

## AGENDA

### MEETING OF PLANNING AND ORGANIZATION COMMITTEE AND ALAMEDA COUNTY RECYCLING BOARD

Thursday, November 13, 2014  
7:00 p.m.

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

#### Recycling Board Members

Anu Natarajan, **President**  
*City of Fremont*

Daniel O'Donnell, **1st Vice President**  
*Environmental Organization*

Jerry Pentin, **2nd Vice President**  
*City of Pleasanton*

Lorin Ellis, *City of Union City*

Greg Jones, *City of Hayward*

Chris Kirschenheuter, *Recycling Programs*

Michael Peltz, *Solid Waste Industry Representative*

Steve Sherman, *Source Reduction Specialist*

Toni Stein, *Environmental Educator*

Minna Tao, *Recycling Materials Processing Industry*

Gordon Wozniak, *City of Berkeley*

Meeting is wheelchair accessible. Sign language interpreter may be available upon five (5) days notice to 510-891-6500.

#### **I. CALL TO ORDER**

#### **II. ROLL CALL**

#### **III. ANNOUNCEMENTS BY THE PRESIDENT**

#### **Page IV. CONSENT CALENDAR (P&O & RB)**

- |   |   |                    |
|---|---|--------------------|
| 1 | <b>1. Approval of the Draft Minutes of October 9, 2014 (Wendy Sommer)</b> | <b>Action</b>      |
| 5 | <b>2. Board Attendance Record (Wendy Sommer)</b>                          | <b>Information</b> |
| 7 | <b>3. Written Report of Ex Parte Communications</b>                       | <b>Information</b> |
| 9 | <b>4. Grants Under \$50,000 (Wendy Sommer)</b>                            | <b>Information</b> |

#### **V. OPEN PUBLIC DISCUSSION**

An opportunity is provided for any member of the public wishing to speak on any matter within the jurisdiction of the Board, but not listed on the agenda. Each speaker is limited to three minutes.

#### **VI. REGULAR CALENDAR (P&O & RB)**

- |    |  |               |
|----|--|---------------|
| 13 | <b>1. 5 Year Financial &amp; Compliance Audit – Award of Contract (RB only) (Wendy Sommer &amp; Tom Padia)</b> | <b>Action</b> |
|----|--|---------------|

Staff recommends that the Recycling Board approve the contract award and authorize execution of a funding agreement with Crowe Horwath LLP for the Financial and Compliance Five Year Audit, for a total not-to-exceed amount of \$179,800, per their proposal to the Board. \$97,090 will be awarded from the approved FY 14/15 budget for Phase I of the scope of work. Upon satisfactory completion of Phase I, the remaining \$82,710 will be allocated from the FY 15/16 budget (the work will commence after the end of FY 15/16) and will be included in the FY 15/16 budget resolution.

- |    |  |               |
|----|--|---------------|
| 19 | <b>2. Accumulated Measure D Fund Balances Exceeding Policy Threshold – Revision of Policy Adopted in 2006 (RB only) (Wendy Sommer &amp; Tom Padia)</b> | <b>Action</b> |
|----|--|---------------|

It is recommended that the Recycling Board:  
Adopt by the attached resolution a revision to "Rule 2" in Resolution #2006-12, changing the threshold of member agency unspent Recycling

Fund monies that triggers ineligibility for further allocations absent an approved Expenditure Plan from the sum of the last eight quarterly per capita allocations to one of the options listed in the staff report. If an option includes an adjustment for population, the population figures used in the first quarterly disbursement of each fiscal year shall be applied each fiscal year to calculate the threshold. It is recommended that this revised threshold apply to the fund balances reported at the end of FY 13/14 and each year forward.

- |    |   |                    |
|----|---|--------------------|
| 27 | <p><b>3. Definition of “Adequate Commercial Recycling” for Purpose of Determining Municipal Eligibility to Receive Measure D Per Capita Allocations (RB only) (Wendy Sommer &amp; Tom Padia)</b></p> <p>Accept this report and re-affirm the definition of adequate commercial recycling. (Note that the policy allows the Board to consider not withholding Measure D funds if a member agency fails to satisfy the policy and can persuade the Board it should not withhold Measure D funds).</p> | <b>Action</b>      |
| 31 | <p><b>4. Loved Twice – Non Profit Update (Wendy Sommer &amp; Meri Soll)</b></p> <p>This item is for information only.</p>   | <b>Information</b> |
|    | <b>VII. OTHER PUBLIC INPUT</b>  |                    |
|    | <p><b>VIII. COMMUNICATIONS/MEMBER COMMENTS</b></p> <p><b>Acknowledgements of Service (Gary Wolff)</b><br/>(Anu Natarajan, Gordon Wozniak, and Chris Kirschenheuter)</p>   | <b>Information</b> |
|    | <b>IX. ADJOURNMENT</b>  |                    |

DRAFT

**MINUTES OF THE REGULAR MEETING OF THE  
PLANNING & ORGANIZATION COMMITTEE  
AND  
ALAMEDA COUNTY RECYCLING BOARD**

**Thursday, October 9, 2014  
7:00 p.m.**

**Castro Valley Public Library  
3600 Norbridge Avenue  
Castro Valley, CA 94546  
510-667-7900**

**(Directions attached)  
and**

**Via teleconference  
Toni Stein  
South Berkeley Senior Center  
2939 Ellis Street  
Berkeley, CA 94703  
510-981-5170**

Meeting is wheelchair accessible. Sign language interpreter may be available upon five (5) days notice to 510-891-6500.

**I. CALL TO ORDER**

1st Vice President, Daniel O'Donnell, called the meeting to order at 7:05 p.m.

**II. ROLL CALL**

Pauline Cutter for Gordon Wozniak  
Lorrin Ellis (arrived 7:10 p.m.)  
Greg Jones  
Chris Kirschenheuter  
Daniel O'Donnell  
Michael Peltz  
Jerry Pentin  
Dave Sadoff for Anu Natarajan  
Steve Sherman  
Matthew Southworth for Minna Tao  
Toni Stein (via teleconference)

**Staff Present:**

Gary Wolff, Executive Director  
Wendy Sommer, Deputy Executive Director  
Meri Soll, Senior Program Manager  
Michelle Fay, Program Manager  
Audrey Beaman, County Counsel  
Arliss Dunn, Clerk of the Board

**Others Participating:**

Jim Scanlin, Clean Water Program

Roger Bradley, City of Dublin  
Jennifer Cutter, City of Union City  
Maria Ojeda, City of Pleasanton  
Wanda Redic, City of Oakland  
Greg Brown, RAFT  
Andrew Sloan, Cascadia Consulting  
Kathy Cote, City of Fremont  
Patrick Band, Save the Bay

### III. ANNOUNCEMENTS BY THE PRESIDENT

Matthew Southworth introduced himself to the Board and provided a brief summary of his background and experience. He is attending as an interim appointment for Minna Tao.

