



Central Contra Costa Solid Waste Authority

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BOARD OF DIRECTORS REGULAR MEETING

AGENDA

APRIL 28, 2022 - 3:00 P.M.

Teleconference/Public Participation Information

This meeting will be held *exclusively* via teleconference participation of a quorum of Board members in locations not open to the public in compliance with Assembly Bill (“AB”) 361 (Rivas, Chapter 165, Statutes of 2021) and its amendments to California Public Resources Code Section 54953(e), allowing for deviation of teleconference and physical location meeting rules otherwise required by the Ralph M. Brown Act. This meeting is being held during a proclaimed state of emergency, and state and local officials have imposed or recommended measures to promote social distancing, while allowing the public to observe and address the Board.

For this meeting, there will be no physical location from which members of the public may observe the meeting. Instead:

Members of the public are welcome to submit written comments via email to the Board Secretary at Authority@RecycleSmart.org prior or during the time for public comment at the meeting. The Board Secretary will share all comments with the Board at the meeting and make them part of the public record.

Members of the public are also welcome to observe and address the Board telephonically, at the appropriate time for public comment during the meeting, following these instructions:

Please click the link below to join the webinar:

Link to join Webinar: <https://us02web.zoom.us/j/85332589396>

Or iPhone one-tap: 1-669-900-6833 or 1-408-638-0968

Webinar ID: 853 3258 9396

During the meeting, the Chair will call for public comment. If you wish to address the Board, please so indicate at that time and the Chair will add you to the speaker list and call your name when it is your turn.

Note: To improve everyone's opportunity to participate, please mute your computer or phone until you are called to speak.

In accordance with the Americans with Disabilities Act, California Law, and the Governor's Executive Orders, it is the policy of the Central Contra Costa Solid Waste Authority to offer its public meetings in a manner that is readily accessible to everyone, including those with disabilities. Any individual with a disability may request reasonable modifications or accommodations so that they may observe and address the Board at this teleconference meeting. If you are disabled and require special accommodations to participate, please contact the Board Secretary at least 48 hours in advance of the meeting at Authority@RecycleSmart.org with the following information: name, phone number, email, and type of assistance requested.

1. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

2. PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA

When addressing the Board, please state your name, company and/or address for the record. There is a three-minute limit to present your information. (The Board Chair may direct questions to any member of the audience as appropriate at any time during the meeting.)

3. CONSENT ITEMS

All items listed in the Consent Calendar may be acted upon in one motion. However, any item may be removed from the Consent Calendar by request by a member of the Board, public, or staff, and considered separately.

- a. Approve Minutes of the Regular Board Meeting on March 24, 2022*
- b. Adopt Resolution 2022-06, Approving continued use of teleconferencing for the meetings of all CCCSWA legislative bodies under Assembly Bill 361*

4. ACTION ITEMS

- a. Operations Fund and Reuse Fund Budgets for Fiscal Year 2022-2023*
Adopt Operations Fund and Reuse Fund Budgets for Fiscal Year 2022-23, as set forth in Attachments A and B.
- b. Amendment to Franchise Agreement with Mt. Diablo Recycling, extending the term of the Agreement for two years (through February 2027) and making certain other changes to the Agreement, and notice to Republic of intent to exercise option to extend the term of the Franchise Agreement for two years (through February 2027)*
 - i. Approve Second Amendment to Franchise Agreement with Mt. Diablo Recycling, extending the term for two years (through February 2027); and
 - ii. Direct staff to give notice to Republic of CCCSWA's intent to exercise its option under the Franchise Agreement with Republic Services to extend the term for two years (through February 2027).

c. Executive Director Recruitment

Consider (1) approving an ad hoc committee to provide guidance and recommendations to the Board regarding recruitment of an Executive Director, and (2) authorizing the Board Chair to execute a professional services agreement with a recruiting firm to lead the search, based on recommendation from the Ad Hoc Committee and so long as the total amount is consistent with the agency's approved budget.

5. **INFORMATION ITEMS**

These reports are provided for information only. No Board action is required.

- a. Executive Director's Monthly Report*
- b. Future Agenda Items*

6. **BOARD COMMUNICATIONS AND ANNOUNCEMENTS**

7. **ADJOURNMENT**

**Corresponding Agenda Report or Attachment is included in this Board packet.*

ADDRESSING THE BOARD ON AN ITEM ON THE AGENDA

Persons wishing to speak on PUBLIC HEARINGS and OTHER MATTERS listed on the agenda will be heard when the Chair calls for comments from the audience, except on public hearing items previously heard and closed to public comment. The Chair may specify the number of minutes each person will be permitted to speak based on the number of persons wishing to speak and the time available. After the public has commented, the item is closed to further public comment and brought to the Board for discussion and action. There is no further comment permitted from the audience unless invited by the Board.

ADDRESSING THE BOARD ON AN ITEM NOT ON THE AGENDA

In accordance with State law, the Board is prohibited from discussing items not calendared on the agenda. For that reason, members of the public wishing to discuss or present a matter to the Board other than a matter which is on the Agenda are requested to present the matter in writing to RecycleSmart Board Secretary at least one week prior to a regularly scheduled Board meeting date. If you are unable to do this, you may make an announcement to the Board of your concern under PUBLIC COMMENTS. Matters brought up which are not on the agenda may be referred to staff for action or calendared on a future agenda.

AMERICANS WITH DISABILITIES ACT

In accordance with the Americans With Disabilities Act and California Law, it is the policy of the Central Contra Costa Solid Waste Authority dba RecycleSmart to offer its public meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require special accommodations to participate, please contact RecycleSmart Board Secretary at least 48 hours in advance of the meeting at (925) 906-1801.

**DRAFT REGULAR BOARD MEETING OF THE
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
HELD ON MARCH 24, 2022**

The Regular Board Meeting of the Central Contra Costa Solid Waste Authority's (CCCSWA's) Board of Directors convened exclusively via teleconference participation of a quorum of Board Members in locations not open to the public in compliance with the Governor's Executive Order N-25-20 (March 12, 2020) as superseded by Order N-29-20 (March 17, 2020), allowing for deviation of teleconference and physical location meeting rules otherwise required by the Ralph M. Brown Act. The purpose of the orders is to provide the safest environment for staff and the public consistent with Contra Costa County Health Services' current public health recommendations, while allowing the public to observe and address the Board after submitting written comments via email to the Board Secretary at Authority@RecycleSmart.org prior to or during the time for public comment at the meeting.

Chair Matt Francois called the meeting to order at 3:08 P.M. on March 24, 2022.

PRESENT: Board Members: Candace Andersen
Newell Arnerich
Matt Francois, Chair
Teresa Gerringer
Inga Miller
Karen Mitchoff
Renee Morgan
Teresa Onoda
Cindy Silva
Renata Sos, Vice Chair
Amy Worth

ABSENT: Gina Dawson

Staff members present via teleconference: Ken Etherington, Executive Director; Janna McKay, Executive Assistant/Secretary to the Board; Judith Silver, Senior Program Manager; Jennifer Faught, Contract Compliance Specialist; Ashley Louisiana, Program Manager; and Deborah L. Miller, CCCSWA Counsel.

1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**
2. **PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA**

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

3. **CONSENT ITEMS**
 - a. Approve Minutes of the Regular Board Meeting on February 24, 2022
 - b. Adopt Resolution 2022-04, Approving continued use of teleconferencing for the meetings of all CCCSWA legislative bodies under Assembly Bill 361

- c. Authorize positions on 2022 bills as recommended by the Legislative Committee, and Authorize the Executive Director to send support letters for those bills

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

MOTION by Board Member Arnerich to approve Consent Items a., b. and c. SECOND by Board Member Morgan.

MOTION PASSED unanimously by a Roll Call vote.

4. ACTION ITEMS

- a. Provider Services Agreement for Professional Accounting Services
Authorize the Executive Director to enter into a Provider Services Agreement with JJACPA, Inc. for Professional Accounting Services at a cost not-to-exceed \$90,300.

Executive Director Ken Etherington recommended the approval of a Provider Services Agreement for JJACPA given that Wendy Nelson, CCCSWA's Finance Manager had left the organization. He recommended that JJACPA fill the void, estimated at 30 hours a week, until the Finance Manager position could be filled. He added that JJACPA had done work with RecycleSmart since 2015 and had also provided interim accounting services. He explained that the agreement was a sole source contract given JJACPA's full knowledge of RecycleSmart's financial and accounting functions. Brett Jones of JJACPA was available via Zoom at this time to respond to questions.

Board Member Silva expressed concern that as an independent contractor there could be CalPERS issues with respect to JJACPA, although CCCSWA Legal Counsel Deborah Miller stated that would be unlikely but language could be added to the contract to address that concern.

Board Member Worth noted that the contract would not be long term and it could be shown as a temporary arrangement by identifying the need to go through a recruitment process.

Mr. Etherington reported he had contacted and had conversations with Robert Half & Associates but had not yet engaged them. He added that Ms. Nelson had been recruited through that firm.

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

MOTION by Board Member Arnerich to authorize the Executive Director to enter into a Provider Services Agreement with JJACPA, Inc. for Professional Accounting Services at a cost not-to-exceed \$90,300. SECOND by Board Member Andersen.

MOTION PASSED unanimously by a Roll Call vote.

- b. Chair and Vice Chair Elections
Elect CCCSWA Board Chair and Vice Chair for 2022-2023.

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

MOTION by Chair Francois to elect Vice Chair **Renata Sos** as the Board Chair and Board Member **Inga Miller** as the Vice Chair for 2022-2023. SECOND by Board Member Gerringer.

MOTION PASSED unanimously by a Roll Call vote.

- c. Resolution Recognizing Matthew Francois as Chair for the CCCSWA Board of Directors
Adopt Resolution No. 2022-05, Recognizing Matthew Francois for his leadership during his term as Chair of the CCCSWA Board of Directors.

Chair Sos read Resolution No. 2022-05 into the record to recognize former Chair Francois for his leadership during his term as Chair of the CCCSWA Board of Directors.

Chair Francois thanked the CCCSWA Board and staff for the plaque in recognition of his year as Chair and for the help that allowed staff, the Board and the service providers to work through a challenging year dealing with COVID-related delays and the SB 1383 compliance process among many other challenges. He looked forward to continuing on with the mission of the CCCSWA.

Each member of the CCCSWA Board took the opportunity to thank former Chair Francois for his judicial temperament in his demeanor, tenacity, calmness, welcoming personality, and ongoing leadership.

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

MOTION by Board Member Arnerich to adopt Resolution Recognizing Matthew Francois as Chair for the CCCSWA Board of Directors. SECOND by Board Member Worth.

MOTION PASSED unanimously by a Roll Call vote.

- d. Franchise Agreement Ad Hoc Committee Appointment (Chair Sos)
Consider establishing and appointing Board Members to an ad hoc committee regarding franchise agreement procurement strategy, negotiations and related matters.

Chair Sos asked the Board to consider establishing and appointing an ad hoc committee to make recommendations to the Board on the pending and unresolved questions regarding the existing Franchise Agreement with Republic Services and Mt. Diablo Recycling related to whether to enter into a two-year extension with Mt. Diablo Recycling, whether to exercise its right to extend the term with Republic Services for two years subject to negotiations, and whether to begin work to pursue a new ten-year agreement or agreements.

Chair Sos noted the issues had been discussed at the last meeting and she suggested that time was pressing. The charter was intended to make a recommendation to the Board on the pending offer from Mt. Diablo Recycling to extend its recycling processing contract for two years, to review Republic's position relative to the two-year extension of its collection contract, review the parties' respective rights and obligations under the Franchise Agreement on the option to extend and provide guidance and feedback to staff on the meet and confer process with Republic after which the committee would make a recommendation to the Board on whether to extend the Republic contract. Should the Board decline to extend one or both of the agreements, the committee would promptly begin work on a bid package and preferred form of Franchise Agreement for the next ten-year term. She recommended an aggressive timeline and sought a recommendation to the Board on the extensions at the May meeting, if possible. She recommended that the ad hoc committee be comprised of Directors Arnerich, Andersen, Silva and the Chair of the Board (Sos).

Board Member Silva asked if an attorney and a consultant were to be involved in the ad hoc committee process, and Mr. Etherington stated he had a conversation with CCCSWA Legal Counsel and had two options to use either Crowe LLP or HF&H Consultants. Both were available. Once there was direction from the ad hoc committee as to the preferences, the consultants would be brought in to put that work together. Both consultants had different strengths and both were qualified.

Chair Sos clarified that the membership was acceptable to the Board. She had recommended the ten-year agreements as a topic given that consideration could be in scope as the ad hoc committee was grappling with the short-term questions. In terms of duration, she suggested that the ad hoc committee could be given a life until right after the election and then reassess.

PUBLIC COMMENTS OPENED

DAVE TROTTER, Moraga, supported the proposal as being sound, concurred with the approach to address the complex subject, and stated the ad hoc committee should be given a broader term of reference given that a ten-year contract had interrelated economic and financial ramifications with respect to whether it made more sense than a limited two-year extension, and the scope would have to be given to the ad hoc committee to be able to consider those things in context. He noted that the composition of the ad hoc committee could always be reconsidered.

PUBLIC COMMENTS CLOSED

On the discussion of how an ad hoc committee is formed, CCCSWA Legal Counsel Miller explained that the RecycleSmart Board rules suggested that the Chair could approve the membership of the committee while the Board as a whole should approve the establishment of the committee. She recommended a motion to establish the committee.

Ms. Miller read Section 6.1 of the CCCSWA's Board Rules and Procedures related to the Board approval for the creation of a committee. She confirmed that whether or not the Board established the ad hoc committee, the nature of it being ad hoc was that it was not a standing committee and was not subject to the open meeting requirements of the Brown Act.

MOTION by Board Member Morgan that a Franchise Agreement Ad Hoc Committee be established, as recommended by Chair Sos and the members of the Board, for an ad hoc committee regarding Franchise Agreement procurement strategies, negotiations and related matters, that the committee be formed as recommended by Chair Sos as to the members of the committee, and the ad hoc nature of the committee meant it was not a standing committee and was not subject to the Brown Act open meeting requirements. SECOND by Board Member Silva.

MOTION PASSED unanimously by a Roll Call vote.

5. INFORMATION ITEMS

Reports were provided for information only and no Board action was required.

- a. Executive Director's Monthly Report
- b. Future Agenda Items

6. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

There were no Board communications or announcements.

7. ADJOURNMENT

The Board adjourned at 4:18 P.M. to the meeting scheduled for April 28, 2022 at 3:00 P.M.

Respectfully submitted by:

Janna McKay, Executive Assistant/
Secretary to the Board of the
Central Contra Costa Solid Waste Authority,
County of Contra Costa, State of California



Central Contra Costa Solid Waste Authority

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS

FROM: KEN ETHERINGTON, EXECUTIVE DIRECTOR
DEBORAH MILLER, LEGAL COUNSEL

DATE: APRIL 28, 2022

SUBJECT: CONSIDER CONTINUED USE OF TELECONFERENCING FOR THE MEETINGS OF ALL CCCSWA LEGISLATIVE BODIES UNDER ASSEMBLY BILL 361

SUMMARY

Based on proclaimed state of emergency, and guidance from the Contra Costa County Health office, consider and adopt resolution approving continued use of teleconferencing for the meetings of all CCCSWA legislative bodies under Assembly Bill 361.

RECOMMENDED ACTION

1. Adopt Resolution 2022-06, approving continued use of teleconferencing for the meetings of all CCCSWA legislative bodies under Assembly Bill 361.

DISCUSSION

On March 4, 2020, Governor Newsom proclaimed a state of emergency in California in connection with the Coronavirus Disease 2019 (“COVID-19”) pandemic.

State and local officials have imposed or recommended measures to promote social distancing. For example, the Health Officer for Contra Costa County published “Recommendations for Safely Holding Public Meetings” on September 20, 2021. Those recommendations “strongly recommend” on-line meetings, that local agencies should provide options for the public to participate without having to attend meetings in person, and that social distancing should be used, including six feet of spacing between all in attendance. The Health Officer for Contra Costa County updated its September 20, 2021 recommendations effective March 1, 2022. The Health Officer still “strongly recommends” meeting remotely. <https://cchealth.org/covid19/pdf/recommendations-for-safe-public-meetings.pdf>

On September 16, 2021, the Governor signed Assembly Bill (“AB”) 361, a bill that amends the Brown Act to allow local public agencies to continue to meet by teleconferencing during a state of emergency without complying with restrictions in the Brown Act that would otherwise apply.

AB 361 contains several requirements in order to continue the use of remote meetings. The key provisions include:

- There must be a state of emergency declared under the California Emergency Services Act. This effectively means the Governor must have declared the emergency.
- During that state of emergency, either (i) state or local officials must have imposed or recommended measures to promote social distancing; or (ii) the local legislative body must determine that meeting in person would present an imminent risk to the health or safety of attendees.
- The local legislative body must reconsider the factors above at least every 30 days, and adopt specified findings that the facts relied upon still exist.

Attached for the Board's consideration is a resolution making the necessary findings under AB 361. The resolution is drafted to make the action taken by the CCCSWA Board applicable to all of the CCCSWA's legislative bodies as defined by the Brown Act, which includes the Board's standing committees. If the CCCSWA Board adopts the recommended resolution, the standing committees will not be required to make their own findings.

The CCCSWA Board last considered and adopted a resolution under AB 361 on March 24, 2022. AB 361 requires the CCCSWA Board to regularly reconsider the findings in the proposed resolution. Staff plan to include an item on the consent calendar of each Board meeting to allow the Board to consider and adopt (and/or update) the findings in the resolution for as long as the Governor's proclaimed state of emergency related to the COVID-19 pandemic remains in effect and state and local officials continue to recommend or require measures to promote social distancing.

ATTACHMENT

- A. Resolution 2022-06, Continued Use of Teleconference for the Meetings of all CCCSWA Legislative Bodies under AB 361

RESOLUTION NO. 2022-06

**CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
CONTINUED USE OF TELECONFERENCING FOR THE MEETINGS OF ALL
CCCSWA LEGISLATIVE BODIES UNDER ASSEMBLY BILL 361**

WHEREAS, The Central Contra Costa Solid Waste Authority (“CCCSWA”) is a joint powers agency organized and existing under the laws of the State of California; and

WHEREAS, On March 4, 2020, the Governor of the State of California proclaimed a state of emergency under the State Emergency Services Act in connection with the Coronavirus Disease 2019 (“COVID-19”) pandemic, and that state of emergency remains in effect; and

WHEREAS, State and local officials have imposed or recommended measures to promote social distancing. For example, on September 20, 2021, the Health Officer for Contra Costa County published “Recommendations for Safely Holding Public Meetings.” Those recommendations “strongly recommend” on-line meetings, that local agencies should provide options for the public to participate without having to attend meetings in person, and that social distancing should be used, including six feet of spacing between all in attendance; and

WHEREAS, On September 16, 2021, the Governor signed Assembly Bill (“AB”) 361 (Rivas, Chapter 165, Statutes of 2021), a bill that amends the Brown Act to allow local public agencies to continue to meet by teleconferencing technology during a state of emergency without complying with restrictions in the Brown Act that would otherwise apply, subject to certain conditions, which must be reconsidered every 30 days; and

WHEREAS, The CCCSWA Board of Directors and its legislative bodies have met remotely during the COVID-19 pandemic and, so long as the state of emergency continues, can continue to do so in a manner that allows public participation and transparency while minimizing health risks to members, staff, and the public that would be present with in-person meetings; now, therefore, be it

RESOLVED, On behalf of all legislative bodies of the CCCSWA, the CCCSWA Board of Directors finds as follows:

1. As described above, as of the date of this meeting, the Governor’s proclaimed state of emergency remains in effect; and
2. As described above, as of the date of this meeting, State and local officials recommend measures to promote physical distancing and other social distancing measures; and, be it

FURTHER RESOLVED, For the reasons described above, the CCCSWA Board of Directors finds that for at least the next 30 days it is necessary for all legislative bodies of the CCCSWA to continue meeting exclusively by teleconferencing technology to promote public health and safety; and, be it

FURTHER RESOLVED, That the CCCSWA Board of Directors will review and reconsider the findings made herein at a meeting of the Board within the next 30 days, or if the Board does not meet within the next 30 days, at the next earliest meeting of the Board; and, be it

FURTHER RESOLVED, That the CCCSWA Board of Directors' findings contained herein are made on behalf of and shall apply to all legislative bodies of the CCCSWA.

PASSED AND ADOPTED by the CCCSWA Board of Directors this ____ day of _____, 2022, by the following vote:

AYES:	Members:	_____
NOES:	Members:	_____
ABSTAIN:	Members:	_____
ABSENT:	Members:	_____

Renata Sos, Chair
Central Contra Costa Solid Waste Authority,
County of Contra Costa, State of California

COUNTER-SIGNED:

APPROVED AS TO FORM:

Janna E. McKay, Secretary of the Board
for the Central Contra Costa Solid Waste
Authority, County of Contra Costa, State
of California

Deborah L. Miller, Counsel for the
Central Contra Costa Solid Waste Authority
County of Contra Costa, State of California



Central Contra Costa Solid Waste Authority

Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: BRETT JONES, INTERIM FINANCE MANAGER
DATE: APRIL 28, 2022

SUBJECT: OPERATIONS FUND AND REUSE FUND BUDGETS FOR FISCAL YEAR 2022-2023

SUMMARY

Fiscal Year 2022-23 (FY22-23) budgets are being presented for Board consideration and approval. On April 18, 2021, the draft budgets were presented to the Finance & Administration Committee for review and direction to Staff. The FY22-23 Operations Fund (Ops) Budget (Attachment A) provides for the core operational and administrative functions of RecycleSmart. All changes recommended by the Finance Committee have been incorporated into the final budgets being considered today.

