

Board of Directors Meeting Agenda
 January 24, 2019
 7:00 p.m.

**San Pablo City Hall
 City Council Chambers
 1 Alvarado Square (13831 San Pablo Avenue)
 San Pablo, CA 94806**

Americans with Disabilities Act

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Public Comment

Members of the public may address the Board of Directors on items that are within the jurisdiction of the Authority. Comments by the public pertaining to items listed in this Agenda should be made at the time the item is considered by the Board of Directors. Please note this Agenda contains an item for the Public to address the Board on non-agenda matters. Each speaker is limited to 3 minutes and may speak only once under each agenda item. The Board of Directors may waive these provisions. If you desire to address the Board, please submit your request on a Speaker's Card available from the Secretary.

1. CALL TO ORDER AND ROLL CALL

The Chair will call the meeting to order and the Secretary will call the roll to establish the presence of a quorum.

2. CLOSED SESSION-

- 1. Conference with Legal Counsel – Anticipated Litigation:** Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: one case.
- 2. Report Out of Closed Session:** Provide a report to the Public in open session of reportable action(s) taken by the Board during closed session.



recyclemore
 WEST CONTRA COSTA INTEGRATED
 WASTE MANAGEMENT AUTHORITY



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3. PLEDGE OF ALLEGIANCE

The Chair or a Member of the Board will lead the Pledge of Allegiance.

4. EX PARTE COMMUNICATIONS DISCLOSURES

The Chair of the Board will ask if any Director has an ex parte disclosure, pursuant to the Authority's Ex Parte Communications Policy, on any agenda items.

5. PUBLIC COMMENT

Receipt of public comment on non-agenda matters.

6. CONSENT CALENDAR

All matters listed in the Consent Calendar will be enacted with one motion. There will be no separate discussion of the items listed. However, upon request by a member of the Board or the Public, items will be removed from the Consent Calendar and considered separately in the agenda order.

Consideration of a motion to approve the following actions:

6.0 December 13, 2018 Authority Board Meeting Minutes

Note: To vote on the adoption of the minutes does not require a Director to have been present at the subject meeting.

6.1 Self-Haul Disposal Sources Report for Calendar Years 2016 and 2017

Receive and file report prepared by R3 Consulting Group, Inc. on 2016 and 2017 Self-Haul Disposal Sources.

6.2 Award One-Time Financial Audit Contract to CLA

Approve and authorize the Executive Director to enter into an agreement with Clifton Larson Allen (CLA) in an amount not to exceed \$16,000 for Fiscal Year (FY) 2017-18 financial audit services.

END OF CONSENT CALENDAR

7. STAFF REPORT

Staff will provide updates on recent and upcoming activities.

Process for Addressing Agenda Items Before the Board of Directors

- *Chair reads the agenda item*
- *Staff presents their report*
- *Board questions staff*
- *Public comments are heard*
- *Board discusses item*
- *A motion is made*
- *Final Board discussion*
- *Motion is restated and seconded for the record*
- *Board votes or provides direction to staff*

8. REGULAR AGENDA

8.0 Assembly Bills 341 and 1826 Update

1. Receive and file AB 341/AB 1826 update report.
2. Provide direction to staff.

8.1 Legislation Update

1. Receive and file report, and hear an oral presentation by Sweetser and Associates, regarding Senate Bill 1383 and Senate Bill 212.
2. Provide direction to staff.

8.2 Joint Exercise of Powers Agreement (JEPA) Update

1. Receive and file Joint Exercise of Powers Agreement (JEPA) update report.
2. Provide direction to staff.

8.3 Re-schedule or Cancel February 2019 Board Meeting

Consideration of a motion to re-schedule or cancel the February 2019 RecycleMore Board Meeting.

END OF REGULAR AGENDA

9. BOARD MEMBER AND STAFF ANNOUNCEMENTS

INFORMATION ONLY. Announcement of matters of interest by Board Members, Alternate Board Members, Executive Director and General Counsel.

10. ADJOURNMENT

Consideration of a motion to adjourn. The next regular Board of Directors' Meeting is scheduled for February 14, 2019.



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WEST CONTRA COSTA INTEGRATED
WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: January 24, 2019
To: West Contra Costa Integrated Waste Management Authority Board
From: Stan Hakes, Executive Director and Melinda Wong, Manager, Office Administration
Subject: December 13, 2018 Authority Board Meeting Minutes

ACTION REQUESTED

Consideration of ADOPTION OF A MOTION to approve the subject minutes.

Note: To vote on the adoption of the minutes does not require a Director to have been present at the subject meeting.

BACKGROUND

The minutes of the December 13, 2018 Board meeting are attached.

FISCAL IMPACT

None.

RECOMMENDED ACTION

ADOPTION OF A MOTION to approve the subject minutes.

Approved by:

A handwritten signature in black ink, appearing to read "Stan Hakes".

Stan Hakes
Executive Director

Attachment 1: December 13, 2018 Board Meeting Minutes

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS MEETING MINUTES – DECEMBER 13, 2018

Meeting Date | Time 12/13/2018 7:00 PM | Meeting Location San Pablo City Council Chambers, 13831 San Pablo Avenue, San Pablo, CA

Meeting called by	Board of Directors	Board Members Present:
Type of meeting	Regular	Directors: D. Romero, Hercules; P. Murray, Pinole; R. Xavier, San Pablo; J. Beckles (Alternate), B. Choi, (Chair), and J. Myrick, Richmond
Authority Staff Present	Stan Hakes, Lorna Thomson, Christina Leard, Melinda Wong	Absent: G. Lyman, El Cerrito; F. Glover (Ex-Officio) Contra Costa County
Legal Counsel	Kent Alm	

CALL TO ORDER/ROLL CALL

Chair Choi called the meeting to order at 7:10 P.M. The Roll Call established the existence of a quorum (Beckles, Murray, Myrick, Romero, Xavier, and Choi).

CLOSED SESSION

The Board adjourned into Closed Session at 7:13 P.M.

1. Public Employee Performance Evaluation Title: Legal Counsel: Closed session with respect to every item of business to be discussed in closed session pursuant to Section 54957: PUBLIC EMPLOYEE PERFORMANCE EVALUATION. Title: Legal Counsel.

The Board returned to open session at 7:23 P.M.

2. Report Out of Closed Session: There were no reportable action(s) taken by the Board during closed session.

PLEDGE OF ALLEGIANCE

Chair Choi led the Pledge of Allegiance.

EX-PARTE COMMUNICATIONS & DISCLOSURE/PUBLIC COMMENT

Chair Choi called for ex-parTE communications. There was none.

PUBLIC COMMENT

Chair Choi called for public comment. There was none.

CONSENT CALENDAR

Chair Choi called for approval of the Consent Calendar consisting of four items.
Director Romero requested the removal of Item 5.2 for a follow-up from the November 2018 Board meeting.

MOTION by Director Murray to approve Consent Calendar Items 5.0, 5.1 and 5.3.
SECOND by Director Romero.
MOTION PASSED unanimously.

Item 5.2 Follow Up Information from November 2018 Board Meeting
Receive and file report addressing Board questions from November 2018 Board meeting.

Mr. Hakes advised that at the November 2018 Board meeting the Board had asked where the charts had come from related to the reserves disbursement. He had referred to his first meeting in July 2015 with respect to the allocation of three different kinds of reserves that had been accumulated by RecycleMore up to that time. Mr. Hakes described the funds, the allocations, the staff recommendation, and identified the Board's decision which had differed from the staff recommendation. He said the November 2018 chart was the same as the November 2015 chart, which confirmed the distribution of reserves. Mr. Hakes also provided a hand out and had slides which explained the process of Board discussion and consideration of disbursement of reserves during 2015.

Director Romero expressed his belief and concern that there was no accounting for the funds on hand and he sought an accurate quarterly or semi-annual accounting of the reserve totals.

As directed by the Board, Mr. Hakes stated he would work with the San Pablo Finance Department and Maze Associates, the Auditor, to provide an accounting of their reserves.

MOTION by Director Romero to approve Consent Calendar Item 5.2. **SECOND** by Director Murray.
MOTION PASSED unanimously.

STAFF REPORT

Staff Report Item 6.0

Mr. Hakes reported that:

- 1) As of this date, RecycleMore had effectively followed up on all of its AB 1826 accounts; CalRecycle had requested follow-up on AB 341 and as of this date there were about 30 businesses or multifamily complexes that still needed follow up by the December 20, 2018 deadline which staff expected to meet. The School District was also required to comply with both laws and slow progress was being made.
- 2) RecycleMore's computer systems would have to be upgraded soon although there had been challenges in finding qualifying companies to purchase and install hardware. In the meantime, the current computer maintenance company had performed some work on the server to keep the system running in the short term while staff continued to solicit proposals.

- 3) Mr. Hakes welcomed Rita Xavier, the new Director from San Pablo, and he acknowledged Jovanka Beckles who was serving as Director Alternate for Richmond. Mr. Hakes also recognized Vincent Salimi, a newly elected Councilmember from Pinole who was in the audience.

REGULAR AGENDA

Agenda Item 8.0 – Future Authority Legal Services | Presenter Stan Hakes – Executive Director

Mr. Hakes sought direction from the Board on continuing legal services through Meyers Nave, the current Legal Counsel, or procuring legal services through a Request for Proposal (RFP) given that at the November 8, 2018 Board meeting Kent Alm had advised that he would be semi-retired and would no longer be able to provide Legal Services. The Board had directed staff to place the item on closed session although Legal Counsel advised that the discussion in closed session would be limited and a discussion of Legal Counsel Services would have to be discussed in open session. He added that given his impending retirement, it was possible a new Executive Director and new Legal Counsel Services could occur around the same time and the Board should determine whether that was a concern.

There was significant Board discussion on this issue. Some Board members expressed the need for continuity, but most expressed that an RFP process would be beneficial to see what else was available, with Meyers Nave being encouraged to submit a proposal.

The Board verified with Mr. Alm that Meyers Nave was legally obligated to continue to provide services pending the RFP process.

By consensus, the Board agreed with the need for a Request for Proposal for Legal Services to be out by early January 2019, with responses back by early February 2019, and with an agreement for Legal Counsel Services by April 11, 2019. The Board requested that it be provided a copy of the RFP when distributed.

Agenda Item 8.1 – Executive Director Recruitment Committee and Update | Presenter Stan Hakes- Executive Director

Mr. Hakes introduced Paul Kimura of Avery and Associates who was to give presentation on the Executive Director Recruitment process. Mr. Hakes also recommended the Board to consider an appointment of a limited term Board Committee to make recommendations to the full Board on Executive Director Recruitment issues.

Paul Kimura, Avery and Associates, described the approach to the recruitment process, to start with individual phone conversations with each member of the Board and working with the Board Committee to get final approval of the brochure. He expected to open the recruitment by early February, with an ultimate contract ratification at a regularly scheduled meeting on June 13, 2019. He added that a date for the Board to interview a list of candidates could take a half to a full day.

By consensus, the Board supported the same process utilized with the last Executive Director recruitment.

Mr. Kimura stated that he would check in with each Director between now and the end of the month and get a job announcement out by early to mid-January.

Chair Choi, along with Directors Murray and Romero volunteered to serve on the Board Committee to make recommendations to the Board on Executive Director Recruitment.

Agenda Item 8.2 – Preliminary Discussion and Board Direction on Mandatory Paint Recycling Ordinance | Presenter Stan Hakes - Executive Director

Mr. Hakes said that staff received direction from the Board at the October Board meeting to inquire with the Authority's Household Hazardous Waste (HHW) Consultant Larry Sweetser about creating a mandatory paint recycling ordinance given the small number of locations where people could drop off paint in West County. Staff had discussed the issue with Mr. Sweetser who had recommended the input of the California Product Stewardship Council (CPSC).

Doug Kobold, Executive Director, California Product Stewardship Council (CPSC), provided an overview of CPSC staff and supporters, and its' mission of creating a more sustainable and toxic free environment through product stewardship and Extended Producer Responsibility (EPR). He explained that paint recycling was a product stewardship program where \$.75/gallon went into a fund to pay for the recycling of paint when returned. He acknowledged the limited choices in West County for paint recycling, two of which were the HHW facilities and a third at Kelly Moore in San Pablo. He explained that AB 1343, paint legislation passed in 2010, allowed consumers to recycle rather than take paint to HHW facilities where the cost to process the unused paint was nearly equal to the initial purchase. He said although there was a mandatory collection fee, the program was voluntary and retailers were not required to take back paint. He said participating retailers consisted mostly of smaller box and independents, while big box stores have not shown much interest.

Mr. Kobold said there are several approaches to increase retailer participation and noted some of those would be adopting local ordinances, push for legislation at the State level that would require all retailers to provide a take back program, seek voluntary compliance, or encourage retailers to collaborate and start their own program. He noted that in 2009, San Luis Obispo County had approved a mandatory take-back requirement for all paint retailers. He provided a copy of that ordinance and explained that CPSC could help draft the ordinance, make presentations at meetings, and testify where necessary to get the programs going. On the discussion, there was Board consensus to pursue a mandatory paint recycling ordinance now rather than in the future.

Mr. Hakes commented that pursuing an ordinance similar to San Luis Obispo, which applied to all retailers that sold paint, large and small, could result in an industry push back and be a political and public perception concern. He verified that CPSC would advocate on RecycleMore's behalf and sought direction from the Board on whether to pursue working with the entire County or to prepare a model ordinance and working with the individual local jurisdictions.

Mr. Kobold clarified the process to ensure there would not be a Constitutional concern, and recommended that staff contact Paint Care given that every paint manufacturer had to register with Paint Care to sell in California. He suggested that Paint Care would be willing to work with RecycleMore to get more locations in the state.

The Board directed staff to prepare a letter to the Chair of the County Board of Supervisors to see if the County was willing to work with RecycleMore on a countywide ordinance, and to copy the Central Contra Costa Solid Waste Authority to see if there was any interest to be included in the project. The Board also directed staff to perform further research by consulting with Mr. Sweetser and CPSC, and potentially use the San Luis Obispo ordinance as a springboard to developing a draft hybrid model ordinance to be presented for the Boards' review and consideration at the February or March 2019 Board meeting. Mr. Hakes said he would keep the Board informed of his work with CPSC and Mr. Sweetser.

Agenda Item 8.3 – Professional Services Agreement with the California Product Stewardship Council | Presenter Stan Hakes - Executive Director

Discussion: Mr. Hakes presented the recommendation to award an agreement to CPSC and recommended that the Board consider a motion to enter into a professional services agreement not to exceed \$47,910 to coordinate activities for the HHW Grant received from CalRecycle.

Jordan Wells, CPSC Special Project Manager, stated that CPSC had helped to write the grant, described the specific materials often mishandled in the waste stream such as propane cylinders, and explained why single-use cylinders had been modified to be refillable. Ms. Wells described how CPSC would help to inform the public of the benefit of using refillable cylinders and about HHW in general, with the desire to set up more collection infrastructure. She explained that CPSC had helped RecycleMore apply for the \$100,000 CalRecycle grant and the proposed agreement with CPSC would be for \$47,910. If approved, CPSC would increase awareness, increase locations offering refillables, increase locations for disposal, and reduce the number of single-use cylinders coming into HHW facilities, and reduce costs.

After some discussion, the Board concurred that all outreach material must be multi-lingual and that of the proposed events one of them would be in Richmond.

