



MINUTES OF JANUARY 21, 2009

The Sonoma County Waste Management Agency met on January 21, 2009, at the City of Santa Rosa Utilities Department's Subregional Water Reclamation System Laguna Plant, 4300 Llano Road, Santa Rosa, California.

PRESENT:

City of Petaluma	Vince Marengo, Chair
City of Cloverdale	Gus Wolter
City of Cotati	Marsha Sue Lustig
City of Healdsburg	Mike Kirn
City of Rohnert Park	Sandy Lipitz
City of Santa Rosa	Dell Tredinnick
City of Sebastopol	Dave Brennan
City of Sonoma	Steve Barbose
Town of Windsor	Christa Johnson
County of Sonoma	Susan Klassen

STAFF PRESENT:

Executive Director	Mollie Mangerich
Counsel	Janet Coleson
Staff	Patrick Carter
	Karina Chilcott
	Charlotte Fisher
	Lisa Steinman
Recorder	Elizabeth Koetke

1. CALL TO ORDER/INTRODUCTIONS

Vince Marengo, Vice-Chair, called the meeting to order at 9:05 a.m.

2. ATTACHMENTS/CORRESPONDENCE

Vice-Chair Marengo, called attention to the Director's Agenda Notes and Letters of Support.

3. ON FILE WITH CLERK

Resolutions from the November 19, 2008.

4. PUBLIC COMMENTS (items not on the agenda)

There were no public comments.

5. ELECTION OF 2009 OFFICERS

Vice-Chair Marengo asked for nominations for 2009 Officers. Dell Tredinnick, Santa Rosa nominated Vince Marengo (Petaluma) for the position of Chair, Christa Johnson (Town of Windsor) for the position of Vice-Chair, and Mike Kirn (Healdsburg) for the position of Chair Pro Tempore. Dave Brennan, Sebastopol seconded the nominations. County of Sonoma absent. Motion carried.

The new officers for 2009 are; Vince Marengo of Petaluma, Chair; Christa Johnson, Town of Windsor, Vice-Chair, and Mike Kirn, Healdsburg, Chair Pro Tempore.

2009 Chair Vince Marengo led the meeting.

County of Sonoma arrived at the meeting at 9:09 a.m.

CONSENT

- 6.1 Minutes of November 19, 2008
- 6.2 Contract with AT&T for 2009 Recycling Guide
- 6.3 Contract with AT&T for the tab in the AT&T Phone Book
- 6.4 Contract for Additional Printing of 2009 Recycling Guide
- 6.5 Carryout Bag Update
- 6.6 Compost Relocation Update
- 6.7 Completed Epoxy Paint at HTF
- 6.8 Eco-Desk Annual Report

Janet Coleson, Agency Counsel, gave clarification for item 6.4; saying the actual low bidder was nonresponsive.

Mike Kirn, Healdsburg, moved to approve the consent calendar. Marsha Sue Lustig, Cotati, seconded. Consent calendar approved.

Before addressing the regular calendar Mollie Mangerich, Executive Director, welcomed Sandy Lipitz, new alternate Boardmember for the City of Rohnert Park to the meeting.

REGULAR CALENDAR

ADMINISTRATION

7.1 FY 09-10 WORK PLAN

Mollie Mangerich, Executive Director, explained how the FY 09/10 Work Plan is a preliminary part of the budgetary process. The highlighted projects on the Work Plan represent new projects. The projects that are not highlighted are ongoing. This first draft of the FY 09-10 Work Plan is being submitted for Board review.

One item that is not noted specifically in the Work Plan in item 2.2 is the amount of revenue that is anticipated to be collected for e-waste that is taken to the transfer stations and the disposal site. The projection for FY 09-10 is anticipated to be about \$200,000.

Dave Brennan, Sebastopol questioned the \$86,000 increase in administration costs.

Ms. Mangerich said the Executive Director position is now completely funded by the Agency, the cost for the position in prior years was split between the Agency and the County. There is also an increase in benefits for County of Sonoma employees of \$600.00 per employee.

Christa Johnson, Town of Windsor, said her recollection was that the new position would be devoted 100% to the Agency but that it would be cost neutral.

