
MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
March 24, 2011 – 2:00 p.m.
San Carlos Library Conference Room A/B**

1. Roll Call: CTO 2:07 p.m.

In attendance: Belmont, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos and County of San Mateo.

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. 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. Adopt the January 27, 2011 BOD Meeting Minutes
- B. Adopt the February 24, 2011 BOD Meeting Minutes
- C. Approval of Quarterly Investment Report as of 12/31/10
- D. Resolution Approving SBWMA Electronic Communications Policy
- E. Resolution Accepting Calendar Year 2010 Annual Financial Statements
- F. Resolution Approving Agreement with HF&H Consultants to Review Allied Waste 2010 Collection and Shoreway Operations Rate Applications
- G. Receipt of Recology and SBR Monthly Reports

Request from Chair to pull items 3F and 3G for discussion

M/S LaMariana / Fil approve Consent Calendar Items 3A through 3E

Voice Vote: All in Favor

Motion passes 7-0-0-5 (Atherton, Burlingame, Hillsborough, San Mateo and West Bay Sanitary District absent)

West Bay Sanitary District and San Mateo now present.

Discussion Item 3F:

Member Steffens stated that he supports the recommendation. Menlo Park City Council held rate hearings for 2011 with a lot of concerns expressed regarding future increases to rates. Rate increase was mostly due to settling Allied balancing account. He stated that there was a lot of sensitivity to the audit of 2010 expenses with Allied and to make sure that questionable expenses are analyzed, properly considered and limited as much as possible. He appreciates the scope from HF&H. Council requested City Manager to send the request to Executive Director as well.

Member Fil echoed comments and questioned if other services outside of the scope presented can be performed on the last review that we might want to consider above and beyond the proposal.

Executive Director McCarthy responded that while the scope is thorough for 2010 and a draft will be presented in July, there is an understanding that other close out items will present themselves and those will need to be addressed.

Member Fil questioned whether agencies could work with HF&H on items to help them with their close out.

Rick Simonson, HF&H responded that they were just contracting for 2010, however, should something come up beyond the scope it could be discussed on an individual agency basis. Open to review.

Member Fil commented that if review discovered reasonable grounds for further analysis, he encourages exploration of further review and to give leeway to Executive Committee deal with issues should they come up.

ED McCarthy responded that some items will need to be negotiated. They will bring items back to the Board before July if needed.

M/S Fil / LaMariana approve Consent Calendar Items 3F

Voice Vote: All in Favor

Motion passes 9-0-0-3 (Atherton, Burlingame and Hillsborough absent)

Discussion Item 3G:

Member Gibbons had some questions regarding the information contained in the reports, the contamination reporting and how each Member Agency was going to receive the report electronically.

Mario Puccinelli from Recology San Mateo County explained the reports, conveyed the current contamination testing and assured him that the electronic copies of those reports will be sent. He explained the difference between an initial complaint and a missed pick-up and noted the difference between the "diversion" he is reporting vs. the state numbers.

Staff Feldman explained the testing and reporting procedure; and those results will be reported on the next quarterly report.

M/S Gibbons / Steffens approve Consent Calendar Items 3G

Voice Vote: All in Favor

Motion passes 9-0-0-3 (Atherton, Burlingame and Hillsborough absent)

Hillsborough now present

4. New Business:

A. Resolution Approving Mid-Year Budget Adjustments FY2011

Member Fil questioned the reduction in tipping fee revenue, about \$750M, is this one time, will most of that be picked up in offsets in expenses, or is it an issue that will be in front of the Board again.

Staff Moran responded, yes, the tonnage projection affects both revenue and disposal and in 2011 effects what we pay SBR.

Member Gibbons questioned the HHW program and if it was SBWMA budget or Agencies pay the cost.

Staff replied that it was direct billed to the agencies participating.

M/S Fil / LaMariana approve Resolution 2011-05 approving Mid Year Budget Adjustments

Motion passes 10-0-0-2 (Atherton and Burlingame absent)

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 Change Order for Master Plan Phase 2 and 3 Construction Management Services

Member Fil questioned more info on cost avoidance and how the CM firm has helped. Secondly, requested more information on the contingency account.

Staff Gans responded that the project this size needs a lot of managing. Covello has been instrumental in daily activities, but above and beyond those activities is related to construction re-sequencing, success in reducing potential claims, filling in the gaps in the design drawings, working closely with the contractor and keeping the project moving along. The contingency fund account is detailed in the Staff Updates report and a construction finance update will be forthcoming next month.

ED McCarthy added that Page 4 of Staff Updates Item 6A shows the contingency break out. \$515 bid deduct alternate is still available. There is enough margin to complete the project. Only 3 months of MRF shutdown in 2011 for is remarkable. Carl Mennie and the Allied team did a excellent job during the interim operations period.

Vice Chair Steffens commented that the re-sequencing of the project is valuable.

Member Scott questioned if the RFI's, 615 is a lot. What measures did Covello put in to manage and why did SJA need so many? Has there been a significant drop?

Staff Gans responded that it is important to keep everyone engaged and each RFI is a story. Contractor doesn't understand the drawing or hopes to be able to get a change order out of it. Covello worked well to contain those. If the RFI was on the MRF, it could be a potential RFI for the TS, Covello dealt with it right then. Yes, the RFI have significantly reduced to 25-30 month, and staffing with the CM firm has also reduced staffing from 4 to 2.

M/S Fil / LaMariana approve Resolution 2011-06 Approving Change Order for Construction Management Motion passes 10-0-0-2 (Atherton and Burlingame absent)

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. Update on Shoreway Remediation Activities

Member Fil requested that they receive updates on remediation and would like a map of the site showing the areas of remediation.

Member Masbad questioned future monitoring responsibility.

Staff Gans responded that we won't have that information until the County approves the plan.

Legal Counsel Lanzone added the monitoring will be long range, but low cost. The JPA purchased the building in 2000, Allied owned until then. The \$1.5 Million on hand covers all that SBWMA oversees. Plan is to enter into agreement with County to keep this property as commercial.

5. Old Business:

- A. Update on Bond Proforma Key Financial Metrics and Cash Reserves
- B. Update on Rollout of New Collection Services Effective 1/1/11
- C. Update on South Bay Recycling Start-Up of Shoreway Facility Operations Effective 1/1/11

RSMC, Mario Puccinelli noted major operational highlights as follows: No helper routes on residential, customer compliance with cart placement requirements is improving, call volumes reduced to a steady level of 900-1000/day, and continued high residential diversion.

SBR, Duane McDonald shared that a new Site Manager has been hired, and we will meet Dwight soon.

6. Staff Updates

- a) Shoreway Construction Update
- b) Update on Recology Commercial Recycling Outreach Efforts
- c) Recycling and Outreach Programs Update
- d) Preview of Upcoming Board meetings

Member Fil requested staff to connect with Police Departments on Medication Disposal.

7. Board Member Comments

Chair Moura thanks staff for their help with the Rate Meetings.

Member Scott requested a spreadsheet of comparative rates, with updates as the rates change.

Adjourn 3:15pm Next Regular meeting scheduled for April 28, 2011, San Carlos Library at 2 pm