

# WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY (WCCIWMA) BOARD OF DIRECTORS MEETING MINUTES – OCTOBER 10, 2024

**Meeting Date | Time 10/10/2024 6:15 PM | Meeting Location City of Hercules - 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, D. Robinson and C. Zepeda (Vice Chair), Richmond; and R. Xavier, San Pablo  
Absent: F. Glover and J. Gioia (Ex-Officio) Contra Costa County

## CALL TO ORDER/ROLL CALL

Chair Tave called the regular meeting of the West Contra Costa Integrated Waste Management Authority (WCCIWMA), also known as RecycleMore, to order at 6:15 P.M.

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

Chair Tave adjourned into Closed Session at 6:16 P.M.

Director Robinson arrived at 6:22 P.M., and Director McLaughlin arrived at 6:23 P.M.

## CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: Executive Director

Chair Tave reconvened from Closed Session at 7:56 P.M. and advised there was no reportable action from the 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

WCCIWMA Legal Counsel John Bakker reported that Items 6.5 and 6.6 under the Consent Calendar both related to Executive Director compensation and the Brown Act required a verbal statement prior to action on those items. With respect to Item 6.5, he reported that item would approve a 3.5 percent increase to the Executive Director's base salary dated December 2, 2023, and Item 6.6 would, if approved, be a new contract with the Executive Director with a term from December 2, 2024 to December 1, 2027, and would start the base salary at \$204,259, with annual adjustments of 7 percent, 7 percent, and 5 percent respectively on December 2, 2024, December 2, 2025, and December 2, 2026, based on a favorable annual review, and give the Authority the right to extend the term by two years if it made certain retention incentive payments .

1. September 12, 2024 Authority Board Meeting Minutes
2. Sure Close Kitchen Food Scrap Pails Purchase
3. Clean Harbors Marine Flares Collection Contract
4. Cascadia Consulting Hercules MFD Outreach Contract
5. Increase in Executive Director Base Salary Effective December 2, 2023
6. Employment Agreement with Peter Holtzclaw Effective December 2, 2024

Director McLaughlin requested the removal of Item 6.6 from the Consent Calendar, to be considered at the end of the meeting agenda.

**MOTION** by Director McLaughlin to remove Item 6.6 from the Consent Calendar, to be considered at the end of the meeting agenda. **SECOND** by Director Xavier.

**MOTION PASSED** by the following Roll Call vote.

**Ayes:** McLaughlin, Robinson, Rudnick, Xavier, Zepeda  
**Noes:** Romero, Tave  
**Abstain:** None  
**Absent:** None

**MOTION** by Director Romero to approve Consent Calendar Items 1 through 5, as submitted.  
**SECOND** by Chair Tave.

**MOTION PASSED** unanimously by a Roll Call vote.

## STAFF REPORT

Mr. Holtzclaw brought up the change of the November 14<sup>th</sup> Board Meeting to be rescheduled to either November 7<sup>th</sup> or the 21<sup>st</sup> due to the Mayor's Conference. Director Romero moved to have it on November 7<sup>th</sup>, and Director Rudnick also agreed to have it on the 7<sup>th</sup>.

**MOTION** by Director Romero to move the November 14<sup>th</sup> board meeting to November 7<sup>th</sup>.  
**SECOND** by Director Rudnick.

**MOTION PASSED** by the following Roll Call vote.

**Ayes:** Romero, Tave, Rudnick, Xavier, Zepeda  
**Noes:** McLaughlin, Robison  
**Abstain:** None  
**Absent:** None

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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.

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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.

## **REGULAR AGENDA**

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**Agenda Item 8.1 – Draft Post Collection Request for Proposals (RFP) and Draft Post Collection Agreement (PCA) | Presenter | Peter Holtzclaw – Executive Director**

Executive Director Holtzclaw stated the Board could agree to halt the RFP process for ninety days and with no pre-conditions the two sides could negotiate an extension, or the RFP process could continue.

