

APPROVED

**MINUTES OF THE MEETING OF THE
ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY (WMA) BOARD
AND
THE ENERGY COUNCIL (EC)**

Wednesday, November 18, 2015

3:00 P.M.

**StopWaste Offices
1537 Webster Street
Oakland, CA 94612
510-891-6500**

I. CALL TO ORDER

First Vice President Kalb, WMA, called the meeting to order at 3:03 p.m.

II. ROLL CALL

WMA & EC

City of Alameda	Jim Oddie, WMA, EC
City of Albany	Peter Maass, WMA, EC
City of Berkeley	Susan Wengraf, WMA, EC
Castro Valley Sanitary District	Dave Sadoff, WMA
City of Dublin	Don Biddle, WMA, EC
City of Emeryville	Dianne Martinez, WMA, EC
City of Hayward	Greg Jones, WMA, EC
City of Newark	Mike Hannon, WMA, EC (arrived 3:15 p.m.)
City of Oakland	Dan Kalb, WMA, EC
Oro Loma Sanitary District	Shelia Young, WMA
City of Piedmont	Tim Rood, WMA, EC
City of San Leandro	Deborah Cox, WMA, EC
City of Union City	Lorin Ellis, WMA, EC (arrived 3:15 pm)

Absent:

County of Alameda	Keith Carson, WMA, EC
City of Fremont	Suzanne Lee Chan, WMA, EC
City of Livermore	Laureen Turner, WMA
City of Pleasanton	Jerry Pentin, WMA

Staff Participating:

Gary Wolff, Executive Director
Debra Kaufman, Senior Program Manager
Teresa Eade, Senior Program Manager
Tamara Galanter, Counsel, Authority Board
Arless Dunn, Clerk of the Board

III. ANNOUNCEMENTS BY THE PRESIDENTS

There were no announcements by the Presidents. Board member Young announced that former Board member Laython Landis passed away on Monday. Board member Kalb announced that former Alameda County Board of Supervisor Mary King passed away as well. Board member Young requested that the meeting adjourn in their memory.

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IV. CONSENT CALENDAR (WMA & EC)

1. Approval of the Draft Minutes of October 28, 2015 (WMA & EC-Separate Votes) (Gary Wolff) Action

Board member Young made the motion to approve the Consent Calendar for the WMA Board with the following correction to the minutes. Board member Sadoff seconded and the motion carried 13-0 (Carson, Chan, Ellis, Hannon, Pentin, and Turner absent).

Board member Biddle made the motion to approve the Consent Calendar for the Energy Council. Board member Rood seconded and the motion carried 12-0 (Carson, Chan, Ellis, Hannon, absent).

(Correction: Page 4, paragraph 2, “baggets” should be spelled “bag-its”).

V. OPEN PUBLIC DISCUSSION (WMA & EC)

There was none.

VI. REGULAR CALENDAR (WMA & EC)

**1. Uniform Public Construction Cost Accounting Act (WMA only) Action/
Public Hearing
(Gary Wolff & Pat Cabrera)**

Staff recommends that the Authority Board 1) waive the second reading of the full Ordinance provided in the following attachment; and 2) adopt it. This ordinance will be effective thirty days after the date of the adoption.

Gary Wolff provided a brief summary of the staff report. The report is available here:

<http://stopwaste.org/UPCCAA/Ordinance/memo/11-18-15.pdf.pdf>.

Board member Kalb opened the public hearing. There were no comments from the public. Board member Young moved to close the public hearing. Board member Biddle seconded and the motion carried 13-0 (Carson, Chan, Ellis, Hannon, Pentin, and Turner, absent). The public hearing was closed. Board member Wengraf made the motion to waive reading of the full draft ordinance provided in the enclosed attachment and adopt the ordinance. Board member Biddle seconded and the motion carried 13-0 (Carson, Chan, Ellis, Hannon, Pentin, and Turner, absent).

**2. Pension Liability Payoff and a related Schedule Proposal (WMA only) Action
(Gary Wolff & Pat Cabrera)**

The P&A voted 9-0 (Sadoff, Turner and Chan absent) and the Recycling Board/P&O voted 10-0 (Peltz absent) in favor of the recommendation stated below:

That the WMA:

1. Approve the proposed changes to reserves, and \$0.6 million payment to PERS, when the mid-year budget revisions are brought before them on December 16, 2015.
2. Approve the framework schedule for staff to follow in concept, with budget amounts to be discussed as part of the Agency’s budget development process.
3. Direct staff to bring before the WMA Board a discussion of a pension funding target (e.g., some percentage of total pension liability; noting that the actual funded percentage will fluctuate around the target due to changes in market value, even after any chosen target level has been achieved).

