

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY (WCCIWMA) BOARD OF DIRECTORS MEETING MINUTES – MAY 9, 2024

Meeting Date | Time 5/9/2024 6:15 PM | Meeting Location City of 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, Claudia Menjivar and Webster Nguyen
Legal Counsel John Bakker

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

CALL TO ORDER/ROLL CALL

Chair Tave called the regular meeting to order at 6:17 P.M.

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

CLOSED SESSION

There was no closed session.

PLEDGE OF ALLEGIANCE

Chair Tave 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. March 14, 2024 Authority Board Meeting Minutes.
2. Triennial Review Update
3. Careit Application
4. Careit Outreach Contractor
5. Edible Food Generators Non-Compliance Technical Assistance Contractor
6. Edible Food Recovery Grant Allocations
7. SB1383 Memorandum of Understanding Between RecycleMore and the City of Hercules

MOTION by Director Xavier to approve the Consent Calendar, as submitted. SECOND by Director Romero.

MOTION PASSED unanimously by a Roll Call vote.

STAFF REPORT

Staff Report Item 7.1 – Recycling and HHW Programs Update | Presenter | Reka Abraham – Recycling & Household Hazardous Waste Program Manager

The report from the Recycling and Household Hazardous Waste (HHW) Program Manager was presented in writing. There were no questions related to the report.

Staff Report Item 7.2 – Outreach Programs Update | Presenter | Lisa Borreani – Program Manager - Outreach

The report from the Outreach Program Manager was presented in writing. There were no questions related to the report.

Agenda Item 8.1 – PCA Board Direction | Presenter | Peter Holtzclaw - Executive Director

Executive Director Peter Holtzclaw requested that Item 8.1, PCA Board Direction, be pulled from the agenda at this time.

Director McLaughlin was pleased that the item was being removed given that the Board had already offered direction. She confirmed that RecycleMore would now move forward to release the Request for Proposal (RFP) for the Post-Collection Agreement (PCA).

Mr. Holtzclaw advised that he would provide a timeline at the Board meeting in July, if possible, given a scheduled meeting with the regional staff in June.

Director Romero noted there had been disturbing things in the staff report related to the City of Richmond that he wanted to note, although Director McLaughlin suggested it was inappropriate to discuss the item at this time.

Director Romero looked forward to the discussion because of the contents of the staff report.

Agenda Item 8.2 – West Contra Costa Integrated Waste Management Authority Fiscal Year 2024-25 Draft Budget | Presenter | Peter Holtzclaw - Executive Director

Executive Director Holtzclaw stated the 2024-25 Draft Budget had previously been presented and discussed. He reminded the Board of RecycleMore’s mission to provide cost-effective compliance with state law; to provide effective oversight of the privately-owned IRRF; to protect ratepayer interest; and to provide cost-effective waste disposal and diversion while assisting member agencies to meet state mandates. The Draft Budget identified the Authority’s good-faith effort to CalRecycle for RecycleMore’s intent to meet state mandates and had been presented to the Board for direction to be able to return at the June meeting for formal approval.

Mr. Holtzclaw provided some background to RecycleMore, a special district/JPA formed in 1991 and its purpose, intent and mandates representing five member agencies.

RecycleMore's purpose is to provide efficiency, lower rates and bargaining power and compliance to set post-collection rates, manage numerous programs associated with solid waste, recycling, composting, household hazardous waste, electronic waste, batteries, and mattresses, and maintain compliance with state law.

Mr. Holtzclaw reported that the 2024-25 Draft Budget had projected \$1.7 million in total expenditures, with estimated revenues of \$1.2 million, potentially necessitating a rate increase in November, and with reserves over \$866,000. He explained there were two main funds; the Operating Fund and the Recycling/Special Projects Fund. In June 2025, an operating fund a little over \$700,000 with the Special Projects Fund a little under \$600,000 had been projected, both consistent with Board policy, although thin, which was why there might be a rate increase in November.

Mr. Holtzclaw broke down the details of the budget and noted that while he had discussed with the Board over the years the transfer of funds from the Reserve Fund to the Operating Fund, that had never been done, primarily due to staff turnover. There had now been full staff for over a year and the funds would now be spent. He contrasted the current proposed budget with the budget over the past few years and described the reasons for the ebb and flow during that time.

When asked how much of a rate increase was expected in November in response to Director McLaughlin, Mr. Holtzclaw stated the Authority budget represented about seven percent of the entire post-collection rate. Currently, \$12.60 was the post-collection element of a \$45/monthly garbage rate for a resident with a 35-gallon cart. Of that \$12.60, the Authority represented about \$1.00 and it was seven percent of that. He stated that would translate to a very small amount for residential and commercial customers, less than 10 percent of the overall budget.

Mr. Holtzclaw identified the three sources of revenue to the Authority through Republic Services payments, grants and interest for a total slightly less than \$1.2 million. For expenses, there were salaries for personnel and retirement; general expenses for such things as the van and office expenses; and program expenses for recycling, HHW and outreach for a total of \$1.7 million. He noted there were a lot more program expenses through the Compliance Fund than through the program fund, and while not much had been spent from the Compliance Fund, when that fund will be taken back from Republic to RecycleMore in the next two to three months, a transfer of the amount would be brought back to the Compliance Fund. He added that a large healthcare increase was expected for Kaiser.

