

WEST CONTRA COSTA INTEGRATED WASTE MANAGEMENT AUTHORITY (WCCIWMA)
BOARD OF DIRECTORS REGULAR MEETING MINUTES – JUNE 11, 2026

Meeting Date | Time 6/11/2026 6:15 PM | Meeting Location City of San Pablo City Council Chambers, 1000 Gateway Avenue, San Pablo, CA 94806

Meeting called by	Board of Directors	Board Members Present:
Type of meeting	Regular	Directors: R. Xavier (Chair) San Pablo; D. Bhattarai (Vice Chair) Hercules; W. Ktsanes, El Cerrito; D. Murphy, Pinole; and J. Brown, D. Robinson, and C. Zepeda, Richmond
Authority Staff Present	Reka Abraham, Lisa Borreani, Cliff Feldman and Viviane Vidal	Absent: S. Scales-Preston and J. Gioia (Ex-Officio), Contra Costa County
Legal Counsel	John Bakker	

CALL TO ORDER/ROLL CALL

Chair Xavier called the regular meeting of the West Contra Costa Integrated Waste Management Authority (WCCIWMA), also known as RecycleMore, to order at 6:17 P.M.

The Roll Call established the existence of a quorum with Chair Xavier, Vice Chair Bhattarai and Directors Brown, Ktsanes,, Robinson and Zepeda present.

CLOSED SESSION

Chair Xavier adjourned into Closed Session at 6:19 P.M.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Executive Director

Director Murphy arrived and joined the closed session at 6:27 P.M.

Chair Xavier reconvened the meeting at 7:07 P.M. There was nothing to report from Closed Session. Roll call was taken again after closed session all Board members were present.

PLEDGE OF ALLEGIANCE

Chair Xavier led the Pledge of Allegiance.

EX-PARTE COMMUNICATIONS & DISCLOSURES

There were no ex-parté communications or disclosures.

PUBLIC COMMENT

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

CONSENT CALENDAR

1. April 9, 2026 Authority Board Meeting Minutes: (Motion to approve)
2. May 14, 2026 Authority Board Meeting Minutes: (Motion to approve)
3. Approval of a Memorandum of Understanding Between RecycleMore and the City of Richmond Concerning SB 1383 Compliance: (Motion to adopt a Resolution authorizing the Executive Director to execute the Memorandum of Understanding between RecycleMore and the City of Richmond concerning SB 1383 compliance)
4. Approval of a Memorandum of Understanding Between RecycleMore and the City of El Cerrito Concerning SB 1383 Compliance: (Motion to adopt a Resolution authorizing the Executive Director to execute the Memorandum of Understanding between RecycleMore and the City of El Cerrito concerning SB 1383 compliance)
5. Approval of a Memorandum of Understanding Between RecycleMore and the City of Hercules Concerning SB 1383 Compliance: (Motion to adopt a Resolution authorizing the Executive Director to execute the Memorandum of Understanding between RecycleMore and the City of Hercules concerning SB 1383 compliance)
6. Approval of a Two-year Professional Services Agreement with Abbe & Associates, LLC Commencing FY 2026-2027: (Motion to approve a two-year Professional Services Agreement with Abbe & Associates, LLC to provide schools outreach, community events and SB 1383 compliance consulting services and the FY 2026-2027 scope of work for a not-to-exceed amount of \$35,000)
7. Approval of a Three-year Professional Services Agreement with R3 Consulting Group Commencing FY 2026-2027: (Motion to approve a three-year Professional Services Agreement with R3 Consulting Group, Inc. for long-term planning and related consulting services and the FY 2026-2027 scope of work for a not-to-exceed amount of \$50,000)
8. Approval of a Two-year Professional Services Agreement with SCS Engineers Commencing FY 2026-2027: (Motion to approve a two-year Professional Services Agreement with SCS Engineers for SB 1383 staffing support on-call consulting services and the FY 2026-2027 scope of work for a not-to-exceed amount of \$50,000)
9. Approval of a Two-year Professional Services Agreement with Vedauwoo Resources, LLC Commencing FY 2026-2027: (Motion to approve a two-year Professional Services Agreement with Vedauwoo Resources, LLC to perform Waste Composition Study services and the FY 2026-2027 scope of work for a not-to-exceed amount of \$200,000)
10. Approval of a Three-year Professional Services Agreement with Nerd Crossing Commencing FY 2026-2027: (Motion to approve a three-year Professional Services Agreement with Nerd Crossing for Information Technology services support with a scope of work for FY 2026-2027 for a not-to-exceed amount of \$50,000)
11. Approval of a Two-year Professional Services Agreement with Sweetser & Associates, Inc. Commencing FY 2026-2027: (Motion to approve a two-year Professional Services Agreement with Sweetser & Associates, Inc. for household hazardous waste consulting services and the FY 2026-2027 scope of work for a not-to-exceed amount of \$20,000)
12. Approval of a Three-year Professional Services Agreement with California Product Stewardship Council for July 1, 2026 to February 28, 2029: (Motion to approve a Professional Services Agreement with California Product Stewardship Council for implementation of a CalRecycle grant for marine flares collection for July 1, 2026 to February 28, 2029 for a not-to-exceed amount of \$30,000)
13. Approval of a Professional Services Agreement with TMF Accounting Services for financial bookkeeping support for FY 2026-2027 for a not-to-exceed amount of \$25,000)