Charlotte Fisher said it was cost neutral for the expense into the FY 08-09 budget which was a percentage of that existing position. The position has been reworked and the salary adjusted but now the Agency is assuming 100% of it. It was neutral to what was being spent last year. Last year the Agency assumed 45% of the salary expense, so that's what it was based on, it was neutral to that. There have been cost increases with healthcare across the board, there was a \$200,000 increase in Administrative costs for the Agency this year, from the County's budget system, which includes the new position,

anticipated step increases, and a \$600 per person per month increase added as a new benefit.

Christa asked about the percentage of time staff devotes to County projects.

Charlotte said it is a small percentage but more County projects could be added to the work plan if that is agreeable to the Board.

Chairman Marengo commented that this work plan assumes that the nature of the JPA will remain unchanged, which isn't something that is known with any certainty right now. It can be discussed further under item 7.2; if funding were to change it's possible that the funding percentage for the Executive Director would in turn be proportional to the change.

Christa Johnson noted that it was mentioned earlier in the meeting that fewer 2009 Recycle Guides would need to be printed due to the decrease in outreach events schedule and asked about the reduced schedule.

Ms. Mangerich, Executive Director said there were 94 outreach events in 2008 with the veggie recycling theme; those events were supported with grant funding. That funding is not available this year for the Agency theme so the event schedule had to be reduced; therefore the number of guides printed was reduced.

Dave Brennan asked that the rest of the County projects in the Work Plan be discussed.

Ms. Mangerich said that County projects have been highlighted so they could be identified by the Board. Historically there have been projects that Agency staff has worked on, but prior to this it's never been drawn out in table format. The Agency is not charged for the County projects.

Ms. Mangerich added that this draft Work Plan results in a slim budget. The largest added item is the sustainable funding Request for Proposal, if the Board gives direction to distribute it. Staff is facing a budget that looks like it will be in the deficit. All of the estimated service numbers for the County are not in yet for the interdepartmental transfers, such as; Planning and Resource Management, Auditor-Controller, etc. Staff will return to the Board with a draft budget after an approval of the FY 09-10 Work Plan. The possibility of cutting back programs provided in the work plan or possibly using the reserves to fulfill the obligations of the work plan exists.

Dell Tredinnick, Santa Rosa, commented that the phone book is a huge waste stream and printing the Recycle Guide in the phone book is contributing to that waste stream, he asked if there was any interest in talking about it. It is part of the Agency's outreach and its valuable, but it's also contributing to the waste stream.

Dave Brennan, Sebastopol, suggested updating the Recycle Guide in the phone book every other year instead of every year or every 18 months.

Chairman Marengo said he assumed there would be a cost whether or not the Recycle Guide was updated annually, and asked if that cost is established regardless of that.

Ms. Mangerich said staff had obtained a very good cost for the amount of outreach that is obtained. The Recycle Guide has been in the phone book for the past 4 or 5 years. The cost of the tab is shared with some of the waste haulers and Sonoma Compost Co. Staff could discuss and bring back for consideration at a future meeting the cost benefit analysis of continuing the phone book placement or other options.

Chairman Marengo asked Dave Brennan if he was suggesting that the Recycle Guide not be inserted into the phone book annually.

Dave Brennan said inserting it every other year should be considered and/or talking with the phone company about changing the way they do business, such as an EPR approach.

Steve Barbose, Sonoma, suggested extending the EPR concept to the phone books and asking the phone company to take them all back.

Ms. Mangerich said staff can go back and prioritize their programs' financial impacts and educational outreach.

Chairman Marengo said streamlining the process would benefit everyone.

Vince Marengo, Chair, said his recommendation is to continue this item until next month.

Chairman Marengo accepted comments from the public.

Connie Cloak, C² Alternative Services, commented that a few years ago there was a national dialogue on reducing phone book waste. She recently saw an email update that indicated there has been some contact with the phone book industry (which is not just the phone company), but there's a lot of resistance.

Chairman Marengo asked staff to reach out to the phone companies and ask if our inserts could be added electronically to their database. That could be a way to save paper and cost.

Susan Klassen, County of Sonoma, said in terms of direction to staff on the FY 09-10 Work Plan it would be helpful to give them a goal. This Work Plan appears to be in deficit approximately \$100,000. She thought the Board's intention is not increasing the surcharge to cover new programs this year. Staff needs some type of goal to work towards to propose cuts that will result in no surcharge increase and a neutral impact on the reserve goals, which are to use reserves only for one time projects.

Mike Kirn, Healdsburg, said zero-based budget, no increases. Agency needs to be fiscally responsible.