Gary Wolff provided an overview of the staff report. The report is available here:

<http://stopwaste.org/WMA-Pension-Memo-11-18-15.pdf>.

Board Wengraf inquired about the management practices for agency reserves, and the level of pension funding that would occur if payments were made as suggested in the framework. Mr. Wolff stated that the agency reserves are held in low interest bearing government accounts such as the County Investment Pool or LAIF (Local Agency Investment Fund). Staff has discussed developing a policy on maximizing the funds but longer term higher yielding investments would make sense only if we are certain when we will need the reserve funds. Mr.

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Wolff added the Recycling Board and WMA Boards both adopted investment policies that call for staff to bring to the Board any investment plans other than these funds prior to implementing them. He also commented that our pension liability is 83% funded based on the most recent report from CalPERS (measurement date as of June 30, 2014); we will be 86% funded after paying \$600,000 more to CalPERS in December if approved, and we would be 100% funded if \$2.9 million additional is paid to CalPERS in September 2016 (as will be considered by the Board under the framework recommended). However, by that time, our funded percentage will likely be lower since the PERS portfolio was reported to have gained only 2.4% between June 30, 2014 and June 30, 2015, while an annual average gain of 7.5% is assumed by PERS. Based on the funding percentages in prior years when stock market returns were lower, the funded percentage would be in the low 90 percents even if these two payments are made, but the stock market is actually weak for a few years. Further, it was noted that PERS is considering lowering their assumed future annual rate of return assumption, which would increase the estimated pension liability and lower the percentage level funded even if these two special payments are made and the stock market actually does well.

Board member Jones commented that if the agency paid down the liability we are theoretically earning 7% on the investment. Board member Kalb asked that staff provide a range of options to the Board at each future decision point within the framework. Board member Ellis stated that he expressed those concerns at the P&O/Recycling Board meeting that staff provides quarterly check-ins with the Board to closely monitor expenses versus revenue and balancing long term liabilities with short term obligations and the ability to have access to revenue when needed. Board member Kalb added he didn't want the Board to be constrained by the proposed core budget and 2.5% increase as stated in the staff memo. Board member Young stated that this concern was expressed at the P&A Committee meeting as well and the staff recommendation was crafted considering the concerns expressed.

Board member Young made the motion to approve the staff recommendation. Board member Biddle seconded and the motion carried 15-0 (Carson, Chan, Pentin, and Turner absent).

- 3. Legislative Priorities for 2016 (WMA only) Action**
(Gary Wolff, Wendy Sommer, Debra Kaufman & Wes Sullens)
Staff recommends that the WMA Board review the linked memo in the staff report and confirm the Board recommended priorities including extended producer responsibility, environmentally preferable purchasing, and organics with the possibility of adding another priority as needed, for the legislative year of 2016.

Debra Kaufman provided an overview of the staff report. The report is available here:
<http://stopwaste.org/WMA-Leg-Priorities-11-18-15.pdf>

Board member Kalb commented that AB 1159 (Gordon) needs to make it out of Assembly Appropriations by the end of January and recommended that staff contact Board members if letters of support are needed. Ms. Kaufman stated that support from Alameda County and the member agencies is not an issue for this bill. The issue is that there are differing approaches to HHW between Assemblyman Gordon and Assemblyman Mullin that need to be worked out.

Board member Wengraf made the motion to approve the staff recommendation. Board member Biddle seconded and the motion carried 15-0 (Carson, Chan, Pentin and Turner absent).

- 4. Interim appointment(s) to the Recycling Board for WMA appointee unable to attend future Board Meeting(s) (WMA only) (Gary Wolff) Action**
(Joint WMA, Energy Council and Recycling Board meeting, December 16th at 3:00 pm – StopWaste Offices, 1537 Webster Street, Oakland, CA)

There were no requests for interim appointments.

- 5. Update on Technical Assistance and Services Project (WMA only) Information**
(Gary Wolff, Teresa Eade & Heather Larson)
This item is for information only.

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Teresa Eade provided an overview of the staff report and provided a PowerPoint presentation. The combined report and revised presentation is available here: <http://stopwaste.WMA-Project-1020-Pres-11-18-15.pdf>.

After the meeting Ms. Eade clarified that slide 6 of the presentation the Table was incorrect and that the City of Oakland has reached green building codes of LEED for commercial sector projects and Green Point Rated for Residential projects. The link provided in the minutes includes the revised slide.

The Board thanked Ms. Eade for the presentation.

VII. COMMUNICATION/MEMBER COMMENTS (WMA & EC)

Information

There were none.

VIII. ADJOURNMENT (WMA & EC)

Vice President Kalb led a moment of silence and the meeting adjourned at 4:00 p.m. in memory of Former Board member Laython Landis and Former County Supervisor Mary King.