

**DRAFT MINUTES OF THE  
REGULAR BOARD MEETING OF THE  
CENTRAL CONTRA COSTA SOLID WASTE AUTHORITY  
HELD ON JUNE 24, 2010**

The regular meeting of the Central Contra Costa Solid Waste Authority's (CCCSWA's) Board of Directors convened at 1666 N. Main Street, 3<sup>rd</sup> Floor Conference Room, Walnut Creek, Contra Costa, State of California, on June 24, 2010. Chair Victoria Smith called the meeting to order at 3:02 P.M.

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

PRESENT:            Board Members:            Candace Andersen (left at 4:47 p.m.)  
Carol Federighi (arrived at 3:05 p.m.)  
Karen Mendonca, Vice Chair  
Mary Piepho (left at 4:24 p.m.)  
Sue Rainey  
Victoria Smith, Chair  
Karen Stepper (left at 4:57 p.m.)  
Dave Trotter (arrived at 3:06; left at 5:04 p.m.)  
Gayle Uilkema

ABSENT:            Board Members:            Mike Anderson  
Steve Glazer  
Gary Skrel

**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**

MOTION by Board Member Uilkema to approve adoption of the Agenda. SECOND by Board Member Stepper.

MOTION PASSED unanimously.

**3. PUBLIC COMMENT ON ITEMS NOT ON THIS AGENDA**

No comments were made.

**4. CONSENT CALENDAR**

All items listed in the Consent Calendar may be acted upon in one motion. However, any item may be removed from the Consent Calendar by request by a member of the Board, public, or staff, and considered separately.

- a. Consider Approving Minutes of the Regular Board Meeting on May 27, 2010\*
- b. Update on Outreach Activities\*
- c. Approve Proposed Revisions to Allied Waste Services and Waste Management Franchise Agreements regarding Responsibilities for Collection of Food Waste and Food Scraps\*

MOTION by Board Member Piepho to approve Consent Items 4.a.-c. SECOND by Board Member Stepper.

Board Member Rainey abstained from Consent Item 4.a.

MOTION PASSED unanimously.

Chair Smith thanked Janna McKay for her well written and detailed Minutes.

## 5. COMMUNICATIONS TO THE AUTHORITY

- a. Letter received from the Chair of the Walnut Creek Chamber of Commerce\*

Paul Morsen stated that the Authority was delighted to receive a letter from the Walnut Creek Chamber. Ashley Louisiana has taken the leadership as the CCCSWA event coordinator and has done a terrific job this year with managing the Authority's booth plus the whole recycling operation at the Walnut Creek Art & Wine Festival, which resulted in much more recycling, that has happened in the past.

## 6. ADMINISTRATIVE AND FINANCIAL MATTERS

- a. Preliminary Results for Annual Waste Diversion Report To Cal Recycle for Reporting Year 2009\*

No specific action is recommended; this item is only for information and possible discussion.

Paul Morsen reported that the annual report to the State regarding diversion efforts is due for submission to the State's Cal-Recycle office in August 2010; however, with Bart Carr (who completes the report) on a planned vacation; it was submitted one month in advance. Mr. Morsen stated he was pleased to announce that the Solid Waste Authority has exceeded the State standards under their new reporting criteria of 4.7 lbs per person, per day of refuse generated—the Authority is down to 3.7 lbs per person, per day. He also reported that using the old "percent of waste diverted" calculation, they are at 58 percent waste diverted for 2009! He noted that three years ago the Authority was in the high 40s, struggling to make 50 percent. He reminded the Board that implementing new programs and modifying old ones to be more effective over the past few years has helped as well as being designated a regional agency which allows everyone to share in their successes.

Board Member Andersen asked if each individual city will get their break down of what percentage of diverted waste they had. Morsen responded absolutely and that information will be presented at the September meeting when the entire report is calendared.

The Board congratulated Mr. Morsen and Staff.

**b. Fiscal Year 2010/2011 Operations and Diversion Incentive Fund Budgets\***

1. Consider Adopting Operations Fund and Diversion Incentive Fund Budgets for Fiscal year 2010/2011 as set forth in Attachment A, B and C.
2. Consider directing Staff to prepare draft policies and information for Board consideration, as set forth below in this Staff Report, in the areas of: Operations Fund reserve; Requests for Proposal; and Signature Authority of Executive Director. Additionally, consider recommended process for review of Member Agency Reserve allocations and amounts for use in rate setting.