MOTION by Director Murphy to approve Consent Calendar Items 1 through 13, as submitted.
SECOND by Director Robinson.

MOTION PASSED unanimously by a Roll Call vote.

STAFF REPORT

Staff Report Item 7.1 – Recycling and Household Hazardous Waste (HHW) Program Update | Presenter | Reka Abraham – Deputy Executive Director and Regulatory Manager

Deputy Executive Director and Regulatory Manager Reka Abraham reported that CalRecycle had identified the City of El Cerrito as the first Member Agency to undergo the comprehensive Compliance Review process. The official letter was expected next week to outline the process. An official request for the Implementation Record was expected by the end of June, which would have to be turned over to the Compliance Team to verify compliance with all documents required under SB 1383. At this point, the timeline for the comprehensive Compliance Review of the other Member Agencies was unknown.

Staff Report Item 7.2 – Outreach Programs Update | Presenter | Lisa Borreani – Marketing and Operations Manager

Marketing and Operations Manager Lisa Borreani advised that the agenda report was an update of the outreach activities being done during the month of June, among which was an ad created to promote the upcoming HHW event in the City of Hercules on June 20, 2026.

Staff Report Item 7.3 – Update from Executive Director | Presenter | Cliff Feldman – Executive Director

Executive Director Cliff Feldman reported there would be a tour of the West County Resource Recovery (WCRR) facilities scheduled for June 23, 2026, and the Board was invited to attend. He stated that CalRecycle would conduct its annual visit to the post-collection facility and one to two members of CalRecycle staff would be attending along with Member Agency Technical Advisory Commission (TAC) staff and RecycleMore staff. He urged those Directors interested in attending to contact RecycleMore staff. He also reported there would be a joint TAC meeting/workshop in two weeks on SB 54 to discuss the impacts of the legislation with the Member Agencies.

Staff Report Item 7.4 – Upcoming Agenda Items | Presenter | Cliff Feldman – Executive Director

Executive Director Feldman referred to his staff report in the meeting packet and advised that the item was a forecast for items scheduled for upcoming meetings.

REGULAR AGENDA

Agenda Item 8.1 – Proposed JEPA Amendment to Change the Authority Fiscal Year to January 1 – December 31 Beginning in 2027 | Presenter | Cliff Feldman – Executive Director

Executive Director Feldman stated the agenda item was a request to the Board to consider approving a Resolution that would direct staff to ask the Member Agencies to amend the Joint Exercise of Powers Agreement (JEPA) to change the Authority fiscal year currently from July 1 to June 30, to January 1 to December 31. He explained there were a number of reasons for the requested change, primarily because the contract with Republic Services set rates on January 1, and one of the structural problems of establishing a budget on the current timeframe was that the rate impact information was not yet available to accurately set the rates. Changing the fiscal year to a calendar year would better establish the budget and the payments to contractors, to be able to identify the actual impact on ratepayers.

Mr. Feldman recommended that the Board direct him to ask the Member Agencies to modify the JEPA to allow that change to occur. If the recommendation was approved by the Member Agencies with their own resolutions, staff would return to the Board with a restated proposed FY 2027 budget aligned with the rate setting cycle that would commence on January 1.

In response to Vice Chair Bhattarai as to whether Member Agency staff had been apprised of the recommendation, Mr. Feldman confirmed there was concurrence from the Member Agencies for the recommended change.