### IV. CONSENT CALENDAR

- |   |                    |
|---|--------------------|
| <b>1. Approval of the Draft Joint Minutes of September 17, 2014<br/>(Gary Wolff &amp; Wendy Sommer)</b>   | <b>Action</b>      |
| <b>2. Board Attendance Record</b>   | <b>Information</b> |
| <b>3. Written Report of Ex Parte Communications</b>   | <b>Information</b> |
| <b>4. Legislative Status for 2014 (Gary Wolff, Wendy Sommer &amp; Debra Kaufman)</b><br>Staff recommends that the Boards receive this information report on the status of legislation the Agency tracked this year. | <b>Information</b> |

Mr. Pentin made the motion to approve the Draft Joint minutes of September 17, 2014 and the Consent Calendar. Mr. Jones seconded and the motion carried 9-0-1 (Ellis absent) (Sadoff abstained).

### V. OPEN PUBLIC DISCUSSION

There was none.

### VI. REGULAR CALENDAR

- |  |               |
|--|---------------|
| <b>1. Reusable Bag Ordinance 2012-2: Process for Potential Expansion<br/>(Gary Wolff, Wendy Sommer &amp; Meri Soll)</b><br>Staff recommends that the Programs & Administration Committee, and the Planning & Organization Committee, discuss the potential expansion of the reusable bag ordinance and recommend that the WMA Board adopt the proposed schedule and deliverables identified in the staff report as the process to be followed for consideration of Ordinance 2012-2. | <b>Action</b> |
|--|---------------|

Ms. Soll provided an overview of the staff report and a PowerPoint presentation. The report is available here: [http://www.stopwaste.org/docs/10-09-14\\_Bag\\_memo\\_packet.pdf](http://www.stopwaste.org/docs/10-09-14_Bag_memo_packet.pdf). The presentation is available here: <http://www.stopwaste.org/docs/October-committee-meetings-Bags.pdf>.

Mr. Sherman inquired if a CEQA analysis is required for expansion to include restaurants. Ms. Soll stated yes as well as an amendment to the current EIR because restaurants were not included in the original scope. Mr. Wolff added we will also require action from the Stormwater program with respect to the best configuration for moving forward and any assistance that they can provide. Jim Scanlin, Clean Water Program, provided an overview of the structure and activities of the Clean Water Program. Mr. Scanlin indicated that the Clean Water program consists of the 14 cities, Alameda County, the Alameda County Flood Control and Water Conservation District, and Zone 7 Water Agency. The Program educates the public on how to keep businesses and homes from contributing to storm water pollution, and also coordinates its activities with other pollution prevention programs, such as wastewater treatment

plants, hazardous waste disposal, and water recycling. A requirement of the program was to reduce trash in the storm drains by 40% by July 1, 2014, and 70% by July 1, 2017, and the best way to get reduction is by installing capture devices and instituting product bans, such as polystyrene and plastic bags. Source control and prevention are more cost effective than cleanup efforts. The StopWaste ordinance has been a success. Studies have demonstrated that post ordinance there was a 50% reduction in plastic bag debris. The Clean Water Program supports expansion of the ordinance and will consider offering in-kind support with respect to providing inspectors for enforcement. Mr. Wolff inquired if all fifteen member agencies are aligned with respect to what expansion should be done and funding and services to be contributed. Mr. Scanlin stated that the details of funding have not been discussed but there is internal agreement that a process and model letter would be developed with respect to neutrality or support from the Chief Executives of affected member agencies. Mr. Wolff stated the process is to first obtain countywide Stormwater program, including support or neutrality by the chief executives of the agencies involved, and then stakeholder input to bring back to the Board for discussion and a final decision.

Kathy Cote, Environmental Services Director, City of Fremont, stated that she has seen the benefits of the ordinance with respect to trash reduction and storm water benefits. There are challenges with respect to resources and appreciates StopWaste' approach in consulting with the Clean Water program to discuss how to best move forward regarding resources and enforcement. Ms. Cote urged the Board to support the staff recommendation.

Mr. O'Donnell inquired if there are plans to conduct outreach to large corporations and restaurants to gauge their support. Ms. Soll stated that the proposed schedule includes outreach to stakeholders to obtain their input and feedback as well as outreach to other counties that have an expanded ordinance. Mr. Wolff indicated that the outline in the staff report illustrates the timeline for outreach. Mr. Pentin expressed concerns about the approach to fund the cost of expansion. Mr. Wolff stated that the budget will be discussed in the future after consulting with the Stormwater program staff to see how much funding they are able to provide. StopWaste will have to assume whatever costs are over that by cutting other projects, re-allocating reserves, or augmenting revenue. Mr. Wolff added that Prop 26 allows us to impose a fee on stores that are regulated by the ordinance but staff would prefer to not propose that funding mechanism, and has not investigated it yet. Mr. Pentin added we should identify funding sources prior to discussing program expansion, and added that he would like to see any proposed cuts or reallocations. Mr. Wolff stated that the timeline illustrates that if there is agreement from all parties then staff will bring work copes and budget proposals to the Board along with the overall budget proposals in spring 2015 and spring 2016.

Mr. Peltz commented that there is also a cost versus benefit analysis that must be considered. Mr. Wolff stated that this is part of the ongoing discussion. Most jurisdictions are doing complaint based enforcement versus 100% inspection but staff considers that this may be unfair to stores that are complying and are in the position of having to report their fellow merchant that is not complying. Complaint based enforcement also requires prompt and thorough attention to create effective and equitable enforcement.

Mr. Sherman made the motion to accept the staff recommendation. Mr. Ellis seconded and the motion carried 11-0.

Patrick Band, Save the Bay, commented on the success of the bag ban and encouraged the Board to move ahead with full expansion.

*Special Announcement:*

Mr. Wolff introduced Ms. Sommer as the new Deputy Executive Director and informed the Committee/Recycling Board that going forward Ms. Sommer will assume leadership of the committee

meetings (although he will usually be present) and he will continue to lead the WMA Board and any combined Board meetings. Ms. Sommer led the remainder of the meeting.

**2. Municipal Panel Presentation: Commercial Recycling Promotion and Outreach Information**  
**(Gary Wolff, Wendy Sommer & Meghan Starkey)**

This item is for information only.

Megan Starkey provided a brief overview of the staff report and introduced the panelist. The panel consisted of Roger Bradley, City of Dublin; Jennifer Cutter, City of Union City; Maria Ojeda, City of Pleasanton; and Wanda Redic, City of Oakland. The staff report is available here:

[http://www.stopwaste.org/docs/10-7-14\\_Muni\\_Panel\\_Commercial.pdf](http://www.stopwaste.org/docs/10-7-14_Muni_Panel_Commercial.pdf). An audio of the presentation is available here: <http://www.stopwaste.org/docs/10-09-14-P&O-RB.mp3>.

**3. Business Assistance Project - Update Information**  
**(Gary Wolff, Wendy Sommer & Michelle Fay)**

This item is for information only.

Michelle Fay provided an overview of the staff report and a powerpoint presentation. The report is available here: [http://www.stopwaste.org/docs/MRO-TA\\_Annual\\_Report\\_Summary.pdf](http://www.stopwaste.org/docs/MRO-TA_Annual_Report_Summary.pdf). The presentation is available here: <http://www.stopwaste.org/docs/MRO-TA-Annual-Report-Summary.pdf>.