Director Rudnick asked why WCCIWMA Legal Counsel had not attended that meeting, and Mr. Holtzclaw suggested it was not a legal question; it was more whether Republic Services would even agree to talk about an extension.

Director Rudnick was pleased that Republic did meet. She suggested a ninety-day negotiation appeared to be very long and if maintaining all the elements of the agreement and assessing a Consumer Price Index (CPI), there could be a six-months extension with all the same terms and the inclusion of a CPI. She noted there were elements of the PCA that needed to be ironed out.

Mr. Holtzclaw stated that would be getting ahead of the process. With something in the area of 30 to 60 days he could approach Republic and ask if they wanted a shorter timeframe, but as far as anything else there could be no conditions to the negotiations. There were two options, either open table for 30, 60 or 90 days, or go to an RFP.

Vice Chair Zepeda asked why the RFP had not been put out before now and Mr. Holtzclaw stated he had been directed by the Board to include El Cerrito language at the meeting in September. As directed by the Board, he brought back the final draft in September and as directed, included El Cerrito's language in the RFP and the PCA, and had talked to Republic about a possible extension. From June to September, he had met with regional staff, counsel and RecycleMore's PCA consultant, and had written a draft PCA and a draft RFP, which had been presented to the Board in July. There was no meeting in August and he had come back with the final in September.

Director McLaughlin recommended continuing with the RFP process and she had some concerns that she would share under the next item on the agenda. She did not support a pause to the RFP and she wanted to hear what Republic was offering, in writing, which was the best practice in terms of negotiation.

Director Rudnick referred to the staff report and suggested that staff had indicated that the process had been slowed down because of El Cerrito, although Mr. Holtzclaw disagreed and stated the language in the RFP had come straight from El Cerrito staff.

Director Rudnick stated that El Cerrito wanted to negotiate directly with the contractor for more transparency and did not want anyone to believe that El Cerrito had slowed down the process. She stated all El Cerrito was asking for was that the credit be reflected in the RFP so that responders replying to the PCA knew that there would be a credit in relationship to El Cerrito. She stated El Cerrito was trying to help make things better.

Director Romero expressed concern that El Cerrito was trying to dictate a negotiation when it was not yet part of the process in that El Cerrito's current contract with its current vendor did not expire until January 1, 2026. He did not like the idea of sectioning out the recycling coordinators and getting specific credit for that. He suggested it was premature.

Director Robinson asked to confirm the Board's direction at the last meeting related to El Cerrito's inclusion in the PCA.

Mr. Holtzclaw referred to Page 61 in the packet under scope of services, which included El Cerrito's entry date of July 1, 2025 or January 1, 2026, to be negotiated with the contractor. He added that on Page 64 under Payments to RecycleMore, member agencies and other fees, No. 3, was the language about the credit mechanism where proposers were being asked how they would do that.

Director Robinson asked Director Rudnick whether or not that satisfied El Cerrito's request. She commented that she appreciated PowerPoints that pointed out changes since the last revision of a document as opposed to going over the entire document.

Director Rudnick confirmed that language satisfied El Cerrito's concern in that the onus would be on the contractor and the language would work for the funding.

Chair Tave asked for clarification of the meeting with Richmond, and Mr. Holtzclaw stated he had met with Republic to see if they were open to an extension, which was the direction given to him. He noted the direction from Director Rudnick was for a short-term extension. He stated that Republic would not agree to a short-term extension and added that no company would accept that. As to what an extension could look like, he stated Republic would have to go back to its corporate hierarchy to have the corporation even consider an extension. The discussion landed on 90 days and everything else, any other pre-condition of term or price, would either require a negotiation from an open slate or go to an RFP.

Vice Chair Zepeda verified with Mr. Holtzclaw that if the Board directed the publishing of the RFP at this meeting, it would be published next week and a timeframe had been laid out in the packet for the RFP with a proposer's meeting in November, written questions and a deadline for written responses in the first couple of weeks in November, and with responses due on December 20, 2024.