Chairman Marengo summarized the discussion; staff is directed to work towards a work plan with a net zero sum with focus on the core programs, continue to invest in those as appropriate recognizing the context over the years, specifically the phone book, in terms of reduction, elimination, or streamlining items in work plan. That will establish a priority list to bring back next month for the Board to evaluate.

Christa Johnson, Town of Windsor, suggested that staff look at the Work Plan and consider any projects that could be postponed like the compost facility because of the possible divestiture of the landfill.

Ms. Mangerich added that projections for the tonnage entering the County facilities is estimated to go down another 20,000 tons this next year. It hasn't been the escalation of programs as much as it's been the decrease in tonnage that is limiting the programs.

Chairman Marengo said this is a deflationary time which also affects service providers, not just the agencies at large. There's value in taking a second look at the programs.

Susan Klassen, County of Sonoma, said it would be helpful to look at the Work Plan in terms of one-time expenses versus ongoing expenses so it is clear what are one time issues and coming out of reserves versus ongoing programs funded by the surcharge. It would help with making appropriate decisions.

Chairman Marengo directed staff to continue this item at the February 18, 2009 meeting.

7.2 RFP FOR ALTERNATE FUNDING CONSULTANT

Ms. Mangerich, Executive Director, said this Request for Proposal (RFP) seeks a consultant to develop a different methodology by which a program fee could be developed to fund the Agency, utilizing the current surcharge fee, with no increase. The fee would be calculated and collected in a different place in the waste stream collection, rather than placing it at the tip fee disposal site. The fee would be an equitable fee that would be placed on containers used for collection of yard waste, waste, roll-off bins, debris boxes, by both commercial and residential customers throughout all the jurisdictions.

There were caveats included within the RFP; making sure the consultants would communicate with all the stakeholders including the Agency jurisdictions so that there is no negative impact to existing franchise agreements, considering that there would not be an increase in fees etc., There was also the potentiality of indexing this through time, that could be audited and assessed so that it could increase perhaps through CPI or some other methodology that would be agreed upon by the Board.

The RFP was developed using elements the Board provided and looking at the alternative source of funding for a program fee.

Janet Coleson, Agency Counsel, said this item is a request to the Board to send out an RFP for a funding consultant to do the very technical financial model of how to transition from a tipping fee to perhaps some fee on a per/can basis, making sure both sides of the equation remain equal. There would also be a new definition of solid waste as the basis for the calculation. The complex nature of the calculation is why it is beneficial to have someone with expertise in this field.

Dell Tredinnick, Santa Rosa, asked if \$70,000 would be enough to secure a consultant.

Ms. Mangerich said her research of consultants who have done work similar to this in terms of rate-fee studies is in the range of \$45,000 to \$100,000.

Dell Tredinnick, Santa Rosa, asked if the consultants would give a presentation to the board with the different models.

Ms. Mangerich said that was in the scope of work.

Dave Brennan, Sebastopol, questioned the possibility of no net change to the garbage bill language contained in the staff report. He feels what's driving this statement is the future of the landfill is to eliminate the fee that is charged for the Agency. If there was no driving force to eliminate it, it wouldn't be discussed. So there is that driving force to eliminate it based on the County's divestiture efforts. That means the landfill gate fee is going to be set at a level that is probably going to be equal to or higher than it is today. If that cost is transferred to the customer and/or the haulers there's got to be an increase if there's a rate increase it has to be done equitably. A simple formula is to put a surcharge on the can or a percentage of what customers are paying now. The staff report indicates it could be based on population or the amount of solid waste

disposed including recyclables. Recyclables have never been measured as a way to produce this fee. As is often discussed, the amount of waste that is attributed to different jurisdictions is often inaccurate so that's an area of concern as well.

Dave Brennan, Sebastopol, questioned the Scope Of Work regarding the Cities and County being stakeholders or that they would be contacted early in the process, as opposed to coming to the Agency at the end of the process to discuss their findings.

Janet Coleson, Agency Counsel, said in regards to the issue about recyclables not being in the definition of solid waste, in the Public Resources Code the definition of solid waste includes recyclables and in the Public Resources Code there's direct statutory authority for charging a fee to cover the costs of doing the planning documents and implementing the planning documents so an Agency fee. Direct statutory authority is very clear, there's no analogy, no argument that needs to be made about authority its right there in statute. That's a more defensible way of going about it.

Dave Brennan, Sebastopol, said he didn't argue with that at all but that it's a new way of doing it that hasn't been done in the past.