MOTION by Director Zepeda to approve a Resolution authorizing the Executive Director to ask the Member Agencies to approve an amendment to the JEPA to change the Authority's Fiscal Year from July 1 to June 30, to January 1 to December 31 commencing January 1, 2027. **SECOND** by Director Murphy.

MOTION PASSED unanimously by a Roll Call vote.

Agenda Item 8.2 – Reclassification of Program Coordinator Positions to Program Coordinator I-II | Presenter | Cliff Feldman – Executive Director

Executive Director Feldman described the request to the Board to consider reclassifying two currently approved Program Coordinator positions to two modified positions for a classification with more extensive scopes of work that aligned more with the needs of the Authority. The two current positions had a salary range of \$63,000 to \$72,000 and were full-time positions, although they were undervalued within the current marketplace and not competitive with similar entry level jobs at JPAs and cities that did similar work required for the Authority. He emphasized the need to remain competitive to be able to attract the top talent to obtain and retain, and to provide succession opportunities.

Mr. Feldman advised that the change in positions would represent a significant salary increase of approximately \$100,000 each year given the salary and benefits involved, although he was confident that the change would help attract the talent necessary in the future for the Authority to be able to move forward.

MOTION by Director Murphy to approve the reclassification of the current Recycling and HHW Program Coordinator and Outreach Program Coordinator positions to the new Program Coordinator I-II position series. **SECOND** by Director Brown.

MOTION PASSED by the following Roll Call vote:

AYES:	Bhattarai, Brown, Murphy, Robinson, Zepeda, Xavier
NOES:	None
ABSTAIN:	Ktsanes
ABSENT:	None

Agenda Item 8.3 – Approve RecycleMore Proposed FY 2026-2027 Operating Budget | Presenter | Cliff Feldman – Executive Director

Executive Director Feldman presented the proposed FY 2026-2027 Operating Budget to the Board for its consideration in adopting a Resolution to approve the budget. He explained the JEPA required an approved budget by June 30 because the Fiscal Year started on July 1. The budget had been submitted to the Board of Directors on May 14, 2026 for review and direction from the Board in a variety of areas.

Mr. Feldman recapped last year's approved budget with Operating Funds at \$2 million, Compliance Fund at \$190,000, and with a projected revenue a little more than \$2.1 million, which included \$100,000 for the Recycling Reserve. The budget presented to the Board for consideration would result in Operating Funds of \$2.2 million with projected revenue a little more than \$2 million, and the current projected year-end balance would be about \$240,000. If the proposed Resolution was approved, the projected year-end balance would be \$58,600. He recommended that \$200,000 be added to the budget to ensure a \$250,000 cash flow in the Operating Fund at the end of the fiscal year. The Operating Fund reserve was set by Board policy at 67 percent of operating expense on June 12, 2025, and the July 1 fund balance would be roughly \$1,250,000. He explained that the total would have to be \$1.5 million based on the recommendation associated with the Operating Fund Reserve policy, which would mean a deficit of \$159,842 and would require that amount be added to meet the 67 percent Operating Fund Reserve target of \$1,467,839. The Compliance Fund Reserve at the beginning of the fiscal year would have about \$360,000 and fund expenses were anticipated of \$440,000, which left a deficit of \$80,000, if the Board chose to add \$280,000 in order to have a \$200,000 balance at the end of the year.

Mr. Feldman identified the various components of the budget with salaries and benefits, operations expense, programs expense and compliance expense, and pointed out where there were increases and where there were not. He described portions of the operations expense budget as a transitional effort in order to consolidate many of the financial processes and how the Authority operated financially in order to become more efficient and save money, which would initially require some expense. He also described the primary components and the particulars of each expense in the budget, pointing out particular changes such as the increase in salaries and benefits due to the just approved reclassification of positions, and the \$50,000 increase in consulting services expense. He noted the Human Resources portion of the budget was where the Agency needed support, particularly in the compliance component, and for the programs and compliance budget noted that some of the line items had been moved from the programs expense to the compliance expense. The significant increase in the Compliance Fund was a result of the proposed \$40,000 Waste Characterization Study (WCS) that would be performed this fall, with another \$160,000 WCS in the spring, and another \$160,000 WCS in next year's budget to happen in the fall and hence next fiscal year. He suggested the WCS would have a significant return on investment, to gather enough data to qualify for a reduction in the compost procurement obligation from CalRecycle.