Paul Morsen started by explaining the background of the budget process and said that all of the comments and requests made by the Board at last month's meeting will be addressed in today's comments. He asked the Board to first consider adopting the budget and the plans for reviewing and adopting various fiscal policies the Board requested. Secondly, he stated that he will also discuss the budget items that need to be implemented by contract and try to address the concerns the Board had regarding those contracts.

He continued saying that among the issues the Board stated that needed review were those involving the Request for Proposal (RFP) process, the Executive Director's signing authority and the purchasing policies. These matters will be placed on the autumn Finance Committee meeting (usually in early October) agenda for review and recommendations. Following this the staff will prepare new or modified policies for consideration at the spring Finance Committee meeting (usually in April) for committee input and approval. The matters will then be calendared for the full Board's consideration and adoption in April 2011. This schedule will be in time for implementing any new policies within next fiscal year's budget and contract approval process when the fiscal year budget is presented to the Board.

He opened it up to the Board for questions or comments regarding the financial policies.

None were asked.

He then stated another Board concern was the Member Agency reserves used for rate setting and the policy on allocating and dispersing those monies. In September 2010, when the rate setting process commences for RY7, staff will bring forward that policy and how the monies available for allocation will be dispersed. He noted since there are several new Board Members, the policy can be discussed and any questions will be answered at that time.

He opened it up to the Board for questions or comments regarding the member agency reserves.

None were asked.

Mr. Morsen asked if there were any questions regarding the Operations Budget.

None were asked.

Turning to the Diversion Incentive Fund, he then presented information regarding the startup of the Sharps Program. Part A is at no cost to the Authority and it is a mail back program through Waste Management (he explained the program in detail). He explained that this part of the program was currently being implemented. Part B of the Sharps program is where a kiosk (a drop-off container) would be located within each member's city/town and customers would be able to drop off their used sharps into the container. Currently, they have two informal proposals, one from Waste Management and another from Allied Waste for servicing and

disposing of the materials on a weekly basis. The Authority has budgeted \$45K for the program. Staff will implement an RFP to various vendors. The goal is to have everything up and running by September/October 2011.

He asked the Board for questions or comments regarding the Sharps Program.

Board Member Stepper inquired about having the sharps containers located at the police station near to the pharmaceuticals container for convenient disposal. A discussion ensued with the Board Members and it was agreed to have Mr. Morsen check into having one location or at least a location in close proximity for both the pharmaceutical and sharps kiosk.

Tim Argenti with Allied Waste Services approached the Board and stated that AWS has a sharps drop-off container in several communities in and around the CCCSWA area already and recognizing the time needed for a RFP process, which could run into the beginning of next year, he stated that they can get them in place very quickly for each city and fold it into their current program working with Curbside, Inc. Furthermore, he stated he would be willing to emplace the program in the CCCSWA area at no cost to the Authority for the first year.

Mr. Morsen explained that some of their budgeted programs are implemented by contracting with a third party for implementation. He went on saying that he would explain the programs at this point in the agenda and requested that the Board hold their comments and questions that related to the contracts for later in the agenda where the contracts are calendared for consideration.

Mr. Morsen first spoke about the RecycleBank Rewards Program. A few points he made were: 1) the single family residential diversion numbers are dipping and there needs to be some improvements made in that area, 2) this is a one year pilot program that will offer rewards to residents for increasing their recycling in Moraga and Orinda (the pilot communities). He reinforced to the Board that currently there are no other programs that are similar or the same as this, therefore the staff did not go out for requests for proposal as Recycle Bank is a sole source for this type of program. 3) the goal is to increase the tonnage from every household by 200 lbs. per year, and if met, the current 58 percent diversion rate will increase, and 4) Staff has budgeted \$102K for the implementation of this program.

The next project is the Student Reusable Bag Program which is made possible through a grant to the Mt. Diablo High School District's high school students to develop recycling programs. Working with the high school's program director, they planned a program comprising a recycling video, a special art design for a reusable shopping bag and other materials for the elementary and/or middle school students within the Authority's jurisdiction with the pursuit of an overall campaign to encourage the use of reusable shopping bags. He explained to the Board that there is no cost for the Mt. Diablo students and staff has budgeted \$20K for the materials only, which will be distributed in schools within the CCCSWA service area.

