

**DRAFT MINUTES OF THE
REGULAR BOARD MEETING OF THE
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
HELD ON OCTOBER 29, 2009**

The regular meeting of the Central Contra Costa Solid Waste Authority's (CCCSWA's) Board of Directors convened at 1666 N. Main Street, 3rd Floor Conference Room, Walnut Creek, Contra Costa, State of California, on October 29, 2009. Chair Rainey called the meeting to order at 3:00 P.M.

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

PRESENT: Board Members: Candace Andersen
 Mike Anderson
 Carol Federighi
 Steve Glazer (arrived at 3:06)
 Karen Mendonca
 Sue Rainey, Chair
 Gary Skrel
 Victoria Smith, Vice Chair (arrived at 3:02)
 Dave Trotter (arrived at 3:11)

ABSENT: Board Members: Mary Piepho
 Gayle Uilkema

Staff members present: Paul Morsen, Executive Director; Janna McKay, Executive Assistant/Secretary to the Board; Bart Carr and Lois Courchaine, Waste Prevention and Recycling Managers; Janelle Cameron, Executive Assistant/Business & Accounting Operations. Kent Alm, CCCSWA Counsel, was also present.

2. ADOPTION OF AGENDA

Agenda adopted.

3. PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA

None.

4. CONSENT CALENDAR

- a. **CONSIDER APPROVING MINUTES OF THE REGULAR BOARD MEETING ON SEPTEMBER 24, 2009***
- b. **CONSIDER ADOPTING CLARIFICATION OF POLICY AND PROCEDURES REGARDING "BOARD OF DIRECTORS RULES AND PROCEDURES" CHAPTER 14***
- c. **RECENT CHANGES IN CCCSWA EMPLOYEE BENEFITS***

MOTION by Board Member Skrel approved items 4 a. with amendment, and items 4.b.c.
SECOND by Board Member Andersen.

MOTION PASSED unanimously.

5. REPORT FROM CHAIR

a. INTRODUCTION OF NEW BOARD MEMBER, KAREN STEPPER FROM DANVILLE

Board Chair Rainey introduced the newest CCCSWA Board Member, Karen Stepper representing Danville.

b. SUSTAINABLE CONTRA COSTA AWARD FOR REUSE AND CLEANUP DAYS PROGRAM*

Vice Chair Smith was introduced and spoke about attending the Sustainable Contra Costa Awards Ceremony where CCCSWA received an award for the Reuse and Cleanup Days Recycling Program. It was announced that Board Member Mendonca also attended.

Vice Chair Smith noted that there were awards given for small and large businesses, government and community based organizations and also individuals. The Authority received their award for government for the Reuse and Cleanup Days Recycling Program, which the committee felt the Authority met the criteria and is a great service to their customers.

She noted it was a great honor to the Authority and the partners—Allied Waste Services, Pacific Rim Recycling, East Bay Depot for Reuse, and Saint Vincent de Paul from Oregon—to win that award.

c. FUTURE WORK PROGRAMS

Chair Rainey explained that we have had a couple of requests regarding banning Styrofoam, plastic and brown paper bags and asked that this topic be calendared at the January or February Board meeting for discussion.

She requested Board Members to also add any other items or programs that they want to discuss.

6. NEWS ARTICLES OF INTEREST TO THE BOARD*

Chair Rainey commended the Authority's Intern, Christina Leard, on her writing an article on Office Building Recycling and getting it published in the BOMA newsletter. She congratulated Christina and thanked her for the great article.

