

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

Executive Director

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Member Agencies

City of Campbell
Town of Los Gatos
City of Monte Sereno
City of Saratoga

REGULAR MEETING AGENDA

November 2, 2017

Monte Sereno City Hall
18041 Saratoga-Los Gatos Road
Monte Sereno, CA 95030
5:00 p.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

ORAL COMMUNICATIONS FROM THE PUBLIC

WRITTEN COMMUNICATIONS

None

OLD BUSINESS

None

NEW BUSINESS

1. Receive and consider a report on WVC&R's prior fiscal year complaints and liquidated damages.
2. Receive report on recent regulatory changes and program updates.

PUBLIC HEARINGS

None

CONSENT CALENDAR

3. Approve minutes of September 1, 2017 Regular Board Meeting.
4. Year to Date Financial Report

EXECUTIVE DIRECTOR REPORT

FUTURE AGENDA ITEMS

BOARD MEMBER REPORTS

CONVENE TO CLOSED SESSION

PUBLIC EMPLOYEE EVALUATION

Legal Authority: Govt Code section 54957(b)(1)

Position: Executive Director, Authority Counsel

Staff Present: Executive Director, Authority Counsel

RECONVENE TO OPEN SESSION

REPORT ON ACTION TAKEN DURING CLOSED SESSION

ADJOURNMENT

Next Regular Meeting: February 1, 2018, 5:00 p.m.

ADDRESSING THE BOARD

Any person shall have the right to address the Board during consideration of any item on the Board's agenda or during the time for oral communication if not on the agenda but pertaining to subject matter within the jurisdiction of the Board. Any person wishing to address the Board should stand or raise the hand and wait to be recognized by the Chairperson. Please stand at the podium, if able, state your name and address for the record, and proceed to address the Board. All remarks and questions should be addressed to the Board through the Chairperson and not to any member thereof or to the public. No question should be asked a Board member or a member of Authority staff without first obtaining permission of the Chairperson.

WEST VALLEY
SOLID WASTE MANAGEMENT
AUTHORITY

AGENDA REPORT

Date: November 2, 2017
To: West Valley Solid Waste Management Authority Board
From: Executive Director
Subject: **FY 16/17 Liquidated Damages Assessed to WVC&R**

RECOMMENDED ACTION

Consider the report on service complaints reported under the collection agreement with West Valley Collection & Recycling (WVC&R).

DISCUSSION

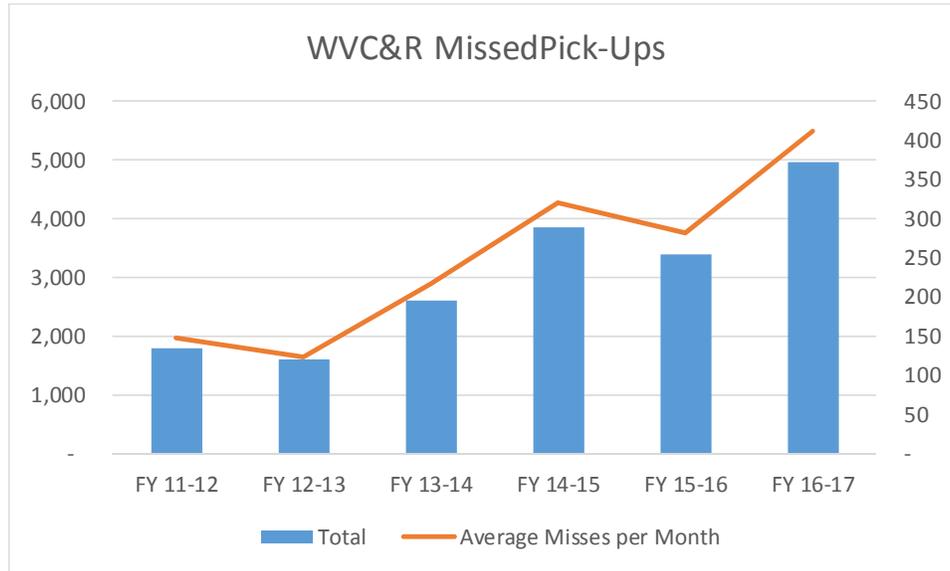
Summary

Section 13.6.B of the Collection Agreement with WVC&R outlines the service performance standards and liquidated damages associated with failing to meet those standards. WVC&R reports the number of customer complaints (by complaint type) to the Executive Director on a quarterly basis.

