

MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
March 28, 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 and
Alternate Member Alvin Royse represented Hillsborough

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 gave a report out on a few items.

- 1) The Bond Refunding process is moving along, all 12 Member Agencies council meetings have been set for early May, and a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing has been set for the City of San Carlos. Staff is working with Board and TAC members on rate payer impact questions that have come up.
- 2) AB 1509, the Lithium Ion battery bill that the SBWMA has been a part of, has two components: one is extended producer responsibility (EPR) approach as it deals with loose lithium ion batteries and two is a handling program for materials that have batteries embedded in them. He will be speaking at the bill's hearings in Sacramento on April 9 to the Environmental Safety and Toxic Materials Committee, and on April 22 to the Natural Resources Committee. There will be a sign on support letter coming to the Board Members next week, asking for support of the bill.

- 3) RethinkWaste Earth Day at Shoreway will be on Saturday, April 27 from 10-2, there is strong support for the event and AB1509 at the event and he invited the Board Members to attend noting that there was a strong likelihood that both State Assembly Members Kevin Mullin and Marc Berman were likely to be in attendance.
- 4) There is a Public Outreach RFP in the final stages which will assist staff in engaging the community in our programs
- 5) There was a Zero Landfill Committee meeting and the committee gave strong conceptual direction and input for the Long Range Plan refresh. And the committee is discussing changing the name from Zero Landfill to Zero Waste to have a broader context.
- 6) Yesterday there was a workshop for solid waste leaders throughout the state for 90 people on plastics that the RethinkWaste staff worked on. He thanked the speakers, and staff.

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.*

- A. Approval of Minutes from the February 28, 2019 Board of Directors Meeting
- B. Resolution Authorizing the Re-Classification of Certain Staff Positions

Motion/Second: Bonilla/Hurt
 Voice Vote: All in Favor

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			

5. Administration and Finance

- A. Approval of the Plan of Finance for Bond Refunding and New Money Issuance

Staff Mangini gave an overview of the staff report noting that the plan of finance recommended for Board Approval today is for \$20M total approximately \$10M in refunding savings due to more favorable interest rates and \$10M in new money to fund capital projects. He noted that the plan of finance is structured with minimal rate payer increases by extending the term of the bond an additional 6 years. The annual debt service will be \$4.3M, and it is currently \$4.1M.

Executive Director La Mariana added that today's vote shapes the scope of the bond documents.

Member Brownrigg commented that this does not ask the Member Agencies to take on any indebtedness, the request as recommended incurs a minimal increase in the annual operating expense that is already carried, so there is not a significant amount of debt being added to this agency. He added that the capital investments are sensible, and the use of proceeds has been investigated, and he felt comfortable in the recommendation.

Member Bonilla added that he also supported the capital improvement projects and the positive economic and environmental benefits of the projects.

Member Widmer also added his support for the projects and the refunding.

Motion/Second: Bonilla/Brownrigg

Voice Vote: All in favor

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			

6. Collection and Recycling Program Support and Compliance

No Items

7. Shoreway Operations and Contract Management

- A. Review and Approval of (1) an Agreement with Recology for Relocation of Organics Extrusion Recovery System & Purchase of Organics Polishing System and (2) an Amendment to the Agreement with South Bay Recycling for Operation of the Shoreway Recycling and Disposal Center to Cover the Additional Work Associated with the Organics-to-Energy Program

Executive Director La Mariana gave background on the item. Noting that a grant that was originally issued by Cal Recycle to Recology for equipment that resides at the San Francisco Recology. That equipment and the grant that comes with it is a critical part of the Organics to Energy Pilot, and staff is now at the end of the legal process to get both the grant and the equipment transferred to Shoreway. He introduced Kai Ruess who is an Attorney at Aaronson, Dickerson, Cohn and Lanzone (ADCL) who works regularly on the Agency's contractual projects.

Kai Ruess noted that a contract has already been approved with Anaergia, the manufacturer of the equipment being discussed. There are 4 other entities involved: Recology, Cal Recycle, ADCL and SBR. Today's approval is an agreement with Recology to set forth the terms to move the equipment from Recology to Shoreway, and purchase through Recology's grant from Cal Recycle the second bit of the equipment and install it at Shoreway. The second part of the approval is to approve an amendment to the contract with SBR to add on the work to operate the equipment do work associated with the material going through equipment. He noted that there was a grant deadline with Cal Recycle of April 1, 2019 which meant there was a lot of risk associated with the tight deadline. However, in the last two days they have received assurance from Cal Recycle that the deadline will be pushed to May 1, 2019 on their agreement with Recology, and because of that the risk that the \$1.2M being paid to Recology for the equipment will be reimbursed by Cal Recycle has been mitigated.