7. PROGRAMS

a. PRESENTATION BY GARY LISS ON THE PROPOSED STATE MANDATORY COMMERCIAL RECYCLING

Paul Morsen gave a brief introduction before he introduced Gary Liss, to inform the Board on the proposed California State mandatory commercial recycling mandated by Assembly Bill 32. Mr. Morsen stated over the past two years, the Authority has been working on towards improving their diversion efforts in the commercial sector with their C&D program, office building program and the commercial food waste program. Next year, at the February Board workshop, The Board and Staff will continue planning for the redesign of the permit program, which is the Authority's current commercial recycling approach. The State of California under AB32 will mandate commercial recycling, as a way for both diversion and to eliminate green house gasses generated by land filling commercial waste. He noted that Mr. Liss has been part of the process at the State to develop regulations to implement the mandate. Understanding of what is going on in Sacramento regarding this subject, he believes will help the Authority as they move forward with changes in the commercial waste area. Mr. Morsen asked Mr. Liss to bring the Board up-to-date with what is going on in Sacramento and what the CCCSWA can expect in that regard.

Mr. Morsen introduced Gary Liss.

Mr. Liss began by citing the commercial recycling system (our permit program) the Authority currently has in place. There are 39 commercial permittees with 80% of the services being provided by six firms. He reminded the Board that the Authority gave permit holders a five-year termination notice in 2007, the permits expiring on 06/30/2012. This timeline allows the Authority to revise their current permitting system; the goal is to have the changes ready to implement by January 2012.

He gave a brief presentation using overheads (attached). The areas covered were: 1) AB32 mandating commercial recycling that was adopted in December 2008. The goal is to reduce green house gasses by 5 metric tons of CO2 equivalents. He talked about what the process might look like with the CIWMB adopting some rules throughout the course of 2010, 2) the six materials that will be covered, what types of business, thresholds types and sizes, who is going to be reporting and enforcement issues, and finally implementation issues that will need to be addressed, such as outreach and education and funding, and 3) he gave examples of other cities and counties that have already mandated commercial recycling in some fashion.

He spoke about the process and recommended the CCCSWA from this point forward should: 1) review the current system, 2) review the State mandate, 3) come back to the Board in February 2010 to review the system options, 4) reach out to businesses and service providers to let them know that things are being discussed and get feedback for any concerns or issues they believe need to be addressed, and 5) have information ready for the Board retreat in February 2010, to give suggested goals and direction for the Authority staff to pursue.

Mr. Liss then asked for questions. Vice Chair Smith asked about the four cubic yards threshold stating that her office is a small business office building where there are many businesses with very few workers. She asked if her building and landlord would be responsible to follow those mandates.

Mr. Liss replied that is one of the questions that have been raised and the outcome in those discussions was that the responsible individual is anyone who subscribes to garbage service. For example, if a business has individually subscribed for service; they are responsible. For property managers who subscribe for service on behalf of building occupants, it is the property manager's responsibility, so a combination of the two, focusing on the subscriber. He reminded the Board that he wouldn't know the specifics until the actual regulations are written but the forgoing is the direction that this is heading.

Board discussion ensued.

Board Member Anderson commented that since we are in rate setting, wouldn't it be a good idea to take a look at it now in terms of businesses in each city/county with saving money by recycling and how the rates will reflect the additional efforts.

Mr. Morsen responded that it is something that needs to be looked at and they are starting with the food waste program during this rate setting for RY6. He then asked Mr. Bob Hilton of HF&H Consultants to comment.

Mr. Hilton stated that his firm is working with the CIWMB on the mandatory commercial recycling program; there are two aspects of what they are doing: 1) to look statewide at the costs of implementing the mandate and what the impact would be on the system, and 2) is to develop a tool online so businesses can look at what their refuse service is by size and frequency, what kind of business they are and what they might be able to recycle, and to then be able to calculate costs.

That was the end of the presentation.

Chair Rainey asked if Board Members had any additional questions.

There were none.

a. OUTREACH ACTIVITIES UPDATE*

This is an update only. No additional action is required

Board Member Andersen commented that she would like to see the Authority staff involved with more Danville events.

Lois Courchaine responded that she will contact Marie Sunseri, City Clerk for Danville.

b. 2009 LEGISLATIVE RESULTS*

This is an update only. No additional action is required

Lois Courchaine asked the Board for any questions.

