

everyone in the County and explained to me who everyone was in the town. He was a remarkable man in that respect.

She informed the members that the Town of Danville will be holding a public memorial service where the community can reflect, honor and celebrate Mike. It will be held on Saturday, October 3rd at Oakhill Park in Danville.

2. ADOPTION OF AGENDA

MOTION by Board Member Uilkema approved adoption of the Agenda. SECOND by Board Member Federighi.

MOTION PASSED unanimously.

3. PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA

None.

4. CONSENT CALENDAR

a. CONSIDER APPROVING MINUTES OF THE REGULAR BOARD MEETING ON JULY 30, 2009*

MOTION by Board Member Anderson to approve 4.a. SECOND by Board Member Mendonca.

Board Members Glazer, Andersen and Uilkema Abstain.

MOTION PASSED unanimously.

Board Member Uilkema requested a discussion regarding the type of Minutes that are prepared and whether we should have more condensed Minutes.

Paul Morsen suggested putting it on next month's Board agenda for discussion. Board Members agreed.

5. COMMUNICATIONS TO THE AUTHORITY

a. COMMUNICATIONS RECEIVED FROM WALNUT CREEK RESIDENT, LAUREN DAVID REGARDING THE FOOD SCRAP PROGRAM*

A letter was forwarded from Board Member Uilkema's office to the Authority from a Walnut Creek resident, Lauren David, regarding interest in bringing the food scrap program to Walnut Creek.

Board Member Uilkema requested that Paul Morsen follow-up with the resident. Mr. Morsen stated he would.

Vice Chair Smith asked for Board comments.

No comments were made.

6. NEWS ARTICLES OF INTEREST TO THE BOARD*

No comments were made.

7. PROGRAMS

a. AB939 ANNUAL REPORTS FOR YEAR 2008*

This is an update only. No additional action is required.

Paul Morsen started by saying that last month, at the Board meeting, the Staff reported that the 2008 report was sent off to the CIWMB just the day before the meeting and all our cities/towns made their State required diversion numbers. He then introduced Bart Carr who gave the full report.

Mr. Carr reiterated to the Board that each Member Agency met or exceeded their diversion target rate for 2008. He stated the target that is established for each city, which is based on per capita disposal in pounds per person. Counting the pounds per person diverted from the landfill for each city determines whether the cities met or exceeded their target. This information was reported to the Waste Board in August. He noted as a region the CCCSWA also exceeded the target and if approved by the Waste Board in November, the CCCSWA will be reporting as a Regional Agency beginning 2009.

Mr. Carr went through some of the high points in the report – comparing 2007 to the 2008 report year: 1) overall in 2008, refuse disposal was down by 11%. Staff feels this was due to the economic downturn, 2) residential recycling was down 4% and waste disposal was down 14%. This means that people were purchasing less and producing less waste; consequently packaging and recycling were down, and 3) commercial recycling increased by 21% across the board. This increase was due to an increase in tonnage by permitted recycling services and the better recovery process from self-haul waste at the Martinez Transfer Station.

He stated that commercial recycling only accounts for 23% of the total disposal for their communities where residential accounts make up 47%. Residential services are still doing a much better job of diverting waste than commercial services, so while the Authority Staff is delighted that some of our efforts over the last two years is paying off, there needs to be a continued focus on the commercial sector in order to further increase diversion numbers. He stated that there are a few things they can do almost immediately: 1) follow-through on the changes to the city's C&D Ordinances that was approved by the Board earlier this year, which requires larger projects whether residential or commercial to take all of their waste to a certified disposal facility. The Authority then will know that those facilities will recover 50% or more of recyclable waste and get good creditable reports from them to help the Authority maintain diversion records, 2) to continue working on expanding the commercial food waste program

which has become the centerpiece of our commercial efforts, and 3) to continue working with Gary Liss who presented to the Board in July on ways to enhance and improve the commercial services; the enhancements to our commercial recycling efforts will be the primary focus at the Board of Director's workshop in February 2010.

That concluded Mr. Carr's presentation.

Mr. Carr asked if there were questions from the Board.

Board Member Andersen commented that there is now a different method of reporting, but wondered with the old methodology would all of the cities passed. Mr. Carr responded under the old methodology every city would have passed but it would have been reported with a percentage number.