Conclusion: The Board took the following action:

MOTION by Director Myrick to approve a professional services agreement with the California Product Stewardship Council, in an amount not to exceed \$47,910 to coordinate activities and assist the West Contra Costa Integrated Waste Management Authority with the implementation of the HD 31 Grant, Number HD 31-18-003 from December 14, 2018 through September 30, 2021. **SECOND** by Director Beckles.

MOTION PASSED by the following vote: **Ayes:** Beckles, Choi, Murray, Myrick, Xavier; **Nay:** Romero; **Absent:** Lyman

Agenda Item 8.4 – Household Hazardous Waste Side Agreement | Presenter Stan Hakes – Executive Director

Discussion: Mr. Hakes recommended approval to execute a HHW Balancing Account Side Agreement with Republic Services. He explained that HHW services were a core RecycleMore function, services had been provided for more than 20 years, and in October 10, 2013 RecycleMore had entered into a Post-Collection Agreement (PCA) with Republic to provide HHW services for the community which included some provisions for an annual HHW budget but did not go into the details or provide provisions for a balancing account. The proposal was to identify the budget and the balancing account subject to seven major provisions, which he delineated at this time.

Mr. Hakes pointed out a change on Page 3 of 9 in the agreement, Section 8h, where staff of the City of San Pablo had a concern. He recommended a change to the second sentence of the first paragraph: *Contractor and Authority agree that the overall reconciliation for 2014 through 2017 could be in favor of Contractor, with Contractor receiving a direct payment or credit of no more than \$41,500.* He also noted there had been some discussion about the property taxes as shown in bullet point 6 in Exhibit A, and advised that he would work with the attorney and Republic to address those sections.

Director Murray agreed with the need to address the section on property taxes to ensure that RecycleMore would not be responsible for the property tax for the entire parcel.

Public Comment - Justin Sullivan, Contra Costa County, referred to some inconsistencies in the side agreement, referenced the section he had discussed with the Executive Director, and wanted to make sure the document would be beneficial to everyone. As such, he requested that the Board defer approval and have the TAC review the side agreement to address the inconsistencies so that it would be agreeable to all parties involved.

Conclusion: The Board took the following action:

MOTION by Director Myrick to approve and authorize the Executive Director to execute a household hazardous waste balancing account side agreement with Republic Services, and direct the Executive Director to wordsmith the changes identified on Page 3 of 9, and bullet point 6 in Exhibit A, Allowable Costs. **SECOND** by Director Romero.

MOTION PASSED unanimously.

Agenda Item 8.5 – Joint Exercise of Powers Agreement (JEPA) Update | Presenter Stan Hakes – Executive Director

With consensus of the Board, Chair Choi moved the item to the next meeting.

Director Xavier left the meeting.

Agenda Item 8.6 – Reschedule or Cancel January 2019 Board Meeting | Presenter Stan Hakes – Executive Director

The Board took the following action:

MOTION by Director Romero to reschedule the January 2019 RecycleMore Board Meeting from January 10, 2019 to January 24, 2019. **SECOND** by Director Myrick.
MOTION PASSED unanimously.

Agenda Item 8.7 – Resolution Commending Kenton L. Alm for More than 25 Years of Service to the West Contra Costa Integrated Waste Management Authority (RecycleMore) | Presenter Stan Hakes – Executive Director

Discussion: Mr. Hakes presented a resolution commending Kenton L. Alm for more than 25 years of service to the West Contra Costa Integrated Waste Management Authority.

Conclusion: The Board took the following action:

MOTION by Director Murray to approve Resolution 18-06 commending Kenton L. Alm for more than 25 years of distinguished service as Legal Counsel to the West Contra Costa Integrated Waste Management Authority. **SECOND** by Director Beckles.
MOTION PASSED unanimously.

Mr. Alm thanked the Board, noted it was time to move on, but commented that doing so was bittersweet.

BOARD MEMBER AND STAFF ANNOUNCEMENTS

Director Murray thanked Mr. Alm for his patience, calm demeanor, fair mindedness, and consistency throughout the years, representing everyone evenhandedly.

ADJOURNMENT

With consensus of the Board, Chair Choi adjourned the meeting at 10:30 P.M. until the next regular Board meeting scheduled for January 24, 2019.

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 December 13, 2018.

Board Secretary

Date



Agenda Report

Date: January 24, 2019
To: West Contra Costa Integrated Waste Management Authority Board
From: Stan Hakes, Executive Director
Subject: Self-Haul Disposal Sources Report for Calendar Years 2016 and 2017

ACTIONS REQUESTED

Receive and file report prepared by R3 Consulting Group, Inc. on 2016 and 2017 Self-Haul Disposal Sources.

BACKGROUND

In May 2017, the Board approved an agreement with R3 Consultants to complete two special projects: 1) Research & assist in preparation of CalRecycle 2016 Annual Report (June-July 2017); and 2) Evaluate Republic's Dry Material Processing program and review expected goals. The first project included a summary analysis of the substantial increase in calendar year 2016 self-haul disposal tonnage in the RecycleMore service area.

In Spring 2018, staff found that 2017 self-haul disposal tonnage was also up dramatically over 2015 disposal levels. In June 2018, The Board agreed to an amendment to the 2017 R3 agreement; the amended service level included analysis of 2017 disposal tonnage in an attempt to determine why the self-haul disposal tonnage is increasing. R3 has completed their 2016-2017 self-haul disposal report, and it is included as Attachment 1.

It is recommended the Board receive and file this report at this time. Staff will schedule time for R3 Consulting to provide a presentation to the Board - potentially at the March 2019 Board meeting.

FISCAL IMPACT

There are no fiscal impacts associated with filing this report or hearing a presentation by R3 Consulting Group. Depending on future Board actions on this issue, there could be minor to major fiscal impacts associated with this issue.

RECOMMENDED ACTIONS

Receive and file report prepared by R3 Consulting Group, Inc. on 2016 and 2017 Self-Haul Disposal Sources.

Approved by:

Stan Hakes
Executive Director

Attachment 1: R3 Consulting Group Self Haul Disposal Study



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To: Andy Schneider, Program Manager, RecycleMore
From: Rose Radford, Project Manager, R3 Consulting
Date: November 8, 2018
Subject: Disposal Rate Accuracy for 2017 Electronic Annual Report
Attachment: A1 RecycleMore DRS Landfill Self-Haul Analysis

Introduction

Pounds Per Person Per Day (PPD) is the unit used by CalRecycle to measure diversion performance by jurisdictions against the 50% diversion requirement set under Assembly Bill (AB) 939. PPD is calculated on the basis of population and disposal tons reported in the Disposal Reporting System (DRS). RecycleMore has experienced a year-over-year increase in PPD disposal over the past few years. The increase in disposal tonnages reported as originating in RecycleMore (DRS Tons) does not directly correlate with disposal tonnages reported by the franchised haulers, Republic Services (Republic) and East Bay Sanitary.

Over the past few years, R3 Consulting Group, Inc. (R3) has assisted RecycleMore in tracking the disposal tons reported by each landfill, identifying discrepancies, and requesting additional information from the landfills in order to develop policy alternatives to be used in managing disposal reported as originating in RecycleMore, and to identify misallocations of disposal tons if they exist.

Disposal tons attributed to RecycleMore generally fall under the following categories:

- Disposal tonnages handled by the franchised waste haulers, East Bay Sanitary in El Cerrito, and Republic in the rest of RecycleMore (discussed in the **Franchised Disposal** section of this memorandum)
- Special waste which is ineligible for diversion and must be disposed (discussed in the **Special Waste and Biosolids/Sludge Disposition** section of this memorandum)
- Residual after processing recycling and organics (discussed in the **Residual Tons** section of this memorandum)
- Tons hauled by the public or by other entities to landfills or transfer stations (discussed in the **Self-Haul, Residual, and Transfer Tons** section of this memorandum)

Andy Schneider
November 8, 2018
Page 2 of 11

This year, we have found that much of the increase in disposal tons was reported by Keller Canyon Landfill as biosolids,¹ a Class II Special Waste² eligible for inclusion in a Disposal Modification Request by RecycleMore, which means it could be deducted from RecycleMore disposal tons. R3 has conducted a detailed investigation into the Class II Special Waste reports provided by Keller Canyon Landfill and sludge tonnages reported by the various wastewater districts active within RecycleMore. This investigation and its results are described more fully in the **Special Waste and Biosolids/Sludge Disposition** section of this memorandum.

The current system of reporting and tonnage allocation is changing soon. On January 1, 2019, the State of California (State) is set to take over disposal reporting from the Counties under AB 901. In order to assist RecycleMore in affirmatively tracing the allocation of disposal tonnages after AB 901 comes into effect, R3 has analyzed the allocations of outbound disposal at the facilities hosted within the boundaries of RecycleMore, as well as the allocations of outbound disposal that might potentially be attributed to RecycleMore from outside the boundaries of RecycleMore. Our findings are provided in the **Self-Haul, Residual, and Transfer Tons** section of this memorandum.

Landfill Disposal

The DRS system requires reporting on the origin of materials disposed at their facilities from facility operators to the counties which host their facilities. Counties use this information to compile a landfill waste origin report to the State on a quarterly basis, which is used by the State in its DRS. Each landfill waste origin report is used to calculate the disposal tons which are reported as delivered to all landfills for a given jurisdiction for one year. This disposal figure is the basis of the PPD measure of disposal tonnage reduction which is used to measure a jurisdiction's success in meeting the 50% disposal reduction target set by AB 939.

The tonnages reported as disposed at Keller Canyon Landfill in DRS account for the vast majority of disposal tons allocated to RecycleMore in DRS. A large portion of these tons are hauled by the franchised haulers of the RecycleMore member agencies (discussed in the **Franchised Disposal** section of this memorandum, below). Some of the disposal material reported in DRS is Class II Special Waste, which is eligible for deduction from disposal tons for the purpose of the Electronic Annual Report (EAR). More detail on the Class II Special Waste can be found in the **Special Waste and Biosolids/Sludge Disposition** section of this memorandum, below. Another portion is residual after processing organics and recycling, which is reported by Republic in its Annual Report (due to errors and differences in reporting requirements, this figure may differ from the residual reported by Republic to Contra Costa County, which is the figure that is included in DRS Tons). The remainder of the disposal at Keller Canyon landfill is likely to be members of the public who arrive at Keller Canyon Landfill with loads of material to be disposed³; or, members of the public who arrive at a nearby transfer station which transfers disposal material to Keller Canyon Landfill (Golden Bear Transfer Station or Contra Costa Transfer and Recovery Station, or

¹ For the purposes of this memorandum, both "sludge" and "biosolids" are terms used to refer to materials *as reported by the applicable entities* (Keller Canyon Landfill and the various wastewater treatment plants) to R3. R3 has not differentiated between the two terms and has not independently investigated the appropriate classification of these materials.

² Class II Waste is classified as "Designated Waste" by the Water Boards in California and has different requirements for its disposal than municipal solid waste, although it is not necessarily classified as "hazardous."

³ Note that Keller Canyon Landfill is not open to the general public, but is open to large accounts that may haul directly to the landfill.

Andy Schneider
 November 8, 2018
 Page 3 of 11

CCTRS). More detail on these disposal tons may be found in the **Self-Haul, Residual, and Transfer Tons** section of this report, below.

In 2016, we identified three landfills which together contributed 98% of the total increase in tons from 2015 to 2017: Keller Canyon, Potrero Hills, and Recology Hay Road. This year, those same landfills contributed 88% to the increase from 2016 to 2017, with much of the remainder of the increase being attributed to increases of around 1,500 tons each at both Vasco Road Landfill and Altamont Landfill. The 71% spread for three landfills is an expected distribution and not out of the ordinary.

A detailed table with landfill tonnages is provided in Attachment 1 of this memorandum. We have compiled a few charts to visualize DRS Tons, which are given below and on the next page as Figures 1 and 2.

Figure 1 shows that Keller Canyon Landfill accounts for the vast majority of DRS Tons, and that there is a significant spike in disposal at Keller Canyon Landfill in the fourth quarter of 2017 (Q4 2017). This spike will be described in more detail in the **Special Waste and Biosolids/Sludge Disposition** section of this memorandum, below.

Figure 1: Disposal Tons by Landfill Over Time, All Landfills

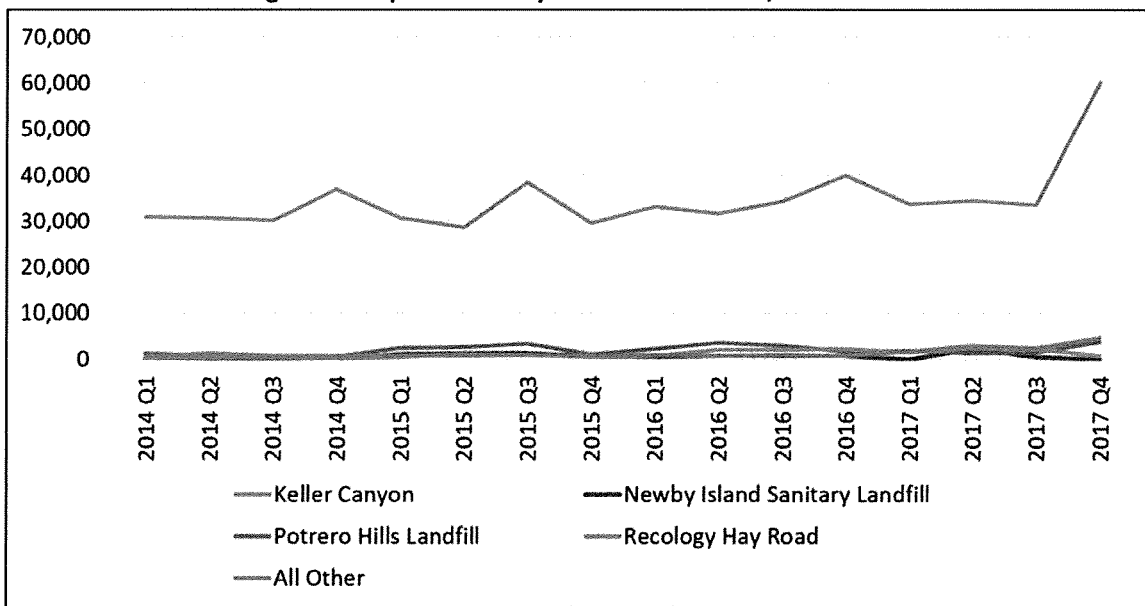
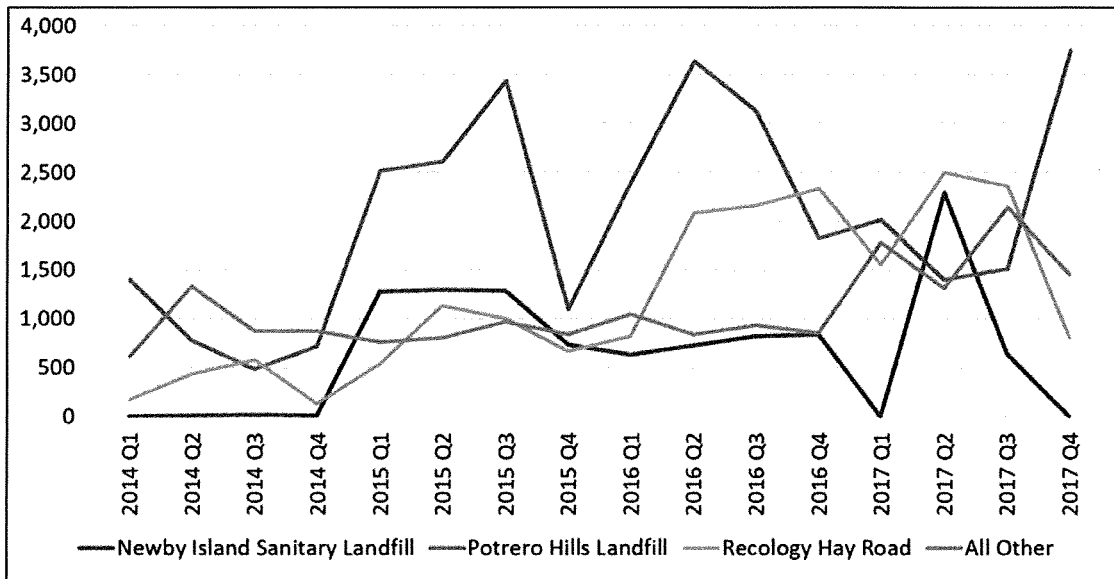


Figure 2 (next page) shows DRS Tons at all landfills that are not Keller Canyon Landfill. Based upon this visualization, it is possible to hypothesize the sources of tons previously reported by Newby Island and Recology Hay Road may have chosen to dispose waste at Potrero Hills, Vasco Road, and Altamont Landfills instead, beginning in Q4 2017.