There were none.

8. ADMINISTRATIVE AND FINANCIAL MATTERS

a. PRESENTATION BY ROBERT HILTON OF HF&H CONSULTANTS REGARDING SOLID WASTE SERVICE RATES INCREASES FOR RATE YEAR SIX

Paul Morsen introduced this item by stating as we move towards rate setting for RY6—the commercial food waste pilot program costs must be included in the rates. Rick Simonson of HF&H will be presenting information to you today about full-scale commercial food waste implementation. He explained that at the last Board meeting, he announced that EBMUD had requested an additional 4-week test of the Morbark grinder; this unexpected development of having to retest the machine caused staff to recommend delaying the startup of the program until September 2010, which is six months later than planned and leaves an unbudgeted period for the program until September roll-out. He stated that the testing period was recently completed; the grinder performed fine and EBMUD is satisfied with the product that was produced. This results in a 6-month period of pilot operation which was unbudgeted; staff budgeted for full roll-out in March. If they continue sending their food waste to EBMUD during the interim period, they must figure out how to keep the grinder online and pay for it monthly. That is prior to the installation at the Martinez Transfer Station preceded by having the transfer station permit modified for installation of the grinder. He stated that they are comparing costs for sending CCCSWA food wastes to Newby Island for composting versus EBMUD during the interim period. They do not have all the costs sorted out just yet, so staff, at this time, does not have a recommendation for the interim period. He noted to the Board, after analyses of costs, the Board can expect information upon which to make a decision at the December Board meeting.

Mr. Morsen asked for questions about the interim period.

None were asked.

Mr. Morsen then introduced Rick Simonson of HF&H to present rate setting information to set the stage for the individual meetings with member agencies beginning in November.

Mr. Simonson started his presentation (PowerPoint presentation slides attached) and stated he has already made a preliminary presentation to the Finance Committee and since then there have been some adjustments to the numbers. However, overall Authority wide there has not been any big change. He noted that his presentation contains the finalized numbers as all information is in hand from the collectors.

He went through the outline: 1) RY6 revenue requirement, 2) Reserve balances of each member agencies, 3) Diversions Incentive Fund: settlement payments, 4) Projected RY6 surpluses/shortfalls by Member Agencies, 5) Rate comparisons, 6) Board decisions, and 7) Next steps.

Some highlights on slides two through four that were presented were: 1) the RY6 revenue requirement is flat; there is a 0.1% increase over the revenue requirement from RY5 and the franchisees' compensation is down by 0.2% combined and he gave some background to why, 2) Agency fees are going up slightly due to the franchise fees and the vehicle impact fees both at 0.1% increases and the other two components, which are the administrative and SRRE AB939 fees resulted in a projected increase to the budget by 5.0%. The agency fees total about a 1.3% increase, 3) all of the transactions that occurred to make up the reserve balances for each city/county which included the vehicle impact study, VWM disruption payment settlement, RY3

revenue reconciliation, the distribution of the \$4.1M of the DIF made to each member agency which has been fully distributed as of January 2009, and the reserve settlement of \$500K that was distributed to the City of Walnut Creek and the County in September 2009. He noted that there is still the planned \$375K distribution that was being held at the Board's request which will be reconsidered at the March 2010 Finance Committee meeting followed by Board consideration.

Mr. Simonson explained that there is an annual distribution that could be made and stated that the settlement was based on, if funds are available in excess of funding of \$1.5M in Reserves and all operating expenses have been paid; anything in excess of these amounts should be distributed in accordance with the adopted distribution formula: 1) 50% to Walnut Creek and the County and the other 50% to the other cities, excluding Orinda, and 2) once FY 2008-09 has ended, there may be sufficient funds for distribution at that time which can be discussed beginning at the March 2010 budgeting process. Once the year is over anything in the account, after expenses, greater than the \$1.5M Reserve account can be distributed.