Then Board Member Andersen asked about if the schools are deemed commercial or are they under a separate category. Mr. Carr stated that Allied Waste Services and Valley Waste Management consider them a commercial account. He noted that they are separate and require different kinds of services in order to enhance recycling and waste diversion. He explained the Waste Board puts a lot of emphasis on schools to recycle, so if jurisdictions can get school districts to divert more, it will help the Authority with their reporting.

Board Member Uilkema asked if the requirement is 50%, but a jurisdiction gets 65%, does the jurisdiction get credit for the overage that ultimately can be used to make-up for an off year. Mr. Carr responded, unfortunately no.

Board Member Uilkema suggested that they take a look at that from a legislative standpoint and asked Board Members if that was something they may want to pursue. She is concerned about fines and feels that this would be a good incentive to support their communities. Mr. Morsen suggested referring this to the Legislative Committee to discuss.

Board Member Skrel commented that this provides a good snap shot for 2008 as it relates to 2007. He asked the Board if they think it will be beneficial to look at the trend over a ten-year time period. The Board agreed and Mr. Carr will bring that information back to the Board at a later date.

Board Member Anderson requested when the information comes back about the ten-year trend, if there can be an annotation that can be made with the specific changes that resulted in something positive or negative. Mr. Carr agreed.

b. OUTREACH ACTIVITIES UPDATE*

This is an update only. No additional action is required

Mr. Morsen introduced Mr. Carr to give the report.

Mr. Carr informed the Board that Authority Staff had participated at the Lafayette Art & Wine Festival this past weekend. This event was very well received with lots of people dropping by the booth for information on home composting, disposing of hazardous materials, such as batteries and fluorescent bulbs and pharmaceuticals.

A few highlights he mentioned: 1) Mr. Carr worked directly with the Chamber of Commerce to ensure that recycling was going to happen at the event and there were about 40 recycling stations (shown in the pictures) and plenty of volunteers to insure collection of recyclables. Food waste collection spots were also placed in the food court, 2) recycling numbers went up but no figures from VWM are available as yet. He explained to the Board about the scavenging of recyclable materials that occurred after hours on Saturday and Sunday, and 3) garbage (non-recyclables) collection went down from 3.6 tons in 2008 to 2.6 tons in 2009.

He informed the Board that Authority Staff plan to have booths both at the Pear Festival in Moraga and the Walnut Festival in Walnut Creek. That will be the end of the special events season for this year until March 2010.

Mr. Carr requested questions from the Board.

Mr. Morsen added that Authority staff has been working hard to improve recycling at events and they are in the process of developing a blue print, based on our experience this year for everyone who coordinates these types of community events to ensure maximum recycling occurs.

Board Member Andersen noted that she would like the Authority to work with Danville on some community events. She mentioned the Hot Summer Nights in August, the 4th of July Parade and the Chamber of Commerce puts on events a couple of times a year. She would love for the Authority to connect with them. Mr. Carr agreed and mentioned that staff will start identifying more events and making a presence at each of the cities.

Board Member Trotter mentioned the First Annual Oktoberfest on October 11 at the Hacienda de la Flores in Moraga. He has some contact information for the Authority and asked to be kept in the loop.

Board Member Andersen asked is the goal to get some good tools that any event can use or is it to invite the Authority to have a booth.

Mr. Morsen responded that both are true. He explained when there is an Art & Wine Festival or a large event, especially if they have a green zone, it is appropriate for the Authority to have a booth; however, at smaller events where it is not appropriate for staff to set-up booth, they will provide a blue print to the coordinators on how to set-up an effective recycling program at their event.

A discussion ensued about the State Law requiring recycling at community events. Mr. Morsen responded that when staff completes (early spring) the blue print on how to setup recycling, a copy will be sent to each City and Chamber and be available online.

Vice Chair Smith requested any comment from the public.

No public comments were made.

c. **LEGISLATIVE UPDATE***

This is an update only. No additional action is required.