The revenue and expenses of the FY22-23 Reuse Fund Budget (Attachment B) were approved at the January 27, 2022 Board meeting as part of the rate setting process.

RECOMMENDED ACTION

1. Adopt Operations Fund and Reuse Fund Budgets for Fiscal Year 2022-23, as set forth in Attachments A and B.

DISCUSSION

Background

The Operations Budget provides the funds used for the day-to-day operations of RecycleSmart. A majority of the revenues in this fund are generated from the residential and commercial solid waste rates set by the Board of Directors each year and collected by Republic Services.

Operations Fund Budget

A. Revenue

As stated above, the revenue for the Operations Fund is funded primarily by the solid waste rates. Included in the solid waste rates is the JPA-related Revenue budgeted at \$1,903,051, Recycling Processing Cost Revenue budgeted at \$2,585,757 and Diversion Program Revenue budgeted at \$833,394. Recycling Processing Expense payments began being paid to Mt. Diablo Recycling (MDR) in April 2021 to pay for processing of the recyclables delivered from the service area.

In FY 2021-2022, member agencies were awarded grant funds through the SB 1383 Local Assistance Grant Program from CalRecycle. The estimated revenues of \$266,363 consist of amounts to be contributed to CCCSWA from member agencies. The revenue will be used to implement regulation requirements associated with SB 1383.

As shown in Attachment A, total funds available for FY22-23 are estimated to be \$8,654,509 which includes a projected beginning year fund balance of \$3,025,018.

B. Expenses

The budget includes the following expenditures:

1. **Personnel Services:** expenses include staff salaries and benefits, worker's compensation, unemployment payments, Board Member remuneration, temporary staffing on special projects.

Expenses for this category total \$1,326,372. Included in the Personnel Services line item are staff merit increases, if eligible, with the Executive Director receiving a 1.5% merit increase. In addition, on March 11, 2022, Staff met with the Personnel Committee and the Committee voted to recommend a 3% COLA be included in the FY22-23 draft budget for Finance Committee review.

At the Finance Committee meeting, the Committee requested that the Personnel Committee meet to review the salary range for the future Finance Manager/Controller position and identify comparable positions within the member agencies.

2. **Materials and Supplies:** expenses include memberships and subscriptions, bank fees, office supplies, postage, reprographics, travel, staff development, and capital purchases. Expenses for this category total \$85,456.
3. **Professional Services:** expenses include legal services, computer troubleshooting and maintenance, auditing services, financial fees and services plus other consulting expenses generally not associated with a specific program. An additional \$20,240 has been included in the Professional Services budget to pay for a franchise extension review, as CCCSWA is nearing the end of the franchise agreement in a few years, and an additional \$38,350 is included for recruitment costs for the new Finance Director/Controller. Expenses for this category total \$313,090.

4. **Rent and Utilities:** expenses include insurance, office rent, and telephone charges. The new office lease commenced on August 1, 2020. Expenses for this category total \$178,133.
5. **Recycling Processing Cost:** beginning April 2021 and in accordance with a settlement agreement with Mt. Diablo Recycling (MDR), RecycleSmart began paying MDR a recycling processing cost of \$66.24 per ton for all accepted recyclable materials received by MDR from the RecycleSmart service area. Budgeted Recycling Processing Cost Revenues discussed in the “Revenues” section above will fund this expense. The difference between recycling processing costs and recycling processing revenue is reconciled at the end of the fiscal year and is applied to the next rate year. Expenses for this category total \$2,609,886.
6. **Diversion Programs:** These expenses are primarily to cover special programs, one-time expenses, start-up and/or pilot recycling programs. Diversion Program expenses are also used to cover other special diversion/solid waste related activities as approved by the Board. Budgeted Diversion Program Revenue discussed in the “Revenues” section above will fund a majority of these program expenses. Expenses for this category total \$836,494. These programs will be funded through Diversion Program Revenue (\$833,394) and Home Composting Revenue (\$3,100). A brief summary of each program is provided below. A detailed description of each project, included accomplishments and goals, is provided in Attachment C.
 - a. **C&D Program (existing program)** is budgeted at \$24,374 to continue to improve RecycleSmart’s ability to track C&D diversion in the service area. The cost will cover: (1) Support for member agencies use of the Green Halo “City Tracker” system. This is fundamental to member agencies’ staff’s ability to record and confirm compliance with the C&D Ordinance’s and CalGreen diversion requirements, and (2) Expand the functionality of the Green Halo system by linking with the ACCELA electronic permitting management system to improve reporting efficiency and reduce staff costs, and (3) Specific outreach to contractors about SB 1383 and opportunities to divert green waste and wood.
 - b. **Community Funding Program (existing program)** is budgeted in response to the many requests staff receives throughout the year for sponsorships and support of local and regional recycling efforts and outreach. Currently budgeted at \$5,000, staff is projecting that this amount will cover the cost of assisting the community with recycling efforts and outreach.
 - c. **GIS Route Mapping (new program)** is budgeted at \$24,500. This program’s goal is to develop a GIS tool to define the RecycleSmart perimeter within the unincorporated portion of the service area.
 - d. **Home Composting for Busy People Program (existing program)** is budgeted at \$37,000. US Composting Council award winning program supports organics recycling outreach. SB 1383 requires home composting education and outreach. The program consists of workshops, Annual Compost Giveaway, Compost in the Classroom, CompostSMART community volunteer outreach program, reduce fee compost bins,

single-family home composter certification and bill discount.

- e. **RecycleSmart Advertisement Campaign (existing program)** is budgeted at \$20,000. These funds are used to increase awareness of RecycleSmart diversion programs, while also increasing use of the RecycleSmart website as a resource. The program supports outreach and education by development and design of messaging and graphics that support RecycleSmart programs displayed through various mediums including, local print advertising, online display advertising, social media, website, direct mail and other materials distributed by Republic Services field recycling coordinators; includes associated print and postage costs and as-needed photography.
- f. **Recycling Outreach (existing program)** is budgeted at \$150,000. The program encourages residents and businesses to increase their “empty, clean and dry” recycling efforts to reduce contamination in the blue cart, and sort properly at the curbside. RecycleSmart has contracted with an outreach and design consultant. Costs will also include any printing, mailing and ad placement.
- g. **Residential Newsletter (existing program)** is budgeted at \$283,120 for RecycleSmart’s dedicated outreach channel to single-family residents. The newsletter is relied upon as one of the many methods of customer communication about RecycleSmart’s programs and services. A residential survey was completed showing 80% of the readers found the newsletter informative.
- h. **SB 1383 - Organics Reduction Program (existing program)** is budgeted at \$134,000 to continue programs in support of organics disposal reduction requirements as prescribed by SB 1383. Program elements include food recovery, monitoring and compliance, an RFP for route contamination minimization services and annual reporting. Funding in FY 22-23 will support efforts to continue the edible food collection program infrastructure, marketing/promotion of edible food collection to both Tier One and Tier Two generators. Funding for the next fiscal year will come from one-time CalRecycle SB 1383 administered local assistance grant funding.
- i. **School Recycling Program (existing program)** is budgeted at \$120,000 for RecycleSmart school contractor’s (with direction from staff) activities geared towards education and increasing diversion rate at schools. This has been the same budgeted amount for several years, except for the year when schools were closed due to the pandemic and the budget was reduced.
- j. **Special Events (existing program)** is budgeted at \$8,500 for staff to support local community events, such as Community Fairs, Festivals and Earth Day events, and to purchase displays, visuals and outreach tools for the RecycleSmart booth, includes insurance and booth costs.
- k. **Wastebusters & Scholarships Program (existing program)** is budgeted at \$30,000 and provides certifications to schools for their participation in recycling programs and provides cash scholarships for selected applicants and awards for schools that reach a 75% or better diversion rate.

C. Fund Balance

Based on the above estimated revenue and expenditures, the Operations Fund balance at the end of FY22-23 is estimated to be \$3,305,077. Of that amount, \$1,069,886 has been set aside as General Fund Reserve (20% of total budgeted expenditures).

Reuse Fund Budget

The Reuse Fund budget is setup exclusively for the purposes of payments toward the Reuse and Battery collection programs. Republic Services collects these funds from rate payers and provides them to RecycleSmart for payment to Mt. Diablo Recycling for their services. The funds for this service were approved at the January 2022 Board meeting during the rate setting process. The revenue and expenses for the Reuse Fund budget is budgeted at \$1,127,511 (Attachment B).

ATTACHMENTS

- A. Operations Fund Budget for FY 2022-23
- B. Reuse Fund Budget for FY 2022-23
- C. Diversion and Recycling Programs Matrix
- D. Member Agency Reserve Balances

Agenda Item No. 4a
Attachment A

General Operations Fund Fiscal Year 2022-23 Operations Fund Budget				
	<u>FY 2021-22 Adopted Budget</u>	<u>Projected FY 2021-22 EOY Actuals</u>	<u>Proposed FY 2022-23 Budget</u>	
Beginning Fund Balance	\$ 3,099,415	\$ 3,205,331	\$ 3,025,018	
Revenues				
JPA Revenue	1,844,218	1,844,218	1,903,051	
Recycling Processing Revenue	2,621,225	2,573,607	2,585,757	
Diversion Program Revenue	771,628	771,628	833,394	
Recycling Contribution Revenue	377,778	377,778	-	
SB 1383 Local Assistance Grant Program Revenue	-	-	266,363	
Interest Earned	82,081	26,546	27,326	
Home Composting Revenue	3,100	3,100	3,100	
Other Revenue	10,000	128,290	10,000	
Miscellaneous Revenue	500	600	500	
Total Revenues	5,710,530	5,725,766	5,629,491	
Total Funds Made Available	8,809,945	8,931,097	8,654,509	
Expenses				
Full Time Staff Salaries	922,231	863,867	953,168	
Overtime	-	-	-	
Benefits Expense	351,109	328,270	362,204	
Temporary Staff	5,000	2,000	5,000	
Board Member Remuneration	6,000	5,000	6,000	
Workers Compensation Paid	-	-	-	
Total Personnel Services	1,284,340	1,199,137	1,326,372	
Copier Lease	14,121	14,233	14,751	
Fees Bank and Other	16,694	16,356	16,754	
Memberships Dues Subscriptions	8,471	8,463	8,501	
Miscellaneous	300	300	300	
Office Supplies	7,000	5,448	7,000	
Postage	3,000	1,500	3,000	
Reprographics	2,000	500	2,000	
Staff Development/travel	18,150	12,000	18,150	
Conference/Meeting	3,000	3,000	3,000	
Capital Furnishings/Equip	12,000	5,000	12,000	
Total Materials and Supplies	84,736	66,800	85,456	
7900 Professional Svcs Contracts & Contractors	124,500	124,500	144,740	
7901 Financial Services and Fees	51,000	55,500	55,000	
7902 Legal	75,000	75,000	75,000	
7310 Recruitment	-	-	38,350	
Total Professional Services	250,500	255,000	313,090	
8200 Insurance	22,857	23,606	30,772	
8201 Rent	135,426	128,819	139,022	
8202 Telephone	8,940	8,665	8,340	
Total Rent and Utilities	167,223	161,089	178,133	
Recycling Processing Cost ¹	2,638,468	2,585,671	2,609,886	
Total Recycling Processing Costs	2,638,468	2,585,671	2,609,886	

General Operations Fund Fiscal Year 2022-23 Operations Fund Budget				
	<u>FY 2021-22 Adopted Budget</u>	<u>Projected FY 2021-22 EOY Actuals</u>	<u>Proposed FY 2022-23 Budget</u>	
C&D Program Expense	21,188	10,746		24,374
Commercial Recycling Program Expense	3,420	3,420		-
Community Funding Expense	5,000	5,000		5,000
GIS Route Mapping	-	-		24,500
Home Composting Expense	39,000	10,076		37,000
RecycleSmart Advertisement Expense	29,500	25,350		20,000
Recycling Outreach	162,000	95,000		150,000
Residential Newsletter Expense	283,120	260,000		283,120
SB 1383 Organics Compliance Program Expense	73,000	60,000		134,000
School Recycling Expense	120,000	100,000		120,000
Special Events Expense	8,500	6,700		8,500
Wastebusters Expense	30,000	30,000		30,000
Total Diversion Programs²	774,728	606,292		836,494
Special Items:				
Pension Liability Paydown Expense ³	150,000	87,646		-
Total Expenses	5,349,996	4,961,635		5,349,432
Excess Revenue Over (Under) Expenditures	360,535	764,131		280,059
Other Financing Sources/(uses)				
Allocation of Recycling Contribution Revenue from General Fund to member agencies	-	944,444		-
Total other financing sources/(uses)	-	944,444		-
General Fund Reserve (20% of Total Budgeted Expenditures)		1,069,999		1,069,886
Unassigned Fund Balance		1,955,019		2,235,191
Ending Fund Balance	\$ 3,459,949	\$ 3,025,018		\$ 3,305,077
¹ The difference between recycling processing cost and recycling processing revenue is reconciled at the end of the fiscal year and is applied to the next rate year.				
² Diversion program expenses to be funded by diversion program revenue (\$833,394) and home composting revenue (\$3,100).				
³ CCCSWA reported a net pension liability of \$157,469 as of June 30, 2021.				

Reuse Fund Budget Fiscal Year 2022-23			
	<u>FY 2021-22 Adopted Budget</u>	<u>Projected FY 2021-22 EOY Actuals</u>	<u>Proposed FY 2022-23 Budget</u>
Revenues			
Reuse Program Income	\$1,127,511	\$1,127,511	\$1,127,511
Total Revenues	\$1,127,511	\$1,127,511	\$1,127,511
Expenses			
Reuse and Cleanup Program Expense	\$1,127,511	\$1,127,511	\$1,127,511
Total Expenses	\$1,127,511	\$1,127,511	\$1,127,511
Excess Revenue Over (Under) Expenditures	\$ -	\$ -	\$ -

RecycleSmart's Diversion and Recycling Programs

Program	Description	Accomplishments/Goals
<p>Construction and Demolition Program</p> <p>Cost: \$24,374</p> <p>Regulatory Requirement: Yes, CalGreen & SB 1383</p>	<p>To continue to improve RecycleSmart's ability to track C&D diversion in the service area. The cost will cover: (1) Support for member agencies use of the Green Halo "City Tracker" system. This is fundamental to member agencies' staff's ability to record and confirm compliance with the C&D Ordinance's and CalGreen diversion requirements, and (2) Expand the functionality of the Green Halo system by linking with the ACCELA electronic permitting management system to improve reporting efficiency and reduce staff costs, and (3) Specific outreach to contractors about SB 1383 and opportunities to divert green waste and wood.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ Diverted 36,659 tons of C&D debris and successfully tracked diversion and member agency covered projects using Green Halo ▪ Funded the City of Walnut Creek integration of Accela and Green Halo to streamline permitting process ▪ Completed the transition to approval of only mixed C&D processing facilities with 3rd party verification <p>Goals:</p> <ul style="list-style-type: none"> ▪ Fund Green Halo/Accela integration costs for Lafayette, Orinda and Moraga ▪ Outreach to contractors on the importance of organics diversion as a component of C&D projects
<p>Community Funding</p> <p>Cost: \$5,000</p> <p>Regulatory Requirement: No</p>	<p>This program is a response to the many requests staff receives throughout the year for sponsorships and support of local and regional recycling efforts and outreach. Currently budgeted at \$5,000, staff is projecting that this amount will cover the cost of assisting the community with recycling efforts and outreach. Funds are upon request and given on a first come, first served basis.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ Provided funding for Sustainable Contra Costa, the California Resource Recovery Association (CRRA) and The Crayon Initiative <p>Goals:</p> <ul style="list-style-type: none"> ▪ Continue to provide funding as requested to support waste reduction and recycling activities

Program	Description	Accomplishments/Goals
<p>GIS Mapping of Unincorporated Service Area</p> <p>Cost: \$24,500</p> <p>Regulatory Requirement: No</p>	<p>One time funding of \$24,500 is requested. This program’s goal is to develop a GIS tool to define the RecycleSmart perimeter within the unincorporated portion of the service area.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ N/A <p>Goals:</p> <ul style="list-style-type: none"> ▪ Complete development of tool; mechanism to identify the correct service provider for unincorporated residents and businesses ▪ Resource for the next franchise RFP process
<p>Home Composting for Busy People Program</p> <p>Cost: \$37,000</p> <p>Regulatory Requirement: Supports SB 1383</p>	<p>US Composting Council award winning program supports organics recycling outreach. SB 1383 requires home composting education and outreach. The program consists of workshops, Annual Compost Giveaway, Compost in the Classroom, CompostSMART community volunteer outreach program, reduce fee compost bins, Single-family home composter certification and bill discount.</p>	<p>Accomplishments: (Many functions of this program were paused due to COVID-19. RecycleSmart is re-launching spring 2022)</p> <ul style="list-style-type: none"> ▪ 2 virtual community workshops in 2021 with 180 participants ▪ 4 virtual and 4 in-person Compost in the Classroom workshops (pre-covid 24/year) ▪ 164 compost bins sold ▪ 1,831 Republic bill discount ‘certifications’ and 1,428 tons of potential organics diversion by home composting <p>Goals:</p> <ul style="list-style-type: none"> ▪ Expand the practice of source reduction (reuse on site), reduce organic waste to landfill, increase water retention and promote healthy soil and food. ▪ Re-launch in-person hands-on community workshops, including outreach on SB 1383 and use of the curbside green organics cart ▪ Increase single-family home composter certification and bill discount; increase organics diversion ▪ Re-launch CompostSMART community volunteer outreach program

Program	Description	Accomplishments/Goals
<p>RecycleSmart Advertisement Campaign</p> <p>Cost: \$20,000</p> <p>Regulatory Requirement: Yes</p>	<p>Supports outreach and education by development and design of messaging and graphics that support RecycleSmart programs displayed through various mediums including, local print advertising, online display advertising, social media, website, direct mail and other materials distributed by Republic Services field recycling coordinators; includes associated print and postage costs and as-needed photography</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ Green Cart Guide direct mail to residents ▪ Plastic Free July direct mail to residents ▪ Organics outreach local print ads ▪ AB 827 postcard distributed by Republic Services recycling coordinators ▪ Social media graphics <p>Goals:</p> <ul style="list-style-type: none"> ▪ Continue program-specific outreach to increase awareness of RecycleSmart waste diversion and programs and services ▪ Increase social media followers and interaction
<p>Recycling Outreach</p> <p>Cost: \$150,000</p> <p>Regulatory Requirement: No</p>	<p>Supports outreach and education by development, design and implementation of an annual outreach campaign to increase awareness of RecycleSmart waste diversion and recycling programs and services; respond to state law, new legislation and industry changes.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ Organics recycling outreach campaign in response to SB 1383, including new truck sign, local print advertising, paid display advertising, social media, short videos and direct mail <p>Goals:</p> <ul style="list-style-type: none"> ▪ Issue new RFP for annual outreach campaign
<p>Residential Newsletter</p> <p>Cost: \$283,120</p> <p>Regulatory Requirement: No</p>	<p>RecycleSmart’s dedicated outreach to single-family and multi-family residents. The newsletter is relied upon as one of the many methods of customer communication about RecycleSmart’s programs and services.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ Successful delivery of quarterly residential newsletter since 2016 (updated format) ▪ Performed a residential survey showing 80% of readers found the newsletter informative <p>Goals:</p> <ul style="list-style-type: none"> ▪ Continue this method of outreach and provide useful information about RecycleSmart programs and services

Program	Description	Accomplishments/Goals
<p>SB 1383 Implementation</p> <p>Cost: \$134,000</p> <p>Regulatory Requirement: Yes, SB1383</p>	<p>Continues programs in support of organics disposal reduction requirements as prescribed by SB 1383. Program elements include food recovery, monitoring and compliance, an RFP for route contamination minimization services and annual reporting. Funding in FY 22-23 will support efforts to continue the edible food collection program infrastructure, marketing/promotion of edible food collection to both Tier One and Tier Two generators. Funding for the next fiscal year will come from one-time CalRecycle SB 1383 administered local assistance grant funding.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ Passed Ordinance No. 21-1, the Mandatory Organic Waste Disposal Reduction Ordinance ▪ Provided organics service to all townhome residents ▪ Developed and tested route contamination minimization monitoring protocol ▪ Assisted the Member Agencies to submit grant applications to CalRecycle ▪ Partnered with White Pony Express on implementation of the CalRecycle Food Rescue grant ▪ Outreach and education to residents, businesses, multifamily complexes and schools ▪ Presented on SB 1383 to each member agency city/town council. <p>Goals:</p> <ul style="list-style-type: none"> ▪ RFP for route contamination minimization monitoring and educational cart tags ▪ Develop enforcement plan ▪ Partner with Contra Costa Environmental Health to begin Tier 1 Edible Food Generator inspections starting July 1, 2022 ▪ Outreach and education
<p>School Recycling & Organics Program</p> <p>Cost: \$120,000</p> <p>Regulatory Requirement: Supports SB 1383</p>	<p>RecycleSmart provides support through education and technical assistance to schools to increase awareness and diversion. Includes special activities, presentations, education of green teams, bins, outreach materials, trainings, consultations, and more.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ Restarted diversion programs at schools that were closed during the pandemic ▪ At staff request, Abbe & Associates created a new recordkeeping tool, with RecycleSmart access, so that we may track school contacts, service level changes, and outreach efforts ▪ New school-specific brochure