Some highlights on slides five through eight that were presented were: 1) the RY6 projected reserve balances ranges from a surplus of 6.3% to a 5.1% shortfall and stated that with no rate increases with the projected end-of-year RY6 Reserve balances everyone would have a projected positive reserve balance at the end of the year, with the exception of Lafayette and Orinda. Board Member Federighi clarified the reason that Lafayette has a shortfall is because they had not projected a large enough rate increase for RY5. Mr. Simonson noted that each member agency makes the decision on what type of rate increase necessary and the last couple of years there have been shortfalls, but many of the years have been surpluses—that is how reserves are built, 2) currently, commercial revenues are down (especially the roll-off revenue which is the large debris boxes which are extremely variable and on a per event basis), residential rates are down about 2% across the board, and 3) the planned 2010 rate increases are not enough to achieve targeted Reserves and explained to the Board the percentage rate increases needed.

A discussion ensued with the Board Members concerning rate requirements.

Next, Mr. Simonson presented some recommendations on two items:

1. The Walnut Creek Residential Food Scrap Program. Mr. Simonson stated that this increase of additional tonnage going to composting does fit into the contractual perimeters with Allied Waste Service's requirement to compost 50 % of the green waste material that is collected from the 680 corridor. He stated that there are no additional funds necessary to implement the addition of Walnut Creek in the home food scrap program.

The one-time start-up costs of \$102K have already been budgeted in the DIF for the 09-10 FY. This sum includes the monies for outreach and education and the kitchen containers that will be delivered to the residents.

Mr. Simonson asked for any questions at this point.

None were asked.

Mr. Simonson stated that this issue will come back to the Board for a final decision in December.

Mr. Simonson then presented the second recommendation:

2. The continuation of the Commercial Food Waste Pilot Program that started in the autumn of 2008, to recycle and divert from the landfill the food waste from restaurants and commercial food processors. He stated that the full roll-out of the program is scheduled for September 2010, with the goal of 240 accounts by full roll-out. The pilot has been funded through March 2010 through the current 09-10 DIF budget. A decision needs to be made for funding the pilot from March 2010 through August 2010, until the full roll-out begins. This interim period will need to be funded and the costs are still being assessed and negotiated for the options.

Mr. Simonson stated that there are some concurrent negotiations happening right now. He stated that Mr. Morsen is confident that he can bring some estimates to the Board in December or January 2010. He noted that Allied Waste has informed the Authority that they are able to take the food waste material to the Newby Island facility for composting versus taking it to the EBMUD facility during the interim period. Both options will be presented to the Board.

A discussion ensued regarding the cost benefit analysis for the programs.

Paul Morsen stated that he is not sure if the Authority can present cost benefit analysis information for all the programs by the December Board meeting, but would be able to supply that information on the commercial food waste program.

Kent Alm added that to do a comprehensive look at the cost per ton and relative advantages and disadvantages varying from each of the programs, is a viable piece of work and stated if that is what the Board wants, then it could be set for spring 2010.

Mr. Simonson returned to the subject of funding of the food waste program. He reviewed his table with three options of paying for this service in RY6. He explained that September 2010 program start-up is not a full rate year, so the costs that he presented are not the full program costs but just six months worth. The \$223K cost is estimated for implementing the program for just 6 months and would be put in the revenue requirement for RY6.

He presented the three scenarios: 1) if all customers paid into the system; residential, roll off and commercial customers, it would increase the revenue requirement by .06%, so each member agency would have to raise their rates an additional 0.6%. It was explained that these rate increases are not built into the information that has already been presented, 2) if just commercial customers pay and there is a cost allocation that is uniformed meaning the full \$223K is evenly spread amongst the agencies commercial customers, it would result in a 1.1% increase, and 3) if just the commercial customers that are participating in the program (specific by member agency), the costs listed on the table by agency, which ranged from a 0.5% in the County and up to 1.6% in Moraga would be necessary. These are all estimated costs based on the number of customers that are estimated to be participating within the timeframe, September 2010 through February 2011.

