

**MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
April 25, 2019– 2:00 p.m.  
San Carlos Library Conference Room A/B**

**Call To Order: 2:21PM**

**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

**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 welcomed everyone to the meeting and made the following announcements:

- The May Agenda is very full, he asked the Board Members to plan for a longer May Board meeting. He asked for a straw poll for an earlier start time or a later end time. The conclusion was to plan for a 4:30 end time.
- The Finance staff has been working diligently on the budget and bonds, as well as the upcoming financial services transition at the end of June. Staff will be in front of the Member Agency City Councils between May 6 and May 15 as they make their decisions on the Bond refunding.
- The Public Education team will be giving a presentation on the FY17/18 school year tours today, and 6<sup>th</sup> grader Christine Chang will be giving a presentation on her metal straws initiative in San Carlos. The spring summer newsletter will be out in the Recology bills this spring. The "Green Zone" which highlights the SBWMA is now on Penn TV, there are 12 episodes planned the first of which is now airing. Staff is working on a new website which will upgrade both functionality and aesthetics.
- The Long Range Plan for 2020-2024 has had 7 input sessions to identify priorities and the ranking of priorities for future decision making.

- Executive Director La Mariana testified on AB1509 to two committees at the State Legislature. The bill passed both committees and is now going to appropriations on May 17.
- The Fellows have been successful at getting Sports Basement and Ikea to accept used batteries. The Board asked that there be follow up and cross promotion of battery drop off locations to make sure the drop off locations in the stores are visible as well so the public knows where to go at the drop off locations.

#### 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 March 28, 2019 Board of Directors Meeting
- Resolution Approving the Cost of Additional Fiber Sort Labor to be Split with SBR for a Period of Three Months (April 1 – June 30, 2019)
- Resolution Approving Calendar Year 2018 Financial Statements

Motion/Second: Aguirre/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

- Presentation by Kevin Civale, Bond Counsel on Board Federal Securities Disclosure Law Training

Staff Mangini introduced Kevin Civale who is serving as Bond counsel for the Bond Refunding transaction.

Kevin Civale discussed the Federal Securities Disclosure Law with respect to the Bond refunding. He noted that all material information must be disclosed, and that he is working with staff on those disclosures. He then noted what Board Members need to be thinking about with respect to approving the Bond. 1) Make sure Senior staff is involved in the preparation of the document. 2) Board Members should familiarize themselves with the draft of the document. 3) Ensure that any items of financial concern are disclosed satisfactorily. He noted that he was just working on the documents to disclose the 2016 fire, but otherwise there were no items on concern.

- Resolution Recommending Member Agencies Approve the Issuance of up to \$64 million of Solid Waste Enterprise Bonds

Staff Mangini introduced the item, he noted that the Member Agencies TAC Members have received Model Staff reports on this issue, and individual Member Agencies will have this item on their agendas between May 6 and May 15. Once those approvals take place this Board can go forward and approve the issuance of the Bonds.

The Board discussed that 8 of the 12 Member Agencies (2/3) must approve to move forward.

Member Brownrigg noted that the Finance Committee met and went over the numbers and supports this approach as well.

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

- C. Resolution approving a contract with The Grant Farm for Grant Solicitation Services for Capital Intensive Diversion Infrastructure projects for a not to exceed amount of \$65,000

Staff Gans gave an overview of the staff report and explained the two scopes of work that the Grant Farm would be working on.

The Board discussed if acquiring grant funding and bond funding would be concerning to a public entity acquiring money to keep it. Staff Mangini noted that he would research it with the Finance Advisors.

The Board discussed the timeline of the grants. Staff noted that the CAEATFA Grant application would happen immediately for sales tax exemption status on the pilot equipment, and the Cal Recycle grants are tied to the state's budget cycle, but hopefully those would be available in June. Staff Gans noted that he's not been through the application process before to know how long the award process takes, but he would provide updates to the Board about what was available that he thought the SBWMA should apply for.

Member Brownrigg asked about a cost benefit scale and payment schedule to the Grant Farm. Staff Gans noted that in this case the \$50,000 is on a time and materials basis to develop the prospectus to get ready to apply for the grants, and once the package is put together payment would be a success fee-based approach.

Executive Director La Mariana added that staff would still seek out local grant opportunities as well through the County and Peninsula Clean Energy etc.

Motion/Second: Aguirre/Widmer

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

- A. Resolution Approving the Proposed Amendment One Modifications to the Model Recology Amended and Restated Franchise Agreement

Chair Benton noted that there was discussion at the Executive Committee level about having this be a discussion item only because it is a big decision but left it as an action item to leave flexibility either way.

Executive Director La Mariana gave background and overview of the 2 topics that are being considered as part of Amendment One. 1) The Bulky Item Collection (BIC) and Abandoned Waste collection program expansion and 2) adding Storm Water anti-litter measures to the Franchise Agreements.

Mike Kelly, General Manager of Recology added that it was a collaborative effort and what you have before you are what we believe are the best options to meet the community's needs moving forward. He noted that the costs will depend on the program options the SBWMA decides on, but the options were developed based on the problems Recology is currently experiencing.

Member Widmer commented that there were primarily 2 jurisdictions using the program based on a previous report, but the recommendation in the staff report is to split the \$630,000 cost of an additional Bulky Item route amongst all the agencies. He wanted to see the costs allocated based on usage and thought that was the direction staff was headed in, so he was surprised to see the recommendation not based on usage. Consultant Rob Hilton (HF&H Consultants) explained that throughout the discussions they heard the concern that the allocations may not track with the usage appropriately, so they took the sum of the BIC and abandoned waste collections in each community and compared them to percentage of the single family residence accounts in the service area and they tracked incredibly closely. The reason they proposed to leave the allocation as it is currently is that there is some concern that year over year there could be volatility in these programs that could lead to some rate volatility, and so allocating by accounts was closer to long term usage and gave more stability. Member Widmer disagreed and thought the BIC usage in Atherton was practically nothing.

