

MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
June 22, 2017 – 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	

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. Adjourn to Closed Session – Pursuant to Government Code Section Govt. Code Sec. 54957 Public Employee Evaluation: Executive Director

4. Regular Session CTO: 2:22

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	

5. Additional Public Comment

None

6. Executive Director's Report

Executive Director La Mariana gave the latest SBWMA updates, he noted that a 2-day battery summit was held with Staff Gans, SBR, Recology and 15-20 industry leaders and stakeholders to find a long term solution to battery collection. He added that in September staff will be looking for Board feedback, after which staff can then move forward with an action plan and public outreach campaign.

Executive Director La Mariana then added that the contractor's compensation applications have been received since he wrote his Executive Director's report. He noted that at this point the contracts are index capped, and Recology is requesting their compensation for 2018 be adjusted by 1.1% and SBR is requesting a 1.8% adjustment. SBWMA staff is now vetting the documents. He also noted that this low percentage adjustment year would be a great time to consider making a rate adjustment higher than recommended to build a reserve to buy down the increase when the contract transition occurs in 2021.

Executive Director La Mariana also noted that staff put an RFQ out for rate support to the Member Agencies, and notices will go out in the next week. He noted that staff is still planning to do the vetting in house, but to get assistance later in the process when all 12 Member Agencies need information quickly and this will expand the bench strength to be able to be responsive to the Member Agencies. He also noted that, if this first year pilot is successful, staff would be back to the Board next year for a 3-year renewal that would give the Member Agencies and the SBWMA a high level rate review with member agency-specific, multi-year projections rate years 2019, 2020 and through 2021 to allow for a smooth transition into the presumed contract extension.

Executive Director La Mariana also noted that staff is completing the RFP for organics processing.

Member Carlson asked if a plan for capturing the methane gas with the organics collection was still in consideration.

Executive Director La Mariana answered that staff is still looking into the technologies for options at the Shoreway site. There are two options, one, is the fallback position of having the material processed in the way it has been which is why there is an RFP going out, and two, to look for technical and other processing options in the future that will give us more control of the material on site.

Executive Director La Mariana then noted that the approved FY 17-18 budget included a line item for Franchise Agreement support of \$450,000. If the board chooses to approve the model Franchise Agreement and cost proposal today, this designated \$450,000 would go into reserves. He noted that at the last Board meeting there was a question about this going into the capital reserve. Adding that the undesignated reserve was renamed capital reserve, and this is a guideline not a policy so it's at the Board's discretion where the money would go if it is unused, and it would be back to the Board for discussion at the end of the year.

Executive Director La Mariana also noted that staff is half way through the shredding events calendar for 2017, and for the most part they've gone very well, with one incident at the County event where there was a mix up, and staff is working with the shred vendor on a remedy to make that right. He also noted that staff is looking at adding shredding to the services offered in the public recycling center by the end of this fiscal year. So the Agency may want to rethink the shredding events in the future, if this service is always available at Shoreway.

Member Widmer asked if shredding events in the cities would be eliminated if shredding becomes available at Shoreway.

Executive Director La Mariana answered that eliminating the events is an option, but it's really up each member agency on how they would like to proceed.

Member Widmer and Member Aguirre commented that the shred events are a great community service and they would like to see them continue throughout the service area not just at Shoreway.

Executive Director La Mariana announced that Recology is a finalist in the Half Moon Bay RFP, and they have requested to bring their 3rd party recyclable tons to Shoreway.. If they were to be awarded the contract, those tons would come to Shoreway and any ton of material that comes into the facility goes toward offsetting operations costs as long as the tons don't require a second shift which is not anticipated based on the RFP.

Member Widmer asked what the tip fee would be, and would it be higher than what members of the JPA pay.

Executive Director La Mariana answered it would be at the gate fee, which is higher than the franchise fee.

Member Widmer asked if there was any progress on working with the County on HHW, and if not can there be by the end of the year.

