

# WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY (WCCIWMA) BOARD OF DIRECTORS MEETING MINUTES – JULY 18, 2024

**Meeting Date | Time 7/18/2024 6:15 PM | Meeting Location City of El Cerrito - Council Chambers, 10890 San Pablo Avenue, El Cerrito, CA 94530**

Meeting called by Board of Directors

Type of meeting Special

Authority Staff Present Peter Holtzclaw, Reka Abraham, Lisa Borreani, Rachel Dice, Claudia Menjivar, and Webster Nguyen

Legal Counsel John Bakker

## Board Members Present:

Directors: P. Fadelli (Alternate), El Cerrito; D. Romero, Hercules; A. Tave, Pinole (Chair); G. McLaughlin (Richmond); and R. Xavier, San Pablo

Absent: M. Willis, and C. Zepeda (Vice Chair) Richmond; F. Glover and J. Gioia (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 (Fadelli, McLaughlin, Romero, 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. May 9, 2024 Authority Board Meeting Minutes
2. Resolution to Provide Account Access (Financial and Administrative)
3. Workers Compensation Insurance
4. Property/Liability & Auto Insurance
5. Website Management Contract Agreement

Director Xavier requested the removal of Item 5, Website Management Contract Agreement, from the Consent Calendar to allow a discussion. She asked about the lowest bidder and why that bidder had been removed.

Lisa Borreani, Program Manager, Outreach, explained that a Request for Quotes (RFQ) had been sent out to ten potential respondents and only eight had replied, one declined and one did not respond. Those that had responded included Civic Plus, Granicus/govAccess, MIG Inc., Nerd Crossing, S Groner Associates (SGA) Marketing, Streamline, Tripepi Smith, and WPBeginner LLC. The lowest quote was from WPBeginner LLC, which was a bare bone templated website bid and in the review a vendor with more technical experience had been preferred, which was why Nerd Crossing had been the preferable vendor. She also clarified, when asked, the situation with respect to the current website management provider, Recyclist, and the existing on-line green guide where Recyclist will no longer provide this service and ends on October 31, 2024, and the estimate for their on-line guide, called Waste Wizard, was too high. She explained that there is an existing resource on the RecycleMore website called Re:Source could be used in the interim pending the separate selection of another vendor(s).

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

**MOTION PASSED** unanimously by a voice vote.

## **STAFF REPORT**

Executive Director Peter Holtzclaw identified five excellent meetings with CalRecycle in June and reported that all five member agencies were in great shape.

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### **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.

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### **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.

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### **Agenda Item 8.1 – West Contra Costa Integrated Waste Management Authority Fiscal Year 2024-25 Budget | Presenter | Peter Holtzclaw - Executive Director**

Executive Director Holtzclaw noted that there had been a Board workshop in May 2024 about the budget, which had been discussed numerous times since. He identified the points that bound the budget together, the agency's mission and the need to comply with its established responsibility and state mandates, and the reason for the agency to ensure efficiency, lower rates/bargaining power and compliance. He identified the member agencies, the main aspect of the Post-Collection Agreement (PCA) to set post-collection rates, the numerous programs associated with solid waste, recycling, composting, household hazardous waste, electronic waste, batteries, and mattresses, and the overall compliance necessary to meet state mandates.

Mr. Holtzclaw reported that the total expenditures for the proposed Fiscal Year 2024-25 Budget were slightly over \$1.7 million, estimated revenues were almost \$1.2 million, and there was a deficit, which while not uncommon could affect rates this year.

Mr. Holtzclaw explained that the budget was evaluated in coordination with the rates, rates were set each November for the calendar year, the budget and rates were evaluated financially and operationally every six months, and both

had to be viewed in the context of operations and reserves. He reported the operating fund balance had almost \$350,000 as of June 30, 2024 and that balance had been projected to be over \$700,000 at June 30, 2025, consistent with the policy of the operating fund at 67 percent of revenues. The recycling/special fund (reserve) balance was identified as nearly \$1,500,000 with a projection of \$575,000 at June 30, 2025, which was somewhat lower than agency policy due to the fact that the agency was at full staff implementing more programs, and would ideally like to be at \$662,000.

Mr. Holtzclaw explained that there were three sources of revenue through payments from Republic Services, HHW and oil programs, and interest for a total of \$1,197,910. He summarized expenses for personnel, general expenses and program expenses at \$1,706,172. Details for both revenues and expenditures were presented, the major projects were identified, and Compliance Fund activities and details were provided.

