

MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
January 24, 2019– 2:00 p.m.
San Carlos Library Conference Room A/B**

Call To Order: 2:04PM

1. Roll Call

Agency	Present	Absent	Agency	Present	Absent
Atherton	X		Menlo Park		X
Belmont	X		Redwood City	X	
Burlingame	X		San Carlos	X	
East Palo Alto		X	San Mateo	X	
Foster City	X		County of San Mateo	X	
Hillsborough	X		West Bay Sanitary District	X	

Alternate Member Laura Parmer-Lohan represented San Carlos

2. Public Comment

Persons wishing to address the Board on matters NOT on the posted agenda may do so. Each speaker is limited to two minutes. If there are more than five individuals wishing to speak during public comment, the Chairman will draw five speaker cards from those submitted to speak during this time. The balance of the Public Comment speakers will be called upon at the end of the Board Meeting. If the item you are speaking on is not listed on the agenda, please be advised that the Board may briefly respond to statements made or questions posed as allowed under The Brown Act (Government Code Section 54954.2). The Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report and formal public discussion and input at that time.

None

3. Executive Director's Report

Executive Director La Mariana introduced new Board Members: Herb Perez from Foster City, and Richa Aswathi attended as the alternate for Foster City. Ruben Abrica from East Palo Alto who was absent. And Adam Rak from San Carlos who was absent, but Laura Parmer-Lohan attended representing San Carlos. He also congratulated all the Board Members who became Mayors, Vice Mayors and President of the Board of Supervisors for 2019. He noted that there would be a new Council Member/Board Member orientation to the Agency on February 21 from 11am to 1pm at Shoreway.

Executive Director La Mariana spoke about key projects the Agency is working on:

- The Bond Refunding which is on the Agenda today will have positive financial impacts for the Agency.
- The Disposal RFP process is winding down, a staff recommendation will be before the Board at the March meeting.
- Amendment One recommendations to the Model Franchise Agreement should be ready for Board consideration at the February meeting, and then will go forward to the Member Agencies, and these Amendment's will require 8 of the 12 Member Agencies to Adopt.

- Staff will be working on a Long Range Plan update this spring, there will be a work plan before the Board for consideration in February, and then the TAC will work revising the Long Range Plan.
- The In Schools pilot program is now in 8 schools
- SB1383 is in the final rule making phase, in March there will be a final set of rules, so in March there will be a Board study session on the item.
- AB1826 is the organics recycling law for commercial business, and this year on January 1, 2019 there was a step up to the regulations, and all commercial businesses that have 4 cubic yards of material across all levels of service, must subscribe to all levels of collection service.
- SBR has just concluded a 6-week battery study with mixed results. The good news – the battery collection program re-launched in September has seen a 31% increase in batteries collected safely. The bad news – the count of Lithium Ion batteries that ending up in the blue carts has gone up from 5.8/hour last year to 10.7/hour this year.
- The Public Recycling Center will be under construction starting February 4 for two weeks

The Board discussed the battery findings. Member Aguirre commented that if the batteries in the MRF have doubled something hasn't worked, and she asked staff to look at plan B and not wait for the legislature. Executive Director La Mariana noted that a 31% increase means that the campaign did work successfully. The other increase is attributed to people not paying attention to the program, and staff needs to find some way around that. There were two different advertising campaigns and social media campaigns. Once at the relaunch in September and again at the Holidays. Member Widmer asked if the count was done at the same time year over year. SBR noted that the count was not done at the same time frame, but will do it at the same time next year.