Program	Description	Accomplishments/Goals
School Recycling & Organics Program Cont.		<ul style="list-style-type: none"> ▪ Intern program doubled to 15 students ▪ Provided virtual assistance during the pandemic upon request. <p>Goals:</p> <ul style="list-style-type: none"> ▪ Increase number of food share tables, as possible ▪ Continue engaging with schools to recover excess edible food as required by SB 1383 starting January 1, 2024 ▪ Continue to support and broaden internship program
<p>Special Events</p> <p>Cost: \$8,500</p> <p>Regulatory Requirement: No</p>	<p>For staff to support local community events, such as Community Fairs, Festivals and Earth Day events, and to purchase displays, visuals and outreach tools for the RecycleSmart booth, includes insurance and booth costs.</p>	<p>Accomplishments: (Many functions of this program were paused due to COVID-19. RecycleSmart is re-launching spring 2022)</p> <ul style="list-style-type: none"> ▪ Staff attended Member Agency, Chamber, Industry and other virtual events ▪ Participated in the Moraga Pear Festival in 2021 <p>Goals:</p> <ul style="list-style-type: none"> ▪ Re-launch event schedule in 2022 as community events return
<p>Wastebusters & Student Scholarships</p> <p>Cost: \$30,000</p> <p>Regulatory Requirement: No</p>	<p>Provides certifications to schools for their participation in recycling programs and provides cash scholarships for selected applicants and awards for schools that reach a 75% or better diversion rate.</p>	<p>Accomplishments:</p> <ul style="list-style-type: none"> ▪ 4 Student scholarships awarded in 2021 (no Wastebusters awards in 2021 due to pandemic and amended budget) <p>Goals:</p> <ul style="list-style-type: none"> ▪ Continue to increase diversion and help new schools reach 75% ▪ Resume awarding Wastebusters awards in 2022 and 2023 ▪ 2022 and 2023 student scholarships

**Agenda Item No. 4a
Attachment D**

**Central Contra Costa Solid Waste Authority
Member Agency Reserve Balances
Attachment D**

	<u>6/30/2021 Balance</u>	<u>Close DIF</u>	<u>Distribution of Recycling Revenue FY 2020</u>	<u>Distribution of Recycling Revenue FY 2021</u>	<u>Direct Distributions</u>	<u>4/28/22 Balance</u>
Contra Costa County	\$ 2,062,738	\$ 389,348	\$ 116,733	\$ 77,822	\$ -	\$ 2,646,641
Town of Danville	3,180,267	380,324	113,900	75,933	-	3,750,424
City of Lafayette	2,351,835	218,057	65,167	43,444	(323,731)	2,354,772
Town of Moraga	740,338	135,012	40,233	26,822	-	942,406
City of Orinda	1,003,057	155,537	46,467	30,978	-	1,236,038
City of Walnut Creek	3,034,915	615,996	184,167	122,778	-	3,957,855
Total Due to Other Governments	<u>\$ 12,373,150</u>	<u>\$ 1,894,274</u>	<u>\$ 566,667</u>	<u>\$ 377,778</u>	<u>\$ (323,731)</u>	<u>\$ 14,888,137</u>



Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: KEN ETHERINGTON, EXECUTIVE DIRECTOR
DATE: APRIL 28, 2022

SUBJECT: AMENDMENT TO FRANCHISE AGREEMENT WITH MT. DIABLO RECYCLING, EXTENDING THE TERM OF THE AGREEMENT FOR TWO YEARS (THROUGH FEBRUARY 2027) AND MAKING CERTAIN OTHER CHANGES TO THE AGREEMENT, AND NOTICE TO REPUBLIC OF INTENT TO EXERCISE OPTION TO EXTEND THE TERM OF THE FRANCHISE AGREEMENT FOR TWO YEARS (THROUGH FEBRUARY 2027)

SUMMARY

At the March 2022 Central Contra Costa Solid Waste Authority (CCCSWA) Board meeting, the Board approved an Ad Hoc Committee to study in detail the agency's options and make recommendations to the full Board regarding franchise agreement procurement strategy, negotiations, and related matters. The Ad Hoc Committee, made up of Directors Andersen, Arnerich, Silva and Sos, met in late March to review the agency's position.

The Committee unanimously recommends that the Board approve the Second Amendment to the Mt. Diablo Recycling (MDR) Franchise Agreement for recyclables processing, extending the term through February 2027, under all of the same terms and conditions of the currently effective MDR Franchise Agreement. The Committee concluded that extending the term for two years offered, among other things, significant economic benefits for the ratepayers compared to either the offer from Republic or the market.

The Committee also unanimously recommends that the Board direct staff to give notice to Republic Services ("Republic") of CCCSWA's intent to exercise its option under the Republic Franchise Agreement for collection, processing, and disposal, to extend the term of the agreement through February 2027. The Committee concluded that exercising the option to extend would, among other things, achieve economically favorable terms for ratepayers, consistency and predictability for customers, and time for CCCSWA to engage a rigorous and thorough process for a new long-term franchise agreement. CCCSWA's notice is expected to trigger a meet and confer with Republic regarding depreciation and interest expenses during the extension period. The Ad Hoc Committee is expected to guide staff in the negotiations and make a recommendation to the Board, for the Board's final determination in its discretion, regarding any proposed changes to the franchise agreement during the extension period.

RECOMMENDED ACTION

1. Approve Second Amendment to Franchise Agreement with Mt. Diablo Recycling, extending the term for two years (through February 2027); and
2. Direct staff to give notice to Republic of CCCSWA's intent to exercise its option under the Franchise Agreement with Republic Services to extend the term for two years (through February 2027).

DISCUSSION

Existing Franchise Agreements with Republic and MDR

In 2014, Central Contra Costa Solid Waste Authority (CCCSWA) entered:

1. a Franchise Agreement with Allied Waste Systems, Inc. dba Allied Waste Services of Contra Costa County and also dba Republic Services of Contra Costa County ("Republic") for franchised materials collection, transfer, transport, processing, diversion, and disposal services (which was subsequently once amended) ("Republic Franchise Agreement") (see **Attachment A**), and
2. a Franchise Agreement with Mt. Diablo Paper Stock, Inc. dba Mt. Diablo Recycling (MDR) for recyclable materials transfer, transport, processing, and diversion services, including the re-use program (which was subsequently once amended) ("MDR Franchise Agreement") (see **Attachment B**).

Together the franchise agreements provide a full scope of collection, processing, recycling, and disposal services for solid waste, recyclables, and organics. The franchise agreements require certain cooperation between the contractors to deliver the services. The franchise agreements have 10-year terms, starting March 1, 2015 and expiring February 28, 2025.

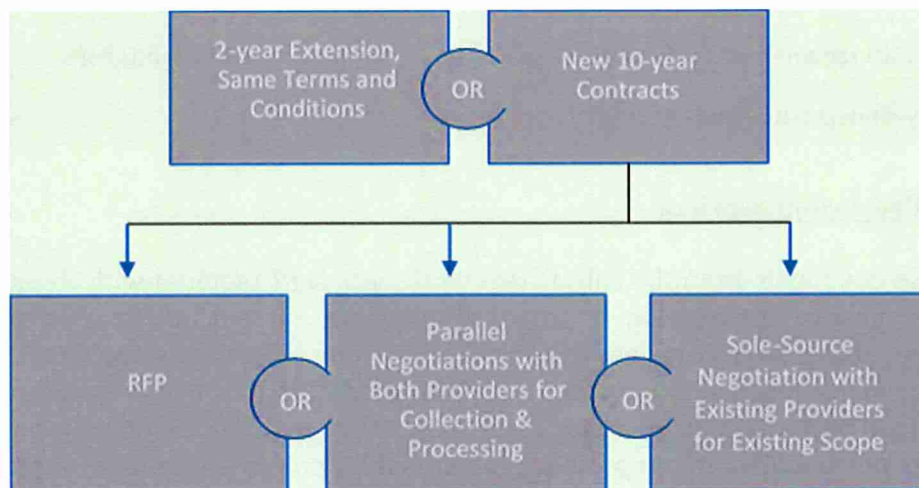
The Republic Franchise Agreement provides CCCSWA "sole discretion" to extend the term of the agreement for up to 24 additional months (through February 28, 2027). If CCCSWA elects to exercise its option to extend the term, CCCSWA must give written notice of its election to Republic at least 180 days prior to the expiration date of the then-current term. Prior to extending the term, the parties shall meet and confer to discuss depreciation of collection vehicles and containers in service, and future acquisition needs and related costs, if any. The parties shall agree on how depreciation and interest expenses shall be treated during the extension period. The parties shall analyze whether, and if so, how much the depreciation and interest expenses may be reduced for equipment that is fully depreciated and how to address depreciation and interest expense of any equipment that will need to be purchased during the extension period under consideration. The CCCSWA Executive Director shall make the final determination in the event any disputes arise regarding depreciation and interest expenses during the extension period.

The MDR Franchise Agreement originally included an option to extend the term of the MDR agreement for up to 24 additional months, which made it coextensive with the option to extend the term of the Republic Franchise Agreement. In 2019, however, MDR took the position that changing conditions of recyclables markets made the economic terms of MDR’s then-existing agreement with CCCSWA no longer viable for the company; MDR claimed it had the right to terminate the MDR Franchise Agreement. In settlement of their disputes, the parties entered a First Amendment to MDR’s Franchise Agreement, which, among other things, released MDR’s prior obligation to make a recyclable revenue payment, added a new obligation for MDR to share revenue if its annual average recycling revenue per ton exceeds a certain threshold, added a new right for MDR to collect a recyclables processing fee, and removed, at the request of MDR, CCCSWA’s option to extend the term of the agreement. Thus, at present, the MDR Franchise Agreement expires February 28, 2025—two years earlier than the potential full term of the Republic Franchise Agreement (see **Attachment B**).

July Board Workshop to Consider Potential Procurement Approaches for Franchised Services

In July 2021, the CCCSWA Board held a workshop to discuss potential procurement approaches for future franchise agreements (see PowerPoint presentation at **Attachment C**). For planning purposes, staff assume that securing new long-term agreements with vendors could require on the order of 30 months (18 months for the full procurement process and 12 months for the vendor to procure vehicles and equipment). Staff timed the workshop to allow the Board’s direction relative to procurement approach to be fully-implemented on or before the expiration of the current franchise agreements in February 2025.

At the July workshop, the Board consider two primary procurements options: either (1) two-year extension of the existing franchise agreements (through February 2027) under the same terms and conditions as the existing agreements, but with the possibility that either MDR or Republic could offer the recyclables processing services, including the re-use program, for that two-year term, or (2) one or more new 10-year contract(s) (beginning March 2025) for the full scope of services, with the possibility that the new agreement could be procured through Request for Proposals (RFP), parallel negotiations with both existing providers for collection and processing, or sole-source negotiation with the existing providers for their respective existing scope. The options and variations are depicted below.



To assist the Board in evaluating the procurement options, staff presented data regarding hauler locations and facility locations relative to the CCCSWA service area. Staff presented its finding that for recyclables processing services, there would likely be moderate competition to provide the services and that prices for recyclables processing services are increasing. Staff also presented data regarding the outcomes of recent competitive procurements and sole source procurements in the region; in those cases, the sole source procurements resulted in similar or more favorable percent changes in residential rates as compared to competitive procurements. Finally, staff presented data describing residential rates in the CCCSWA service area compared to the region; the data suggests that this service area’s residential rates are within the range of (and in some cases more favorable than) other local communities.

Board members provided feedback to staff (see meeting minutes at **Attachment D**). Among the comments received were that a two-year extension of the existing Republic and MDR Franchise Agreements could achieve certain benefits for CCCSWA, its member agencies, and the public. Among other things, it could: (1) secure a maximum rate structure that market data suggests is reasonable; (2) offer stability in service to customers; (3) maximize the useful life of and investment in existing equipment; (4) allow additional opportunity for the recyclables markets to stabilize; (5) allow time for labor markets to steady after COVID-19 related impacts; and (6) and allow time for SB 1383-related requirements to become clearer. The comments are summarized in the table below.

Table 1. Potential Benefits of 2-Year Term versus 10-Year Term

2-Year Term	10-Year Term
• Extend advantageous max rate structure	• Achieve economies from long-term commitment
• Stability for customers	• Change/improve scope of services
• Maximize useful life of investment in existing equipment	• Modernize and improve business terms and equipment
• Allow recyclables markets to stabilize	• Update rate structures and incentives
• Allow labor markets to steady from COVID	• Opportunity for competitive innovation and creativity
• Allow SB 1383 requirements to become clearer	• Avoid successive negotiations
• Defer 10-year negotiation until October 2024	

Recyclables Processing Services

Based on these comments from the July Board workshop, staff inquired with Republic and MDR about their respective interests in a proposed two-year agreement/extension to provide the recyclables processing service, including the re-use program, under the same terms and conditions as the existing MDR Franchise Agreement. Republic initially replied that it would not be interested in a two-year term (but would be interested in the opportunity to discuss a longer-term arrangement); it subsequently provided its offer to provide the recyclables processing services for a two-year term (see February 10, 2022 correspondence at **Attachment E**).

MDR replied that it would be interested in a two-year extension under all of the same terms and conditions as its existing agreement (see August 23, 2021 correspondence at **Attachment E**). The Republic and MDR offers to provide recyclables processing services are summarized in the table below.

Table 2. Comparison of MDR and Republic Offers to Provide Recyclables Processing for Two Years (2025-2027)

	MDR Offer for Recyclables for 2 Years	Republic Offer for Recyclables for 2 Years
Processing Fee	\$66.24/ton, annual CPI	\$195/ton, annual CPI - \$145 processing - \$50 transport
Recycling Revenue Share	75% of recycling revenue from annual average sales > \$60/ton	75% of recycling revenue from [monthly?] average sales > \$60/ton
Re-Use Program Fee	\$1.1M, fixed	\$2M, annual escalation

Based on the responses from Republic and MDR, and consistent with feedback provided at the July workshop, staff and legal counsel prepared a proposed form of Second Amendment to the Franchise Agreement with MDR for recyclables processing services (including the re-use program), extending the term for two years (through February 2027) and making no other changes to the agreement. MDR signed the Second Amendment (see proposed Second Amendment to Franchise Agreement with MDR at **Attachment F**).

At the September 2021 Board meeting, staff presented the recommended Second Amendment to the MDR Franchise Agreement to the Board. The Board received the offer from MDR to enter the Second Amendment to the Franchise Agreement, and deferred discussion to the January 2022 Board meeting (see meeting minutes at **Attachment G**). At the January 2022 Board meeting, the Board discussed the offers from MDR and Republic to provide recyclables processing services, and again continued the consideration of the offers, pending additional information (see meeting minutes at **Attachment H**). At the March 2022 Board meeting, the Board approved an Ad Hoc Committee to study in detail the agency’s options and make recommendations to the full Board regarding franchise agreement procurement strategy, negotiations, and related matters (see meeting minutes at **Attachment I**).

In March 2022, the Ad Hoc Committee met and reviewed the agency’s position. The Committee unanimously agreed to recommend to the Board that CCCSWA accept MDR’s offer to provide two additional years of recyclables processing services under the same terms and conditions as the existing MDR Franchise Agreement, and approve the proposed form of Second Amendment to the Franchise Agreement with MDR, extending the term for two years (through February 2027) (see **Attachment F**).

Factors that support the Committee’s recommendation include: (1) MDR’s offer is materially more economically favorable than Republic’s offer for the two-year term (see Table 2) and more favorable than expected market pricing for the services; (2) continuation of MDR’s services for two more years would provide consistency and predictability for customers; (3) extension would re-synch the recyclables processing contract term with the collection, processing, and disposal contract term; and (4) extension would provide time for CCCSWA to engage a rigorous and thorough process for a new long-term franchise agreement.

While CCCSWA staff are not privy to all of the business inputs and decisions of Republic, CCCSWA believes that one of the primary reasons why Republic’s recyclables offer is materially greater than MDR’s recyclables offer is because of the very short proposed term (two years). If MDR’s contract is extended, MDR will have had 12 years to spread the significant investment in capital required to perform the services. Republic, by contrast, would have only two years to recover that cost. Similarly, while CCCSWA does not know the internal decision-making of MDR, CCCSWA assumes that the reason MDR is willing to extend the term of its franchise agreement with CCCSWA, despite what appears to be quite economically favorable terms for CCCSWA compared to other similar jurisdictions, is both because CCCSWA’s service area is a large portion of MDR’s business base and because the recyclables market has experienced material improvement since 2019 when the parties renegotiated the terms of the MDR Franchise Agreement.

Under state law, local government agencies have the authority to determine that public health, safety, and well-being require award of a partially- or wholly-exclusive franchise agreement to a qualified contractor, either with or without competitive bidding (Pub. Res. Code § 40059(a)(2)). Accordingly, CCCSWA has the authority to enter the Second Amendment to the Franchise Agreement with MDR as recommended herein.

Collection, Processing, and Disposal Services

As described above, the Republic Franchise Agreement provides CCCSWA “sole discretion” to extend the term of the Republic agreement for collection, processing, and disposal services for up to 24 additional months (through February 2027). CCCSWA is not required to decide whether to exercise its option to extend the term of the Republic agreement until 180 days before the expiration of the base term (so by August 2024). Thus, the Board could approve the recommended two-year extension of the MDR Franchise Agreement today and defer a decision to extend the existing Republic Franchise Agreement until a later date. As a practical matter, however, it is reasonable to assume that if CCCSWA elects to extend the term of the MDR Franchise Agreement, it likely will want to also extend the term of the Republic Franchise Agreement.

Based on feedback from the Board at the January Board meeting, staff corresponded with Republic regarding the potential two-year extension of the Republic Franchise Agreement (see correspondence at **Attachment J**). Republic provided its reply, indicating its view regarding replacement of collection vehicles and an interest in recovering other costs incurred during the term of the current franchise agreement (see **Attachment J**).

In March 2022, the Ad Hoc Committee met and reviewed the correspondence and the agency's position relative to the Republic Franchise Agreement. The Committee unanimously agreed to recommend to the Board that CCCSWA provide notice to Republic of the agency's intent to exercise its option under the existing Republic Franchise Agreement to extend the term for two years (through February 2027). Factors that support the Committee's recommendation include: (1) Republic's current rates are relatively favorable compared to market pricing for similar services; (2) continuation of Republic's services for two more years would provide consistency and predictability for customers; and (3) extension would provide time for CCCSWA to engage a rigorous and thorough process for a new long-term franchise agreement.

As provided in the Republic Franchise Agreement and summarized above, this notice would trigger a discussion between CCCSWA and Republic regarding how depreciation and interest expenses shall be treated during the extension period. In particular, the parties will analyze whether, and if so, how much, the depreciation and interest expenses may be reduced for equipment that is fully depreciated and how to address depreciation and interest expense of any equipment that will need to be purchased during the extension period under consideration. The Ad Hoc Committee is expected to give guidance to staff during the meet and confer process and make a recommendation to the Board regarding any proposed changes to the franchise agreement during the extension period. Staff would return to the Board with the Ad Hoc Committee's recommendation or the Board's final determination in its discretion.

The Republic Franchise Agreement provides that CCCSWA's extension would be conditioned on Republic meeting the following requirements: (1) Republic has maintained a 75% diversion level for the most recent three years; and (2) Republic has not been assessed liquidated damages for the most recent three years. Republic has met the first condition but has not met the second condition; CCCSWA has assessed liquidated damages in the specified period, particularly related to missed routes during the height of the COVID pandemic. Nonetheless, as the Franchise Agreement explains, CCCSWA retains the discretion to waive one or both of these conditions. On balance, particularly in light of the economic advantages that are expected to accrue to CCCSWA, its member agencies, and the public from the proposed extension, staff recommends the agency exercise its right to waive this pre-condition.