Executive Director La Mariana answered that he has nothing new to report on HHW at this time and that a mid-year HHW report will be provided to the board in September. He introduced Dave Vaughn, Senior Vice President and Director of Operations for all of Recology, and noted that Mario Puccinelli of Recology has requested to speak to the Board during the Franchise Agreement discussion later. He also pointed out Bob Hilton who was the lead negotiator and financial analyst, who is available to answer questions. Finally, he introduced Fellow Kevin Russell, who will be working on the Agency's Long Range Plan Public Spaces project.

Member Dehn asked about the office refresh noting that in the staff report safety was mentioned. She wondered if safety was pertinent to ergonomics or if there were other safety concerns.

Executive Director La Mariana answered ergonomics.

7. 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 May 25, 2017 Board of Directors Meeting
- B. Resolution Authorizing the Executive Director to execute a 3 year contract with Aaronson, Dickenson, Cohn & Lanzone for legal counsel services
- C. Resolution Authorizing the Executive Director to execute a 3 year contract with DTE Networks for Information Technology Services
- D. Resolution Authorizing the Executive Director to Execute a Contract with Tanner Pacific for Construction Management services for FY17/18

Member Aguirre made a motion to approve the consent calendar items

Member Brownrigg seconded the motion

Roll Call vote: 12-0-0-0

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			
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8. Collection and Recycling Program Support and Compliance

A. Resolution Approving the Proposed Recology Model Franchise Agreement and Compensation Package

Executive Director La Mariana recapped the timeline of the negotiations. He noted that this proposed document is an amended and restated agreement, not a new contract. He noted that the staff report was reissued when it was discovered that the proposed new term was listed as 2036, and it should have been 2035.

Member Widmer noted that the start date needed to be revised to 2021 not 2010, as well.

Executive Director La Mariana continued recapping the process. He noted in March there was a negotiated contract with terms and services at a proposed cost of \$65.3M in the first year of the restated contract. He noted that number represented a difference of about 10.2% between the current contract and the restated contract. After a series of 12 public meetings, two workshops and a City Managers meeting and City Attorneys meeting staff worked with Recology on the feedback and issues from those meetings. He called out two specific items that came up in the meetings. One, the attorneys asked if this action triggered a CEQA review, noting that the short answer was no, and the technical legal answer was included in the staff report. Two, which came up at several meetings, was is there an obligation to send the contract out for competitive bid. He noted that the short answer was no, and the public resources code supporting that answer are also outlined in the staff report.

Executive Director La Mariana noted that there was a recent development as of yesterday, Recology has offered to reduce their cost proposal by \$1.1M in G&A, which makes the jump off percentage go from 10.2% to 8.3% not including the fuel index and growth which will be pass through costs.

Member Brownrigg asked for the current level of G&A and the revised G&A.

Executive Director La Mariana passed out a handout of the revised recommended financial proposal noting that that the 2020 number was straight-lined from 2016 with a CPI projection based on history.

Member Widmer asked what the G&A percentage was at the time Recology was awarded the contract, because he was still concerned about the percentage increase in G&A from the initial bidding on the contract to the first year of the restated agreement, and wondered if it was intentionally underbid.

Member Benton noted that at the workshop there was a worksheet with the G&A by year, and the proposed percentage in 2011 was 6.5%, and the actual for 2011 was 9.5%.

Executive Director La Mariana noted that when discussions first began the number Recology requested was 12.1%, so the number has come down considerably. He also noted that there is an additional \$216,000 in avoided costs from depreciation that should have been included, but wasn't and Recology has chosen to leave that amount on the table.

Member Dehn commented that the resolution attached to the staff report didn't call the contract a restatement.

Counsel Savaree answered that the language could be added to the resolution.

Member Widmer commended the Executive Director and the FAX team for getting a lot done in a short amount of time, but noted that there are a lot of things in the contract that Atherton may not be interested in, and that he is concerned about the meet and confer written into the contract in several locations potentially adding more cost. He also noted that he is concerned that, if he votes to approve or not approve the contract, what that will mean for further negotiations at the jurisdiction level. He wondered, if he does vote yes does that compromise

his position in the Member Agency individual discussions, and commented that he's not really sure what his vote would mean. He asked for more clarity before he voted. He also noted that he thinks the G&A number is still high, and is also concerned about the Bulky Item cap, and that no solution has been brought forward yet. He also raised concern that there needs to be more responsiveness on key items in the contract, and he doesn't know if they can be negotiated in during the individual Member Agency discussion.

