



Zero Waste Advisory Commission

Meeting Minutes

August 19th, 2021

The Monthly Meeting of the Zero Waste Advisory Commission convened through Video Conference on Wednesday, June 9th, 2021, due to COVID-19 Disaster Declaration for all Texas Counties. The following are the meeting highlights. For detailed information please visit: <https://austintx.new.swagit.com/videos/130789>

CALL TO ORDER

Chair Acuna called the Commission Meeting to order at 6:27 pm

Board Members in Attendance: Gerry Acuna, Cathy Gattuso, Amanda Masino, Jonathan Barona, Ian Steyaert, and Kaiba White

Board Members not in Attendance: Lisa Barden, Melissa Rothrock, and Janis Bookout (Membership pending)

Staff in attendance via WebEx: Ken Snipes, Tammie Williamson, Richard McHale, Amy Slagle, Gena McKinley, Andy Dawson, Donald Hardee, Dwight Scales, Jason McCombs, Brent Paige, Mike Lewis, Natalie Betts, Young Park, Blanche Quarterman, Victoria Rieger, Amy Schillerstrom, Memi Cardenas, Myra Rios, Lori Scott, Shana Riviello and William Purcell

Chair Acuna opened with comments,

1. APPROVAL of the June 9th, 2021 Meeting Minutes

Chair Acuna entertained a motion to approve the June 9th, 2021 Meeting minutes. Commissioner, Ian Steyaert made the first motion for approval of the minutes. A second motion was provided by Commissioner Cathy Gattuso

Item passed Unanimously

2. NEW BUSINESS

2a Discussion and Action: Annual Chair Report- Chair Gerry Acuna

Chair Gerry Acuna stated, this is actually kind of a mid-year report that, we're looking at here and that's, item 2a you know, again, this is kind of an awkward, very awkward report to be doing at this at this point. I got to say, staff. I mean, I want to thank, thank you, guys. Ken, Richard, Tammy, the leadership there during these, unthinkable times. I mean this pandemic one minute, you think you're out of the woods around December of 2020, you turn around and you stumble back into a darker forest. And I got to say, you guys did a great job and are still doing a great job navigating the ship. And I appreciate knowing, as a, as a commission, our, our goal is to work together and to please, please resolve the issues that, you know, that we believe that this staff has and how do we work towards solving those, some of those challenges that. Having said that, challenges, you know, I, yeah, hopefully, you guys had a chance to look over some of the items that we were able to, to look at during the, I think there are five meetings we had there's is the first half of the year. And just some of the quick highlights. I mean, this is a discussion action item, which is a formality, to say the least, but just some of the highlights, I guess, I mean the January 13th thing, we, did something about electronics recycling. I think Andy gave us a presentation on that. We also had, the insight to reconvene the C and D subcommittee, which is again, Ian, thank you for taking the role in that one. That's, an ongoing committee that, as, a meeting next week, move on to, what is it, you move on to February the 10th, February the 10th. We literally just canceled that darn thing. Why, because valentine's day was close by, I don't know, but nonetheless, on the 11th of March, you know, we, this is kind of a great month for new projects. I mean, we had literally a few items here. We had the Brownfield issue that was brought to our attention, which was a gift, to say the least. let's see, we had, the, again, Ian taken the role in the lead in that C and D subcommittee. And then, basically, we had the pilot, rollout for the Multifamily, Organic collection program, skipping down to the special call retreat that we had guys that was an opportunity for us at this retreat to sit down and as, or virtually sit down and to discuss ways to work together more cohesively as a, as a group, as a Commission and staff to, to accomplish the goals and the, and the resolve of this community. And, and again, that was a wonderful thing. I look forward to the next one when it's not virtual but a live-in person. yeah. And moving on to April 14th, I mean we had a, what is it the ARR forecast given to us by Victoria, which kind of, is going to be a continuing process today. We have got that on the agenda. The result of that a forecast is on this agenda, but we've been on the 23rd would we do then we had a guy where he, literally just, had a great subcommittee meeting with Ian and then update Ian after that subcommittee meeting was, wonderful. It brought people to the table and, brought the attention back to this C and D ordinance and the challenges that it faces, let's see on, in May we did what, revisit it a very, very timely and meaningful, topic. And that's the homeless challenges and keeping, keeping a cleanup, and literally doing our fair share for the city in that. And again, staff, you've done a phenomenal job and working towards those goals. And I appreciate that. And then what is it June 9th, I guess we met at, we end this, the, literally just kind of went over the Beautification contract, the cleanup issues, again, everything dealing with this homeless challenge that, seems to be an ongoing, issue and, difficulties to say the least, but nonetheless guys, thank you for the first, a half month of this, I'm sorry, for six months of this year. And, hopefully, in the second six months, we'll be more productive. Not that this wasn't productive, but a more productive and we'll work more

