



MINUTES
 SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
 MEETING OF THE BOARD OF DIRECTORS
 May 23, 2013 – 2:00 p.m.
 San Carlos Library Conference Room A/B

1. Roll Call
Call to Order 1:10 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

2. Adjourn to Closed Session – Pursuant Government Code Section 54956.9(A): Conference with Legal Counsel – anticipated litigation – one case; pursuant to Government Code Section 54954.5: Public Employee Performance Evaluation: Executive Director; and pursuant to Government Code Section Govt. Code Sec. 54956.9 Conference with Labor Negotiator: Unrepresented employees- (All employees).

3. Report from Closed Session

Regular Session CTO: 2:20 PM
 Nothing to Report from Closed Session

4. 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

5. 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 April 25, 2013 BOD Meeting Minutes
- B. Approval of Quarterly Investment Report as of 3/31/13
- C. Results of 2013 1st/2nd Quarter Recology Franchise Agreement Contamination Measurements for Loads of Recyclable Materials, Organic Materials, and Plant Materials
- D. Receipt of Recology and SBR Monthly Reports

Motion/Second: Patterson/Porter

Voice Vote: All in Favor

6. New Business:

- A. Review of Draft FY2014 Budget

Executive Director McCarthy gave a Power Point presentation on accomplishments in 2012/13 and proposed FY14 priorities with budget information.

Member Gibbons noted that he would like to see a drawn out picture of a cost model.

Member Galli asked if comments could still be brought forward between now and the next Board Meeting.

Executive Director McCarthy answered the sooner the better so it could be discussed at the Executive Committee Meeting.

Member Gibbons commented that the salary adjustment issue might be best held off until the governance issue is settled this fall.

Member Galli asked if in the next budget the costs for each of the tip fee items could be included so that she could see if costs are aligned with fees.

Executive Director McCarthy noted that the tip fee discussion has always happened at the November meeting when the Board is approving tip fees for the following January 1st, but added that it could be updated now with the assumptions, and then updated again in the fall.

Roxanne Murray asked how the Green Fence would affect future commodity revenue.

Executive Director McCarthy noted that it was an insignificant amount annually, but that staff would keep the Board posted if anything changed with plastics 3-7.

Member Galli asked if the issue regarding disposal reporting that is not covered under Ascent's contract would increase their time, and she asked how the increase in time was being resolved.

Staff Feldman answered that Ascent doesn't see any added expense in relation to the inaccurate information sent to the state on disposal numbers.

- B. Discussion on Use of Unspent Shoreway Master plan Funds

Staff Moran summarized the staff report and how there is a little over \$1M in unspent Master Plan funds. He pointed the Board to the staff report that explained the options, and noted that staff strongly recommends that the best option is the pay off the \$3M Burlingame loan early.

Member Paterson confirmed that staff just wanted feedback and no action today.

Executive Director McCarthy stated yes.

Vice Chair Oskoui asked if it is part of the proposed budget or a separate action.

Executive Director McCarthy stated that we could share the budget with and without the \$141,000 savings, which is why this item is being brought up now for discussion, but it would be a separate action item from adopting the budget.

Member Paterson noted that San Mateo agrees with staff's recommendation.

Member Porter stated that the County agrees as well.

C. Update on Strategic Plan: Research on Future Diversion Opportunities

Executive Director McCarthy gave an overview of Attachment B which he explained as a first step at looking more long term at things that will affect the SBWMA in the future, and start a conversation about SBWMA programs going forward. He added that if the Board adopts the budget there is \$80K, to do some more focused research and look at different options in the areas that are outlined in the attachment.

Member Moura asked if there was a way to put dates, times, and years on some of the line items, so Board Members would know when these might be coming as action items.

Executive Director McCarthy answered that if the Board adopts the budget it includes \$80K to do the initial research, the assumption is that at the end of this next fiscal year a more detailed version of the document would include preliminary cost estimates and a timeline.

Member Galli asked if staff wanted Board feedback on which we want to prioritize or focus on.

Executive Director McCarthy answered yes, and that it's an ongoing conversation. He added that we've added the easier to do short term items in our current budget and anything longer term is a continual conversation, and asked Board Members to bring ideas and suggestions to staff. If you see something here you want us to focus on, or something that's missing, let staff know.

Chair Doughty asked if staff would be hiring a consultant for this work.

Executive Director McCarthy answered that some portion would; a consultant would probably be hired to look at processing systems and technologies that are out there.

Member Galli asked what the next steps would be.

Executive Director McCarthy answered it would be to follow the document.

Chair Doughty concluded that this is an iterative process and that feedback is continually welcome.

D. Preliminary Report on Non-Exclusive Franchise Options for Commercial Recycling

Staff Feldman summarized the staff report noting that there is a deficit in data on commercial non measured diversion. He added that there is currently \$50,000 budgeted in next year's budget to implement an SBWMA wide ordinance to issue non-exclusive franchises to commercial recycling haulers with the intent of collecting tangible data on diversion numbers.

Executive Director McCarthy added that this item ties to the previous item just discussed, and added that we don't know what the baseline diversion number is, and this is a critical next step in knowing what the total diversion is, so that staff can cost out future programing. He also added that based on feedback from the Executive Committee the plan is for enforcement to be low key unless the Board wants a more robust plan.

Vice Chair Oskoui commented that as we roll this out next year, stakeholder outreach and meetings will be key in crafting as to why the SBWMA is doing this.