Counsel Savaree responded that the vote today is to either recommend or not recommend this model franchise agreement to the Member Agencies. She noted that, if 2/3 of this Board approves this Model agreement, it will go to the Member Agencies for approval. When that happens staff has called out where in the agreement individual Member Agencies can negotiate. She added that it is fairly limited including examples of section 5.02 container relocation services, section 7.09 using the prop 218 process to set rates, and discrimination language that should match the City's language. She also noted that in the attachments there is also negotiation on bin size, service levels for agency facilities, community events, and delinquent payment policy.

Member Widmer asked if there are key terms in the contract can they be pulled out and negotiated if they don't apply to a Member Agency with a different set of circumstances.

Counsel Savaree answered that this is a standard contract, but negotiating on key terms in the contract is not anticipated by the contract. She added that both staff and Recology understand that the bulky item and abandoned waste issues area very serious concern for a number of the Member Agencies. So that language has been changed in the Model Agreement, to include an obligation to come up with an allocation plan that the SBWMA Board and Member Agencies would look at if the maximum number of collections is coming close to the cap.

Member Widmer commented that he didn't see that change in language in section 5.05.

Counsel Savaree noted that she would find the language and let the Board know where it is located.

Member Aguirre made a motion to approve Resolution 2017-27.

Member Benton seconded the motion

Discussion:

Executive Director La Mariana noted some changes since the packet went out that had not been discussed before the motion. He passed out a handout that listed the changes in the contract language since the packet went out. He also noted that a handful of them are simple grammatical changes, and two are substantive. The company requested an option, if they are losing money, to meet and confer to demonstrate their financial position. He noted that the company is concerned because 2035 is a long way away, and a lot of assumptions have been made. The Company would like the opportunity to make their case to at least get to break even if they are losing money during the final year of the contract.

Member Widmer commented that this is not a cost plus contract it's a fixed price contract, and he thought the number being recommended was not being overly challenged, and a loss could be fabricated, and it's either fixed price or it's not, and he thought this caveat was unreasonable.

Chair Grassilli asked if these changes were not requested until after the Board had voted on the contract what would happen.

Counsel Savaree answered that staff would come back to you at the next meeting to ask if you wanted this language added in.

Member Benton asked for clarification that this proposed language would only apply to the extension period in 2034, to give the agency time to go out to bid.

Executive Director La Mariana answered yes, that's correct.

Mario Puccinelli of Recology noted that this language has gone through SBWMA staff and the HF&H negotiating team, and both staff and Recology are comfortable with this language.

Member Benton asked for further explanation of the 9.5%, and what the intent is.

Executive Director La Mariana answered that 9.5% is their maximum allowable profit margin. In the contract language it's referred to as the operating ratio.

Member Benton asked why the language says general and administrative expenses are greater than 9.5%.

Mike Kelly of Recology noted that Recology did not put that language in but that he thinks he knows where it came from. He answered that 9.5% is an approximation of G&A on billed revenue, so the 9.5% is fixed.

Member Benton commented that this a \$9.5M number but it's not a \$100M contract.

Mike Kelly answered that the total billed revenue for the entire collection system is \$100M, and when calculating the break-even point G&A is measured off of that number.

Member Widmer asked for clarification on what the G&A number is today on SBR, so the two numbers could be added together.

Dwight Herring answered that he would have to look that up.

Chair Grassilli noted that it is frustrating to get this information last minute, and this is very complicated.

Member Brownrigg commented that the simplest thing is to be silent on all of this. He noted that this is on the maximum 12 month mandatory extension if there is an RFP. He added that if Recology is dramatically underwater, they should be coming to this Board long before the end of the contract, and there should be an RFP before the end of the contract. He suggested taking the whole second half of the paragraph out.