Mr. Feldman asked for an increase of \$191,000 in the Operating Fund because that would provide a projected year-end balance of \$250,000. For the Operating Fund Reserve, he recommended increasing revenue by \$160,000 in order to meet the \$1.4 million Operating Fund Reserve, which if not included would not meet the projected 67 percent target earlier described. For the Compliance Fund, he asked for a revenue increase of \$281,000 so that at the end of year there would be a Compliance Fund balance of \$200,000. He added that part of the reason to project a surplus was to plan for the comprehensive Compliance Reviews now for all of the Member Agencies given the uncertainties involved, and there was a certain amount of hedging involved in order to be able to meet all the obligations of the Member Agencies. There were no recommended changes to the Recycling Reserve Fund. The budget recommended an overall revenue increase of \$632,000.

Director Murphy asked about the revenue increases and asked if it was due to a deficit, and Mr. Feldman clarified that it was not a deficit but a desire to be well positioned for the next year. The budget was looking to generate additional revenue to fund the reserve but was not looking to use the reserve.

Mr. Feldman explained that the recommended rate increase of \$632,000 would result in an increase to the Post-Collection Agreement (PCA) rate charged to ratepayers and equated to a 1.7 percent increase of the overall amount the PCA rates would increase. He stated that 8.6 percent was associated with the obligation to WCRR. If including \$632,000 in the revenue, the PCA rate itself would go up 10.3 percent contributing to the overall \$36 million amount of revenue in the rates.

Vice Chair Bhattarai sought a clarification of the proposed rate increase.

Mr. Feldman explained that the Collection Services Rate (CSR) and the PCA rates combined translated to the rate increase effective January 1. He stated the discussion had only been focused on the PCA rate. He clarified that within the 10.3 percent increase on just the PCA rate, the \$632,000 represented only 1.7 percent of the 10.3 percent; the 8.6 percent of the 10.3 percent would go to WCRR. He added that within that 10.3 percent, there were four pieces that made up the Post-Collection Rate (PCR) itself; the Materials Specific Component (obligation to pay WCRR for every ton of material delivered by the collection services companies at 81 percent previously negotiated in the PCA), the HHW Program (6 percent) would be brought before the Board with no major change expected, Government Fees would also be increased (which was consistent), and the WCCIWMA Budget was 8 percent of the overall PCA rate, meaning that it was 8 percent of the \$36 million. Overall 92 percent of the Post-Collection Rate is associated with WCRR, with only 8 percent associated with the Authority budget.

Mr. Feldman explained that the PCR went up 10.3 percent while the CSR rate would go up 4.9 percent based on the Consumer Price Index (CPI) that all of the Richmond Sanitary Services (RSS) companies franchise agreements went up as of April, with a 5 percent cap. When combined, the total projected rate increase would be 6.7 percent. He explained why that was the case because the 10.3 percent only applied to 38 percent of the rate itself. The takeaway was that the recommendation in the budget was a projection of a 6.7 percent total rate increase. He noted that the Authority's total budget was 3.3 percent of the rate charged to residential customers, and put another way, basically a \$100,000 increase on the Authority's budget was roughly one tenth of a percent on the rates charged to residential customers.

When asked by Director Murphy why it was important to have three reserve funds and an Operating Fund of \$250,000, Mr. Feldman explained that the Operating Fund (cash) was what pays the bills, the Operating Fund Reserve was what is in the bank (savings). He had recommended funding the reserve to meet the 67 percent Operating Fund Reserve Policy by the end of the fiscal year. In addition, at the end of the year there would be \$250,000 in the checking account to pay the bills and continue operating. The Compliance Fund was separate from the Operating Fund Reserve and was kept as a restricted fund to only be used based on Board direction. There would be \$200,000 in the Compliance Fund to serve to the calendar year and to put the Authority in a good position for the start of the next year.

Director Robinson sought a comparison of the rates from the current year to the coming year as had usually been provided to break down the cost of the different types of cans and to show what the ratepayers would see on their bills, and Mr. Feldman stated a table had been included of that comparison in the prior presentation to the Board. He explained that detail would not be available until the end of the year when the target information, CPI increases and application from the contractor for next year's rate increase request in that there would be no rate increase until January 1, 2027. The Board would consider the PCA component of a rate increase in the October/November timeframe for rates that would become effective January 1, 2027. The current discussion was on the budget that would become effective on July 1, 2026.