Andy Schneider
 November 8, 2018
 Page 4 of 11

Figure 2: Disposal Tons by Landfill Over Time, All Landfills Except Keller Canyon



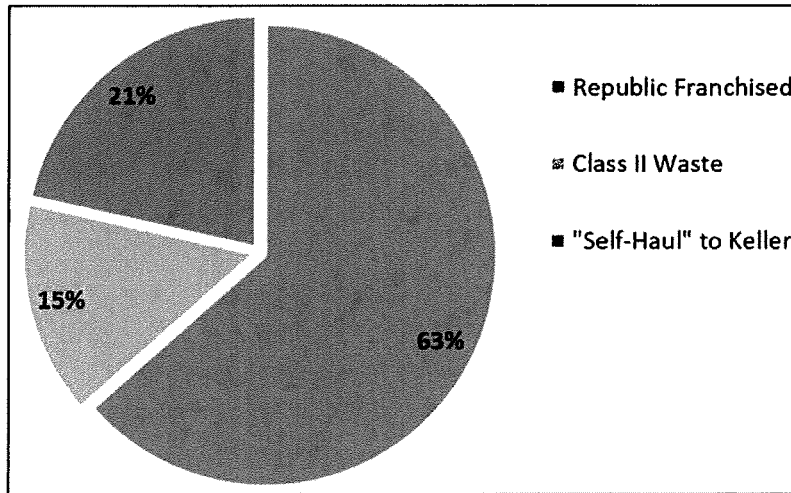
In the prior reporting period for the 2016 EAR, we individually reached out to the operators of Newby Island Sanitary Landfill, Potrero Hills Landfill, and Recology Hay Road and requested detailed information about the origin of disposal materials reported by these landfills. The operators largely reported that the additional tons were due to construction and demolition activities generating waste within RecycleMore Member Agencies. In 2017 for the 2016 reporting year, we received responses as listed below:

- Potrero Hills Landfill was unaware of any drivers of the increase in disposal tonnage in the fourth quarter of 2017, and informed us that all of the material disposed at Potrero Hills and allocated to RecycleMore is self-haul, mainly construction and demolition debris.
- Recology Hay Road informed us that a minimal amount of material was delivered by the public to the landfill; a similar amount was delivered to the San Francisco transfer station, transferred to Hay Road, and allocated to RecycleMore; and less than one ton of compost residuals were allocated to RecycleMore in 2017.
- Newby Island informed us that all of the waste reported by Newby Island as originating in the RecycleMore service territory is processing residual, which is allocated among the jurisdictions that contribute recyclable material to the Material Recovery Facility (MRF), and the composting facility, both operated on-site at Newby Island.

Figure 3, next page, shows the average distribution of the Keller Canyon ton from 2014 to 2017, with approximately 63% of those tons being reported as franchised tons by Republic.

Andy Schneider
 November 8, 2018
 Page 5 of 11

Figure 3: Average Distribution of Keller Canyon Tons, 2014-2017



The 2017 distribution is nearly identical to the average distribution. However, in prior years, the proportion of the distribution that is accounted for by Class II Waste was somewhat lower.

"Class II Waste" will be discussed in more detail in the **Special Waste and Biosolids/Sludge Disposition** section of this memorandum. "'Self-Haul' to Keller" represents the tons that are delivered to Keller Canyon either by large account-holders, or the general public that delivers material to transfer stations (such as Golden Bear and CCTRS).

Franchised Disposal

As stated above and shown in Figure 3, the majority of disposal tons bound for Keller Canyon Landfill are handled by the franchised waste hauler. El Cerrito's franchised waste hauler is East Bay Sanitary Service, which delivers garbage collected in El Cerrito to Golden Bear Transfer Station, from which it is hauled by Republic to Keller Canyon Landfill. The remainder of the RecycleMore member agencies contract with Republic for collection; the garbage collected in the rest of RecycleMore is also transferred through Golden Bear to Keller Canyon.

In the analysis represented above, we have included tons reported as residual by Republic in its Annual Report to RecycleMore. These residual tons will be analyzed in further detail in the **Self-Haul, Residual, and Transfer Tons** section of this memorandum, below.

Franchised tonnage trends do not track with the tons that eventually are reported in the Disposal Reporting System. For example, from 2015 to 2016, franchised tons went down by about 5,000 tons (from 88,000 tons to 83,000 tons), while DRS Tons went up by about 15,000 tons. From 2016 to 2017, franchised tons went up by about 10,000 tons (from 83,000 tons to 93,000 tons), while DRS Tons went up by about 29,000 tons.

R3 has not investigated the franchised disposal increases, which account for a small proportion of the overall increase from 2016 to 2017; such an investigation may be considered by RecycleMore in the future, if it so chooses.

Andy Schneider
November 8, 2018
Page 6 of 11

Special Waste and Biosolids/Sludge Disposition

There was a significant increase in DRS Tons at the end of 2017 of about 26,000 tons, which can be seen in Figure 1, above. The Class II Special Waste Report provided by Keller Canyon Landfill shows that 27,909 tons of biosolids were disposed at Keller Canyon Landfill in Q4 2017, the origin of which was reported as West Contra Costa Sanitary Landfill. These tons are the main contributor to the increase in DRS Tons between 2016 and 2017.

Jurisdictions may submit a Disposal Modification Request to adjust their disposal tons for the purpose of the PPD calculation as a part of the Electronic Annual Report (EAR) process. Eligible materials for the Disposal Modification Request include the following materials, among others:

- Sludge
- Biosolids
- Contaminated soil
- Medical waste

Sludge/biosolids disposed in the RecycleMore service area are considered “non-divertible” by CalRecycle because they are not accepted for composting at the West Contra Costa Sanitary Landfill Organic Materials Processing Facility, which is the composting facility used by RecycleMore Member Agencies. Sludge/biosolids tons are therefore eligible for deduction from RecycleMore DRS Tons. R3 has assisted RecycleMore in compiling the Disposal Modification Request for the 2017 EAR, which includes biosolid and sludge tons, and we have also included the entire Class II Special Waste tonnages in our analysis of landfill disposal.

R3 has contacted the wastewater treatment plants within the boundaries of RecycleMore in order to characterize the disposal of sludge tons. The wastewater treatment plants are as follows:

- West County Wastewater District (WCWD), which serves most of Richmond, San Pablo, most of Unincorporated County within the RecycleMore Boundaries, and some of Pinole. WCWD dries biosolids, which are hauled by Republic to Keller Canyon for disposal or use as Alternative Daily Cover (ADC).
- Richmond Municipal Sewer District No. 1, which serves South Richmond, pumps biosolids in liquid form to the WCWD sludge drying beds.
- Pinole/Hercules Waste Water Treatment Plant (Pinole/Hercules), which serves Pinole and Hercules, digests biosolids in four anaerobic digesters and then hauls the material to Keller Canyon Landfill.
- Stege Sanitary District, which serves El Cerrito, pumps biosolids in liquid form to East Bay Municipal Utility District located in Oakland. EBMUD does not report jurisdiction of origin to the City of Oakland or to the County of Alameda on an ongoing basis, and in the past few years has not disposed of any biosolids/sludge in landfills (beginning in 2017, there was some disposal at Altamont, John Smith, Ox Mountain, and Forward landfills). The individual responsible for DRS reporting for Alameda County reported to R3 by phone that while Altamont and Vasco Road landfills did report sludge disposal, that disposal was not looked into in great detail; therefore, it is likely that sludge disposal from EBMUD is not allocated to jurisdictions other than its host jurisdiction.

None of the wastewater districts appear to process sewage from outside of the RecycleMore service area.

Andy Schneider
 November 8, 2018
 Page 7 of 11

Of the four wastewater treatment plants that may account for some sludge and biosolids disposal, R3 has concluded that only WCWD and Pinole/Hercules actually account for disposal tonnages at Keller Canyon Landfill. We are able to report the following tons as provided via email from the wastewater treatment plant operators:

- WCWD: 884 tons used as ADC in 2017
- Pinole/Hercules: 370 tons disposed at landfill in 2017

RecycleMore inquired as to the source of the high tonnages of biosolids disposed and reported as originating at the West Contra Costa Sanitary Landfill, and was verbally informed that the tons were actually from the WCWD drying beds. The operator speculated that the tons were higher because the summer of 2017 was wetter than usual.

The Special Waste Reports provided by Keller Canyon show disposal tons as given in Table 1, below.

Table 1: Biosolids and Sludge Tons in Keller Canyon Special Waste Report							
Customer	Origin	Special Waste Type	2017 Reported Tons				
			Q1	Q2	Q3	Q4	Total
City of Pinole	Pinole	Sludge	747	656	586	632	2,620
Richmond Sanitary Service	Richmond	Biosolids	67	64	87	89	307
West Contra Costa Sanitary Landfill	Richmond	Biosolids				27,909	27,909
Customer	Origin	Special Waste Type	2016 Reported Tons				
			Q1	Q2	Q3	Q4	Total
City of Pinole	Pinole	Sludge	699	665	662	642	2,668
Richmond Sanitary Service	Richmond	Biosolids	85	82	63	79	309
West Contra Costa Sanitary Landfill	Richmond	Biosolids			2,050	5,726	7,776

In comparing the Special Waste Reports to the tonnages reported by the wastewater districts, a number of conclusions can be drawn:

- 307 tons of biosolids disposed by Richmond Sanitary Service (Republic) originate in Richmond, although they may not be hauled from WCWD.⁴
- The biosolids tons reported by Keller Canyon as originating from West Contra Costa Sanitary Landfill remain much larger in magnitude than what might be expected. An investigation into this disposal would be best conducted by the wastewater treatment district itself.
- The number of tons that the Pinole/Hercules facility reported as disposed (at 370 tons) differs by a large margin of about 2,300 tons from the number of sludge tons reported by Keller Canyon as disposed of by the City of Pinole (at 2,620).

⁴ Note that biosolids were reported by WCWD to R3 as being used as ADC, meaning that they would not be included in the Special Waste Reports shown in Table 1.

Andy Schneider
November 8, 2018
Page 8 of 11

Self-Haul, Residual and Transfer Tons

The City of Richmond, a member of RecycleMore, is host to a transfer station (Golden Bear), a compost facility (West Contra Costa Sanitary Landfill Organic Material Recovery Facility, or WCCSL OMPF), a small construction and demolition debris recovery facility (C&D Facility), and a material recovery facility (Integrated Resource Recovery Facility, or IRRF), all operated by Republic. Republic allocates tonnages outbound from these facilities in its DRS reports to Contra Costa County (County), and the County provided R3 access to these reports for the reporting year 2017.

Some material is also transferred from the Richmond facility complex to various locations throughout the Bay Area. This includes:

- Recyclable and compostable material transferred to the Newby Island for processing
- Compostable material transferred to Forward Landfill for processing

R3 has interviewed the Newby Island representative responsible for allocating transfer and residual tons, as well as the representative for San Joaquin County regarding disposal reported by Forward Landfill.

The closest transfer station to RecycleMore, Central County Transfer and Recovery Station, is located in Martinez. This facility transfers material for disposal – mainly to Keller Canyon. The DRS reports from this facility were provided by the County to R3 for review.

El Cerrito sells recycling to California Waste Solutions (CWS), a MRF located in Oakland.

Regarding the residual and transfer tons identified by R3 and described above, the following findings can be reported:

- **Recycling residuals reported outbound from the IRRF** are significant, at about 11,000 tons in 2017. Variations exist, but the general tonnages reported to RecycleMore in Republic's quarterly reports are around the same as the tonnages reported to the County.
- **Organic residuals reported outbound from the WCCSL OMPF** are very low, at 0 – 20 tons reported to RecycleMore and the County.
- **C&D residual reported to RecycleMore** is low, at around 200-300 tons per quarter. This residual is not separately reported to the County.
- **Franchised disposal reported to RecycleMore** is consistently 4,000-6,000 tons lower than disposal allocated to RecycleMore and reported by Golden Bear to the County. The difference (less C&D residuals) is likely self-haul tons delivered by the public to Golden Bear, and then transferred to Keller to be landfilled.
- **Recyclable and compostable material delivered to Newby Island** contributes to a running allocation maintained between the Richmond branch and Newby Island branch which normally resulted in residuals of about 600-800 tons per quarter in 2016. In 2017, 0 tons were reported for Q1 and Q4, and 2,200 tons were reported in Q2. 2,930 tons were reported for the entire year of 2017; using the RecycleMore Quarterly Reports as a basis, of the 18,711 tons sent from Richmond to Newby Island to be processed, 84% were recycled and 16% were disposed. Judging from the large fluctuations in residual figures per quarter, there were likely issues with the application of the residual allocation during 2017; therefore, R3 recommends that RecycleMore actively monitor disposal from this facility.
- **Compostable material was delivered to Forward Landfill for processing** and reported to the County as composted in the amount of 761 tons in Q3 2017 and 1810 tons in Q4 2017. It is unclear

Andy Schneider
 November 8, 2018
 Page 9 of 11

why no compost tonnages were reported as received at Forward Landfill in the first two quarters of 2017. Very low tons of disposal were reported by Forward Landfill as originating in the RecycleMore service area; all of these tons are reported by the landfill to San Joaquin County as "treated wood."

- **CCTRS self-haul disposal** is sent to Keller Canyon. Self-haul disposal reported by CCTRS is low, at between 200 and 600 tons per quarter.
- **CCTRS self-haul mixed green material** is sent to the WCCSL OMPF. Based on reports provided by the County, the amount of material delivered by the public to CCTRS originating in RecycleMore is negligible, at below 20 tons.
- **California Waste Solutions residuals** do not appear to be allocated according to the proportion of inbound tons contributed by a jurisdiction. The representative of Alameda County who was interviewed as a part of this investigation does not receive Quarterly Transfer Station Reports from CWS, as the CWS solid waste facility permit is still for a medium-volume processing facility and station notifications are not required at that size. That representative indicated that CWS disposes of residuals at Potrero Hills, but was not able to speak to any allocation of disposal that might occur. Potrero Hills did not verbally disclose whether CWS is a customer of the landfill; however, they did indicate that they had received direction from CalRecycle not to allocate residual from MRFs, and that therefore, they would not have allocated residual to El Cerrito, if CWS did deliver residual to that landfill.

