



MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
 MEETING OF THE BOARD OF DIRECTORS
 February 28, 2019 – 2:00 p.m.
 San Carlos Library Conference Room A/B

1. Call to Order Roll Call (Closed Session) 2:00 PM

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 attended representing San Carlos

- 2. Adjourn to Closed Session:** Conference with Labor Negotiators (Government Code Section 54957.6): Unrepresented employees

3. Call to Order/Roll Call (Public Session) 2:38PM

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 attended representing San Carlos

4. Public Comment (Public Session)

No Public Comment

5. Report from Closed Session

Chair Benton noted that the Board met in closed session gave direction but took no action.

6. Executive Director's Report

Executive Director La Mariana welcomed Grant Ligon who is joining RethinkWaste as a Management Analyst III, and made the following announcements:

- There was an error in the Executive Director’s written report: the bond refunding would have minimal annual rate payer impact not zero rate payer impact, and that change would be made in the staff report.
- He would be issuing a revised Bond Refunding timeline after today’s discussion.
- The TAC will meeting for a Long Range Plan input session on May 14 and May 9, and all of the Board subcommittee will be having input sessions as well. The Long Range Plan refresh will be ready for Board consideration in June.
- The 2018 Annual Report is in production, and the SBWMA has an RFQ out for additional outreach support based on Board feedback to increase education.
- The In Schools Pilot is now in eight school sites.
- Earth Day at Shoreway is April 27th, he asked the Board to attend and add it to their calendars.
- AB 1509 has been submitted by Kevin Mullin and Mark Berman have co-sponsored a bill that the SBWMA has been instrumental in writing on Lithium Ion Batteries, that requires electronics have the battery able to be removed by the consumer at end of life.
- Legislative Updates will be in the Board Packets going forward.
- He invited the Board to attend the workshop on plastics on March 27 hosted by SWANA and CRRA.

Member Carlton suggested aligning with the California League of Cities Environmental Committee in response to global market conditions.

7. 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.*

- A. Approval of Minutes from the January 24, 2019 Board of Directors Meeting
- B. Resolution to Repeal SBWMA Ordinance No. 002 (2004), Regarding Reporting Requirements for Non-Franchised Recycling Haulers
- C. Resolution Authorizing Change Order #3 with Steven Sherman Consulting to Provide Consulting and Technical Assistance Services for Mandated Organics and Other Diversion Programs Planning
- D. Resolution Authorizing the Executive Director to execute a contract with MM Consulting (Marshall Moran) for Supplemental Financial Consulting Services to Support the Smooth Transfer of Agency Administrative Services to Redwood City; Bond Refunding Project and Long-Range Capital Planning projects
- E. Resolution Approving SBWMA Long Range Plan Refresh Work Plan (2020-2024)
- F. Resolution Approving the Revised Conflict of Interest Code
- G. Approval of Quarterly Investment Report for the Quarter Ended December 31, 2018

Motion/Second: Brownrigg/Bonilla

Roll Call Vote: 9-0-0-3

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 Dist.	X			

8. Administration and Finance

A. Resolution Approving a Three-Year Finance and Accounting Services Contract with the City of Redwood City

Staff Mangini gave a summary of the staff report.

Executive Director La Mariana complimented the San Carlos staff for their exemplary work over the years of the contract and this was not a reflection of the quality of work, this recommendation comes down to what is in the financial best interest of the Agency. He added that the contract will start on July 1 of 2019, at the start of the fiscal year, but the plan is to transition to a calendar financial year so that the rate year and the financial year sync up.

Member Aguirre also thanked San Carlos for their services, and noted that this shows the value of Cities and the services they offer to community partners such as this Agency, and the level of collaboration in this County that may not exist in other areas.

Motion/Second: Bonilla/Davina

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 Dist.	X			

B. Resolution Approving Contract with Stradling, Yocca, Carlson & Rauth for Bond and Disclosure Counsel and Contract with Raymond James for Underwriting Services for the Issuance of the 2019 Solid Waste Revenue Bonds

Staff Mangini noted that the Municipal Finance Advisor KNN issued the RFP for Bond and Disclosure Counsel and an Underwriter, and went over the selection of Stradling, Yocca, Carlson & Rauth for Bond and Disclosure Counsel, and Raymond James as Underwriter. He noted that the contract needed to be edited under compensation, to note that compensation is contingent upon execution of the bond.

