



MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE TECHNICAL ADVISORY COMMITTEE**

July 9, 2015 – 2:00 p.m.

San Carlos Library Conference Room A

Call to Order: 2:00 PM

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. 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. Approve the April 9, 2015 TAC Meeting Minutes
- B. Approve the April 23, 2015 joint Board/TAC Meeting Minutes

Member Walter made a motion to approve the consent calendar

Member Porter seconded the motion

Voice Vote: All in Favor

4. Review of Draft Plan and Recommended Process for SBWMA to Support Member Agencies with Future Decisions Regarding Franchise Agreements with Recology

Executive Director McCarthy gave an overview of the item, noting that this item was referred to the TAC by the Board at the May Board meeting. He noted that the item is about figuring out the best way the JPA can support

the Member Agencies with the decisions they are required to make in 2017 about their Franchise Agreements, including reviewing existing franchise agreements, and deciding on any changes. He noted that there are lots of things that could affect the cost associated with a new contract including CBAs, changes in scope of work, and items in the Long Range Plan that was recently adopted.

Vice Chair Oskoui asked how this relates to the SBR agreement.

Executive Director McCarthy answered that the operations agreement with SBR is held directly by the JPA, and if there are any changes to it, it is subject to approval by 2/3 of the Member Agencies, and a critical difference is that the JPA has the ability to extend the current agreement for three one year options. He added that the contract saves the JPA north of \$2M per year compared to the previous contract with Allied, so there is no reason as it stands right now there wouldn't be a recommendation to extend the current agreement.

Member Walter asked for some history on the previous contracts with Allied and if they were structured in such a way that all Member Agencies had to move forward together.

Executive Director McCarthy answered that the Franchise Agreement with Allied was also separately held by each member agency. He noted that the JPA went through a five year process to review the scope of work, write an RFP, go through the selection and approval process, and then roll out of new services. He added that there was a decision made early in that contract to go out to bid, because collection services had never been put out to bid in the area. He also added that what is outlined in the document is much more streamlined compared to that process because the assumption is there will not be dramatic changes to the scope of services. He noted that through the Long Range Plan process there was no direction given to substantially overhaul services, but there were some pilots approved and results will be in by the end of this fiscal year which will drive some decisions in the future franchise agreements regarding the scope of work.

Executive Director McCarthy went over the attachment and noted that there are three steps outlined, and explained the timeline. The first is in this fiscal year to understand Recology's actual costs versus their compensation, to point out any significant variances, so when Recology comes back to the Member Agencies with a proposal the Member Agencies have an understanding of the costs being proposed. The second step is to review the Franchise Agreements, first, to note any administrative changes or fixes, and second, to see if there any scope or big changes. The third step would be to develop a schedule and timeline for reviews and approvals.

Member Walter asked what the goal would be of hiring a consultant to do the costs versus compensation analysis as far as numbers go, given that there are already provisions in the current Franchise Agreements for financial audits.

Executive Director McCarthy answered that in 2007 to 2008 Recology was chosen based on their proposal and they submitted that proposal based on what they thought it was going to cost. Those cost numbers got adjusted to the 2011 start, and then there was a service level adjustment as well, but from that point forward those numbers became compensation not Recology's actual costs, and all of the audits that were mentioned by Member Walter are compensation not actual costs. The goal with this would be to work cooperatively with Recology to see what it is actually costing them to deliver the services. He also noted that most of the analysis will be done in house.

Member Porter asked if the intent with the cost versus compensation analysis would essentially reset the clock at the beginning of 2020, and then the new contract would go back to indexing.

Executive Director McCarthy answered not necessarily, the intent would be to find out any notable variances to be aware of, and there are going to be critical items that will need to be negotiated with Recology.

Member Walter asked what the logistics of some Member Agencies choosing to extend with Recology and some choosing to go out to bid would be.