Table 2, below, shows a summary of the number of tons and the flow of these tons from RecycleMore into DRS.

Table 2: Self-Haul, Residual, and Transfer Tons in DRS			
Facility	Material Type	Tons	Source
IRRF	Recycling Residual	11,351	RecycleMore
WCCSL OMPF	Organics Residual	21	RecycleMore
WCCSL C&D	C&D Residual	1,169	RecycleMore
GBTS	Franchised Disposal	92,065	RecycleMore
	Total Disposal	111,917	DRS
	Self-Haul Disposal	18,683	Calculated value
Class II "Special Waste"	Self-Haul Disposal	36,014	DRS
County Tons	Not included in RM DRS	9,074	DRS
CCTRS	Self-Haul Disposal	1,729	DRS
Keller Canyon	Self-Haul Disposal	749	Calculated value
Newby Island	Recycling and Organics Residual	2,930	DRS
Forward Landfill	Organics Residual or Self-Haul	76	DRS
Potrero Hills Landfill	Self-Haul Disposal	8,675	DRS
Recology Hay Road	Self-Haul Disposal	7,205	DRS
All Other Landfills	Self-Haul Disposal	6,615	Calculated value

Andy Schneider
 November 8, 2018
 Page 10 of 11

On January 1, 2019, the state is set to take over DRS reporting from the counties. It appears that the State will require all residual outbound from recycling and composting facilities to be allocated to the jurisdiction which hosts that facility, which will be a significant shift in residual reporting in the Counties of Contra Costa and Santa Clara. Table 3, below, shows the information we do know about how that potential change could affect RecycleMore disposal tons.

Table 3: Residual and Transfer Tons in DRS after AB 901 (using 2017 tons)			
Facility	Material Type	Tons	Change in Tons
IRRF	Recycling Residual	101,855	90,504
WCCSL OMPF	Organics Residual	?	?
WCCSL C&D	C&D Residual	?	?
GBTS	Franchised Disposal	92,065	0
	Total Disposal	111,917	0
	Self-Haul Disposal	?	?
Class II "Special Waste"	Self-Haul Disposal	36,014	0
County Tons	Not included in RM DRS	9,074	0
CCTRS	Self-Haul Disposal	1,729	0
Keller Canyon	Self-Haul Disposal	749	0
Newby Island	Recycling and Organics Residual	0	-2,930
Forward Landfill	Organics Residual or Self-Haul	0	-76
Potrero Hills Landfill	Self-Haul Disposal	8,675	0
Recology Hay Road	Self-Haul Disposal	7,205	0
All Other Landfills	Self-Haul Disposal	6,615	0
Total Change			87,498

The regulations are still not finalized, but we anticipate that after AB 901 comes into effect, it may be significantly more difficult for jurisdictions to access information about disposal reporting and allocations of disposal tonnages.

Recommendations

R3 has found that trends in disposal tons reported in the DRS in 2017 are broadly similar to the trends found in 2016. While there are some small changes in disposal tons reported by each landfill, those changes do not, on the whole, affect RecycleMore disposal significantly. However, a very large incidence of disposal of material reported as biosolids in the fourth quarter of 2017 has a large effect on RecycleMore disposal. As this material was reported as biosolids, it is eligible for inclusion in the annual Disposal Modification Request to CalRecycle, and R3 expects that it will be deducted from the disposal tons used to determine RecycleMore’s attainment of the 50% diversion goal set by CalRecycle.

R3 has recommended that RecycleMore take a few actions to follow up from this study. RecycleMore has proactively reached out to the West County Wastewater District to discuss disposal tons from drying beds, and WCWD staff has supported the high disposal tons in 2017 due to wet weather conditions and an accumulation of material from prior years.

Andy Schneider
November 8, 2018
Page 11 of 11

In addition to that follow-up, R3 also recommends that RecycleMore actively monitors quarter-to-quarter disposal tonnages at Newby Island⁵ and contact the operator if discrepancies are observed. Disposal reported by Newby Island for the first quarter of 2018 was higher than the 600-800 tons per quarter in 2016 (at 1200 tons); however, China's National Sword may have increased residuals from the MRF to the extent that this disposal would not be unexpected.

⁵ Santa Clara County posts all disposal reports online at the following web URL:
<https://eservices.sccgov.org/disposalreporting/Archived>



Agenda Report

Date: January 24, 2019
To: West Contra Costa Integrated Waste Management Authority Board
From: Stan Hakes, Executive Director
Subject: Award One-Time Financial Audit Contract to CLA

ACTION REQUESTED

Approve and authorize the Executive Director to enter into an agreement with Clifton Larson Allen (CLA) in an amount not to exceed \$16,000 for Fiscal Year (FY) 2017-18 financial audit services.

BACKGROUND

For many years, the City of Hercules provided financial record keeping and other financial services for the West Contra Costa Integrated Waste Management Authority (RecycleMore). The City of Hercules hired Clifton Larson Allen (CLA) to perform their annual financial audit. As such, RecycleMore also decided to hire CLA to complete the RecycleMore annual financial audit. In November 2017, the City of Hercules stopped providing financial record keeping services for RecycleMore. City of San Pablo is now providing for financial record keeping and other financial services for RecycleMore.

San Pablo uses Maze and Associates for financial audit services. For the long term, both RecycleMore and the City of San Pablo would like for Maze and Associates to provide financial audit services for both RecycleMore and San Pablo. Maze and Associates has declined to conduct the RecycleMore FY 2017-18 audit, as they provided financial management services for RecycleMore during the FY 2017-18 time period. This presents Maze with a potential accounting and financial management "conflict of interest."

With Maze and associates not able to provide audit services, staff contacted our previous audit company (CLA) for an engagement letter. CLA provided an engagement letter to provide financial audit services for FY 2017- 2018 (Attachment 1).

The CLA engagement letter for FY 2017-18 audit services includes a cost not to exceed \$16,000. This is \$7,900 more than last year's services provided by CLA. CLA has informed RecycleMore staff that the previous audits were done at a very low price as a courtesy because of the RecycleMore relationship with the City of Hercules. RecycleMore staff informed CLA that RecycleMore would contact other audit companies to get proposals and see what their costs would be.

REPLY FROM OTHER AUDIT COMPANIES

RecycleMore staff contacted Doran and Associates of San Rafael, CA. Mr. Jeremy Peterson of Doran and Associates replied that they are "not accepting any new Special District audits." RecycleMore staff also contacted Badawi and Associates of Oakland. (Badawi is the financial auditors for Pinole, El Cerrito and many other municipal agencies). Badawi did not reply to our request for a proposal. Staff also contacted the Central Contra Costa Solid Waste Authority (RecycleSmart) about their financial auditor, and were

informed that Maze and Associates is their audit provider. As previously noted, Maze and Associates has declined to provide audit services.

PROPOSED AGREEMENT WITH CLIFTON LARSON ALLEN (CLA)

CLA has provided an engagement letter FY 2017-18 audit services in an amount not to exceed \$16,000. This proposal is \$7,900 more than last year's services provided by CLA. CLA informed RecycleMore staff that the previous audits were done at a very low price as a courtesy because of the RecycleMore relationship with the City of Hercules. CLA told RecycleMore staff that they cannot conduct an audit for less than \$16,000, as this is the cost to recover staff time costs to conduct the audit. RecycleMore staff has checked with various cities and with RecycleSmart, and found that \$16,000 is less expensive than the audit costs paid by RecycleSmart and these various cities.

It is recommended the Board approve and authorize the Executive Director to enter into an agreement with CLA in an amount not to exceed \$16,000 for FY 2017-18 audit services. A draft agreement (almost final - some minor details may be changed) is included with this report (Attachment 2).

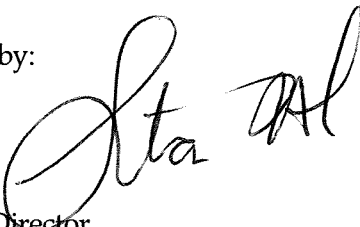
FISCAL IMPACT

The FY 2018-19 Budget includes \$175,000 for various Professional Services. These funds are designated for legal, financial and other specialized services. There is about \$8,000 specifically included for financial audit services. It is estimated there will be about \$40,000 to \$45,000 in reduced FY 2018-19 financial management services costs. These cost savings are a result of switching from using Maze and Associates to the City of San Pablo to complete monthly accounting reconciliation duties. Thus, there are sufficient funds in the FY 2018-19 Budget to pay for the financial services recommended in this report.

RECOMMENDED ACTION

Approve and authorize the Executive Director to enter into an agreement with Clifton Larson Allen (CLA) in an amount not to exceed \$16,000 for Fiscal Year (FY) 2017-18 financial audit services.

Submitted by:



Stan Hakes
Executive Director

Attachments:

1. Financial Audit Engagement Letter from CLA, dated November 19, 2018
2. Draft Agreement for Services between West Contra Costa Integrated Waste Management Authority and Clifton Larson Allen



November 19, 2018

West Contra Costa Integrated Waste Management Authority
13831 San Pablo Avenue
San Pablo, CA 95806

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") will provide for West Contra Costa Integrated Waste Management Authority ("you," "your," or "the entity") for the year ended June 30, 2018.

Elba Zuniga is responsible for the performance of the audit engagement.

Audit services

We will audit the financial statements of the governmental activities, and the major fund, which collectively comprise the basic financial statements of West Contra Costa Integrated Waste Management Authority, as of and for the year ended June 30, 2018, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management's discussion and analysis.
2. Budgetary comparison schedules.
3. GASB-required supplementary pension, and OPEB information.

We will also evaluate and report on the presentation of the supplementary information accompanying the financial statements in relation to the financial statements as a whole.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and related notes.

Audit objectives

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an

opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We will issue a written report upon completion of our audit of your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the

entity, may not be detected. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and compliance relevant information about any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP. Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design, implementation, and maintenance of effective internal control, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report.

You are responsible for ensuring that management is reliable and for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other

matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements and related notes. Since the preparation and fair presentation of the financial statements is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for those financial statements. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Use of financial statements

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other

offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State Controller, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the State Controller. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Our engagement and responsibility end on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Mediation

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of California, without giving effect to choice of law principles.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between the parties. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

Fees

Our fees for these services will be \$16,000. The fee is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Unanticipated services

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are listings of services considered to be outside the scope of our engagement. If any such service needs to be completed before the audit can proceed in an efficient manner, we will determine whether we can provide the service and maintain our independence. If appropriate, we will notify you and provide a fair and reasonable price for providing the service. We will bill you for the service at periodic dates after the additional service has been performed.

Changes in engagement timing and assistance by your personnel

The fee estimate is based on anticipated cooperation from your personnel and their assistance with timely preparation of confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, we will advise management. Additional time and costs may be necessary because of such unanticipated delays. Examples of situations that may cause our estimated fee to increase include:

- Significant delays in responding to our requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents)
- Rescheduling our fieldwork
- Schedule disruption caused by litigation, financial challenges (going concern), loan covenants (waivers), etc.
- Identifying a significant number of proposed audit adjustments
- Schedules prepared by your personnel that do not reconcile to the general ledger
- Numerous revisions to information and schedules provided by your personnel
- Restating financial statements for accounting errors in the prior year
- Lack of availability of entity personnel during audit fieldwork

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. Please sign, date, and return a copy of this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP



Elba Zuniga, CPA
Principal
916-784-7800
Elba.Zuniga@CLAconnect.com

Enclosure

Response:

This letter correctly sets forth the understanding of West Contra Costa Integrated Waste Management Authority.

Authorized governance signature: _____

Title: _____

Date: _____

Authorized management signature: _____

Title: _____

Date: _____

AGREEMENT FOR SERVICES

This Agreement is made and entered into this 24th day of January, 2019 by and between the **West Contra Costa Integrated Waste Management Authority** (hereinafter referred to as "RECYCLEMORE"), and Clifton Larson Allen, an accountancy consulting corporation (hereinafter referred to as "CONSULTANT").

1. SCOPE OF SERVICES

See Exhibit "A": Engagement Letter dated November 19, 2018.

2. DELIVERABLES

The tasks detailed in Exhibit A- Engagement Letter dated November 19, 2018 will be completed in a reasonable timeline in coordination between RECYCLEMORE and CONSULTANT.

3. RESPONSIBLE PERSONNEL AND DIRECTION

Elba Zuniga will be charged with the completion of the CONSULTANT'S responsibilities under this Agreement. CONSULTANT shall report to and receive direction from Stan Hakes, Executive Director.

4. COMPENSATION

CONSULTANT agrees to perform the Scope of Services delineated herein, and RECYCLEMORE agrees to make payments for work completed under the following terms:

1. **Fees.** CONSULTANT fees shall not exceed \$16,000. Hourly rates and reimbursement of costs are detailed in Exhibit A. .

5. TERM OF AGREEMENT

Unless otherwise agreed to in writing, the term of this Agreement shall be from February 1, 2019 through December 30, 2019.

6. AMENDMENT

This Agreement may be amended, modified or changed by the parties provided that modification or change is in writing and approved by the authorized representatives of the parties.

7. OWNER OF DOCUMENT/PROPRIETARY INTEREST

It is agreed that RECYCLEMORE has a proprietary interest in all material prepared by CONSULTANT under this Agreement, with the exception of promotional materials, and may retain, alter or use as it sees fit all portions of the material prepared for the completion of the project.

8. SUBCONTRACTORS

CONSULTANT may utilize professional subcontractors only as approved by RECYCLEMORE.

9. ADDITIONAL SERVICES

In the event RECYCLEMORE desires to retain CONSULTANT for the performance of additional services in connection with this Agreement, specification of such additional services and compensation therefore shall be made only by amendment to this Agreement in accordance with compensation rates to be negotiated at that time.

10. INDEPENDENT CONTRACTOR

It is specifically understood and agreed that in the making and performance of this contract, CONSULTANT is an independent contractor and is not and shall not be an employee, agent, or servant of RECYCLEMORE.

11. NONDISCRIMINATION

There shall be no discrimination against any employee who is employed in the work covered by this contract, or against any applicant for such employment because of age, race, religion, sex or national origin.

12. CONSULTANT CONFLICT OF INTEREST

CONSULTANT will comply with all conflict of interest laws and regulations including, without limitation, RECYCLEMORE's Conflict of Interest Code (on file in RECYCLEMORE Clerk's Office). It is incumbent upon the CONSULTANT or CONSULTANT'S firm to notify RECYCLEMORE of any staff changes relating to this Agreement.

13. ASSIGNMENT

CONSULTANT shall not assign any interest in this contract, and shall not transfer any interest in the same without the prior written consent of RECYCLEMORE.

14. AGREEMENT BINDING

This Agreement is binding on the heirs, successors and assigns of the parties hereto.

15. APPLICABLE LAW AND ATTORNEY'S FEES

This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by a party for breach of this Agreement or to enforce any provisions of the Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, court costs or any other costs as may be fixed by the court.