Ms. Fay introduced Andrew Sloan, Cascadia Consulting. Andrew works with businesses to provide technical assistance in helping to comply with mandatory recycling requirements. Mr. Ellis asked what the biggest challenges were for compliance. Ms. Fay stated the biggest challenges operationally to businesses is additional cost and time for custodial staff. Mr. Sloan stated that the biggest concern to businesses countywide is the issue of illegal dumping and its effect on inspections.

Mr. O'Donnell thanked Ms. Fay for her presentation.

**4. Resource Area For Teachers (RAFT) Update Information**  
**(Gary Wolff, Wendy Sommer & Meri Soll)**

This item is for information only.

Ms. Soll provided an overview of the staff report. The report is available here:

[http://www.stopwaste.org/docs/RAFT\\_board\\_update\\_10-2014.pdf](http://www.stopwaste.org/docs/RAFT_board_update_10-2014.pdf). Ms. Soll introduced Greg Brown, Senior Director of RAFT, who provided the Board a presentation and update on grant activities. The presentation is available here: <http://www.stopwaste.org/docs/RAFT-Overview-for-StopWaste.pdf>. Mr. Brown also demonstrated some of the many uses of discarded materials. Ms. Cutter stated that she visited RAFT as a Pre-school teacher and used the materials to help with motor skills, and at the elementary level to teach recycling and science curricula. Mr. Peltz asked if they publish a list of materials requested. Mr. Brown stated yes, but it may limit the types of material donated. RAFT accepts all types of materials unless it is deemed dangerous. Mr. Sherman inquired about the number of employees and if there is a job training component. Mr. Brown stated RAFT employs 40 full-time employees between the San Jose and Redwood City sites and they do offer job training.

Mr. O'Donnell thanked Mr. Brown for his presentation.

**VII. OTHER PUBLIC INPUT**

There was none.

**VIII. COMMUNICATIONS/MEMBER COMMENTS**

There was none.

**IX. ADJOURNMENT**

The meeting adjourned at 9:00 p.m.

## 2014 - ALAMEDA COUNTY RECYCLING BOARD ATTENDANCE

	J	F	M	A	M	J	J	A	S	O	N	D
REGULAR MEMBERS												
L. Ellis								X		X		
B. Halliday	X	X	A	X	X	X	X	X				
G. Jones										X		
C. Kirschenheuter	X	X	A	X	X	A	X	X	A	X		
A. Natarajan	X	A	X	X	X	X	X	I	X	I		
D. O'Donnell	X	X	X	X	X	X	X	X	A	X		
M. Peltz	X	A	X	X	X	X	A	X	X	X		
J. Pentin		X	X	X	I	X	X	I	X	X		
D. Ralston	X	A	A									
S. Sherman	X	X	X	X	X	X	A	X	X	X		
T. Stein									X	X		
M. Tao	X	A	X	A	X	X	X	X	X	I		
L. Turner	I	A	I	X	A	A						
G. Wozniak	X	I	X	X	X	X	X	X	X	I		
INTERIM APPOINTEES												
P. Cutter	X	X	X							X		
D. Biddle					X							
T. Rood								X				
D. Sadoff										X		
M. Southworth										X		

Measure D: Subsection 64.130, F: Recycling Board members shall attend at least three fourths (3/4) of the regular meetings within a given calendar year. At such time, as a member has been absent from more than one fourth (1/4) of the regular meetings in a calendar year, or from two (2) consecutive such meetings, her or his seat on the Recycling Board shall be considered vacant.

X=Attended

A=Absent

I=Absent - Interim Appointed

**This page was intentionally left blank**





---

**DATE:** November 4, 2014

**TO:** Recycling Board

**FROM:** Wendy Sommer, Deputy Executive Director

**SUBJECT:** Written Reports of Ex Parte Communications

---

### **BACKGROUND**

Section 64.130 (Q)(1)(b) of the Alameda County Charter requires that full written disclosure of ex parte communications be entered in the Recycling Board's official record. At the June 19, 1991 meeting of the Recycling Board, the Board approved the recommendation of Legal Counsel that such reports be placed on the consent calendar as a way of entering them into the Board's official record. The Board at that time also requested that staff develop a standard form for the reporting of such communications. A standard form for the reporting of ex parte communications has since been developed and distributed to Board members.

At the December 9, 1999 meeting of the Recycling Board, the Board adopted the following language:

*Ex parte communication report forms should be submitted only for ex parte communications that are made after the matter has been put on the Recycling Board's agenda, giving as much public notice as possible.*

Per the previously adopted policy, all such reports received will be placed on the consent calendar of the next regularly scheduled Recycling Board meeting.

**This page was intentionally left blank**



**Date:** November 6, 2014

**TO:** Authority & Recycling Board

**FROM:** Wendy Sommer, Deputy Executive Director

**SUBJECT:** Informational Report on Grants Issued Under ED Signature Authority

General Mini-grant and board agendas by giving the Executive Director authority to sign contracts and grant agreements less than \$50,000. A condition of the new grant policy is that staff inform Board members of the small grants issued at the next regularly scheduled Board meeting.

**Grants – October 15, 2014 - November 15, 2014**

Project Name	Grant Recipient	Project Type/Description	Location	Verification	Grant Amount	Board
Community Outreach Grants	Tri City Volunteers	Non-profit grant funds to promote food scrap recycling to difficult to reach audiences (low-income, non-English speaking communities). Grantee to utilize Agency outreach materials to reach communities using their networks and social media.	Fremont	Final Report	\$5,000	RB
Community Outreach Grants	Oakland Warthogs Youth Program	Non-profit grant funds to promote food scrap recycling to difficult to reach audiences (low-income, non-English speaking communities). Grantee to utilize Agency outreach materials to reach communities using their networks and social media	Oakland	Final Report	\$5,000	RB

Project Name	Grant Recipient	Project Type/Description	Location	Verification	Grant Amount	Board
Community Outreach Grant	Dublin Partners for Education	Non-profit grant funds to promote food scrap recycling to difficult to reach audiences (low-income, non-English speaking communities). Grantee to utilize Agency outreach materials to reach communities using their networks and social media	Dublin	Final Report	\$5,000	RB
Community Outreach Grants	Local Ecology Action Fremont (LEAF)	Non-profit grant funds to promote food scrap recycling to difficult to reach audiences (low-income, non-English speaking communities). Grantee to utilize Agency outreach materials to reach communities using their networks and social media	Fremont	Final Report	\$5,000	RB
Grocery Rescue Program	Alameda County Community Food Bank	Funding will support expansion of the Food Bank's <i>Grocery Rescue Program: Recovering Food to Feed Hungry People in Alameda County</i> by increasing food donation by 50% (1,800,000 pounds annually) and increasing Retail Store Donation Program participation by more than 70%. The Grocery Rescue Program connects Alameda County member agencies in need of food with neighborhood grocery stores who can offer donated food items directly to the member agency.	Food donation locations and recipients throughout Alameda County		\$20,000	RB
Expanding Food Rescue to Feed the Hungry	Hope 4 the Heart	Funding will support Hope 4 the Heart's work in receiving surplus food and product donations from regional companies including Safeway, Peet's	Food donation locations throughout Alameda County. Food recipients-		\$20,000	RB