There was confusion amongst some members of the Board as to the discussion for an increase in the budget that had no corresponding immediate increase in rates, and Mr. Feldman clarified that was the problem with having a budget that had to be approved by June 30, given that the detail to make the decisions would not come together until the fall. He stated the budget had been routinely adopted without the required information to define the impact of an adopted budget on the rates each year and he hoped to repair that situation by changing the JEPA to allow the Authority's fiscal year to be a calendar year, as earlier discussed.

Mr. Feldman clarified again that the total increase in the budget was \$632,000 in revenue, and he repeated what that would do for the budget, by maintaining \$250,000 cash at the end of the year in the "checking account," 100 percent of the Operating Fund Reserve fund in the bank at \$1.5 million, \$200,000 also in the bank for compliance expense and

currently have \$100,000 in the bank for the Recycling Reserve Fund, and if those monies needed to be spent, he would come to the Board for direction.

Mr. Feldman projected that the residential rate would increase in the 6.7 percent range with the \$632,000 increase in the budget. He repeated that a \$100,000 increase on the Authority's budget was roughly one tenth of a percent of a bill.

Director Ktsanes asked about the public process for discussing a rate increase. He suggested the discussion was backward in that it should have been about the rate increase first and not about the budget that was forcing a rate increase.

Mr. Feldman explained that the Board always had the authority to change an adopted budget. He explained that if the fiscal year was changed, the Board would be presented with a restated budget for January 1, 2027, and it would have all the detail regarding the impact on the rates of that budget. He recommended moving forward with the budget and return in October with a restated budget for Board review and approval in November if the Member Agencies approve the amendment. He was confident the proposed budget would put the Authority in a favorable financial position at the end of the year without drawing on rates substantially given the impact of a \$600,000 increase on a \$36 million component of the rates.

Given some confusion between the current year end budget total of \$241,000 in relation to the desire to maintain \$250,000 cash at the fiscal year end forecast on June 30, 2027, and the question as to whether or not there was a deficit, Mr. Feldman clarified that there was no deficit in the Operating Fund. He noted the amount the Authority spent each month was roughly \$200,000, and if that cash flow was not available, it would have to be taken from the reserves or go to the Board to increase revenue, which would not happen until January. The fallback would be if in a structural deficit in real time to tap into the reserve. If there was no desire to have \$250,000 on June 30, 2027, there would be \$58,000 based on the amount of revenue generated and there would be insufficient funds to pay the monthly bills on July 1, 2027. There was a need to maintain \$200,000 to \$250,000 in the checking account at all times. The budget presented for consideration allowed the Authority to have a similar amount on June 30, 2026 and June 30, 2027.

At the suggestion that with a change in the JEPA, as recommended for a calendar year as the fiscal year, the \$250,000 would be needed at December 31, 2026 for cash flow, Mr. Feldman stated he had not created a mid-year projection. All cash flow was predicated on the amount of revenue received from Republic Services through the PCA. The amount of money received was based on rates established on January 1, 2026, and there was a fixed amount of money for each ton. He could not say with certainty that he would have \$250,000 in the bank on December 31, 2026.

Director Murphy suggested the proposal was just another way to create a fund reserve, which had already been established, and he was still concerned for an increase in rates for the ratepayers who were already heavily impacted with rate increases in other areas. He also suggested that a policy for a 67 percent Operating Fund Reserve level appeared to be excessive to him and he suggested something in the range of a 50 percent reserve. He wanted to know what was really needed to be able to keep going. He referred, for instance, to \$15,000 for kitchen pails and asked if that was a compliance item or a would-like-to-do item.

Mr. Feldman stated that the \$15,000 for kitchen pails was a compliance item because residents needed to be encouraged to compost their food scraps per the regulations and the kitchen pails were part of that compliance effort. He clarified that the Reserve Fund was at the Board's discretion and it was the policy to be 67 percent of the Operating Fund expense. He stated the Board could change that policy at any time, although he clarified that the Operating Fund was not a reserve fund. Because the budget was established in June and the rates were not set until January 1, every fiscal year there was a six-month period where all revenue was not generated to the level of need and there was a six-month potential deficit; this year's deficit in revenue was roughly \$170,000. The reason there was not an

Operating Fund deficit was that the expense reduction went down more than the deficit and the Authority was still ending the year with money in the bank at \$241,000.

Mr. Feldman stressed that the budget was indicating that if doing nothing there would be roughly \$58,000 remaining, and additional revenue had been proposed in order to maintain the level of revenue to avoid a deficit.