Mr. Morsen gave an update to the Board and stated that Staff had identified and tracked bills that involved solid waste, recycling and diversion. Three of those bills passed and are waiting for signature from the Governor: AB473, Multi-family recycling, AB1173, Fluorescent lights, and SB486, Mandate the industry to implement a disposal program for home generated sharps. The news media has reported that they will be vetoed by the Governor, but staff will keep the Board informed on the status and a full report will be in March when the Legislative Committee meets again.

He explained that the rest of the bills died off or were set aside and he anticipates that many of those bills will be re-introduced again in 2010. The non-viable bills were: 1) SB114, fee from the manufacturer for carryout bags, 2) SB44, to abolish the CIWMB. He explained the CIWMB was already eliminated administratively and their staff will be absorbed into an alternative organization, and 3) SB55, expanding the scope of containers with CRV value.

A discussion ensued about cities banning plastic bags.

It was decided that Mr. Morsen and staff will monitor other cities, such as San Jose, as they go through the Environmental Impact Report (EIR) process around this issue. Staff will be watching very closely and if it appears that there is a “green light,” then the Authority staff will come back to the Board for discussion and possible further action.

8. **ADMINISTRATIVE AND FINANCIAL MATTERS**

a. **THE COMMERCIAL FOOD WASTE DIVERSION PROGRAM***

Mr. Morsen stated that originally Staff was planning at this meeting to come to the Board and recommend implementation of the food waste program beginning March 2010 for RY6. However, during contract negotiations with East Bay Municipal Utilities District (EBMUD), two issues have surfaced; and as a result, staff is now recommending delaying the expansion of the program for six months until the September 2010 of RY6.

Using overhead slides, he noted that staff is not asking for any decisions today, but rather for some direction, dialog and to answer any questions the Board may have.

Some program highlights are: 1) CCCSWA has diverted 1.2M pounds of food waste through August 2009, 2) our approach to collecting and processing food waste is feasible, popular among the participants and successfully diverts this waste, and 3) rather than spending money on a complex and an expensive processing operation, we have gotten the restaurants (and other food waste generators to produce a clean product right at their location which avoids unnecessary processing costs.

Some advantages of using EBMUD are: 1) they offer immediate capacity, 2) transportation costs are very high, so having a close proximity to EBMUD has kept transportation costs lower than distant composting sites (our other option), and 3) digestion is about the greenest thing that can be done—producing a product at the end of the digestion process which can be used on land for application much like compost and the methane that is produced is burned for electricity which

provides the energy to operate the EBMUD plant; the excess can be put into the grid for everyone's benefit.

Mr. Morsen introduced Bart Carr and Kent Alm. They are the Authority's negotiating team with EBMUD and will bring you up-to-date with that effort.

Mr. Carr explained to the Board that negotiations with EBMUD started in late May and has continued up until now. He highlighted the areas that both have agreed upon: 1) regarding the term of the agreement, they have agreed on a five year term, which mirrors the remaining year's in the Authority's current franchise agreements; included is the option of having a two year extension if the Board chooses to do this, 2) reserving sufficient capacity with EBMUD for full expansion of the program throughout the CCCSWA service area, 3) regarding contamination and residue, we and EBMUD have agreed to come up with a list of measures that will be taken by the generators and the collectors to control the contamination, and 4) EBMUD needs to retain the revenues from the electricity that is produced, by burning the methane, in order to service the capital improvements they need to make to generate that electricity. 5) EBMUD has agreed to share at 50/50 revenue from carbon credits, once those credits have been validated.

Mr. Carr went over the areas where there is not yet an agreement: 1) the disposal fee—EBMUD claims they will be making significant improvements to their digestion and generation equipment which carries a \$48M price tag. They are talking about installing two new turbine generators and modifying one of the digesters, so in the future it can be dedicated to food waste only. The Authority was the first of their potential customers to attempt to negotiate a long-term contract; EBMUD came back proposing a higher disposal fee of \$90 per ton versus the \$32.50 per ton that they are currently charging. Recently, as a result of negotiations, they have come down to \$60 per ton and the Authority has counted with a \$42.50 per ton for the first three years of the contract after which a reconciliation would be conducted and any raise in the disposal rates the fourth year would be dependant on this reconciliation (with a negotiated cap), and 2) the bigger issue is plastic bags; which tend to wrap themselves around the shafts of processing equipment and are jamming the grinder; causing workers to have to stop the process and pull the machine apart to remove the plastics. It is now taking 4-6 hours to process one load of food waste and EBMUD is requesting that the Authority retest the approved grinder to insure that it can reduce the plastic bags that are in the food waste into smaller pieces that won't cause their equipment to jam.

