

OFFICE OF THE CITY AUDITOR

Audit Report

Stockton City Council

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Performance Audit: Construction & Demolition Recycling Facilities



April 3, 2009

Background

- The California Integrated Waste Management Act of 1989, Assembly Bill 939, requires all California cities and counties to reduce landfill waste by fifty percent beginning 2000 and each year thereafter. The City could face fines up to \$10,000 a day for not meeting this mandate.
- On September 19, 2008, the City amended sections of Chapter 7 of the Stockton Municipal Code (SMC) to require that fifty percent or more (by weight) of the amount of construction and demolition (C&D) debris generated at project sites be reused, recycled or otherwise processed to divert such materials from disposal in landfills.

Background (continued)

- Public Works, Solid Waste & Recycling Division, established a Recycling Facility Certification Program to encourage the recycling of C&D materials.
- Certified facilities are included on the City's Resource List which is handed out to all permit applicants at the City of Stockton Permit Center.
- Permit holders who use certified facilities are considered automatically in compliance with SMC Section 07-080 through 07-087.

Audit Objectives

- The objective of our audit is to assist Public Works, Solid Waste Division, in the certification of facilities for the City's C&D Recycling Program.
- Minimum standards for certification
 - State and local required permits and licenses are in effect
 - Estimated diversion rate is at least 50 percent, on a weight basis, per year

Scope

- Examined applicable sections of California Integrated Waste Management Board regulatory requirements over C&D recycling and Stockton Municipal Code
- Conducted field visits of seven recycling facilities from January 21, 2009 to March 6, 2009
- Examined each facility's State & local permits and licenses
- Computed an annual diversion rate for calendar year 2008, where possible

Methodology

- Gained an understanding of laws and regulations over C&D recycling through examination and interview
- Gained an understanding of each facility's recycling process from material entering facility to final disposition through interview and observation
- Performed testing of transactions and monthly reports where possible
- Provided recommendations for improvement to management where noted

Results

| Name | Meets Requirements for Certification |
|---|---|
| A Plus Materials Recycling, Inc. | Conditional |
| F.T.G. Construction Materials, Inc. | Yes |
| Granite Construction Company | Yes |
| Lovelace Materials Recovery Facility and Transfer Station | Conditional |
| North County Recycling Center and Sanitary Landfill | Conditional |
| Universal Service Recycling, Inc. | Conditional |
| Valley Asphalt Shingle Recyclers, Inc. | Out of Business |

Conditional – we disclaim an opinion on the 2008 diversion rate due to inadequate data. We recommend additional testing in approximately six months to verify implementation of recommendations.

Government Auditing Standards

We conducted our audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

Note: This statement is required by Government Auditing Standards, section 8.30.

Prepared By:

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The Record

Eric Horton, A Plus Materials Recycling, Inc.

Tony Alegre, F.T.G. Construction Materials, Inc.

Stephanie Loureiro, Granite Construction Company

David Gorton, San Joaquin County Public Works – Solid Waste Division

Richard K. Balch, Universal Service Recycling, Inc.