Vice Chair Zepeda asked whether there would be enough time to put someone in place by the contract end date, to which Mr. Holtzclaw stated it would depend on what the proposal looked like in that he had been clear that if any contractor indicated that it would build a facility, since there were no permitted facilities in the RecycleMore area, that would represent a non-responsive proposal and it would not be considered. He stated RecycleMore was not considering new construction, which would have been the case even if the RFP had been done three years ago since new construction had low odds of being permitted let alone built.

While a facility in another area could be proposed, Mr. Holtzclaw added that there were extraordinarily low odds that such a proposal would be economically competitive. He noted that if a responder already had permitted facilities, and he identified the other facilities out of the RecycleMore region as Redwood Landfill in Novato owned by Waste Management, Potrero Hills in Fairfield owned by Waste Connections, or Hay Road in Vacaville owned by

Recology, he did not believe that any of those facilities had the permitted volume to accept WCCIWMA waste and did not have any transfer facilities, but if a bid was put in and a scheme could be created to get everything out there and it was competitive, that responder could proceed through the process if the proposal met the “sniff test” that the evaluation panel creates. He characterized that possibility as one in a million. He did not believe there would be any other proposal. He noted, for instance, that there had been no other proposals in Richmond’s RFP for Collections or for San Pablo’s Collections RFP. He explained why the landfills he had earlier cited outside of the RecycleMore area were not likely to be used and added that Alameda County where the Altamont Landfill in Livermore was located did not allow waste importations from other counties, and Republic owned the only other landfills in the region.

Mr. Holtzclaw stated the Ad Hoc report had gone into great detail with all of that information.

Chair Tave suggested that the RFP process would extend out RecycleMore’s ability to serve the community in that it significantly impacted the Board, the intended results, and that the process was running out of time. He liked the idea of some type of extension to understand the status of the RFP.

On the discussion, Mr. Holtzclaw clarified that would mean there would be a 90-day halt to the process and the negotiations would be open, meaning that the only thing with the negotiations would be the current contract and everything was open to negotiate. He stated there would have to be something in writing from the Board to him and something in writing to Republic from the Board prior to any meeting. The negotiations would be with the Executive Director, WCCIWMA Legal Counsel John Bakker, other RecycleMore staff, RecycleMore’s PCA consultant, and Republic’s negotiating team. He suggested the Board would want a subcommittee so that the negotiating team could keep the Board informed throughout the process, and nothing would happen unless it had been approved by the Board. He clarified that if the Board did not like what would come out of the negotiations, the RFP would be pursued. Director McLaughlin supported continuing to move forward with the RFP given that the result of the negotiations was as yet unknown and the Board needed as much time as possible for the RFP to move forward now.

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

MOTION by Chair Tave to direct Executive Director Holtzclaw to negotiate an extension, in writing, of the current contract, which would result in a 90-day halt to the Draft Post Collection Request for Proposals (RFP) and Draft Post Collection Agreement (PCA) process. SECOND by Director Romero.

**MOTION FAILED** by the following Roll Call vote:

<b>Ayes:</b>	Romero, Tave
<b>Noes:</b>	McLaughlin, Robinson, Rudnick, Xavier, Zepeda*
<b>Abstain:</b>	None
<b>Absent:</b>	None

\*Vice Chair Zepeda stated he had to vote no given that was the direction from his City, but he expressed concern potentially wasting time and money.

MOTION by Director Rudnick to continue with the Draft Post Collection Request for Proposals (RFP) and Draft Post Collection Agreement (PCA) process. SECOND by Director McLaughlin.

WCCIWMA Legal Counsel Bakker clarified that the motion was for approval from the Board before publishing the Draft Post Collection Services RFP, and if passed staff would be directed to publish the RFP as suggested in the timeline.

The motion did not get voted on and went into more discussion by Director McLaughlin.