Member Hurt asked to hear from the committee that suggested the language.

Executive Director La Mariana answered that this language came from the Company and was vetted through Counsel's office from a legal perspective, and the HF&H team from a financial perspective, and this language was all being negotiated in the last 24 hours so it didn't go in front of the FAX committee.

Mario Puccinelli commented that he agreed with Member Brownrigg and they didn't want this language to get in the way of all the progress and hard work, so they would be removing the language.

Member Benton asked for clarification of the language at the top of page 3 in the handout that says "*If Contractor's Compensation is adjusted under the 2009 Franchise Agreement after Rate Year Six (2016) but before Rate Year Eleven (2021) due to a Change in Law or Customer migration under Sections 11.05.A.3 or 11.05.A.4 of the 2009 Franchise Agreement, or an Agency-directed change under Section 15.12 of the 2009*

Franchise Agreement, then Contractor's Compensation for Rate Year Eleven (2021) shall be equitably adjusted to give effect to the change".

Bob Hilton of HF&H Consultants answered that there are conditions in the existing agreement, like change of law for example, where the contractor's compensation might be adjusted. This language states if that happens in the existing agreement between now and the start of the extension it would adjust the 2021 number accordingly.

Member Benton asked if this was a new provision in the new agreement versus the existing agreement.

Bob Hilton answered yes, because at the start of the current contract there was not the same condition of waiting 3 years to start a new term, but the change of law language is in the current contract and is standard language.

Member Benton commented that he was under the impression that the \$64.2M number was an estimate.

Bob Hilton answered that the number is subject to a fuel adjustment and a growth adjustment, and CPI is already included in the \$64.2M number, CPI is locked in, just the fuel and growth factor are adjustable between now and the start of the extension.

Member Benton asked if the growth adjustment was new.

Bob Hilton answered that there was a growth adjustment in the current contract, but it didn't apply every year, and that the same methodology was applied to the extension.

Member Benton summarized that the big adjustment will be fuel.

Bob Hilton answered yes.

Member Benton commented that he has been a vocal behind the scenes complainer, and he appreciated Executive Director La Mariana for hearing him out. He thanked Executive Director La Mariana, FAX Chair Jim Porter and Recology for their work in the negotiations and coming back to the table.

Member Carlton commented that she hates voting on things she hasn't read, and because she got it last minute hasn't had time to go through it and understand the implications, so she can't vote on this now. She asked if the motion included the language in the document handed out.

Counsel Savaree noted it would include the one red line in section 4 of attachment K, to which so far no one has raised an objection, and what follows on the remainder of the handout which in her opinion were clean up items, and if the Board approves the model staff asks that those changes be incorporated as well.

Member Carlton asked if the break-even clause would be included.

Counsel Savaree answered no, the Board direction was for that not to be included and Recology removed the request.

Member Brownrigg commented that he would be voting in favor of the motion, and noted that the City of Burlingame has been the beneficiary for 45 years of an outsourced relationship with Veolia for the waste water treatment plant, that has worked for the City extremely well. He noted that some of his colleagues had issues with the long term of the contract, but noted that Burlingame has had a very good long term experience with a private partner, and has saved a lot of money along the way by having that relationship. He added that he supported Member Benton's efforts to reduce G&A, and reducing the G&A by over \$1M is a significant give by

Recology. He requested information on where our Agency stands among peers in the bay area and around the nation and that SBWMA staff help make the case that better service is being delivered at a better price than other agencies, like Burlingame can with Veolia. He commented that if he can demonstrate that to his constituents then he doesn't care as much about the G&A. He asked for better comparison data than just rates. To be able to show a downward path compared to others in the bay area. He concluded by noting that Recology has been a strong operating partner, and the friction of changing service providers was dramatic at the beginning of the current contract, which caused a lot of complaints last time around, so for him voting in favor of extending the relationship was a straight forward decision.

Member Dehn asked Member Aguirre if the phrase restated and amended was to be included in the resolution she motioned approval of.