Missed Pickups

A missed pickup is defined as the failure of WVC&R to collect material that has been properly set out for collection by the customer on the correct service day. When informed by the customer of a missed pick-up, WVC&R has one business day to return and service the customer that was missed. The performance standard allows 20 such failures per quarter.

We began observing a steady increase in missed pick-ups in FY 13-14. The number has increased from an average of about 125 per month in FY 12-13 to an average of about 400 per month in FY 16-17 as shown in the chart below. On a cumulative basis, missed pick-ups have increased by 178% since FY 11-12.



WVC&R reported they did not respond within one business day to 34 instances of missed pick-ups, which did not exceed the allowance of 20 such failures per quarter.

While WVC&R did meet the service standard, we continue to be concerned over the increase in missed pick-ups and, therefore, performed an in depth review of WVC&R's reported missed pick-ups for FY 16-17.

WVC&R provided a full listing of all customer calls that were recorded in the system as a missed pick-up and we reviewed when the call was logged into the system, when the service was scheduled, and when the associated work order was closed.

As a result of this review, we have included recommendations below that we feel will enhance the reporting and provide the WWSWMA with more consistent and reliable data.

Double Misses

A double miss is defined as the failure to collect material that was properly set out from the same customer on two consecutive scheduled pickup days. WVC&R incurred 142 instances of a double miss in FY 16-17. The performance standard does not provide for a maximum allowance per quarter, making each one subject to liquidated damages.

Therefore, \$22,480.02 (142 multiplied by \$158.31 per occurrence) in liquidated damages is due the WWSWMA as shown in the table below.

	Double Missed Pick-Up	Allowed	Double Missed Pick-Ups Subject to Liquidated Damages	Liquidated Damage per Account	Total Liquidated Damages
Quarter 1	23	0	23	\$ 158.31	\$ 3,641.13
Quarter 2	47	0	47	\$ 158.31	\$ 7,440.57
Quarter 3	24	0	24	\$ 158.31	\$ 3,799.44
Quarter 4	48	0	48	\$ 158.31	\$ 7,598.88
Total	142	0	142	\$ 158.31	\$ 22,480.02

Property Damage

The threshold for property damage claims in the collection agreement is 36 per year, or the equivalent of 3 per month. WVC&R reported 3 property damage claims for the year. WVC&R met the standard for property damage during the year.

Other Complaints

The collection agreement imposes liquidated damages for other service issues that are subject to performance thresholds in some cases. WVC&R's performance in these areas (e.g., collection outside authorized hours, customer responsiveness, and public education) meets or exceeds the standards.

Recommendation

The purpose of assessing liquidated damages is to ensure consistent and reliable service and performance by WVC&R. An assessment of \$22,480.02 is warranted under the Agreement; however, rather than collecting the full amount, it is Staffs' opinion that receiving a partial payment and requiring service enhancements will achieve a more desirable future outcome. Therefore, I recommend the following:

- Assess liquidated damages in the amount of \$11,000 for FY 16-17.
- Service Enhancement - Require WVC&R to have fully operational GPS tracking with reporting capabilities no later than June 30, 2018. If the GPS tracking system is not fully operational (all route trucks equipped with GPS tracking equipment), the remaining \$11,480.02 is to be paid to the WWSWMA by July 15, 2018.
 - Benefit - The GPS tracking system proposed by WVC&R provides the following features to help improve customers service:

- Integration with Customer Information/Billing System Route Manager.
 - Ability to note locations where cans are not set out.
 - Built in camera utilizing time date stamp as well as geotagging.
 - Near real time transmittal of route data to Route Book Manager (Web App/Middleware) and end of day upload into Route Manager.
 - Allows live dispatching of new work orders to tablets throughout the work day.
 - Allows driver to enter custom notes or select from dropdowns.
 - Integration with Route Optimization Tool to ensure routes are complete in the safest most efficient order.
- Service Enhancement - Request WVC&R to enhance its quarterly and annual missed pick-up reporting by including additional statistics for: 1) consecutive missed pick-ups; and 2) open customer work orders for missed pick-ups.
 - Benefit - The statistics will provide the WWSWMA additional information to monitor WVC&R's progress towards improvement in its missed pick-up responsiveness.
 - Service Enhancement - Request WVC&R to include call center statistics in its quarterly and annual reporting. The statistics should include: 1) total number of calls; 2) average time to answer; 3) average customer hold times; 4) number of dropped calls; and, 5) dropped call percentage.
 - Benefit - The statistics will provide the WWSWMA information to monitor WVC&R's service and call center responsiveness to customer inquiries.