Coffee & Tea, local bakeries, Trader Joes, catering companies, etc. and distributing millions of pounds of food to food-insecure families through 100 Bay Area organizations and directly to individuals and families from the Cherryland neighborhood. Hope 4 the Heart will use this grant funding to support the operational expenses of their expanded food distribution program by supplementing transportation and warehouse operating costs to reach more than 550,000 people during the duration of the grant including expanded distribution of emergency food boxes to local low-income individuals and families.	Cherryland neighborhood, Hayward
---	----------------------------------

**This page was intentionally left blank**

---

**DATE:** November 4, 2014  
**TO:** Recycling Board  
**FROM:** Wendy Sommer, Deputy Executive Director  
**BY:** Tom Padia, Principal Program Manager  
**SUBJECT:** 5 Year Financial & Compliance Audit – Award of Contract

---

**BACKGROUND**

Subsection 64.040 (C) of Measure D requires a comprehensive financial, statistical and programmatic audit and analysis to be performed within four years of the effective date of the Act and every five years thereafter. Following is the text from Measure D relating to the comprehensive audit:

**SUBSECTION 64.040: RECYCLING POLICY GOALS AND RECYCLING PLAN**

C. The Recycling Board shall contract, not more than four (4) years after the effective date of this Act, and then every five (5) years thereafter, for an audit to determine compliance with the Recycling Plan and the degree of progress toward the recycling policy goal then in effect. Said audits shall be conducted by an independent auditor (or auditors) with experience in source reduction and recycling. The reports of said audits shall be completed within one (1) year and issued to each municipality, the Board of Supervisors and the Authority. Said reports shall include at least the following:

1. A narrative and analytical evaluation of all recycling programs within Alameda County, whether funded through this Act or not, both Alameda Countywide and within each municipality;
2. A statistical measure of the progress toward the recycling policy goal then in effect;
3. An evaluation of the Recycling Board's activities, including, but not limited to, an accounting of the monies spent by the Recycling Board; and
4. Recommendations to the Recycling Board, the Board of Supervisors, the Authority and the municipal governing bodies for the maintenance and expansion of recycling programs, and any necessary resulting amendments to the Recycling Plan.

Based upon recommendations from prior audits, the Financial & Compliance Audit was separated from the Programmatic Evaluation and was split into two phases covering a 3 year phase and a 2 year phase so as to make the reviews of financial records timelier and less onerous for the member agencies.

Compared to the Programmatic Overview and Evaluation, the Financial and Compliance Reviews have tended to be quite succinct and straightforward. There have been no serious "red flags" in any reports regarding misallocation or misuse of any Recycling Fund monies, nor of noncompliance with any County Charter mandates. Past Financial & Compliance Reports have contained recommendations regarding development of Board fiscal policies and requirements aimed at easier and smoother audit reviews in the future.

## **DISCUSSION**

The adopted budget and work plan for FY 14/15 includes release of the Request For Proposals (RFP) for the 5 Year Financial and Compliance Audit (covering FY 11/12, 12/13 and 13/14 in Phase I and FY 14/15 and 15/16 in Phase II) in the summer and contract award in the Fall. \$125,000 was budgeted for the Phase I work. The RFP was released at the end of August and was emailed to five firms and posted on the Agency website. Attachment A lists the scope of work, including a checklist of various Measure D Mandates that the selected consultant shall review for compliance by the appropriate agencies - the Board itself, the municipalities, or Alameda County government. These mandates include both financial and programmatic elements.

Four responses to the RFP were received by the October 10, 2014 deadline. A team of three staff consisting of Gina Peters, Chief Finance Officer, Meri Soll, Senior Program Manager and Tom Padia, Recycling Director read and reviewed the four proposals and agreed to interview the top two proposers. All cost proposals were within the Phase I budgeted amount of \$125,000. On Monday, November 3, interviews of the two finalists were conducted by the same staff team.

A chart of the two firms interviewed summarizes some key aspects of their proposals:

**Recycling Board 5 Year Financial & Compliance Audit RFP Finalists**

<b>Proposer Name</b>	<b>Phase I Cost</b>	<b>Phase II Cost</b>	<b>Total Cost - Phases I &amp; II</b>	<b>Total Hrs.- Phases I &amp; II</b>	<b>Avg. Cost Per Hour</b>
1. HF&H Consultants, LLC	\$114,025	\$ 99,045	\$213,070	742+621=1363	\$156.32
2. Crowe Horwath	\$ 97,090	\$82,710	\$179,800	648+558=1206	\$149.09

The interview panel scored the proposers on the criteria of: firm qualifications and experience, project team qualifications and experience, proposed scope of work and project understanding, cost/value, and quality of presentation.

The panel was unanimous in selecting Crowe Horwath as the top-rated proposer, based upon the criteria listed. Cost was not a primary factor in the selection, although Crowe Horwath was 16% below the other finalist. The New Point Group, the firm that conducted the last 5 Year Financial Audit, combined with Crowe Horwath, a much larger accounting and management consulting firm, towards the end of their previous engagement with the Recycling Board. The primary project staff proposed for this contract also worked on the previous 5 Year Audit.



Primarily Crowe Horwath was rated highest based upon the proposed management structure for the project and the communications skills of the team members. It should be noted that all four responding firms were considered qualified to perform the work, and both finalists were considered highly qualified.

A copy of the full Crowe Horwath proposal can be accessed at

<http://www.stopwaste.org/sites/default/files/Crowe%20proposal%20-%2010-10-2014.pdf>

### **RECOMMENDATION**

Staff recommends that the Recycling Board approve contract award and authorize execution of a funding agreement with Crowe Horwath LLP for the Financial and Compliance Five Year Audit, for a total not-to-exceed amount of \$179,800, per their proposal to the Board. \$97,090 will be awarded from the approved FY 14/15 budget for Phase I of the scope of work. Upon satisfactory completion of Phase I, the remaining \$82,710 will be allocated from the FY 15/16 budget (the work will commence after the end of FY 15/16) and will be included in the FY 15/16 budget resolution.

## Attachment A

### 5 Year Financial and Compliance Audit – Scope of Work and Compliance Checklist

#### Scope of Work:

- Review audited financial statements, recycling budgets and program descriptions of the 16 municipalities receiving Recycling Fund administrative disbursements to determine compliance with Measure D fiscal requirements. Review statements for Fiscal Years 2011/12, 2012/13, and 2013/14 in Phase I; and Fiscal Years 2014/15 and 2015/2016 in Phase II.
- Review audited financial statements of Alameda County and of the Recycling Board for Fiscal Years 2011/12, 2012/13, and 2013/14 in Phase I, and Fiscal Years 2014/15 and 2015/2016 in Phase II, to determine compliance with Measure D fiscal requirements.
- For all of the above, develop recommendations for improvements, if any, indicated in current policies, procedures and practices.
- Review and evaluate the aggregated countywide California Integrated Waste Management Board waste generation and diversion calculations, the “Performance Measurements – Recycling and Sustainability Index” outlined in the Alameda County Source Reduction and Recycling Plan- Vision 2010: 75% and Beyond and updated annually, and measurement of progress toward the “75% and beyond” landfill diversion goal.

