



**MINUTES OF THE NOVEMBER 16, 2015
REGULAR MEETING OF THE BOARD OF DIRECTORS**

1. CALL TO ORDER

The Upper Valley Waste Management Agency met in regular session on Monday, November 16, 2015 at 1:30 p.m. at the Yountville Town Council Chambers. Vice Chair Mohler called the meeting to order at 1:32 p.m.

2. ROLL CALL

The following members were present: Vice Chair Mohler, Member Crull, and Member Canning. Chair Luce and Member Dillon were excused.

3. PLEDGE OF ALLEGIANCE

Special guest speaker Kevin Miller with City of Napa Public Works Department, Napa Recycle Program, led in the Pledge of Allegiance.

4. PUBLIC COMMENT

None.

5. CONSENT CALENDAR ITEMS

A. Approval of Minutes

Staff requested approval of the September 21, 2015 regular meeting minutes.

B. Annual Financial Audit

Staff requested approval and acceptance of the Authority's annual audit.

C. Meeting Dates - 2016

Staff requested approval of the proposed meeting schedule for calendar year.

Approved Consent Calendar items 5A, 5B, 5C: CC-SC-MM-ML(X)-DD(X)

6. ADMINISTRATIVE ITEMS

A. California Integrated Waste Management Act

Report as written.

Introduction of Amanda Griffis, Amy Garden's successor. Dave Briggs is transitioning into Amy's former role as Amanda takes on this role.

B. Strategic Planning

At our last board meeting the Board provided direction to put together a strategic planning session. The goal was to place a number of issues on the table that the board might be interested in and determine which might be worthy of additional study (possibly even hiring a consultant), or to cross off items that the board is not as interested in.

Here today to help educate us on what others are doing is both Kevin Miller and Karla Miller. Karla Miller is with CalRecycle as the local assistance person, with the view from Sacramento. Kevin Miller, who runs the City of Napa waste hauling and waste management function, will provide a view from our neighbor to the South. Even though the North and the South areas are separate contracts, when one agency does something, citizens in the other often find out and this usually sparks public interest.

The Agency Manager presented the list of issues contained in the staff report, without getting into detail, and then explained that we would receive from Karla Miller and then Kevin Miller, followed by comments from the franchise and from the public. Vice Chair Mohler and the Manager discussed the fact that today we are missing two Board

members, and agreed it will be OK to have discussion but that the Board should probably wait to take any action until full board is present.

Presentation by Karla Miller with CalRecycle with co-worker Rhonda Andrade. (Slides uploaded to AgendaNet after the meeting)

Ms. Miller stated that in finding California's direction it is important to note what drives policy.

Everybody is familiar with AB939 (1989), which requires jurisdictions to divert 50% of its waste from the landfill. Later the numeric achievement was changed to a per capita measurement calculation under SB 1016, but individual jurisdictions are still under 50% diversion requirement. With AB341 (2011), there was a paradigm shift in terms of setting up a 75% statewide goal.

Jurisdictions are not required to meet a 75% goal individually, and are still under the 50% requirement set forth under AB939. However jurisdictions may be looking towards this or a similar goal based on their own policy drivers. For CalRecycle's purposes, the 75% reduction will be based on source reduction, recycling, and composting activities, and will NOT include disposal related activities that may have previously counted towards diversion, such as transformation, road base, and alternative daily cover.

Under the AB32 (2008) scoping plan, the Air Resources Board outlines different emission sources that could be considered for greenhouse gas reduction opportunities.

Based on the April 2014 Scoping Plan update, waste sector sources continue to be explored for additional greenhouse gas emission reductions.

Where is the State now and where they are going? In 2014, per capita diversion rate is 4.5 pounds/resident/day which converts to a statewide rate of 66%. When material that is ADC/Intermediate cover/Transformation is removed (as specified in AB341) we are at a 50% diversion rate equivalent.

If we look at what is currently being recycled and disposed (as of 2012), we estimate:

37 million tons of materials are currently being recycled; We also estimate that about 80 million tons will be generated in 2020; This means that to meet 75% in 2020, an additional 23 million tons of material would need to be diverted; This estimate still allows for about 20 million tons of disposal in the year 2020.

As noted, to get to 75%, we will need to move more than 20 million tons of material out of the waste stream.

Roughly 1/3 of this disposed waste stream is organic material, so this material type has become our highest priority.

