

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY (WCCIWMA) BOARD OF DIRECTORS MEETING MINUTES – OCTOBER 12, 2023

Meeting Date | Time 10/12/2023 6:15 PM | Meeting Location Hercules City Council Chambers, 111 Civic Drive, Hercules, CA 94547

Meeting called by Board of Directors
Type of meeting Regular
Authority Staff Present Peter Holtzclaw, Reka Abraham, Lisa Borreani, Rachel Dice, Webster Nguyen, Donald Sturman
Legal Counsel John Bakker

Board Members Present:
Directors: T. Rudnick, El Cerrito (Chair); D. Romero, Hercules; D. Murphy, (Alternate), Pinole (Vice Chair); D. Robinson, Richmond; and R. Xavier, San Pablo
Absent: G. McLaughlin and C. Zepeda (Richmond); and F. Glover (Ex-Officio) Contra Costa County

CALL TO ORDER/ROLL CALL

Chair Rudnick called the meeting to order at 6:18 P.M.

The Roll Call established the existence of a quorum (Murphy, Robinson, Romero, Rudnick, and Xavier).

CLOSED SESSION

There was no Closed Session.

PLEDGE OF ALLEGIANCE

Chair Rudnick led the Pledge of Allegiance.

EX-PARTE COMMUNICATIONS & DISCLOSURES

There were no ex-parte communications or disclosures.

PUBLIC COMMENT

No written comments were submitted, or oral comments made, by any member of the public.

CONSENT CALENDAR

1. September 14, 2023 Authority Board Meeting Minutes
2. Purchasing an Authority Vehicle
3. Office Relocation

Director Romero removed Item 6.2 from the Consent Calendar and noted that the Board had previously discussed and taken action on the issue of purchasing an Authority vehicle, and Mr. Holtzclaw noted that had been done two years ago and through staff turnover, the pandemic, and transparency, a vehicle had not been purchased for RecycleMore.

Mr. Holtzclaw explained that now with a full staff, a vehicle was needed. He commented that an all-electric van could be purchased in the low \$50,000 range and there were charging stations available in the office complex. He identified the various events and situations, about 25 to 30 a year, where an Authority vehicle would be required. The vehicle would be parked at the office.

Mr. Holtzclaw added that another reason for the delay was that the hybrid vans had not been readily available over the last couple of years but supplies had improved since then. In response to comments, he highlighted the staff report with respect to the request for \$10,000 as a down payment to finance the van over four or five years with the goal of establishing a monthly payment of less than \$1,000 per month.

In response to Director Xavier, Mr. Holtzclaw stated it would be best to get direction from the Board to purchase a vehicle or to lease a vehicle in a not-to-exceed amount of \$60,000 given that it was unknown how long an electric van would be available.

MOTION by Director Murphy to approve Consent Calendar Items 6.1 and 6.3, as submitted.
SECOND by Director Xavier.

MOTION PASSED unanimously by a Roll Call vote:

MOTION by Director Murphy to approve Consent Calendar Item 6.2, as submitted.
SECOND by Director Robinson.

MOTION PASSED unanimously by a Roll Call vote:

STAFF REPORT

Staff Report Item 7.0 - | Presenter | Peter Holtzclaw - Executive Director

Executive Director Peter Holtzclaw reported that the agenda would now include separate staff reports by each Program Manager to allow them to highlight their activities. This is just informational only and will not include a presentation.

Staff Report Item 7.1 – Outreach Programs Update | Presenter | Lisa Borreani – Program Manager, Outreach

Refer to the agenda report for the update, this is informational only. There was no presentation at this time.

Staff Report Item 7.2 – Recycling and HHW Programs Update | Presenter | Reka Abraham – Recycling & Household Hazardous Waste Program Manager

Refer to the agenda report for the update, this is informational only. There was no presentation at this time. However, Recycling & Household Hazardous Waste Program Manager Reka Abraham responded to a question from Director Murphy as to the status of the edible food recovery process by explaining that staff was working on the first draft of the Edible Food Recovery Grant, to be sent tomorrow with a final application package ready for the Board and the public before the end of the year to open grant applications in January. The draft application package would include the timeline for the application period and in December there would be a presentation on what had been done for the year. Currently, the first draft was going to the Grant Review Committee. She also described the outreach plan in that regard.

Director Murphy noted that International E-Waste Day was on October 14, and was of high interest to the City of Pinole. He thanked Lisa Borreani for the outreach, media content and education efforts to residents.

In response to Director Romero about SB 1383 and the information about the grant, Mr. Holtzclaw explained that RecycleMore was currently working with the member agencies to create a regional grant application, although some member agencies had expressed a desire to write their own grant. He clarified that compliance was within RecycleMore's jurisdiction as a regional agency and SB 1383 had carved out procurement as within the jurisdiction of the member agencies. Some member agencies had informed RecycleMore that they wanted to write their own application and the problem was that the regional application had access to more funds; \$504,000 in this case.

