

**WEST CONTRA COSTA INTEGRATED
WASTE MANAGEMENT AUTHORITY**

One Alvarado Square
San Pablo, CA 94806

**BOARD OF DIRECTORS MEETING MINUTES
June 13, 2013**

San Pablo City Hall
City Council Chambers
One Alvarado Square
San Pablo, CA 94806
7:00 p.m.

Directors Present:

G. Lyman, City of El Cerrito
D. Romero, City of Hercules
P. Murray, City of Pinole
N. Bates, City of Richmond
J. Beckles, City of Richmond
J. Myrick, City of Richmond
C. Valdez, City of San Pablo
J. Gioia, County Representative (Ex-Officio)

Staff Present:

C. Lehon, Executive Director
K. Alm, General Counsel
C. Taurean, Program Manager
B. Peregrino, Authority Secretary

CALL TO ORDER AND ROLL CALL

Chair Romero called the meeting to order at 7:00 p.m.

EX-PARTE COMMUNICATION AND DISCLOSURE

Chair Romero called for any ex-parte disclosures from members of the Board.

Director Lyman reported that Mike Caprio of Republic Services, Inc. sent him an email requesting a telephone call. Director Lyman said he replied to Mr. Caprio's email to deny the request.

PUBLIC COMMENT

Chair Romero called for comments from the Public. There were none.

CONSENT CALENDAR

Chair Romero called for a motion to approve the Consent Calendar.

MOTION by Director Lyman to approve the Consent Calendar – Agenda Item 6.0 May 9, 2013 Board Meeting Minutes. SECOND by Director Murray.

MOTION PASSED unanimously.

STAFF REPORT

Mr. Lehon said that on July 18 there will be a seminar in Central Contra Costa County on proper disposal of pharmaceuticals and all are welcome to attend.

REGULAR AGENDA

8.0 Contract Negotiations with Republic Services, Inc.

Mr. Lehon presented an update on the current status of the post collection agreement negotiations with Republic Services, Inc. and an overview of the process that is expected to take place once the final post-collection agreement has been approved by the Board including the coordination of any amendments to the individual member agencies' franchise collection agreements. Mr. Lehon said currently negotiations for post collection items are almost complete with minor disagreements on deadlines and terms of liability. Mr. Lehon said at this time there are two remaining franchise collection issues that staff is seeking direction from the Board on how to proceed.

Mr. Lehon said that although the main focus is the new post collection services contract, there are certain aspects that are closely intertwined with the franchise collection agreements which are managed by the individual member agencies and the Authority does not have the authority to amend them. Mr. Lehon said this is coming forth in doing a baseline study to assist in building a rate firewall and resetting the rate review process on the collection side in the different cities to coincide at the same intervals.

Mr. Alm said to clarify further, the intention would be to produce a standard amendment that would be uniform for each member city and would only deal with minimal items that would be required to implement the new services and to protect each one of the cities from paying for things twice. Mr. Alm said to state it simply since new collection services are being paid with post collection rates the negotiation team wants to make sure that when individual rate reviews for franchise collection are done and costs are going up, the costs that are billed as part of the collection franchise agreement aren't costs that should have been included in the post collection, and the thought was that it would be much easier to do this and appropriate if as many of the member agencies can be on the same rate setting schedule. Mr. Alm said at this time this is just a proposal by staff and has not yet been agreed to by the member agencies that would have to consider this at the city level. After a lengthy

and detailed discussion, it was the consensus of the Board to allow additional time for this proposal to be further reviewed by the individual city councils before giving further direction to the negotiation team on how to proceed.

Mr. Lehon said the second issue staff is requesting Board direction is how to proceed on the request made to Republic Service for reimbursement of costs related to conducting the SOI process. Mr. Lehon said that a request for \$200,000 was made and he has not yet received a response. After some discussion, it was clarified that this request for reimbursement of costs was a condition of the original SOI proposal. The Board determined that the actual documented costs should be reimbursed whether the amount would be less than or exceeded the requested amount of \$200,000.

MOTION by Director Valdez that as a condition of signing the post collection agreement, RecycleMore shall demand and receive from Republic Services, Inc. reimbursement for actual documented costs related to conducting the Statement of Interest. SECOND by Director Myrick.

MOTION PASSED: Yes - (Beckles, Lyman, Murray, Myrick, Valdez); No - (Romero); Abstain – (Bates). The County Representative (Gioia) indicated his support of the motion.

8.1 County Voting Membership on Authority Board of Directors

Mr. Lehon said the action requested is for a Board discussion on whether the Authority Board of Directors supports providing the County a voting seat in response to the request received from the Contra Costa County Board of Supervisors. Mr. Lehon said Authority staff is seeking direction for the Executive Director to work with the County staff on developing language in the form of an official amendments to the Authority-County Contract and Joint Powers Agreement allowing the County a voting seat on the Authority Board, Mr. Lehon said these amendments would then be brought back to the Authority Board for final approval and would be coordinated with the other changes effected by the new post collection contract.

Director Gioia said that for the last 20 years ratepayers in the unincorporated neighborhoods of West Contra Costa County which include El Sobrante, Tara Hills, North Richmond, East Richmond Heights, and Rollingwood have all paid rates that are set by this Board, but without representation in the form of a voting seat. Director Gioia said this request is simply to allow fairness to those ratepayers in the unincorporated area a voice in the form of a vote on decisions made by this Board that affect them with regard to post collection services, rates, and other issues.

MOTION by Director Bates authorizing the Executive Director to proceed in working with County staff in developing proposed language which would provide the County Representative a voting seat on the Authority Board of Directors and will be brought back to the Board for approval in the form of official amendments to the Authority-County Contract and Joint Powers Agreement. SECOND by Director Lyman.