Organics are a significant portion of the waste stream, and we cannot get to 75% without addressing them.

There is increased potential for reducing GHG emissions if organic material is removed from waste stream. Key pieces of legislation that have recently passed based on these drivers. AB1826 mandatory commercial organics recycling; AB1594 organics can no longer be considered diversion when applied as ADC.

Alternative daily cover explained: Operation of a landfill on a daily basis requires that garbage be covered at the end of each day in order to minimize pest and garbage blowing. In the past, a lot of landfills used things like wood waste or green waste as cover. That worked reasonably well, and kept garbage from flying away but was adding lots of organics into the landfill. When climate change and carbon emissions became more of an issue, about 6 years ago, this practice was no longer viable.. Here in Napa, except in rare cases, we've moved away from using organic cover and moved to tarps. Some landfills use dirt, which works fine too, but takes up expensive and marketable landfill capacity.

Other new legislation includes AB876, reporting of forecasted organics generation; AB1045 CalEPA and other agencies to develop policy that coordinates permitting and regulating of composting facilities; AB901 requires recycling and composting facilities to report directly to CalRecycle.

The significance of addressing organics and other materials in the waste stream and the potential GHG emission reductions from removing these materials was a major driver in getting the Legislature and Governor to approve \$25 million out-the-gate to CalRecycle for infrastructure funding through grants and loans. Hoping for more funding in next few years, too. Funding from Cap & Trade revenues, \$25 million in FY 2014-15; \$60 million in FY 2015-16. Last year, 2 Grant Programs (\$20 million), Organic materials (\$15 million), Fiber, Plastic, and Glass (\$5 million), Statewide, competitive, 1 Loan Program (\$5 million, revolving), Organics & Fiber, Plastic, and Glass, Statewide. These are very competitive, and disadvantaged communities tend to have the inside track on these (not helpful to Napa).

Also discussed Food rescue, which is keeping food and using it to feed people in shelters and churches rather than turning it into landfilled organics. Kind of a new thing. San Mateo County, Alameda County and Santa Clara County looking into it. New this year as something that can be funded.

Minimum disposal threshold for Napa is very minimal. CalRecycle looks at pounds per person per day as a target and Napa is well below that target.

CalRecycle will be discussing organics diversion with Upper Valley this year. Have to implement a program to allow businesses to divert organic material. Will not need to be a formalized plan. This does not seem to be a residential mandate at this time for organics diversion.

Questions: Contact information: Karla Miller, Karla.Miller@CalRecycle.ca.gov 916-327-8804

Presentation by Kevin Miller with City of Napa Public Works Department Napa Recycling Program (*Slides uploaded to AgendaNet after the meeting*)

Good place to start is where we were in the City of Napa. The Napa recycling and composting facility (the Materials Diversion Facility or MDF) has been operating since 1994. It was the old Napa garbage service facility that in partnership with the City sited that land and built it and was operating it. At end of the Napa garbage contract with the City there was an option that either party could buy out the other. The City chose to exercise their rights and buy their half. In 2004 City issued a bond and bought the other half of the facility, so City became 100 owner of the facility.

The City went out to a competitive process and Napa Recycling and Waste Service is the current operator as well as Collection Company in town. UVDS is 25% owner of that and have done a very good job. Have been operating this way for 10 plus years now on the City's behalf. About 5 years ago City saw the writing on the wall, particularly for the organics process. It was clear with customer demands and regulatory changes that the current process of collecting organics was not going to work for the next 20 years.

The City has been in a 5 year process, where the facility permit has been revised to accept food waste material. Named these improvements the Napa Renewable Resources Project (NRRP). Had to go through permit revision and CEQA. Two of the five components of the program, the Storm Water System Improvements and a Covered Composting System, are necessary upgrades at the MDF within the next 1–3 years and need to happen for operation and to compost appropriately. The other three the City would like to have. Anaerobic Digestion, Biomass Plant and Solar Panels represent local and sustainable renewable energy opportunities (but not requirements) by 2020. All have environmental benefits.

Storm water is a big deal. Current system looked great in mid-90's but antiquated now. Upgraded composting regulations have changed that. A Covered composting borrowing some of the Pestoni's technology will be created. Finished compost will act as the filter. 90%+ reduction of emissions with this system. No need to go buy tarps all the time and does require time management of the system. Significant investment on the City's part. Wrote this into revised permit and plans. That's where City is headed.