#### COMPLIANCE CHECKLIST OF MEASURE D MANDATES - FOR 5 YR AUDIT

##### RECYCLING BOARD COMPLIANCE

Development of Recycling Plan	Subsection 64.040(B)
Compliance with Fund allocations - amounts and uses	Subsection 64.060(B)
Analysis and review of Waste Characterization Studies	Subsection 64.060(C)
Compliance with Source Reduction Program requirements	Subsection 64.080
Compliance with Recycled Product Market Development Program requirements	Subsection 64.110
Compliance with limits on Board member compensation	Subsection 64.130(M)

##### MUNICIPAL COMPLIANCE (16 Agencies - The cities of Alameda, Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Newark, Oakland, Piedmont, Pleasanton, and San Leandro and Union City, and the Castro Valley and Oro Loma Sanitary Districts)

Reqt. for local refuse hauler surcharge reimbursement	Subsection 64.070(A)
Residential Recycling Program requirements	Subsection 64.090
Commercial Recycling Program requirements	Subsection 64.100

##### ALAMEDA COUNTY COMPLIANCE

Collection of Measure D per-ton surcharge*	Subsection 64.050(A-C)
Recycled Product Purchase Preference Program reqts.	Subsection 64.120

GENERAL COMPLIANCE - All Entities Receiving Fund Monies

Compliance with restriction against use of Fund monies  
for contracts longer than 5 years without competitive re-  
bidding (or 5-10 years, with specific Board allowance)

Subsection 64.060(D)

**This page was intentionally left blank**



---

**DATE:** November 3, 2014

**TO:** Alameda County Recycling Board

**FROM:** Wendy Sommer, Deputy Executive Director

**BY:** Tom Padia, Principal Program Manager

**SUBJECT:** Accumulated Measure D Fund Balances Exceeding Policy Threshold –  
Revision of Policy Adopted in 2006

---

StopWaste staff was directed by the Recycling Board to present options for changing Board policy on the maximum dollar amount of accumulated, unspent Measure D funds that municipalities are allowed before becoming ineligible for further disbursements, absent a Board-approved plan to spend down the balance. Options for consideration are presented in this memo.

#### **BACKGROUND**

The County Charter (Measure D) directs that 50% of Recycling Fund revenues (from the \$8.23 per ton landfill surcharge) "...shall be disbursed on a per capita basis to municipalities for the continuation and expansion of municipal recycling programs." (Subsection 64.060(B)(1)).

At the November 9, 2006 meeting the Recycling Board adopted Resolution #RB 2006-12 (copy attached), establishing rules regarding municipal accounting of Measure D revenues and expenditures, and eligibility to receive further disbursements when a specified unspent fund balance threshold is exceeded. These new rules took effect July 1, 2007 for the 2007/2008 fiscal year. Specifically, the policy states:

Any municipality receiving per capita disbursements of Recycling Fund monies under the Alameda County Waste Reduction and Recycling Act, Section 64.060, shall present to the Board for its approval a written expenditure plan if, at the end of any fiscal year, that municipality has an unspent balance of such monies that exceeds the sum of the municipality's last eight quarterly Recycling Fund per capita disbursements.

If the municipality fails to provide that written plan or the Board does not approve that plan, the municipality shall be ineligible to receive further disbursements per Section 64.060. The municipality shall not be eligible for further disbursements until the required plan is submitted and approved by the Board and all such forfeited monies shall be disbursed to the remaining eligible municipalities on a per capita basis.

Two jurisdictions have reported accumulated fund balances exceeding the policy threshold since the policy took effect – the City of Hayward for FY 2007/2008 and more recently, the City of Livermore for FY 2012/2013. Each submitted expenditure plans that were approved by the Recycling Board and each remained eligible for ongoing

quarterly per capita allocations. Several other jurisdictions at times have accumulated fund balances just below the threshold.

### **REQUEST BY CITY OF LIVERMORE**

At the February 13, 2014 meeting the Recycling Board approved the expenditure plan submitted by the City of Livermore. As part of their submittal, Livermore staff asked for Recycling Board review and possible revision of the policy on unspent fund balances, and the Board directed staff to return in 2014 with options for revising the Fund Balance Threshold. Livermore staff had proposed increasing the threshold to the sum of the last four years' allocations (16 quarterly disbursements).

### **DISCUSSION**

The purpose of the Board policy on accumulated fund balances is to ensure that Recycling Fund monies are used consistently to continue and expand municipal waste reduction programs. The threshold of two years' worth of allocations (the last eight quarterly disbursements) was originally selected as the upper bound of what seemed a "reasonable" cushion of accumulated, unspent funds, absent a specific need for large capital expenditures or startup costs of a new program. At the time the policy was adopted, the economy was healthy and growing and Measure D revenues were relatively stable. Since then, the bursting of the housing bubble and the subsequent recession, waste reduction in general, and other factors have resulted in a decline in the amount of annual per capita allocations to the member agencies. In FY 2007/2008, the first year that the policy went into effect, annual per capita allocations were approximately \$4.00. In FY 12/13 the annual per capita allocations were approximately \$2.90 and FY 13/14 will be in the range of \$2.75. Such declines create a "moving target" in terms of the sum of the last two years' allocations (and a steadily lower threshold over time).

Some options for the Board to consider in revising this policy include (see Table 1):

Option 1: Increasing the number of prior quarterly disbursements comprising the threshold, as suggested by City of Livermore staff. The sum of the last 8 quarters could be increased to 12. This would still be a "moving target" but one at a higher level than the current threshold.

Option 2: Changing the threshold to a fixed dollar amount for each jurisdiction (i.e. the amount would be different for each jurisdiction) that would not change over time. The threshold for each member agency could be determined by the sum of the last 8 (Option 2a) or 12 (Option 2b) quarterly disbursements, but once set, would not change.

Option 3: Changing the threshold to a fixed per capita amount. Since per capita allocations in FY 07/08 (the first year that the current policy was in effect) were approximately \$4.00 and two years of allocations at that level would be approximately \$8.00, the threshold could be \$8.00 per capita (Option 3a), using the population estimates upon which the most current allocations are based. Adjusting for inflation since FY07/08, the threshold could be somewhat higher -- about \$9.28 per capita (Option 3b). Either of these would result in a slightly moving target (assuming population changes over time), but one that would be more predictable and also one tied both to the level of allocations and to the need for funding. A threshold of \$8.00 per capita would translate into approximately the sum of the last 11 quarterly disbursements at this time. A threshold of \$9.28 per capita would translate into approximately the sum of the last 13 or 14 quarterly disbursements at this time.

Option 4: Changing the threshold to \$10 per capita, which would be equivalent to 14 or 15 prior quarterly disbursements. It has the advantage of being easy to calculate, of increasing if a city is growing, and of not declining as the landfill tonnage and Recycling Fund disbursements decline. It also allows for several years of inflation from today, so that inflation will not be an issue for several years at least.