MOTION PASSED unanimously.

8.2 Study Session – JPA Future Planning Workshop

Ms. Harriette Heibel of H2 Solutions provided the narrative to the presentation's slide show "Next Steps for the West County JPA". Ms. Heibel said the presentation will include a summary of the member agency interview results related to the future of the JPA, an overview of various JPA scenarios based on the input received, and a draft timeline of key decisions to be made regarding the future of the JPA. Ms. Heibel said one key point to remember is that as long as the JPA exists, regardless of membership, it will manage the post collection services agreements and applicable rate setting on behalf of all member agencies including the County who are served by Republic Services. Ms. Heibel said the interviews provided areas of general agreement around wanting the JPA to continue managing the Household Hazardous Waste facilities and regional outreach programs; restructuring of the JPA is anticipated with probable staff reductions within 1 to 3 years due to the hiring of two recycling coordinators by Republic Services Inc.; there is a need to re-evaluate the current school program and how it will coordinate with what Republic is already doing in the schools.

Ms. Heibel said there were also areas of limited agreement: 1. Most members believed that the JPA should remain the lead AB939 Agency and continue to manage their SRRE, HHWE, and NDFE requirements. Ms. Heibel said the County is already its own lead agency and the City of Richmond expressed an interest in it. 2. There was interest among certain member agencies to explore having the JPA manage the franchise collection agreements if others were also interested, with El Cerrito, Hercules, and the County clearly indicating a preference to continue managing their own.

Ms. Heibel said there were suggestions that came from the Board and TAC as a result of these interviews: 1. A job analysis of all the JPA positions should be done to determine future needs, implement work plans with goals for each staff member, and severance packages developed if staff reductions should result. 2. Determine future budget needs by evaluating existing programs for diversion and cost impact, revisit the 2013-2014 budget later this year and adjust as needed and develop a 2014-2015 budget that reflects the startup of Republic's Recycling Coordinators and changes to RecycleMore responsibilities in the areas of programs and staffing.

Ms. Heibel said based on the information gathered there emerged two viable scenarios regarding membership both of which would keep the JPA intact. One was continuing the JPA where all members remain and with some level of revised responsibilities due to the addition of the recycling coordinators from Republic. Scenario one would require some restructuring and revision to the JPA agreement. The second would be continuing the JPA but with one or more membership changes which would also include restructuring and revisions to the JPA agreement but would also force consideration of costs mainly in the form of reduced revenue to pay for staffing and programming, SRRE revisions, and reduced strength as a regional agency. Ms. Heibel said members wishing to withdraw must also consider costs and timing to due required revisions to the JPA's SRRE/HHWE/NDFE's and development of its own SRRE/HHWE/NDFE which can take 12 to 18 months to complete. Ms. Heibel said the total cost to the withdrawing member would be around \$150K, must have approval from the majority of the other members and will become its own lead agency responsible for meeting AB939 requirements. Ms. Heibel said it would be important to note

that a withdrawing agency must determine a process to collect its' lead agency staffing costs from the rate payers as the JPA does not collect fees on behalf of individual member agencies, and the the JPA service costs currently collected for that member agency would simply cease and would not automatically transfer to the withdrawing agency. Ms. Heibel finished her presentation by listing next steps one of which the Board may want address the suggestions received during the interview by assigning task to one or more subcommittees.

A question and answer period followed with topics covered such as the number of votes required for a member agency to receive approval for withdrawal, payment to the JPA for costs related to managing the post collection agreement for a withdrawn member.

MOTION by Director Bates to proceed with the recommendation received from the consultant Ms. Harriette Heibel to have the Authority's Internal Operations Committee and the Waste Prevention and Recycling Committee take on the suggested tasks of job analysis, changes to the organization, program evaluation, review of school programs, and re-writing of the JPA agreement, and bring recommendations back for the full Board to collectively decide to reaffirm, modify and/or accept the subcommittees' recommendations. SECOND by Director Beckles.

MOTION PASSED unanimously.

A discussion was held that clarified all materials and information used by the subcommittees to make their recommendations would be made available to all Board members and Alternates for their review to support a transparent decision-making process.

8.3 Proposed Fiscal Year 2013-2014 Authority Operating Budget

Mr. Lehon said this item is requesting the Board's consideration in the adoption of the proposed resolution approving the fiscal year 2013-2014 Authority Operating budget. Mr. Lehon said during the May Budget Workshop staff received comments from the Board and incorporated those into the revised proposed budget being presented to the Board tonight.

MOTION by Director Bates to adopt Resolution No. 13-09 adopting the Fiscal Year 2013-2014 Authority Operating Budget as presented. SECOND by Director Myrick.

MOTION PASSED (Director Beckles was not in the room during the vote).

BOARD MEMBERS AND STAFF ANNOUNCEMENTS

Ms. Claudia Taurean, Program Manager announced her retirement effective June 28, 2013. The Board offered Ms. Taurean congratulations on her retirement.

Director Bates said the City of Richmond will be hosting a couple of events: the Juneteenth Celebration and Fourth of July Fireworks display and invited all to attend.

Director Valdez said the City of San Pablo will be hosting a Fourth of July Celebration at Contra Costa College complete with children's activities, musical entertainment and a fireworks show.

ADJOURNMENT

Hearing no opposition, Chair Romero adjourned the meeting at 10:30 p.m. until the next tentatively scheduled meeting date to be determined.

I hereby certify the foregoing to be a true and correct statement of the Official Minutes of the West Contra Costa Integrated Waste Management Authority Board Meeting held June 13, 2013.

Bobby Peregrino
Authority Secretary

Date