ATTACHMENTS

- A. Existing Republic Services Franchise Agreement and First Amendment (click on links)
<https://www.recyclesmart.org/filebrowser/download/4900860> (franchise agreement)
<https://www.recyclesmart.org/filebrowser/download/4900855> (first amendment)
- B. Existing Mt. Diablo Recycling Franchise Agreement and First Amendment (click on links)
<https://www.recyclesmart.org/filebrowser/download/4900875> (franchise agreement)
<https://www.recyclesmart.org/filebrowser/download/4900865> (first amendment)
- C. July 22, 2021 CCCSWA Board Workshop PowerPoint presentation
- D. July 22, 2021 CCCSWA Board special meeting/workshop minutes (Item 4(a))

- E. August 23, 2021 and February 10, 2022 correspondences with Republic and MDR regarding interest in providing recyclables processing services for two-year term
- F. Proposed Second Amendment to Franchise Agreement with Mt. Diablo Recycling
- G. September 23, 2021 CCCSWA Board meeting minutes (Item 3(a))
- H. January 27, 2022 CCCSWA Board meeting minutes (Item 5(b))
- I. March 24, 2022 CCCSWA Board meeting minutes (Item 3(a))
- J. February 22, 2022 and March 15, 2022 correspondences with Republic regarding potential exercise of option to extend term of Republic Franchise Agreement



WORKSHOP: PROCUREMENT APPROACH FOR FUTURE FRANCHISE AGREEMENTS



Central Contra Costa Solid Waste Authority
July 2021



HF&H Consultants

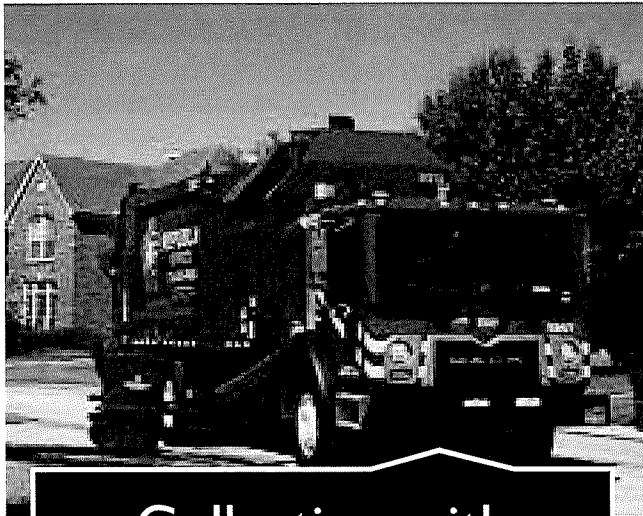
Agenda Item No. 4b
Attachment C

WORKSHOP AGENDA

- Contract Background
- Procurement Options
- Market Data
- Evaluation of Options
- Legal Authority
- Board Input

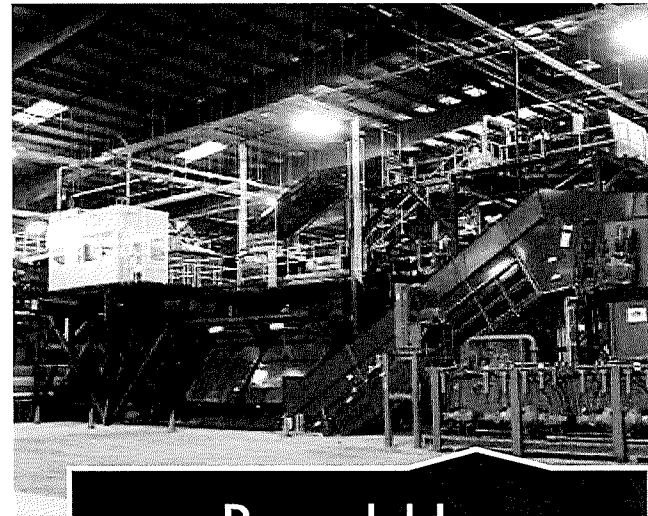
BACKGROUND

In February 2025 RecycleSmart's Contracts Expire



Collection with Republic Services

Option for 2-year extension (through 2027)



Recyclables Processing with MDR

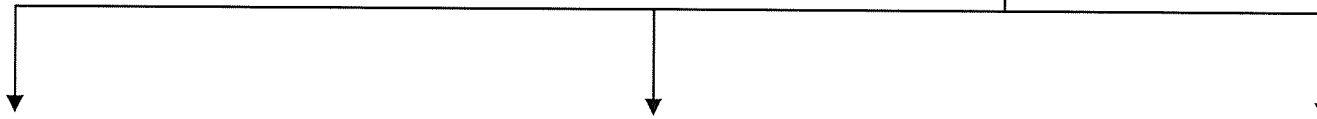
No option for extension - MDR required removal of option in 2019 settlement

PROCUREMENT OPTIONS

2-year Extension,
Same Terms and
Conditions

OR

New 10-year
Contracts



RFP

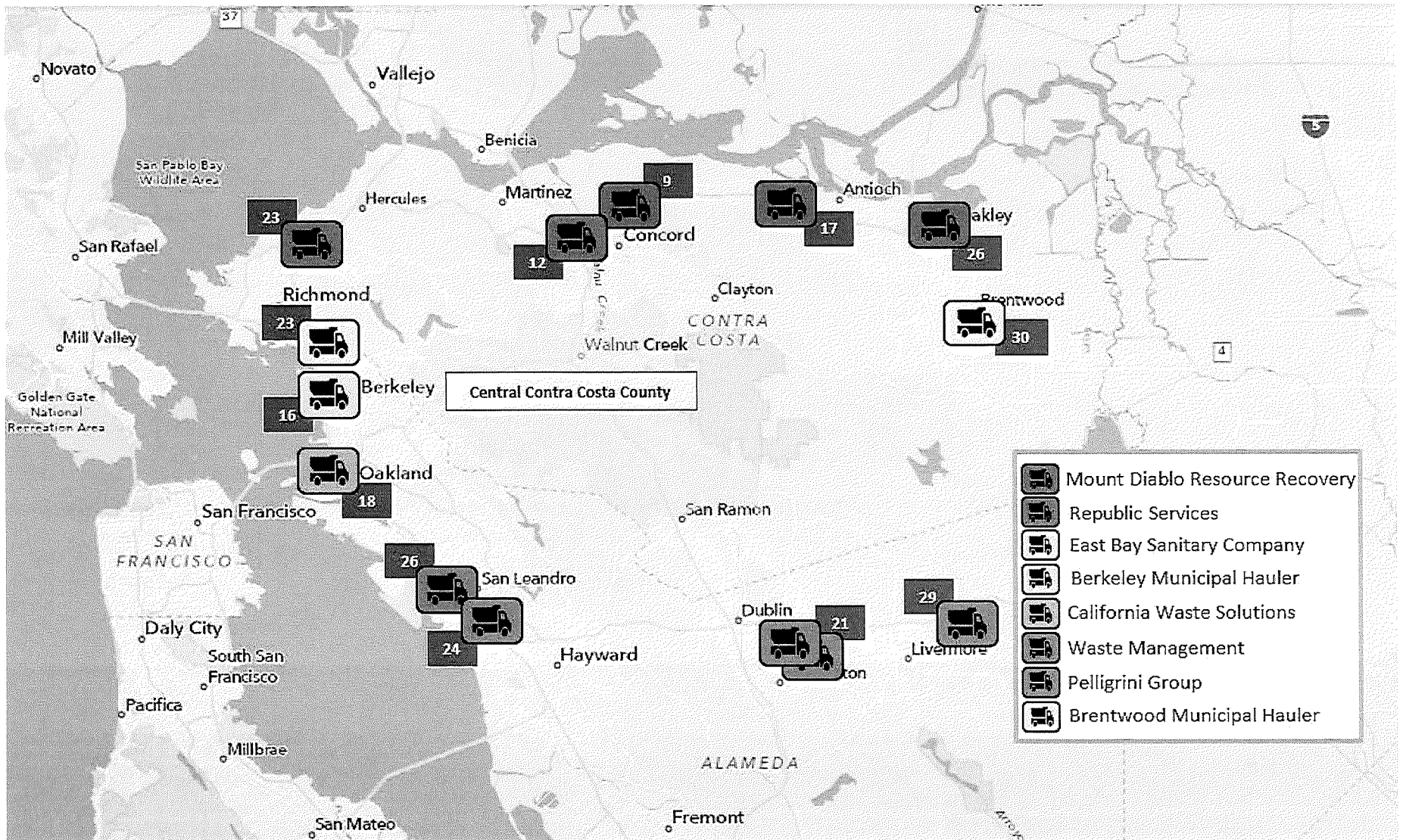
OR

Parallel
Negotiations with
Both Providers for
Collection &
Processing

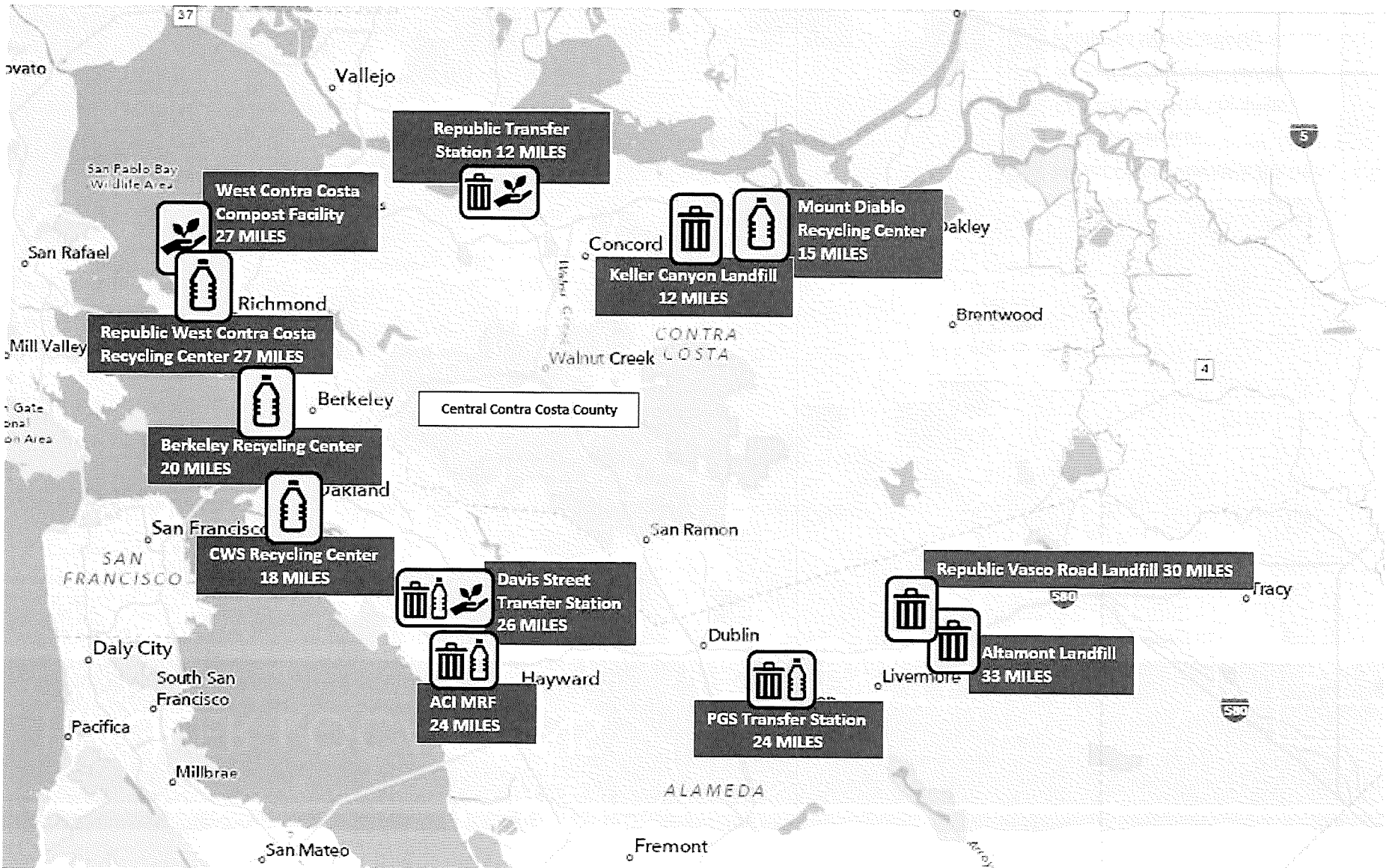
OR

Sole-Source
Negotiation with
Existing Providers
for Existing Scope

HAULER LOCATIONS



FACILITY LOCATIONS



KEY FINDINGS FROM REVIEW OF MARKET CONDITIONS

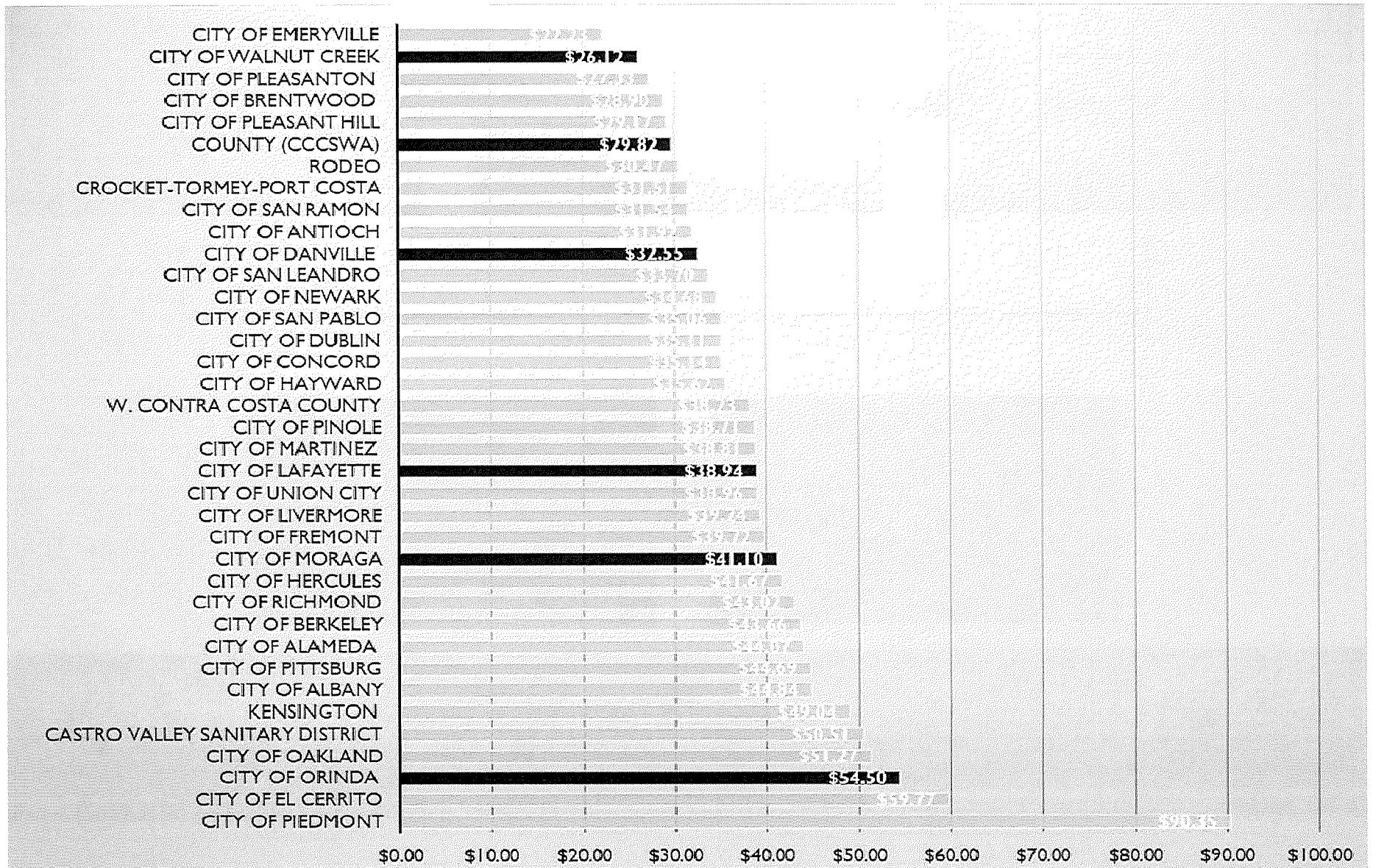
- **Collection Services:** Limited Competition Likely, Prices Stable for Same Scope
 - Republic and MDR have collection infrastructure (vehicle parking, fueling, maintenance) close enough to service area to be competitive.
 - Republic and MDR have transfer and organics processing infrastructure close enough to service area to be competitive.
 - Republic has disposal infrastructure nearby the service area; other providers would need to transfer to Solano or Alameda county.
- **Recyclables Processing:** Moderate Competition Likely, Prices Increasing
 - Processing facilities are too far from the service area for direct-haul; transfer required
 - Regional facilities are re-tooling and upgrading to improve quality and reduce labor
 - New facilities (CWS, Recology, Waste Management) anticipated by 2025
 - Recent market changes are changing the business model and deal structure

PROCUREMENT OUTCOMES

	Jurisdiction	Year	Percent Change	Changes in Service
Competitive	Castro Valley Sanitary District	2018	14% INCREASE	<ul style="list-style-type: none"> • Curbside textiles collection to single-family residents • Curbside used cooking oil collection and recycling to single-family residents • Processing public litter container materials
	San Ramon	2017	30%-45% INCREASE	<ul style="list-style-type: none"> • 90% diversion • Multi-family and commercial organics • SB 1383 compliant containers and labels • Unlimited recycling service for single-family • Free collection of appliances and furniture • Compost giveaways • Recyclables drop off • Curbside used cooking oil collection
	Piedmont	2018	54% INCREASE*	<ul style="list-style-type: none"> • 20 gallon residential service option
Sole Source	City of Alameda (Collection)	2021	3.1% INCREASE	<ul style="list-style-type: none"> • Multi family bulky loose item collection • Expanded recycling programs for textiles, cardboard and cooking oil
	Livermore	2018	No change	<ul style="list-style-type: none"> • SB 1383 Requirements • Multifamily organics
	Pleasanton	2018	13.3% DECREASE	<ul style="list-style-type: none"> • Increased bulky item collection • Increased franchise fee percentage • Updated scheduled annual rate adjustment methodology • Increased public education • Contractor funded performance reviews

* Residential rate adjustment only.

RESIDENTIAL 30-35 GALLON RATE COMPARISON

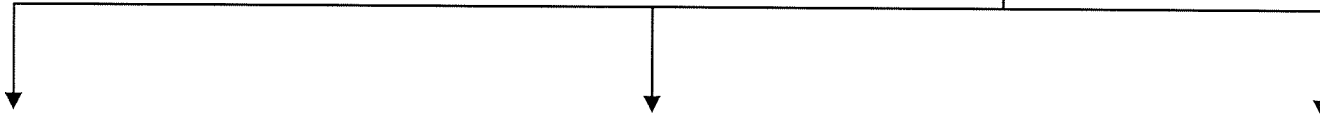


PROCUREMENT OPTIONS

2-year Extension,
Same Terms and
Conditions

OR

New 10-year
Contracts



RFP

OR

Parallel
Negotiations with
Both Providers for
Collection &
Processing

OR

Sole-Source
Negotiation with
Existing Providers
for Existing Scope

PROCUREMENT OPTIONS

2-Year Extension, Same Terms & Conditions*

- Least disruption for customers; no change in provider, minimal changes in services
- Allows more time to implement and test SB 1383 changes before new contract starts
- Shorter process and less cost than new negotiations
- Retain option to conduct RFP for 10-year term if negotiations unsuccessful

New 10-Year Contracts

- Potential to change and/or improve scope of services
- Modernize and improve business terms
- Update rate structures and incentives
- Greatest opportunity to reset costs to marketplace
- More opportunity for competitive innovation and creativity

* Republic Franchise Agreement allows 2-year extension; MDR Agreement does not

PROCUREMENT OPTIONS

If Board directs staff to pursue new 10-year contract(s):

RFP

- Greatest perceived transparency and competition
- Greatest ability to set process rules and ensure apples-to-apples comparisons
- Most effective if incumbency advantages (e.g., infrastructure) are minimal
- Highest level of effort and process cost
- Suggest three years for planning, drafting of solicitation documents, proposer engagement, proposal evaluation, negotiation, and ultimate service implementation

Parallel Negotiations with Republic and MDR for Collection & Processing

- Focus on most likely/ best positioned providers
- Allows innovative or unique solutions using approaches, infrastructure, or technology offered by private partners
- Competitive process provides public benchmarking of final deal
- Suggest starting process early to preserve options, in case negotiations are unsuccessful

Sole-Source Negotiation with Existing Providers Based on Their Existing Scope

- Continuity for customers
- Leverage knowledge of existing provider
- Higher standard for ratepayer/community benefit
- Greatest flexibility for creativity in negotiations
- Benchmarking deal quality/value based on comparisons to other jurisdictions
- Suggest starting process early to preserve options, in case negotiations are unsuccessful

LEGAL AUTHORITY

- Under state law, local government agencies have the authority to determine that public health, safety, and well-being require award of a partially- or wholly-exclusive franchise agreement to a qualified contractor, either with or without competitive bidding (Pub. Res. Code § 40059(a)(2)).
- It is not uncommon for local agencies to conduct sole source negotiations for their franchise agreements, particularly when they have safeguards and procedures to confirm good value for the public.
- For example: Concord, Pittsburg, Clayton, Pleasant Hill, Benicia, Martinez, Richmond, Pinole, San Pablo, Hercules, and Pleasanton have always negotiated sole-source agreements to knowledge of staff and consultants.

BOARD INPUT REQUESTED

No action required today; input requested:

- Preliminary thoughts or questions on potential approaches?
- Additional information you would like staff to provide to better understand this decision?
- Additional approaches not discussed here?

