

**DRAFT MINUTES OF THE
REGULAR BOARD MEETING OF THE
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY
HELD ON APRIL 29, 2010**

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 April 29, 2010. Chair Victoria Smith called the meeting to order at 3:06 P.M.

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

PRESENT: Board Members: Candace Andersen (left at 4:30 p.m.)
Mike Anderson
Karen Mendonca, Vice Chair
Mary Piepho (arrived at 3:10 p.m.)
Sue Rainey (left at 3:32 p.m.)
Gary Skrel (left at 4:08 p.m.)
Victoria Smith, Chair
Karen Stepper
Gayle Uilkema (left at 4:16 p.m.)

ABSENT: Board Members: Carol Federighi
Steve Glazer
Dave Trotter

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

Paul Morsen requested Item No. 7d be tabled until a later Board of Director's meeting.

MOTION by Board Member Uilkema to approve adoption of the Agenda. SECOND by Vice Chair Mendonca.

MOTION PASSED unanimously.

3. PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA

No comments.

4. CONSENT CALENDAR

- a. Consider Approving Minutes of the Regular Board Meeting on March 25, 2010*
- b. Financial Statements and Independent Auditors Report for the Year Ending June 30, 2009 by Mayer Hoffman McCann P.C.*

Chair Smith noted that the Financial Statement and Independent Auditors report has been corrected and a revised copy was given to the Board Members.

MOTION by Board Member Stepper to approve the Consent Calendar as revised.
SECOND by Board Member Anderson.

MOTION PASSED unanimously.

Board Member Rainey Abstained due to her absence from the last meeting.

Chair Smith opened it up to the public for comment.

None were made.

5. WRITTEN COMMUNICATIONS TO THE AUTHORITY

- a. Correspondence received from Lafayette resident, Robert D. Reigg regarding rate increase*
- b. Letter received from Orinda Students, Haley Bitzer and Virginia Loke and Authority's Response*

6. NEWS ARTICLES

- a. News Articles of Interest to the Board*

Paul Morsen, referencing the clipping of the Pharmaceutical Program, stated that the pharmaceutical program is now being implemented throughout central Contra Costa County. He noted that they will be seeing more publicity on the program over the next two or three months.

7. ADMINISTRATIVE AND FINANCIAL MATTERS

- a. Resolution Recognizing Board Member Sue Rainey*

Consider approving a resolution recognizing Sue Rainey for her leadership during her term as Chair of the CCCSWA Board of Directors.

MOTION by Board Member Anderson to approve resolution recognizing Sue Rainey for her leadership. SECOND by Board Member Piepho.

MOTION PASSED unanimously.

- b. Lease Agreement for CCCSWA office*

Consider authorizing the Executive Director to execute an office lease agreement for a ten-year period beginning July 1, 2010.

Paul Morsen reported, regarding the lease for the 1850 Mt. Diablo Building office suite, on two matters that were still under negotiations when this agenda had to be posted: 1) commencement date which doesn't show a clear "move in" date under the lease. Currently there is a estimated move in date of July 15, 2010, however the Authority does not have the ability to terminate the lease once executed unless the landlord hasn't completed the tenant improvements with 180 days and, 2) the agreement provides that if the landlord receives an automatic reduction in

property taxes pursuant to Prop. 8, the Authority's share of taxes is not correspondingly reduced in rent. The landlord has applied for a reduction of property taxes for 2009 and will apply for a reduction in 2010.

Chair Smith expressed concern about being in the same situation the Authority recently went through of having a change of ownership and the owner terminating the lease. She asked, "Is that also being negotiated?"

Jen Faught of Meyers Nave (sitting-in for Authority Counsel Kent Alm due to his absence from the area) stated that as of noon today they received an email from the bank (the owner) stating the non-disturbance and attornment clause in the lease agreement were approved. That modification states in the case of change of ownership, foreclosure or any change of property type that the Authority still has the right to remain there and pay the rent to the new owners.

Chair Smith opened it up for public comment. None were made.

MOTION by Board Member Piepho to authorize the Executive Director to execute a 10 year office lease agreement. SECOND by Board Member Uilkema.

MOTION PASSED unanimously.

c. Draft Accomplishments Report for Fiscal Year 2009/10 and Draft Goals and Tasks/Plans for Fiscal Year 2010/11*

Review report, provide input as appropriate. Staff is available for questions.

Paul Morsen reported that the Finance Committee met in April and has approved the accomplishments for last year and goals set for next year. He said he and staff will answer questions from the Board.