Mr. Carr went into a brief history of grinders that have been tested since the beginning of the pilot program and how plastics have now become a major problem for EBMUD. Mr. Carr continued: stating the increases in plastics have become a real problem, because the grinders that EBMUD and the Authority have tried all produced a high quality product for digestion. Until such time as the selected grinder—a Morbark hammer mill—is in place, the food waste is being ground-up by a large grinder, primarily used for green waste. This grinder does not turn the plastic bags into the small pieces EBMUD prefers. It is unfortunate that EBMUD didn't notify the Authority of this problem earlier in the summer. The late notice from them, and their request for a longer test period of the Morbark unit, has caused staff to delay recommending the implementation of the program so the testing and evaluation can take place.

A discussion ensued by Board Members regarding San Francisco's food waste program and how they deal with plastics. Mr. Carr provided a brief background on San Francisco's approach which uses a more complex sorting and pre-grinding process which is more expensive than our approach; which is to produce a clean waste stream right from the producer, that does not have to

be processed at a high cost, thereby reducing the plastic bags to an acceptable particle size after running it through the grinder.

Notwithstanding the grinders that have been tested, EBMUD has requested the Authority to bring back the Morbark grinder and complete a prolonged test—about 4-6 weeks—to once again see what impact the grinder with the smaller screen size will have on plastic bag contamination. Staff will need to take the time to test and modify the grinder to ensure it will work for EBMUD; proving that we can provide them a product they can use. Mr. Carr stated if the Morbark test doesn't yield positive results, then the Authority may have to redirect collected waste to traditional composting. However based on the previous experience with the tested Morbark unit, we have confidence in a successful re-test.

With the additional testing of the grinder, the test period runs into the CCCSWA RY6 rate-setting months. Therefore, we will be unable to guarantee the machine will work, until we are well along in the RY6 rate setting process. This will impact the Authority's ability to implement the food waste program, beginning March 2010. Authority staff cannot, therefore, recommend implementing the program full-scale in March; but is recommending delaying the expansion of the program until mid-way into RY6; September 2010. It is recommended to continue the pilot through August 2010 using the Diversion Incentive Fund (DIF) to fund the pilot continuation for an additional six months.

Board Member Skrel stated that he is confident that the Authority can work out a deal with EBMUD; however, he asked if composting is only the other alternative. He asked if Staff has researched other facilities that are closer than EBMUD, for example, Delta Diablo, San Ramon, the City of Benicia, and the City of Brentwood, which has a brand new facility.

After lengthy discussions with the Board, it was decided that staff will research other facilities to see if they are currently digesting food waste or plan to accept food waste in the future; if so, would they have the capacity to accept additional food waste.

A discussion regarding the carbon credits occurred. Board Member Trotter commented that EBMUD would retain the revenue of electricity generation serving as capital improvement and wondered if at any point, if they would share the revenue of sale and 50/50 of the carbon credits as well as electricity generation and asked if that is an option for the future.

Mr. Morsen stated that might be something that can be negotiated for the next franchise period.

Kent Alm added that one of the big issues with EBMUD is how much of their capital costs are allocated to the sewer ratepayers for improvements, and how much of the improvements are allocated to this program. If we were to share in the electricity, then they wouldn't get to capture 100% of that to pay for some of their capital improvements. He noted that the Authority may win on one end and lose on the other. He explained with EBMUD's request for increased fees, the Authority has not checked their numbers, they haven't received all of EMBUD's numbers and the background, but once those are available, they will be part of the thought process and quality check. He stated that maybe the Authority can negotiate the price down or maybe they'll find out that they are getting a great deal.

Vice Chair Smith asked about the carbon credits, and if they have any concept of what kind of revenue that alternatively would bring to the Authority.

Mr. Carr explained that there is a process you have to go through in order to validate the credits based on the amount of methane that is going to be produced and then that has to be translated into tons of carbon equivalence. He stated the current value for a ton of carbon ranges from \$7 to \$12 per ton.