4. Approval of Consent Calendar

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

- Approval of Minutes from the November 15, 2018 Board of Directors Meeting
- Resolution Approving SBWMA Financial Audit Reports for Fiscal Year 2018
- Resolution Approving Shared Cost of SBR Sort Labor for Q1 2019
- Resolution Approving the 2019 Investment Policy
- Resolution Approving Change Order #1with HF&H Consultants for Landfill Disposal RFP Services

Motion/Second: Bonilla/Aguirre

Roll Call Vote: 10-0-0-2

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary District	X			

5. Administration and Finance

- Election of Board Chair and Vice Chair for 2019

Interim Chair Benton explained that he is currently the Vice Chair, Charlie Bronitsky was the chair who stepped down in December, and opened the nominations

Member Widmer nominated Interim Chair Benton as the Chair, Member Brownrigg seconded the motion. There were no other nominations and Interim Chair Benton closed the nominations.

Roll Call Vote: 9-0-1-2

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City			X		County of San Mateo	X			
Hillsborough	X				West Bay Sanitary District	X			

Chair Benton opened nominations for vice chair

Member Bonilla nominated Member Aguirre. Member Brownrigg seconded the nomination. There were no other nominations and Chair Benton closed the nominations.

Roll Call Vote: 10-0-0-2

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary District	X			

B. Resolution Approving San Mateo County Grant

Executive Director La Mariana gave an overview of the grant, and thanked the County of San Mateo and the Office of Sustainability for the support. He noted that it is a two-step process, and once the SBWMA Board accepts the grant terms, the County Board of Supervisors will then need to approve before it is final.

Motion/Second: Bonilla/Dehn

Roll Call Vote: 10-0-0-2

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary District	X			

C. Resolution Approving Amendment 2 to the Executive Director's Contract

Motion/Second: Bonilla/Dehn

Roll Call Vote: 9-0-1-2

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City			X		County of San Mateo	X			
Hillsborough	X				West Bay Sanitary District	X			

D. Resolution Approving Mid-Year FY18/19 Budget Adjustments

Staff Mangini presented the mid-year budget results in both operating and capital budget. He also drew attention to the significant increase in reserves, due to a recommendation to increase the capital reserve by setting the rate stabilization reserve at 7% of expenses and setting the emergency reserve at 9% of expenses.

Member Brownrigg asked if C&D was a negative margin business because revenue has dropped to \$280,000, but the costs associated with C&D have dropped \$300,000. Staff Mangini noted he would look into it, and get back to Member Brownrigg.

Motion/Second: Bonilla/Dehn

Roll Call Vote: 9-0-1-2

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City			X		County of San Mateo	X			
Hillsborough	X				West Bay Sanitary District	X			

E. Resolution Approving 2019 Public Education Plan

Staff Au gave an overview of the Public Education plan noting it was a 2-year plan to match up with the end of the current Franchise Agreements and some campaigns in the plan span two years. The plan is a collaborative effort of SBWMA staff, Recology, and the Pub Ed Committee, and it designed to be an overarching document for both public outreach and the schools program.

The Board discussed how to measure effectiveness of the public education programs. Some Board members supported measuring every program to determine a return on investment, while other Board members noted that the measurement process is difficult, and measuring should take place when possible, but changing behavior takes time, so look at best practices instead of measurements.

The Board discussed batteries and more outreach around batteries. Chair Benton commented that there should be urgency and repetition promoting where the lithium ion batteries and that outreach should be done sooner rather than later. Board suggestions included a door to door campaign, and revised stickers on carts that say no batteries.

Executive Director La Mariana explained that new stickers can't be placed on current carts, because the carts have a pebbled surface that makes stickers not stick. The part of the cart that looks like a sticker is engrained in and is part of the lid. But messaging could be added to new carts as the roll out. He concluded that staff would continue to research and pursue options.

Motion/Second: Bonilla/Hurt

Roll Call Vote: 10-0-0-2

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City	X				County of San Mateo	X			
Hillsborough	X				West Bay Sanitary District	X			

F. Resolution Approving 2-Year Contract with Environmental and Energy Consultants for Legislative and Regulatory Processes

Executive Director La Mariana gave a brief overview of the staff report.