Any action arising out of this Agreement shall be venued in the Superior Court of the State of California in and for the County of Contra Costa.

16. SEVERABILITY

If any one or more of the covenants and agreements or portions thereof shall be held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such covenant, or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed severable from the remaining covenants and agreements or portions thereof, and shall in no way affect the validity or enforceability of the remaining portions of this Agreement.

17. TERMINATION

- A. RECYCLEMORE may terminate this Agreement at any time, without cause, by giving the CONSULTANT thirty (30) days written notice of discontinuance and termination of Agreement.
- B. RECYCLEMORE may, at any time, at its discretion, abandon or suspend any portion of the work being done under the terms of this Agreement. In the event of abandonment or suspension of work for which professional services have been performed under this Agreement by CONSULTANT or in the event of the termination of this Agreement, the CONSULTANT shall immediately stop work on the project required by this Agreement, or shall stop work at the stage directed by RECYCLEMORE.
- C. In the event of Agreement termination, RECYCLEMORE shall pay CONSULTANT all sums then due and unpaid under the Agreement, including sums for work not completed, but in preparation, on a time and materials basis. Payment by RECYCLEMORE of such compensation shall be considered full and final settlement of all work performed by the CONSULTANT under this Agreement.

18. INSURANCE AND INDEMNIFICATION

- A. **Insurance Requirements.** Before beginning any work under this Agreement, CONSULTANT, at its own cost and expense, unless otherwise specified below, shall procure the types and amounts of insurance listed below against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the CONSULTANT and its agents, representatives, employees, and subcontractors. CONSULTANT shall maintain the insurance policies required by this section throughout the term of this Agreement. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution.

- B. **Workers' Compensation.** CONSULTANT shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, CONSULTANT may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code.
- C. **Commercial General and Automobile Liability Insurance.**
1. **General Requirements.** CONSULTANT, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.
 2. **Minimum Scope of Coverage.** Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.
- D. **Professional Liability Insurance (Required for all licensed consultants).** CONSULTANT, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000) covering the licensed professionals' errors and omissions. Any deductible or self-insured retention shall not exceed \$150,000 per claim.
- E. **Additional Requirements.** Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:
1. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
 2. Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to RECYCLEMORE and its officers,

employees, agents, and volunteers.

- F. **Notice of Reduction in or Cancellation of Coverage.** A certified endorsement shall be attached to all insurance obtained pursuant to this Agreement stating that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to RECYCLEMORE.
- G. **Additional Insured; Primary Insurance.** A certified endorsement at least as broad as Insurance Services Office form number CG 20 10 (11/85 ed.) shall be attached to all policies stating that RECYCLEMORE and its officers, employees, agents, and volunteers shall be covered as additional insureds. A certified endorsement shall be attached to all policies stating that coverage is primary insurance with respect to RECYCLEMORE and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by RECYCLEMORE shall be called upon to contribute to a loss under the coverage.
- H. **Variation.** RECYCLEMORE may approve a variation in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that RECYCLEMORE's interests are otherwise fully protected.

19. Indemnification.

CONSULTANT shall indemnify, defend with counsel reasonably acceptable to RECYCLEMORE, and hold harmless RECYCLEMORE and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of CONSULTANT or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work.

With respect to third party claims against the CONSULTANT, the CONSULTANT waives any and all rights of any type of express or implied indemnity against the Indemnitees.

However, notwithstanding the foregoing, in accordance with California Civil Code Section 1668, nothing in this Agreement shall be construed to exempt RECYCLEMORE from its own fraud, willful injury to the person or property of another, or violation of law. In addition, and notwithstanding the foregoing, to the extent this Agreement is a "construction contract" as defined by California Civil Code section 2783, as may be amended from time to time, such duties of CONSULTANT to indemnify shall not apply when to do so would be prohibited by

California Civil Code Section 2782.

20. MISCELLANEOUS PROVISIONS

- A. Neither party shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents or other events or conditions beyond the party's control.
- B. 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. One or more waivers by either party of any provisions, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.
- C. This agreement constitutes the entire agreement between the parties and there are no conditions, agreements or representations between the parties except as expressed in said document. It is not the intent of the parties to this agreement to form a partnership or joint venture.
- D. Where the terms and conditions of this Agreement and any attachments or exhibits hereto conflict, the parties expressly agree that the terms and conditions of this Agreement shall prevail and preside.
- E. The Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from RECYCLEMORE.

21. ATTACHMENTS

Exhibit A – Engagement Letter Dated November 19, 2018

IN WITNESS WHEREOF, RECYCLEMORE AND CONSULTANT have caused their authorized representatives to execute this Agreement.

RECYCLEMORE

CONSULTANT

By:

By: _____

Stan Hakes

Elba Zuniga, CPA

RECYCLEMORE Executive Director

Principal



Agenda Report

Date: January 24, 2019
To: West Contra Costa Integrated Waste Management Authority Board
From: Stan Hakes, Executive Director
Subject: Assembly Bills 341 and 1826 Update

ACTION REQUESTED

1. Receive and file AB 341/ AB 1826 update report.
2. Provide direction to staff.

BACKGROUND

California Assembly Bill 341 (AB 341) requires that each California city and county has a commercial recycling program and that each jurisdiction identifies and notifies businesses about the law. RecycleMore is responsible for complying with AB 341 on behalf of the member agencies.

California Assembly Bill 1826 (AB 1826) requires that each California city and county has a commercial composting program and that each jurisdiction identifies and notifies businesses about the law. RecycleMore is responsible for complying with AB 1826 on behalf of the member agencies. Starting in 2016, RecycleMore includes AB 1826 compliance information in our Electronic Annual Report (EAR) filed with CalRecycle.

RecycleMore was put on notice by CalRecycle in January 2018 that an AB 1826 compliance and monitoring program would need to be developed and substantial progress made by specific dates. RecycleMore developed a compliance plan and took actions to address CalRecycle's concerns. On March 5, 2018 CalRecycle sent a letter stating that we had taken the appropriate actions to start addressing CalRecycle's immediate concerns.

On September 27, 2018, CalRecycle provided RecycleMore with the 120 day letter stating that our 2017 EAR was complete with no further questions. The 120 day letter is a standard procedure that is provided to all jurisdictions annually. The letter also said that effective follow-up on all non-compliant accounts would be expected by the end of the calendar year. RecycleMore understood this directive and on September 24, 2018 continued our follow-up process by mailing new letters to all non-compliant accounts for AB 341 and AB 1826.

RecycleMore staff completed a compliance work plan and timeline which outlined tasks RecycleMore staff would take in order to complete the required follow-up by the end of the calendar year. RecycleMore staff actively followed up with non-compliant accounts, and provided an AB 341 and AB 1826 update report to CalRecycle on December 20, 2018.

RECENT AND UPCOMING ACTIVITY

Beginning January 1, 2019, AB 1826 sets a new (more strict) threshold requiring California businesses with 4 cubic yards (or more) of waste to divert any organic waste that they generate. Anticipating this new threshold, RecycleMore staff has already prepared and mailed letters to all businesses required to meet this new threshold. A number of businesses have responded to the letters by calling to discuss their generation and requirements and some have already called Republic to set-up organics collection service for their business.

CalRecycle Local Assistance and Market Development (LAMD) staff member JoAnn Jaschke will be conducting site visits with RecycleMore and member agency staff in late January and February of this year. Ms. Jaschke has communicated that CalRecycle will provide further AB 1826 and AB 341 compliance evaluation after completing the site visits.

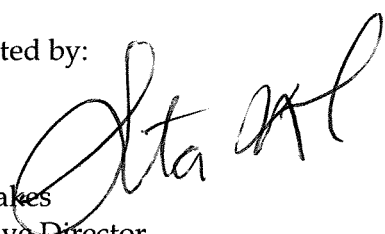
FISCAL IMPACT

There is no fiscal impact associated with this update report.

RECOMMENDED ACTION

1. Receive update Assembly Bill 341 and Assembly Bill 1826 update report.
2. Provide direction to staff.

Submitted by:



Stan Hakes
Executive Director



recyclemore
WEST CONTRA COSTA INTEGRATED
WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: January 24, 2019
To: West Contra Costa Integrated Waste Management Authority Board
From: Stan Hakes, Executive Director
Subject: Legislation Update

ACTIONS REQUESTED

1. Receive and file report, and hear an oral presentation by Sweetser and Associates, regarding Senate Bill 1383 and Senate Bill 212.
2. Provide direction to staff.

BACKGROUND

The RecycleMore Board has been interested in receiving regular legislation updates. The RecycleMore regional Staff meeting (RSM) group has also asked for regular legislation updates. Staff has learned that our household hazardous waste (HHW) consultant (Sweetser and Associates) is also well qualified to provide State legislation updates. Mr. Sweetser regularly provides legislation updates and other legislative duties for several small rural Northern California counties.

At the January 24, 2019 Board meeting, Mr. Sweetser will provide the Board with an update on SB 1383. SB 1383 establishes a statewide 50-percent reduction in the amount of organics in landfills by 2020 and a 75-percent reduction by 2025. Additionally, the law requires that not less than 20 percent of edible food that is currently disposed of is recovered for human consumption by 2025. To meet these requirements, SB 1383 mandates more comprehensive organics management, including requiring local agencies to adopt various ordinances, set up compliance programs, edible food recovery requirements, compliance monitoring requirements and additional operational requirements for haulers.

Mr. Sweetser will also provide an update on SB 212. SB 212 would establish a stewardship program, under which a manufacturer or distributor of covered drugs or sharps would be required to establish and implement, either on its own or as part of a group of covered entities through membership in a stewardship organization, a stewardship program for covered drugs or for sharps.

A copy of the Sweetser and Associates slide presentation on SB 1383 and SB 212 is attached to this report (Attachment 1). Also attached is an SB 1383 Timeline (Attachment 2). There is also a Cal Recycle document which invites consultants to provide a scope of work to develop models for Recycling Franchise Agreement, an Organic Waste Recycling Enforcement Ordinance, and a Food Recovery Agreement (Attachment 3). All of these items are required under SB 1383 regulations.

After Mr. Sweetser's presentation, the Board may wish to provide direction to staff.

FISCAL IMPACT

There are no fiscal impacts associated with the recommendations noted in this report.

RECOMMENDED ACTIONS

1. Receive and file report, and hear an oral presentation by Sweetser and Associates, regarding Senate Bill 1383 and Senate Bill 212.
2. Provide direction to staff.

Submitted by:

A handwritten signature in black ink, appearing to read "Stan Hakes", written over a horizontal line.

Stan Hakes
Executive Director

Attachment 1: Slide Presentation by Sweetser and Associates

Attachment 2: SB 1383 Regulations Timeline - prepared by Sweetser and Associates

Attachment 3: "Scope of Work - SB 1383 Implementation Tools--Models for Recycling Franchise Agreement, Organic Waste Recycling Enforcement Ordinance, and Food Recovery Agreement" - published by CalRecycle

RecycleMore Legislative/Regulatory Update SB 212 & SB 1383 Regulations


Prepared by
Larry Sweetser
Sweetser & Associates, Inc.

Senate Bill 212 (Jackson, 2018)

- 1st US EPR household sharps/pharmaceuticals
- Two separate programs
 - Pharmaceuticals
 - Min 1 collection site/50,000 people (3-4 per RecycleMore)
 - Retail pharmacy chain at least one location or 15% whichever greater
 - Sharps
 - Mail-away program
 - Disposal cost reimbursement to local agencies, unless the program operator provides removal from the local HHW

Timeline

- Fully implemented no later than 270 days (1/1/22)
- CalRecycle currently developing regulations
 - Stewardship Plans
 - Evaluation process
- Workshop January 30th




Implementing Parties

- Covered entity
 - Manufacturer of covered products
- Stewardship program
 - Collection, transportation, and disposal of covered products
- Program operator
 - Covered entity, or stewardship organization of covered entities group
 - Responsible for operating a stewardship program
- Authorized collector
 - Agreement with a program operator.
 - Maybe a DEA registered entity or person, law enforcement agency, retail pharmacy (HHW facility?)

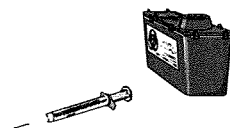
Covered Drug Does Not Include

- Vitamins or supplements
- Herbal-based remedies
- Cleaning and personal care products with/without medications
- Medical devices
- Animal medications

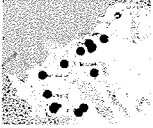


Sharps


- Mail-away program at point of sale
- Requires reimbursement of disposal costs for publicly collected sharps
- Provides coverage of HHW facility collection



Medication Disposal




- RecycleMore sponsored**
 - Hercules City Hall
 - Pinole Police Station
 - West County Wastewater
 - El Cerrito Recycling
 - Richmond Fire, El Sobrante
 - Richmond Police Station
 - West County HHW
- County MED-Project**
 - Kaiser, Nevin, Richmond
 - Kaiser, Pinole
 - CVS, Meeker, Richmond
 - CVS, Tara Hill, Pinole
 - CVS, San Pablo Ave, EC
 - CVS, Plaza, El Cerrito



Unknowns

- Status and impact with Contra Costa Co. ordinance
- How to address items not covered
 - Especially if included in collection device
- **Reluctance of pharmaceutical industry**
- Integration with new federal requirements
- Permitting collection sites




SB 1383 Regulations




Short-Lived Climate Pollutants Legislation
Organic Waste Reduction Regulations
(based on January 2019 proposed regulations)

Legislative Mandates



- Methane emission reduction goals
- Statewide disposal organics from 2014 levels
 - 50% reduction by 2020
 - 75% reduction by 2025
 - 20% increase edible food recovered by 2025
 - CalRecycle regulatory authority
- Disposal based on waste characterization study

CalRecycle




- Shall consult with ARB
- May
 - Impose penalties regulated entities
 - Require jurisdictions impose requirements on relevant entities
 - Conduct local jurisdiction and business inspections
- Prohibited from
 - Imposing organics ban
 - Requiring jurisdictions to impose penalties before 2024
 - Imposing 50% and 75% recycling targets individual jurisdictions

Proposed Regulation Requirements

- Collection
- Education & outreach
- Edible food recovery
- Procurement metrics - organics and paper
- Increased reporting
- Enforcement and penalties
- Others

Collection

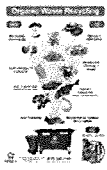
- Containers standard color (useful life or 2032)
 - Green = organics only
 - Blue = recyclables
 - Gray = non-organics
- Contamination minimization
 - Route reviews
 - Written notice
 - Fees and penalties
 - Labels
- Documentation



12

Education & Outreach


- Educate customers about organics service
- Waste generation prevention
- Benefits organics recycling
- Health safety and environmental impacts
- Edible food



11

Edible food recovery

- 20% edible food recovery
- Education
- Increase access and opportunities
- Monitor edible food waste generators
- Increase capacity
- Record keeping
- Tier 1 compliance 2022 (grocery, distributor)
- Tier 2 compliance 2024 (restaurant, hotel, health, large venue, schools)



14

Procurement Metrics (10/1/22)

- Organics
 - Annual procurement 0.07 tons/resident/year
 - Target provided by CalRecycle
 - Direct procurement or contracted
 - Compost **AND** renewable transportation fuel
- Recycled content paper
 - 75% annual purchase
 - Paper products
 - printing and writing paper
 - Require business certification
 - Track supporting documentation

13


Increased reporting

- Contamination implementation
- Hauler compliance
- Business compliance
- Edible food implementation
- Organics capacity planning
- Procurement organics and paper
- Maintain copies all records
- Enforcement measures

17

Enforcement and Penalties by Jurisdiction

- Route reviews required
- Potential penalties on generators
- Record complaints
- Written compliance review all business/residential
- Self hauler compliance
- Annual verification
- Adopt penalty structure (per violation per day)
 - Level 1 \$50-\$100
 - Level 2 \$100-\$200
 - Level 3 \$250-\$500



18

Enforcement and Penalties by CalRecycle

- Imposed on jurisdictions, county, haulers, generators, businesses
- 8 pages of potential violations
 - Level 1 \$50-\$500
 - Level 2 \$250-\$1,000
 - Level 3 \$500-\$2,500
 - Level 4 \$500-\$2,500
 - Level 5 \$1,000-\$5,000
 - Level 6 \$5,000-\$10,000

Others

- Green building compliance mandatory
- Biosolids
 - Requires processing and recovery
- Land application
 - Preprocessing
- Non-green waste ADC allowed
- Emergency & disaster waivers

Standardized Regulatory Impact Assessment (SRIA)

- Statewide analysis potential costs and benefits
- Prepared by CalRecycle with ARB and DOF
- Assumptions and projections by CalRecycle
- Requires 50-100 new/expanded organics facilities
- Required formality

Timeline, Estimated

- Economic analysis released
- Mid-Jan 2019 - Formal regulations start about
- Jan 2019 - Notice of preparation
- March 2019 – 45 day comment close
- Late 2019/early 2020? approval expected
- 2020 50% reduction organics disposal
- 1/1/2022 Jurisdiction compliance efforts start

The diagram shows a horizontal timeline with markers for Jan 2019, 2020, 2022, and 2025. A bracket spans from Jan 2019 to 2025, indicating the overall duration of the regulatory process.