Ms. Abraham explained that if the member agencies wrote their own application, the cities would get \$75,000 each with the exception of Richmond, which was allowed \$204,000. If the member agencies only applied for procurement, it would probably not gain approval for the full amount of funds from CalRecycle in that the grant application was specific to encourage regional approaches to edible food recovery. As a result, RecycleMore was urging the member agencies to reconsider and join in the regional application which would have edible food as well as procurement and contamination minimization as an approach for the funds.

Mr. Holtzclaw stated that the member agencies were responsible for buying compost and using it. He noted that SB 1383's original procurement requirement was very high and that mandate had been dialed back to 65 percent (in relation to the original mandate) in 2024. It was anticipated the law would be reworked. On top of that procurement was a fluid aspect of SB 1383 which was not a top priority given that the focus of the grant was on edible food recovery. He reiterated that the original numbers had been dialed back because they were very difficult to reach. He also noted that compost giveaways represented a fraction of the mandate.

Director Romero asked Legal Counsel Bakker if member agencies were moving away from the region and what RecycleMore represented as a Joint Powers Agreement (JPA).

Legal Counsel John Bakker stated the JPA had a specified jurisdiction and as earlier noted the Authority was responsible for SB 1383 compliance. He explained that the Memorandums of Understanding (MOUs) with the member agencies had not yet been fully negotiated and none of that had been finalized or set out in writing. The Authority's responsibility was primarily to the post-collection system operations and the operating rules, everything else was done by agreement. He added there had been some indication that working together as a group was not working for some of the member agencies and while the Board of Directors probably needed to work on that, it did not violate the JPA directly.

Director Romero suggested the governing body should have discussions to encourage everyone to work together.

Mr. Holtzclaw stated that could be agendaized. He clarified that the current discussion was a workshop on rates. In November, there would be a public hearing on rates and in December the MOU. Next month the ad hoc committee would make a recommendation on the Post-Collection Agreement (PCA). Those were substantial issues and he suggested such a discussion could be held in December when there should be some finality as to the next steps of the PCA.

Staff Report Item 7.3 – Finance & Administrative Services | Presenter | Donald Sturman – Manager of Finance and Administrative Services

Refer to the agenda report for the update, this is informational only. There was no presentation at this time. However, Chair Rudnick thanked Manager of Finance and Administrative Services Donald Sturman for RecycleMore's management of its own finance and accounting in-house and for the resulting savings to the Authority.

Mr. Sturman had nothing further to add.

Agenda Item 8.1 – Workshop – Calendar Year 2024 Household Hazardous Waste (HHW) Budget | Presenter | Peter Holtzclaw - Executive Director

Executive Director Holtzclaw reported that every year in October there was a public workshop on the calendar year Household Hazardous Waste (HHW) Budget prepared in collaboration with Republic Services and then brought to the Board of Directors, to provide direction to staff on actions needed, if any, and for the Board to consider approval of the next year's HHW Budget at the November Board meeting.

Mr. Holtzclaw explained the reason for the discussion and the Board's approval was to create a per ton cost that would go back into the entire rate structure. He described the budget as streamlined, identified line items from wages and benefits down to accounting support that was all Consumer Price Index (CPI) driven as opposed to the El Cerrito Satellite Facility, the Sharps and Pharmaceutical Program and the one-day HHW events that were all disposal fee driven. He identified the balancing account with a comparison between the 2022 actuals and the budget and noted the difference this year was a negative of \$175,000. The total for HHW was an expense for 2024 of \$1,263,338, which translated into \$7.57 per ton. He stated the HHW budget was always in the area of \$1.1 to \$1.4 million depending on volumes, disposal rates, the number of people using the facility and the like.

Agenda Item 8.2 – Workshop – Calendar Year 2024 Post Collection Rates | Presenter | Peter Holtzclaw - Executive Director

Executive Director Holtzclaw identified what he characterized as a pretty unique rate structure based on a blended rate, which was about Republic's portfolio of post-collection activities that was material specific, which had started with the actual Post-Collection Agreement in 2012 or 2013. Every year that rate had been adjusted based on volumes of commercial, industrial and residential waste. Those ratios had then been built into a rate structure that translated into a per can rate for residential ratepayers, a per yard rate for commercial ratepayers, and a per ton rate for industrial ratepayers. He reported there was little difference in the rate structure between 2023 and what had been proposed for 2024.

The item was a workshop on calendar year 2024 Post-Collection Rates, and the Board was asked to provide direction to staff on actions needed, if any, for the Board to consider adopting new calendar year 2024 RecycleMore Post-Collection Rates at the November 2023 Board meeting.