Board Members asked for clarification on the different rate scenarios for their agency. A discussion ensued.

Mr. Morsen stated that what has been presented today is staff's best estimate and at the end of the year staff will go back and reconcile to get closer to the actual expenses. He stated that at the

individual member agency meetings in November, more detail of the different scenarios can be explored and how they will affect rates; based on this, decisions can then be made. He also reminded the Board that each agency will benefit from an estimated 4 to 5% increase in diversion with this program, as a regional agency.

Mr. Simonson asked for any other questions on the food waste program. There were none.

He then discussed the Walnut Creek Residential Food Scrap program and stated that the Finance Committee recommended expanding the program into Walnut Creek, starting September 2010. He also reminded the Board that there are no additional costs associated with starting up the program. A sum of \$102K has already been budgeted for 09-10 and that will fund the outreach activities and purchase of the kitchen containers. The Board consensus was to move forward with the program; however, the Board's final decision will be made at the December 2009 Board Meeting.

Mr. Simonson then spoke about the next steps: 1) to finalize hauler compensation and revenue projections, 2) to meet individually with member agencies to develop rate adjustments strategies, 3) to present updated results to Board at the December 10, 2009 meeting, 4) from December 11 until January 14, member agencies will have their opportunity to revise the rate strategies with HF&H, and 5) to present the final results to the Board and adopt RY6 rates at the January 28, 2010 Board meeting.

b. MINUTES OF THE CCCSWA BOARD MEETINGS*

Discuss and provide direction to Staff on the preparation of Minutes of Authority Board meetings.

Chair Rainey explained that this request came from Board Member Uilkema and since she could not be present today, she recommended the item be tabled and re-calendared for the January 2010 Board meeting. There was no disagreement.

c. POTENTIAL RESIDENTIAL WASTE REDUCTION AND RECYCLING OUTREACH PILOT*

This item is to elicit Board discussion and possible direction to staff.

Mr. Morsen started by saying that staff has explored ways to increase diversion through public education and information, followed by an evaluation, which would let the Authority know if those efforts were successful. He stated that the staff report is to engage in discussion and dialog with the Board resulting in possible direction on strategies with public information, media and for the commodities selected for increased diversion.

Chair Rainey opened it up for Q&A with the Board.

A discussion ensued about the options for marketing and outreach such as decals, postcards and magnets.

Board Member Skrel commented that they should consider basing their final decision on where they need to improve in diversion, which he stated, is commercial.

Board Member Trotter and Vice Chair Smith concurred.

Mr. Morsen stated if you look at the Agency's CIWMB reports, it is clear that we need to work on commercial. He added that staff is not asking for a decision today, but to engage the Board in some dialog and discussion to see if they have an interest, and if so, staff would take that information and develop a program by the first of the year. He noted that the unbudgeted funds would come out of the DIF to finance the program.

Chair Rainey added that they will be getting into new programs next year starting with the Styrofoam, plastic and paper bag ban. It was decided that since the existing Personnel Committee meets in January 2010, they would handle the initial evaluation of new recycling programs for the Authority and then report back to the full Board for final decisions.

Board Members agreed.

**d. PROPOSED REVISIONS TO PERMITTING OF COMMERCIAL RECYCLERS ORDINANCE (NO. 96-1)*
Introduce Ordinance No. 09-1 amending Ordinance No. 96-01, Permitting of Commercial Recyclers, dated 6/1/05, and waive reading.**

Mr. Morsen introduced this matter by saying with the impending implementation of the commercial food waste program; staff has reviewed the ordinance dealing with permitting of commercial recyclers. He stated that Kent Alm and Bart Carr have been working on modifying the existing ordinance in order to clarify that the organic recyclables (food waste) that we will be collecting in the pilot program are not covered under the commercial recycling ordinance. The current system setup is that anyone could request a permit to collect a commodity and with the commercial food waste program, we need to have only one collector—the same collector who now has exclusive rights to food waste which currently is mixed with municipal solid waste—with continued exclusive rights which will help operate the program efficiently due to special equipment, processing and routing necessary which the collector has emplaced for effective operation of the program.