Motion/Second: Bonilla/Brownrigg

Roll Call Vote: 9-0-0-3

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 Dist.	X			

C. Resolution Approving Contract with S Groner and Associates for Development of a new RethinkWaste Website Stradling, Yocca, Carlson & Rauth for Bond and Disclosure Counsel

Staff Au gave a summary of the staff report and an overview of the RFQ process.

The Board discussed items they would like to see on the revised website, such as being able to fix a problem, interactive scheduling for bulky item collections, missing bins and easy clicks to the service providers and back.

Staff Au noted that the Pub Ed subcommittee would review the site and have input on the content, and the site would be launched end of July beginning of August.

Motion/Second: Brownrigg/Hurt

Roll Call Vote: 9-0-0-3

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 Dist.	X			

9. Collection and Recycling Program Support and Compliance

No Items

10. Shoreway Operations and Contract Management

A. Discussion on Bond Refunding Options and Capital Discussion on Future Projects and Plan of Finance

Item 10A was presented after items 10B and 10C

Staff Mangini gave a Power Point presentation on the Bond Refunding. He noted through the presentation that the Agency has the ability to fund the Capital improvements discussed in 10B with a couple different alternatives and he went over the alternatives. 1) Refund the bonds, and realize \$760,000 in savings, 2) Keep the debt service the same and realize almost \$10M in revenue towards the capital projects, and 3) Extend the term of the loan an additional six years and realize \$20M in revenue which would fund the capital projects entirely including the organics to energy project.

The Board discussed the timing moving forward and noted that the Board would make a decision in the June or July time frame.

A straw poll of the Members present gave staff direction to move forward with option 3, which keeps debt service constant for the next 24 years given that the MRF upgrade is \$10M and the Organics to Energy is \$15M.

Staff Mangini also noted the annual return on the investments netted against the debt service.

Member Widmer noted that he didn't want to borrow additional money if it wasn't needed and asked to see a bit more data. As projects get completed before moving on to the next project the technology and price is reevaluated. There's a penalty if money is borrowed, but not used.

Member Parmer-Lohan noted that 11 years is a long time for forecast, and she wanted to be very conservative with ROI projections and take potential market changes into account.

B. Presentation on MRF Processing Equipment Upgrades

Executive Director La Mariana noted that these suggested improvements to the site fall into two categories. One is organics diversion, and there has been a lot of discussion on the Organics to Energy pilot. The other is upgrading the Material Recovery Facility (MRF) in response to the shift in the international market specifically with fiber. Today's discussion will focus on the second category, and a series of four projects to update the MRF which will upgrade the material to get higher revenue and reduce labor costs.

Staff Gans gave a Power Point presentation on the capital improvement projects and noted that there is a lot of detail in the staff report. He introduced Dan Domonoske who is the Senior Vice President at Potential Industries. Potential Industries is 40% owner of South Bay Recycling (SBR) and noted that their facility in Southern California is already using this equipment.

Dan Domonoske noted that they invested in this same technology and started their system about 9 months ago and it's working, they are on track with the planned return on investment. He also noted that North American cardboard is in high demand because it has long fiber.

Chair Benton summarized the discussion that the MRF was designed 12 years ago for a market that existed 12 years ago, and it's become outdated. So, there are two choices; 1) do nothing and suffer the economic consequences or 2) invest in the system equipment to be competitive. And, if better sorting is not implemented the material will go to landfill which goes against environmental goals.

Based on a straw poll the consensus from the Board was to move forward with the \$15M investment.

C. Review and Approval of a Term Sheet Between SBWMA and Recology for Organics Extrusion Recovery Systems Project for Organics-to-Energy Pilot

Staff Gans gave an overview of the staff report. Noting that the term sheet the Board would be approving would be to move the equipment from Recology to Shoreway, which is part of the requirement in the grant from Cal Recycle.

The Board discussed the tight deadlines in the Term Sheet, and Executive Director La Mariana noted that there has been a relaxation in the deadlines.

Motion/Second: Aguirre/Bonilla

Roll Call Vote: 9-0-0-3

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 Dist.	X			

11. Informational Items Only (no action required)

- A. Check Register Detail for January 2019
- B. 2019 Finance and Rate Setting Calendar
- C. Potential Future Board Agenda Items

12. Board Member Comments

Member Widmer commented that he would like to see another tour of Silicon Valley Clean Water for the Board Members who weren't able to attend, and he would like staff to coordinate tours of the other facilities as well.

Chair Benton reminded Board Members to let staff know if you are not able to attend a Board Meeting and if an alternate is attending let staff know as well.

13. Adjourn 4:10PM