



Agenda Report

TO: CCCSWA BOARD OF DIRECTORS
FROM: BART CARR, SENIOR PROGRAM MANAGER
PAUL MORSEN, EXECUTIVE DIRECTOR
DATE: MARCH 16, 2010

SUBJECT: APPROVAL OF FINAL AGREEMENT BETWEEN THE CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY AND EAST BAY MUNICIPAL UTILITY DISTRICT FOR FOOD WASTE PROCESSING AND DISPOSAL SERVICES

SUMMARY

On February 23, 2010, the EBMUD Board of Directors approved the CCCSWA/EBMUD Agreement for food waste processing services, recording a 4-0 unanimous vote of approval (Board member John Coleman was absent). This follows CCCSWA Board review and comment on the agreement, starting with review of the primary "deal points" at your December 2009 meeting, and review of the entire draft agreement in January 2010. Consideration at your December and January meetings resulted in Board member comments and requested changes that have been incorporated into the final draft agreement that was transmitted to EBMUD for their Board's action. This final agreement punctuates seven months of negotiations and staff work between the CCCSWA and EBMUD, resulting in an agreement that will secure processing capacity for CCCSWA commercial food waste for the next five and a half years (contract includes two mutual options to extend for additional one year periods). Now that negotiations have concluded and EBMUD Board has approved the contract, the final action required to execute this agreement is approval by CCCSWA Board Members.

RECOMMENDED ACTION

1. Staff Recommends Board Approval of Final Agreement between the CCCSWA and EBMUD for Food Waste Processing Services.

DISCUSSION

The agreement approved by the EBMUD Board reflects the comments and requests for changes made by this Board at your December and January meetings. Most recently, Board members requested that the following changes be made to the final draft report reviewed at your January 28 meeting:

- Section 7.03 - Recognition that EBMUD will retain all revenue from electricity generated from digestion methane capture and sale to PG&E (Requested by Board member Skrel)
- Section 7.03 - Modifying language in Section 7.03 "Revenue Sharing" to reflect the possibility that other methods or instruments relating to the capture of Green House Gas (GHG) or generation of electricity resulting from GHG capture that may develop and could have future value and will be

included in future negotiations on how revenue will be shared (Requested by Board members Anderson and Trotter)

- Section 11.01, b., (4) - Add requirement for mediation in section addressing exceedance of a Disposal Fee Cap established by the contract at the end of Year 3. This fee cap protects the CCCSWA from the possibility of a new and possibly excessive disposal fee when the stepped fee increases end at the conclusion of Year 3 of the contract. (Requested by Board member Smith)

On February 23, the EBMUD Board of Directors approved the CCCSWA/EBMUD Agreement as a consent item on their Board meeting agenda, recording a 4-0 unanimous vote approval. A copy of the EBMUD staff report to their Board is attached to this report. Bart Carr attended this meeting and addressed the EBMUD Board, noting the benefits that this partnership will bring both our agencies. EBMUD action on this agreement, containing all of the changes requested by this Board, creates a contract document in its final form that is ready for CCCSWA Board approval. With CCCSWA Board adoption, processing capacity will be established for the CCCSWA commercial food waste program, which will begin expansion in September.

ATTACHMENTS

- A. Final Contract Agreement between the Central Contra Costa Solid Waste Authority and East Bay Municipal Utility District for Food Waste Processing and Disposal Services
- B. EBMUD's Staff Recommendations to EBMUD Board of Directors