City has video that explains the process better (www.naparecycle.com). Air and energy people are happy with the process. Goal is to get to 75% diversion by 2020.

The vision of capturing that methane and running trucks off this system is exciting. Have a sustainability plan, this would be huge in accomplishing that. Still looking at it but price is high. May do a scaled down version of it to avoid rate payer shock. Upgrades needed but there is a limit to how much you can do and may need to be phased in. Again need versus wants will be looked into. Can have covered composting and accept food and material without anaerobic digestion but cannot do the anaerobic digestion without the covered system at the back end to compost the solid remains. Do not want to create more waste material at the end of the process. Good news is we started earlier and right in the middle of cutting edge technology. Cautionary note is still trying to figure out the cost near term, knowing the long term benefits. When introduced the commercial food composting program were also able to provide it to residential customers, since it's already permitted and are going to put investments into this system. Food and paper along with what was previously put in the yard waste cart are now included in the compost cart. Estimated 200 tons of trash less and that is exactly what has been seen. Over 2 year period did survey and 2 out of 3 were willing participants. Not mandatory.

Vice Chair Mohler: How did City come up with idea to become owner/operator?

Had the opportunity with the old franchise agreement to purchase the site and then get the whole ownership of the

property. The other concern was having limited potential vendors in the future. Wanted to avoid dealing with an outside monopoly and potential for hauling waste long distances which comes with a big economic and environmental price tag. That was the tipping point for the elected officials, and ownership would give them this benefit. Smart decision then brilliant decision in the long term.

Vice Chair Mohler: How do you go about identifying new programs? How do you figure out what you need, when you need it, what's a must have and need to have? Cost benefits? How is it all assessed?

A lot of that is Kevin's job with consultant help. To look out into the future and be cognitive of the new legislation, see the trends and be cognitive of revenue that is needed in order to keep system alive. Enterprise fund but have to think like a business. At the end of the day it all has to be in the rates. Give elected officials most and accurate information that's obtained. Give them pro's and con's and let them make the policy. Data gathering and listening to the haulers too. They know what is going on and can also see the future.

Vice Chair Mohler: How do you determine cost of service for the programs? Is a consultant hired?

End of the day it is just comparing revenue to expenses while doing your best to estimate the real world projections and what those would be.

Vice Chair Mohler: Annually?

Tend to do multi-year rate setting, tend to do it 2-5 year. There was a time when it was done every year and was a bit of overkill. It's a big process for one, If you can do it for two years you can save on some of the consulting costs. Problematic is two things, one thing to add is we are limited by prop 218 and can't go past 5 years and two to guess the changing conditions in 10 years, is a challenge.

Vice Chair Mohler: Between the work you are doing and work the consultant is doing, what do you really see as what you need to be implementing for the future? What are the big items? We talked about statewide study coming out for composting. What are some of the other things you are looking at?

If your goal at the end of the day, at a palatable cost, is to capture materials with recycling and composting and keep it away from wasteful landfill disposal. Old cliché bricks not feathers, have to see what weighs a lot and place your attention there. That's one of the beauties of organics, It is so heavy and so much water content. A little bit of effort goes a long way, in getting those weight based goals. We were about 50%, measured the old fashion way in the year 2000, At 65 %. Single steam program helped with that a lot with a 28% improvement but have also done a lot with construction and demolition debris because it is so heavy. There is an ordinance in place, so any project of a certain size has to give us a plan and has to show that they are separating the material at least 50% recovery and will probably up that to 75% level before 2020 as part of our plan. Those are the heavy materials and you can't just forget them. Citizen does not think about them but they are so heavy but they have a big impact on where the jurisdiction lands. Also going to look at adopting a local mandatory organic ordinance for our commercial customers.

Vice Chair Mohler: City has mandatory service?

There is mandatory service but you don't have to use us for organics. You want to be very careful about how you define things. Companies will always have the right to self-haul with their own employees and own vehicles. But when they start hiring somebody that isn't your hauler, that's not acceptable.

Vice Chair Mohler: You also touched on briefly, work on shared services. Have you done any official study or evaluation? Always helpful to have the numbers and data. Have you done that?

There is the long term arrangement with Napa County for the South Unincorporated area. Very long standing relationship with them. We receive material from Sonoma and other jurisdictions. For us, as long as we are in charge of the pricing and it makes sense on our level and it makes sense to them. Happy to see it come in. Full utilization of the capacity and is a win-win situation.