Vice Chair Smith requested a projection of what that would mean to the Authority.

Mr. Carr stated he would research that information and report back to the Board.

Board Member Uilkema asked Authority Staff if they have spoken to other general managers or researched other agencies to see if they are having any issues with plastic.

Mr. Morsen replied that the only city/agency he knows that is processing food waste is San Francisco. He reiterated that when they get the new grinder, it will be able to chop the plastics up to a smaller size, and that should fix the problem for EBMUD.

Mr. Carr added that EBMUD is able to take plastics as long as the particles are two inches or less in size. They have standards of what they can accept, and what they can remove before it goes into the digester. The current grinder they are using with the large screen size is cutting up the plastic bags, but it producing those long strips of plastics and wrapping around the shafts of rotating equipment, creating issues as shown in the photographs (photos were provided to the Board).

Kent Alm noted that the contract is not final. The intention of the contract is that the Authority will set forth what their quality control program is and have a grinder that is acceptable, and then EBMUD will agree to continue accepting the food waste. He noted that we cannot be in a position after a year or two in the contract and say it is not worth continuing because there are too many problems on our end. We are making an investment to go forward with the program.

Board Member Uilkema then asked if they have the right to cancel because we haven't controlled the waste stream according to their specifications.

Mr. Alm responded that since this is a new program, we don't have specifications that say so many pounds of plastics per ton of food waste are allowable. If we continue to have problems, and as a result, decide to quit; that would be in violation of the contract.

Mr. Carr introduced Bob Hilton of HF&H Consultants to go over the projected costs involved with the food waste program.

Mr. Hilton explained that this is a work in progress and wanted to present a range of numbers and alternative ways of setting rates to get the Board Members thinking. He talked about the process and key assumptions that affect costs. He noted that the estimates that he was presenting to the Board are based on the current \$32.50 per ton costs from EBMUD.

Mr. Hilton went over page 10 of the presentation slides, "Projected Costs and Program Cost Comparisons" and noted that the food waste program is comparable to the solid waste, recycling, and green waste costs.

Mr. Hilton explained to the Board that they are trying different scenarios on how they would go about expanding the food waste program costs into the rate setting process. Those scenarios were:

1) applying the yearly costs over the entire rate base (commercial and residential); if that were the chosen scenario, the increased costs would range from 1.5 to 2 percent, 2) applying the costs only on the commercial customers; it would increase rates 3 or 4 percent, 3), allocating the costs to the commercial customers in the cities that are getting the service, in proportion to the number of customers participating in the program; that range could be from 2 to 5 percent. He stated that some communities have more opportunity in participating in this program and have a much larger base of commercial customers to apply those costs to, and 4) paying some of the program costs out of the Diversion Incentive Fund (DIF); that range (depending on how much was allocated from the DIF) could be from 1.75 to 4.5 percent. Mr. Hilton further explained that these are annual numbers, and he wanted to present some strategies and options to the Board, but knows that these efforts are based on assumptions only—the actual results could be very different. He informed the Board that this is for their information only and is intended to introduce the program into the RY6 rate setting program. No decisions will need to be made today.

Mr. Morsen went over the conclusion of the presentation (see page 13 of the presentation slides) and the proposal for RY6 Program Expansion (see page 14 of the presentation slides). He ended with stating the real goal is to divert food waste and to continue pursuing that; more information will be brought back to the Board after the Finance Committee meets on October 1, 2009.

Mr. Morsen opened it up to the Board for Q&A.

Board Member Glazer asked how we, as a Board, evaluate these increased fees and does it make sense for us to do.

Mr. Hilton responded that they are doing work with the CIWMB as part of the AB32 rule making process. The Air Board will be adopting a rule the first quarter of next year—it is part of their process for AB32 Mandatory Commercial Recycling. Board Member Glazer questioned what does that exactly mean, what commercial entities fit, what are the volumes needed to qualify, and recycling programs you have to have. Although things will have to be worked through, as part of the work that the Authority is doing, it will be in that same the direction. Mr. Hilton noted that the State may take a garbage tonnage reduction as a “best practice.” Mr. Hilton asked the Board to think about is what is the cost effectiveness of the alternative program for commercial services and how does it rate at \$180 to \$200 per ton. Mr. Hilton commented that you might be driven more by legislation and regulation than your own sense of the cost effectiveness.