cooperatively with staff in this commission to accomplish again, the goals that the community has, and I will stop there and entertain any questions or thoughts or additions that I might have left off on this. Commissioner White responded, I did have a question, so I just see that there's not, there's not kind of section on our goals for the coming year. And just wondering if you had thought about that at all. Chair Acuna replied, Yes, I have. I'm sorry, Kaiba. Yeah. Commissioner White responded, Oh, just, that's usually part of these reports, right? Okay. Yeah. Chair Acuna replied the goal, the and end of the year, we have two, we have the half-year, and then at the end of the year, I think it's in January Dwight, correct me if I'm wrong. January's report is the more comprehensive one that basically explains and gives the actual accomplishments of the commission. Then we set our goals for the upcoming year and I thought that was either December or January. Dwight, please chime in if you can. Oh, yes, sir. We will compile that in December and have it ready by the end of the year. Chair Acuna replied Now our goals are continual. I mean, I would love, again, kind of, it's a good point. I mean, why not set a goal? And we kind of do set small goals and I lump those into our quote-unquote items. Commissioner White replied I mean, yeah, yeah. you know, I asked because we just did this for another commission that I'm on. And I guess our reporting chain cycle is different because the one that we had one do at the, I guess at the end of July, and that was like our annual cycle. So that's never heard that question. I didn't realize we were on a different cycle, but I see the dates now.

Chair Gerard Acuna entertained a motion to approve the Annual Chair Report, Commissioner Ian Steyaert the first motion for approval, A second motion was provided by Commissioner

Recommend unanimously by the Zero Waste Advisory Commission on a 6-0 vote

2b. Discussion and Action: Recycling Reset Presentation– Victoria Rieger

Finance Division Manager, stated, Victoria, Rieger Austin Resource Recovery (ARR), Finance division manager, on July 29th, the Austin City Council approved ARR request to authorize the negotiation and execution of the second amended and restated service schedule to the city's existing single stream recycling contracts with the Balconies resources and Texas Disposal Systems (TDS). I have a few slides of information to present on the current terms of the recycling agreements and a timeline for the scheduled contract. The city of Austin is currently in a 20-year master agreement with each of the previously named vendors for the city single stream, residential recycling processing. The agreements require the vendors to receive collected materials intended for recycling. The basic scope of the agreement requires the vendors to operate a materials recovery facility or "Murph" for the purposes of accepting sorting processing and marketing. The city's collected material as mentioned in the last slide, the current agreements are 20-year contracts. Each master agreement allows for a reset to periodically carry out renegotiate new terms and conditions outlined in exhibit A of the master agreement. This exhibit A is otherwise known as the single-family, residential recyclable materials, service schedule, or service schedule for short the long-term agreements, stipulate periodic contract reset. So, as I mentioned every five years, the first reset occurred in 2016. We are now in the reset. The second reset period, the reset will establish the award percent, which is the city's percent of recycled material delivered to each of the vendors for the time period from, the second reset to the third reset evaluation criteria used in determining the award percent includes the vendors pricing proposal and the vendor's performance. After the first reset date measured in part by the percentage of recyclable material that the vendor sold to reputable recycling processors or otherwise diverted from disposal for reviews, the vendors, goodwill, teamwork, community engagement, and recycling education efforts, as well as additional relevant factors, will be considered. Under the current terms of the vendor's agreements Balconies currently received 60% of the city's collected material while (TDS) receives 40%. The current service schedule