If for instance, this board wanted to investigate what if instead of doing organic facilities up here rather send all our organics there that would clearly be where we would hire a consultant to look at the volumes on our end, look at the trucking and the costs, the environmental impacts, the extra traffic the environmental document and all. Kevin would look at it as a business on his end and then the two pieces of information would meld and it would either make sense or it wouldn't.

For example, Napa is receiving a little bit of material from Contra Costa because they are one of the partners in our company but they have done some organic programs for their schools and they didn't have a facility to take it to. But they are still not bringing their route trucks to us. They are going to bring these large long haul vehicles, like

our trailers, because that makes economic sense transportation wise. Would have to do that kind of analysis.

Vice Chair Mohler: We are all very satisfied with a lot of the services from our company. But as an agency we don't have a plan about how to go about looking at facilities and programs where we really need to go and factoring them all into how these goals or mandatory services and how would we go about that in a comprehensive way?

One thing the City did when they bought the facility, what we thought was a good exercise for us to do was to figure out what was the highest and best use of our facility. So for example, we received concrete from the public and we crush it and that's great. We do a certain amount and fill a niche but then there is also Syar doing it. If City went away, there would be another local facility and could find a beneficial use for it. We determined the highest and best use of our facilities was organics first and then other things came after that. So that might be something you want to look at between you and your hauler and Clover Flat and the other facilities. What is the highest and best use of those facilities and if something is lower you can be less aggressive investing in that and if something is higher you may be more proactive investing in that. That would be one thing. I would say the other thing to look out for is a landfill ban by 2025 of organics. What would that mean for your agency? So some of it is projecting where we will be in the state level and decisions at a local level of how you prioritize it. City mayor once said, "I don't need a gold plated recycling program I just need an effective one". We do not need to necessarily have a gold standard but if it is effective and gets us to where they have told us they want us to be that makes the most sense.

That standard is location specific. Some jurisdiction would consider your program a platinum standard. The value of our program may be a function of where you live. At the time, were being compared to Berkeley.

Opened to Public Comment:

What do you do with the finished compost?

About a quarter gets sold back to the wineries and 40% is landscaper user product. Also sell back to re-baggers and wholesale purchasers.

Do you ever just give it away?

Home composting programs and at the end of that training we give them coupons for a free yard of compost. We do sell the material, it does have value. So that is one way we reinforce that. We do sell it to the public and rates are pretty low. We are at \$10.00 a cubic yard.

Do you deliver it to the public?

At a minimum of 10 cubic yards. There is a charge depending on how far away you are from the facility. It's 100% organic. Don't mean to advertise but that is important to us and that we can maintain a certain level of quality.

How big of a digester are you looking at?

System we are looking at although we may down scale it to save money and the one we went to the Energy Commission with is a 25,000 ton per year system. It's 5 very large digesters that do a batch process.

What's the capital cost?

\$15 million. \$3 million of it can be financed by the grant.

When does the operator contract expire?

Have a 10 year contract with four, one year extension options. So could go to 2019. We exercised the first of those, so it's 2016. Our Council has directed us, because they are happy with our operator to negotiate another long term agreement.

At the end of the years, will you go out for public bid?

No, at this point our Council has told us to negotiate with our current operator for a new agreement. May be an extension but it would be a new agreement for many years.

So you are sole sourcing to continue with current operator?

Assuming we get to the price point we need.

Kevin: One of the reason we are looking at a local mandatory we thought that we might want to be about a year ahead of the state, in terms of their tiered requirements or might even want to give ourselves a little more time on some things, that we have the time to fully engage our customers and educate. You know what it takes for a

successful user of a food composting system. It does not happen overnight. When looking at long term, some of the things we do for other reasons, like minimizing landscaping. The amount of yard waste and green waste total what we have today, may not be what it will look like in 10-20 years for a lot of reasons. But it does make it difficult to forecast. Except that the per capita is certainly going to go down because people are particularly water sensitive they are not generating the amount of yard waste per capita today that they were 5 years ago and they certainly won't be in 5 years from now.

You say your digest usage is going to produce a lot of renewable natural gas and you also said that you are not quite there yet on the financing. How big you wanted to be? Is this affecting your decision for your jurisdiction to look at CNG for trucks?