A discussion ensued about exclusive rights and having only one collector for the commercial food that is diverted.

Mr. Morsen clarified that having Allied Waste as the commercial food waste collector (who now collects commercial food waste mixed with MSW under their exclusive franchise) delivers a properly collected and processed waste product needed for EBMUD's digestion process. Having only one collector for this waste streamlines the process and the logistics for working with restaurants and other food waste generators and continues to provide the exclusive right to commercial food waste to the collector who now holds the franchise for this fraction of the waste stream.

Board Member Trotter clarified that the ordinance number should read 09-1. Mr. Alm agreed and stated that they will correct that information.

MOTION by Board Member Skrel to approve the proposed revisions to the current permitting of commercial recyclers, Ordinance No. 09-1. SECOND by Board Member Mendonca.

MOTION PASSED unanimously.

e. **FINANCE COMMITTEE RECOMMENDATION FOR APPOINTMENT OF AN AD HOC COMMITTEE***

In accordance with the Finance Committee's recommendation, appoint an Ad Hoc Committee comprised of Board Members Sue Rainey and Dave Trotter to work with staff to ascertain the viability of purchasing the CCCSWA office suite as opposed to the current leasing agreement.

MOTION by Board Member Glazer to approve the Ad Hoc Committee to look at the viability of purchasing the CCCSWA office suite. SECOND by Board Member Mendonca.

MOTION PASSED unanimously.

f. **NOTIFICATION FROM WASTE MANAGEMENT REGARDING RELOCATION OF THEIR CALL CENTER TO THE STATE OF WASHINGTON***

Receive comments from Waste Management representatives and provide direction to Staff.

Mr. Morsen stated that there has been an increased amount of complaints from residents about Waste Management's (WM) customer service. He gave some examples of recent complaints from residents and noted that these complaints have risen since WM reorganized both their local operations and moved their customer service call center to their Oakland headquarters. Now, WM has informed Mr. Morsen that as of December 1, 2009, they will move their customer service call center to the state of Washington. He stated that he believed these steps would save money for the corporation but at the expense of good customer service. Indeed, continued Mr. Morsen, the upturn in customer dissatisfaction followed closely on the heels of these recent changes in management and staffing. While the franchise agreement provides many avenues to pursue if franchise requirements are not being met, the first step is to provide WM the opportunity to address the Board and explain how the proposed change will not be in violation of the agreement. He invited the WM staff to address the Board and explain how this new change will affect the services provided to our customers. Mr. Morsen also stated that staff is looking into whether they are in violation of the franchise agreement if they proceed with this change.

Mr. Morsen introduced Mr. Grant Hankins, Director of Operations with Waste Management.

Mr. Hankins started his presentation by saying WM has been working hard to streamline their customer service within the call center which handles the bulk of the calls for collection operations. They have strategically consolidated their customer service centers throughout the U.S. and Canada into regional call centers. Their Oakland facility will soon be transitioning to a regional call center in Oak Harbor, Washington. He mentioned that they have had huge success in other areas where this regional approach to call centers has been implemented.

Mr. Hankins addressed some concerns that Mr. Morsen felt concerned about. First, he stated, Mr. Morsen wanted to know how customer service representatives (CSRs), who are two states away, will have knowledge of, and be able to understand, the franchise agreement. Mr. Hankins responded that they have developed an interactive electronic database containing information from the franchise agreement. A binder was given to Mr. Morsen with all of the information inputted. Mr. Hankins added that anyone of their CSRs would be able to do a search on the database to answer any questions from the public regarding their services. The next question that was raised by Mr. Morsen was if a CSR was unable to answer a customer's question or respond to an inquiry, how that would be handled. Mr. Hankins responded that in an event that the CSRs

are unable to fully address customer's concerns; the call would be forwarded back to their Oakland facility where it could be handled by an on-sight manager or supervisor. He also stated with respect to the franchise agreement, having employees in the local office (located at the WM staging yard on North California Blvd. in Walnut Creek); franchise requirements dealing with local office staffing for customer service will continue to be met.