Staff has been working with Riezbos Holzbaur Group (RHDG) to develop materials and deliverables for several commercial projects, they are: 1) the Commercial Food Waste Recognition Program for acknowledging the 105 restaurants that pioneered the program. He explained that starting in September 2010; the Authority will be rolling the program out to all of the pilot businesses and added that it would serve as a great marketing tool as well as new additions to the program. He noted that the Board had expressed some concerns about not going out to RFP for this project. He explained that it would take up to 4 months or more to complete the bidding process. Therefore, staff elected to not do an RFP due to the September timeline of

bringing on additional restaurants and needing recognition materials at that time, 2) a strategic marketing campaign for CCCSWA commercial recycling programs. Currently, there are no marketing plans developed in the commercial sector and with the upcoming changes with the permitted haulers program, the Authority will be dealing with more commercial waste and developing more recycling programs. Marketing will be needed at that time, and 3) the BYOB (Bring Your Own Bag) Program is important to Staff because of the State's possible plastic bag ban. The Authority will need to make a huge effort promoting people to use reusable bags. If legislation (AB 1998) doesn't pass, the Authority's goal is to continue encouraging people to use and not forget their reusable bags. In either case, a campaign to increase the use of reusable bags is necessary.

He asked the Board for questions or comments regarding these contractually implemented programs.

A discussion ensued with Board Members regarding the RFP process. No additional questions were asked.

Chair Smith opened it up for public comment.

No comments were made.

MOTION by Board Member Piepho to approve and adopt the Operations Fund and Diversion Incentive Fund Budgets for Fiscal year 2010/2011, and to move forward with the contracts with the caveat that Staff look at developing a RFP policy and financial policy as well. SECOND by Board Member Rainey.

MOTION PASSED unanimously.

c. **Authorize the Executive Director to execute Consultant Service Agreements with the following providers:\***

1. ESA, for the selection and training of approximately 120 restaurants for the Commercial Food Waste Recycling Program, not to exceed \$48,000.
2. RecycleBank, for the implementation of a measurable Pilot program for increasing single-family residential recycling, not to exceed \$102,000, and to authorize Executive Director to execute a Memorandum of Understanding (MOU) between the CCCSWA, Waste Management, and RecycleBank regarding Waste Management support during implementation of the RecycleBank Pilot Program.
3. RHDG, for the development of a Commercial Food Waste Participant Recognition program, not to exceed \$19,000.
4. RHDG, for the development of a "Bring Your Own Bag" campaign, not to exceed \$24,500.
5. RHDG, for the development of Strategic Marketing Campaign for Commercial Recycling, not to exceed \$40,412.

Paul Morsen introduced the contract with ESA (whose services were secured originally by RFP) to continue to train the food waste producers when full roll-out of the food waste program commences in September.

MOTION by Board Member Piepho to approve the ESA contract for the selection and training of additional restaurants in the Commercial Food Waste Program. SECOND by Board Member Stepper.

MOTION PASSED unanimously.

Information for the RecycleBank contract was presented.

Mr. Morsen reviewed the development of the RecycleBank Program and the interface with Waste Management (WM). A Memorandum of Understanding (MOU) has been developed with Waste Management to memorialize their participation. After consideration, if the Board chooses to award, the action would authorize Mr. Morsen to sign the contract for implementation as well as the MOU.

Kent Alm stated that there are a few small details and insurance issues with RecycleBank that still need to be worked out. He also added that there may be some additional costs to WM due to the retrofitting of their trucks, revisions to some of their routes, and so forth, and if so, WM can seek reimbursement. A proposal made yesterday by WM's Counsel is to add a clause in the MOU that states, "If the costs exceed \$10K, WM would give notice to the Authority and a meeting would occur on how to proceed."

In response to a question, Paul Morsen stated that staff will evaluate the pilot program in a year so when they begin their rate setting for RY8, the Board would have had time to assess the outcome on whether this effort worked, do a financial analysis and give the Board that information to determine if they want to continue in the pilot communities and/or extend the program to other communities.

A discussion ensued with the Board regarding the average increase of recyclables per household and the baseline established as well as how the rewards program would work.

Based on Board discussion, some information presented was: 1) Kent Alm stated one of the disclaimers in the contract is that they are not promising a specific percentage in the increase of recyclables, 2) Baselines cannot be determined by individual household, but can be developed by communities based on the State diversion reports for the last three years of data for Moraga and Orinda, 3) Formal marketing plans are being developed by RecycleBank to explain and understand the program to the constituents of these communities (Board Members requested that these materials be clear and simple), and 4) Rewards are given individually to households based on the increase volume of recyclables in that neighborhood and route.

MOTION by Board Member Stepper to approve the RecycleBank contract for the implementation of a residential recycling pilot program and authorize the Executive Director to execute a MOU between CCCSWA, Waste Management and RecycleBank. SECOND by Board Member Piepho as long as all of the fining tuning of the contract and MOU details are worked out with Authority's Counsel.

MOTION PASSED unanimously.

Paul Morsen gave a short presentation regarding the three contracts with RHDG, which includes the Food Waste Participant Recognition Program, Bring Your Own Bag (BYOB) Program, and the Commercial Strategic Marketing Program.

