

**DRAFT REGULAR BOARD MEETING OF THE
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
HELD ON SEPTEMBER 26, 2019**

The Regular Board Meeting 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 September 26, 2019. Chair Karen Mitchoff called the meeting to order at 3:00 P.M.

PRESENT: Board Members: Candace Andersen
Newell Arnerich, Vice Chair
Matt Francois
Teresa Gerringner
Kymberleigh Korpus
Inga Miller
Karen Mitchoff, Chair
Karen Stepper
Roger Wykle

ABSENT: Board Members: Michael Anderson
Cindy Silva
Amy Worth

Staff members present: Ken Etherington, Executive Director; Janna McKay, Executive Assistant/Secretary to the Board; Bart Carr, Senior Program Manager; Wendy Nelson, Finance Manager/Controller; Jennifer Faught, Contracts 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

There were no comments from the public.

3. CONSENT ITEMS

- a. Approve Minutes of the Regular Board Meeting on July 25, 2019
- b. Adopt Resolution No. 2019-03 and Authorize Chair to Execute an Amended Memorandum of Understanding with Special District Risk Management Authority (SDRMA)

MOTION by Board Member Stepper to approve Consent Items a. and b.
SECOND by Board Member Andersen.

MOTION PASSED unanimously.

4. PRESENTATIONS

- a. 2018-19 Schools Program**
Ruth Abbe, Schools Coordinator

Ruth Abbe, Schools Coordinator, introduced Jessica Robinson who worked with each of the schools, and both presented the Annual Update of the School Recycling Program. It was reported that 44 out of 66 schools had a greater than 50 percent diversion rate with 18 schools at a 75 percent or greater diversion, and 62 of the 66 diverted food scraps. There was a 66 percent measured diversion rate area-wide. A new option to the Student Scholarship Program was identified for this year that would allow students to work with a local business or another school for out-of-school projects. Highlights and new programs for the school year were noted, progress since last year was identified, and the focus for the year was described including getting all schools to divert food, expanding the edible food recovery and donation, supporting pre-schools and school-site daycare centers, Green Team videos, a 68 percent diversion rate area-wide, and special projects.

Board Member Andersen described a recent visit to Parkmead Elementary and stated she had been impressed with the students' enthusiasm for the recycling programs, and her hope that the kids would take the recycling principles and enthusiasm home to share with their families to promote recycling.

- b. Solid Waste Collection Rates for Rate Year 6**
Marva Sheehan, HF&H Consultants

Ken Etherington, Executive Director, reported that the Rate Year 6 review was for a cost-based year, which occurred every three years, as opposed to an index year. Republic Services had submitted its base rate application and a special rate review request and the total of the two represented a 14 percent increase. He identified a table in the staff report to identify what staff had accepted and rejected of Republic's request, noted that a letter to Republic had been distributed to the Board, and explained that Republic had disagreed with staff's position. He advised that the special review was treated differently, had been submitted to RecycleSmart over a month late, and required auditing and meetings with the individual Member Agencies. He added that RecycleSmart staff was willing in good faith to consider any information from Republic that supported the basis of the Franchise Agreement and how it related to the special rate review, but emphasized that time was of the essence. Meetings with the individual Member Agencies had been scheduled in October and the rates for each Member Agency would be identified as a result of those meetings. Those rates would be presented to the Board in December and be adopted by the Board in January 2020.

Board Member Arnerich recognized that the majority of the large requests were not allowed and had not been reviewed because the request had been submitted late, although Mr. Etherington clarified that there was also no information submitted to review.

Board Member Arnerich noted the challenges over the past few years with Republic that had been sorted out, expressed a willingness to work to resolve the issues, and verified that staff had advised Republic to submit the paperwork now to allow the meeting in December given the significance of the request.

Marva Sheehan, HF&H Consultants, stated the process would be to set the rates for RY6 to go into effect as of March 1, 2020. She clarified that RY6 was the cost-based/true-up method after which the index method would again be used for RY7 and RY8. She added that Republic Services had submitted its costs and allocation statistics, HF&H appreciated Republic's efforts, had gone through the application and agreed-upon methodology, and had ended up with recommended proposed adjustments.

Ms. Sheehan advised that the base application and the special rate adjustment would represent a 13.9 percent increase to Republic's compensation; not the rate increase but just Republic's compensation increase. Based on discussions with staff, HF&H recommended a 3.8 percent adjustment at this time. Also, as a result of the Mt. Diablo Recycling (MDR) settlement, there had been \$1 million added to the total compensation package to continue to fund the authority-wide diversion programs that used to be paid out of the payment. With that built in, the overall rate adjustment required would be 5.35 percent. She clarified that the \$1 million had been allocated to each Member Agency based on the recycling tonnage. For RY6, she identified the rate impact to each Member Agency without the special rate adjustment, reserves, or change in any fees, which would be the starting point for the discussions with each Member Agency in October. She noted that last year some Member Agencies had chosen to use reserves to offset the rates and some had chosen to add to reserves, which would be part of the discussions. She identified the current franchise fees and vehicle fees by Member Agency and identified the types of things that would be discussed in the individual meetings with the Member Agencies.

Board Member Arnerich acknowledged the significance of the MDR adjustments and emphasized the need for Republic to submit the necessary paperwork to allow the discussions to occur so that by December everything could be sorted out to address the needs of the ratepayers as well as meet the contract requirements.

Ms. Sheehan stated that these special types of adjustments were more complex than just one item and Republic would have to provide substantial information to address them.

Board Member Stepper suggested that the more complicated items might have to be carried forward to RY7.

The significance of the December meeting in relation to the adoption of the rates was noted and Board Member Miller urged that Republic be responsible for the cost of the rush item; Mr. Etherington stated the contract allowed RecycleSmart to charge in that case.

Chair Mitchoff clarified with Ms. Sheehan that the rates were calculated based on the revenue requirements year over year, and this year the County had a \$729,769 shortfall from RY5.

Mr. Etherington clarified that given staff's meetings with the Member Agencies in October, if Republic had information to support its request, that information would need to be submitted, and if applicable, could affect the numbers that had just been presented to the Board. If that information was available, it would be included on the agenda, and if submitted in time to be audited would be presented to the Board in October even if the individual meetings with the Member Agencies had already occurred.

Board Member Arnerich requested for simplicity purposes that the numbers presented to staff be used to identify the highs and lows, to be presented to the Board to inform the discussion.

If available, Mr. Etherington reiterated that the numbers would be included in the October meetings.

Board Member Stepper clarified that there would be a December meeting, although it would be a short meeting prior to the Holiday Dinner. She also noted there could be a significant turnover in membership during that time of year.

The Board accepted the report.

5. INFORMATION ITEMS

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

- a. Staff Participation with Member Agencies
- b. Future Agenda Items
- c. News Articles of Interest

In response to the Chair as to a copy of an email that had been presented to the Board, Mr. Etherington stated he had responded to some concerns from a customer from one of the Rossmoor mutuals.

6. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

Board Member Arnerich passed around a new straw made out of rice that had been invented and marketed by a group of high school students from Vietnam, who had won a prize that allowed them to start Rainbow Straws. The straw lasted as long as paper straws, about an hour, and when its use was over it could be eaten or tossed. He also referred to a presentation in New Zealand about delivery services packaging and explained that a group of women had come up with new packaging materials made out of cornstarch that could be composted.

Board Member Andersen reported that the County had passed a polystyrene ban in unincorporated areas of the County, and encouraged all the cities to do the same.

7. ADJOURNMENT

The Board adjourned at approximately 3:55 P.M. to the regular meeting scheduled for October 24, 2019 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