Director Xavier asked about the mattress program and the amount overpaid to Republic Services, and Mr. Holtzclaw explained that the Mattress Recycling Council paid Republic between \$3 and \$4 per mattress, the cooperative agreement signed before he came on board asked for \$20 per mattress for that program to incentivize residents to bring mattresses to the HHW facilities, and Republic would divert those for free. He explained that the cost to divert was not \$20 and that program would need to be investigated further. While that provision would be removed from the next PCA, it had been included in this year's budget to carry through to the end of the current PCA.

Director McLaughlin clarified with staff that the line item for \$80,000 allocated to mattress collection was where the \$20 per mattress had been included in the budget.

Mr. Holtzclaw commended the mattress program as a great program but the actual cost was unknown at this point and would have to be investigated further, particularly since the Mattress Recycling Council was paying \$3 to \$4 per mattress. He also clarified in further response to Director McLaughlin the status of the reserve fund and the fact that it would be below the Board's policy of \$662,000 in that it was expected to be \$575,498 at June 30, 2025, and while the Board had previously approved a \$785,250 transfer from the reserve fund to the operating fund, that had not yet occurred.

Mr. Holtzclaw clarified for Director Romero that the budget was a year ahead of expenditures, although Director Romero suggested it was more like six months behind, and he recommended a future discussion of whether there was 67 percent of revenue or 50 percent of expenditures, taking out programs since they were being funded by the Compliance Fund.

Director Romero suggested it was important for the Board to understand the number of mattresses that were actually being collected in that the program was helping cities like San Pablo and Richmond that had a massive number of mattresses being dumped on the street. He noted that once the number had been identified the reimbursement issue could be addressed.

Mr. Holtzclaw explained that a massive number of mattresses were being collected and that the dumping of mattresses was a separate issue through the franchises.

Director Romero referred to education with school districts and commented that the West Contra Costa Unified School District (WCCUSD) had its own franchise agreement with Republic Services. As such, he suggested the WCCUSD be asked for a copy of its franchise agreement since education could easily be a part of the WCCUSD's franchise agreement, which should be separate from what was provided by RecycleMore. He also commented that the reserve program should be based on expenditures, instead of revenue.

Director Romero referred to the change in law line item and noted that what had been listed under that line item had not been identified as to what those expenditures are, and should be identified to alert the Board and be more

transparent. Mr. Holtzclaw stated he would include that in the rate review along with a proposal around the fund policies.

Chair Tave clarified RecycleMore's reserve policy with Mr. Holtzclaw, who provided the historical context of the reserve policy in relation to the rates and how the rates had actually been lowered during the pandemic to provide ratepayers some relief during that period, along with the fact that RecycleMore had only three staff members and the regulations related to SB 1383 had not yet been implemented.

Chair Tave asked about the Right to Fix (SB 244) and whether the budget reflected any enhancements to that program, and Mr. Holtzclaw pointed out where funds had been allocated in the budget to address the DIY Repair Workshop program, which was very popular.

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

At this time, Director Romero made a motion to adopt the Resolution of the Board of Directors of the West Contra Costa Integrated Waste Management Authority authorizing account access including investment of monies in the Local Agency Investment Fund (LAIF) and removing account access for former Finance & Administrative Services Manager. The motion was seconded by Director McLaughlin.

Prior to a completion of the voice vote, it was noted that the motion was incorrect and did not relate to the Fiscal Year 2024/2025 budget. Motion by Director Romero and seconded by Director McLaughlin to rescind that motion. Motion passed unianimously by a voice vote to rescind.

**MOTION** by Director McLaughlin to approve the Draft Fiscal Year (FY) 2024-25 Budget, as proposed. **SECOND** by Director Romero.

**MOTION PASSED** unanimately by a voice vote.

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**Agenda Item 8.2 – Draft Post-Collection Request for Proposals (RFP) and Draft Post-Collection Agreement (PCA) | Presenter | Peter Holtzclaw - Executive Director**

Executive Director Holtzclaw presented the Draft Post-Collection Request for Proposals (RFP) and the Draft Post-Collection Agreement (PCA), and advised that the current PCA with Republic Services would expire on June 30, 2025. He explained that in Spring 2023, the Board had voted to establish an Ad-Hoc Committee to research and recommend direction to the full Board. That direction recommended an RFQ, and in February 2024 the Board vote, which was mixed, directed staff to draft an RFP for post-collection solid waste services. In March 2024, the Board entered into a contract with Nothing Wasted, which was helping to draft the RFP, term sheet, and the new PCA.

Mr. Holtzclaw explained that the draft RFP and draft term sheet had been provided to regional staff on June 1, 2024 and there had been two meetings with regional staff. The documents had also been made available on Google Docs to gather input from the member agencies. He clarified that the PCA, term sheet and RFP had been based on documents from 2012, when the agency had followed a similar process. He also noted that Republic was the only company that had assets in Contra Costa County and all the other bidders had no assets in the County. The RFP had been based on a very strong response from 2012, and there had been no legal issues at that time.