The next question posed by Mr. Morsen concerned the complexities of the franchise agreement and how employees who have no connection to our service area and no long-term experience with the CCCSWA contract would have enough knowledge to accurately respond to our customers. Mr. Hankins responded that the Oak Harbor Call Center is a dedicated, specialized and professional organization with approximately 100 employees staffing the call center. He stated that WM of California Bay has made arrangements to have approximately 22 CSRs dedicated to answering the calls from the San Francisco Bay Area.

The last question was asked about the reduction of personnel. Mr. Hankins replied that they have met with the Authority staff to discuss the reduction of WM staff and have presented information they feel shows that they are still in compliance with the staffing levels required by the agreement. He introduced some additional WM staff who were present claiming they demonstrated the changed staffing levels were in support the contract.

Mr. Hankins finished addressing Mr. Morsen's concerns and asked if the Board or staff had questions.

Mr. Morsen commented that the franchise agreement specifies that a local office shall be maintained with qualified company representatives on-sight to communicate with the public and questioned how does moving the call center to Washington support a local office with someone to communicate to the public. Mr. Hankins responded that they still do have their local office in Walnut Creek and Rhonda Neal, who is their customer service supervisor, still remains there.

A number of questions from Board Members, regarding different scenarios and how WM could handle them, were asked. Mr. Hankins responded that the CSRs in Washington would be able to handle any one of those situations by accessing the electronic format of the franchise agreement.

Board Member Trotter followed by asking how many customers are to be serviced in the three states and Canada by the Washington call center. He also asked if Mr. Hankins had an estimate on how many different franchise agreements covered within those three states. Mr. Hankins responded that he does not have that information.

Board Member Trotter continued by asking if WM has any before and after statistics on the average number of calls that are coming in specifically for the CCCSWA franchise area on a given day here as compared to how many total calls that WM will be handling on a regional basis at the Washington call center. Mr. Hankins responded stating they are handling the same number of calls today as we will in the future and on an average day and putting it in comparison, they had only three customer service representatives located in Walnut Creek and now they will have over a hundred in their Oak Harbor office. Board Member Trotter stated that is not the question he asked.

Chair Rainey interjected that this line of questioning is all relevant and asked how fast customers can be handled over the phone. Mr. Hankins responded that their average speed answer will be better at their regional call centers versus the smaller call centers. The regional call centers are

managed professionally and they have an integrated computer system by which WM will be able to manage in a manner to accommodate answering calls in less than 40 seconds, if not faster.

Chair Rainey commented that call center staff will have to go through hundreds of franchise agreements—which will take a period of time—even if it is all computerized.

Board Member Stepper commented that this appears to be a cost savings measure versus a time saving measure.

Board Member Skrel asked how this would affect Board Members constituents.

Rhonda Neal addressed the Board and answered the VWM phone number will not be changing and the public would call the same number they have in the past.

Mr. Morsen asked how long will it take for a CSR to scroll through their electronic version of the contract to research and resolve a customer service or operational issue. He stated that he doesn't understand how CSR's could handle an issue in enough time to satisfy the customer without a long wait while a contract provision is looked-up. He noted that even with his familiarity with the franchise, it takes many minutes to find a relevant franchise provision in a document one-and-a-half inches thick.

Mr. Hankins responded that the system has a search mechanism in the computer database. The CSR can search the database for a question a customer might have and the program will produce a menu option for the CSR to answer the question for the customer. He stated it will be a faster response than it is today.

Board Member Glazer asked if we are not happy with this service are we in a position to say no.