**Table 1 – Accumulated Fund Balance Threshold Options**

<b>Jurisdiction</b>	<b>Reported Fund Balance – End of FY 13/14</b>	<b>Current Threshold – Last 8 Qtrs. (Option 2a)</b>	<b>Last 12 Quarters (Option 1 and 2b)</b>	<b>Population Used to Calculate April-June 2014 Allocation</b>	<b>\$8 Per Capita – Status Quo at policy adoption (Option 3a)</b>	<b>\$9.28 Per Capita – 2007 Status Quo adj. for inflation (Option 3b)</b>	<b>\$10 Per Capita – (Option 4)</b>
Alameda	-0-	\$ 420,509	\$ 631,207	75,988	\$607,904	\$705,169	\$759,880
Albany	\$94,816	\$ 103,916	\$ 152,690	18,472	\$147,776	\$171,420	\$184,720
Berkeley	\$93,810 (draft)	\$ 647,208	\$ 955,085	117,372	\$938,976	\$1,089,212	\$1,173,720
Castro Valley SD	\$128,076	\$ 299,539	\$ 447,463	54,144	\$433,152	\$502,456	\$541,440
Dublin	\$72,597	\$ 267,603	\$ 402,871	53,462	\$427,696	\$496,127	\$534,620
Emeryville	\$52,931	\$ 57,537	\$ 86,169	10,491	\$ 83,928	\$97,356	\$104,910
Fremont	-0-	\$1,211,654	\$1,653,051	223,972	\$1,791,776	\$2,078,460	\$2,239,720
Hayward	\$739,215	\$ 829,680	\$1,254,178	151,037	\$1,208,296	\$1,401,623	\$1,510,370
Livermore	\$543,326**	\$ 464,890	\$ 701,743	84,852	\$678,816	\$787,427	\$848,520
Newark	\$256,610	\$ 239,262	\$ 328,381	43,856	\$350,848	\$406,984	\$438,560
Oakland	-0-	\$2,228,567	\$3,408,941	404,355	\$3,234,840	\$3,752,414	\$4,043,550
Oro Loma SD*	-0-	\$ 665,194	\$ 991,982	120,258*	\$962,064	\$1,115,994	\$1,202,580
Piedmont	\$28,575	\$ 60,900	\$ 92,115	11,023	\$88,184	\$102,293	\$110,230
Pleasanton	\$401,453	\$ 401,869	\$ 600,388	73,067	\$584,536	\$678,062	\$730,670
San Leandro*	\$157,369	\$ 290,919	\$ 432,025	52,615*	\$420,920	\$488,267	\$526,150
Union City	\$347,111	\$ 392,830	\$ 542,369	72,155	\$577,240	\$669,598	\$721,550

\*Population is adjusted to reflect transfer of 40% from City of San Leandro to Oro Loma Sanitary District

\*\*Multi-year Expenditure Plan approved for Livermore in FY 13/14

**ATTACHMENT A**

**ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD**

**RESOLUTION #RB 2006-12**

**MOVED: Quan**

**SECONDED: Jeffery**

**AT THE MEETING HELD NOVEMBER 9, 2006**

**ADOPTION OF RULES REGARDING MUNICIPAL ACCOUNTING AND FUND BALANCES OF RECYCLING FUND PER CAPITA ALLOCATIONS**

**WHEREAS**, the Alameda County Charter Section 64 (the Alameda County Waste Reduction and Recycling Act of 1990, hereinafter the "Act") states that "The Recycling Board shall formulate rules for its own procedures and other rules as necessary to facilitate the implementation of the provisions of this Act," (Subsection 64.130(J)); and

**WHEREAS**, the Act states that fifty percent of the monies from the Recycling Fund shall be disbursed on a per capita basis to municipalities for the continuation and expansion of municipal recycling programs (Subsection 64.060 (B)(1)); and

**WHEREAS**, Subsection 64.040 (C) of the Act requires the Recycling Board to conduct an independent audit every five years of recycling programs within the County including, but not limited to, an accounting of the monies spent from the Recycling Fund, and to develop recommendations based on the audit findings; and

**WHEREAS**, the Recycling Board has concluded "Phase One" of the current 5 Year Financial and Compliance Audit for the period FY 2001/02 through FY 2003/04 and has considered and discussed recommendations relating to the accounting and accumulation of Recycling Fund monies by the municipalities; and

**WHEREAS**, the Recycling Board has distributed copies of the "Phase One 5 Year Financial and Compliance Audit" by R3 Consulting Group, Inc. to staff of the municipalities and has solicited comments from municipal staff on the proposed rules; and

**WHEREAS**, the Recycling Board itself has discussed the proposed rules at the October 12, 2006 meeting and set the November 9, 2006 meeting for final consideration and adoption; and

**WHEREAS**, the Recycling Board hereby finds that the adoption of rules, policies and procedures clearly defining municipal responsibilities to monitor, track and report on Recycling Fund revenues, expenditures and fund balances will facilitate implementation of the Act; and

**WHEREAS**, the Recycling Board hereby finds that the adoption of rules, policies and procedures establishing guidelines regarding municipal use of Recycling Fund per capita disbursements, the accumulation of unspent fund balances, plans for the use of such accumulated funds, and eligibility to receive further per capita disbursements will facilitate implementation of the Act;

**NOW, THEREFORE, BE IT RESOLVED**, that the Alameda County Source Reduction and Recycling Board approves and adopts the following rules:

Rule 1: Municipalities receiving per-capita disbursements of Recycling Fund monies under the Alameda County Waste Reduction and Recycling Act, Section 64.060 shall account for those disbursements in a manner that provides the following information for each fiscal year:



the balance of unexpended per capita disbursements at the beginning of each fiscal year;  
Recycling Fund per capita disbursements received during each fiscal year;  
Recycling Fund per capita monies expended during each fiscal year; and  
the ending balance of unspent Recycling Fund per capita disbursements on hand at the end of each fiscal year.

The disbursements may be accounted for through the use of a pooled or separate account. In the event the Recycling Fund per capita revenues and expenditures are pooled with other monies within the accounts of the municipality, the municipality shall utilize a separate and distinct account code, such as an account number, object code, sub-object code, etc., to segregate the Recycling Fund per capita monies for accounting purposes in a manner that provides the required information.

**Rule 2:** Any municipality receiving per capita disbursements of Recycling Fund monies under the Alameda County Waste Reduction and Recycling Act, Section 64.060, shall present to the Board for its approval a written expenditure plan if, at the end of any fiscal year, that municipality has an unspent balance of such monies that exceeds the sum of the municipality's last eight quarterly Recycling Fund per capita disbursements.

If the municipality fails to provide that written plan or the Board does not approve that plan, the municipality shall be ineligible to receive further disbursements per Section 64.060. The municipality shall not be eligible for further disbursements until the required plan is submitted and approved by the Board and all such forfeited monies shall be disbursed to the remaining eligible municipalities on a per capita basis.

In evaluating a municipality's proposed expenditure plan, the Board shall consider the following:

- The proposed specific use(s) of the remaining balance and future disbursements.
- The proposed length of time, or schedule over which disbursed funds or fund balances would be used.
- The scope or amount of funds proposed to be expended over the term of the plan.
- The extent to which the plan is designed to meet or promote the provisions, goals or policies of the Act including but not limited to timely expenditure of the funds "for the continuation and expansion of municipal recycling programs."
- Any other objective and reasonable factors that may be presented by the municipality to support its contention that its proposed plan meets or promotes the provisions, goals or policies of the Act.

These proposed rules shall take effect July 1, 2007. Rule 2 will be applied to the Measure D Annual Reports submitted after the end of FY 07/08 and each year thereafter.