Member Widmer questioned why after the joint RFP with StopWaste, each agency ended up with their own lobbyist, and the price is therefore not shared. Executive Director La Mariana answered that after the interviews with the 5 finalists it became clear that there were differences in the two agencies needs, and EEC could fill some technical gaps for the SBWMA that StopWaste didn't need due to their large staff being able to do some of that work directly. Secondly, it became clear that by choosing two different firms, it broadened the scope of influence with policy makers in Sacramento. He also noted that the cost is the same as was originally budgeted.

Foster City now absent 3:04PM

Motion/Second: Dehn/Bonilla

Roll Call Vote: 10-0-0-2

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X				Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City				X	County of San Mateo	X			
Hillsborough	X				West Bay Sanitary District	X			

G. Resolution Approving 2019/2020 Legislative Platform

Executive Director La Mariana gave a brief overview of the staff report, noting that this approval is a guiding document staff and legislative partners will use as umbrella guidelines. He noted there have been no substantive changes from last year.

Member Widmer noted that he couldn't support legislation without funding detail, and knowing where the money was coming from. He was concerned that funds to pay for the items would be taken from local jurisdictions general funds.

Member Dehn noted that each of the items is a great op-ed opportunity, and for us to talk to residents about what their responsibilities are, and encouraged staff to write those op-ed pieces.

Motion/Second: Groom/Hurt

Roll Call Vote: 8-0-1-3

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton			X		Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X			
East Palo Alto				X	San Mateo	X			
Foster City				X	County of San Mateo	X			
Hillsborough	X				West Bay Sanitary District	X			

H. Staff Update on Municipal Finance Advisor Selection and Bond Refunding

Staff Mangini gave an overview of the Municipal Finance Advisor selection process and introduced KNN Public Finance to manage the bond refunding. He introduced David Brodsky, Managing Director of KNN, and Melissa Shick Director.

David and Melissa gave a Power Point presentation overviewing financing approaches with the refunding, the current outstanding bond amount is \$44.6M, and the SBWMA has the first opportunity to call the bonds for the first time on June 1, 2019. Melissa gave a summary of alternatives for refunding, and subsequent debt service payments. She also went over a schedule of key dates and approval dates.

Member Brownrigg commented that the take away was that \$20M could be raised very little effect on rates for our residents. He also noted that each of the investments in the projects presented has a payback which means the ratio of debt to revenue is going to improve over time with these investments, so over time the Agency's financial position is strengthened by these investments.

Chair Benton reminded the Board that time is of the essence, and asked the Board to think about the options presented and be prepared to come back and make a recommendation to the Member Agencies.

6. Collection and Recycling Program Support and Compliance

No Items

7. Shoreway Operations and Contract Management

A. Discussion of Capital Improvement Projects and Planning

Staff Gans noted there is a unique opportunity during the bond refunding to look at capital needs. He passed out a handout with an overview of future capital projects and their associated timeline, which would be a start to the revised Long Range Plan. He noted that \$20M would be full funding of the capital projects. The goal of the Materials Recovery Facility (MRF) Capital improvements would be to capture more recyclables and improve the marketability of those recyclables. And, the goal of the Organics to Energy project, which is an opportunity to reduce the amount of material going to landfill and reduce costs.

Executive Director La Mariana noted that the Finance Committee would be reviewing the plan for finance in detail, and the Zero Landfill Committee would be reviewing the viability of the projects themselves before Board Approval.

Member Brownrigg commented that he thought these were the most consequential decisions this Board would make, it is a chance to significantly upgrade the equipment systems, pull material out of landfill, reduce greenhouse gasses, and those improvements cost money. So if the Board approves the refinancing option to create funds it will be a significant enhancement to this jointly owned facility, and he thought these were the right investments to make.

8. Informational Items Only (no action required)

- A. Check Register Detail for November and December 2018
- B. Quarterly Update on Technical Consulting Contracts
- C. 2019 Finance and Rate Setting Calendar
- D. Potential Future Board Agenda Items

9. Board Member Comments

10. Adjourn 3:47PM