Member Rak asked if the list of options was in priority order or just a list. Rob Hilton noted that the 7 items in the staff report are all included in the proposed Amendment One, and he gave a description of each of the 7 options.

The Board discussed the voucher pilot program. Member Rak asked for clarification if the cost proposal in the staff report was for the pilot program or the overall cost. Rob Hilton answered that the annual cost of running the voucher program is about \$230,000 per year, the other costs in the staff report are fixed startup costs. So, the voucher program costs a little less than half the cost of adding a new route. However, the pilot costs were based on assumptions, and once the pilot program rolls out more true costs will be revealed, and if it is successful the Member Agencies may want to leverage this program more which could change the costs depending on how it is implemented at full roll out. Member Hurt asked what costs would be lost if the pilot doesn't move into a full program. Executive Director La Mariana noted that the pilot cost of \$125,000 is a sunk cost to invest in the software and licensing fees. The variable costs would be reevaluated after the pilot program, and how to allocate costs of the voucher program would also be evaluated.

The Board discussed overages, Member Brownrigg asked if a customer would be charged if their lid didn't close completely so there would be no option to put tall items into the cart. Executive Director La Mariana answered yes, and the City of San Mateo is already doing this, and their litter has gone down substantially, which is why staff felt comfortable with the recommendation. Member Widmer thought it would cause a lot of problems with the residents. Executive Director La Mariana noted that what is driving this change is the storm water regulations that each of the Member Agencies is responsible for complying with. Member Widmer asked if it was optional by Agency. Rob Hilton said that ultimately each Member Agency holds their own Franchise Agreement, so even though it would be difficult for Recology it would be possible for one Member Agency to opt out, but there needs to be some definition of what an overage is. Member Brownrigg clarified that the overage would be charged directly to the customer not the City as an allocation but, noted that as an elected official he would need to somehow let his residents know of this change, because this is a difference.

The Board then discussed what the current billings on overages are. Mike Kelly noted that Recology currently collects most overly filled carts and bins, they only charge an overage charge if it's really over full which is why the definition on the agreement is important. But it also means there is no data on how many actual over full containers there are because they are being collected without being charged.

Afshin Oskoui, Belmont Public Works Director, TAC Chair and Vice Chair of the Regional Storm Water Committee added that these changes in the Franchise Agreement are being driven by the Municipal Regional Permit that most of the Agencies in the SBWMA are responsible for. He noted that the Regional Storm Water Committee is in negotiations now for the next permit cycle to be issued in 2020 and every city has a goal of 100% litter control of litter reduction at the source by 2022, and that currently it's about 70%. It is part of this conversation because trash is the source of litter. Currently the committee thinks the Cities in the SBWMA are not doing enough, but there are options of how each Member Agency reaches their 100%.

Member Widmer reiterated that if they wanted to opt out of the overage requirement they could, and he wondered if a trash capture device would meet the permit requirements.

Tammy Del Bene of Recology clarified that Recology can charge an overage fee, but they are not a policing and enforcement agency so if a Member Agency wanted to charge a fine for overages that would be through the individual city's enforcement. She also noted that residents and commercial customers will be shocked if the Franchise Agreement Language is changed to not allow any overages and there needs to be an aggressive public education campaign about that change.

Rob Hilton summarized that approval of the resolution would provide a model amendment to the Member Agencies which provides for the 7 changes to the Franchise Agreements in the staff report and provides a method for which they would be allocated, and costs would increase over time. Recology would like some uniformity, but there may be room to talk to them about items on the litter side.

Chair Benton commented that he didn't think the Board was ready to send this out to the Member Agencies without risk of loss of uniformity for Recology.

Member Rak suggested looking at the BIC and abandoned waste items separately from the storm water items and have two amendments.

Member Rak made a motion to move this item to the June meeting for action, after further discussion on overages and storm water.

Member Hurt seconded the motion

Voice Vote: All in favor

- B. Resolution Approving the Engagement of HFH Consultants to Provide SB 1383 Planning Support in the Form of: 1. Assess Baseline Conditions 2. Evaluate Potential Solutions and 3. Develop and Present A SB 1383 Action Plan

Executive Director La Mariana gave a background and overview of staff report. He noted that SB1383 is a landmark law that will have many implications for the SBWMA, and because of that staff is requesting approval of a contract with HF&H to provide some financial scoping for what SB1383 will mean for the SBWMA.

Motion/Second: Brownrigg/Bonilla

Voice Vote: All in favor

Member Widmer had to leave and there was no longer a quorum, so the meeting was adjourned before item 8.

## **7. Shoreway Operations and Contract Management**

No Items

## **8. Public Education and Outreach**

- A. Review of SBWMA 2018 Annual Report
- B. Environmental Educational Tours Program Update for the 17/18 School Year
- C. Presentation by 6<sup>th</sup> Grader Christine Chang on her Metal Straws initiative in San Carlos

**9. Informational Items Only (no action required)**

- A. Legislative Session Update
- B. Check Register Detail for March 2019
- C. 2019 Finance and Rate Setting Calendar
- D. Potential Future Board Agenda Items

**10. Board Member Comments**

**11. Adjourn 4:02PM**