provides the city must deliver an average of 2000 tons per month to each vendor. The information on the slide that you see there is just a little bit, different from the routes. I got backwards. So, for Balconies, they have the Monday, Tuesday, Wednesday, route, and TDS has the Thursday, Friday routes. So, one of the keys to a fair and healthy Murph contract are the financial terms. One of the components of both agreements is the revenue share revenue shares, how the vendors compensate the city for the recyclable material. Is a percent of revenue that the vendors share with the city. This percentage is currently applied to the value of the recyclable material. The value of the recycled material is determined by the weight of the particular class of material, for example, plastic. so, but the particular class of material got, times the value per ton based on published market indices. The processing fee is set by the vendors and is paid by the city per ton delivered the net value to the city is the difference between the revenue share and the processing needs. The next few slides will display some data related to this often complex and market-driven formula. One of the most critical elements driving the net value to the city is the processing fee revenue share. Both elements are set during the reset contract negotiations. This table displays the current terms city has with both vendors BRI and the left-hand column signifies Balconies resources. The processing fee assessed by Balconies is tiered based on the tonnage delivered. As you can see the processing fee ranges from \$79 per ton to \$55 per ton Balconies revenue shares are also tiered based on tonnage, deliberate TDS assesses, a flat \$90 and 50 cents per ton processing fee while their revenue share is 77% irrespective of tonnage. These terms were negotiated and agreed upon during the last contract reset that occurred in 2016. Another critical element affecting the net value to the city is the composition of the material that the city delivers. The composition percentage. Each class of recyclable material is set during the semi-annual composition studies that occur at each vendors Murph one typically occurs in the late spring. So, the April to May timeframe and the other in early autumn to October, to November timeframe. So, the data and the table represent an average of studies performed since 2016, April 2016, through November 2020. These percentages are applied to the total tonnage delivered and the result for each class of recyclable material is used to calculate the value of the recyclable materials. What is not displayed on this slide and is equally important in how the city benefits from the recycling program is the market commodity prices for each of the materials you see listed in the table. This slide presents tonnage data delivered to each vendor over the last five years as noted. Our current agreements require an average monthly minimum of 2000 tons delivered to each vendor. As you can see until 2020, the second tonnage had remained relatively stable, but in 2020, we saw an increase of approximately 7% likely due to the pandemic. We expect 2021 to remain at 2020 levels. Each month there are produced the single-stream Recycling report for the commission. You will likely recognize it and you see it every month for each month reported, you will find a tonnage of information for each vendor, as well as the revenue share. And the processing costs. The result is the net amount due to the vendor or owed to the city. As I conclude my presentation, I'd like to brief you on our current timeline for the second reset. All the dates in this timeline are prescribed in the current agreements. We began the process last year by notifying the vendors, in August of 2020 of the upcoming reset contract periods, both vendors have submitted pricing proposals for evaluation. Our next steps include continuing the dialogue and negotiation with both vendors. We also welcome your feedback, and we'd like to hear the commission's thoughts and ideas as we continue contract negotiation. I'll close my presentation by sharing the city of Austin's goals for the negotiation process and resulting agreements. We aim to create agreements that will allow each party to the contract and navigate from a range of market conditions. We'd like to negotiate a fair contract in which the city and the vendors share in both the risk and reward as with any vendor that the city partners with our hope is to also create a strong line of communication and continued collaboration, all established while establishing clear expectations. The city's residential recycling program must be sustainable for the city while achieving affordability and equity for our customers. Thank you for your time commission. And we are happy to take any questions or comments this time