Member Aguirre answered yes.

Member Benton also answered yes as the second to the motion.

Member Benton commented that the agreement only carries one number \$64.2M, he requested that the detail that leads to the \$64.2M be included in the resolution so there is a way to trace it.

Bob Hilton commented that the compensation methodology is Attachment N in the Franchise Agreement, and will be adjusted to reflect today's discussion around compensation.

Member Benton commented regarding the interest that was missed and is now an avoided cost, that he would like to put it back in the interest category where it goes and take it out of the G&A, so that years down the road when the next contract is being looked at, someone will ask why is there no interest and no one will remember why, and as long as the overall number doesn't change that should be cleaned up.

Bob Hilton commented that the HF&H team is working on the financial side of this, and they are working with Recology to see how best to accomplish getting the interest back in, but leaving the number the same, the objective is to make sure which ever solution is worked out is well noted.

Member Widmer made an alternate motion to de-couple the financial portion of the contract and the terms and conditions of the contract and approve the terms and conditions, to allow a little more time for further negotiations because he thinks the price is still high, and he thought he owed it to the rate payers to find additional savings, noting that Atherton has one of the highest rates in the service area.

Member Rutherford seconded the motion.

Discussion:

Member Benton commented that he has been a strong proponent of getting the price down, but he thinks this motion runs the risk of nibbling, and he's satisfied with risk/reward balance with the current price and will probably vote against the motion.

Member Hurt commented that further negotiation might be detrimental to the relationship with Recology, and what kind of good will the Agency might be giving up if there is further fighting for little concessions, and she would be voting against the motion.

Chair Grassilli commented that he and Member Benton had discussed how much would be enough, and he thought 33% was substantial and he would vote against.

Member Bonilla added his agreement as well.

Member Aguirre commented that she agreed as well, but that she appreciated Member Widmer’s comments. She also noted that at the last meeting this Board agreed to move forward with this company because of all the benefits to our communities and also offer them the best price, she thought this was a good discussion, but likes the outcome and would vote against the second motion.

Roll Call Vote:1-11-0-0

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		

Chair Grassilli noted that the motion failed so now the Board will vote on the motion by Member Aguirre and seconded by Member Benton to approve the motion for the Model Franchise Agreement adding in the language to include it is an amended and restated agreement and the compensation package as amended.

Counsel Savaree noted that she would make the changes to the resolution to reflect those changes.

Roll Call Vote:11-1-0-0

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 Carlton requested that in the future last minute items are emailed to the Board ahead of time instead of hard copy during the meeting, so they have a chance to read through it before the meeting.

Chair Grassilli commented that this agreement will now move into the second phase of going to the individual Member Agencies for final negotiations, and he thanked Jim Porter and the FAX committee, and the Recology team for their work on the contract.

9. Shoreway Operations and Contract Management

A. Resolution Approving Property/Fire Insurance Policy for FY17/18

Staff Gans gave an overview of the staff report and noted the insurance premium costs versus deductible choices. He introduced John O’Neill of Risk Strategies and explained his recommendation of a \$500,000 deductible and \$767,009.22 annual premium. He noted that this option is recommended because it reduces the exposure to the agency, but a list of 4 other options was also given.

Member Widmer commented that there is additional risk in comparison to the current policy no matter what option is chosen, and he wanted to ensure the dollar amount included the premium amount plus the additional money needed in the emergency reserve to cover the additional deductible cost. He asked what sort of analysis went into the combination of deductible versus premium as well as additional money going into the emergency

reserve fund to ensure proper coverage.

Staff Gans noted that the current emergency reserve is \$4.1M, which is sufficient to cover the \$500,000 deductible option.

Member Widmer commented that this same reserve amount existed when the deductible was \$5,000, so it would be logical to think that the emergency reserve was for other contingencies, and therefore this new deductible amount should also lead to an increased reserve amount.

Staff Gans noted that the emergency reserve was not analyzed that way, but the total amount of the Emergency Reserve is 10% of operating costs per the reserve fund policy.