Board Member Uilkema informed the Board that County staff has some issues about some items being charged to the Diversion Incentive Fund (DIF). She requested to know how that was resolved. Mr. Morsen stated that he is in discussions with County Staff and if there any remaining issues following those discussions, they will be brought to the Board with the Budget next month.

Chair Smith opened it up for public comment. None were made.

d. Update on Walnut Creek Recycling Center (WCRC) and Request for Authority to Amend Contract for post 2011 Services*

1. Accept and comment on staff update regarding discussions with the City of Walnut Creek on continued use of WCRC property following conclusion of current lease agreement on March 1, 2011.
2. Authorize Executive Director to renegotiate the current lease agreement with the City of Walnut Creek, reflecting these changes, for the period of March 2, 2011 to March 1, 2012. The amended agreement will be returned to the Board for final review and approval at a future meeting.

This item was tabled until a later Board Meeting.

e. Contractual Service Agreements for 2010/11*

1. Authorize the Executive Director to execute consultant service agreements with the following providers for school services:
 - a. EarthCapades to perform 4Rs assemblies (using juggling and acrobatics) for CCCSWA schools, not to exceed \$6,000
 - b. EarthTeam to run the “Waste Action Month” to educate students about the connections between waste reduction/recycling and global warming, not to exceed \$8,500 (includes outreach activities for one additional school)
 - c. Junkology to provide creative reuse workshops to CCCSWA schools, not to exceed \$6,000
 - d. TRG and Associates to manage the overall schools program and provide technical assistance to improve school waste reduction and recycling programs throughout the CCCSWA service area, to assist eligible schools with certifying as Wastebusters, to provide waste reduction outreach and education to CCCSWA schools, and to act as coordinator for all CCCSWA school related activities, not to exceed \$104,510
2. Authorize the Executive Director to execute a consultant services agreement with HF&H Consultants, LLC to conduct compensation and rate adjustment calculations for Rate Year 7 of the Franchise Agreements with Allied Waste Systems, Inc. and USA Waste of California, Inc. (dba Valley Waste Management), for the not-to-exceed amount of \$61,365
3. Authorize the Executive Director to execute a consultant services agreement with H2 Solutions to assist staff in:
 - a. the planning and preparation for Board workshop in February 2011, and
 - b. team building and organizational effectiveness training, not to exceed \$15,000

Chair Smith opened it up to the Board for questions. None were asked.

Chair Smith opened it up for public comment. None were made.

MOTION by Board Member Uilkema to authorize the Executive Director to execute consultant service agreements. SECOND by Board Member Anderson.

MOTION PASSED unanimously.

8. PROGRAMS

a. Follow-up on Single-Use Plastics Packaging*

This report is for informational purposes. Board members are invited to offer comments or ask questions and/or provide any further direction.

Paul Morsen spoke about the two most problematic items in the waste stream, single-use plastic bags and Styrofoam food take-out containers. As requested by the Board, information they requested has been brought back to them in a number of areas as set forth in the staff report. The Authority’s future plan is to bring informative staff reports and presentations for Board consideration over the next several meetings each of which will deal with the questions posed by the Board. The Restaurant Trade Association and the Grocer’s Trade Association have been invited to make presentations at the June Board meeting regarding their points of view. Mr. Morsen stated that these trade associations don’t necessarily represent all local input.

Accordingly, staff will make an effort to receive input from local restaurants, grocers, farmers markets and businesses to see how they feel about these two products, ascertain what they are currently using, and what kind of impact it would be for them if the Authority moved forward with banning these materials.

Mr. Morsen asked if there were questions.

Chair Smith added that there was a very spirited and in depth discussion about this last month; she requested Board Members who were not present last month to provide their comments and feedback as well. Some questions Chair Smith expressed for the Board Members to think about was why is this the Authority's problem, why doesn't the State handle it, should this be a regional issue, what are the benefits to the consumers, what are the costs to the vendors and merchants and what is the best way to move forward. She stated every month Board Members will have a chance to discuss their concerns and ask questions.

Board Member Stepper requested in the next few months more factual information on costs to businesses and what kind of problems could occur by banning be reported in the staff reports.

Board Member Anderson requested more information on what other cities have gone through dealing with these two commodities, what structure did they use, what was their time line and how did they measure the actual success with reduction in the use of alternatives and the ultimate citizen satisfaction with the bans (where implemented).