Director Murphy wanted to know how the revenue was coming into the Authority.

Mr. Feldman reported that the Authority got payments monthly and he could show what was projected for revenue each month of the fiscal year to support the budget and how much had been received. This year there was a \$170,000 deficit from the revenue projections. He referred to Exhibit A to the Resolution providing the budget summary to show the projection for next year, the amount in the checking account, the expenses, and how much money was needed to ensure \$250,000 at the end of the fiscal year. He also clarified, when asked, that there was \$1,250,000 in the reserve fund at June 30, 2026. If the budget was enacted based on the amount of money in the Operating Fund, 67 percent of the budget would require an additional \$160,000 to achieve the \$1,467,000 at June 30, 2027, with a projection on the interest accrual on the funds in accordance with the Board's Operating Reserve Fund Policy. With respect to the Compliance Fund, whether or not \$200,000 would be spent on a WCS, if those funds were not spent there would be funds available at the end of the year, but in order to keep a \$200,000 total in the bank for compliance, there was a need to raise that fund by \$281,000. If wanting to take a risk about what might transpire in this regulatory compliance year, the Board might only need \$81,000.

Director Robinson asked if there was an opportunity to delay budget increases in various categories until the impact of rate increases was known, and then make a decision on budget increases at the same time to see the impact on rate increases, and Mr. Feldman explained that there were little apple-to-apple comparisons of the line items in the budget. He noted that any decision to delay filling positions or consultant expenses might put the Authority's ability to perform its obligations at significant risk. The Authority did not have the staff to do what needed to be done nor the money to cover the existing staffing vacancies, and would not be able to meet its obligations without the funds to fund those obligations. He suggested if the fiscal year was changed and the budget approved, there would be a restated budget, a reset, and he could go through the detail in Exhibit B of the Resolution as to what was absolutely necessary and what could be delayed.

Mr. Feldman went over Exhibit B and reported a \$500,000 savings from what had been budgeted in Salary and Benefits, Operations, Programs, and Compliance, which more than offset the revenue deficit of \$170,000. The new budget proposed to bridge some of the gap.

Director Zepeda verified with Mr. Feldman that key positions in the Authority would be taking medical leave in the near future, others would have to be hired in the interim, and the budget had included the impact of that situation.

Director Zepeda also understood another staffer had left due to poor pay, and he noted the need to attract highly-qualified people to fill those positions.

Mr. Feldman confirmed that RecycleMore would continue to operate given that there were funds to do so and there was money in the Operating Reserve Fund, and at the Board's discretion reserve monies could be used, if needed. He stated currently the Operating Reserve Fund was at 67 percent of the Operating Fund expense, which was why he had recommended an increase in revenue to meet that reserve policy requirement by the end of the fiscal year.

Legal Counsel Bakker clarified that the Board's Operating Reserve Fund Policy was not a legal matter and there was nothing in state law and nothing in the JEPA that required the reserves. Those reserves had been established by Board policy.

In response to Director Zepeda as to why there was a policy that the reserve fund be 67 percent of the Operating Fund, Mr. Feldman explained his understanding that number had been established about a decade ago, and Director Zepeda suggested that the Operating Reserve Fund Policy should be revisited and be based on risk and be further discussed at another meeting.

Director Zepeda referred to the 6.7 percent projected increase in residential rates if the revenue was increased by \$632,000, and he asked if the Operating Fund percentage increase could be reduced to shave some of the increase from the budget.

Mr. Feldman agreed a reduction of the Operating Reserve Fund might offset additional monies that would have been charged to the ratepayers beginning January 1, because that money was in the bank and it could be moved to the Operating Fund, which could be done instead of increasing revenues. He also noted that depending on other factors such as the CPR, the HHW expense and the Government Fees expense, the 6.7 projected increase could go higher when all information was available in the fall.

Mr. Feldman stated the change to the Operating Reserve Fund would require a modification to the motion to reduce the budget by the recommended Operating Fund Reserve of \$160,000 noted in Exhibit A of the Resolution.

In response to Director Zepeda as to the justification to keep \$1.4 million in the bank, Mr. Feldman stated he was not prepared to discuss the rationale for that but would perform an analysis of what other agencies do and what might be prudent for the Authority given its risk assessment.

Vice Chair Bhattarai agreed with the need to discuss rolling back some line items in the budget such as in professional services, postponing the WCS, and he supported a hiring freeze. He preferred to avoid a rate hike.