Mr. Holtzclaw reported that Contra Costa County and El Cerrito were now part of the process, which had not been the case in 2012. He added that in the draft there was a 12-year term with a 13-year extension and he explained how that would work with El Cerrito, which had a collection franchise that would go to 2032.

Mr. Holtzclaw added that the rate structure would also have to be adjusted somewhat to be able to sync up with the collection franchises and with the end of the current PCA. He highlighted a number of other provisions to be included in the PCA in terms of scope of services, pricing, community revenue rebates, schools and public outreach, performance metrics, data tracker access, liquidated damages, and contract extension. He also pointed out what would be different from the current PCA.

Mr. Holtzclaw stated he would continue to get feedback from the member agencies, RecycleMore Legal Counsel would look at the drafts after which there would be a staff review and Board feedback, and a final RFP and PCA would be submitted to the Board at its September 12, 2024 Board meeting for approval or other direction, with proposals due back by November 27, 2024, something back to the Board in January or February 2025, and with the negotiation of a final contract by the end of June 2025.

Director Xavier commented that she was not happy with the proposal given that Republic Services had been mentioned several times and should not have been mentioned since that would discourage the interest of other firms. She added that the dates were confusing and hard to follow in several places in the documents.

Director McLaughlin asked if the document would be made clearer, and Mr. Holtzclaw explained that changes would be made and the full agreement could be negotiated after a contractor had come back with a proposal. He clarified that the document was a rough draft and would be cleaned up, although the document had honed in on some very important issues.

Mr. Holtzclaw added that the draft document had been made available to the member agencies on July 1, 2024 and he emphasized that the issues had been discussed with the member agencies since June 1, 2024.

Director McLaughlin asked if the current PCA was not extended whether that could limit the number of respondents to the RFP because respondents could not provide the rest of the information in the time allotted and be ready to perform by July 1, 2025.

Mr. Holtzclaw did not believe that would be the case. He stated the RFP would be completely out by September and be closed before Thanksgiving 2024, allowing six months to be able to move forward.

Director McLaughlin suggested a year would be more appropriate. She also asked about increased transparency in the PCA.

Mr. Holtzclaw explained that there was already great transparency and the documents would all be inspected weekly and monthly from a number of public agencies that did the inspections through all public record documents.

Director McLaughlin suggested that applicants could specify innovative transparency that could be used to make more information available to the public.

With respect to liquidated damages, Director McLaughlin understood that the regulatory agencies handled that but asked how RecycleMore or the contractor would coordinate the requirements of the regulatory agencies. She asked about liquidated damages, if not from RecycleMore, how RecycleMore could play a role with the regulatory agencies to make sure that any violation was covered by liquidated damages.

Mr. Holtzclaw stated he would talk with RecycleMore Legal Counsel Bakker as to liquidated damage language.

Mr. Holtzclaw added that he was on the email list of a host of agencies and any areas of concern would be followed up by staff and he would look to the Environmental Protection Agency (EPA) for guidance as to the responsibility of each agency, including RecycleMore.

Director Romero stated the City of Hercules was negotiating a 10-year franchise agreement and going to 12 years would be difficult in terms of restructuring and was not something the City of Hercules would likely support.

Mr. Holtzclaw understood that the term aspect would have to be negotiated given the number of agreements involved.

Director Romero asked how long it would take to bring up blended rates given that there would be only four or five months to affect a new blended rate structure. He commented that the reality was how to do that and suggested increasing the rates this year to get by the first 18 months given there would be little time to get a new rate structure together, and Mr. Holtzclaw stated that would have to be determined.

Director Romero also wanted to know more about the San Francisco OCC No. 11.

Mr. Holtzclaw referred to a commodity revenue rate and the fact that China had changed its policy from accepting volumes of paper to accepting no paper. He commented that he wanted the revenue rebate to float between \$5 and \$9, and if looking at a volume environment from five member agencies, he suggested the revenue rebate would be much higher because the mixed paper index undervalued materials recovery facility (MRF) commodity revenues.

Director Romero did not dispute that but wanted to see the numbers to identify the better index. As to the discussion of why the PCA had different dates, he stated RecycleMore had started the first PCA in 2012 when different companies had been brought in to see what could be offered. It had been found that some companies did not include trucking costs because they had no local facilities and the prices were not good. He highlighted the initial process and the timeline involved with of the first PCA. He added that green waste and hydrogen was a concern to him because RecycleMore did not receive anything in terms of green waste and he was glad that had been brought into discussion. He had a major concern in the PCA with any public outreach having to do with the WCCUSD, which in the past had been included, although the WCCUSD had not been forthcoming about working with RecycleMore.