Mr. Holtzclaw presented the background to all of the numbers in the blended per ton rate that included the increases due to the CPI, the Authority revenue portion, the recycling rebate that had decreased, and governmental fees, while there had been decreases in regulatory compliance, HHW, and the extra costs for Republic to contend with increased contamination in the organic waste stream. He stated in 2023 there had been an overall blended per ton rate of \$110.60, and this year it would be \$116.10, primarily a result of material specific and the recycling rebate that had been down significantly. He added that tonnages had also decreased.

Mr. Holtzclaw explained that the latest data for the \$18 million rate structure had shown some variances between the residential and commercial rates shown in the staff report where there had been a 12 percent increase based on some of the costs from the commercial sector that had come into the residential sector based on the ratios of volumes between residential and commercial. The industrial rates would remain as shown in the staff report.

Mr. Holtzclaw identified RecycleMore's proposed 2024 Post-Collection Rates as \$12.82 for a 35-gallon cart (an increase from \$12.60 in 2023). He identified the proposed 2024 rates for commercial as \$.26 per yard and \$10.97 more per ton for industrial service. He noted that the residential rate increases ranged from \$.13 to \$.61 from the smallest cart to the largest cart, and he identified a 1.7 to 2.3 percent increase for residential and commercial ratepayers.

Mr. Holtzclaw also highlighted the efforts taken to keep the rates stable, particularly through the pandemic, and explained that while the percentage increase was fairly large, the impacts at the cart level for residential were small.

Mr. Holtzclaw responded to questions with respect to the credit in the change in law component and detailed the expenses related to the Compliance Fund, a now restricted fund managed by RecycleMore to isolate SB 1383 and AB 1826 projects from the rest of the budget. He pointed out that the Compliance Fund now included edible food grants, \$250,000 had been allocated to the Compliance Fund each year since it had been created in 2019, and the current balance was in the area of \$577,000 with some outstanding costs.

Director Murphy recommended a proposal on the allocations to the Compliance Fund each year so that it was consistent as a percentage of the budget or some other measurement, and he wanted to see a written Board policy to explain why the fund had come to be and how it had been managed every year to ensure its sustainability.

Mr. Holtzclaw commented that CalRecycle was aware of RecycleMore's Compliance Fund and realized that in creating the fund the member agencies were looking ahead to ensure compliance with the SB 1383 mandate.

Director Romero described what had occurred in 2019 when SB 1383 had come about when the Board had agreed with the need for a special fund given the implications of SB 1383 in the knowledge that the details and mandates were essentially unknown at that time. He described the actions taken by the Board since then during the budget discussions each year to make sure that the Board exercised the foresight to prepare for those unfunded mandates and to avoid the need for sharp rate increases to ratepayers. In the future, he suggested the Board should discuss the 65-gallon residential can and continue with efforts to keep the rates down.

Chair Rudnick stated a lot of work had gone into the process to identify rates and to keep those rates down.

PUBLIC COMMENTS

PETER NUTI, Republic Services, stated with respect to the Compliance Fund that he and Mr. Holtzclaw had mapped out the balance of the fund, what was anticipated and what the expenses would be next year, as included in the just-presented budget. Republic had anticipated its needs based on today, which he was confident would get them through next year's projects, although there would not be a lot of extra if there was another SB 1383 mandate from CalRecycle. He stated there could always be an adjustment next year and he was confident of upcoming discussions as to what it would take in 2025. He suggested the question to the Board was whether or not to include extras for those things that were unknown at this time. He reiterated that the Compliance Fund had not come out of a whim in that there had been a lot of thought about what was actually needed and those needs had been mapped out.

Director Romero questioned whether there was a need to add to the Compliance Fund at this point given that there was no desire to spend down the current total to dangerously low levels.

Mr. Holtzclaw was sensitive to having reserve funds in the millions of dollars, although he understood the concern with too little reserve, and Director Romero commented the Authority could be six months ahead or six months behind and the Board had designated the reserves to ensure that RecycleMore was six months ahead.

BOARD MEMBER AND STAFF ANNOUNCEMENTS

Mr. Holtzclaw announced that next month the Board would be meeting in the City of El Cerrito and would meet again at the City of Hercules for its December meeting.

Director Xavier reported that the San Pablo City Council had issued proclamations for all of the agencies and others involved in the hazardous materials incident in San Pablo in August, as shown on the San Pablo Police Department's Facebook page.

Chair Rudnick added that El Cerrito had also issued formal recognition to all those involved in the San Pablo incident. She also announced that on Saturday, October 14, 2023, El Cerrito would hold its Citywide Garage Sale from 9:00 A.M. to 3:00 P.M. A map on the City's website would identify all the locations of those participating in the Garage Sale.

ADJOURNMENT

With consensus of the Board, Chair Rudnick adjourned the meeting at 7:32 P.M. *In Memory of the Victims of Terrorism and the Loss of Innocent Israelis and Palestinians*, until the regular Board meeting scheduled for November 9, 2023 at 6:15 P.M.

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 October 12, 2023.

Donald W. Sturman 12/7/23

Board Secretary

Date