Mr. Feldman explained with respect to staff that the Authority had carried the staff vacancies for too long, and not enough consultant expense had been budgeted to not have the new positions nor cover what else would be needed. The Authority would be significantly underbudgeted on consultant expense if relying on that for staffing needs. He suggested one component that could potentially be removed would be the \$50,000 for transition to new financial services, and staff would need to figure out how to manage what needed to be done with the existing \$85,000 in the budget. He suggested what could be done in the interim and stated he could return to the Board for additional funding to meet the Authority's needs.

With respect to the WCS, Mr. Feldman cautioned the Board against delaying the study. He clarified that \$40,000 had been budgeted now for a study that would be done in September to inform the Authority whether additional monies should be spent on the WCS itself. Moving that WCS forward could be another decision of the Board so that the monies would not be spent moving forward. To clarify, he explained that the proposal now was within the budgeted \$200,000, \$40,000 had been designated to do an initial study in September when he would determine whether or not the data was supportive to be able to move forward with the full WCS. If he saw a return on investment for spending additional monies that would be done. If the initial study for \$40,000 was done and no return on investment was seen to reduce the compliance component, no further study would be pursued and the Authority would have to comply with the existing standards in the CalRecycle regulations. The study would only be done if he saw significant cost savings over time in compliance expenses.

Director Murphy referenced the numerous increases experienced by ratepayers for basic services everywhere and when seeing \$1.4 in the Operating Fund Reserve, he suggested the Board had the discretion to reduce the budget or to use the Operating Reserve Fund, a prime opportunity to reduce impacts to ratepayers.

Director Murphy did not want to add another PCA rate increase and encouraged the Board to look at the Operating Fund Reserve Policy and do what it could to free up funds to avoid an increase to ratepayers. While he supported the budget's game plan, he stated how that was funded had to be revisited.

Mr. Bakker suggested that the Board could adopt a budget that reflected a change in the reserves and return later to adjust the Resolution that established the Operating Fund Reserve Policy, and in the meantime the Executive Director would have the flexibility needed to manage the budget desired by the Board.

Mr. Feldman stated if the Board had the appetite to pursue a WCS for example, staff could be directed to use the Operating Fund Reserve funds to pay for that and not include it in the compliance component of the budget.

Director Ktsanes expressed concern treating the reserves as an operating expense to balance a budget and avoid rate increases to the ratepayers, and stated he would feel much more comfortable using the actual operating expenses, suggesting that had nothing to do with the structural deficit. He did not see the reserves as the problem, and while the staff recommendation would get through this year it would do nothing for next year.

Mr. Feldman stated there was no structural deficit per say; it was a one-time expense for a WCS. He reiterated that the budget recommended that in order to have an Operating Fund checking account balance of \$250,000, revenue needed to be increased by \$191,000. If reducing the consultant expense by \$50,000 that total would be reduced by \$50,000. If reducing the Operating Fund Reserve rate revenue increase that would reduce the \$632,000 by \$159,842, and the Authority would not be projected to meet the 67 percent Operating Fund Reserve Policy. He suggested the Board could then revisit that policy and an analysis/risk assessment could be provided at a later Board meeting and that decision could be revisited as to how the Operating Reserve Fund Policy should be structured.

With respect to the Compliance Fund, Mr. Feldman strongly cautioned against not doing away with the proposed WCS but stated that not funding the study would mean \$200,000 would not be budgeted. He also cautioned that not providing the necessary funds could mean that the Authority's projected compliance obligations would not be met.

Director Zepeda recognized the need for some of the staff recommendations in the proposed budget and asked if the funds being discussed as being eliminated could come from the Operating Reserve Fund account given the discussion of lowering that fund at any rate.

Mr. Feldman highlighted what the Board had just discussed:

- Reduce the Operating Fund by \$50,000 for new transitional financial services;
- Omit the Operating Reserve Fund increase in revenue of \$160,000;
- Use the resulting increase in revenue from the existing Operating Reserve Fund to bridge that gap as opposed to recommending an increase.

Director Zepeda suggested therefore that number could inform the appropriate percentage for the Operating Fund Reserve, and for as small an amount of increase as possible.