Executive Director McCarthy noted that is part of the reason a three year buffer period was written into the current agreements, and that it is possible some Member Agencies will decide to do their own RFP. He added the more the Member Agencies stay together the better the deal will be for service, but these are individual Franchise Agreements, so Member Agencies get to do what they want.

Member Galli asked if staff could make a recommendation for the JPA as a whole to move forward one way or the other.

Executive Director McCarthy noted that the JPA doesn't have authority to direct the Member Agencies on what to do about their Franchise Agreements, they can only make a recommendation, and some agencies can still decide to go against the recommendation.

Member Porter asked what would happen to a Member Agency of the JPA that chooses different services from the rest of the JPA.

Counsel Lanzone listed the conditions for a Member to leave the JPA, and noted that the JPA agreement requires a Member to bring their trash and recyclables to the Shoreway Environmental Center.

Vice Chair Oskoui asked if the TAC should consider identifying some guiding principles.

Executive Director McCarthy answered that embedded in the process is that it is a joint effort. He noted that this meeting, and hopefully after the September TAC meeting, there will be a recommendation on the process for making these decisions. He added that changes in allocation, scope of work etcetera are all decisions down the road.

Member Galli asked in the last set of negotiations wasn't there a time when the electeds were asked to buy into the process, because in proposer couldn't realistically propose without knowing which Agencies were in or out, and she suggested doing the same in this process so everyone would be on the same page.

Executive Director McCarthy commented that the decision Member Galli was referring to happened after there was a decision to do an RFP. He then noted that there are a lot of decisions about what the Member Agencies would want in their future Franchise Agreements that would need to be made before a decision could be put before the elected officials.

Executive Director McCarthy reiterated that this discussion was about how to get the Member Agencies prepared to make the decision.

Member Murray noted that the process is very different this time given that the Board is elected officials, and the Board Member will be giving their Agencies direction as the process moves along.

Executive Director McCarthy noted that he thought the expectation of the Board is that the TAC will recommend a process on what public engagement process to go through, how to get feedback on the scope of work, or feedback on performance, and to come back to the full Board in September with steps to be taken.

Member Walter suggested adding a time frame into the TAC recommendations to the Board.

Executive Director McCarthy noted that he thought these conversations with Councils should start in the next two to three months.

Vice Chair Oskoui thought that a robust conversation with Councils couldn't happen until some of the analysis was completed. He suggested that spring of 2016 might be the best time for public outreach.

Council Lanzone suggested a performance hearing at the SBWMA level, and give an option to the Member Agencies to also have a performance hearing.

Member Abrams thought a performance hearing at the SBWMA level would be welcome, and she asked if the Member Agencies could do some of the tasks together, noting that if it was somewhat standardized satisfaction among the Member Agencies could be compared.

Vice Chair Oskoui noted that a customer satisfaction survey was done in 2012 by Godbe research, and suggested a follow up.

Executive Director McCarthy noted that he thought these were good suggestions, and if there was a budget cost associated with doing the work, there would need to be a budget adjustment request to the Board. He also noted that the analysis of cost versus rates has nothing to do with public engagement, and he suggested that if Member Agencies want to make fundamental changes to their Scope of Work, then he recommended member agencies start getting public feedback soon.

Member Cooke asked how the process Executive Director McCarthy was describing was different from section 8.11 Public Input on Recology's Performance.

Executive Director McCarthy answered that Counsel Lanzone had outlined a section of the Franchise Agreement which came from the Performance Hearing for Allied Waste, and noted that JPA staff could facilitate a single performance hearing or individual Member Agency performance hearing.

Member Cooke asked in what form would the public give input, and how would the information be used.

Counsel Lanzone answered that there would be public hearings used to leverage the service provider into providing better service.

Executive Director McCarthy noted that the Member Agencies need to decide if they want to hold public hearings, based on what each Member Agency thinks will be best for their community.

Member Galli suggested a baseline process, that would include a JPA wide performance hearing, and survey, and then if individual agencies want to do their own they could.