Board Member Glazer commented that he doesn't want to be driven by regulation. He doesn't feel comfortable with going to his taxpayers and saying you going to have to pay more. He needs more than Sacramento saying you have to do this.

Kent Alm added that certain jurisdictions such as Sonoma County, Dublin, Palo Alto, etc. have adopted principles or goals of Zero Waste. He stated that those maybe some of the policy issues that Board Member Glazer is referring to because if you move toward Zero Waste, it will be very expensive and may have green house gasses consequences; those are big picture issues that this Board hasn't really tackled. The Board hasn't had that driving force, other than solid waste programs and making their diversion numbers.

Mr. Morsen commented that if you look at the battery collection program which is about \$107K annually and if we calculated it by tons it would be \$4,700K a ton. He noted that it takes a lot of batteries before you get to a ton but this is an example of an expensive unfunded mandate from

the State. He hopes that legislators start thinking about the costs involved when they mandate these programs.

Board Member Glazer stated he appreciates the information, but still feels that they need to make an extra judgment about where the price point is that makes sense.

Board Member Anderson suggested when this comes back to the Board to consider, as the rate setting piece, there be some sense of a campaign or information process that staff puts together that will allow the Board to make the rational argument from the green perspective and the cost perspective. It is very hard to tell the ratepayers that they have to pay more to be green because we have mandates. It is our job to do diversion in the most economical way.

That was the conclusion of the presentation.

Vice Chair Smith opened it up for public comment

Mike Biagini, owner with Biagini Waste Reductions Systems addressed the Board and stated that he has many commercial customers in the area and noted that most companies are doing their 2010 budgets right now and if the Authority were to increase rates mid-year it would cause a whole lot of problems, especially in today's economy. He suggested that the Authority raise a portion of the rates in March 2010 and then again in 2011.

MOTION by Board Member Trotter to accept the presentation from staff, direct staff to continue moving ahead with phase two of the pilot program, and direct staff to delay formal implementation of the commercial food waste program pending resolution of the issues with EBMUD. SECOND by Board Member Uilkema.

MOTION PASSED unanimously.

b. CLARIFICATION OF POLICY AND PROCEDURES REGARDING "BOARD OF DIRECTORS RULES AND PROCEDURES" CHAPTER 14*

Mr. Morsen stated that this matter was presented at July's Board meeting but since some Members were not present, staff was directed to re-calendar the item for the Board with information on the history of amendments that were adopted in the CCCSWA Rules and Regulations. Mr. Morsen presented that information stating that The Rules and Regulations were adopted in 1990, there were amendments in 1992 and 1996, but neither of them dealt with Chapter 14 (compensation for meetings).

A discussion ensued with the Board Members and staff on clarification of what the Board receives in compensation.

MOTION by Board Member Piepho to accept Staff's recommended action of continuing the policy of a maximum of \$100 per month per Member, as originally had been put in the bylaws since 1990, but to specify that Board Members would receive \$50 per meeting for the Regular Board meetings, Special Board meetings and committee meetings of the CCCSWA. SECOND by Board Member Uilkema.

OPPOSED by Board Members Skrel, Anderson, Federighi and Glazer.

Board Member Piepho withdrew her first MOTION and presented a new MOTION.

MOTION by Board Member Piepho to clarify the language regarding the CCCSWA Board of Directors Rules and Procedures, which was her original concern, and that Board Members receive compensation only for Regular Board Meetings and Special Board Meetings of the Central Contra Solid Waste Authority, at a maximum compensation of \$50.00 per month, per Member. SECOND by Board Member Uilkema.

The motion was amended to direct Kent Alm to draft the exact language change of Chapter 14 and place it on the consent calendar for action at the next meeting.

Vice Chair Smith noted that if today's Motion passes, the matter will come back on the consent calendar for final approval after the Board has reviewed the new language.

MOTION PASSED unanimously.

Vice Chair opened it up for public comment.