Commissioner Ian Steyaert replied Do we have a understanding on how we've been doing in terms of breakeven then across, you know, based on these contracts in terms of tonnage and revenue share, how has that worked out based on current market conditions and overtime? Victoria replied Yeah, great question. So, unfortunately, over the past, five years during the last reset, market conditions have not been favorable, either in the city or potentially the vendors as well. that's resulted in the really, not even a break, even for us, we've had to pay, every month and every year, to the vendors, we do obviously receive a revenue share, but the expense that, that we incur, has exceeded, the revenue generated every month for the past five years. So that's one of the goals, in this negotiation process is to try and shift that around a little bit. Commissioner Steyaert replied the two different agreements, one clearly relies more on revenue share and the other less. So is there, I suppose the one that relies less on revenue share is the one that ended up being a better situation for the city. So, we would probably, be either unless we're very optimistic about a change in the market, that's probably the direction we would want to go is something that reduces our revenue share at this time and reduces and gives us a lower rate per ton? Victoria replied so we are in the process of evaluating both pricing proposals from the vendors. they have obviously changed, from the current reset terms. you know, the goal is again, to maximize the taxpayer value, for the city of Austin, that may not always mean the best price but, we are looking to gain more favorable terms for the city. And do you want to add anything to that? Director Ken Snipes replied, we are always in the process of working with those who track the market so that, you know, we have the ability to go into the next negotiating process with better information. So, the hope coming out of covid is that the markets will peak upward. and we certainly are, hopeful for that. So, going forward, what we would want to see is more revenue from the recyclable materials. Chair Acuna replied I have to agree with, with Ken. I mean, and I agree with the fact that you know, it has to always have a fixed price. To me, gives me an understanding of what I face every single month with my responsibility, my obligation is going to be, and, and again when the original contracts were, negotiated, god help me, staff, with 10. I think we started this 15 years ago, to say the least, but I mean the market conditions were completely different and yes, five years ago we did have a slight downturn. I have to agree with Ken. I think the market conditions are probably favorable today, but do you bank on a, on a, again, rolling the dice every single month. I mean, this pandemic turned this, this, this world on its heads. I knowingly, my point is me personally. I'd love the opportunity to know what I'm going to owe or what I'm going to make every single month. Just the security of knowing that. And I believe that, that there is a way to negotiate a better value for the city in these contracts. You know, having said that, we do have a speaker who signed up Joaquin. Joaquin Marielle replied thank you for having me, commissioners, and staff. Thank you for having me tonight. my name is Joaquin Marielle. I'm the Chief Operating Officer at bell resources. we are one of the vendors that has been referenced in this wonderful presentation. I wanted to briefly address this group this evening to bring some additional kind of historical context to the last nine years of processing service that Balconies has provided for the city., I had turned in a file with that with a one-pager. Was that included in a packet for everybody or not? I did not see that. well, I will have to do my best of describing it then. Was described in the presentation the city Austin is, is, you know, receives a net invoice every month. That's net of revenue share and processing fees and over the last nine years from the onset of the contract in 2012 to June of 2021, the net impact to the city of Austin of that transaction when you compare the two vendors and the city Balconies offered a \$4 a ton better benefit to the city of Austin, based on the way the pricing was set up at 2016 reset. and, and I wanted to bring you all that historical context, and I apologize that you didn't receive the visual because it lays out that net number year over year from 2012 to now but I, I bring it up because you know, in 2016, the city asked us to put together pricing that as a couple of commissioners have mentioned really insulated the city against market fluctuation so as, as, as has been outlined or highlighted so far a lower revenue share, but a lower processing fee you know, when we look at this over the last nine years has achieved

what we wanted it to be the strategy work of a net better effect for the city of Austin at weathering those fluctuations in the market by having a narrower ceiling and floor between what is possible for the city. And, and as, as, Gerry mentioned being able to really forecast out what to expect each month. and we thought that's, that's been really important for us as a partner. And we really want to highlight that this evening in the context of this presentation additionally, and to kind of bring attention to another one of the great slides that was there about the composition studies you know, looking at those two averages of April 2016 and November 2020 they're relatively similar, right. and that shows that there's not a lot of difference between compositions across the city. what it doesn't show is really how recycling compositions have changed in the last year. you know, since the onset of covid and some trends that were already developing before that. Balconies in the last two years, I've invested over \$6 million in upgrading and retrofitting our facility to really respond to those changes. And, and we've not addressed this group in so long. And I wanted to take the last second that I have here to kind of highlight these upgrades and because they were directed at, and the most recent ones that took place at the beginning of this year were directed at capturing more, high-value commodities that are showing up in the waste stream in higher volumes and that's used beverage containers or cans and pet bottles., and a lot of is, is due to covid related behavior change. People are getting their goods shipped directly to their doors and boxes. people are buying more at home cooking more at home, and that's more containers in the waste treatment, more cardboard noise stream and for you all from the city, that's a really good thing because those three items really drive up the value of the entire basket of goods. when we say the basket of goods, we need just the aggregate value of all of the mixed recycling. and as a process of though your systems with, with new technology older recycling systems, are inefficient at taking advantage of those increases and capturing them out of the stream and preventing them from ending up in residues. So we've really worked hard to add the latest and greatest to our facility. I'll close by saying you know it has an open door for any resident of the city of Austin to come to visit our facility in northeast Austin, off of Johnny Morris road on HWY 290 the easiest way for anybody to learn about this industry or how this works, how this relationship works for the city between their residents and where this recycling goes is to see it in real life. so we welcome anybody to do that. And then lastly just want, because they had addressed this group for so long. We want to thank you all. Thanks, staff. the last nine years, of working with you guys, as we talk about historical context is really helped us become experts at this whole thing. and we're very grateful for that opportunity. Joaquin replied thank you for having me, Commissioner Gattuso replied who does the negotiations with the vendors? Director Ken Snipes replied staff does the negotiations with the vendors. Commissioner Amanda Masino replied I wanted to ask a little bit more about the cart size issue. I know this comes up often. I'm looking at the cart size distribution, and it looks from these percentages. Like there really wasn't as much of a shift from larger sizes to smaller sizes, as we thought could happen with the organic's rollout. That some people would notice that their volumes would be really reduced in the trash carts and reduce the volume accordingly. could, could you talk a little bit about that? Is that different than what you'd expected and is, is kind of emphasizing that option? Something that the department still sees as valuable. Ken Snipes replied well, we certainly expect the overall numbers to eventually come down and I think it may take time. The other thing we're tracking also is the number of new customers that are entering our system and getting an understanding of what size carts they are asking for right now, they do seem to be on the larger, and this is anecdotal at this point, we're still working on the numbers. but they seem to be gravitating towards some of the larger carts. And so, and we have some work to do over the next few months over the coming year. as we start to see that trend you know, go down where we think we will have some success, it just takes time to get people out of the larger carts and more comfortable with the composting cars. Commissioner Masino replied