Board Member Anderson also asked if plastic packaging and Styrofoam packaging would also be included in the ban. Mr. Morsen clarified that the Styrofoam containers are only the ones that are included in this discussion as they cannot be recycled when stained with food. Once stained the containers are contaminated and cannot be re-manufactured for any new products due to this contamination with food debris. He also stated that Styrofoam packaging material is very clean and can be recycled, but unfortunately there is no recycling processor nearby that handles packaging materials at this time. It could be a goal for the new franchise period to find a means to handle Styrofoam packaging and the costs of any equipment needed for this purpose could be amortized over the 10-year franchise agreement. The lightweight nature of this material makes it unprofitable to transport over long distances to a processing facility.

Lois Courchaine added that, of the ordinances that she had reviewed, all of them applied to carry-out food packaging, including the State Legislation AB2138. Ms. Courchaine went on to highlight voluntary efforts to use alternatives to EPS already in place (e.g. Kaiser in downtown Walnut Creek).

A discussion ensued amongst the Board Members on the use of biodegradable plastics and the other alternatives to food packaging. It was decided to bring back more information to the Board regarding these products.

Board Member Uilkema shared with the Board Members that she is now involved with West County Integrated Waste Management Authority and they are currently looking at the issues with plastic bags and felt that Authority staff should work with them to prevent duplication of research and work.

Jen Faught added that she sent some information to Chris Lehon of West County (Executive Director of the West Contra Costa Solid Waste Authority) and noted that they just started looking

at it on an Authority level and they are not sure which direction they're going yet. Ms. Faught stated that State legislation aside, she doesn't know what the Courts are going to say but everyone is operating under the assumption that an Environmental Impact Report (EIR) will probably be necessary to implement a ban and that is a significant expense.

Board Member Uilkema commented if that was the case, would the participating agencies assume that the Solid Waste Authority would be contributing the extra costs and asked how would that work if an EIR was necessary.

Lois Courchaine commented that it could be a Regional EIR.

Board Member Piepho asked would the Authority be the lead agency and how would we bear the expense.

Paul Morsen added—if we had to do it on our own—our policy is one-time expenses, new and special programs would come out of the Diversion Incentive Fund but noted that it would no doubt be a large cost and if other agencies and cities want to contribute to the cost that would be helpful.

Chair Smith asked Board Members if they had any other questions or comments and reiterated what Vice Chair Mendonca stated earlier that it is wonderful that staff is planning this in a methodical way with a lot of community outreach and organizational outreach because with something this significant, the community needs to have their opinions heard and to assist in forging a consensus. She appreciates the Authority giving them time to process all this.

b. Legislative Update*

This staff report is intended mainly for information but the Board might consider taking a position on the amended version of AB 1998 (Brownley), dealing with single-use plastic and paper carry bags.

Paul Morsen introduced Lois Courchaine to update the Board regarding the latest information regarding AB 1998 (Brownley bill).

Ms. Courchaine reported that the amended AB 1998 bill would ban single-use plastic bags all together and ban retailers from giving away paper bags to consumers but rather would charge them for a paper bag. She stated that it has been moved by the Appropriations Committee to the suspense file which usually indicates strong opposition; however, the Author's office is working diligently and negotiating with the California Retailers Association and the California Grocer's Association on language for the bill. She also informed the Board that CalRecycle (formerly CIWMB) wants to take a more hands on approach by hiring staff if the bill passes.

Ms. Courchaine then reported that all the other bills have passed through their respective Committees and are going to Appropriations the second week of May with the exception of AB 1343 by Huffman, which has now become a two year bill. All other bills that were being supported or watched are scheduled to move to committees.

Mr. Morsen added that the amended bill (AB 1998) would repeal the store recycling program components, so customers would no longer be able to recycle their plastic bags at the stores. He reiterated that the bill would ban plastic bags, charge for the paper bags and encourage the use of reusable bags. However, he reminded the Board that paper bags are a huge market for recycled paper with most paper bags using a minimum of 40 percent of recycled content; if that

market went away (due to bans) then one has to wonder what would happen to all of the recycled paper collected in the state that now flows for this purpose.

Mr. Morsen asked the Board as a result of the changes to AB 1998 and its being currently in the suspense file, what position, if any, do you want to take?

Board Member Piepho suggested not to take a position at this time but to make comments under a watch category versus oppose or support. This will allow the Authority to consider what direction to head in or what action to take considering the significant impacts to the landfills because of the plastics ultimate disposal in them.