Expected Impacts

- Limited implementation time
- Limited facilities available
- Significant rate increases (CalRecycle Estimate)
- Potential adoption ordinances & policies
- Local inspection & enforcement
- State enforcement and penalties

Limited Implementation Time

- Regulations not final in time for compliance
 - Late 2019
- Relationship with other requirements not clear
 - Mandatory Commercial (MCR)
 - Mandatory Organics (MORE)

A callout box contains the following text: 2020 50%, 2025 75%, 2025 20% edible food Procurement.

Limited Facilities Available

- Currently insufficient capacity
- 66 facilities on line
- Need ~90 new composting/anaerobic digestors
- No streamlined permit process
- Insufficient Greenhouse Gas Funds
- Competitive market

Significant Rate Increases (CalRecycle Estimate)

- \$17 per household per year AFTER implementation
- \$662 small business average annual
- Direct costs only
- **LIKELY SIGNIFICANTLY LARGER**



Potential Adoption Ordinances & Policies

- Organics collection
- Hauling
- Reporting
- Edible food recovery
- Penalty structure
- Adopt by 1/1/2022
- CalRecycle criteria jurisdiction enforcement



Local Inspection & Enforcement

- Complete compliance review all businesses
 - Generate ≥2 cy solid waste/week with organics
 - Self-haul business includes back-haul organics
- Conduct route reviews commercial and residential
- Primarily inspect out of compliance entities
- Written reports maintained
- Complaint investigation
- Can be conducted by designee
- Jurisdiction issues notice of violation/follow up
- Impose penalties on business & hauler



State Enforcement and Penalties

- CalRecycle evaluates compliance
 - Jurisdiction implementation
 - Businesses if jurisdiction fails to enforce
- CalRecycle can access businesses
- CalRecycle evaluates state agencies compliance
 - List non-complying agencies
 - No penalties

Advice

- Monitor regulations
- Start preparing now (don't wait)
 - Determine baselines (2014 organics, etc.)
 - Assess current organics disposal types and amount
 - Assess existing programs/agreements including education efforts
 - Determine needs and targets
 - Lock-in capacity
 - Assess procurement organics, paper, renewable transportation fuel
 - Refine existing and proposed programs
 - Determine staffing resources (agency & contract)
- Maintain all other requirements

SB 1383 Regulations Timeline



Date	Activity	Section
2019	Formal regulations comment period start	
2019, late	Regulations adopted	
~2020	Landfills submit Status Impact Report implementation of organics reduction 180 days after regulations adoption	§21695
2020	50% reduction disposal organic waste from 2014 baseline	§18982 (a)(47)
1/1/2022	Jurisdiction adopt enforceable ordinances or similar	§18981.2
1/1/2022	Jurisdiction ensures new containers or lids labeled	§18984.8
1/1/2022	Tier One compliance by commercial edible food generators	§18991.3
1/1/2022	CalRecycle provides jurisdiction annual per capita procurement target	§18993.1
1/1/2022	Jurisdiction annually procure organics waste products, recycled paper, and renewable fuel that meets or exceed per capita target	§18993.1
1/1/2022 until 1/1/2024	Jurisdiction determines if organics waste generator, self-hauler, commercial edible food generator, and other entities not in compliance. Verify through inspection, annual review or route review that businesses are meeting de minimis and physical space waivers for compliance	§18995.1
1/1/2022	Jurisdiction has in-place inspection and enforcement program	§18995.1
1/31/2022	Jurisdiction starts annual commercial, residential, and self-haul compliance	§18995.1
2/1/2022	Jurisdiction reports to CalRecycle implementation and compliance including copies of ordinances and date containers provided	§18994.1
2/1/2022	Generators provided containers for organics service by jurisdiction Self-haulers provided program information by jurisdiction Jurisdiction develop and maintain list food recovery by jurisdiction	§18985.1 §18985.1 §18985.2
2/1/2022	Counties report Organics Waste Recycling and Edible Food Recovery capacity for 1/1/22-12/31/24. If additional capacity needed, Cities and regional agencies provide information with 120 days of county request.	§18992.3
8/1/2022	Jurisdiction reports implementation organics service, contamination monitoring, waivers issues, education/outreach, hauler oversight, Cal-Green implementation, edible food recovery, organics capacity, compliance, monitoring, and enforcement efforts for 1/1/22-6/30/22	§18994.2
8/1/2023	Jurisdiction reports implementation organics service, contamination monitoring, waivers issues, education/outreach, hauler oversight, Cal-Green implementation, edible food recovery, organics capacity, compliance, monitoring, and enforcement efforts previous calendar year.	§18994.2
1/1/2024	Jurisdiction documents non-compliance and provides educational material	§18995.1
8/1/2024	Conduct inspections of Tier Two commercial edible food generators for compliance	§18995.1
8/1/2024	Counties report Organics Waste Recycling and Edible Food Recovery capacity for 1/1/25-12/31/34. If additional capacity needed, Cities and regional agencies provide information with 120 days of county request.	§18992.3
2025	75% reduction disposal organic waste from 2014 baseline	§18982 (a)(47)
8/1/2025	Counties report Organics Waste Recycling and Edible Food Recovery capacity for 1/1/25-12/31/34. If additional capacity needed, Cities and regional agencies provide information with 120 days of county request.	§18992.3
1/1/2027	CalRecycle provides jurisdiction annual per capita procurement target (every 5 years)	§18993.1
8/1/2029	Counties report Organics Waste Recycling and Edible Food Recovery capacity for 1/1/30-12/31/39	§18992.3
8/1/2034	Counties report Organics Waste Recycling and Edible Food Recovery capacity for 1/1/35-12/31-44. If additional capacity needed, Cities and regional agencies provide information with 120 days of county request.	§18992.3

Annual Requirements

Requirement	Section
Jurisdiction provide commercial food generator requirements and list food recovery organizations and services. If additional capacity needed, Cities and regional agencies provide information with 120 days of county request.	§18985.2
CalRecycle provides jurisdiction with per capita procurement targets (every 5 years)	§18993.1
Annual verification verify through inspection, annual review or route review businesses are meeting de minimis 56 and physical space waivers for compliance	§18995.1
High diversion organic waste processing facility must meet or exceed annual average mixed waste organic content recovery rate of 50 percent between January 1, 2022 and December 31, 2024, 1 and 75 percent after January 1, 2025	§18982
Property and business owners must provide information to employees, contractors, tenants, and 27 customers about organic waste recovery requirements and about proper sorting of organic waste.	§18984.10
Jurisdiction verify commercial business organic waste generation meets waiver thresholds	§18984.11
Jurisdiction provides annual information on organics waste generator requirements, prevention methods, methane reduction, recycling options, and public health, safety, and environmental impacts	§18985.1
Jurisdiction provides self-haulers requirements	§18985.1
Jurisdiction provide commercial businesses that generate edible food requirements and available services	§18985.2
Self-haulers of organic waste report to jurisdiction source separated organics and location accepted waste	§18988.3
Jurisdiction annual procurement organic waste and recycled paper	§18993.1 & §18993.3
Department provides procurement targets	§18993.1
Jurisdiction annual report type of organic waste service, total number of generators receiving service, and facilities receiving high diversion organics waste	§18994.2
Jurisdiction reports compliance reviews of accounts and review of businesses meeting de minimis and physical space waivers	§18995.1
	§
Technologies not expressly identified in section 18983.1 must conduct annual waste characterization	§18983.2

Facility Requirements

Page 4 - (33) “High diversion organic waste processing facility” means a facility that is in compliance with the reporting requirements of Section 18815.5(d) of this division and meets or exceeds an annual average Department of Resources Proposed SLCP Regulations Recycling and Recovery mixed waste organic content recovery rate of 50 percent between January 1, 2022 and December 31, 2024, 1 and 75 percent after January 1, 2025

Page 60 Section 17409.5.1. Organic Waste Recovery Efficiency.

- (a) This section applies to transfer and processing facilities and operations that conduct processing activities.
- (b) For purposes of compliance with the reporting requirements in Section 18815.5 of this division, and demonstrating that the facility is a “high diversion organic waste processing facility” as defined in Section 18982 (a)(33) of this division that meets or exceeds an annual average mixed waste organic content recovery rate of 50 percent on and after January 1, 2022 and 75 percent on and after January 1, 2025 as determined in Section 29 18815.5(e), the operator shall conduct the measurements described in this section.

Page 64 Section 17409.5.8. Incompatible Materials Limit in Recovered Organic Waste.

- (a) **On and after January 1, 2022**, a transfer/processing facility or operation shall send organic waste recovered after processing from the source separated organic waste stream and from the mixed waste organic collection stream with no more than 10 percent of incompatible material by weight to the destination it is being sent per operating day.

SCOPE OF WORK

SB 1383 Implementation Tools—Models for Recycling Franchise Agreement, Organic Waste Recycling Enforcement Ordinance, and Food Recovery Agreement

I. Introduction/Objectives

The Department of Resources Recycling and Recovery (CalRecycle) oversees a variety of programs designed to reduce the amount of solid waste sent to landfills in the state and promotes recycling and the development of markets for recycled materials. Impending implementation of SB 1383 (enacted in 2017) established a statewide 50-percent reduction in the amount of organics in landfills by 2020 and a 75-percent reduction by 2025. Additionally, the law requires that not less than 20 percent of edible food that is currently disposed of is recovered for human consumption by 2025.

This contract will provide CalRecycle with various model tools to use in assisting jurisdictions and other regulated entities to plan for and implement required the formal mechanisms and budgetary changes that will be needed in order to comply with the regulations. Several of the requirements in the regulations are the focus of this contract:

- 1) Jurisdictions will be required to place recycling requirements on their organic waste haulers. A primary mechanism used by jurisdictions to place requirements on haulers is through a franchise agreement. This contract will provide models and guidance to local jurisdictions on requirements to consider incorporating into their franchise agreements and support related contract or permit requirements.
- 2) Jurisdictions will also be responsible for implementing an edible food recovery program. One requirement of the edible food recovery program is that regulated commercial edible food generators will be required to have an agreement with an edible food recovery organization. This agreement will ensure that there is a documented formal arrangement between the regulated commercial edible food generator and an edible food recovery organization.

The model tools developed under this contract will help assist the jurisdictions and the applicable regulated entities to implement the required formal mechanisms and ensure that their organics collection programs and edible food recovery programs are in compliance with the regulations.

To undertake this effort, CalRecycle seeks a Contractor with a high level of expertise in developing and implementing local recycling franchise agreements (including franchise agreements that include requirements to support edible food recovery programs), local ordinances to enforce recycling/organics recycling programs and edible food recovery agreements (e.g., agreements between commercial generators and food recovery organizations). The high level of expertise required from various disciplines necessitates that the Contractor assemble a team of highly experienced people who will effectively provide the necessary tools and assistance to CalRecycle for dissemination to local jurisdictions and the applicable regulated entities. The Contractor and its team must work

closely with local government staff (including public works officials, elected officials, and legal staff), industry, and food recovery organizations to develop the desired tools. The Contractor shall assist CalRecycle with communicating and collaborating with the following, at a minimum: League of California Cities, California State Association of Counties, Rural County Representatives of California, and other local government organizations; waste industry, such as hauler organizations; and food recovery organizations. Collaborating with these groups will maximize interest by local governments and applicable regulated entities in adopting and implementing the tools prior to January 1, 2022. The tools must be developed in a way that is readily usable to stakeholders. The tools produced must be flexible enough to be usable by many jurisdictions and applicable regulated entities with minimal need for adjustment. The materials should be peer-reviewed by appropriate local government staff to verify accuracy and usability. These parameters will help ensure that the tools and strategies for dissemination will be useful amongst a wide variety of local governments with differing administrative structures, business climates, and demographics, as well as applicable regulated entities. The Contractor and its team should have demonstrable experience in developing effective strategies and web-based resources that have proven to be effective tools for local jurisdictions.

II. Work To Be Performed

- A. The Contractor shall develop a model recycling franchise agreement, a model enforcement ordinance, and a model edible food recovery agreement to assist local jurisdictions and applicable regulated entities with implementing the requirements of the SB 1383 regulations. The Contractor shall use its expertise, experience, research capabilities, and creativity in developing these tools that will be effective for local jurisdictions. The Contractor shall develop and test an approach that will assist CalRecycle in disseminating these tools for early adoption by local jurisdictions.
- B. The Contractor shall:
 - 1) Meet with the CalRecycle Contract Manager (Contract Manager) to finalize the project design and refine the proposed approaches for the project.
 - 2) Establish an advisory group consisting of representatives from jurisdictions (including elected officials, city managers, and local jurisdiction and legal staff), food recovery organizations, and waste industry. In addition to the advisory group, the Contract Manager will also identify applicable CalRecycle staff to provide advice. The advisory group shall provide advice on the research approach and draft tools that the Contractor develops under this contract. The advisory group also will provide input on strategies for effectively disseminating the tools to local elected officials, City Managers, legal staff, local jurisdiction staff, edible food recovery organizations and commercial edible food generators, and waste industry.
 - 3) Conduct research on existing franchise agreements, enforcement ordinances for recycling and organics programs, and edible food recovery agreements. Analyze

existing recycling franchise agreements, enforcement ordinances for recycling and organics programs, and edible food recovery agreements to determine the provisions or approaches that the Contractor should further explore (e.g., by surveying specific jurisdictions to find out what worked, etc.).

