator and it's growing. That's the good news.



The bad news is that at least \$250 million worth of recyclable material was dumped in county landfills last year, and is expected to climb even higher in 2004 as area landfill dumping increases at an annual rate of 6 percent. That's according to Dr. Wayne Williams, recycling program coordinator for San Diego County's Department of Public Works.

Said Ken Prue, a recycling specialist with the City of San Diego's Department of Environmental Services, "The more growth you have, the more waste that's going to be generated."

Landfill space is scarce.

Many local cities, including San Diego, have not yet complied with the California Integrated Waste Management Act of 1989 that mandated all jurisdictions in the state needed to divert 50 percent of total organic, paper, construction and demolition, glass, metal, plastic, household hazardous, and other wastes that would have gone into the landfill, into recycling programs by year 2000.

For most of the cities that received extensions, the deadline expires this year.

According to San Diego County's integrated waste management plan, released last December, 55 percent diversion in 2005 would give the county only an additional two years of landfill capacity, without having to expand current sites or add new ones. Every 10 percent increase of diversion starting in 2005 could give the county another four to six years of landfill capacity. At 75 percent diversion in 2005, the region would not need new or expanded landfills until 2020.

This spells opportunity for the recycling and reuse industry, said Mitch Mitchell, vice president of public policy with the San Diego Regional Chamber of Commerce.

“It has the potential for being a very large sector of the economy, basically due to the fact that state law require the cities and the county to reduce their waste.”

The size of the state’s recycling and reuse industry, in terms of number of employees, is big business - comparable to the state’s motion picture and video industry, according to a 2001 study by consulting firm R.W. Beck, Inc. for the California Integrated Waste Management Board. The industry supports 1.3 percent of paid jobs in California.

California’s recycling and reuse industry generates \$14.2 billion in annual revenues and employs more than 84,000 people with an annual payroll of \$2.2 billion, the study indicated.

Support businesses, including recycling and reuse equipment manufacturers, engineers and consultants, transporters, and other support such as accounting and janitorial firms, add another 50,000 to the employment rolls with annual salaries totaling \$1.8 billion, and annual revenues of \$6.6 billion.

With an eye to determining just how big an impact the recycling and reuse industry has on the San Diego economy, and what the public sector can do to encourage more recycling, the city of San Diego contracted Beck to do a study this year on the industry in San Diego County.

In the past five years Beck has put together similar surveys for clients all over the country, said Tim Buwalda, an Orlando-based Beck project manager, in an interview.

“I think people are taking another look at the recycling industry, not just in trying to do good for the environment ... having less in the landfills,” Buwalda said. “They recognize that the recycling and reuse industry is recovering raw materials out of the garbage can and putting it back into building economic activity and job growth.”

“It’s growing rapidly right now,” said Williams. “In almost all commodities: metal, glass, iron, paper, everything, the prices are going up in the national and world markets.”

He said that the U.S. paper industry has a huge demand for recycled paper products, and that a majority of California’s recycled plastics go to China, while some plastics feed the maquiladora industry in Mexico where there’s plenty of room for expansion.

There are at least 200 recycling and reuse companies in San Diego County, judging by the number of questionnaires that Beck sent out to businesses this April, although businesses for which there was already available information were not sent any forms.

The recycling and reuse industry is mostly a lower-income job generator, said Williams.

The Beck study bears that out. According to state data, recycling establishments have an average of 25 employees each, with an average annual payroll per employee of \$30,000. The reuse/remanufacturing sector has an average of eight employees with an average annual payroll of \$17,000 per worker.

In 2000, the city of San Diego diverted 48 percent of its trash away from landfills, but that has fallen to 44 percent since then. Stephen Grealy, recycling program manager for the city’s Department of Environmental Services, attributes the slip to an increase in construction and demolition waste created by new home building and remodeling. He estimates that between 35 and 40 percent of area landfill composition is construction and demolition waste.

“The problem is that at most construction sites, it doesn’t pay for (builders) to separate out all the different commodities into cardboard, wood, concrete, and different types of metals,” said Grealy.

Adding to that, there's a dearth of companies in the area that do mixed construction recycling, he said, although there's a good existing infrastructure of recyclers that take pre-sorted concrete, asphalt, rock, dirt, cardboard, and metals.

Both the city and the county are looking at mandating construction and demolition recycling as well as soliciting bids for a mixed construction recycling facility.

National City-based CP Manufacturing, an equipment maker that designs and builds separating systems for the recycling industry, sees an opportunity there.

CP's Vice President of Sales and Marketing John Willis, said the company has two types of machine systems that sort construction and demolition waste, one of which is being used in Chicago. Neither is in use in San Diego county, he said, but his company would likely bid on a county or city project.

In San Diego, CP's sorting systems for aluminum, paper, plastic and glass are used by the Allan Co. and CP's parent company IMS Recycling Services, Inc. CP employs about 150 people and has clients worldwide.

There's still a lot of paper being dumped into area landfills, despite the high volume that local recyclers already process.

More than 20 percent of waste at the Miramar landfill, according to a 1999 composition survey done at the site, consists of paper. Grealy, who explained that composition studies are only done every five years, said the number is fairly representative of the make-up of all county landfills. Miramar is the largest, and holds 70 percent of the city's landfill waste.

Green waste diversion is another high priority for the county.

According to Williams' calculations, the cost of throwing yard trimmings, leaves and grass, and farm crop residue into the landfills — that's cutting it, hauling it and paying the fees to dump it — is \$25 million a year.

Mary Matava, agronomist, president, owner and founder of Vista-based Agri Service, Inc., runs two green waste composting facilities.

Matava would like to find more markets for her products in the public sector.

"When they came up with the mandate to divert from the landfill, everybody looked at diversion ... there wasn't as much emphasis placed on end products that really had value, so that's why it's going into the landfill," she said.

Agri Service's main facility, El Corazon, in Oceanside processed 80,000 tons of grass clippings, tree branches, and clean wood into compost soil amendments and mulches last year. A similar facility in Indio processed 20,000 tons last year, but has an 80,000-ton capacity annually. Matava will be opening another plant in Santa Clarita in May with a 50,000-ton per year capacity. Agri Service employs 25 people.

And then there are cars, plenty of them, which don't end up in landfills, but when crushed and processed find plenty of markets in the U.S. and abroad.

Ecology Auto Parts, headquartered in Orange County, employs up to 200 contract laborers at its four San Diego County auto and appliance recycling centers and two scrap metal collection facilities. For the last six years Ecology has been the contractor for the county's old vehicle buyback program, and

it's a state authorized oil and anti-freeze recycling center.

“We’re recession proof,” said Joe Kelejian, San Diego regional manager for Ecology, who said local centers process up to 3,000 cars per month. “Even when times are bad, people need parts for their cars and they want their cars running cleaner and able to pass smog (tests). ... You have to fix your car ... or you have to get rid of it. Our business has grown by leaps and bounds.”