Ms. Courchaine added that the intent of the amendment was not to close down the plastic bags recycling program but not make it a requirement.

Chair Smith asked where you could take your plastic bags from your dry cleaning, etc. She commented what would be the point of not making it mandatory?

Lois Courchaine responded that many retailers do not want the program anyway. It takes up valuable floor space, labor, staffing, accounting, and it also involves taking in other retailer's materials. Mr. Morsen concurred and spoke about his conversations with store manager's and the issues they are faced with.

Board Member Stepper wanted to reinforce what Board Member Piepho spoke about with making comments which may be more appropriate rather than taking a position at this time. She suggested that when comments are made, they should be specific enough for someone to refer to and how it may impact our county; she doesn't feel personal anecdotes hold any weight.

Chair Smith asked Ms. Courchaine if they have enough time for the Legislative Committee to meet and bring back information to the Board to facilitate a position on AB 1998. Ms. Courchaine replied that will depend on the future of the bill. We will know more next month.

Chair Smith opened it up to the public for comment. None were made.

9. EXECUTIVE DIRECTOR'S REPORT

a. Changes to PERS and CCCSWA Payroll

Paul Morsen reported at the April Finance Committee meeting that an audit was conducted by CalPERS on the City of Walnut Creek. As a result, it was determined, because of IRS regulations, an organization with their own tax I.D. number cannot contract for PERS retirement under another agency. He informed the Board that the Authority must contract directly with CalPERS for retirement benefits, plus handle their own payroll rather than through the City of Walnut Creek.

Mr. Morsen stated he doesn't have much information at this time but is working with CalPers on an application report which will trigger an actuarial computation to let the Authority know if we owe money, break even or are due money if we continue with PERS on our own. The whole process might take up to 9 months.

Mr. Morsen informed the Board that medical, dental and life insurance benefits will continue to be provided under the City of Walnut Creek's plans. It was recommended to bring these issues to and work with the Personnel Committee over the next year as events unfold and to bring the matter to the Board with a recommendation of the Personnel Committee.

b. Update on the Walnut Creek Food Scrap Program

Paul Morsen stated that the Walnut Creek Food Scrap program will begin September 2010. Staff has already started working on the logistics of the program. Mr. Morsen introduced Bart Carr who showed various food container pails to the Board and spoke about the RFP process which is underway to select a container for the program. He noted that Authority staff has been canvassing the community and getting input about the pails. Staff is looking for what residents feel is the most effective kitchen container and what is the best price within our budget.

c. Presentation at the 2010 BioCycle Conference

Mr. Morsen reported that Bart Carr traveled to San Diego and gave a presentation at the annual BioCycle Conference and made a presentation about our Commercial Food Waste Program. Over 150 interested participants attended. The BioCycle magazine was so impressed with the program they asked the Authority to write an article for their national magazine which Staff is currently working on. Paul Morsen congratulated Bart Carr for representing the Authority's program.

d. Update on the Commercial Food Waste Program

Mr. Morsen called on Mr. Tim Argenti of Allied Waste Services to report on the food waste program and give an overview of the permit process. Information he shared was: 1) In March AWS submitted their application to revise their facility permit and hired a consultant to produce a negative declaration which is part of the CEQA process, 2) Allied met with CalRecycle and they have assured Allied that they will get everything processed promptly, 3) AWS has hired a full time recycle coordinator to manage the program with quality control, participation, training and expansion of the program, 4) Mr. Argenti met with the general manager and assistant general manager of the Mountain View Sanitary District and they are very excited about the project and may possibly be able to use some of the transfer station's food waste (from other jurisdictions, not from the CCCSWA commercial food waste) to help generate some power at their own facility. They will be presenting information to their Board of Directors on May 14 and an informal public meeting will also be scheduled, 5) once the permit is approved, Allied will be able to process a lot more tons not just from the Authority but throughout the valley which will help the Authority reduce some of the equipment costs across a much larger agency base, and 6) hopefully they will have the final permit the beginning or middle of September 2010.

Chair Smith thanked Tim Argenti and also Board Member Piepho's office for helping to facilitate the process.

e. Announcements

Reusable bags were given out to all Board Members and public attendees and they were all encouraged to use them.

10. BOARD COMMUNICATIONS AND ANNOUNCEMENTS

None.

11. ADJOURNMENT

There being no further business to come before the Board, Chair Rainey adjourned the meeting at 4:33 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