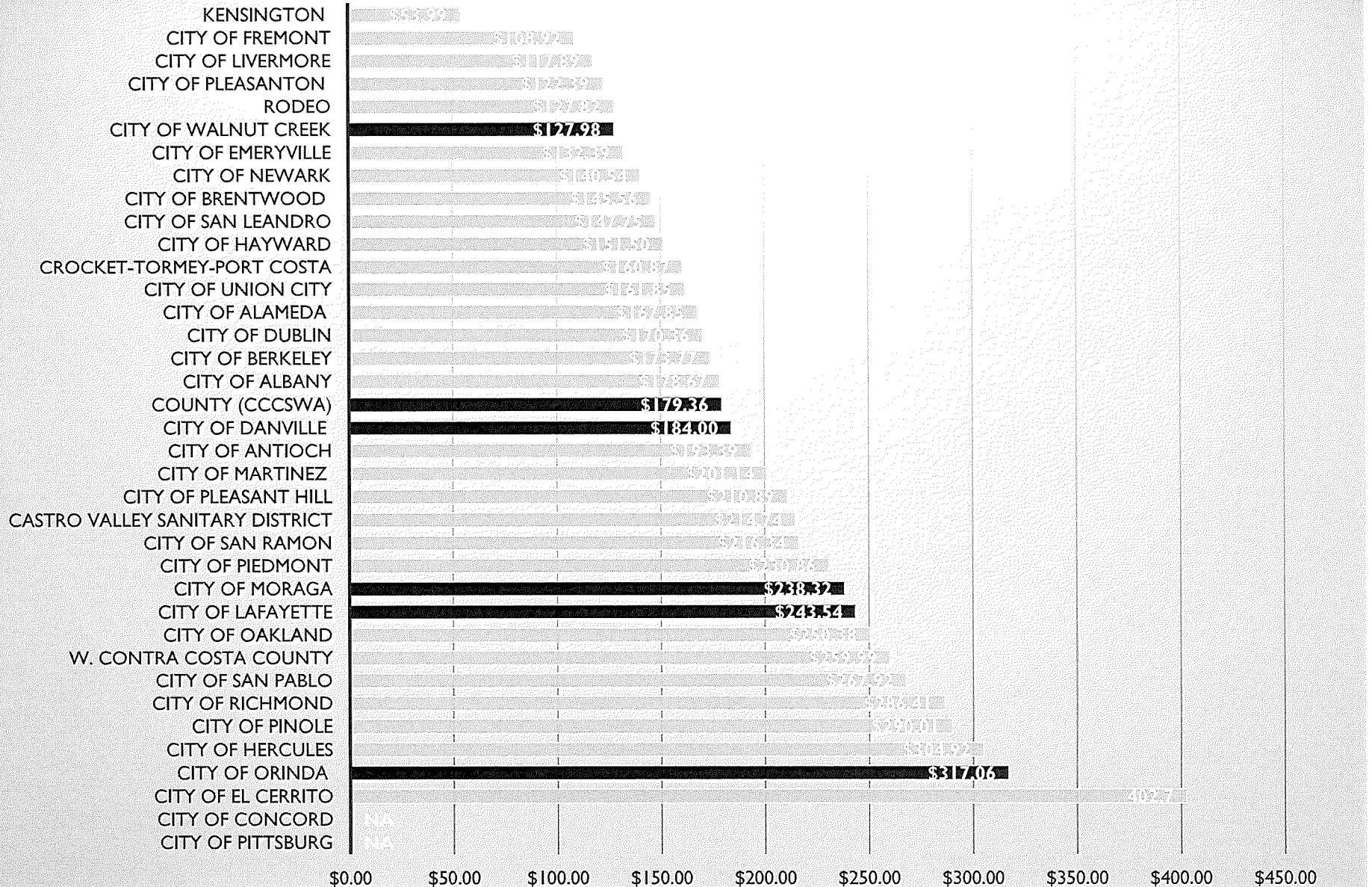
SAMPLE PROCESS SCHEDULE

	2021		2022				2023				2024				2025	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Determine Contracting Approach	■	■														
Design New System			■	■	■											
Stakeholder Input on New System				■												
Develop Solicitation Documents					■	■										
Proposer Responses							■	■								
Proposal Evaluation								■	■	■						
Negotiation										■	■					
Contractor Selection											■					
Service Implementation											■	■	■	■	■	■

PROCUREMENT CONSIDERATIONS

- Performance Review:
 - Commonly used to assess compliance and quality prior to negotiating
 - Can be structured to understand community satisfaction with contractor
 - May identify changes in scope or contract mechanisms to take advantage of opportunities and/or address deficiencies
- Process Integrity Policy:
 - Regulates contact between Board, staff, and proposers related to negotiations
 - Ensures that proposers receive consistent input and direction through single contact
 - Minimizes the appearance of political influence identified in Grand Jury reports
- Ad Hoc Committee

COMMERCIAL 1 YARD BIN WEEKLY RATE COMPARISON



**SPECIAL BOARD MEETING/WORKSHOP OF THE
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
HELD ON JULY 22, 2021**

The Special Board Meeting/Workshop of the Central Contra Costa Solid Waste Authority's (CCCSWA's) Board of Directors convened at 1666 North Main Street, Walnut Creek, Contra Costa County, State of California, on July 22, 2021. Chair Matt Francois called the meeting to order at 1:00 P.M.

PRESENT: Board Members: Candace Andersen
Newell Arnerich
Gina Dawson*
Matt Francois, Chair
Teresa Gerringe
Karen Mitchoff
Renee Morgan*
Cindy Silva
Amy Worth
*Arrived after roll call

ABSENT: Board Members: Inga Miller
Teresa Onoda
Renata Sos, Vice Chair

Staff members present: Ken Etherington, Executive Director; Janna McKay, Board Secretary; Wendy Nelson, Finance Manager/Controller; Judith Silver, Senior Program Manager; Jennifer Faught, Contract Compliance Specialist; Ashley Louisiana, Program Manager; and Deborah L. Miller, CCCSWA Counsel.

Chair Francois thanked the Members of the Board for wearing masks consistent with the Contra Costa County Health Officer's recommended guidance related to the COVID-19 pandemic.

1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**
2. **APPOINTMENT OF AD HOC COMMITTEE TO STUDY IMPACTS OF SALARY INCREASES AND METHODS FOR ADDRESSING LONG-TERM BUDGET**

Chair Francois advised that an Ad Hoc Committee to study impacts of salary increases and methods for addressing long-term budget had previously been recommended. He proposed appointing two members each from the Personnel Committee and the Finance and Administration Committee to serve, which included Chair Francois and Board Members Worth, Arnerich and Silva.

There was no public comment.

MOTION by Chair Francois to appoint Chair Francois and Board Members Worth, Arnerich and Silva to the Ad Hoc Committee to study impacts of salary increases and methods for addressing them in the long-term budget. SECOND by Board Member Gerringe.

MOTION PASSED unanimously.

3. **PRESENTATIONS**

Wendy Nelson, Finance Manager/Controller
RecycleSmart

a. **Diversion Programs Review**

This report is provided for information and discussion only. No Board action is required.

Wendy Nelson, Finance Manager/Controller reported that the Finance Committee had requested that the Board review and discuss the current diversion programs in order to prioritize them. She noted that RecycleSmart had developed and implemented diversion incentive programs to educate and encourage ratepayers to increase waste diversion. Currently, eleven programs had been developed. She described the outreach involved in the form of a residential and multifamily newsletter, recycling outreach, home composting, and recycling programs and described the eleven programs involved.

There was no public comment.

Ms. Nelson responded to comments and questions from the Board, which requested statistics on the use of the programs; the cost of the programs along with the source of funding, budgeting and overview by budget; an annual review of the programs early in the budget year given that they would now be funded with ratepayer dollars; the length of the programs; the economy of communication to residents to identify and promote the programs; and additional programs that might be required to comply with SB 1383.

b. **General Operations Fund Balance Review**

Receive presentation and provide staff direction on recommendations to forward to the Finance and Administration Committee.

Ms. Nelson reported that the Finance Committee requested review and discussion of the General Operations Fund balance. She explained that the direction from the Board would be returned to the Finance Committee. She noted that the General Operations Fund balance was comprised of two components: the Committed Fund balance of \$566,667, and the Unassigned Fund balance of \$2,893,282 that had not been restricted, committed, or assigned to specific purposes within the General Operations Fund.

For the Committed Fund balance (\$566,667), Ms. Nelson offered the following for discussion: (1) Utilize the funds as committed, identify diversion outreach programs to be funded, and identify

timing and costs; or (2) transfer the Committed Fund balance to the Diversion Incentive Fund (DIF) to be distributed to Member Agency Reserve Accounts in accordance with the Recycling Revenue Financial Policy. For the Unassigned Fund balance, the following was recommended for consideration: Transfer Fiscal Year (FY) 2020-21 recycling contribution revenue of \$566,667 and anticipated FY 2021-22 recycling contribution revenue of \$377,778 (which is expected to be received in 2022) to the DIF for distribution to Member Agency Reserve Accounts in accordance with the Recycling Revenue Policy (the combined transfer would total \$944,445).

Ms. Nelson responded to questions and clarified the Committed Fund balance of \$566,667 was the recycling contribution revenue for FY 2020-21 (received in 2021), which had been approved by the Board in the FY 2020-21 budget for future diversion incentive programs. She additionally clarified that the FY 2021-22 recycling contribution revenue of \$377,778 would be paid in 2022 and would be the final payment under the Settlement Agreement. It was confirmed that there is no restriction under the Settlement Agreement on the use of these funds. Ms. Nelson explained that the Unassigned Fund total balance of \$2,893,282 had accumulated from a variety of sources over previous years. She also clarified that the Committed Funds were held in the General Operations Fund balance.

There was no public comment.

The Board discussed the potential use of the Committed Fund balance and the accumulated Unassigned Fund total. It was observed that allocating the recycling contribution funds to the Member Agencies Reserves would allow the funds to be used for the benefit of ratepayers. There was a suggestion that the recycling contribution funds be held in the DIF until February 2022 when the last \$377,778 recycling contribution revenue would be received, and then be distributed to the Member Agencies Reserves; other members suggested, however, that the funds could be distributed as they are received rather than waiting until all funds are received. Some members pointed out that rather than distributing the funds to the Member Agencies Reserves, the funds could be used as a one-time offset to the Authority's operating expenses, which would also result in a benefit to ratepayers. It was suggested that all references to the DIF be removed, since revenues from the sale of recyclables was no longer anticipated, and funds held in the DIF be allocated as agency reserves dedicated to each Member Agency, allowing each agency to determine the use of its funds, including offsetting rates and investing in agency specific recycling and outreach programs. It was noted that the discussion of General Operations Fund balance was related to the next agenda item regarding the Recycling Revenue Financial Policy.

MOTION by Board Member Silva to direct staff to transfer \$566,667 in Committed Funds balance and, when received, \$377,778 in recycling contribution revenue, to the Member Agencies Reserve Accounts proportionately based on the recyclables allocation formula in the Recycling Revenue Financial Policy, and eliminate the phrase Diversion Incentive Fund. SECOND by Board Member Worth.

MOTION PASSED unanimously.

c. Recycling Revenue Financial Policy Review

Receive presentation and provide staff direction on recommendations.

Ms. Nelson stated that prior to the Settlement Agreement with Mt. Diablo Recycling (MDR), RecycleSmart had received \$55/ton recycling revenue from MDR for the RecycleSmart service area, which was the primary source of revenue for the DIF, but after the Settlement Agreement RecycleSmart no longer received regular recycling revenue from MDR and now paid a recycling processing fee to MDR. During FY 2020-21, RecycleSmart had the opportunity to share recycling revenue with MDR to the extent that the average annual recycling revenue received from recyclables from all sources exceeded \$60/ton. Ms. Nelson explained that the revenue source was not always predictable or reliable, and for FY 2020-21, recyclables did not exceed \$55/ton. As a result, diversion incentive programs were now funded through the solid waste rates.

Ms. Nelson identified the current policy, adopted in 2016, which stated that \$1.5 million in reserve was to be maintained in the DIF at all times; up to \$1 million was to be available for diversion incentive program expenditures each fiscal year; and in September each year the previous year's DIF net income was to be distributed to Member Agencies Reserve Accounts based on the stated allocation formula.

Given that the revenue source was unknown and the diversion incentive programs were now being funded through rates, staff recommended a Board review of the Recycling Revenue Financial Policy. Ms. Nelson recommended the elimination of the policy requirement that \$1.5 million in reserve be maintained in the DIF at all times, and that the actual \$1,894,274 DIF Reserve balance be transferred to Member Agencies Reserve Accounts based on the existing allocation formula. She recommended the elimination of the policy provision that up to \$1 million be applied to diversion incentive program expenditures each fiscal year due to the fact that recyclable revenues were not expected to be received in the future and the diversion incentive programs were being funded through rates. She recommended amending the policy to make it clearer that in addition to the sale of recyclables, the DIF may also receive revenues from "other sources as determined by the Board."

Ms. Nelson responded to Board questions. She clarified the Committed Fund balance and Unassigned Fund balance (together about \$3.4 million) held in the Operations Fund is separate from the about \$1.8 million held in the DIF Reserves.

The Board discussed the Recycling Revenue Financial Policy. Some members suggested that RecycleSmart should have one general reserve fund to hold all net income. Similar to discussion on the prior agenda item, some members suggested the elimination of references to a DIF, allocation of the remaining funds in the DIF reserve to the Member Agencies Reserves according to the allocation formula in the Recycling Revenue Financial Policy, and the elimination of the Recycling Revenue Financial Policy. Some members observed that any unexpected revenue should be dealt with on a case-by-case basis and that there was not a need for a policy to anticipate all potential sources of revenue. Members expressed a desire for clear definitions for the various accounts and simplification of the approach. Members recommended a separate agenda item regarding the application of the Unassigned Fund balance, including how much should be held in reserve and what it should be for. A member suggested staff consider relying on

consultant expertise in light of the complex nature of the accounting.

There was no public comment.

MOTION by Board Member Arnerich to direct staff to transfer \$1,894,274 in DIF Reserve balance to the Member Agencies Reserve Accounts proportionately based on the recyclables allocation formula in the Recycling Revenue Financial Policy, and eliminate the Recycling Revenue Financial Policy except those portions describing the recyclables allocation formula. SECOND by Board Member Silva.

MOTION PASSED unanimously.

Ms. Nelson verified the intention that the distribution method for amounts held on reserve would remain at the Member Agency distribution formula under the Recycling Revenue Financial Policy.

MOTION by Board Member Arnerich to direct the Finance Committee to study the terms, balance, scale and appropriateness of the Operating Reserve/Unassigned Fund balance, and return to the Board with a policy recommendation. SECOND by Chair Francois.

On the question, Board Member Silva made an amendment to the motion, as follows:

AMENDED MOTION by Board Member Silva to direct the Finance Committee to study the terms, balance, scale and appropriateness of the Unassigned Fund balance as referenced in Item 3b, General Operations Fund Balance Review, and return to the Board with a recommendation as to an appropriate level of general fund reserve and an allocation of any remaining Unassigned Fund balance. SECOND by Chair Francois.

MOTION PASSED unanimously.

4. **WORKSHOP PRESENTATION REGARDING FRANCHISE AGREEMENT(S)**

Ken Etherington, Executive Director
RecycleSmart

- a. Potential Procurement Approach for Future Franchise Agreement(s)
This report is provided for information and discussion only. No Board action is required.

Executive Director Ken Etherington explained that it was time to consider a procurement approach to future franchise agreements. He described the agency's first contracts since 1995 and explained that since 2014 the agency had been working under the Franchise Agreement with Republic Services (formerly known as Allied Waste Management), which performed services for residential, commercial and multifamily collection and programs, and which operated Keller

Canyon Landfill and the Transfer Station in Martinez where organics and food waste and solid waste ended up. Mt. Diablo Recycling (MDR) provided the recycling processing and the reuse program. He stated that Republic Services collected 65,000 homes a week and the organics were transferred to Stockton, with a portion transferred to Richmond.

Mr. Etherington stated the collection contract had a built-in two-year extension with Republic Services which would expire in 2027. He described the recyclables situation with respect to MDR that had changed the contract and part of the settlement with MDR had required the removal of the two-year extension option in that contract, which would expire in 2025. Mr. Etherington presented potential options to either extend the existing contracts or negotiate new contract(s).

Rob Hilton, HF&H Consultants, further described the alternatives available to extend the existing contract or to consider another ten-year contract with the current or potentially other operators.

Mr. Etherington explained that if pursuing a Request for Proposal (RFP), the market had changed since the last Franchise Agreement. He identified the other operators available and noted their distance from the RecycleSmart area which would impact the costs involved along with environmental considerations. He advised that two transfer stations were currently involved in Pittsburg and Martinez and the current providers had the closest facilities which would likely offer better pricing.

Mr. Hilton concurred that the current operators were close enough to the service area to be competitive, had transfer and organics processing infrastructure close enough to be competitive, and Republic had disposal infrastructure nearby and outside transfers would not be required. He added that there was currently more stable pricing with more advanced programs and significant changes in collection services pricing may be anticipated. With respect to recyclables, he stated the market was changing and as a result the industry was reforming how recycling was being done with more quality control in facility operations and with newer and larger facilities, more automation, less costly operations and therefore greater competition.

Mr. Hilton also spoke to the dynamics between sole source and competitive proposal processes. He described what other regions were doing and offered a comparison of the residential 30-35 gallon rates in Alameda and Contra Costa Counties.

Mr. Etherington again presented the procurement options, stated the two-year extension would not take long to document, and compared that with the RFP process, which had benefits but which could be costly and time consuming. He spoke to potential parallel negotiations with Republic and MDR for collection and processing, and sole-source negotiations with the existing providers based on their existing scope.

Mr. Hilton described the advantages and disadvantages of each of the options, their timelines, and the benefits to ratepayers and the community.

Mr. Etherington sought input from the Board on further details or other options the Board might want to consider, to be returned at the September Board meeting for further discussion.

Board Member Worth noted the goal to provide the best services to ratepayers at the best possible cost, and wanted to know what options would provide the most competition and benefit to ratepayers in terms of rates and benefit. She asked for a quality analysis in terms of competition, to which Mr. Hilton stated that two companies could provide cost-effective collection and recycling services, and providing the reuse component would require a close-in collection yard.

The special meeting recessed at 2:52 P.M. to commence the Regular Board of Directors meeting at 3:00 P.M., to then reconvene after the regular meeting adjournment.

The Board of Directors Special Meeting/Workshop reconvened at approximately 3:30 P.M. and continued the discussion of the potential procurement approach for future franchise agreement(s).

On the potential for extension of the recyclables processing services, Legal Counsel Deborah Miller stated the agency had the options of negotiating with MDR to see if they were interested in extending for two years, asking Republic if they were interested in providing the services for two years, or procuring the services through a competitive process.

There was no public comment.

Board Member Arnerich leaned towards a two-year contract extension and asking the two existing providers to start up and/or continue recycling to give the agency the time to see how SB 1383 would be implemented and the impacts involved given that the rules could change anytime.

Board Member Mitchoff agreed that things could change quickly even after two years. She preferred dual parallel negotiations with both MDR and Republic without an RFP for new ten-year contracts. She did not see that any new company would want to commit for only two years, and expressed concern that starting with a two-year extension followed by a ten-year contract would result in staff negotiating franchise agreements for years on end.

Board Member Silva saw the value of the two-year extension with either MDR or Republic to process recyclables; she noted that SB 1383 could change how they had been operating and that a two-year extension would capitalize on the equipment invested at the beginning of the Franchise Agreement.

Board Member Worth noted it would be helpful to understand the future of the whole recycling industry which had significantly changed since the contract had been negotiated. She questioned the ability to reach the diversion goals as a result of the issues in the recycling industry. She suggested a two-year contract would give time to reflect on the recycling industry, and concurred with Member Silva's comments.

Board Member Andersen also leaned toward the two-year extension, based in part on the opportunity to capitalize on the equipment, the issues with respect to the recycling market, and the issues related to labor shortages due to the COVID-19 pandemic. She expressed a willingness to start considering what a ten-year contract might look like with the two entities and would be willing to look at what else might be available. She was disinclined to pursue a full scale RFP, questioning whether it would be fruitful given that there might not be a lot of bidders. She also pointed to the

potential expense of an RFP. Preliminarily, she wanted the two-year extension but was not opposed to considering a ten-year agreement.

Board Member Morgan noted that from her experience going out for a longer contract offered better negotiation abilities and overall value. Also, by looking at locations and facility locations and the distance related to other locations, which would not change, she supported the ten-year opportunity to see what that might bring.

Board Member Silva noted that the scope of the last RFP ten years ago was in the hundreds of pages representing eighteen months of work, although Board Member Andersen commented that with such an intensive RFP in the past, she did not think that future negotiations of a new franchise agreement(s) would be as intensive.

Board Member Dawson leaned toward a two-year extension and waiting to see what would happen with SB 1383. She also saw the appeal of capitalizing on equipment investment. But she thought it could be useful to start talking to the two current providers about what a long-term contract might look like.

Board Member Geringer supported the arguments for the two-year extension with negotiations on the recycling processing component. She did not object to looking at a new ten-year contract and suggested the two years would allow them to look at the situation with respect to SB 1383 during that time.

Chair Francois liked the two-year extension for the reasons mentioned but that it could be beneficial to also talk with the two providers about a new ten-year agreement with parallel negotiations with both of them. He did not think an RFP would be productive.

Mr. Etherington stated the feedback offered by the Board would allow staff to return with a more narrowed approach.

Board Member Worth suggested it would make sense to separate the two; complete the discussions about a two-year extension, and later consider a ten-year contract. She emphasized the extensive process and the potential for substantial changes that may be involved in a ten-year agreement. She thought it would make sense to lock in the two-year agreement first.

Board Member Mitchoff remained in support of discussions for a new ten-year contract with the two current providers. She did not want staff to have to go through negotiations for another five years. Board Member Morgan concurred with Board Member Mitchoff.

5. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

There were no comments.

6. **ADJOURNMENT**

The Board Workshop adjourned at 4:00 P.M.

Respectfully submitted by:

Janna McKay, Executive Assistant/
Secretary to the Board of the
Central Contra Costa Solid Waste Authority,
County of Contra Costa, State of California



Via Email Only

August 23, 2021

Ken Etherington
Executive Director
1850 Mt. Diablo Boulevard, Suite 320
Walnut Creek, CA 94596

Dear Ken,

Receipt is hereby acknowledged of your letter of August 12, 2021, inquiring whether Mt. Diablo Paper Stock, Inc. (MDR) would be interested in a proposed two (2) year extension of its present franchise agreement, as amended, to provide recyclable materials transfer, transport, processing, and diversion services including the re-use program. MDR has always endeavored to provide superior services and work collaboratively with its franchisees and business partners. MDR understands it would be beneficial for The Central Contra Costa Solid Waste Authority (CCCSWA) to align the terms of collection and recycling services franchise agreements.

Therefore, MDR is willing to extend its agreement with CCCSWA to provide the full scope of recyclable services for an additional 24-month period (March 1, 2025—February 28, 2027) under the same terms and conditions as outlined in the existing franchise agreement, as amended.

If you have any questions or would like to discuss this matter, please give me a call or send me an email.