Mr. Morsen asked Kent Alm to respond to that question.

Mr. Alm referenced the franchise agreement regarding the requirement for WM to have a Walnut Creek (local office) location and mentioned that, when the contract was drafted, it was the spirit of the document that customers would have a local office with adequate parking and suitable for the public to come to and get their questions, complaints and problems addressed. He explained when the discussions with WM regarding moving their call center to the Oakland facility were held, it was concluded that the same WM staff, previously stationed in the Walnut Creek facility, which had become familiar with our contract, were being transferred to Oakland. Consequently, all calls from our jurisdiction would be directed to those individuals giving us a degree of confidence that our customers would not be disadvantaged. He ended by stating that while it is not black and white, the Oakland call center move was probably the equivalent to what was stated in the contract. However, with the impending move to Washington, we must ask if the intent of the agreement is being met. Notwithstanding Mr. Hankins' representations to the contrary, does the requirement to have a local office function still exist?

Board Member Glazer commented as a Board Member, he could not be convinced of the efficacy of the new change as Authority staff indicated that there is a lot of dissatisfaction with the current service. Moreover, our attorney has questions regarding contract compliance.

To answer Board Member Glazer's comments, Mr. Hankins answered "yes" they have had issues over the last few months and have met with Mr. Morsen to discuss. He stated most of the issues

were operational issues with failures in certain processes and procedures. He gave an example of the oil spill (mentioned in the staff report) and stated it did not have any direct correlation to the actual call center itself.

Vice Chair Smith wanted to follow-up with Board Member Stepper's comments earlier by stating that this is not improving the call time—it is a cost saving measure for the company and if that is the case, she asked Mr. Hankins what the amount of the cost savings was and can these savings be passed onto the member agencies in a manner that could lower our costs for service.

Mr. Hankins responded that he was in budget meetings today, and having the offsite call center is not a cost savings for WM. He stated that there are still a number of individuals assigned to work in this area; they are just basing a professional call center service out of Oak Harbor, Washington.

Board Member Trotter asked what is the current customer service staffing in the local office today that serve this franchise area, and how many are frontline staff (locally here at the Walnut Creek facility) whose job is to deal with customer complaints and are they available to the public.

Rhonda Neal of WM responded by saying the local office has three-to-four staff members, which includes herself (operations supervisor), a dispatcher plus the route managers as well as the operation manager. She stated that since she has been in that office the past 2.5 years, only around seven customers have come into their local office. Those people generally did not speak with the CSRs about complaints, but rather the supervisor and managers.

A discussion ensued with the Board Members about their concerns and if, and how their constituents will be better served with this change.

Mr. Morsen stated that even though the letter on today's agenda relates to only the call center, he is also concerned with the number of operational complaints that have arisen to the level of the CCCSWA having to get involved to settle them (when those type of issues are usually handled and resolved by WM) and that this area of customer service needs to be addressed as well.

No decisions were made and Chair Rainey requested that staff follow-up on these issues and return back to the Board with some answers and the staff recommended direction.

10. EXECUTIVE DIRECTOR'S REPORT

a. UPDATE ON FOOD WASTE PROGRAM

This update was covered in the RY6 presentation above.

b. CONGRATULATIONS TO LOIS COURCHAINED RECEIVING HER MASTER'S DEGREE

Mr. Morsen announced that Lois Courchaine received her Master's Degree in Public Relations.

c. ANNOUNCEMENTS

Mr. Morsen informed the Board that the pharmaceutical containers have come in and are waiting for the decal signage to be printed. The pharmaceutical drop-off program will roll-out to the cities very soon.

9. BOARD COMMUNICATION AND ANNOUNCEMENTS

Board Member Trotter informed the Board of the Mayor's Conference being held in Moraga next Thursday, November 5.

10. ADJOURNMENT

There being no further business to come before the Board, Chair Rainey adjourned the meeting at 5:48 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