Just a little follow-up on that. So, when it comes to the cost of service for trash collection, is that influenced at all by cart size? Like will the cost of providing service go down if more people have smaller carts or is that just such a small difference? And that's not the reason, you know, you still have to send the trucks out, obviously. So, is there a factor based on cart size that relates to how much it costs them to provide service? Victoria Rieger replied Yes, absolutely. The cart sizes are, are a factor in developing the cost of service. So, yes, absolutely. Commissioner Masino replied and in general, would you say it's more expensive to service the larger carts, just slower, perhaps less efficient Victoria replied in terms of the per-gallon cost? the answer I think is yes. But I'd have to jump into the numbers, to verify. Chair Acuna replied I would assume, yes, it would be a little bit more expensive to service. The big guys or trucks get filled quicker. They get off the road heading to the dumping sites and therefore you must bring the guy back that's fuel. That's labor that knows that's a cost, but nonetheless, that's my 2 cents. I'm sorry, Victoria, thank you very much for this. again, Chair Acuna replied I have a question, and again, commissioners, I want to kind of get you to take on this, this clarifying here, just to just a clarifying question, can staff this, the action council gave was an action, allowing us to continue the negotiation to reset these contracts. And we're still keyword here, negotiating with both vendors, correct? Correct. to negotiate and execute. That is correct.? Correct replied Ken Snipes Chair Acuna replied So this is still a moving target. Ken Snipes replied Yes. Yes. Okay. I would love, and again, I know we've got deadlines here and I know we've had extensions to this already, but I would love to be able to, to have this brought back to us with again, just if possible. I know we've got it on August 30th, the cutoff. And then I think you're going to go to count, or it goes back into effect late September. Is that right? Or where's the line sometime in September. So, we're going to wait. I wonder they could come back to this commission sometime in September at our meeting and you know, just kind of revisit it and just give us an update on where we got to where we got, or have we got to where we are? and what is the impact going to be to the city? And again, we can use these wonderful what-if numbers, which can be based on our current I mean our current volumes, I mean, you can pretty much plugin which you're guesstimating is going to happen. The only differences obviously are crystal balls are broken and we don't know what the markets are going to do, but we pretty much will know what the processing fees are going to be. And with the processing fees, I mean, we can take a running average, of what revenues have been. I think when we first started doing this and, and staff, some of your, some of your guys who were around back with the Greenstar days, I mean, I know we used to do the forecasting. They used to give us a running average on what the previous couple of years and what the markets were doing today. And a couple of years ago to kind of get a ballpark figure there, they'd get an idea of what you know, could happen. And again, that's nothing in stone markets move every single day, but nonetheless, it, gives us a better idea and a better understanding of, you know, what, what impact is this going to be losing? And again, it's not any fault of the processors. I mean, they're, they're doing their job, but to be losing almost a couple hundred thousand dollars a month is significant. I mean, that's a significant cost to the ratepayer. And you know, it's, it's time for us to figure out how again, to maximize the value and the return that the ratepayer does get from this. I mean, they're the guys that provide all this, all this material. And I would like to see us again, just look at how we can accomplish that. So, my question is, and commission, please chime in, but I would love for us to be able to get another look at this after we feel as though we have the final numbers presented, Ken Snipes replied we can certainly look at the schedule and the calendar and work out an update. Once we have kind of worked through the process, Chair Acuna replied, and I would love to have a run just, just a little age to go back in history and open that old bible called the recycling negotiating years of what, I guess, 15 years we probably have been facing this, this challenge. I mean, god, Richard, you were probably their Commissioner Kaiba replied I guess my, my question is whether there is an element to these negotiations about the service provided you know, what, how much, how much material, what types of material are, you know, are being recycled, are being diverted from the landfill. I know there are some differences, in the facilities. and you know, ultimately, I think, you know, the answer to our waste problem is, is for people to use a lot less, you know,