On the question, Director McLaughlin requested a five-point modification to the proposal, to: 1) remove the Compliance Fund from the Draft Post Collection Agreement (Page 53); 2) add SB 54 language to address single-use packaging and plastic food service ware by shifting the plastic pollution burden from the consumer to the plastics industry in the compliance requirements for performance standards as well as including in general in the PCA language; 3) add language for construction and demolition diversion percentage requirements and confirm an associated amount for violation in the liquidated damages section, and Richmond City staff could provide additional language on the request; 4) remove the language stating that RecycleMore representatives could have unofficial contact with proposers; and 5) remove references to Republic Services in the documents along with other unnecessary references in the document (Section 5.3.3, Page 35 of the PCA or Page 110 of the packet).

Director Romero expressed concern with several of the points requested by Director McLaughlin and referred to the request to add SB 54 language. He suggested the state might have identified a start date well into the future that would be difficult to mandate now.

On the discussion of the appropriateness of removing references to the Compliance Fund from the Draft PCA, Mr. Holtzclaw stated it had nothing to do with who owned the fund. He added that he had told the Board many times this year that RecycleMore would take the Compliance Fund in house, which would be in RecycleMore's control by January 1, 2025. The only reason the reference to the Compliance Fund was in the RFP and the Draft PCA was that it was explanatory in that it was part of the rate structure; not who owns the Fund. The intent was to alert contractors that the post collection rate includes the six line items: Blended Material Rate for operations, Household Hazardous Waste (HHW), the RecycleMore operating budget, the Recycling Credit, the Compliance Fund and a compost cleaning fee, which is the Change In Law clause in the government fees section that will also handle SB 54 and any other new legislation coming forward. Any contractor would need to be aware of the rate structure to understand how the rates are set. They will not be holding the Compliance Fund, but they will be doing compliance activities. He clarified the RFP is only asking for the blended material rate, which is the top line operational rate, and the HHW rate. No other rates will be asking for a bid, because the contractor will not control any other line item.

Director McLaughlin reiterated her request to remove the Compliance Fund and noted that Republic was the only entity that had utilized expenditures from the Compliance Fund, although Mr. Holtzclaw stated that was incorrect.

WCCIWMA Legal Counsel Bakker added that putting it in the RFP and the contract would allow RecycleMore the right to set the Compliance Fund from year to year and Mr. Holtzclaw explained that it was also the mechanism for how the rates actually rolled into a ratepayer. Collection company bills residential, commercial, industrial customers, and the money is parsed out of that collection, post collection funds are part of that system. All the elements roll back to the collection company when they bill each customer. That is how the franchise fees come back to general funds, that is how the Authority gets funded.

Director McLaughlin wanted to avoid any confusion on the Board and could agree to allowing the Compliance Fund to remain as long as the rest of the Board agreed but she still urged that the other four points remain.

Mr. Holtzclaw reiterated, as he had last month, that time was of the essence and much of that information could have been done a couple of months ago with better communications between staff and the Authority, but after the process

when there would be a proposal and everything would be negotiated, and if not included now, it could still be brought in later. Whatever the draft PCA looks like now will be far different five months down the road.

Director McLaughlin made a substitute motion and suggested that her first three points could be considered in the negotiation process but the other two should remain: 1) remove the language allowing RecycleMore representatives to have unofficial contact with proposers; and 2) remove the unnecessary references to Republic Services in the documents.

Director Romero verified with Director McLaughlin which of the five points could be addressed in negotiations and which she would like to see addressed in the Draft RFP and Draft PCA. He requested that if Richmond staff had any issues with Republic Services they could contact RecycleMore staff and identify the pages of the documents involved.

**MOTION** by Director Rudnick to accept the substitute motion to continue with the Draft Post Collection Request for Proposals (RFP) and Draft Post Collection Agreement (PCA) process, with the removal of language allowing RecycleMore representatives to have unofficial contact with proposers, and the removal of unnecessary references to Republic Services in the documents. **SECOND** by Director McLaughlin.