Alternative

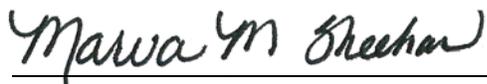
Alternatively, the Board could decide to impose the full amount of liquidated damages due under the contract, \$22,480.02.

FISCAL IMPACT

The Authority is to receive either \$11,000 or \$22,480.02 in liquidated damages. This is an unbudgeted item.

DOCUMENTS ATTACHED

None



Marva M. Sheehan
Executive Director

WEST VALLEY
SOLID WASTE MANAGEMENT
AUTHORITY

AGENDA REPORT

Date: November 2, 2017
To: West Valley Solid Waste Management Authority Board
From: Executive Director
Subject: **Recent Regulatory Changes and Program Updates**

RECOMMENDED ACTION

Receive a report on the recent regulatory changes and program updates.

DISCUSSION

Legislation

Since our last meeting, Governor Brown has signed the following legislation related to recycling, composting and waste reduction:

AB 1219 (Signed by the Governor on October 9, 2017)

The California Good Samaritan Food Donation Act specifies that food donated by a food facility to a non-profit charity or a food bank is not liable for any damage or injury resulting from the consumption of the donated food, unless the injury resulted from negligence or a willful act in the preparation or handling of the donated food.

This bill expands the provisions to persons or “gleaners” donating food. Immunity from civil liability will also apply to food that has passed the labeled shelf date provided that the person donating the food has made a good faith effort to ensure that the food is safe for human consumption.

This bill narrows the exception to protection from liability to injury or death as a direct result of gross negligence or intentional misconduct.

SB 458 (Signed by the Governor on October 10, 2017)

In response to the recent widespread closures of more than 530 recycling centers, SB 458 was approved as an Urgency Statute that authorizes the creation of 5 pilot project recycling centers across the state.

The California Beverage Container Recycling and Litter Reduction Act, often referred to as the Bottle Bill, requires recycling center locations within convenience zones where consumers are able to redeem containers with California Redemption Values (CRV). If there are no centers located in a convenience zone, supermarkets and beverage retailers are required to redeem the containers on-site or incur a possible daily fine of \$100.

There has been a long-term decline in commodity values forcing many recycling center closures, leaving residents with few options to redeem their containers. Additionally, many supermarkets have opted to pay the fine rather than accept the containers for redemption.

The pilot project recycling centers are intended to improve redemption opportunities in unserved convenience zones and increase redemption rates in the jurisdictions served. The pilot programs will be in effect until January 1, 2022, unless otherwise extended.

SB 231 (Signed by the Governor on October 6, 2017)

In 1996, California voters passed Proposition 218, an initiative that requires voter approval for changes in local government taxes, assessments, and fees. However, certain property-related fees such as water, sewer, and refuse collection do not require voter approval under Proposition 218. Fees for stormwater programs required voter approval. SB 231 states that sewer fees can include stormwater program costs.

Ongoing

AB 1826

AB 1826 continues to be phased in, with generators of organic materials (4 cubic yards or greater of weekly volumes) required to subscribe to organic material collection effective January 1, 2017. WVC&R expanded commercial organics routes and outreach to all commercial customers effective July 1, 2017.

Future Milestones for AB 1826 include:

- January 1, 2019 - Businesses and Multi-Family (5+ units) with 4 cubic yards or more of weekly solid waste are required to participate in organics collection services.
- January 1, 2020 - Businesses with 2 cubic yards or more of weekly solid waste are required to participate in organics collection services if CalRecycle determines that organics waste has not been reduced to 50% of 2014 levels by January 1, 2020.

SB 1383

SB 1383 was signed by Governor Brown on September 19, 2016. It places requirements on the State Air Resources Board (ARB) to approve and begin implementing, no later than January 1, 2018, a comprehensive strategy to reduce emissions on short-lived climate pollutants, including methane and organics emissions.

The primary concern for the Board is the requirement to reduce organics waste that is disposed in landfill by 50% (based on 2014 levels) by the year 2020 and 75% by the year 2025. Additional requirements include a 20% improvement in edible food recovery by 2025.

The definition of organics includes both residential and commercial material, solid wastes containing material originating from living organisms and their metabolic waste products, food waste, green waste, landscape and pruning waste, applicable textiles and carpets, wood, lumber, fiber, manure, biosolids, digestate, and sludges.