No comments were made.

c. **POSSIBLE PURCHASE OF CURRENT CCCSWA OFFICE SUITES AT 1111 CIVIC DRIVE, WALNUT CREEK***

Mr. Morsen stated that he recently signed the lease papers for the Authority's office suite and found out a week later that the owner defaulted on his loan. As a result the building is in now in receivership. He told the Board that the receiver has told us we would still get our tenant improvements, in accordance with the lease.

He reminded the Board that their building was being converted to office condominiums and that our broker met with him recently, gave him some possible cost figures, and suggested that they look into purchasing versus leasing which could be financially advantageous under the circumstances. Mr. Morsen noted that staff has not had time to fully research the costs but asked the Board if they were interested in Staff pursuing it further. If so, the matter could be added to the Finance Committee meeting agenda, scheduled for next week and bring in the broker to present the potential financial information.

The Board's consensus was to add it to the Finance Committee agenda.

10. EXECUTIVE DIRECTOR'S REPORT

a. **UPDATE ON THE PHARMACEUTICAL PROGRAM**

Mr. Morsen informed the Board that a pharmaceutical program meeting will be held on September 30 with all of the various players to discuss the roll-out of the program in our member agencies cities and towns. If there are no unanticipated problems, he expects to have everything up and running by early November.

b. UPDATE ON MARTINEZ TRANSFER STATION PERMIT REVISION

Mr. Morsen stated that among the many logistical details of the commercial food waste program is dependent on getting a permit for the transfer station so the grinder can be placed there.

He introduced Tim Argenti with Allied Waste Services to update the Board.

Mr. Argenti stated that the permit process has been going well. AWS have hired a consultant to do some work with the County LEA. He stated also stated that the Air Quality Control Board has already signed off on the project; concluding that food waste processing is covered in the existing permit. They do not have to go through a time consuming Environmental Impact Report (EIR) process and will probably be able to complete the process with a Negative Declaration. The Local Enforcement Agent (LEA) has said our proposed Solid Waste Facility Permit modification looks complete and we should be hearing from them soon.

c. UPDATE ON THE REGIONAL AGENCY DESIGNATION*

All paperwork has been sent to the CIWMB and the Authority is on the CIWMB's agenda for the November 17 Board meeting. Paul Morsen and Bart Carr will attend. He anticipates the Authority being officially designated a Regional Agency at that time.

d. UPDATE ON THE RECYCLING MARKET

Mr. Morsen introduced Steve Moore, PRR to give a report on the recyclables market.

Mr. Moore stated that the recycling market has improved dramatically since December 2008. He noted the aggregated value is total revenue from all sales and recyclables divided by total tons delivered, which is an aggregated value per ton. In December 2008, it reached a low about \$50 a ton and now the rate is about \$130 per ton. He stated that a true recovery has taken place, and if the market continues as it is now, the value of the balance would be about \$1M in revenue from our portion of the contract, which is about \$600K above budget.

e. ANNOUNCEMENTS

Mr. Morsen informed the Board that the City of Walnut Creek has made some cuts in their employee's benefits due to the challenging economic times we all now face and since we contract with them for our employee benefits, those same cuts will be applied to CCCSWA employees. Board Member Uilkema requested additional information on exactly what those cuts have been at the next Board meeting. Mr. Morsen agreed to have that information available.

Board Member Trotter expressed his appreciation for the update on the pharmaceuticals program and has requested that once the program begins in Moraga, that an Authority Staff member come to their Council meeting to make a public presentation to promote and advertise the program. Mr. Morsen agreed that he is available to attend their Council and will check with the city manager on setting that up.

A reminder that the Finance Committee meeting will be held on October 1 @ 8:30 a.m. at the CCCSWA office. Janna McKay will send out agendas tomorrow. Vice Chair Smith requested information about the Sustainable Contra Costa Awards Ceremony also is sent. Ms. McKay agreed.

Vice Chair Smith thanked the Authority staff for their work at the Lafayette Art and Wine festival as well as AWS and VWM.

9. BOARD COMMUNICATION AND ANNOUNCEMENTS

None.

10. ADJOURNMENT

Vice Chair Smith adjourned in memory of Mike Shimansky.

There being no further business to come before the Board, Vice Chair Smith adjourned the meeting at 5:22 p.m.

**Corresponding Agenda Report or Attachment was included in the Board packet.*

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