Chair Grassilli asked for clarification on the plus/minus and where the savings mentioned in the staff report are if the spending is \$250,000 more every year.

John O'Neill answered that they looked at comparable risk retention policies for other municipalities and JPAs and \$500,000 is the number that almost all of them have adopted. He then explained the savings at no losses for 5 years noting that 5 years multiplied by \$250,000 is \$1.25M equals the extra amount spent during that time, but the loss history over that same period of time, if there are two occurrences which would have cost \$1M it's still about break even.

Chair Grassilli clarified that in the first 5 years if there are no losses the SBWMA pays \$1.2M in premiums. John O'Neill noted that these costs are a result of the fire, and he didn't think the increased premiums would be for five years, but more likely after three years the premiums would go down after a penalization phase. If at the end of the three year period there haven't been any claims and fire reduction equipment and policy has been put into place he suspected retentions would go down and much better premiums costs as well.

Vice Chair Bronitsky commented that if there is one loss every eight years and dividing that into the \$2M difference its \$250,000, so paying less than \$250,000 premium the savings is \$2,000 per year, he also noted that not only is there a small savings by going with the \$500,000 there is also not having to reserve a lot more money.

Member Carlton asked how often there is a claim on the insurance.

Joh O'Neill answered that there has only been two claims in 10 years, but there is severity in that those two claims were close to \$11M, so it's not a frequency problem it's a severity problem.

Vice Chair Bronitsky added that there is a plan to discuss batteries and how to handle them going forward to work toward reducing the chance of a fire loss. When those plans are in place in a couple of years the insurance premium amount can be revisited.

John O'Neill added that their loss control expert who is an ex-fire fighter will be visiting the site in July or August to participate in a comprehensive plan and analysis.

Member Brownrigg commented that he preferred the middle option of \$1M deductible, and a \$683,417.22 premium and the savings is \$90,000 a year, and that is a reasonable amount of money for this Agency. He wondered how the Board felt about that trade off.

Chair Grassilli commented that he tended to agree that the middle ground might be the way to go, but it's a gamble.

Staff Gans commented that his biggest concern is about the reoccurrence of fire and that this agency now lives in a world with higher risk of more frequent fire incidences due to lithium ion batteries than over the last 10 years when there were only two claims. He recommended minimizing that risk through insurance coverage with a lower deductible.

Member Bonilla noted that he agreed with Staff Gans and reevaluate after improvements in fire mitigation have been made over the next few year.

Member Widmer commented that he conqurred with Member Brownrigg’s recommendation, while also addressing the reserve issue, and taking the savings from the premium costs to invest in the fire protection system and expensive service agreement that goes with it.

Member Dehn commented that since it’s a one year policy term and no additional fire suppression has been implemented yet, she recommended going with staff recommendation.

Vice Chair Bronitsky commented that he thought the least risk possible was the best option.

Member Hurt made a motion to adopt the recommended option for \$500,000 deductible and a \$767,009.22 premium.

Member Bonilla seconded the motion.

Discussion:

Member Carlton commented that over the course of the conversation she’s been persuaded to go with the recommendation, but asked that the Board look at option 5 next year after a fire suppression plan is in place.

Chair Grassilli commented that it will be year to year, but getting this insurance option was difficult.

Member Bento asked if there as any issue placing insurance next year since this policy is only for one year.

John O’Neill answered that it’s always been shopped every year.

Roll Call Vote: 11-1-0-0

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			

10. Informational Items Only (no action required)

- A. Check Register Detail for May 2017
- B. 2017 Finance and Rate Setting Calendar
- C. Future Board Agenda Items

11. Board Member Comments

Member Slocum asked to explore the idea of having an alternate meeting location, due to parking constraints, and suggested the Belmont Sports Complex.

Member Aguirre agreed, and noted that the Board used to meet at Recology before moving to the Library.

Chair Grassilli asked why the meetings were moved from Recology.

Member Widmer answered that the room was upstairs and there is no elevator so the room is not ADA compliant.

Vice Chair Bronitsky offered Foster City as an alternate location.

12. Adjourn 3:55PM