- 4) Develop model franchise agreements and enforcement ordinances which would fulfill the jurisdictions' responsibilities to enforce the regulations, including but not limited to organics collection, hauling, reporting, and edible food recovery. Develop edible food recovery agreements that could be used by commercial edible food generators to comply with the regulations.
- 5) Develop and test a strategy that will assist CalRecycle in disseminating the tools that will maximize early adoption of the required ordinance, franchise agreements, and food recovery agreements by local jurisdictions and applicable regulated entities. The strategy shall include creative approaches that the Contractor has tested and are successful in educating legal staff, public works officials, city managers, city councils, County Board of Supervisors, and applicable regulated entities.
- 6) Provide reports.

III. Tasks Identified

Task 1: Initial Meeting to Refine the Project Design and the Approaches for the Project

- A. Within 10 calendar days after contract approval, the Contractor shall meet with the Contract Manager to review the project design, identify the logistical details needed to begin work on the project, and fine-tune timelines and minor operational details of tasks and deliverables, including, but not limited to: reports, surveys, presentations and/or dissemination of information to stakeholders, materials to be posted or revised on the existing website, materials to be sent via electronic mailing list, or any other related communication, as needed.
- B. Within 30 calendar days after contract approval, the Contractor shall prepare and submit the results of the collaboration above (Task A) which documents the agreed upon fine-tuning of the logistical details. CalRecycle staff will review this submittal to ensure it accurately represents the agreed upon details and is consistent with both this RFP and with the Contractor's Proposal, and shall provide additional feedback and edits as needed within 10 calendar days. The Contractor shall make required changes, if any, and submit to the Contract Managers within 15 calendar days of receiving comments.
- C. Should minor adjustments to the project design be necessary, the Contractor shall submit any such changes to the Contract Manager for approval and receive said approval before continuing work on those aspects of the project.

Task 2: Establish an Advisory Group

- A. With the approval of the Contract Manager, the Contractor shall establish an advisory group consisting of representatives from jurisdictions (including elected officials, city managers, and local jurisdiction and legal staff), food recovery organizations, and waste industry. The advisory group should also consist of local government staff with experience of running successful organics recycling programs. The Contract Manager shall also identify applicable CalRecycle staff to provide input and review of the model tools.
 - 1) The purpose of this group will be to advise the Contractor and CalRecycle on the tools that the Contractor develops under this contract in Task 2.
 - 2) The advisory group also will provide input on strategies for effectively disseminating the tools to local elected officials, city managers, legal staff, local jurisdiction staff, edible food recovery organizations and generators, and the waste industry (related to Task 5).
- B. With the approval of the Contract Manager, the Contractor shall develop a process for selecting and soliciting participation in the advisory group. The process shall include a CalRecycle review and approval process.
- C. With the approval of the Contract Manager, the Contractor shall establish a plan for communicating with the advisory group, including frequency of meetings, determining if meetings can be by conference call or in person, and the process for soliciting review of documents by the advisory group.

Task 3: Conduct Research and Analysis of Existing Applicable Franchise Agreements, Enforcement Ordinances, and Food Recovery Organization Agreements

- A. The Contractor shall, by working through its contacts and the advisory group, conduct research of existing applicable franchise agreements, enforcement ordinances, and food recovery organization agreements.
 - 1) The Contractor shall seek examples from the various regions of the state (e.g., North, Central Coast, South, Bay Area, Central Valley.) The Contractor shall also seek examples of Rural (including low population as defined in the draft SB 1383 regulations) and Urban programs.
 - 2) The Contractor shall research franchise agreements that also include edible food recovery provisions.
- B. The Contractor shall summarize the list of applicable examples of franchise agreements, enforcement ordinances, and food recovery organization agreements that the Contractor found and provide the summary to the Contract Manager. The Contractor shall also propose to the Contract Manager which examples of specific provisions within these various agreements/ordinances that it believes are appropriate and effective relative to the 1383 regulations and that should be further analyzed.

- C. The Contractor shall analyze the examples of specific provisions within the selected franchise agreements, enforcement ordinances, and food recovery organization agreements, and identify information that could be appropriate for the models that the Contractor will develop. The Contractor shall provide this to the Contract Manager for review and approval. The Contract Manager will solicit input from applicable CalRecycle staff and will provide that feedback to the Contractor. The Contractor shall incorporate this feedback.
- D. The Contractor shall contact the jurisdictions that implemented the examples (results of Task 3B) of the franchise agreements, enforcement ordinances, and food recovery organization agreements. The Contractor shall survey them to assess what worked, what did not work, amount of time needed for approval and implementing, what changes they would suggest, how best to educate local elected officials, city managers, legal staff, how they complied with Prop 218, etc. The Contractor shall research franchise agreements that include edible food recovery and conduct outreach to learn about what has worked well, and what has not. For example, the City of Los Angeles' franchise agreements include edible food recovery. The City of Los Angeles' food policy council, franchise haulers, food recovery organizations in City of Los Angeles, and the city's legal staff would be important stakeholders for the Contractor to reach out to in an effort to learn more.
- E. The Contractor shall summarize the input from Task 3C and provide to the Contract Manager a summary of the recommendations and an outline for the model franchise agreement module, model enforcement ordinance and model food recovery organization agreement for review and approval. The Contract Manager shall seek input from the applicable CalRecycle staff. The Contractor shall address any modifications that the Contract Manager provides.

Task 4: Develop Models

- A. The Contractor shall propose a process and timeline, after approval from the Contract Manager, to solicit input from the advisory group and applicable CalRecycle staff.
- B. Upon approval by the Contract Manager of the deliverables in Task 3, the Contractor shall develop drafts of the model tools. The Contractor shall provide the Contract Manager the draft franchise agreements, enforcement ordinances, and edible food recovery agreements for review 60 days prior to any final due date for these materials. The Contract Manager shall have applicable CalRecycle staff review the draft models. The Contract Manager shall communicate any comments to the Contractor. The Contractor shall complete any necessary changes and edits.
- C. With approval from the Contract Manager, the Contractor shall solicit input and review of the model tools by the advisory group. The Contractor shall provide the Contract Manager with the comments from advisory group on the draft models. If there are conflicts with the comments, the Contractor shall seek direction from the

Contract Manager and revise the draft model tools in accordance with the Contract Manager's direction. The Contractor shall maintain copies of all of the comments throughout the review process and make them available if the Contract Manager requests them.

- D. The Contractor shall provide the final model tools to the Contract Manager for approval. The Contract Manager shall have the applicable CalRecycle staff review the final model tools. The Contract Manager shall inform the Contractor if the final model tools are approved or if there are more revisions necessary. The Contract Manager shall determine a timeline if changes are still necessary. The Contract Manager shall determine if the final model tools shall be disseminated to the advisory group.

- E. The Franchise Agreement model shall contain provisions that, at a minimum, cover the following:
 - 1) Reporting and record retention
 - 2) Organics recycling program requirements (including but not limited to collection services and bin systems)
 - 3) Education activities
 - 4) Contamination monitoring
 - 5) Facilities used for recycling
 - 6) Funding and support for food recovery organizations, including providing support for edible food recovery program requirements, such as necessary infrastructure
 - 7) How to address rate changes

- F. The Enforcement Ordinance model shall address the following:
 - 1) Consist of at least two model enforcement ordinances, one to reflect rural jurisdictions and one for urban jurisdictions. The two ordinances will reflect the different programs implemented in a rural versus urban jurisdiction.
 - 2) The Contractor shall design each model enforcement ordinance so that it fulfills the requirements of the SB 1383 regulations to make it enforceable and to cover all of the requirements in the SB 1383 regulations. The model enforcement ordinance should include the fines associated with violating ordinance requirements consistent with the SB 1383 regulation (penalty charts and procedures for assessing the fines). The model enforcement ordinance shall include requirements for all of the specific enforceable actions that a jurisdiction needs to take. The following is an overview:
 - a) Organic waste collection service, including:
 - i. Types of bins, including prescribed colors, labeling
 - ii. Route reviews and contamination monitoring
 - iii. Ensuring organic material is taken to the appropriate processing facility, e.g., source separated waste is transported to a solid waste facility that processes source separated organic waste, as prescribed in the regulation

- b) Waivers—address how jurisdictions shall implement waivers and who would qualify for waivers
 - c) Organic waste generators
 - i. Address requirements on organic waste generators to comply with applicable local requirements for the collection and recovery of organic waste. This includes providing containers for the collection of organic waste and non-organic recyclables in all areas where disposal containers are provided for customers, as well as prohibiting their employees from placing organic waste in a container not designated to receive organic waste. This also includes inspecting waste containers for contamination and informing employees if containers are contaminated and the requirements to use those containers for organic waste.
 - ii. Address that the jurisdiction must be allowed access to inspect the site
 - iii. Commercial edible food generators
 - Arrange for edible food recovery
 - Prohibited from intentionally spoiling edible food
 - Keep records
 - Address that the jurisdiction must be allowed access to inspect the site
 - iv. Haulers
 - Address requirement on haulers providing residential, commercial, or industrial organic waste collection service to generators within the jurisdiction’s boundaries to meet the requirements and standards of the SB 1383 regulations. This is a condition of approval of a contract, agreement, or other authorization to collect organic waste. This also includes identifying the facilities they transport organic waste to and complying with the requirements of the SB 1383 regulation.
 - Address requirements on haulers to keep a record of applicable documentation
 - v. Self-hauler requirements
 - vi. Property and business owner responsibility requirements
 - vii. CalGreen compliance requirements
 - viii. Jurisdiction recycled content procurement of compost, renewable transportation fuels and paper products.
 - Note: This particular provision may be a policy and not an ordinance.
- 3) Each model enforcement ordinance needs to address the required programmatic structure:
- a) Plan for informing/educating generators of what constitutes a violation and what the consequences are for violations
 - b) Methodology for documenting, noticing violations, seeking and issuing penalties.
 - c) Description of what is considered a violation

- d) Address number of offenses and applicable penalty.
 - e) How the jurisdiction will enforce these provisions
 - 4) Each model enforcement ordinance shall lay out due process for the enforcement structure, including the following:
 - a) Appeal process—process for granting extensions to the compliance deadlines
 - b) Process for documenting violations, noticing the offender, and issuing penalties
- G. The Food Recovery Agreement model shall address, at a minimum, the following:
- 1) Be customizable to meet the requirements of food recovery organizations and commercial edible food generators.
 - 2) Identify requirements of the food recovery organization, including, but not limited to the following:
 - a) Type of edible food that the food recovery organization will collect, e.g., fresh grocery, prepared, minimum nutrition standards of food accepted by the food recovery organization, etc.
 - b) Type of packaging requirements
 - c) How to prepare edible food for storage and transport
 - d) Inspection expectations
 - e) Frequency of collection and how collections will be scheduled and arranged
 - f) How to address if edible food is beyond expiration date, e.g., can it be collected if it is within certain number of days
 - g) Conditions for refusal of collection
 - h) Documentation to be provided by the food recovery organization
 - i) What type of labeling is required
 - j) Release of liability when food is provided to the edible food organization, commitment by edible food organization to maintain the safety of the food
 - k) Agreement for returning collection containers to the edible food generator
 - l) All rescued food shall be maintained in accordance with CalCode requirements for food safety.

Task 5: Implement Strategies to Support Use of the Tools by Jurisdictions and Applicable Regulated Entities

- A. With the approval of the Contract Manager, the Contractor shall develop creative strategies and best approaches to support the use of the model tools by educating and informing local elected officials, City Managers, legal counsel staff, local jurisdiction staff, and other applicable regulated entities about the tools. The goal is to get jurisdictions and applicable regulated entities to adopt and use these tools prior to the SB 1383 regulation taking effect on January 1, 2022.
- B. With the approval of the Contract Manager, the Contractor shall solicit input from the advisory group and applicable CalRecycle staff regarding the strategies. The Contractor shall make any necessary refinements, and submit the revised strategies to

the Contract Manager. The Contract Manager shall review and approve. If changes are necessary, the Contract Manager shall communicate those to the Contract Manager. The Contractor shall revise and resubmit to the Contract Manager. The Contractor shall proceed upon approval from the Contract Manager.

- C. The Contractor, with approval from the Contract Manager, shall test the strategies, which may include, but are not limited to, the following:
 - 1) Developing effective presentation tools for CalRecycle staff
 - 2) Determining, with approval from the Contract Manager, a specified number and type of events where the Contractor and CalRecycle staff will test the presentation tools, e.g., City and County conferences, City and County Legal Counsel meetings, Local Task Force Meetings, regional and statewide food recovery organization meetings, etc. The testing should also consist of events in north, south, urban, and rural parts of the state.
 - 3) Based upon the testing the Contractor shall assess if refinements to the strategies and presentation tools are needed. The Contractor shall provide this assessment to the Contract Manager, who will approve any changes to the approach. The Contract Manager may also request that the Contractor solicit additional input from the advisory group and applicable CalRecycle staff, and then provide that feedback to the Contract Manager.

- D. Upon approval by the Contract Manager, the Contractor shall develop a plan for CalRecycle regarding organizing CalRecycle presentation opportunities.
 - 1) This may include, but is not limited to, collaborating with groups to secure approval for CalRecycle to provide trainings to their members on the tools. These organizations may include the League of California Cities and affiliated groups, the Association of Public Works Directors, California Association of Counties, Rural County Representatives of California, California Resource Recovery Association, California Association of Food Banks, etc.

- E. With the approval of the Contract Manager, the Contractor shall provide guidance to CalRecycle on how to support and provide technical assistance to jurisdictions that wish to use the tools in their communities (e.g., respond to questions that a jurisdiction may have regarding components of the tool). The Contractor shall work with the Contract Manager and CalRecycle local assistance staff to establish a plan for maintaining communication with jurisdictions in need of support.

- F. With the approval of the Contract Manager, the Contractor shall prepare the model tools for incorporating into CalRecycle's website. The Contractor shall coordinate with the Contract Manager on providing the information in the necessary format for publishing on CalRecycle's website.

- G. The Contractor shall host 3-5 webinars in conjunction with CalRecycle, subject to approval of the Contract Manager, to share the tools and local government/food recovery organization experiences related to franchise agreements, enforcement ordinances, and food recovery organization agreements.

Task 6: Reporting

- A. The Contractor shall communicate in-person or via conference call with the Contract Manager on an ongoing basis and provide written reports, on a monthly basis at a minimum, to the Contract Manager covering activities that are in progress, completed, and upcoming; issues that have arisen; a budget status; a status of meeting the timelines, etc.
- B. All documents and/or reports drafted for publication by or for CalRecycle in accordance with this contract shall adhere to CalRecycle's Contractor Publications Guide at www.calrecycle.ca.gov/Contracts/PubGuide. A technical editor of the Contractor's choosing shall review these and shall ensure that the reports comply with CalRecycle's publication guidelines. Then the Contract Manager in consultation with the CalRecycle editor shall review the documents and/or reports. The Contractor shall make any requested changes. *(The Contractor is encouraged to consult with the Contract Manager and editorial staff early in the development process to ensure deliverable requirements are clearly understood and to minimize the need for revisions.)*
- C. The Contractor shall submit a draft final report to the Contract Manager by February 1, 2021, on the contract work performed, including an evaluation of its effectiveness (with qualitative and quantitative results). A technical editor of the Contractor's choosing shall review these and shall ensure that the reports comply with CalRecycle's publication guidelines. The draft final report shall include, at a minimum, the following:
- An Executive Summary
 - A detailed description of the study design, including methodologies used to collect the data and information
 - Results of surveys and other methods used to collect the data and information
 - Summary of the outreach, including any jurisdictions and applicable regulated entities that adopted the tools
 - Summary of the model testing
 - Conclusions and recommendations
 - The actual model tools
- CalRecycle staff will review the draft final report and provide comments or questions to the Contract Manager, who in turn will collate and provide them to the Contractor. The Contractor shall address and/or incorporate changes resulting from the comments and questions into the report. The Contractor shall complete any requested changes and resubmit to the Contract Manager for final approval. Only when the Contract Manager has approved all revisions will the contents of the report be deemed final and suitable to use for the Final Report.
- D. The Contractor shall submit to CalRecycle by April 1, 2021, a Final Report having addressed all questions and comments provided by CalRecycle's review of the draft

final report. A technical editor of the Contractor’s choosing shall review these and shall ensure that the reports comply with CalRecycle’s publication guidelines. Any requested changes must be completed by the Contractor and resubmitted to the Contract Manager for final approval. Only when the Contract Manager has approved all revisions will the contents of the report be deemed final and suitable to use for the Final Report.

