

MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
April 26, 2018– 2:00 p.m.
San Carlos Library Conference Room A/B**

Call To Order: 2:02PM

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 Janet Borgens represented Redwood City

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. He thanked the staff for their hard work on the April 22 Earth Day event. He made the following announcements:

- He introduced John Mangini who will be starting as the Sr. Finance Manager on May 7
- Menlo Park was the 8th Member Agency to approve the Franchise Agreement Extension
- Amendment One discussion will begin in late June/early July and go through the end of 2018
- The draft budget is not on the April agenda because the Finance Committee asked staff to further vet some key issues; given that, the draft budget will be presented in May
- Commodity markets continue to decline in value but the material is still moving
- Staff received two responses from engineering firms to the Landfill RFQ, new disposal costs will be delivered to the Board by the end of the year.
- The May Board meeting will be an extra hour due to discussion on the draft budget, batteries and Capital Expenditures

Chair Bronitsky added:

- If any Member Agencies who have not approved the Franchise Agreement Extension yet need support from the Board please ask.
- He suggested tours for the Board members to help in understanding the commodities situation. Executive Director La Mariana will set up some dates and send them out to the Board.
- A poll was taken of Board members present and the May meeting will begin at 1PM and is anticipated to be 3 hours long

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 March 22, 2018 Board of Directors Meeting
- B. Approval of Calendar Year 2017 Financial Statements

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 District	X			

5. Administration and Finance

- A. Resolution Approving FY18/19 Property Insurance Policy

John O'Neill of Risk Strategies Insurance explained the insurance options for FY18/19. He noted that the modeling for risk has changed significantly in California since last year and due to the SBWMA's two losses in 2016, there aren't a lot of options. The players and coverage will remain the same as last year, but the cost is 10% higher due to the change in risk modeling due to many catastrophic natural disasters in the last year. It would have been even higher without the risk mitigation work that has been done at Shoreway since the fires.

Motion/Second: Bonilla/Dehn

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 District	X			

- B. Resolution Approving a 1 Year Extension Administrative Services Contract with the City of San Carlos

Executive Director La Mariana noted that the agency's contract with the City of San Carlos for Accounting and Financial Services ends on June 30th, so staff solicited bids for those services and received two qualified bids. Recognizing that, without a Sr. Finance Manager in place and not knowing how long the recruitment would take, and with the Executive Committee's approval the Executive Director asked the City of San Carlos if they would consider a one-year extension. They agreed using the pricing submitted in their proposal, which is a few percentage points higher than the current contract.

The resolution was amended to reflect the correct price of: \$150,500.

Motion/Second: Bonilla/Brownrigg

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			

6. Collection and Recycling Program Support and Compliance

No Items

7. Shoreway Operations and Contract Management

A. Resolution Approving Public Gate Rate Increases

Executive Director La Mariana noted that staff recommends an increase in public rates charged at Shoreway earlier in the year than usual rather than waiting until January. This is at the direction of the Finance Committee to 1) obtain full cost recovery for the new C&D processing agreement; 2) to offset the premium charges recently incurred by contamination in the green bin; and 3) because the current commodity market decline is depleting the Cap Ex Reserve. By implementing these increases on July 1st, this action would yield almost \$700,000 revenue between now and January.

The Board discussed why the increase now instead of waiting until January, and if this small increase was really necessary as a larger increase is being fine-tuned. The Board discussed the big ticket items affecting this recommendation including: Zanker Road contract increase, lost revenue on fiber commodities, increases in insurance costs, long term contracts coming to an end and subsequent cost increases as new contracts are negotiated.

Chair Bronitsky commented that currently the Franchise customers are subsidizing the public gate customers, and the Board needs to decide if they want that subsidy to continue until the end of the year when a larger increase goes into effect.

Member Carlton asked for further information regarding the underlying cost factors that have caused costs to go up versus gate fees charged, and specifically asked staff to address the contamination increase in food waste.

Motion/Second: Brownrigg/Bonilla to approve the self-haul portion of the recommended increases

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 District	X			

Member Grassilli asked what percentage of the increase affects the Franchised customers. The Board discussed that approximately 80% of the \$684,000 in revenue that would be generated between July and December 2018 would come from the self-haul portion of the recommended increases. The other 20% would affect rate payers.

Motion/Second: Bonilla/Grassilli to approve the Franchise portion of the recommended increase
 Roll Call 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 District	X			

B. Shoreway Operations and Market Update

No report other than the staff report.

C. Presentation on Shoreway Environmental Center Education Programs

Madison Guzman gave a Power Point presentation updating the Board on the 2016-2017 Environmental Education Programs.

The Board discussed that these programs come out of the SBWMA budget, staff was asked to look into whether school presentations would be a less expensive way to run the education program, and that the in schools program launching is part of the Long Range Plan. It includes both an education component and a technical component to make campuses greener.

8. Informational Items Only (no action required)

- A. Check Register Detail for March 2018
- B. 2018 Finance and Rate Setting Calendar
- C. Potential Future Board Agenda Items

9. Board Member Comments

10. Adjourn 3:16PM