Director Romero also asked about the changes in position from Recycling Coordinators to Sustainability Coordinators, and Mr. Holtzclaw explained there had been a change in job scope. RecycleMore staff wanted the contractor to have four coordinators but RecycleMore had added an additional staff member so only three coordinators had been recommended for the contractor.

Director Romero questioned whether there would be any bids because it would take some time to develop a landfill, transfer station, recycling center or HHW if the bidder did not have those assets, and the one contractor that had all those assets would likely be the only bidder. With respect to the document, he noted RecycleMore had to perform AB 1826, SB 1383 and other legislation and he had not seen RecycleMore affect multifamily dwelling units and there was very little information about multifamily units, the number and the material to be redistributed or recycled within a multifamily dwelling. He added that if there was anything in the PCA it should be talking about the valuable things that RecycleMore should be doing, and without mentioning and addressing multifamily he suggested was a failure and staff should get back to what needed to be done as an agency. He hoped to be able to get to that point. He acknowledged that the document was a draft.

Director McLaughlin verified with RecycleMore Legal Counsel that whether the contract was 10 or 12 years in term the RecycleMore Board and the contractor would have to approve it.

Director McLaughlin wanted to explore the action of prioritizing the domestic marketing of recyclable materials and suggested that could really make a difference in terms of the environment and the community.

Mr. Holtzclaw agreed but clarified that there were domestic paper mills, which for the most part were MRFs, but those mills could not make a spec clean enough for domestic mill production, which was why cardboard and mixed paper that came out of single stream recycling MRFs would go to Mexico, Korea, Indonesia or Vietnam because their specs were less. While he would like a MRF to be able to sell domestically, it would increase costs to get to a domestic spec and even if that was possible, a single stream MRF would rule out a paper stream.

Director Fadelli noted that the City of El Cerrito had recently passed its Climate Action Plan and Implementation Plan, of which reuse and waste reduction programs were a major component, as was SB 1383. He asked how SB 1383 impacted where RecycleMore was going as far as developing its PCA.

Mr. Holtzclaw stated that not only from a climate perspective there were recycling routes that now went to Napa and in the future would go to Richmond offering far more climate impacts and costs than the reduction of organic waste. He noted that by joining the next PCA, El Cerrito's rates would likely go down just because there would be a recycling rebate, fewer MRF costs and less collection or hauling costs. He stated SB 1383 had been very impactful. He added that multifamily would be a huge focus cutting down on contamination and increasing organics and recycling diversion, which was the main focus throughout the state.

Mr. Holtzclaw noted there was a good composting facility nearby, which also meant the commercial sector would have to focus to make sure that restaurants, for instance, were doing their required diversion and conforming with edible food requirements.

Mr. Fadelli noted that El Cerrito had an educational program with its schools and while those programs were no longer active he wanted to find out more of that component and suggested it was something that RecycleMore could be doing.

When asked, Mr. Holtzclaw clarified that comments on the documents had been submitted to RecycleMore staff since early June and for RecycleMore staff and member agency staff the current process would be ongoing until August 15. He added that would allow two weeks for legal and the consultant to wordsmith the document to be available for the agenda packet in September. In October 2024, there would be a mandatory proposers meeting. He expected one bidder and again explained why based on his professional opinion and based on the marketplace.

Director McLaughlin expressed concern that it appeared a decision was being made prior to a competitive process and it appeared that the successful bidder was a foregone conclusion. She wanted to look at the process with open eyes with whoever may want to go through the process.

Mr. Holtzclaw clarified that anyone could bid on the RFP but if a bidder did not have a facility nearby it would not be an acceptable bid. When asked, he was clear on his direction from the Board, to return with a final draft on September 5, 2024, and beyond that comments would be received and included in the final draft PCA and RFP.

Director Romero asked that his prior comments at this meeting be addressed in the PCA.

Director McLaughlin requested that options also be included with the final draft to be presented in September, and Mr. Holtzclaw stated he would reach out to the Board and member agency staff to address those items most often discussed in terms of decision paths related to term, revenue rebate, liquidated damages and performance metrics, and options could be presented as well.

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

## BOARD MEMBER AND STAFF ANNOUNCEMENTS

There were no Board Member or staff announcements.

## ADJOURNMENT

With consensus of the Board, Chair Tave adjourned the meeting at approximately 7:53 P.M. until the regular Board meeting scheduled for September 12, 2024 at 6:15 P.M.

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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 July 18, 2024.

*Claudia Menjivar*                      09/16/2024

Board Secretary

Date