- E. The Contractor shall be required to present at 1-2 CalRecycle monthly meetings at the request of the Contract Manager.
- F. The Contractor will not receive final payment, which includes release of the 10% withhold, until the final report has been approved by the Contract Manager. The final report shall be printed double-sided, on 100 percent recycled-content paper.
- G. If the final report contains copyrighted work in print (tables, graphics, or photographs), or other materials taken from copyrighted sources, the contractor shall cite the copyrighted material in the final report and obtain permission to use the copyrighted material. The Contractor shall secure express written permission from the copyright holder or the holder's licensing representative. The Contractor shall include letters of permission to use copyright material as an appendix in the final report. If the Contractor does not secure permission to use copyrighted material, said material shall not be used in the final report.

IV. Contract/Task Time Frame

The table below reflects the task/time frame of the contract from date of award:

Task	Deliverables	Start Date	End Date
Task 1: Initial Meeting to Review the Project Design and Develop the Approaches for the Project	Project Design	July 4, 2019	August 14, 2019
Task 2: Establish an Advisory Group	Create and utilize an advisory group and applicable CalRecycle staff	August 2019	September 2019
Task 3: Conduct Research and Analysis of Existing Applicable Franchise Agreements, Enforcement Ordinances, and Food Recovery	Conduct research and analyze findings to develop the draft model tools	August 2019	November 2019
Task 4: Develop Models	Develop the model tools	November 2019	June 2020
Task 5: Implement Strategies to Support of Use of the Tools by	Develop strategies, test strategies, finalize	April 2020	April 2021

Agenda Item 8.1 - Attachment 3

<p>Jurisdictions and Applicable Regulated Entities</p>	<p>strategies, secure outreach opportunities, provide technical assistance in collaboration with CalRecycle, provide materials that can be published on CalRecycle's website, conduct 3-5 webinars</p>		
<p>Task 6: Reporting</p>	<p>Monthly Status Reports Draft Final Report Final Report</p>	<p>September 2019 February 2021 March 2021</p>	<p>February 2021 March 2021 April 2021</p>



Agenda Report

Date: January 24, 2019
To: West Contra Costa Integrated Waste Management Authority Board
From: Stan Hakes, Executive Director
Subject: Joint Exercise of Powers Agreement (JEPA) Update

ACTIONS REQUESTED

1. Receive and file Joint Exercise of Powers Agreement (JEPA) update report.
2. Provide direction to staff.

BACKGROUND

The RecycleMore Board has been engaged in the process of updating the West Contra Costa Integrated Waste Management Authority (RecycleMore) Joint Exercise of Powers Agreement (JEPA) since early 2016. The Board received an initial draft RecycleMore Framework from the City Managers in December 2017, and updated the City Managers RecycleMore Framework (“Framework”) in January 2018. The Framework has proven to be useful as a basis to move forward with the JEPA update.

At the July 26, 2018 Board meeting, the Board directed staff to refer eight of the remaining JEPA issues to the City Managers for their recommendation. The City Managers met on July 30 and August 23 and made significant progress by agreeing on recommendations to resolve seven (7) of the eight (8) issues which were delegated by the Board. At that time, one of these issues (withdrawal process and disbursement of funds upon withdrawal) remained to be resolved. At the November 8, 2018 Board meeting, the Board directed staff to ask the City Managers to also address one additional unresolved issue; language on the role of RecycleMore after the current Post-Collection Agreement expires in 2025.

Two new City Managers (Richmond City Manager Carlos Martinez and El Cerrito City Manager Karen Pinkos) are now involved in this JEPA process. The five City Managers met on Monday January 7, 2019. Ms. Shasa Curl from the Richmond City Manager’s Office also participated in person in the meeting. The Executive Director was home sick at that time, and participated in the meeting by phone call. The meeting ended with no resolution. As follow up from the January 7 meeting, the San Pablo City Manager, Hercules City Manager and Pinole City Manager have written a letter to the Executive Director to formally communicate their JEPA position (Attachments 1-3).

POTENTIAL DIRECTION TO STAFF

Staff and Legal Counsel would appreciate Board direction on how to proceed. Some potential options are:

1. Ask City Managers to meet to recommend next steps. The Board could ask the City Managers to meet and discuss what they recommend for next steps and report back to the Board.

2. Continue to Work from City Managers Framework - The Board could direct staff to continue to move forward with a JEPa update that would follow the direction provided to staff and Legal Counsel in the City Managers Framework and in subsequent member agency letters and City Manager's group discussion in August 2018.
3. JEPa Update with one or more member agencies planning to withdraw - The Board could direct staff move forward with a JEPa update that would recognize that one (or more) agency (agencies) would be planning to withdraw.
4. Continue with the current JEPa - The Board could direct staff to discontinue a JEPa update and use the existing JEPa, as is.
5. Another option as described by the Board - The Board could direct staff to pursue another JEPa follow up action(s).

It is recommended the Board provide direction to staff on this issue.

FISCAL IMPACT

There are no fiscal impacts at this time. Depending on future actions by the Board, updates to the JEPa may have minor to significant fiscal impacts to the RecycleMore organization.

RECOMMENDED ACTION

1. Receive and file Joint Exercise of Powers Agreement (JEPa) update report.
2. Provide direction to staff.

Submitted by:



Stan Hakes
Executive Director

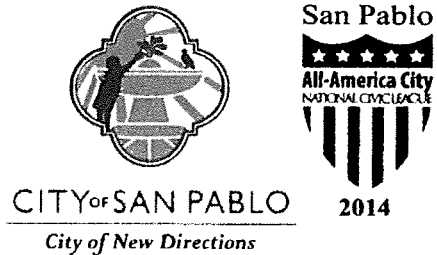
Attachment 1: Letter dated January 9, 2019 from Matt Rodriguez, City Manager-San Pablo, RE: RecycleMore JEPa Amendment Process (Status)

Attachment 2: Letter dated January 15, 2019 from David Biggs, City Manager-Hercules

Attachment 3: Letter dated January 15, 2019 from Michelle Fitzer, City Manager-Pinole, RE: RecycleMore JEPa Amendment Status Update

January 9, 2019

Mr. Stan Hakes,
Executive Director
WCCIWMA/RecycleMore JPA
1 Alvarado Square
San Pablo, CA 94806



Re: RECYCLEMORE JEP A AMENDMENT PROCESS (STATUS)

Dear Mr. Hakes: *STAN*

Since July 2017, the RecycleMore JPA Board of Directors has solicited the assistance of the five (5) West County City Managers to recommend a Joint Exercise of Powers Agreement (JEPA) amendment framework to streamline RecycleMore's regional coordination and program management of solid waste, recycling, household hazardous waste, and regulatory reporting programs to the State of California on behalf of all JPA member agencies.

Over the last 18 month period, there has been substantial effort made by all five (5) City Managers to reach consensus on a recommended JEPA amendment framework that attempted to address all JPA related operational issues (i.e. core services, reserve fund disbursement, provisions for member agency withdrawal, and including changes to Board governance and representation, etc.). A consensus was successfully reached collaboratively by all five (5) City Managers in August 2018.

Unfortunately, as you know, in December 2018, the City of Richmond proposed new changes to the August 2018 City Manager recommended JEPA amendment framework. Unfortunately, the City of San Pablo does not agree with all of the proposed changes from the City of Richmond as reviewed in a recent meeting held on January 7, 2019.

Therefore, despite not being able to reach consensus at this time, the City of San Pablo wishes to clarify its position for your scheduled update to the RecycleMore JPA Board on January 24, 2019. For the betterment of all member agencies involved, the City of San Pablo supports a JEPA amendment process to move forward, as follows:

- **The City of San Pablo supports a JEPA amendment process which is in alignment with the City Manager recommended JEPA amendment framework reached in August 2018 by all five (5) City Managers; and**
- **The City of San Pablo is willing to entertain possible language clarification to specific financial provisions recently requested in December 2018 by the City of Richmond; and**

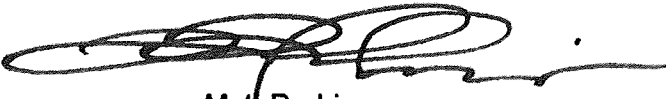
Mr. Stan Hakes, Executive Director
WCCIWMA/RecycleMore JPA
January 9, 2019
Page 2

- **The City of San Pablo will NOT entertain or support any changes to the Board's recommended governance and representation provisions that were previously agreed to in the August 2018 City Manager recommended JEPA amendment framework.**

Should you have any questions about this matter, please contact me directly at (510) 215-3016, or MattR@sanpabloca.gov.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matt Rodriguez', with a long horizontal flourish extending to the right.

Matt Rodriguez,
City Manager

cc: Mayor and City Council
City Attorney
Assistant City Manager
Public Works Director
Environmental Program Analyst



CITY MANAGER

January 15, 2019

Mr. Stan Hales
Executive Director
WCCIWMA/RecycleMore
1 Alvarado Square
San Pablo, CA 94806

I understand that you are planning to provide your Board with an update on the proposed Joint Exercise of Powers Agreement amendment later this month. Unfortunately, a recent meeting of the five West County City Managers was not able to resolve the issues raised by the City of Richmond.

The purpose of this letter is outline the City of Hercules' current position on the matter.

The City of Hercules remains willing to proceed with the JEP A Amendment as provided for in the City Manager's Framework from August 2018, with possible clarification to the financial provisions upon withdrawal as requested by Richmond. However, we are not able to entertain the proposed JEP A Amendment without the governance changes previously agreed to by the City Managers and as reflected in the August 2018 Framework.

Sincerely,

A handwritten signature in black ink that reads "David C. Biggs".

David Biggs
City Manager

xc: Mayor & City Council



CITY OF PINOLE

2131 Pear Street
Pinole, CA 94564

Phone: (510) 724-9010
FAX: (510) 724-9826
www.ci.pinole.ca.us

January 15, 2019

Mr. Stan Hakes
Executive Director
WCCIWMA/RecycleMore
1 Alvarado Square
San Pablo, CA 94806

Re: RECYCLEMORE JEPA AMENDMENT STATUS UPDATE

Dear Mr. Hakes:

As you know, in July 2017, the Recyclemore Board of Directors requested the assistance of the West County City Managers to recommend a Joint Exercise of Powers Agreement (JEPA) framework in order to complete the drafting of a new JEPA document.

Over the last 18 month period, there has been substantial effort made by all five (5) City Managers to reach consensus on a recommended JEPA framework which attempted to address all JPA related operational matters. The Board approved the City Manager's framework recommendations in January 2018. Since then the focus has been on developing JEPA language to reflect this new framework.

In August 2018 the City Managers agreed to specific verbiage and in concept to all of the outstanding issues. The last remaining task was for Board Counsel to clean up the language in draft Section 15.2, Disbursement of Unallocated Funds Upon Withdrawal, to reflect the agreed upon intent.

In December 2018, the City of Richmond proposed new changes to the August 2018 City Manager recommended JEPA language. On January 7, 2019, the City Managers, and a staff representative from Richmond, met again to discuss the proposed changes from the City of Richmond. The sticking point became clear, in that after the concessions that the other cities have made in relation to the unanimous voting requirement for all financial decisions of the Board, Richmond wishes to retain their voting power by either keeping three (3) Board members or providing one member with a weighted vote. This is not acceptable to the City of Pinole.

While the City of Pinole feels that the August 2018 draft language was suitable and in the best interest of all members, we are willing to consider additional language modifications to the financial aspects of the draft JEPA to address the other comments provided by Richmond. We are not, however, interested in providing concessions related to all financial actions and amendments to the withdrawal requirements, while still maintaining the current governance model, or a weighted voting model whereby Richmond retains more authority than the other member agencies.

RecycleMore JEPA Update Letter
January 15, 2019
Page 2

I wanted to provide you with the City of Pinole's position so you may include it in your presentation to the Board on January 24, 2019.

As always, should you have any questions or need additional information, please feel encouraged to contact me at (510) 724-8933, or mfitzer@ci.pinole.ca.us.

Sincerely,

A handwritten signature in black ink that reads "Michelle Fitzer". The signature is written in a cursive, flowing style.

Michelle Fitzer
City Manager

cc: Mayor and City Council members
Tamara Miller, Development Services Director



recyclemore
WEST CONTRA COSTA INTEGRATED
WASTE MANAGEMENT AUTHORITY

Agenda Report

Date: January 24, 2019
To: West Contra Costa Integrated Waste Management Authority Board
From: Stan Hakes, Executive Director
Subject: Reschedule or Cancel February 2019 Board Meeting Date

ACTION REQUESTED

1. Consideration of a motion to reschedule the February 2019 RecycleMore Board Meeting from February 14, 2019 to February 21 or February 28, 2019; or
2. Consideration of a motion to cancel the February 2019 RecycleMore Board Meeting.

BACKGROUND

RecycleMore Board meetings are typically held on the second Thursday evening of each month, except in August. The February 2019 Board meeting is scheduled for February 14, 2019. This is two weeks after the January 24, 2019 Board meeting. Staff will have one week after the January 24 Board meeting to complete the Board agenda and reports, and there will be little or no time for review by the Board Chair or Legal Counsel.

The February 2019 Board meeting could be re-scheduled to February 21 or February 28. The San Pablo Council Chambers is available on February 21 and February 28, 2019. Staff has tentatively reserved the San Pablo Council Chambers for both of these days.

The following issues potentially could be discussed at a February Board meeting:

- Joint Exercise of Powers Agreement (JEPA).
- Evaluation Process for Legal Counsel/ Legal Services Proposals
- Priority Projects for Spring-Summer 2019
- Election of Board Chair and Vice-Chair

It is recommended the Board either:

- Reschedule the February 2019 RecycleMore Board Meeting from February 14, 2019 to February 21 or February 28, 2019
OR
- Cancel the February 2019 RecycleMore Board Meeting.

FISCAL IMPACT

None.

RECOMMENDED ACTION

1. Consideration of a motion to reschedule the February 2019 RecycleMore Board Meeting from February 14, 2019 to February 21 or February 28, 2019; or
2. Consideration of a motion to cancel the February 2019 RecycleMore Board Meeting.

Approved by:

A handwritten signature in black ink, appearing to read "Stan Hakes", written over a large, faint circular watermark or stamp.

Stan Hakes
Executive Director