Sincerely,

Ronald J. Proto
Chief Executive Officer



February 10, 2022

Ken Etherington
Executive Director - Recycle Smart
1850 Mt. Diablo Blvd., Suite 320
Walnut Creek, CA 94596
(925) 906-1803

Dear Mr. Etherington:

Thank you for the opportunity to provide Recycle Smart with pricing to process single stream recycling for the residents and businesses within the Solid Waste Authority. The intent of this letter is to memorialize our pricing that was discussed verbally. As such, our pricing is outlined as follows:

- Processing charge, on a per ton basis is \$145
- Transfer and transportation charge on a per ton basis is \$50
- Reuse program revenue requirement due to Republic is \$2,000,000 per year
- Rebate to RecycleSmart, on a per ton basis is \$73 (see qualifier below)

The rebate to RecycleSmart is based on current market conditions and is subject to change given commodity markets. The rebate stated in this letter is based on January 2022 commodity pricing and follows the same methodology in your current contract with Mt. Diablo Recycling.

Its important to note that the processing, transfer and transportation as well as the Reuse program costs represent 2022 costs and will need to be adjusted by an agreed upon annual escalator prior to commencement of the service in 2025. It is also representative of a 2 year agreement for processing single stream recycling and subject to negotiation of mutually agreeable terms contract terms between the parties.

Our desire is to continue the valued partnership with RecycleSmart and the residents and businesses within the Solid Waste Authority. This is inclusive of the collection services that we currently provide.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin DiVincenzo", written over a white background.

Kevin DiVincenzo
Director, Operations for Northern California

**SECOND AMENDMENT TO AGREEMENT BETWEEN
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
AND
MT. DIABLO PAPER STOCK, INC. DBA MT. DIABLO RECYCLING
FOR RECYCLABLE MATERIALS TRANSFER, TRANSPORT, PROCESSING,
AND DIVERSION SERVICES**

This Second Amendment to Agreement for Recyclable Materials Transfer, Transport, Processing, and Diversion Services (the "Second Amendment") is entered into on the ____ day of September, 2021 by and between the Central Contra Costa Solid Waste Authority, a Joint Powers Authority ("CCCSWA"), and Mt. Diablo Paper Stock, Inc., a California corporation, dba Mt. Diablo Recycling ("Contractor") (individually, a "Party" and collectively, the "Parties").

RECITALS

WHEREAS, on May 16, 2014, the Parties entered into that certain Agreement for Recyclable Materials Transfer, Transport, Processing, and Diversion Services for a ten year Term (through February 28, 2025), and which included a discretionary option for CCCSWA to extend the Term of the agreement for up to twenty-four additional months (through February 28, 2027); and

WHEREAS, on July 25, 2019, the Parties entered into that certain First Amendment to Agreement for Recyclable Materials Transfer, Transport, Processing, and Diversion Services, pursuant to which the Parties agreed, among other things, to omit CCCSWA's option to extend the Term of the agreement (the agreement as amended referred to herein as the "Agreement"); and

WHEREAS, the Parties have determined it is in their interests to extend the Term of the Agreement twenty-four months under all of the same terms and conditions of the Agreement, and the Parties now desire to modify and amend the Agreement as set forth in this Second Amendment. All terms not otherwise defined in this Second Amendment shall have the meaning set out in the Agreement and except as expressly modified or amended by this Second Amendment, the terms and conditions of the Agreement shall remain in full force and effect; and

WHEREAS, the CCCSWA Board of Directors has found and determined that the execution and implementation of this Second Amendment is in the best interest of the public in order to protect the public health, safety, and well-being, and has authorized execution of this Second Amendment;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein and for other good and valuable consideration, the Parties do hereby agree as follows:

1. **Section 4.1, Term:** The Agreement at Section 4.1 shall be deleted and the following inserted in its place:

"4.1 Term

The Term of this Agreement shall commence March 1, 2015 (Commencement Date) and continue in full force for a period of twelve (12) years, through and including February 28, 2027, unless

the Agreement is terminated pursuant to Article 11. Between the Effective Date and the Commencement Date, Contractor shall perform all activities necessary to prepare itself to provide Services required by this Agreement on the Commencement Date."

2. This Second Amendment and all its terms, conditions, and provisions shall be deemed to be part of the Agreement. Except as expressly modified herein, the Agreement remains unchanged and in full force and effect. Should there be conflicts or inconsistencies between this Second Amendment and the Agreement, the provisions of this Second Amendment shall prevail to the extent necessary to resolve such conflicts of inconsistencies.

3. All recitals in this Second Amendment are accurate and shall constitute an integral part of this Second Amendment.

4. Each Party represents and warrants to the other that the undersigned is duly authorized and has legal capacity to execute and deliver this Second Amendment, and this Second Amendment is a valid and legal agreement binding on the Party and its successors, heirs, administrators, and assigns, and enforceable in accordance with its terms.

5. This Second Amendment may be executed in several counterparts, each one of which shall constitute an original and all collectively shall constitute but one instrument. This Second Amendment may be executed by electronic signature. Each counterpart signature may be delivered by electronic mail transmission. This Second Amendment shall be effective as of the date first written above.

[signatures on following pages]

IN WITNESS WHEREOF, CCCSWA and Contractor have executed this Second Amendment as of the day and year first written above.

Central Contra Costa Solid Waste Authority, a Joint Powers Authority

By: _____
Matthew Francois
Board Chairperson

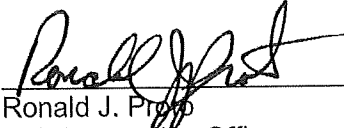
Approved as to Form:

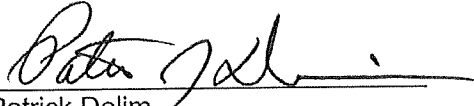
By: _____
Deborah Miller
CCCSWA Legal Counsel

Attest:

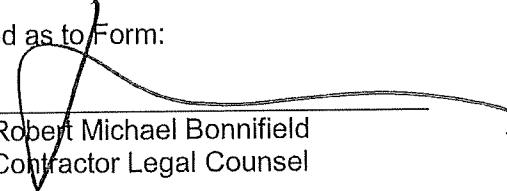
By: _____
Janna McKay
CCCSWA Board Secretary

Mt. Diablo Paper Stock, Inc., a California corporation, dba Mt. Diablo Recycling

By:  _____
Ronald J. Proff
Chief Executive Officer

By:  _____
Patrick Dolim
Chief Financial Officer

Approved as to Form:

By:  _____
Robert Michael Bonnifield
Contractor Legal Counsel

**REGULAR BOARD MEETING OF THE
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
HELD ON SEPTEMBER 23, 2021**

The Regular Board Meeting of the Central Contra Costa Solid Waste Authority's (CCCSWA's) Board of Directors convened exclusively via teleconference participation of a quorum of Board members in locations not open to the public in compliance with the Governor's Executive Order N-08-21 (June 11, 2021), allowing for deviation of teleconference and physical location meeting rules otherwise required by the Ralph M. Brown Act. The purpose of the orders was to help California respond to, recover from, and mitigate the impacts of the COVID-19 pandemic, while allowing the public to observe and address the Board after submitting written comments via email to the Board Secretary at Authority@RecycleSmart.org prior to or during the time for public comment at the meeting.

Chair Matt Francois called the meeting to order at 3:00 P.M. on September 23, 2021.

PRESENT: Board Members: Candace Andersen
Newell Arnerich
Gina Dawson
Matt Francois, Chair
Teresa Gerringer
Inga Miller
Karen Mitchoff*
Renee Morgan*
Cindy Silva
Renata Sos, Vice Chair
Amy Worth
*Arrived shortly after Roll Call

ABSENT: Teresa Onoda

Staff members present via teleconference: Ken Etherington, Executive Director; Janna McKay, Executive Assistant/Secretary to the Board; Wendy Nelson, Finance Manager/Controller; Judith Silver, Senior Program Manager; Jennifer Faught, Contract Compliance Specialist; Ashley Louisiana, Program Manager; and Deborah L. Miller, CCCSWA Counsel.

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

Chair Francois noted for the record with respect to Item c under Information Items that the Board of Directors had, in July 2021, voted to form an ad hoc committee to follow up on recommendations from 2020 to study the impacts of salary increases and methods of addressing long-term budget issues. He reported the ad hoc committee would meet shortly to gather and review relevant information and make recommendations for next year's budget.

2. PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA

DAVID RODRIGUEZ, Business Agent for Teamsters Local 315, represented 100 drivers and other employees at Republic Services in Pacheco working under garbage and recycling contracts. Mr. Rodriguez referred to recent challenges with the garbage trucks and described breakdowns and other problems that had caused delays in service. He acknowledged the challenges due to the COVID-19 pandemic but urged Republic Services to offer the necessary and proper equipment to allow the drivers to provide the best services possible.

Board Member Arnerich referred to a list of drivers not showing up on a daily basis and asked Mr. Rodriguez about that list, and Mr. Rodriguez noted there were a number of reasons why drivers had not shown up in that COVID-19 had been challenging for employees who were required to isolate for a number of days if showing symptoms, for normal sick days, workers comp and other absences. On average, he stated that 20 to 25 drivers were out.

CAROL EVANS, Walnut Creek, explained that she had submitted an email to express concern for the poor garbage pickup over the last several weeks throughout her neighborhood, noting that the landfill cart was the one consistently not picked up. Calls to Republic Services had produced the response that Republic did not have enough drivers.

3. CONSENT ITEMS

- a. Approve Minutes of the Special Board Meeting on July 22, 2021
- b. Approve Minutes of the Regular Board Meeting on July 22, 2021
- c. Approve One-Year Extension of Contract with Shute, Mihaly & Weinberger for Legal Services

MOTION by Board Member Andersen to approve Consent Items a., b. and c., as submitted. SECOND by Board Member Arnerich.

MOTION PASSED by the following Roll Call vote.

AYES:	Andersen, Arnerich, Dawson, Francois, Gerringer, Miller, Mitchoff, Morgan, Silva, Worth
NOES:	None
ABSTAIN:	Sos
ABSENT:	Onoda

4. ACTION ITEMS

- a. Amendment to Franchise Agreement for Recyclables Processing Extending the Term for Two Years
Approve Second Amendment to Franchise Agreement with Mt. Diablo Recycling for recyclables processing, including the Reuse Program, extending the term for two years.

Executive Director Ken Etherington recapped the July Board workshop and reminded the Board that both contracts would expire in 2025, and while well in advance he wanted to learn what the Board was looking for. He noted the Republic Services contract had a built-in two-year extension

that could be accepted any time prior to August 2024. There was no built-in extension to the contract with Mt. Diablo Recycling (MDR), although there had been an extension during the Settlement of 2019 that at MDR's request had been removed.

Mr. Etherington described some of the options for procurement: a two-year extension using the same terms or the idea of a ten-year contract, and if pursuing that ten-year option there would be other options to consider such as a Request for Proposal (RFP), negotiation or a sole source. At the July workshop the Board had discussed a number of items and had determined to consider two-year extensions with the two service providers. Staff had reached out to both MDR and to Republic Services by letter asking of their interest in extending the current contracts with the current rates. Republic Services had indicated it was not interested in doing that with the current compensation but was interested in continuing a long-term relationship with the Authority. MDR had agreed to the same terms and rates with a two-year extension and their signed agreement had been provided. The other consensus of the discussion was that staff would explore the idea of a ten-year contract after the two-year extensions, to be discussed at a future Board meeting.

Mr. Etherington reported that the item under consideration with respect to the Franchise Agreement with MDR would secure the same rates, the stability of services would be secured, capacity would be retained, and if extended the Reuse Program would be continued as would the use of MDR's transfer station in Concord.

Mr. Etherington compared the MDR contract with other contracts in the Bay Area and noted that MDR had a revenue sharing agreement with RecycleSmart. Built into the contract was a 75 percent share to RecycleSmart when the material value exceeded \$60/ton.

Board Member Miller clarified with Mr. Etherington that Republic Services had turned down a two-year extension to the agreement to take over MDR's roles and responsibilities because Republic could not do that work for the compensation RecycleSmart would pay but was very interested in continuing a relationship with RecycleSmart. She confirmed that the two-year extension was at RecycleSmart's discretion. The two-year extension for Republic Services would be for the same services currently being provided by Republic.

Legal Counsel Deborah Miller advised that she was unaware of any reason for Republic Services to be in a position to decline RecycleSmart's exercise of discretion to extend the contract for two years unless the Authority was in default, which she noted would be under the Authority's control and presumably would not be the case.

Board Member Arnerich stated that Republic Services does want to add recyclables processing to their contract but they need a little more time. He suggested that this item be deferred until we have an alternative proposal and look at the totality and value of a contractual relationship, and what would be best for our ratepayers' long term.

Board Member Silva commented that asking Republic Services if it could provide the same services for the same rate under the same terms as MDR was not the same as asking Republic Services what services it could provide and at what price.

Board Member Andersen referred to the timing in that the contract expiration is four years away. She asked when the decision would actually need to be made, to which Mr. Etherington stated the issue could be deferred but he reminded the Board of the interest at the workshop to pursue two-year extensions and to explore a ten-year agreement with the two shareholders.

Board Member Andersen noted that in four years the recyclables market could be much different. She was interested in deferring a decision to give Republic Services some time.

Mr. Etherington stated the issue could be delayed a year if that was the interest of the Board. On the discussion and in response to the Board, he clarified that the workshop discussion had produced a direction to explore the two-year extension with just MDR and Republic Services but if pursuing a traditional RFP, it would be opened up to everyone.

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

With respect to a deferment, Mr. Etherington stated that MDR could rescind what it had given RecycleSmart, and Deborah Miller confirmed that it was possible if an offer was made and not accepted the offeror could rescind the offer, which would depend on the time and circumstances with the Board.

MOTION by Board Member Silva to receive the offer from Mt. Diablo Recycling and defer discussion to the January 2022 Board meeting with or without an alternative offer from Republic Services. SECOND by Board Member Arnerich.

MOTION PASSED unanimously by a Roll Call vote.

Board Member Silva left the meeting at this time.

5. PRESENTATIONS

- a. COVID-19: SB 95 and Effects on Service Delivery
Tony Mancini, General Manager, Republic Services

Mr. Etherington advised that the item was a follow-up from the July meeting when the Board had asked for a presentation from Republic Services with respect to what it was doing to improve operations.

Tony Mancini, General Manager, Republic Services, thanked the Board for being patient, stated the times had been extremely challenging given the pandemic and associated issues, along with the impacts of SB 95. He noted that California was the only state to extend paid time off for employees who could be impacted by COVID-19.

SB 95 passed in March and employers were required to go back to January 1, 2021 and offer 80 hours of paid time off for employees who could be impacted by COVID-19 for self-quarantine, caring for a family member, a child or family member exposed to the virus as well as getting the first and second vaccines, which had posed challenges for service providers, particularly those providing essential services.

Mr. Mancini emphasized the challenge of making sure that employees and vehicles were safe, and to be compliant some of the safety practices had involved proper PPE, proper distancing, and staggered start times. He advised that Republic had restructured the driver launch for am and pm schedules and for the check-in process, and had also complied with federal regulations.

Mr. Mancini presented a graph to describe the hundreds of hours of COVID paid time off from February 2021 to August 2021, the few positive cases during that period, and reported that Republic had encouraged people to get vaccinated.

With respect to impacts on service delivery, Mr. Mancini stated the pandemic had affected the drivers, maintenance and work force. Republic had allocated 50 percent PTO which had been exhausted, added 18 new drivers, had a 7.8 percent retention rate, and had kept most of the drivers hired although there were concerns with hiring temps. Typical training for on-the-job requirements and protocols required 20 days. He also referred to supply chain delays of four to six weeks in some cases, Republic had gone to the lengths of subcontracting out to suppliers, and in some cases it took ten months to get an engine. Eleven trucks had been transferred from other business interests, six new units had been purchased, and there were still delays getting the trucks on the road safely because Republic could not get parts. He had also pulled Teamster employees from elsewhere (some from Southern California) to help keep the trucks up-to-date. Job fairs had been conducted to get employees, employees had been working Saturdays and working overtime.

Mr. Mancini stated that SB 95 would expire on September 30, 2021, although the Governor could change that and he noted there may be mandated vaccination testing requirements yet to be identified. He believed the supply chain delays would continue. He described the continued protocol as 100 percent compliance, continued weekly staffing calls, weekly interviews and employee engagement to recognize the employees that were front line workers who had put their jobs first for their communities. He emphasized that it had been a very difficult time to manage and Republic would continue to do the best job possible through the pandemic. He appreciated everyone's patience and the ability to identify what Republic Services was doing to continue to provide service and wanted to continue to be a partner with RecycleSmart.

Board Member Sos thanked Mr. Mancini for the presentation, noted that she had heard from her constituents frequently because of the concerns with Republic Services and based on those comments noted the situation had deteriorated in Moraga rather than being improved. She asked when she could tell her constituents when things would get better, to which Mr. Mancini stated he would continue to do what he could to ensure Republic Services staffing levels met and exceeded normal levels. He expected continued delays but Republic would be as diligent as possible to message out that they would be delayed. He suggested the end of SB 95 would be helpful, he would continue to work for the community and would get better communicating with the community but he reiterated that the supply chain would continue to be an issue.

Board Member Worth noted the tremendous uncertainty of COVID-19 in the beginning but that services such as garbage pickup had continued unabated, but since then there had been delays on the street and she asked how that would improve in the future.

Mr. Mancini stated that service calls for late service had improved from a year ago and Republic Services needed to get better and respond. He emphasized that the pandemic had affected all aspects of business, he had personally spoken directly with many customers, noted their

frustration, but reiterated the challenges and would continue to do what he could to address those challenges.

Board Member Worth asked if there was anything being done to change the customer service operation and Mr. Mancini stated that Republic had hired two additional operations supervisors, two operations managers who ran early and late shifts, tablet technology was coming in the future, surveys had been sent to customers, and he would continue to challenge his team. He stated they would continue to over hire and train and challenge the employees to get through the process. He stressed that employees were working long hours and Republic Services was working to make sure that they were safe.

Board Member Arnerich commented that in Danville there had been a number of missed routes although there had been phone calls to identify when the carts would be picked up. He verified with Mr. Mancini that was the case in every community. He recommended that we distribute notices to customers to identify the challenges to haulers, indicate the problems and ask customers to call and leave out carts for later pick up.

Board Member Gerringer thanked Mr. Mancini for the report and stated she had been hearing the same message regularly from Republic Services staffers who had been very responsive to callers. She agreed with Board Member Arnerich about letting ratepayers know what was occurring, the challenges and steps being taken to resolve them.

STEVEN LEVELLE commented that he was not sympathetic to the excuses. He expressed concern that the containers were not being put back after pickup with some left out in the street, especially in his neighborhood with narrow streets and near a school. He suggested that any new contract include some provision that the garbage containers be picked up on the designated day and if not, there would be progressive penalties.

DAVID RODRIGUEZ, Teamsters Local 315, explained there had been numerous meetings with the company about the challenges with respect to COVID and the PTO. He stated that while they recognized SB 95 had been challenging, he asked the Board to look at the bigger picture and the truck situation along with the limited mechanics to getting the trucks up and running in a timely manner.

Chair Francois stated that RecycleSmart was in partnership with Republic Services, communication was key, extraordinary times required extraordinary measures, trash service was an essential item critical to daily lives, public health and sanitation, had been prioritized and he appreciated Mr. Mancini's comments about Republic Services doing what it could to rectify deficiencies. He stated the Board was ready to do what it could such as provide communication to ratepayers, how ratepayers could register complaints and know they were not being ignored, and how the complaints would go back to Republic Services and result in penalties.

Board Members Worth, Sos and Andersen expressed appreciation to RecycleSmart and Republic Services' staff for being responsive to the issues.

Board Member Mitchoff noted that Mr. Levelle's issue was a training issue as opposed to a service issue, and as to the suggestion relative to distances to school and child care that was an issue RecycleSmart had no authority to address.

She agreed there needed to be more attention to the return of garbage cans to the curb.

b. Index Year Rate Application for Rate Year 8
Erik Nylund, Crowe LLP

Mr. Etherington reported that Republic Services had submitted its rate application for Rate Year 8 (March 2022 through February 2023) on July 1, 2021, and staff and the consultant had assisted in the review of the application for accuracy, compliance with the contract, and any questions or changes with follow-up meetings with Republic. After submittal of the updated numbers, staff would start meeting with each member agency.

Erik Nylund, Crowe, LLP, stated he would be managing the rate setting work. He described his background in rate setting, presented the results from the Rate Year 8 review, and stated the index method was being used to set RY8 rates. Republic Services had requested an effective total 3.52 percent rate increase consisting of a 2.00 percent rate increase and a 1.52 percent special rate review request allowed by the Franchise Agreement due to change in scope. The special rate review covered additional costs associated with ten more months of organics collection to townhome customers, to rural areas, and to commercial and multi-family dwellings as required by SB 1383. He stated that Crowe, LLP had been looking at applications, the components driving the rate change, working with staff, and the guiding document (Exhibit D of the Franchise Agreement) for the RY8 review, collective bargaining agreements that drove labor rate changes, monthly tonnage reports, changes to applicable indices and other documents. The assumptions for RY8 had been challenged and adjustments to the proposal had been submitted.

Mr. Nylund stated that Republic Services had requested 3.52 percent in total and Crowe's adjusted total was for a 2.29 percent recommended rate increase. In total, the RY8 index year had been adjusted downward resulting in a reduction from 2.00 percent to 1.24 percent, and the special rate review request had been reduced from 1.52 percent to 1.05 percent, or \$548,000 in total adjustments. He identified the areas reduced and noted there had been increases in some cases so that a balanced review had been done. The total revenue requirement for RY8 would be \$62.5 million including Republic Services compensation of \$45.7 million and \$15.7 million of other expenses. He identified the effective rate change for each member agency, revenue requirements shown for each member agency, rate impacts for each and noted that there would be meetings with each member agency to discuss the rate adjustments, if at all, based upon the use of reserves. He identified the reserves available for each member agency along with other fee components such as franchise fees and vehicle impact fees.