disposable products and nearly single, single-use plastics. and I think we need to emphasize that, but I guess my primary concern really is, with that diversion. And yeah, so I'm just wondering if, if this, you know, are these negotiations just about the cost or are you pushing these you know, both entities to do everything that they can, even if some of that, you know, and I know that at least we use, in some cases, there is some kind of manual sorting on the, you know, kind of front end of the conveyor for, you know, to take out, take out material that would not make its way through the sorting mechanism, but could be recycled if it's, you know, if it's hand, hand sorted. How so? I'm wondering if, if there's any effort to, you know, keep as much out of the landfill as possible and maybe increase some of the things that we might be able to put in the recycling Ken Snipes replied commissioner, those considerations are definitely part of the conversations. We're constantly engaging the ask questions about even on our staff to look at what opportunities there may be in the market to capture things that we don't currently capture. Another benefit to the system. I think both vendors are installing new technologies in their operations that increased the level of efficiency in their, in their plants so that, you know, more things are screened out and more things that should be recycled are being recycled. So, we'd definitely consider and all those things as part of the conversation and their primary focus areas. Commissioner Kaiba replied I'm glad to hear that. do you have any examples of, you know, materials that the, maybe we can expect to, you know, more likely get recycled that are maybe currently having trouble? Ken Snipes replied, not yet we're still early in the negotiations, so, and we're still working our way through these things. So, nothing yet that I would say is tangible that we could point to. Commissioner White replied are there any materials that those conversations are focused on that you could share with us? Ken Snipes replied well, I can tell you some of the usuals are glass. Of course, it's always one of those things. That's a little bit tricky. something that may be a little bit more I guess, looked over, I might be milk cartons, for example you know, there, there are some systems where those are not recyclable and there are other systems in the country where they are. And so we're asking questions about, you know, different types of things like that, that, you know, we use or see every day in, in what are the opportunities to start to address some of those more difficult to recycle items? Commissioner Kaiba White replied Well, I'm glad you mentioned those two because, definitely the cartons are one that, you know, I've, I've visited both facilities and I know that at least to a certain extent, TDS was kind of some, sometimes at least their workers are kind of pulling them aside perhaps to recycle, you know, to recycle them. but yeah, it wasn't clear to me if that was like, you know, all the time, all the milk cartons and I didn't, you know, I didn't get that same message at Balconies, so it'd be nice if there was consistency and of TDS is doing that. If people can get the message that they can put the cartons in the recycling and, and I, you mentioned glass So, you know, just say I do have a little bit of concern with, you know what I, what I've seen with some of the glass kind of stockpiling, as opposed to moving it through to actually be, you know, recycled. so, I dunno if that's something that you've looked at if you've been to the facilities and, you know if that's part of what you're trying to address. Ken Snipes replied well, we have of course we toured the facilities on a regular basis., and these items aren't, you know items that are issues just for Austin, right their issues in a lot of different places. So we're certainly partners in, in working with, you know, the industry in, in finding outlets for some of those things, And those are just two that just jump out off the top of my head, but there are other items that we're concerned about as well, and we'll continue to push the envelope on all of those and constantly you know, do research and homework to figure out when new technologies come about, then we can ask questions about, you know, what the opportunities are for us to have access to that in our system. Commissioner Kaiba White replied thank you for that. I appreciate that. you know, I think just kind of zooming out and looking at, you know our climate crisis, looking at what we're seeing in the trends like you know, these, these are issues that, that like ultimately do affect us all in, in every, every kind of aspect of our, of our lives. We just might not see it; you know kind of at our curb or not realize the connection. So, I'm glad that you're, you're working on that. And I think that it's money well spent to have those facilities, you know, do everything that they can to you know, take as much material as possible. So, thank you. Chair Acuna replied Yeah. You know I have to say, I commend both processors. I mean, it's a challenge as you, as you mentioned, Ken market conditions are changing. What