Member Porter suggested that each agency collect information on the service, and he suggested getting feedback from the Board Members on what they'd like to see change.

Executive Director McCarthy noted that it would be helpful to know how the TAC would like the JPA to drive getting that feedback, and at the September TAC meeting staff would present an updated document

recommending a process that would get approved by the TAC and then presented to the Board at the September meeting.

Vice Chair Oskoui asked if there was any feedback to provide to the JPA staff on the process.

Member Murray agreed with a joint public hearing. She also asked about the results of the two pilot projects in the Long Range Plan and how the timing would work, since results wouldn't be available until next year, but public input would be before that.

Executive Director McCarthy answered that yes the results wouldn't be available until next spring, and that feedback and consensus would need to be completed at the same time to figure into the 2017 budget cycle.

Member Porter asked for a consensus on a collective public hearing, individual public hearings or a survey, noting that each Member Agency is so different, and the comments will be different as well.

Member Walter suggested regionally based meetings.

Executive Director McCarthy noted that there may need to be some check in presentations with councils along the way to ensure each Member Agency is heard.

Member Murray noted that one thing to consider is whether or not feedback would be coming in an election year, when councils would be changing in January, and therefore it might be better to put off the engagement process until the new council is seated.

Vice Chair Oskoui recommended a centralized process with a survey that had more scientific and broad data followed by a public hearing done by the JPA, and then the Member Agencies can guide any additional feedback and outreach.

Counsel Lanzone thought Vice Chair Oskoui's recommendation would be a good recommendation from the TAC to the Board.

Executive Director McCarthy noted that the Godbe survey in 2012 was done scientifically but cost \$60,000 to \$70,000.

Staff Feldman added that in the past what a Performance Hearing did was identify clear recommendations for better performance, and he noted that he didn't think that was the intent of what this performance hearing would be, and noted that a Performance Hearing would be costly and time consuming for Member Agency Staff, JPA staff and the contractor. The section 8.11 in the contract is to highlight deficiencies in service and have marked improvement.

Member Abrams questioned how the TAC would gain credibility with their elected officials regarding knowing what the public is thinking regarding their service.

Executive Director McCarthy answered that scientifically there was a survey done in 2012, and the results were positive, but would that be enough for council is a judgement call.

Member Abrams asked what the goal would be for getting back to the Board.

Executive Director McCarthy commented that he would still like to get feedback about attachment A, and asked if there were any edits, or other suggestions. Then staff would come back to the TAC in September with a more

complete document that would include the public feedback discussed today, and take that to the Board with the TAC recommendation for moving forward.

Vice Chair Oskoui noted that he would like the document to include guiding principles discussed earlier regarding moving forward as a JPA.

Member Porter added that he would like to see feedback from Member Agency staff who are taking any complaint calls included in the process.

Executive Director McCarthy noted that after the meeting he would send out a note with a timeline for making changes to the process document that will hopefully go to the Board in September.

Member Galli noted that she thought it was an interesting situation to be soliciting feedback during a time when there aren't customer service or cost issues.

Member Gibbons agreed.

Executive Director McCarthy agreed and noted that part of this timeline to draw out Recology's desired changes in a contract extension as well.

Executive Director McCarthy concluded that he would follow up with communication to capture the items to add to the timeline, and asked if there was any other feedback send edits back.

5. TAC Member Comments

Member Porter commented that there has been a reorganization at the County, and the Recycleworks group is being moved from the Public Works Department to the Office of Sustainability, so Public Works is now only going to be responsible for managing the two Franchise Agreements, and the AB939 Fees and outreach programs will now be managed by sustainability.

Executive Director McCarthy added that notification just went out about rate revenue, and if any Member Agencies do ask for their funds back, those funds need to be tracked, so if a shortfall is paid off with that money it doesn't affect rate reports going forward. He reminded the TAC to request the remittance by July 31st, and that this is a new process.

6. Adjourn 3:30PM