Janet Coleson said it is and that's part of the reason why the transition from the \$5.40/ton to some other fee is difficult, not only do both parts of the equation need to balance but also the definition of solid waste is slightly changing and the basis for what its charged on now it's what's disposed of at the landfill but if the definition of solid waste is changed to the definition the Public Resources Code uses it includes recyclables so that adds a component that's not there right now. But that's what makes it more sustainable. The goal is and has always been to make it a different mechanism, not a rate increase.

Christa Johnson, Town of Windsor, asked if this goes forward would Agency Counsel recommend that each jurisdiction have definitions of solid waste that match the Agency's definition of solid waste.

Janet Coleson said it would not be necessary as far as the Agency fee is concerned.

Sandy Lipitz, Rohnert Park, asked how the money for the Agency is currently collected.

Susan Klassen, County of Sonoma, said right now the County collects the \$5.40/ton at the gates of the transfer stations and throughout the County regardless of what people pay for disposal. That money is collected and transmitted to the Agency. With the divestiture the issue has been that there might be someone else running these gates and owning these facilities, if the Agency can find another way to collect that same revenue then the Agency won't be reliant on the new owner of those facilities to do that. Because tonnage at the landfill keeps reducing, the revenue for the Agency keeps dropping.

Ms. Mangerich said at the very least this should help to inhibit the dramatic decline per year in terms of tonnages ie., revenue.

Steve Barbose, Sonoma, commented that part of the decline in tonnage is in part due to the increase in recycling.

Ms. Mangerich said we are currently at a 64% diversion rate, also there is a slowing economy, there's less purchasing and less packaging. There's no enforceable flow control within the County so there's probably waste that's transferred out to other disposal sites outside the county.

Steve Barbose, Sonoma, asked if we were working against ourselves by diverting waste and reducing our own income.

Chairman Marengo asked if the Public Resources Code definition of solid waste includes everything with the exclusion of household hazardous waste.

Janet Coleson confirmed that that is correct.

Ms. Mangerich said the concept is distributing that same surcharge over more materials that are being set out at the curb. Right now the surcharge is only on trash, the consultant will be asked to look at everything that's set out at the curb, trash and recycling.

Steve Barbose, Sonoma, said if the Agency goes to a per can basis the charge isn't really on the output but on the can rental expressed as the garbage company rates.

Ms. Mangerich said there is still interest in incorporating a pay-as-you-grow concept so that if someone downsizes they pay for less waste, there's probably a scaled fee it's less to dispose of recycling so there's still that incentive to recycle.

Chairman Marengo said it will be a complicated equation and it has the appearance of fees going up, but with all of the information presented he said he agrees the Board should move forward with the RFP. He questioned if the JPA would have a continued need for the same level of revenue. He said there are also other reasons for doing this RFP; it's going to dovetail with what the City Managers and City Attorneys are doing with divestiture.

Chairman Marengo said he agreed with Dave Brennan and would also like the Scope of Work amended.

Mike Kirn, Healdsburg, asked if the fee is shifted from a surcharge to a per can fee how would it be charged and collected and reimbursed back to the Agency? Would it be the responsibility of the franchise collectors and would that open up negotiations with them? This could have a snowball effect.

Ms. Mangerich said the way it would be administrated and costs attached to that could be detailed out.

Mike Kirn, Healdsburg, said if it's a per can charge someone could argue that they don't need a green can if they don't have a yard and they wouldn't want to be forced to have one. The whole Proposition 218 challenge could become problematic. He expressed concern about recent challenges and protests about municipal services.

Janet Coleson said she doesn't believe it's an issue, she strongly recommends that the noticing is done.

Chairman Marengo asked if refuse is listed in Proposition 218 as a utility.

Janet Coleson said under the fee category there's a bundle of property related fees; solid waste, sewer and water there have been court cases that have given insight into the direction the courts are going as far as noticing requirements for the property related fees. There hasn't been one done on solid waste, but it's extremely safe. The cost of the noticing can be recouped inside the fee.

Marsha Sue Lustig, Cotati, said she thought the RFP was a good idea.

Susan Klassen, County of Sonoma, made a motion to approve the RFP. Dell Tredinnick, Santa Rosa, seconded. Motion approved.