is accepted today, probably won't be there or accepted tomorrow. And what we took yesterday is not here today. That makes any sense. You guys have done a heck of a job and refraining from cutting any of these items out of the recycling collection program. Thank you for that. Many cities didn't have that option. Many well-known cities had to had to cut certain commodities from their programs because of market conditions. Again, processors, thank you for at least allowing us to continue to recycle those materials. Chair Acuna replied Hey guys, I'm sorry. Just some house cleaning quick, I apologize., let's see. This is a discussion action item and just for formality sake guys, I would accept, you know, resolution. or not a resolution I'm sorry. It's just a motion to that having heard this and again I would asked that the staff bring this back to us next month. If we can do that, Commissioner Kaiba White replied what exactly would we be approving just entering through continuing negotiations Chair Acuna replied Correct. I would think that we could have have this brought back to us with, if nothing else, just the results of what we accomplished here in these negotiations and what is the ratepayer going to be receiving for the next five years? And I would think as a discussion action item, you know, perhaps we can include that today in that or ask that that'd be brought back to us. Victoria replied So, Gerry, if I might just add some comments about that you know, I think we're certainly willing to come back to, to the commission, to, to present you know, what we ultimately ended up with but in terms of, divulging information during the negotiation process you know, that that information would need to remain confidential until we executed it until we came to agreements with both vendors and signed on the dotted line. after that point we're able to share. Chair Acuna replied Yeah, no, absolutely understood. No, no, I, I, again, just kind of the end, here's what we got for our dollar. Here's what we're going to get for the bang. And that's basically what I'm looking at here. Show us, you know, shows what, we're, what we're looking at here at the end. Yeah. I absolutely understand that we can't be part of the negotiations and we shouldn't be that's you guys' responsibility, but nonetheless, I would love to, for us to find out what's transpired from this Commissioner White replied. I'll make a motion that we recommend that negotiations continue with Balconies and Texas Disposal Systems to continue serving Austin single stream recycling service and with an emphasis on expanding wherever possible you know, material collected, and that this commission be updated on the results of this.

Chair Gerard Acuna entertained a motion to recommend that negotiations continue with Balconies and Texas disposal systems continue serving Austin single stream recycling service and with an emphasis on expanding material collected and that the ZWAC commission be updated on this. Commissioner Cathy Gattuso the first motion for approval, A second motion was provided by Commissioner Kaiba White

Recommend unanimously by the Zero Waste Advisory Commission on a 6-0 vote

2d. Interlocal Agreement– Andy Dawson

Andy Dawson stated Austin Resource Recovery is requesting a favorable recommendation to negotiate and execute an inter-local agreement with Travis county, relating to services provided by the city to county residents at the recycling news drop-off center. This agreement would replace an existing inter-local agreement with the county that relates only to household hazardous waste services provided by the city. The new inter-local would also include a broader range of our RRDOC services to county residents and I'm available for any questions related to this upcoming ILA. Commissioner White replied Would this mean that anybody in the county can drop things off at the recycling center? Andy Dawson replied Yes, that's, that's correct. We would, that's currently the case but we would want, to tighten up a little bit of language that the current ILA does not extend as far as the other recycling services at the other half of the drop-off center, this is only the current one is only for the household hazardous waste services. Commissioner White replied Oh, you can count me in strong support. Chair Acuna replied Let me, let me ask a couple of really quick questions here. Just kind of house cleaning stuff here. Andy, Ken, and staff I mean in local agreements obviously are Travis county and the city of Austin working together to accomplish a goal or a mission. I know that there were some issues, there was an audit conducted by the auditing folks recently. And I'm curious whether we made a good list on that. I mean, our, our inter-local agreements, or are they part of the purchasing process that is overlooked by purchasing, or is that something that we internally do? And I asked that because they make a big difference at the end of the day, Ken Snipes replied I can tell you that I haven't heard from the auditing team. So that's a good thing. They haven't let me know that with any of our practices or procedures and so I'm assuming that Andy, you don't have anything on that, on that end, either that you've heard, but I think we, we would have heard from them now if they had concerns that we haven't, Chair Acuna replied, and it was just simple house cleaning. In other words, how do we keep the books on inter-local agreements? I mean, how do we again, make sure that the departments are being funded for this process and make sure we're funding back or paying back. I should say Travis county when we utilize their facilities and their resources, but nonetheless, it was an item that came up and I just want to talk about this you know, housekeeping issue, making sure that our house is in order of which it is and thank you, Andy, for that

Chair Gerard Acuna entertained a motion to approve the Interlocal Agreement, Commissioner Ian Steyaert the first motion for approval, A second motion was provided by Commissioner Kaiba White