Member Widmer asked for confirmation that the risk to us is \$60,000.

Kai Ruess answered that the \$60,000 is a certain cost, that will be paid to a company called the Grant Farm that Recology hired to obtain the grant, but if RethinkWaste is the recipient of the grant funds the Agency would owe the grant farm that amount.

Member Hurt asked what the worst-case scenario was.

Kai Ruess answered that the risk is still out there is if Cal Recycle doesn't follow through on the grant agreement amendment, but with the deadline extended they have given every indication that they are headed toward mid April for the amendment.

Motion/Second: Brownrigg/Bonilla

Voice Vote: All in favor

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. Study Session: SB 1383, California’s Mandatory Organic Waste Recycling Law (2016)—also known as “The Short-Lived Climate Pollutant Act” or “The Super Pollutant Reduction Act”

Executive Director La Mariana gave a Power Point presentation on SB1383 which passed in 2016 and is in final rule making stages now. The overarching goal of the bill is to reduce greenhouse gas emissions and improve overall air quality. He noted that there is an enforcement component to this law through the air board, that supersedes Cal Recycle which is the usual enforcement agency for the RethinkWaste programs and services. The law goes into effect in 2022.

The Board discussed the presentation, and its implications for the Member Agencies and the SBWMA.

Member Brownrigg asked about the Organics to Energy pilot and then presumable full roll out, that would pull organics out of the black carts, noting that the law prohibits organics in the black carts, but our Organics to Energy equipment would remove it mechanically, and he asked that our Agency seek a waiver on that part of the requirement.

Member Widmer commented the edible food recovery part of the law, that all the data needs to be included because there was and is a lot of good work going on before the County’s program.

Member Hurt asked if there were ball park costs associated with complying with this law, will more staff be needed.

Executive Director La Mariana answered that because the final regulations are not out yet, it is too early to tell, and the SBWMA needs to feel confident that the investments in Organics to Energy will pay off before further costs can be investigated.

Member Perez commented that this is an unfunded mandate, so what are the revenue sources to pay for it. He also noted that smaller cities don’t have the funds to pay for compliance with the items they are already responsible for, let alone this law.

Executive Director La Mariana answered that funds to comply will come from the rates and through assessed penalties.

Member Brownrigg asked how much of the law could be centralized through staffing at the SBWMA, and if every city needed to write an ordinance.

Executive Director La Mariana noted that every city would need to write an ordinance, and just like the current compliance structure with the annual reports each City is responsible for complying. The SBWMA can assist with the reports just as is done now, but the cities are responsible for compliance.

The Board discussed issues with compliance, but determined it was premature until the final regulations were released.

Member Brownrigg asked if there was any way for the SBWMA to deem itself a jurisdiction for this law, so that all 12 agencies would not have to do it individually.

Counsel Savaree noted that she would investigate it.

Executive Director La Mariana noted that mid fall the final regulations would likely be out and staff would come back to the Board with more detailed financial information and the organics to energy pilot piece as well.

9. Informational Items Only (no action required)

- A. Legislative Session Update
- B. Check Register Detail for February 2019
- C. Quarterly Update on Technical Consulting Contracts
- D. 2019 Finance and Rate Setting Calendar
- E. Potential Future Board Agenda Items

10. Board Member Comments

Mario Puccinelli the group manager for Recology announced that Gino Gasparini would be retiring on June 1, 2019.

Many Board Members and staff members gave thanks and appreciation to Gino for his 47 years of service.

Member Parmer-Lohan commented that kids in San Carlos do a ROPES project in 4-8th grades and that there is a young woman in San Carlos who did her project on converting restaurants in San Carlos to use metal straws and she was successful at getting 2 restaurants to convert, and she asked if this student could come and speak to the Board about her project.

Member Brownrigg commented following up on the plastics workshop the day before that there was an excellent editorial by Mike Sangiacomo, Recology's CEO, about the problem of plastic waste. He noted that SB54 was not in the legislative update but it would require that all plastic be recyclable or ban it if it can't be recycled and he asked Members to support SB54.

11. Adjourn: 3:26PM