As part of its implementation process, CalRecycle continues to have SB 1383 public workshops with one being held on October 30th in Sacramento and another on November 2nd in Huntington Beach to further discuss its draft reporting and enforcement concepts for haulers, processors, landfills and governmental agencies. Reporting and enforcement is shared between the operators and agencies; however, ultimate enforcement is the responsibility of the agencies including CalRecycle, Local Enforcement Agencies (LEA's) and Joint Powers Authorities (JPAs). Agency enforcement is expected to begin in 2025.

As part of its AB 1826 compliance efforts, the Board approved an expanded commercial organics program with WVC&R to include food waste collection from all restaurants and business. In order to fully meet the requirements of AB 1383, the Authority will need to begin planning for food waste collection programs for residential customers and begin exploring opportunities for food rescue.

There are several items for future consideration:

- The agreement with WVC&R expires in 2024.

A competitive procurement process or sole source negotiations should commence no later than 2022 in order to successfully meet the 2025 AB 1383 milestone of 75% in organics disposal compliance.

The new agreement will include sections to meet the legislative requirements.

- The disposal agreement with Waste Management expires in 2021. A competitive procurement process or sole source negotiations are expected to start in 2020. Waste Management currently processes the green waste material.

A new disposal agreement or agreements with multiple companies will need to include capacity for processing all of WVSWMA's organics material not just the current green waste material.

- Food rescue programs are currently operating in Santa Clara County that target the recovery of edible food that can be collected and distributed to those in need. However, due to limited current capacity, the Santa Clara County Recycling and Waste Reduction Commission is researching additional options for agencies in the County.

Other Bay Area Programs

Sunnyvale Food Scraps Collection

In September 2017, The City of Sunnyvale began delivery of split-carts to approximately 31,000 residential customers as it began implementation of its new citywide food scraps collection program. The City conducted a pilot program in 2015 for approximately 500 households and reported a 73% participation rate and 62% capture rate for available food scraps. Due to its success, the City approved the program for all customers in September 2016.

Once fully implemented, the City expects to capture an additional 4,000 tons of food scraps that are currently landfilled. The food scraps will be delivered to Sustainable Alternative Feed Enterprises (SAFE) in Santa Clara to be processed into animal feed products.

City of Santa Clara Food Scraps Collection

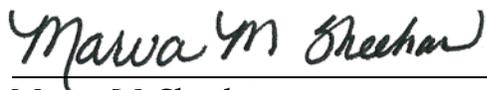
The City of Santa Clara is launching a split-cart food scraps collection program similar to that of Sunnyvale. There are expected to be approximately 4,800 participants in the pilot program. Customers selected for the pilot began receiving new carts the week of October 9, 2017.

FISCAL IMPACT

None

DOCUMENTS ATTACHED

None



Marva M. Sheehan
Executive Director

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

Executive Director

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Member Agencies

City of Campbell
Town of Los Gatos
City of Monte Sereno
City of Saratoga

MEETING MINUTES

September 7, 2017

Monte Sereno City Hall
18041 Saratoga-Los Gatos Road
Monte Sereno, CA 95030

CALL TO ORDER

At 5:03 pm, Chair Steve Resnikoff called the meeting to order.

PLEDGE OF ALLEGIANCE

ROLL CALL

Chair Paul Resnikoff, representing Campbell, Vice Chair Mary-Lynne Bernald, representing Saratoga, Member Curtis Rogers, representing Monte Sereno, and Member Steve Leonardis, representing Los Gatos, were present. Also present were Executive Director Marva Sheehan and Authority Counsel Kirsten Powell.

ORAL COMMUNICATIONS FROM THE PUBLIC

None

WRITTEN COMMUNICATIONS

None

OLD BUSINESS

None

NEW BUSINESS

1. The Board received and filed a report on the Member Agencies' 2016 CalRecycle Annual Reports. No Action Taken

2. The Board received a report from WVC&R detailing its commercial organics plan and outreach efforts since the start of the program on July 1, 2017.
3. The Board received a report on recent regulatory changes and program updates.
4. The Board scheduled the Authority Executive Director and Attorney performance reviews for the next Board meeting on November 2, 2017. Chair Resnikoff commented that item could be excluded from future September Board Agendas since evaluations occur automatically each November. Executive Director and Authority Counsel agreed but will continue to send evaluation forms prior to the November Board Meeting.

PUBLIC HEARINGS

None

CONSENT CALENDAR

5. Upon a motion by Member Bernald and a second by Member Leonardis, the Board voted 4-0 to approve the minutes of the September 7, 2017 Regular Board Meeting and the Executive Director financial report for the 12 months ended June 30, 2017.