Board Members requested more detailed information with each of the contracts, especially the Commercial Strategic Marketing Program. Additional information was presented to the Board regarding the work that RHDG proposed to be performed. It was determined that they are still working out the details with Bart Carr to develop and research what exactly is needed to achieve the desired results from each of the contracts.

Board Member Piepho wondered since there are three contracts with RHDG, did the Authority get the best deal and it was requested that Mr. Morsen re-enter negotiations with them to see if there are any additional savings available.

MOTION by Board Member Piepho to approve RHDG contracts for the implementation of a food waste participant recognition program, BYOB program and a strategic marketing plan for commercial recycling and for them to consider their rate in the multiple contracts perspective versus a single contract perspective. SECOND by Board Member Stepper.

MOTION PASSED unanimously.

## **7. PRESENTATIONS**

- a. Presentation by Timothy James, Manager of Local Government Relations representing the California Grocers Association regarding the banning of plastic bags
- b. Presentation by Ms. Johnnise Foster Downs, Director of Local Government Affairs representing the California Restaurant Association regarding the banning of Styrofoam food take-out containers

Paul Morsen introduced speakers, Timothy James representing the California Grocers Association who had a very large role in AB 1998 (State-wide plastic bag ban), and Ms. Johnnise Foster Downs representing the California Restaurant Association and her presentation regarding expanded polystyrene (EPS) food take-out containers.

Mr. James started his presentation and stated that he will be speaking in regards to the single-use carry-out plastic bags, paper bags and reusable bags. He also addressed San Francisco's bag ban and information about AB 1998. He explained that the California Grocers Association is a statewide association representing about 600 companies and 5000 stores throughout California.

Some highlights of his presentation:

- 1) The California Grocers Association is in full support of legislation AB 1998 (State-wide plastic bag ban). They have seen the increase of consumers using reusable bags and have determined on a business perspective that there are some cost savings, some operational challenges, and also cost savings for the consumer.
- 2) Plastic carry out bags costs about a penny for a store to provide them and paper bags run about .6 to .10 cents depending on what size they are, if they handles or not, and the post consumer recycled content involved. When San Francisco banned the use of single use plastic bags just at large grocery stores and chain pharmacy stores, they did not put any type of regulation on paper bags. The thought process behind it was that consumers would

move toward the reusable bags; however, there still were paper bags available and consumers started using them even more which led to very little increase with reusable bags. He believes that consumers thought they were making the better environmental choice by using the paper bag, but with the cost differential from plastic to paper bags being .6 to .10 cent—a mainstream grocery store chain in San Francisco saw an \$80K to \$100K increase in bag costs because consumers were demanding paper bags more than ever.

- 3) Washington D.C. put .5 cents fee on plastic bags in order to move consumers to using reusable bags. The results, in just the first few months, showed an average of 65 percent of consumers using reusable bags.
- 4) There are a number of local jurisdictions that are actively pursuing bag regulations and currently performing EIRs prior to implementation; this has created a “patchwork” of regulations varying between jurisdictions creating difficulties for large chain grocers to standardize on their purchasing. There have been efforts at the local level to get rid of plastic bags and put some type of fee on paper bags; however, there are concerns with that process, as it is not uniform throughout the State. There is a component in AB 1998 that would allow the stores to sell a recycled paper bag for not less than .5 cents. Consumers might think that it is a .5 cent tax or fee, but it is not; it is a cost of a product. The paper bag that has been given away for free for hundreds of years is now going to be turned into a product like any other product in a store.

He finished his presentation by saying with a statewide law on plastic bags consistency is created, it allows stores to not have any competitive disadvantages from one community to another and they are able to standardize their operations. For jurisdictions it alleviates a lot of those pressures.

Mr. James opened it up for questions to the Board.

Board Member Rainey inquired about the plastic bags for fresh vegetables, fruits and meats and asked if those are included in the ban.

Mr. James stated that those particular plastic bags are not in AB 1998, but are regulated under that bill. The produce and meat bags are used for protection from contamination from other products and there is a large health and safety concern versus an environmental concern.

Board Member Trotter asked if vendors for farmers markets subject to regulation.

Mr. James stated that they are not included in AB 1998. The bill requires that all grocery stores, chain pharmacies and convenience stores be subject to this regulation.

He reported that this is a statewide issue and there are about 49 percent out of the 30 million Californians living in jurisdictions that are currently discussing and/or moving towards a plastic bag ban. He finalized his presentation and informed the Board if they had any additional questions, that they can contact him directly.