Mr. Holtzclaw also explained that the office was in the middle of a QuickBooks transition and not everything would line up perfectly from last year's budget to this year's budget; a lot more events were being done and more marketing was involved; and the projects budget included large expenses for the website, mattresses, the composting bin subsidy, and edible food grants from the Compliance Fund. He referred to the grants included in the Consent Calendar on the current meeting agenda and looked forward to those grants as an annual subsidy. The various programs and grants involved along with the events the Authority participated in had been identified in the staff report dated May 9, 2024.

Mr. Holtzclaw also highlighted the SB 1383 and AB 1826 compliance activities from the Compliance Fund of \$700,000, which was currently being managed by Republic. Republic had been conducting many of the programs along with RecycleMore, which would now manage and spend those funds.

Mr. Holtzclaw identified RecycleMore's current rate of \$117.15 a ton, of which the \$12.60 (post-collection element) was a part. Through a table, he identified all of Republic's activities through the PCA, which went back to the 2012 RFP and the contract that resulted. He pointed out the specific items and their cost.

Mr. Holtzclaw sought Board direction on the budget.

Director McLaughlin referred to the six full-time RecycleMore positions and noted that Director Robinson, who could not attend the meeting, was on the ad hoc evaluation team and she had indicated that the whole committee

had not yet had a chance to meet. Director Robinson had some concerns she wanted to bring to the ad hoc committee, and she hoped that committee would meet soon.

In response to Director Xavier who referred to a \$139,050 line item and asked what had been included in that amount, Mr. Holtzclaw noted the majority of that expense, about \$80-90,000 was for the Mattress Program, but also included the compost bin subsidy around \$15,000 among other items, and all of the additional expenses would come out of the Compliance Fund.

Director Rudnick also referred to outreach and asked with respect to the Compliance Fund versus the General Fund, whether the expenses would be delineated between outreach activities and compliance activities.

Mr. Holtzclaw stated that once QuickBooks had been set up in the next few months and RecycleMore would be managing the Compliance Fund that information would be easier to identify. Compliance costs related to SB 1383 and SB 1826 should come out of the Compliance Fund and anything else should come out of the program fund.

In further response to Director Rudnick with respect to the Schools Program expenses, Mr. Holtzclaw explained that \$25,000 had originally been budgeted to fix the tram, although now there is a desire to junk the tram. Currently, bus rentals are being used since that was safer, and going forward the \$25,000 for schools will be used for bus rentals and the associated costs for the Schools Program. He looked forward to working with Republic in the next PCA and expressed a desire to have a bigger role in the Schools Program, a cost that RecycleMore would assume.

Director Rudnick expressed a desire to work with the schools to educate future waste producers since being educated on the correct sorting was key to a successful program. She sought a partnership with the West Contra Costa Unified School District (WCCUSD) to provide that training to Second and Fourth Graders, for instance.

Director Romero noted that RecycleMore and Republic Services years ago had visited the Fourth-Grade classes of all the schools to provide training similar to what had occurred with a seat belt campaign years ago. He suggested attempting something for the next school year should start now and he could facilitate that proposal with the WCCUSD if that was the desire of the Board.

Director Romero also spoke to route monitoring and asked if there should be a reminder about what would be occurring with route monitoring, whether it would be occurring with every route or be random, and whether there would be monitoring.

Mr. Holtzclaw explained that Republic had contracted with Cascadia and while there had been some glitches with the software in the field in the two years of that program they were working around those glitches. He noted that whether software companies or Cascadia or other consulting companies, they were using Artificial Intelligence (AI), which would be the future for not just route monitoring.

Director Romero referred to the 30 percent increase for medical and suggested that was outrageous and he questioned whether Kaiser or any other medical provider would require such a big increase. With respect to the edible food issue, he verified with Mr. Holtzclaw that would be for Tier 2 compliance. He also sought a breakdown for each individual item under professional services.

Mr. Holtzclaw stated he would bring back a breakdown for professional services. He also commented that the legal expenses had been \$50,000 a year for the last four years and sometimes the expenses came close to that total and sometimes the expenses did not come close at all.

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

Mr. Holtzclaw assured the Board that while there was a deficit existing funds could cover that deficit and an audit was being done later this year. He stated the Authority was in sound financial shape, retirement was pretty much covered and there would be a rate review in October and November 2024. He clarified that no action would be taken at this time and the request by the Board for better numbers would be provided at the June meeting.

BOARD MEMBER AND STAFF ANNOUNCEMENTS

Mr. Holtzclaw introduced RecycleMore's new Office Administrator and Board Secretary Claudia Menjivar, who would assume her official duties in the next couple of months.

ADJOURNMENT

With consensus of the Board, Chair Tave adjourned the meeting at approximately 6:59 P.M. until the regular Board meeting scheduled for June 13, 2024, 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 May 9, 2024.

Claudia Menjivar

7/22/24

Claudia Menjivar, Board Secretary

Date