FUTURE AGENDA ITEMS

None

BOARD MEMBER REPORTS

None

ADJOURNMENT

Chair Resnikoff adjourned the meeting of the Board at 5:37 pm until the next regular meeting, which will be held November 2, 2017.

ADDRESSING THE BOARD

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WEST VALLEY
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AGENDA REPORT

Date: November 2, 2017
To: West Valley Solid Waste Management Authority Board
From: Executive Director
Subject: **YTD Financial Report**

RECOMMENDED ACTION

Accept report on the Authority's FY 2017-18 financial status.

DISCUSSION

The report titled "Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual" shows the approved budget, the year to date actual amounts, and the preliminary fund balance through September for FY 2017-18. With 25% of the fiscal year passed, the report shows that the Authority expended \$106,844 or 19% of the approved FY 2017-18 budget.

The preliminary fund balance of \$266,605 is an increase from the FY 2016-17 fund balance of \$229,556 and is primarily due to timing differences in the receipt of annual fee payments from WVC&R and its distribution.

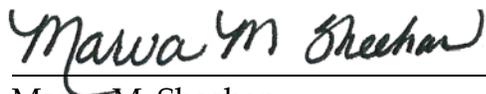
It has been the Board's policy, adopted February 2011, to maintain a fund reserve of \$200,000 with \$100,000 designated as an operating reserve and \$100,000 designated as a rate stabilization reserve.

FISCAL IMPACT

None

DOCUMENTS ATTACHED

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual September 30, 2017.



Marva M. Sheehan
Executive Director

**West Valley Solid Waste Management Authority
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
September 30, 2017**

Acct #	Description	JPA Budget FY 2017-18	Year to Date Actual	Balance	YTD %
<u>Revenues</u>					
4410	Interest	\$ -	\$ -	\$ -	N/A
4970	City of Campbell	49,336	-	49,336	0%
4970	Town of Los Gatos	36,351	-	36,351	0%
4970	City of Monte Sereno	4,026	-	4,026	0%
4970	City of Saratoga	35,011	-	35,011	0%
4975	Franchise Agreement WVC&R	450,000	112,500	337,500	25%
4965	Other	-	-	-	<u>N/A</u>
	Total Revenues	<u>\$ 574,724</u>	<u>\$ 112,500</u>	<u>\$ 462,224</u>	<u>20%</u>
<u>Expenditures:</u>					
Services and Supplies:					
7424	Office Expense	\$ 500	\$ -	\$ 500	0%
7427	Special Departmental Exp. (Legal Services)	9,322	-	9,322	0%
7430	Prof. & Special Services (Executive Director)	87,259	16,883	70,376	19%
7430	Prof. & Special Services (Other)	5,000	-	5,000	0%
7432	Other Contractual Services (Countywide Support)	1,000	-	1,000	0%
7432	Other Contractual Services (Website Administration)	1,068	-	1,068	0%
7432	Other Contractual Services (Audit Svcs.)	5,595	500	5,095	9%
7433	Insurance (Liability)	2,479	-	2,479	0%
7435	Travel/Conf. & Meetings	4,000	-	4,000	0%
7438	Other Charges (Accounting & Bookkeeping)	8,501	-	8,501	0%
7675	JPA Solid Waste Distribution	450,000	89,461	360,539	<u>20%</u>
	Total Expenditures	<u>\$ 574,724</u>	<u>\$ 106,844</u>	<u>\$ 467,880</u>	<u>19%</u>
	Excess (deficiency) of revenues over (under) expenditures	-	5,656	5,656	
	Beginning Fund Balance 7/1/17	\$ 200,000	\$ 260,949		
	Ending Fund Balance	<u>\$ 200,000</u>	<u>\$ 266,605</u>		

WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

Calendar of Future Agenda Items

February 1, 2018 Meeting

- Elect new officers
- Review of Collection and Disposal contracts
- Review Executive Director and Authority Counsel contracts
- Accept Audited Financial Statements

May 3, 2018 Meeting

- Board meeting schedule
- Ratify Guadalupe Landfill disposal contractual rate adjustment
- Ratify WVC&R contractual collection rate adjustment
- Approve Authority budget

September 6, 2018 Meeting

- Receive and file annual CalRecycle Annual Reports

November 1, 2018 Meeting

- Closed Session – annual evaluations of Authority Attorney and Executive Director
- Consider a report on WVC&R's prior Fiscal Year Complaints/Liquidated Damages

Recurring Meeting Agenda Items

- Approval of prior meeting minutes
- Receive and file the Executive Director financial report
- Regulatory and program updates