MOTION by Board Member Stepper to send a letter of support for AB 1998 (plastic bag ban bill). SECOND by Board Member Rainey.

MOTION PASSED unanimously.

Ms. Johnnie Downs with the California Restaurant Association began her presentation. She reported that they are the largest and longest nonprofit restaurant trade association in the nation, representing 22,000 members throughout the State of California and over 200 members within Contra Costa County.

First, she noted, that they are not polystyrene advocates, they are restaurant advocates and the restaurant industry is very different from many businesses—they have a very high cost for operations with a very low profit margin.

There are several bay area jurisdictions that have passed polystyrene bans and currently there is no statewide solution or anything pending in the legislature. With no statewide regulation each city's approach is different. Most large chain restaurants and upscale restaurants had already moved to alternative packaging, but it is the small mom and pop establishments that are struggling and will be most impacted by a ban. She spoke about the cost difference between the different types of take-out containers and stated that individually it is only a few cents more between them; however, when you add up all of the products over the course of a packaging purchase for 500 or 1000 items, the price difference totals into a couple of hundred dollars and if ordered every month, it has a significant financial impact. Small establishments have to absorb those costs and make other cutbacks to manage and keep their doors open.

Ms. Downs then spoke about the different types of alternative take-out containers and the challenges with them.

Mr. James added that there was a jurisdiction that put a mandate on food packaging so tight that when the store went to price out everything with the changes, they basically ate the profit margin away with the costs associated with the ban. They went back to their city council and explained their issues—it made the city think about the businesses impact. He noted that the food packaging industry is taking notes from what is happening with the plastic bag industry and trying not to make those same mistakes.

Chair Smith asked are you able to give an average increase of costs for a restaurants operating in a jurisdiction that has already banned EPS.

Ms. Downs responded that it really depends on the type of restaurant and their volume of take-out service. If take-out is really incidental to your sit down versus being primarily a take-out restaurant, it will be vastly different. In some cases their costs have doubled and sometimes tripled.

Chair Smith asked with all of the jurisdictions that have an active ban, is there any one that you think is the least onerous to your members.

Ms. Downs responded that there have been some jurisdictions that have worked more closely with them than others. Mr. James added that there are some that are less intrusive at this stage of the game and are looking at where the technology is for the proper disposal and what the infrastructure looks like is imperative. There are larger companies that are trying to push the edge on better packaging and weighing the balance of how they get it, the environmental side of it, and at the same time trying not to go broke in the process—those have been the challenges.

That was the end of Ms. Down's presentation.

Board Chair asked the Board if they had any questions.

None were asked.

## 8. PROGRAMS

### a. Update on Legislation\*

This staff report is intended mainly for information, but the Board should consider approval of sending a support letter for SB 1100 (Corbett – Battery Recycling) to the Environmental Safety and Toxic Materials Committee Chair. Additionally, The Board may wish to consider sending a letter of support to the Senate Environmental Quality Committee regarding AB 1998 (Brownley – Plastic Bags).

Please note: the Legislation update was discussed before Agenda Item No. 7.a. and 7.b.

MOTION by Board Member Uilkema to send a letter of support for SB 1100 (battery recycling bill). SECOND by Board Member Stepper.

MOTION PASSED unanimously.

## 9. NEWS ARTICLES

### a. News Articles of Interest to the Board\*

Mr. Morsen noted the publicity for the food scrap program starting in Walnut Creek.

## 10. EXECUTIVE DIRECTOR'S REPORT

### a. Letter received from Buena Vista School regarding the Wastebusters Program\*

Mr. Morsen reported that the Authority has been nominated for a CRRA award by Deborah Walker who is the recycling program coordinator for Buena Vista School in Walnut Creek.

### b. AWS Bill Inserts\*

A copy of the apology letter regarding the mix-up of garbage bill inserts was sent to customers affected by the mistake.

### c. Announcements

Mr. Morsen reported that the office will be moving its quarters on Saturday, July 31 and August 1. They are scheduled to open offices on August 2 and it was requested that a tour of the new facility occur after moving.

**11. BOARD COMMUNICATIONS AND ANNOUNCEMENTS**

Board Member Rainey shared with the Board that the Walnut Creek Library's ground breaking opening is scheduled for July 17 from 10 a.m. to 4 p.m.

**12. ADJOURNMENT**

There being no further business to come before the Board, Chair Smith adjourned the meeting at 5:06 p.m.

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

Respectfully submitted by:

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Janna McKay, Executive Assistant/  
Secretary to the Board of the  
Central Contra Costa Solid Waste Authority,  
County of Contra Costa, State of California