**MOTION PASSED** by the following Roll Call vote.

<b>Ayes:</b>	McLaughlin, Robinson, Rudnick, Xavier, Zepeda
<b>Noes:</b>	Romero, Tave
<b>Abstain:</b>	None
<b>Absent:</b>	None

A five-minute break was taken at 8:55 P.M.

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**Agenda Item 8.2 – Workshop – Calendar Year 2025 Household Hazardous Waste Budget | Presenter | Peter Holtzclaw - Executive Director**

**AND**

**Agenda Item 8.3 – Workshop – Calendar Year 2025 Post Collection Rates | Presenter | Peter Holtzclaw - Executive Director**

Executive Director Holtzclaw presented the annual workshop on the HHW Budget and highlighted the draft HHW budget, the initial blended per ton rates and the overall post collection rates. He presented the reconciliation of HHW and pointed out the budget for 2023 and the actuals for 2023. He particularly noted the line items for the Richmond facility and the El Cerrito facility third party subcontractors, and highlighted the budget items and the projected and actual results. He reported that \$1,326,167 had been budgeted for HHW operations in 2023 while the actual was \$1,587,909. The difference of \$261,543 would come back over into the rate structure. He added that this was the first time in five years that the spend was more than the budget. He stated that increased disposal fees were the reason for the increase in the HHW budget this year, and although there had been discussions amongst all involved as to whether or not to go out to bid to secure less expensive disposal rates, that had been found to be impractical because the increased disposal fees were an industry-wide phenomenon.

For the 2025 post collection rates, Mr. Holtzclaw showed the differences between the 2024 and 2025 budgets and noted that the increases were just CPI increases. He stated that 2.57% was the CPI indicator for this year, 85% of CPI, and the budget only increased about \$20,000 year over year; the El Cerrito operational expenses increased by \$49,000;

the sharps program and the one-day events were identified with big negatives, although the sharps program would only be done for six months because the new PCA would come into existence in July. The rest of the budget was for the whole post collection system was not changed because the per ton rate remained the same by dividing everything by two.

Mr. Holtzclaw stated the three one-day events had been zeroed out in that there were too many unknowns going forward with the RFP process and the extensions and the one-day events would be negotiated back in after the RFP process. The other zeroing out had been with the Compliance Fund because there is enough money in the fund to hold the Authority until July 1, 2025. He also commented that the per ton rate of \$9.25/ton was a 22 percent increase based on the disposal rates. He added that putting in the spend for the one-day HHW events and sharps would show something more of a per ton rate of \$10.25/ton or \$10.50/ton, so there would be a bump for HHW going forward in 2025.

With respect to the rate structure, Mr. Holtzclaw identified how the rate structure had been laid out with compensation for Republic Service's post collection services. There was no cost element; it was all CPI driven. He also referenced the other six line items earlier identified with the RFP, and reported a \$4.65 per ton blended material rate increase, which was around 3.97 percent with a \$.01 round up; the RecycleMore budget was increasing quite significantly by \$3.39/ton; the recycling rebate increasing by \$1.28/ton; government fees by \$.15/ton, the Compliance Fund was being zeroed out with a reduction of \$2.10/ton; HHW increased by \$1.68, and change in law increased by \$.31. Noting that tonnages had leaked out of the franchise system for the last five years in the 1.0 to 3.0 percent range, he stated this year it had only decreased by half a percent.

Mr. Holtzclaw described the process of rate setting, billing, payment and rate return to RecycleMore for its budget. He identified the new blended rate of \$121.81 multiplied by a volume of 154,000 tons for a total revenue requirement, which was segmented between residential, commercial and industrial resulting in can rates for residential, ton rates for industrial and yardage rates for commercial customers.

Mr. Holtzclaw reported the new rates as between \$.20 and \$.98/month for residential customers, commercial customers' increase would be \$.15/yard and industrial customers' increase would be around \$13.00/ton. \$4.66 per year increase from \$117.15 to \$121.81 for the new rate. He explained that the RecycleMore rate had been kept low for the last several years.

Director Romero commented that the current PCA contract had been very successful and RecycleMore had not taken double digit increases as others in the area had taken.