**ADOPTED BY THE FOLLOWING VOTE:**

**AYES:** Boone, Bourque, Jeffery, Landis, Leider, McCormick, Quan, Spencer, Storti, Wilson

**NOES:** None

**ABSENT:** Henson

**ABSTAINED:** None

---

Karen Smith, Executive Director

**ATTACHMENT B**

**ALAMEDA COUNTY SOURCE REDUCTION AND RECYCLING BOARD**

**RESOLUTION #RB 2014-2**

**MOVED:**

**SECONDED:**

**AT THE MEETING HELD NOVEMBER 13, 2014**

**REVISION OF RECYCLING BOARD RESOLUTION #RB 2006-12 REGARDING FUND BALANCES OF RECYCLING FUND  
PER CAPITA ALLOCATIONS**

**WHEREAS**, the Alameda County Charter Section 64 (the Alameda County Waste Reduction and Recycling Act of 1990, hereinafter the "Act") states that "The Recycling Board shall formulate rules for its own procedures and other rules as necessary to facilitate the implementation of the provisions of this Act," (Subsection 64.130(J)); and

**WHEREAS**, the Act states that fifty percent of the monies from the Recycling Fund shall be disbursed on a per capita basis to municipalities for the continuation and expansion of municipal recycling programs (Subsection 64.060 (B)(1)); and

**WHEREAS**, on November 9, 2006 the Recycling Board adopted Resolution #RB 2006-12, including the following:

Rule 2: Any municipality receiving per capita disbursements of Recycling Fund monies under the Alameda County Waste Reduction and Recycling Act, Section 64.060, shall present to the Board for its approval a written expenditure plan if, at the end of any fiscal year, that municipality has an unspent balance of such monies that exceeds the sum of the municipality's last eight quarterly Recycling Fund per capita disbursements.

If the municipality fails to provide that written plan or the Board does not approve that plan, the municipality shall be ineligible to receive further disbursements per Section 64.060. The municipality shall not be eligible for further disbursements until the required plan is submitted and approved by the Board and all such forfeited monies shall be disbursed to the remaining eligible municipalities on a per capita basis.

In evaluating a municipality's proposed expenditure plan, the Board shall consider the following:

- The proposed specific use(s) of the remaining balance and future disbursements.
- The proposed length of time, or schedule over which disbursed funds or fund balances would be used.
- The scope or amount of funds proposed to be expended over the term of the plan.
- The extent to which the plan is designed to meet or promote the provisions, goals or policies of the Act including but not limited to timely expenditure of the funds "for the continuation and expansion of municipal recycling programs."
- Any other objective and reasonable factors that may be presented by the municipality to support its contention that its proposed plan meets or promotes the provisions, goals or policies of the Act.

These proposed rules shall take effect July 1, 2007. Rule 2 will be applied to the Measure D Annual Reports submitted after the end of FY 07/08 and each year thereafter.

And **WHEREAS**, the absolute dollar amount and the per capita amount of Recycling Fund municipal allocations have declined significantly since 2006, resulting in a declining threshold represented by the sum of the last eight quarterly Recycling Fund per capita disbursements, and

**WHEREAS**, municipalities have requested that the Recycling Board revise the “Rule 2” policy to increase the threshold of unspent per capita allocations that triggers the requirement for an approved Expenditure Plan or ineligibility to receive further disbursements,

**NOW THEREFORE, BE IT RESOLVED**, that the Alameda County Source Reduction and Recycling Board hereby revises and replaces “Rule 2” from Resolution #RB 2006-12 with the following:

Rule 2: Any municipality receiving per capita disbursements of Recycling Fund monies under the Alameda County Waste Reduction and Recycling Act, Section 64.060, shall present to the Board for its approval a written expenditure plan if, at the end of any fiscal year, that municipality has an unspent balance of such monies that exceeds ~~the sum of the municipality’s last eight quarterly Recycling Fund per capita disbursements~~ \$\_\_\_\_\_ (insert description of the option chosen).

If the municipality fails to provide that written plan or the Board does not approve that plan, the municipality shall be ineligible to receive further disbursements per Section 64.060. The municipality shall not be eligible for further disbursements until the required plan is submitted and approved by the Board and all such forfeited monies shall be disbursed to the remaining eligible municipalities on a per capita basis.

In evaluating a municipality’s proposed expenditure plan, the Board shall consider the following:

- The proposed specific use(s) of the remaining balance and future disbursements.
- The proposed length of time, or schedule over which disbursed funds or fund balances would be used.
- The scope or amount of funds proposed to be expended over the term of the plan.
- The extent to which the plan is designed to meet or promote the provisions, goals or policies of the Act including but not limited to timely expenditure of the funds “for the continuation and expansion of municipal recycling programs.”
- Any other objective and reasonable factors that may be presented by the municipality to support its contention that its proposed plan meets or promotes the provisions, goals or policies of the Act.

~~These proposed rules shall take effect July 1, 2007.~~ Rule 2 will be applied to the Measure D Annual Reports submitted after the end of FY ~~07/08~~ 13/14 and each year thereafter.

**Passed and adopted this 13th day of November, 2014 by the following vote:**

AYES:

NOES:

ABSTAIN:

ABSENT:

---

**Gary Wolff, Executive Director**

**This page was intentionally left blank**



---

**DATE:** November 3, 2014

**TO:** Alameda County Recycling Board

**FROM:** Wendy Sommer, Deputy Executive Director

**BY:** Tom Padia, Principal Program Manager

**SUBJECT:** Definition of “Adequate Commercial Recycling” for Purpose of Determining Municipal Eligibility to Receive Measure D Per Capita Allocations

---

At the November 8, 2012 meeting the Recycling Board unanimously adopted a definition and process for assessing the existence of an “adequate commercial recycling program” for the purpose of determining municipal eligibility to receive per capita Recycling Fund monies. At the same time, the Board committed to review the criteria in two years, in November 2014.

#### **BACKGROUND**

Per capita Measure D funding is provided to municipalities only if they meet certain requirements, one of which is the implementation of an “adequate” commercial recycling program. A “de minimus” interpretation of what constitutes an “adequate commercial recycling program” was adopted by the Recycling Board in 1994, with an explicit allowance for future revision.

In 2011 and 2012 the Board, staff and member agency representatives engaged in a process of formulating and evaluating options that ultimately resulted in the criteria adopted two years ago. These standards went into effect for FY 13/14 (i.e. beginning July 1, 2013).

The purpose of the Board policy is to align with and help implement the adopted Strategic Plan goal of “less than 10% good stuff in the garbage” by 2020 and help meet the County Charter goal of “75% and beyond” diversion from landfill. These goals cannot be achieved without significant new diversion from commercial waste generators.

#### **POLICY ADOPTED NOVEMBER 2012:**

The three criteria applicable to commercial recyclables are listed below. An adequate commercial recycling program under the County Charter will satisfy ONE (or more) of these criteria on and after July 1, 2013 unless the Recycling Board adopts an alternative definition after that date.

1. The member agency participates in the ACWMA mandatory recycling ordinance, Phase 1. The Recycling Board has previously formally stated that participation in the ordinance is not necessary, but is more than adequate.

OR

**2.** The member agency ensures that at least one hour per year of technical assistance work time is actually provided to businesses to encourage and assist commercial accounts to recycle more. The minimum amount of time can be provided by member agency staff, franchised hauler staff, consultants to the member agency or franchised haulers, or any combination of these. The minimum time commitment will be proportional to the number of commercial accounts in the member agency.