HOUSEHOLD HAZARDOUS WASTE

8.1 STATUS OF VOLUNTARY EPR TAKE-BACK

Lisa Steinman said at the June 18, 2008 SCWMA meeting, the Board directed staff to explore the voluntary take-back option using a consultant and to explore the mandatory ordinance with attention on the dynamics of the Agency using the ordinance process for the first time in the history of the SCWMA.

At the August 20, 2008 SCWMA meeting, staff was directed to apply for a Household Hazardous Waste Discretionary Grants 17th Cycle FY 2008/09 Grant to fund a voluntary business EPR take-back program.

Based on direction from the Board to develop a one-year voluntary take-back program and apply for the HD 17 Grant, on September 22, 2008, SCWMA staff submitted a HD 17 proposal for \$103,832 for two projects that meet CIWMBs funding priorities: Business and Education Outreach Program, and National Medical Sharps Dialogue Meeting.

Staff learned from the posting of the CIWMB Meeting Agenda (December 16, 2008) that SCWMA's proposal was not recommended for the HD 17 Grant funding.

Staff is prepared to come back to the Board next month with a report and summary, which will include the following: a report on other HD 17 awarded programs and how these programs may benefit Sonoma County, barriers to a take-back program, legislative update and forecast, and funding options,. With funding in place, options for a new Scope of Work will be brought to the Board.

Susan Klassen, County of Sonoma, asked how this relates to the FY 09-10 Work Plan.

Lisa Steinman confirmed that it's not in the work plan.

Dave Brennan, Sebastopol, suggested that staff review the proposals that received the grant.

No action required on this item.

EDUCATION

9.1 UCCE AMENDMENT

Charlotte Fisher said The Sonoma County Waste Management Agency has enjoyed a relationship with the Regents of the University of California since 1997. In June of 2007 the Agency entered into a new Agreement which was basically like the previous agreement with the inclusion of the pesticide portion of it. The contractor has requested an amended scope of work which reapportions the Agreement's budget to reflect partial payment for a project coordinator instead of supplies, printing and travel that were included in the original budget. The amount of the yearly Agreement is \$16,660; they would like to apply that to their full-time project coordinator now.

Dave Brennan, Sebastopol, asked if there was a way to put language in the amendment that stipulates that they will pay for the supplies, printing and travel at the same level.

Charlotte Fisher said she will add that language to the amendment.

Paul Vossen, UCCE, said that language is included in the letter that was sent to the Agency.

Dave Brennan asked that the letter be added to the amendment as an attachment.

Dave Brennan, Sebastopol, made a motion to approve the amendment. Christa Johnson, Town of Windsor, seconded. Amendment approved.

10. STAFF COMMENTS

There were no staff comments.

11. BOARDMEMBER COMMENTS

Steve Barbose asked if there is a plan for Styrofoam recycling.

Pam Davis, Redwood Empire Disposal, said there really aren't a lot of resources for Styrofoam recycling.

Dell Tredinnick, Santa Rosa, left the meeting at 10:12 a.m.

Patrick Carter said there is a state law that is going to go into effect in 2010 that will ban the peanuts which is one market that we have a reuse for. The ban doesn't apply to the block Styrofoam.

Marsha Sue Lustig, Cotati, asked where the plastic bags that are recycled go.

Steve McCaffrey, Redwood Empire Disposal, said most of them go overseas; presently they go to China or Vietnam. The domestic markets are very strict. The supermarket plastic bag recovery feeds a lot of the domestic market because they are very clean.

Marsha Sue Lustig commented that this could be Dave Brennan's last meeting; she wanted to express what an honor it has been to serve on the Board with him and said he would be missed.

Ms. Mangerich thanked Dave Brennan for the time he's contributed.

Dave Brennan confirmed that it was his last meeting, and expressed that it had been a pleasure to serve on the Board because the issues the Agency addresses are highly significant to this County and all the Cities within it. It has the misnomer of being the Waste Management Agency when in fact it's focused on recyclables and all the issues related to recycling. There are big issues that the Agency has dealt with in the last year and the issues seem to continue to grow. He said it has been a pleasure to work with the Board and staff who is so dedicated.

Chairman Marengo, thanked Dave Brennan for his service.

Chair Marengo asked staff to include plastic bag updates in the packet.

Patrick Carter said at the last meeting the C&D and Large Events Waste Reduction Policies were approved, he has not received responses from all the cities yet.

12. ADJOURNMENT

Meeting adjourned at 10:20 a.m.

Respectfully submitted,
Elizabeth Koetke