Mr. Nylund requested that any changes to the franchise fees be identified by October 1, 2021 in order to reflect those in the upcoming rate scenarios analyses to be prepared for the individual meetings with the member agencies. He added that over the next six weeks member agency meetings had been scheduled which would go through November 5, and he would return to the Board on December 9 to present draft rates for discussion.

Rate strategies could be revised up to January 7, 2022, with a return to the Board for final adoption on January 27, 2022.

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

c. SB 1383 Update
Judith Silver and Jen Faught, RecycleSmart

Judith Silver, Senior Program Manager, highlighted SB 1383 requirements which established statewide emissions reduction goals of 75 percent of reduction of organic waste to landfills in 2025 and 20 percent edible food recovery by 2025, to begin January 1, 2022. She described the SB 1383 required programs already in place, and noted that those pending include the adoption of a mandatory organics ordinance to be submitted to the Board next month for a first reading, and working with SCS Engineering to develop a routes contamination protocol as required by SB 1383 where each route each year some amount of accounts would be assessed with feedback provided.

Ms. Silver reported that townhomes would be included in receiving organics services. She identified a CalRecycle food rescue grant in partnership with White Pony Express that was underway and stated RecycleSmart had developed the necessary outreach and identified the generators in the service area that would be required to participate. She reminded the Board of the budget associated with SB 1383 and reiterated that compared to many jurisdictions that were facing all SB 1383 requirements, RecycleSmart had already instituted many of the programs and was well placed to comply with those requirements.

Jen Faught, Contract Compliance Specialist, identified member agency responsibilities to comply with regulations such as ensuring the adoption of certain elements of the California Green Building Code related to construction waste management including adequate space for organics recycling at multi-family and commercial properties, adopting a water efficient landscaping ordinance or another enforceable mechanism that included certain elements of the state model having to do with compost and mulch application and landscaping, and working toward procurement obligations such as the requirement to procure a certain amount of recovered organic waste products for jurisdictions. She noted the requirement to purchase recycled content paper for all paper needs along with record keeping requirements and regulations to demonstrate compliance. She also identified the types of recovered organic waste products eligible for the fulfillment of the procurement target.

Ms. Faught stated that RecycleSmart staff had been in contact with the member agencies related to the compliance requirements. She reported they had come to an agreement with the East Bay Municipal Utility District (EBMUD) to get procurement allocation for the organics sent to its plant and EBMUD would provide the necessary documentation to allow RecycleSmart to claim those organic tons. She added that there are quarterly meetings with the county to discuss solid waste issues and the county had started to have SB 1383 specific working group meetings that would continue. All member agencies were invited to those meetings.

Ms. Faught offered a quick update on SB 619 that would have potentially delayed implementation of SB 1383, but in its current form provides that a local jurisdiction facing violations of SB 1383 regulations could submit a notification of intent to comply with the regulations through CalRecycle by March 1, 2022, and if approved there could be waivers of administrative civil penalties. A letter from RecycleSmart had been sent to CalRecycle earlier this month explaining the difficulties the member agencies were facing attempting to comply with the procurement obligations and asking to meet with CalRecycle staff for additional support. She reiterated that RecycleSmart was well-positioned to comply with everything else required by SB 1383.

Chair Francois thanked staff for placing the Authority in such a good position with respect to SB 1383.

6. INFORMATION ITEMS

Reports were provided for information only and no Board action was required.

- a. Executive Director's Monthly Report
- b. Communications to the Authority
- c. Historical Salaries Expense Data
- d. Future Agenda Items

7. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

There were no Board communications or announcements.

8. ADJOURNMENT

The Board adjourned at 5:02 P.M. to the meeting scheduled for October 28, 2021 at 3:00 P.M.

Respectfully submitted by:

Janna McKay, Executive Assistant/
Secretary to the Board of the
Central Contra Costa Solid Waste Authority,
County of Contra Costa, State of California

**REVISED DRAFT REGULAR BOARD MEETING OF THE
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
HELD ON JANUARY 27, 2022**

The Regular Board Meeting of the Central Contra Costa Solid Waste Authority's (CCCSWA's) Board of Directors convened exclusively via teleconference participation of a quorum of Board Members in locations not open to the public in compliance with Assembly Bill (AB) 361 and its amendments to California Public Resources Code Section 54953(e), allowing for deviation of teleconference and physical location meeting rules otherwise required by the Ralph M. Brown Act. This meeting had been held during a proclaimed state of emergency, and state and local officials had imposed or recommended measures to promote social distancing, while allowing the public to observe and address the Board after submitting written comments via email to the Board Secretary at Authority@RecycleSmart.org prior to or during the time for public comment at the meeting.

Chair Matt Francois called the meeting to order at 3:00 P.M. on January 27, 2022.

PRESENT: Board Members: Candace Andersen
Newell Arnerich
Gina Dawson*
Matt Francois, Chair
Teresa Gerringer
Inga Miller
Karen Mitchoff
Renee Morgan*
Teresa Onoda
Cindy Silva
Renata Sos, Vice Chair
Amy Worth
*Arrived after Roll Call

ABSENT: None

Staff members present via teleconference: Ken Etherington, Executive Director; Janna McKay, Executive Assistant/Secretary to the Board; Wendy Nelson, Finance/Controller Manager; Judith Silver, Senior Program Manager; Jennifer Faught, Contract Compliance Specialist; Ashley Louisiana, Program Manager; and Deborah L. Miller, CCCSWA Counsel.

1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**
2. **PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA**

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

3. **CONSENT ITEMS**

- a. Approve Minutes of the Regular Board Meeting on December 9, 2021
- b. Adopt Resolution 2022-01, Approving continued use of teleconferencing for the meetings of all CCCSWA legislative bodies under Assembly Bill 361
- c. Adopt a CCCSWA Employee Compensation Policy

MOTION by Board Member Andersen to approve Consent Items a., b. and c. SECOND by Board Member Miller.

MOTION PASSED unanimously by a Roll Call vote.

4. **PRESENTATIONS**

- a. Transparency Certificate of Excellence from the Special District Leadership Foundation
Colleen Haley, California Special Districts Association (CSDA)
Jen Faught, Contract Compliance Specialist, RecycleSmart

Jen Faught, Contract Compliance Specialist, reported that RecycleSmart had pursued and had been awarded a Transparency Certificate of Excellence from the CSDA's Special District Leadership Foundation.

COLLEEN HALEY, CSDA, reported that the Central Contra Costa Solid Waste Authority had been a member of the CSDA since 1996. She highlighted the CSDA that had been created as a way for Special Districts and other members to showcase their efforts at transparency to the general public, and noted it required a great deal of staff work to put the information together when applying for a Transparency Certificate of Excellence. She stated the Special District Leadership Foundation was an arm of CSDA, a 501 C3 not-for-profit dedicated to promoting excellence in Special Districts through recognition programs that highlighted and focused on implementation and governance best practices, which was open to all California JPAs as well as cities, counties and other associated members. She described the four programs available for recognition, identified the subjects and criteria involved, emphasized the importance of transparency, and presented the Transparency Certificate of Excellence to the CCCSWA Board of Directors.

Board Members thanked staff for the effort and receipt of the award, verified that presentations to the Board and contracts were routinely placed on the RecycleSmart website after each meeting, and to further transparency requested that all attachments as part of each month's Board packet be posted at the time of distribution of each Board packet.

- b. 2020-2021 Annual Schools Program Report
Ruth Abbe, Schools Program Coordinator, Abbe & Associates

Ms. Faught introduced Ruth Abbe, Amanda Halte and Nancy Deming from Abbe & Associates to present the 2020-2021 Annual Schools Program Report.

RUTH ABBE presented the Annual Report and the progress being made towards the 75 percent waste diversion goal. She recapped the 2020-2021 activities, described how that had been done over Zoom, and highlighted the presentations and assemblies that had been produced along with the training that had occurred.

Ms. Abbe reported that 50 out of 68 schools were at a 50 percent or greater diversion, 20 schools were at 75 percent or greater diversion, and 63 percent measured the diversion rate area-wide, noting that the diversion percentage had decreased somewhat from the prior year given a number of factors related to COVID-19. She expected the percentage to grow this year. She also presented the diversion rates by School District and highlighted the student engagement.

AMANDA HALTE identified the scholarships offered to high school students and stated the application would be on the website soon for the 2022 program. A Student Internship program had doubled this year with 15 students working on projects that could be done with a specific school or joint projects that could benefit multiple schools. She described the multiple ways the Abbe team had been working with passionate students and the results from all those efforts. She reported that Devin Jack, a Foothill Middle school teacher, and Devon Bradley from Miramonte High School had received Leadership in Sustainability Awards at the 13th Annual Leadership in Sustainability with Sustainable Contra Costa. She also commented that despite the pandemic students in Orinda had successfully pursued a polystyrene ban through the Orinda City Council.

Board Member Worth asked if it would be possible that the high school groups, such as the environmental clubs, could work with homeowners to help with awareness and education to address organics recycling.

In response, Ms. Halte explained that students' green teams were brainstorming park cleanups, education on alternative diets that might be better for the environment, group summits to educate on food waste reduction and proper sorting and screenings. She noted that educating the students at school about recycling and diversion would help to educate parents. She also noted that the Schools Team frequently remained in touch with some of the students who were passionate about waste and recycling issues.

5. ACTION ITEMS

- a. Solid Waste Collection Maximum Rates for Rate Year 8
Adopt Resolution 2022-02, Adopting Maximum Rates for Solid Waste Services for Rate Year 8 (March 1, 2022 through February 28, 2023).

Executive Director Ken Etherington noted that the process for Rate Year 8 had started in July, with meetings with each member agency in October and November. Draft rates had been presented to the Board in December and this action item would approve those rates, which would become effective March 1, 2022.

ERIK NYLUND, Crowe LLP, highlighted the process that had culminated in December. There had been no changes to the rate adjustment results since then. He recapped the Franchise fee levels and vehicle fee levels, noted the minor adjustments that had previously occurred to vehicle fee amounts for some of the jurisdictions, and summarized the proposed RY8 rate adjustments ranging

from 1.5 percent to 3.88 percent and their impact on the residential 32-gallon carts and 2 cubic yard bins. He also presented the results of the comparative rate survey of neighboring jurisdictions.

In response to Board Member Miller as to how the schools were handled in the contract, the cost of those collections, how and who paid for those costs, and where that information would be located, Mr. Etherington stated he would have to research that information and report back.

Chair Francois referred to a reference in the staff report for a projected revenue shortfall of \$2.5 million before the RY8 rate adjustment, and verified with Mr. Nylund that the RY8 adjustment should cover that shortfall, which was the purpose of the revenue requirement.

It was also clarified that each jurisdiction had a dollar amount it had to meet and could either use reserves or raise rates, which could also include schools.

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

Board Member Worth suggested it would be helpful that the methodology for the base rate be explained to any member agency that needed it.

MOTION by Board Member Arnerich to Adopt Resolution 2022-02, Adopting Maximum Rates for Solid Waste Services for Rate Year 8 (March 1, 2022 through February 28, 2023). SECOND by Board Member Silva.

MOTION PASSED unanimously by a Roll Call vote.

(Board Member Morgan later advised that she was having technical difficulties and could not access the meeting to vote on this item.)

b. CCCSWA Franchise Contracts

Consider offers from Mt. Diablo Recycling and Allied Waste Systems (Republic Services) relative to recyclables processing, and give direction to staff regarding those offers and/or another procurement approach for future Franchise Agreement(s).

Mr. Etherington explained that the item had been considered by the Board at a workshop in July 2021 and at a Board meeting in September 2021, given that the Republic Services contract would expire in 2027, which included a two-year extension. The Mt. Diablo Recycling (MDR) contract would expire in February 2025, with no extension. He explained that while Republic Services offered garbage collection, recycling, green waste, food waste, and the processing of organics, MDR offered only the processing of recyclables and the Reuse Program. Also, while MDR used to have extensions in its contract, with the settlement and contract amendment in 2019, MDR had removed the extension in that contract. As a result, the contracts no longer coincided. He added that the agency used to get \$55/ton from MDR but we now pay \$64.80 for the recyclables to be processed. He explained that if the Board wanted to pursue a Request for Proposal (RFP) for the recycling processing services and Reuse Program that would have to be ready to pursue by October 2022. If an RFP was pursued, it was unlikely there would be many bidders given that the current providers were local operators and operators from out-of-the-area would likely not be able to offer competitive bids.

Mr. Etherington provided the background and update to the Board's discussion since July when the Board recommended to staff a two-year Franchise Agreement with Mt. Diablo Recycling for recyclables processing including the Reuse Program. The extended term for two years would be the same terms, conditions and price, as the current contract. At the September meeting the Board had sought additional information from Republic Services.

Mr. Etherington presented a comparison of other operators of similar adjacent jurisdictions where MDR's rate was significantly lower than what other agencies were paying. He reported that staff had met with Republic Services to receive cost estimates to perform services and had received a verbal cost of \$145/ton for recycling processing plus \$50/ton for transportation, for a total of \$195/ton. For reuse services, Republic had estimated a \$2 million annual cost where the current cost with MDR was \$1.1 million annually. He highlighted the available options to accept the MDR contract from the September meeting, take no action, or provide direction for a possible RFP, and sought direction from the Board.

Mr. Etherington verified, when asked, that the agency currently paid \$64.80/ton and a 3 percent increase would become effective March 1, 2022 for a \$66 plus per ton rate. Both companies offered a 75 percent benefit if the recycling market went over \$60/ton where the agency would get 75 percent of that value. Republic Services had offered \$145/ton plus \$50/ton for transportation compared to MDR's current \$64.80. He explained that the agency processed 43,000 tons a year which would mean a difference of \$5.6 million above what was currently being paid with the Republic offer. The current Reuse Program was at \$1.1 million and the Republic proposal involved \$2 million but Republic would need additional real estate and that total could require adjustment.

Vice Chair Sos verified that the comparable with other agencies had shown a range of \$106 to \$157/ton without knowing the details of the contracts, for just the recycling processing.

Board Member Arnerich stated he could not support a contract extension with a company that had threatened the agency with a termination of services or with a default and he would rather go back to Republic Services for a seven- or ten-year extension and see what that would cost given his understanding that there would be a competitive market. He did not support the contract with MDR, suggested there was time, and wanted to pursue a contract with Republic and get a fully capitalized proposal to take the agency into the future. If that did not work, the Board could go out to bid for a new contract.

Board Member Miller noted that the contract had been negotiated in 2014, and with the current impacts of SB 1383 and other legislation she wanted to know if there were any new requirements and new services that would have to be negotiated. She sought a chart in that regard. Noting that the contracts were designed to work together, she wanted to make sure that Republic Services and MDR had no conflicts with respect to the status of the contracts and how that would work moving forward. She also wanted to know what would happen if the contracts were extended with respect to notice, conditions, and liquidated damages.

Mr. Etherington clarified that what was being presented at this time as a follow-up to the September 2021 Board meeting had nothing to do with the Republic Services contract extension which would be exercised as late as 2024. The item under consideration was strictly the recycling

processing with MDR or Republic and would be an amendment with MDR and a new contract with Republic. The depreciation schedule applied to the Republic side only and on the MDR side on processing only with no depreciation issue.

Legal Counsel Miller clarified that the item presented in September was limited to considering building back into the MDR contract a term through 2027. If the Board was inclined to take up that recommended action at this time it would be limited to the Second Amendment to the MDR contract. While she understood that could presuppose an extension of the Republic Services contract in the future, it did not lock the Board into taking any action relative to the Republic contract. She characterized the recommendation from September to build back what had been negotiated away in 2019, an opportunity to continue the relationship with MDR and Republic through 2027. Specific to the MDR contract, it did not include specifics as to depreciation or anything else. The September recommendation was to take advantage of the extension through 2027 given the favorable economics.

Board Member Morgan asked what control would the agency have if entering into another contract with MDR where it might want to end the contract prematurely again.

Legal Counsel Miller stated that the agency could take the position that a contracting partner did not have a unilateral right to change the terms or exit the contract. While there were a handful of provisions in both contracts about limited circumstances when a contracting partner could come back to the agency, partners had to adhere to the terms of the contract, and if that was not done the agency reserved all rights and remedies under the agreement as described by law.

TIM ARGENTI, former General Manager of Republic Services, now working with Government and Community Relations, explained that he had been involved with the negotiations on the original Franchise Agreement, and explained that when entering the contract in 2015 for ten years, the existing equipment had been depreciated to 2025. With respect to the extension of the recycling contract, the depreciation expense had been put in at two years given the length of time under discussion. If the contract had gone out further than two years the depreciation expense would come way down. He also clarified that given the current value for recyclable material under current market conditions, the rebate that would be able to be given back to the agency would be \$77/ton, which would bring down the \$195/ton rate in the proposal. He added that Republic would have no influence over the proposed MDR contract.

SAL EVOLA, Mt. Diablo Recycling, appreciated the consideration of the item and the relationship with RecycleSmart but at this time he wants to come back to staff to talk about next steps.

Board Member Silva recommended that staff be directed to bring back precise details, in writing to the Board, at a subsequent meeting to address all questions.

Vice Chair Sos recommended consideration of an ad hoc committee given that it felt like more than a two-year decision.

Board Member Andersen agreed with the need for a comprehensive report and direct comparison along with pros and cons to better understand the rebate, supported an ad hoc committee, and recommended that Vice Chair Sos lead that committee.

Board Member Worth concurred but with the item to be brought back to the full Board, to include a ratepayer discussion and a discussion of the issue of a short extension versus a longer term, after which a potential ad hoc committee would make sense.

Board Member Silva stated that having been involved in the ad hoc process for the initial development of the contract process for the Franchise Agreement that it had been very detailed in a multi-month process. She emphasized the need to consider what the agency wanted to ask for after which the operator needed a multi-month process to respond. As a result, she explained that process would have to start as soon as possible.

Legal Counsel Miller concurred and reiterated the staff recommendation that the Board target October 2022 for a start date in 2025 to build in an 18-month time period for putting together a proposal, receiving responses, negotiating a contract, and allowing a contractor 12 months to be able to provide timely services.

Board Member Arnerich supported the formation of an ad hoc committee to review the criteria, the contract proposals, and to potentially consider longer terms given the capital costs. He recommended that the committee also move into setting up for a contract for a new proposal. He did not want to wait.

Mr. Etherington stated he would get Republic's proposal in writing and address the apparent additional questions from MDR to provide direct comparisons for both proposals.

Board Member Miller commented that the ideas proposed to be considered went beyond consideration of the two-year extension.

Mr. Etherington clarified the costs of extending the Republic contract would be a completely separate analysis that would require the assistance of a consultant, which could potentially return to the Board in June.

MOTION by Board Member Silva (as amended) to continue the consideration of offers from Mt. Diablo Recycling and Allied Waste Systems (Republic Services) relative to recyclables processing, and directed staff to bring back precise details in an apples-to-apples comparison, in writing, to address all the Board questions and to encompass the fiscal analysis of the impact of extending the Republic Services contract so that the Board would have a full understanding of all relevant and related costs. SECOND by Board Member Arnerich.

MOTION PASSED unanimously by a Roll Call vote.

6. INFORMATION ITEMS

Reports were provided for information only and no Board action was required.

- a. Executive Director's Monthly Report
- b. Future Agenda Items
- c. News Articles of Interest

Board Member Silva noted with respect to the Executive Director's Monthly Report that all member agencies must apply directly for the SB 1383 grant funds available from CalRecycle.

Judith Silver, Senior Program Manager, explained that after making a presentation to the Walnut Creek City Council she had verified a question from that meeting with CalRecycle, which had confirmed that RecycleSmart could not apply as a single agency because of the County in that there was no methodology for parceling out. All the member agencies had agreed to apply on the agency's behalf which would end up with more or less the same amount of money at \$250,000.

Ms. Silver explained that the agency would serve as a consultant to the member agencies and would invoice them, and then use those funds to do the work needed to be done on behalf of the entire agency.

7. **BOARD COMMUNICATIONS AND ANNOUNCEMENTS**

There were no Board communications or announcements.

8. **ADJOURNMENT**

The Board adjourned at 5:10 P.M. to the meeting scheduled for February 24, 2022 at 3:00 P.M.

Respectfully submitted by:

Janna McKay, Executive Assistant/
Secretary to the Board of the
Central Contra Costa Solid Waste Authority,
County of Contra Costa, State of California

**DRAFT REGULAR BOARD MEETING OF THE
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
HELD ON MARCH 24, 2022**

The Regular Board Meeting of the Central Contra Costa Solid Waste Authority's (CCCSWA's) Board of Directors convened exclusively via teleconference participation of a quorum of Board Members in locations not open to the public in compliance with the Governor's Executive Order N-25-20 (March 12, 2020) as superseded by Order N-29-20 (March 17, 2020), allowing for deviation of teleconference and physical location meeting rules otherwise required by the Ralph M. Brown Act. The purpose of the orders is to provide the safest environment for staff and the public consistent with Contra Costa County Health Services' current public health recommendations, while allowing the public to observe and address the Board after submitting written comments via email to the Board Secretary at Authority@RecycleSmart.org prior to or during the time for public comment at the meeting.

Chair Matt Francois called the meeting to order at 3:08 P.M. on March 24, 2022.

PRESENT: Board Members: Candace Andersen
Newell Arnerich
Matt Francois, Chair
Teresa Gerringer
Inga Miller
Karen Mitchoff
Renee Morgan
Teresa Onoda
Cindy Silva
Renata Sos, Vice Chair
Amy Worth

ABSENT: Gina Dawson

Staff members present via teleconference: Ken Etherington, Executive Director; Janna McKay, Executive Assistant/Secretary to the Board; Judith Silver, Senior Program Manager; Jennifer Faught, Contract Compliance Specialist; Ashley Louisiana, Program Manager; and Deborah L. Miller, CCCSWA Counsel.