Mr. Holtzclaw agreed that the PCA had been extremely successful for ratepayers. He characterized the bones of the PCA as very strong, stated there was good compliance and CalRecycle had looked at RecycleMore as a solid agency with solid programs. He did state that there is some room for improvement, including C&D requirements as Director McLaughlin mentioned. However he clarified that the heart of the PCA is very strong and the blanket rate structure makes things very easy when it comes to keeping costs low and contract management.

Vice Chair Zepeda verified with Mr. Holtzclaw that the budget was calendar year, this rate is good for six months, and that it had included the potential cost increase because of the RFP.

Mr. Holtzclaw stated as he had explained in his reports, given the marketplace, an extension could be negotiated, which was where RecycleMore would keep the bargaining control and maintain the status quo. With a contract extension, there would be a built-in guardrail against significant rate increases. He noted, for instance, that Republic had been getting less than a 3 percent increase year after year for the last 12 years while business costs had significantly increased far more than that. He explained the way garbage contracts usually worked was that costs

would ramp up quickly at the beginning with new trucks and other equipment and then tail off at the end. The intent was to keep costs somewhat even to avoid rate shocks. So going forward, there was a contract that was ending that had done very well for the Authority. He suggested an extension could be negotiated and the public perception would mean that Republic, or any operator in this situation, would not go for a price increase of more than 15 percent to keep from being sullied in the press or the community or the RFP route could be pursued, where the marketplace is asked for a price. In certain geographic regions that have competitive facilities and companies he stated that would work but those geographic regions in California are sparse because of the whole evolution of waste in the last 50 to 75 years. He suggested the choice was pretty easy in that the RFP route would increase rates by 30 to 50 percent because the bargaining power would be given up, or there could be an extension for 15 percent. He confirmed that because of the new agreement that would become effective July 1, 2025, the rates would be raised again and be good for a year and a half.

Director McLaughlin asked that some of the metrics for the HHW performance be included as an attachment to the budget or be placed on the website to ensure transparency.

Lisa Borreani explained that she would place the 2023 HHW metrics on the website.

Mr. Holtzclaw stated with no direction from the Board the same rate structure would come back to the Board in November.

## **BOARD MEMBER AND STAFF ANNOUNCEMENTS**

Chair Tave reported that there had been a Dumpster Day in Pinole on October 5, 2024 where 400 people had lined up at 6:00 A.M. and it had been a very successful day.

Director Rudnick reported that on October 12, 2024 El Cerrito would hold its Citywide Garage Sale Day, which had been very popular in the region and the City's website would announce to all West County all the registered homes that would participate on that day.

## **CONSENT CALENDAR**

The following item from the Consent Calendar had been continued to this point in the meeting agenda.

Director Romero excused himself from the meeting and left the Council Chambers at this time.

### **6.6 Employment Agreement with Peter Holtzclaw Effective December 2, 2024**

Director McLaughlin stated she did not feel comfortable approving the Employment Agreement for the Executive Director, and she made a motion not to approve the Employment Agreement.

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

Director Robinson asked what would happen after December 1, 2024 if the Employment Agreement with the Executive Director was not approved.

WCCIWMA Legal Counsel Bakker explained that the current Employment Agreement extended through December 1, 2024, and once it expired Mr. Holtzclaw would no longer be employed by WCCIWMA.

**MOTION** by Director McLaughlin not to approve the Employment Agreement with Peter Holtzclaw. **SECOND** by Director Xavier.

**MOTION PASSED** by the following Roll Call vote.

**Ayes:** McLaughlin, Robinson, Rudnick, Xavier, Zepeda  
**Noes:** Tave  
**Abstain:** None  
**Absent:** Romero [Excused]

**ADJOURNMENT**

With consensus of the Board, Chair Tave adjourned the meeting at 9:37 P.M. until the special Board meeting scheduled for November 7, 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 October 10, 2024.

*Claudia Menjivar*

11/12/24

Board Secretary

Date