In addition, a member agency would need to either make source separated recycling services available at open market rates or adopt a rate schedule under which the prices per volume and frequency of source separated services are no higher than that for refuse/garbage service of the same volume and frequency. This second part of criteria 2 is necessary because technical assistance and outreach cannot increase recycling participation if the service is not available at a competitive price.

OR

**3.** The member agency achieves a 50% participation rate in its commercial recycling program. Participation for recycling shall be calculated as a percentage of total commercial accounts. Participation through centralized processing will count so long as the centralized processing facility meets the less than 10% covered materials residual quality standard defined in the mandatory recycling ordinance.

The three criteria applicable to commercial organics are listed below. An adequate commercial recycling program under the County Charter will satisfy ONE (or more) of these criteria on and after July 1, 2014 unless the Recycling Board adopts an alternative definition after that date.

**1.** The member agency participates in the ACWMA mandatory recycling ordinance, Phase 2 (or a variation on Phase 2 approved administratively as provided for in the ordinance). The Recycling Board has previously formally stated that participation in the ordinance is not necessary, but is more than adequate.

OR

**2.** The member agency ensures that at least 3 hours per year of technical assistance work time is actually provided to organics generating businesses to encourage and assist commercial organics accounts to recycle more. The minimum amount of time can be provided by member agency staff, franchised hauler staff, consultants to the member agency or franchised haulers, or any combination of these.

In addition, a member agency would need to either make source separated commercial organics services available at open market rates or adopt a rate schedule under which the prices per volume and frequency of source separated services are no higher than that for refuse/garbage service of the same volume and frequency. This second part of criteria 2 is necessary because technical assistance and outreach cannot increase recycling participation if the service is not available at a competitive price.

OR

**3.** The member agency achieves a 50% participation rate in its commercial organics program. Participation for commercial organics shall be calculated as a percentage of organics generating businesses based on SIC and/or NAICS codes. Participation through centralized processing will count so long as the centralized processing

facility meets the less than 10% covered materials residual quality standard defined in the mandatory recycling ordinance.

If Recycling Board staff believes a member agency is not in compliance, it will notify the member agency and refer the situation to the Recycling Board for a decision. If the Recycling Board decides the member agency has not complied with the minimum standard, it may withhold future Measure D payments.

## **EXPERIENCE TO DATE**

Phase 1: Initially, the cities of Dublin and Pleasanton, the Castro Valley Sanitary District and the unincorporated service area of the Oro Loma Sanitary District (L1) opted out of Phase 1 of the Mandatory Recycling Ordinance (MRO). In October of 2012 (prior to the RB adoption of the above criteria) the Pleasanton City Council reversed that action and voted to opt back in to Phase 1, and in December of 2013 the Castro Valley Sanitary District Board voted to opt in to Phase 1 and also to Phase 2 if their submittal of a compliance schedule waiver were approved (it was), leaving only Dublin and unincorporated Oro Loma to meet one of the “alternative” criteria for FY 13/14 (Castro Valley would have easily met the 50% subscribed accounts criteria in any event). Dublin has met the criteria through a greater than 50% participation rate in their commercial recycling program and Oro Loma has met the criteria through spending over one hour per commercial account on recycling outreach to commercial accounts (they are currently at slightly more than 40% commercial account subscription to recycling service).

Phase 2: Six municipalities are opted in to the MRO on the schedule in the ordinance and five more are opted in on an approved Compliance Schedule Waiver, leaving five opted out jurisdictions that will need to meet one of the alternative criteria. Dublin and Oro Loma Unincorporated are joined by Hayward, Pleasanton and Union City in the “Phase 2 opt-out” category. The requirement to enlist over 50% of “high organics generating” accounts (HOGS) to commercial organics collection service or spend 3 hours of commercial organics outreach per HOG account must be met over the course of the current fiscal year (FY 14/15) and reported in October 2015. Status on these 5 jurisdictions:

Dublin:	Believes that over 50% of HOG accounts are currently subscribed to organics collection service.
Hayward:	Opted out of Phase 2 due to inadequate provisions in expiring franchise to implement Phase 2. New franchise negotiations currently nearing completion; staff has reported intent to present Council in December/January time frame new agreement for approval and recommendation to opt-in to Phase 2 of the MRO. If not approved, Hayward will document required hours of commercial organics outreach.
Oro Loma:	Intends to devote required number of hours for commercial organics outreach, plus maintain required hours of recycling outreach until 50% threshold is reached.
Pleasanton:	Pleasanton staff has recently expressed concerns about the rate impacts of satisfying any of the criteria for commercial organics. StopWaste staff will continue discussions with Pleasanton and report to the Recycling Board once more is known.
Union City:	Opted out of Phase 2 due to unsustainable rate provisions for commercial organics service in current franchise. City is working to negotiate modifications that will allow for opt-in to Phase 2. Until then, staff is prepared to document required hours of commercial organics outreach primarily to improve results from current limited set of commercial organics subscribers and to strategically add new accounts incrementally.

## **RECOMMENDATION**

Accept this report and re-affirm the definition of adequate commercial recycling. (Note that the policy allows the Board to consider not withholding Measure D funds if a member agency fails to satisfy the policy and can persuade the Board it should not withhold Measure D funds).

### **Attachments:**

Attachment A – Full memo from RB Nov. 8, 2012 Agenda Packet

<http://www.stopwaste.org/sites/default/files/Adequate%20Comm%20Recycling%20memo.pdf>





---

**DATE:** November 13, 2014

**TO:** Recycling Board

**FROM:** Wendy Sommer, Deputy Executive Director

**BY:** Meri Soll, Senior Program Manager

**SUBJECT:** Loved Twice – Non Profit Update

---

### **BACKGROUND**

The Recycling Board has awarded grants through the Grants to Nonprofits program for the past seventeen years via an open Request for Proposal process. In that time, the Recycling Board has awarded approximately \$7.25 million dollars in grant funding from the Competitive and Reuse grants program. The Board has requested periodic status reports on grant recipients. Staff has selected Loved Twice to provide an update and brief presentation to the Recycling Board on reuse and waste reduction activities they have been engaged in as a result of grant funding.

### **DISCUSSION**

Loved Twice is a non-profit organization providing those in need with quality reused baby clothing for newborns to 1 year olds. The organization collects gently-used baby clothes, sorts garments into boy and girl “wardrobes-in-a-box”, and distributes them exclusively through social workers in hospitals, shelters, and clinics to mothers in need. Since their founding in 2005, Loved Twice has clothed over 9,000 newborns and reused 98,000 pounds of clothing. In Alameda County, Loved Twice estimates that every year they provide clothing to 600 newborns-in-need resulting in 6,000 pounds of baby clothing (over 45,000 garments) being reused and distributed to underserved communities in Alameda County.

Since 2010, the Agency has provided five grants totaling \$60,000 to Loved Twice. Funding has been in the form of Reuse Grants which offers grants to reuse organizations that are in need of funding for staff salaries and supplies related to promotions, education and outreach programs and/or collection improvements. Lisa Klein, Executive Director of Loved Twice, will provide the Board with a presentation and update on grant activities.

### **RECOMMENDATION**

This item is for information only.