1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**
2. **PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA**

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

3. **CONSENT ITEMS**

- a. Approve Minutes of the Regular Board Meeting on February 24, 2022
- b. Adopt Resolution 2022-04, Approving continued use of teleconferencing for the meetings of all CCCSWA legislative bodies under Assembly Bill 361
- c. Authorize positions on 2022 bills as recommended by the Legislative Committee, and Authorize the Executive Director to send support letters for those bills

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

MOTION by Board Member Arnerich to approve Consent Items a., b. and c. SECOND by Board Member Morgan.

MOTION PASSED unanimously by a Roll Call vote.

4. **ACTION ITEMS**

- a. Provider Services Agreement for Professional Accounting Services
Authorize the Executive Director to enter into a Provider Services Agreement with JJACPA, Inc. for Professional Accounting Services at a cost not-to-exceed \$90,300.

Executive Director Ken Etherington recommended the approval of a Provider Services Agreement for JJACPA given that Wendy Nelson, CCCSWA's Finance Manager had left the organization. He recommended that JJACPA fill the void, estimated at 30 hours a week, until the Finance Manager position could be filled. He added that JJACPA had done work with RecycleSmart since 2015 and had also provided interim accounting services. He explained that the agreement was a sole source contract given JJACPA's full knowledge of RecycleSmart's financial and accounting functions. Brett Jones of JJACPA was available via Zoom at this time to respond to questions.

Board Member Silva expressed concern that as an independent contractor there could be CalPERS issues with respect to JJACPA, although CCCSWA Legal Counsel Deborah Miller stated that would be unlikely but language could be added to the contract to address that concern.

Board Member Worth noted that the contract would not be long term and it could be shown as a temporary arrangement by identifying the need to go through a recruitment process.

Mr. Etherington reported he had contacted and had conversations with Robert Half & Associates but had not yet engaged them. He added that Ms. Nelson had been recruited through that firm.

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

MOTION by Board Member Arnerich to authorize the Executive Director to enter into a Provider Services Agreement with JJACPA, Inc. for Professional Accounting Services at a cost not-to-exceed \$90,300. SECOND by Board Member Andersen.

MOTION PASSED unanimously by a Roll Call vote.

- b. Chair and Vice Chair Elections
Elect CCCSWA Board Chair and Vice Chair for 2022-2023.

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

MOTION by Chair Francois to elect Vice Chair **Renata Sos** as the Board Chair and Board Member **Inga Miller** as the Vice Chair for 2022-2023.
SECOND by Board Member Gerringer.

MOTION PASSED unanimously by a Roll Call vote.

- c. Resolution Recognizing Matthew Francois as Chair for the CCCSWA Board of Directors
Adopt Resolution No. 2022-05, Recognizing Matthew Francois for his leadership during his term as Chair of the CCCSWA Board of Directors.

Chair Sos read Resolution No. 2022-05 into the record to recognize former Chair Francois for his leadership during his term as Chair of the CCCSWA Board of Directors.

Chair Francois thanked the CCCSWA Board and staff for the plaque in recognition of his year as Chair and for the help that allowed staff, the Board and the service providers to work through a challenging year dealing with COVID-related delays and the SB 1383 compliance process among many other challenges. He looked forward to continuing on with the mission of the CCCSWA.

Each member of the CCCSWA Board took the opportunity to thank former Chair Francois for his judicial temperament in his demeanor, tenacity, calmness, welcoming personality, and ongoing leadership.

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

MOTION by Board Member Arnerich to adopt Resolution Recognizing Matthew Francois as Chair for the CCCSWA Board of Directors. SECOND by Board Member Worth.

MOTION PASSED unanimously by a Roll Call vote.

- d. Franchise Agreement Ad Hoc Committee Appointment (Chair Sos)
Consider establishing and appointing Board Members to an ad hoc committee regarding franchise agreement procurement strategy, negotiations and related matters.

Chair Sos asked the Board to consider establishing and appointing an ad hoc committee to make recommendations to the Board on the pending and unresolved questions regarding the existing Franchise Agreement with Republic Services and Mt. Diablo Recycling related to whether to enter into a two-year extension with Mt. Diablo Recycling, whether to exercise its right to extend the

term with Republic Services for two years subject to negotiations, and whether to begin work to pursue a new ten-year agreement or agreements.

Chair Sos noted the issues had been discussed at the last meeting and she suggested that time was pressing. The charter was intended to make a recommendation to the Board on the pending offer from Mt. Diablo Recycling to extend its recycling processing contract for two years, to review Republic's position relative to the two-year extension of its collection contract, review the parties' respective rights and obligations under the Franchise Agreement on the option to extend and provide guidance and feedback to staff on the meet and confer process with Republic after which the committee would make a recommendation to the Board on whether to extend the Republic contract. Should the Board decline to extend one or both of the agreements, the committee would promptly begin work on a bid package and preferred form of Franchise Agreement for the next ten-year term. She recommended an aggressive timeline and sought a recommendation to the Board on the extensions at the May meeting, if possible. She recommended that the ad hoc committee be comprised of Directors Arnerich, Andersen, Silva and the Chair of the Board (Sos).

Board Member Silva asked if an attorney and a consultant were to be involved in the ad hoc committee process, and Mr. Etherington stated he had a conversation with CCCSWA Legal Counsel and had two options to use either Crowe LLP or HF&H Consultants. Both were available. Once there was direction from the ad hoc committee as to the preferences, the consultants would be brought in to put that work together. Both consultants had different strengths and both were qualified.

Chair Sos clarified that the membership was acceptable to the Board. She had recommended the ten-year agreements as a topic given that consideration could be in scope as the ad hoc committee was grappling with the short-term questions. In terms of duration, she suggested that the ad hoc committee could be given a life until right after the election and then reassess.

PUBLIC COMMENTS OPENED

DAVE TROTTER, Moraga, supported the proposal as being sound, concurred with the approach to address the complex subject, and stated the ad hoc committee should be given a broader term of reference given that a ten-year contract had interrelated economic and financial ramifications with respect to whether it made more sense than a limited two-year extension, and the scope would have to be given to the ad hoc committee to be able to consider those things in context. He noted that the composition of the ad hoc committee could always be reconsidered.

PUBLIC COMMENTS CLOSED

On the discussion of how an ad hoc committee is formed, CCCSWA Legal Counsel Miller explained that the RecycleSmart Board rules suggested that the Chair could approve the membership of the committee while the Board as a whole should approve the establishment of the committee. She recommended a motion to establish the committee.

Ms. Miller read Section 6.1 of the CCCSWA's Board Rules and Procedures related to the Board approval for the creation of a committee. She confirmed that whether or not the Board established the ad hoc committee, the nature of it being ad hoc was that it was not a standing committee and was not subject to the open meeting requirements of the Brown Act.

MOTION by Board Member Morgan that a Franchise Agreement Ad Hoc Committee be established, as recommended by Chair Sos and the members of the Board, for an ad hoc committee regarding Franchise Agreement procurement strategies, negotiations and related matters, that the committee be formed as recommended by Chair Sos as to the members of the committee, and the ad hoc nature of the committee meant it was not a standing committee and was not subject to the Brown Act open meeting requirements. SECOND by Board Member Silva.

MOTION PASSED unanimously by a Roll Call vote.

5. INFORMATION ITEMS

Reports were provided for information only and no Board action was required.

- a. Executive Director's Monthly Report
- b. Future Agenda Items

6. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

There were no Board communications or announcements.

7. ADJOURNMENT

The Board adjourned at 4:18 P.M. to the meeting scheduled for April 28, 2022 at 3:00 P.M.

Respectfully submitted by:

Janna McKay, Executive Assistant/
Secretary to the Board of the
Central Contra Costa Solid Waste Authority,
County of Contra Costa, State of California

From: Ken Etherington
Sent: Tuesday, February 22, 2022 1:28 PM
To: Mancini, Tony <TMancini@republicservices.com>
Subject: Potential Exercise of Option to Extend 2014 Franchise Agreement

Dear Tony:

As you know, the Central Contra Costa Solid Waste Authority (“CCCSWA”) is considering whether to exercise its option to extend by two years Republic’s existing Agreement for Franchised Materials Collection, Transfer, Transport, Processing, Diversion, and Disposal Services, dated May 16, 2014, as once amended (“Agreement”).

As part of its due diligence in determining whether to exercise that option, and consistent with the Agreement at Section 4.1, CCCSWA is seeking Republic’s confirmation regarding certain business terms related to the proposed two-year extension.

The Agreement requires Republic to, among other things, provide a fleet of Collection vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement, including sufficient back-up vehicles for each type of Collection vehicle used to respond to scheduled and unscheduled maintenance, service requests, complaints, and emergencies; provide all new vehicles with a useful life of ten years or more; and depreciate the vehicles over a ten-year period. Likewise, the Agreement requires Republic to, among other things, provide Collection Containers as requested by the Subscriber to meet the Subscriber’s desired Service Level, including a sufficient inventory of Containers to accommodate new Subscriber requests for service, requests for change in Service Levels, and requests for replacement due to damage; provide new Containers with a useful life of ten years or more; and depreciate the Containers over a ten-year period.

It is CCCSWA’s view that Republic’s existing fleet of Collection vehicles and Containers should be sufficient in number and type to perform the work required by the Agreement during the potential extended Term, and will be fully-depreciated as of February 28, 2025. Accordingly, we anticipate that depreciation and interest expenses should be \$0 in the extended term (Rate Years 11 and 12). We also assume the per-ton rates specified in the tables in the Agreement at Exhibit D Section 4 should follow the same methodology in the extended term as in the base term (either continue to be escalated at 3% per year or continue to be at a fixed rate each year).

Enclosed is a proposed form of second amendment to the Agreement, consistent with the above. We are seeking Republic’s confirmation that, should the CCCSWA Board, in its discretion, exercise the option to extend the term of the Agreement, Republic would be prepared to enter this form of amendment. If Republic believes that CCCSWA has not fully-captured a depreciation or interest item permitted under the Agreement, or has otherwise overlooked a provision that should be addressed in a proposed amendment to the Agreement, we request that you please explain the company’s view in writing.

Time is of the essence in the Board’s consideration of the option to extend the term of the Agreement. Thus, we request your reply by no later than March 15, 2022.

Sincerely,

Ken Etherington Executive
Director RecycleSmart
1850 Mt. Diablo Blvd., Ste. 320 Walnut
Creek, CA 94596
(925) 906-1803
www.recyclesmart.org



441 N. Buchanan Circle, Pacheco, CA 94553
o 925-822-1537 tmancini@republicservices.com

March 15, 2022

Ken Etherington
RecycleSmart
1850 Mt. Diablo Blvd., Suite 320
Walnut Creek, CA 94596

Dear Mr. Etherington:

This letter is intended to respond to your email of February 22, 2022, regarding the 2 year extension to the service agreement effective March 1, 2025. In response to your comments regarding depreciation and interest, and your view of the sufficiency of our fleet, we respectfully disagree that the current fleet can safely operate during the extension period effective March 1, 2025, through February 28, 2027.

While we understand that the trucks were depreciated over a 10 year period as part of our initial proposal, the trucks currently running in the CCCSWA will be 10 years old at the commencement of the extension period. It is our internal practice to depreciate all front-loaders (commercial and residential) over an 8 year period, then replace those trucks 2 years after the trucks are fully depreciated. To keep our employees and the communities safe, we will be required to replace the CCCSWA trucks, which were mostly purchased in 2015, in 2025.

In addition, as of February 28, 2025, we will have \$4,200,000 of book value remaining on our ledger for containers and trucks. This is due to volume growth and required replacement of containers and trucks. I want to also state that the total net book value doesn't consider any trucks or containers that would be purchased for the SWA from February 1, 2022, through February 28, 2025.

We value our partnership with the CCCSWA and take great pride servicing the communities encompassing this service agreement. It is our desire to continue that partnership. However, we believe the rates associated with the two-year extension period will need to be discussed and do not include the provisions noted in your February 22, 2022, email relative to depreciation, post-collection services and other elements of the service agreement. Rather than focusing on the two-year extension period, we believe that dialogue relative to a long term extension would be more constructive. We look forward to further discussion relative to how we can best continue our partnership and are willing to meet with you at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Mancini", with a large, sweeping flourish extending to the right.

Tony Mancini
General Manager - Contra Costa County Business Unit



Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: KEN ETHERINGTON, EXECUTIVE DIRECTOR
DATE: APRIL 28, 2022
SUBJECT: EXECUTIVE DIRECTOR’S MONTHLY REPORT

SUMMARY

RecycleSmart Staff performs high level programmatic and administrative tasks each month to provide outreach and education to residents, businesses and schools to increase diversion and instill waste prevention practices. Staff manages the franchise agreements and customer service in addition to monitoring facility and monthly reporting by our service providers. Staff actively engages with community groups and regional partners on a variety of topics including SB 1383, legislation and industry best practices.

RECOMMENDED ACTION

1. This report is provided for information only. No Board action is required.

DISCUSSION

Below are the RecycleSmart liaisons for each member agency. For some communications such as those related to procurement, outreach, and construction and demolition, additional staff are contacted. Staff established a monthly liaison meeting to provide updates on SB 1383 and other topics pertinent to the member agencies. The first meeting took place on April 14. At the meeting we discussed the goals of the monthly meeting, CalRecycle grant funds, outreach, the upcoming May 12 annual update meeting with CalRecycle, and shared best practices for tracking recycled-content paper purchases.

Member Agency	Staff Liaison	Title
Contra Costa County	David Brockbank	Senior Planner
Danville	Diane Friedmann	Deputy Town Manager
Lafayette	Joshua Muller	Planning Technician
Moraga	Marty McInturf	Town Clerk
Orinda	Doug Alessio	Administrative Services Director
Walnut Creek	Emlyn Struthers	Administrative Analyst II

In honor of International Compost Awareness Week, RecycleSmart and Republic Services are hosting two annual compost giveaway events in Lafayette on May 7 and in Walnut Creek on June 18. Residents can register for free online: www.recyclesmart.org/ICAW.

Ashley Louisiana was selected to sit on the City of Lafayette Environmental Task Force and appointed by City Council at the April 25 meeting.

Provided below is information on completed and ongoing activities in April 2022.

- By request from a Board Member, staff developed the RecycleSmart Programs and Services information sheet (Attachment A).
- Continued negotiations with EBMUD on new service contract.
- Community events RecycleSmart participated in (with a booth):
 - April 23 - Broadway Plaza Earth Day, Walnut Creek
 - April 23 - Saint Mary's College Community Day, Moraga
 - April 30 - Lafayette Earth Day
- Monthly meeting with Schools Program contractor Ruth Abbe & Associates. Staff also coordinated a tour of Republic's Martinez Transfer Station food scrap preprocessing equipment (the "Thor") on April 1.
- Weekly meeting with SGA Marketing to develop an organics recycling outreach campaign.
- Biweekly meeting with Republic Services.
- Developing new outreach:
 - Reviewed all member agency websites to locate RecycleSmart/service information. Providing feedback to member agency staff and developing content for member agency websites. Provided this update at monthly liaison meeting April 14.
 - Community events: waste management and food recovery (for County Health distribution).
 - AB 1276 (single-use foodware accessories upon request) and AB 619 (reusable containers) outreach to businesses and residents.
- SB 1383 updates:
 - Submitted required Initial Jurisdiction Compliance Report to CalRecycle on April 1.
 - Continuing contracting process with Contra Costa Health Services to begin Tier 1 generator inspections starting July 1, 2022.
 - At the County's request, staff is negotiating a Memorandum of Understanding to outline agency responsibilities for the unincorporated portion of the RecycleSmart service area.
 - Started the required organics and edible food recovery capacity planning analysis.
 - Completed the route contamination protocol and pilot project with SCS Engineers. The protocol was reviewed by CalRecycle and field tested during the week of February 7. Five commercial and five residential routes were audited for a total of 778 carts. The results show that 362 accounts had prohibited contaminants, 197 accounts had no contaminants, 83 containers were empty, and 140 containers were not set out. Over 100 informational cart tags were attached to carts to provide feedback to generators to encourage proper sorting. The pilot will be scaled to cover the entire RecycleSmart service in the 2022-23 fiscal year.

- Staff participated in the following meetings and events:
 - Walnut Creek State of the City, March 29
 - Moraga Liaison meeting, April 8
 - Sustainable Contra Costa event, April 12
 - Lafayette Environmental Task Force meeting, April 14
 - New monthly meeting with member agencies, April 14
 - California Organics Recycling Technical Council meeting, April 15
 - NCRA Zero Food Waste Committee meeting, April 15
 - Monthly Bay Area SB 1383 food recovery working group, April 19
 - US Conference of Mayors Municipal Waste Management Executive Committee meeting, April 21
 - Alameda County Recycling Markets Network, April 21
 - Lafayette Environmental Task Force webinar, April 22
 - AB 1276 (single-use foodware accessories upon request) implementation webinar, April 28

ATTACHMENT

- A. RecycleSmart Programs and Services Information Sheet



RecycleSmart Mission

The Central Contra Costa Solid Waste Authority (RecycleSmart) is dedicated to developing and delivering high quality, cost effective solid waste reduction, recycling, and refuse programs that provide and promote sustainability in our communities.

RecycleSmart provides solid waste services for Central Contra Costa County including, Danville, Lafayette, Moraga, Orinda, Walnut Creek and some unincorporated areas of the County including, Alamo, Blackhawk and Diablo. RecycleSmart holds the Franchise Agreement with Republic Services for collection, transfer and disposal of residential and commercial landfill materials, recycling and organics, and with Mt. Diablo Resource Recovery for the processing of all recyclable materials and Reuse Day services.

Programs and Services

Single Family:

- Weekly recycling, organics (including food scraps and uncoated food-soiled paper) and landfill service
- Food scrap container at no additional cost every two years
- Weekly household battery collection at the curb
- Weekly CFL and cell phone collection at the curb
- On-call motor oil and filter collection at the curb
- Bi-annual Reuse & Cleanup Days Program, where usable items are donated to people in need
- One (1) annual on-call landfill-only service at no additional cost
- Four (4) annual on-call recycling and/or organics services at no additional cost
- Disability on-property service at no additional cost
- Holiday tree collection
- On-call curbside electronics service for a fee, and many other bulky items

Multifamily:

- Weekly (and as needed) recycling, organics (including food scraps and uncoated food-soiled paper) and landfill service
- Food scrap container at no additional cost every two years (by request from account holder)
- Multifamily reusable recycling tote bag at no additional cost (by request from account holder)
- Holiday tree collection
- Free battery recycling drop-off at local retailers
- On-call curbside electronics service for a fee, and many other bulky items

Commercial:

- Weekly (and as needed) recycling, organics (including food scraps and uncoated food-soiled paper) and landfill service
- Commercial Food to Energy Program (Food Recycling Project) in partnership with EBMUD

- Free battery recycling drop-off at local retailers
- Food donation outreach and assistance
- Four (4) Recycling Coordinators (with Republic Services) for technical assistance and outreach (including multifamily properties)

Community Services:

- Participation, outreach and collection services for community events (collection fee may apply to some events)
- Community event “Clear Stream” container and bag rental at no additional cost
- Participation at Chamber, Sustainability, City/Town and community group meetings and events
- City/Town collection services including recycling, organics and landfill at no additional cost (including street, park, City/Town Hall and more)
- Mini grant (community funding) for projects, events and services that increase and promote waste prevention and diversion (first come basis upon approval)
- Bi-annual Recycling Pledge and Mini Grant in partnership with Republic Services
- Annual Compost Giveaway in partnership with Republic Services
- Annual Food Drive (in partnership with the local Food Bank and youth Scouts)

Diversion Programs and Services:

- K-12 Zero Waste Schools Program including recycling, organics and landfill service, scholarships, Waste Buster Awards, assemblies, field trips, zero waste assistance, food donation outreach, share tables, custodial support, bin audits and more
- Home composting outreach including free workshops, reduced fee compost bins, CompostSMART community volunteer and outreach training, Compost in the Classroom, and Republic Services bill certification and reduction
- Medical sharps disposal boxes located at City Hall, Police and Fire at no additional cost
- Construction and Demolition (C&D) debris management including Green Halo for City/Town tracking, hauler permits, and regional facility certification
- Legislative advocacy
- Participation in local, regional, statewide and nationwide industry efforts focusing on prevention, product stewardship, zero waste, sustainability and diversion
- FEMA-approved Disaster Debris Management Plan in partnership with Member Agencies
- Annual rate setting with Member Agencies and Republic Services
- Franchise Agreement management
- State Law compliance including AB 939, SB 1383, AB 341, AB 1826, AB 827
- Required annual reporting to CalRecycle
- Outreach and education including RecycleSmart quarterly newsletter, website, social media, service guides, posters, local advertising, Republic Services truck signs, direct mail and more

RecycleSmart.org

(925) 906-1801

Authority@recyclesmart.org



Central Contra Costa Solid Waste Authority

Future Agenda Items

TYPE	BOARD MEETING: 5/26/2022
C	Approve 04/28/2022 Minutes
C	Adopt Resolution 2022-07, Continued use of Teleconferencing for all CCCSWA meetings under AB 361
I	Executive Director's Monthly Report
P	2021-22 Schools Program Scholarships

TYPE	BOARD MEETING: 07/28/2022
C	Approve 05/26/2022 Minutes
C	Adopt Resolution 2022-08, Continued use of Teleconferencing for all CCCSWA meetings under AB 361
I	Executive Director's Monthly Report
P	2021-22 Annual Schools Program Report

TYPE

- C – Consent Item
- A – Action Item
- I – Information Item
- P – Presentation