I think because of the CARB rules, there is a lot of new truck technology. One of the good things about CNG is that they are field tested. 5th generation of engines. We were part of the first generation and we would not want to go back to that generation. There were a lot of problems with that but they have kind of worked out the kinks and the engine manufactures have gotten to the point of where collectors want reliable technology on that road. I think they are at a point where CNG is a proven clean technology and the other thing is the CARB rules hit the bus fleets first and they can't even do what they did 10 years ago. They could not buy the same fleet and be compliant with the CARB rules. Whether it is retail CNG or CNG that we produce I think we've made the decision to go with CNG throughout.

Then you mentioned 11% for roads?

\$1.8 million dollars of our rate structure, which is \$17 million dollars goes to the cost and the impacts of fleet on the streets.

Does that act as you enterprise fund?

Yes, enters enterprise fund then goes into street resurfacing fund. Just another cost that is not captured in the system that has to be made right somewhere.

That is for commercial and residential?

Yes, we did not distinguish. It's all streets. That crowded out some other things that were more on our core mission. Would not have the same heartburn on the anaerobic digestion if we did not have that. Do get into some strange things as tax paying as rate payers. Work together on Prop218 rules.

Comments from Franchise: Really informative and you obviously know what you are doing.

Bryce Howard: Bob and I have been talking about recently is about private and public partnership. Doing some work in Lake County now. Trying to present something to this board within the last 6 months in that direction and trying to take on a lot of the capital and funding this side but from your side looking for an extension of time for that capital. Napa has gone a different way, which is sort of owner of facility that's their capital investment, with a private public partnership. We are still open for that. Where does this agency want to go? What are the have-to's and what are what we want to do and where does Company fit into that? Have seen model Kevin was talking about, like in San Mateo. So in the Upper Valley...How can we work together in the most cost effective way for everyone?

Vice Chair Mohler: Thank you to presenters. We received a lot of food for thought. Not in place to set policy's or make any decisions. Need to know what we need. Need an action plan. Lot's to consider and put that into perspective of cost benefit and where we are going in the future.

Vice Chair Mohler and Member Canning recommend Presentation and recordings be made available to board members not present.

7. FRANCHISES' BUSINESS ITEMS

A. Franchises' Status

Holiday newsletter coming soon.

B. Waste Management Companies' Issues

Nothing to report.

8. OTHER BUSINESS ITEMS

A. Manager’s Report

Very low turnout at the Household Hazardous Waste (HHW) event this year. It was rescheduled from the original date due to the Valley Fire. Advertising was conducted in up valley newspapers, posters were put up in several places, but only half as many people from last year attended, . 94 cars in total. Those people who attended were very pleased. . First year for the new contractor. Will schedule again for early next fall. Scheduling the spring event at Rutherford Grove Winery/White Hall Lane.

B. Reports from Jurisdictions

- i. Napa County: Member’s Luce and Dillon will be provided the tape of this meeting so they can catch up on the discussion.
- ii. Calistoga: December 5th will be the 20th annual Calistoga Light and Tractor Parade at 7pm in the dark. Rain or moonshine. Soft advertising because event has exceeded max capacity in the City the past few years.
- iii. St. Helena: Commented that Dave Briggs will be missed.
- iv. Yountville: Thank you Dave for everything you have brought to the board, and please keep the Board up-to-date on programs you are responsible for in the south county.

C. Board of Directors Comments

None

D. Future Agenda Items

Cancel December 21, 2015 regular meeting.

9. ADJOURNMENT

Meeting was adjourned at 3:25 p.m. The next regularly scheduled meeting of the Agency Board of Directors will be held on Monday, January 11, 2016 at 1:30 p.m. in the Yountville Town Council Meeting Chambers.

AYES: _____
 NOES: _____
 ABSTAIN: _____
 ABSENT: _____

By: _____
 ATTEST: Steven Lederer, Manager of the Upper Valley Waste Management Agency

KEY

Vote: CC = Chris Canning; DD = Diane Dillon; ML = Mark Luce; MM = Margie Mohler; SC = Sharon Crull
 BW = Brad Wagenknecht; GK = Gary Kraus; JD; Jeffrey Durham; PD = Paul Dohring
 The maker of the motion and second are reflected respectively in the order of the recorded vote.
 Notations next to vote: N = No; X = Excused; A = Abstain; B = Absent