Member Galli asked if this would be an SBWMA wide ordinance or if each agency would adopt a model ordinance.

Staff Feldman answered that it would be staff preference and recommendation that the ordinance be administered by the SBWMA.

Member Galli asked for clarification on the model that the SBWMA would use.

Executive Director McCarthy answered that the model is not to limit competition; it is to require information back from them.

Member Galli asked what the difference is between a permitted facility and a non-franchised agreement, noting that there were examples of both in the staff report.

Staff Feldman answered that staff looks at it as one and the same given that our goal is to get data. He noted that they will be required to get a business license and pay the fees in the jurisdictions.

Member Rodericks asked if C and D would be included in the data that staff is looking for.

Staff Feldman answered that we are precluded from taking that path because one of our agencies doesn't have a C and D ordinance.

Member Moura asked if the SBWMA had the authority to adopt an ordinance.

Legal Counsel answered that she didn't know, but would get an answer.

Member Moura added that he would like to include discussion on the advantages of the SBWMA managing the ordinance versus each agency, and noted that City Managers may question what the difference is between the Cities holding the Franchise Agreements and the SBWMA holding the agreements with these other haulers.

Executive Director McCarthy noted that staff would be really clear on the advantage of the SBWMA managing the ordinance. He also added that the JPA agreement does allow for the SBWMA to ability to adopt ordinance.

Jean Savaree confirmed that the JPA can adopt an ordinance.

Chair Doughty commented that in order to get compliance we need to look at enforcement. If the message is that enforcement is not going to be a priority then there might not be compliance.

E. Staff Presentation on Home Diversion Calculator Project

Staff Devincenzi gave a Power Point presentation on the Home Diversion Calculator project.

Member Rodericks asked if there was going to be an iPhone app.

Executive Director McCarthy stated that there is one coming.

Executive Director McCarthy added that philosophically the approach to this is that residents would participate on a volunteer basis. He noted that neighboring communities in San Francisco and Alameda County are using an approach driven by deputized inspectors, it's a very expensive effort and this is a completely different model, we will provide some kind of creative incentive program for participating.

Member Augustine asked when the launch would be.

Staff Devincenzi answered that it would be available on the new website next month for residents to begin using it. The second phase would be in the fall or winter when the recognition phase would roll out.

Executive Director McCarthy commented on one other model called Recycle Bank.

Roxanne Murray asked if there was any expectation of participation.

Staff Devincenzi answered that the initial goal is just to make people aware and use the diversion calculator. She added that the recognition phase will help determine the goals for participation.

7. Old Business:

A. Resolution Approving Modifications to Unrestricted Cash Reserve Policy

Executive Director McCarthy went over the staff report and noted specifically that there has been a substantial reduction in what needs to be reserved in the equipment reserve policy. He added that the cash reserve short fall will be significantly reduced by these changes.

Member Patterson commented on his concerns at the last board meeting about the equipment reserve fund being characterized as a sinking fund, and noted that those issues were addressed in the revision.

Motion/Second: Patterson/Hardy

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. Discussion on Roles and Responsibilities for Collection Services Franchise Agreement Contract Administration

Staff Feldman noted that per direction at the March Board meeting, a more detailed table was being provided regarding the roles and responsibilities of the Agencies and the SBWMA regarding contract administration.

C. Discussion on SBWMA Governance

Executive Director McCarthy stated that Redwood City Staff sent him and Bob Lanzone a draft of the staff report that was going to be sent to all of the Member Agencies. He added that he and Bob provided a red-line back to the staff in Redwood City and they've accepted most of the edits and the document would then be sent directly to the Member Agencies.

Member Porter asked who at each Agency the amendment was going to go to, and how we as jurisdictions process it.

Vice Chair Oskoui commented that there needs to be some legal guidance as to how this will flow.

Member Patterson noted that this was brought up at the Blue Ribbon that action to modify the JPA needed to come through the SBWMA board, and no one commented. He speculated that the intent is to get an amendment to each of the member agencies, and that the actual amendments will never be processed through this Board.

Member Porter noted that it puts this Board in an awkward position.

Executive Director McCarthy noted that Redwood City is going to send it to each City Manager and Mayor and they will put the amendment on their council's agenda.

Chair Doughty noted that if this proceeds forward, the current Board Members are likely to become the TAC, and not completely out of the process.

Vice Chair Oskoui added that there is still a question of process and the City Attorney for Belmont would be having a clarifying conversation with Bob Lanzone.

Member Moura commented that Vice Chair Oskoui brought up a good point and that all City Attorneys should look at this.

Executive Director McCarthy commented that it leaves questions as to what happens if different versions of the amendment are passed. He also added that there have been statements made to the effect that the desire is to get this passed in time for the elected member board to review and approve the compensation applications, and cautioned that the process could delay the approval of the compensation application which would cause interest payment scenarios with the contractor.

8. Staff Updates

- a) Update on Recology Commercial Recycling Outreach Efforts
- b) Recycling and Outreach Programs Update
- c) Shoreway Operations and Master Plan Update

d) Update on 2013/2014 Franchise Rate Setting Process

Executive Director McCarthy commented that this will be in every board packet going forward, staff provided it during rate season last year and it seemed helpful so it is being done again. He also noted that if Board members have questions about when things are happening or coming to you it's all here.

e) Preview of Upcoming Board meetings

9. Board Member Comments

Chair Doughty announced that EPA took their \$0.96 increase per month to Council and it was a challenge but it was approved.

10. Adjourn 3:46 PM