Recommend unanimously by the Zero Waste Advisory Commission on a 6-0 vote

2c. Discussion and Action: FY22 Budget Presentation- Victoria Rieger

Finance Division Manager, Victoria Rieger Good evening again, Victoria, Rieger, finance division manager for Austin Resource Recovery. the presentation before you is dated July 14th and it reflects the department's proposed budget. We planned on presenting this to you. last month, since that time, the city's fiscal year 22 budget was approved by the council on August 12th, ARR's proposed budget was approved by council's actions. Therefore, the information that I'm presenting tonight represents the department's fiscal year 22 approved budget. And we can actually just skip over that slide since it's kind of just a summary. So, the clean community fee, as you all know, is established by ordinance to provide litter, a nuisance abatement the clean community fee is billed to all residential and commercial customers. as of May 22 ARR, customers who pay the clean community for your comprising of over 423,000 customers, residential customers, and over 25,000 commercial customers, the department did not propose a change to the clean community fee in fiscal year 22. This slide just shows a breakdown of our customers supported by trash cart fees. So residential and commercial customers, as you can see, 98% are residential and the distribution of cart sizes as well is, is displayed in this slide. And this commissioner was, you know alluded to there hasn't been much movement in some of the larger cart sizes in the blue chart, as you can see, and then the projections are, are below. Our major rate is the base customer fee. This fee also supports our curbside collection services for the services you see listed on your screen. A 98% of that revenue is, or 98% of the customers are residential in nature and that's 208,000 This is kind of just provide some more information on, on customer counts. and I'll let you take a look at that. If you have one already. Here's the cost of service for fiscal year 22. since this presentation was developed, obviously the council has approved our budget. There have been slight changes from Some amendments that council members put forward on the diocese during the budget readings they have little impact since impact to, for instance, the blue line, the net cost of the base curbside service collection added less than 5 cents to that cost on the net cost of curbside trash collection services that increased not 3 cents so nothing too huge, but again, the the the employee stipend that one of the council members put forward that obviously impacts our budget. and some employee leave time that was put forward by the Mayor for authorizing leave during covid also impacts our budget, but only slightly, this is the budget by strategic outcome. And as you can see there 71% of our budget is health and environment-focused, and 28% is transfers and debt service. And then 28% does include the transfer we make to capital to purchase vehicles and as you're probably aware the, a rate change to the base customer fee increases by a dollar fifty for fiscal year 22 and no change to the trash cart or the plain community fee and the good news here is you know, the impact of those, rate changes or the rate change in the base fee for the last year. And this year is having a positive impact on our ending fund balance. if you'll look at the far-right column total available funds for POs for fiscal year 22 is 111 million total requirements, just over 112 million, and that excess one point three is covered by our ending fund balance. And that's been the case for several years, we've kind of been slowly eating into our fund balance with particularly with no rate increases. we've had to utilize our, any fund balance to cover the cost of service. But the past two years we've been able to increase our base charge and that gets us into a better financial position so that we can the goal ultimately is a structurally sound budget and the right proposed revenue by 111 million 75 million is a residential 29.5 is clean community fee. You did I believe the final slide, final two slides, pop expense categories, very similar to last year's slide, you know, or the biggest pot of, of expense is going to be personnel capital spending on vehicles and equipment 14.3 million and added to the eleven-point twos. You can see a huge chunk of our, of our budget, is spent on, on our fleet. These are all the same categories of expenses by the ways as last year and just quickly touching on the capital improvement plan for fiscal year 22. Again, very similar to last year or spending plan is 15.5 million, 14.3 of that is or new and replacement vehicles and the projects you see listed their vehicle fleet, technology upgrade security system upgrades, Mabel Davis. Those are all ongoing projects that the department at. And I

believe that is the last slide. So, if you have any questions, I'll be happy to take it at this time, Chair Acuna replied guys. I was on mute. I apologize but thank you Victoria. Very much. I and now that it's 7:31 pm commissioners, I, couple of things did jumped out at me and I wish we could have done this last month or a few weeks ago, but nonetheless, Victoria, you did a great job. Commissioner's real quick questions or comments. Commissioner White replied I dunno, a real quick one. but I guess and I realize this is 30 adopted, so maybe just something that we can I know be thinking about in the months ahead., I know we've had some, some conversation about the bulk collection in the past, and I know there's the pilot for like, kind of on-demand bulk collection. And I dunno, just as we were talking about, you know, the fees spur for trash carts, you know, it does get me thinking again about the large amount of waste that we socialize the cost for. And yeah, I don't know. I would like out like this commission to spend some time thinking and talking about that and what the best options are.

Meeting adjourned at 7:34 pm

FUTURE AGENDA ITEMS

- Austin Resource Recovery (ARR) Comprehensive Plan Update
- SMBR Future Opportunities and Involvement
- Keep Austin Beautiful Challenges
- Trash/Water Wheel on Lady Bird Lake
- ARR Annual Customer Survey Result
- Future FM 812 Landfill Potential