Mr. Feldman stated that since the revenue would not be increased, the number would go down significantly but there would be some revenue increase since some of the increase would be offset with the use of the Operating Reserve Fund refund. If reducing the Operating Reserve Fund by \$160,000, the \$632,000 would then be \$470,000; and if taking another \$250,000 from that total the resulting recommended revenue increase would be roughly \$220,000, although an accurate number would not be known until the fall.

Director Zepeda noted that would project a lower residential rate increase from 6.7 to 6.3 percent, and Mr. Feldman clarified that the impact on the 10.3 percent would reduce that to 9.2 or 9.5 percent just on the PCA.

Director Zepeda explained that he saw the WCS as a one-time expense of \$40,000 initially over the next six months, and potentially another \$160,000. He did not see the other expenses in the same way in that he suggested they were ongoing expenses annually. Director Murphy expressed that he was uncomfortable allowing those expenses to be expensed with operating funds. He was okay to use the reserves with one-time expenses or by creating opportunity for funding by reducing the reserve, to be modified with a lower percentage. He was okay with the vision but suggested that something was missing.

Mr. Feldman stated for the WCS the \$200,000 included \$40,000 to be used this fall as a seed study to see if there could be a return on investment. The \$160,000 was for the first of two parts in 2027 to be in the spring and fall of 2027. The budget for the following year would be another \$160,000 because the study required a minimum of two seasons. The total cost of the study would therefore be \$360,000. He reiterated that he would report to the Board on the results of the seed study to allow the Board to determine whether or not to move forward with the full-blown study.

Director Robinson referred to the consultant expenses and the long-term planning and verified that those were one-time expenses, and Mr. Feldman stated there were numerous other expenses associated with professional consulting because RecycleMore did not have the staff and those were one-time expenses as well. The hope was to be staffed up so that those expenses would not be carried forward in future budgets.

Director Zepeda suggested that anything that was one-time could be moved to be paid out of the Operating Reserve Fund, and Mr. Feldman stated that the a one-time professional consulting services expenses would be for the long-term planning, although that effort would be continuous in that it would take several years and more than \$50,000 to conduct general long-term planning and community engagement in the variety of things associated with the things the Authority would do, although those decisions would be made at a later date. An informed decision would later be made as to whether to continue with that process or not. Some of the other one-time professional services contracts were listed in the operations side as well, and he could note those at the time.

Director Zepeda agreed that decisions could be made later with more information and when considering the rates there could be a better number. He made a motion to adopt the recommended Resolution, with more changes that were clarified at this time:

- Omit from the recommended budget \$159,842 in increased revenue for the Operating Fund Reserve;
- Reduce the Operating Fund by \$50,000 for financial services new transition;
- Reduce the Compliance Fund Reserve revenue requirement needed to meet the 67 percent target and revisit the reserve fund policy; and
- Move Operating Reserve Fund monies to the the Operating Fund and Compliance Fund in this budget to meet year-end balances of \$250,000 and \$200,000.

Mr. Feldman stated the proposal would offset the revenue increase by reductions and pulling funds from the existing Operating Reserve Fund, which would reduce the overall revenue requirement increase of \$472,709, which would be taken from the Operating Reserve Fund to offset any revenue increase.

Director Zepeda stated the 67 percent Operating Reserve Fund Policy would be discussed by the Board in the future.

MOTION by Director Zepeda to adopt the staff recommended Resolution adopting the RecycleMore FY 2026-2027 Operating Budget, amended as follows:

- Omit from the recommended budget \$159,842 in increased revenue for the Operating Reserve Fund;
- Reduce the Operating Fund by \$50,000 for financial services new transition;
- Reduce the Compliance Fund Reserve revenue requirement needed to meet the 67 percent target and revisit the reserve fund policy; and
- Move Operating Reserve Fund monies to the the Operating Fund and Compliance Fund in this budget to meet year-end balances of \$250,000 and \$200,000.

SECOND by Director Brown.

MOTION PASSED by the following Roll Call vote:

AYES:	Bhattarai, Brown, Ktsanes, Robinson, Zepeda, Xavier
NOES:	Murphy
ABSTAIN:	None
ABSENT:	None

BOARD MEMBER AND STAFF ANNOUNCEMENTS

There were no Board Member or staff announcements.

ADJOURNMENT

With consensus of the Board, Chair Xavier adjourned the regular meeting at 9:13 P.M. to a regular meeting on July 9, 2026 at 6:15 P.M. with a location change to the City of El Cerrito Council Chambers.

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 on June 11, 2026.



9/15/26

Board Secretary

Date