



MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
 MEETING OF THE BOARD OF DIRECTORS
 September 26, 2013 – 2:00 p.m.
 San Carlos Library Conference Room A/B

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. Adjourn to Closed Session – Pursuant Government Code Section 54956.9(A): Conference with Legal Counsel – anticipated litigation – one case.

The Regular Session was called to order at 2:17 PM.

3. Report from Closed Session

Council Savaree noted that closed session was held, and there was nothing to report out.

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 August 22, 2013 BOD Meeting Minutes
- B. Adopt the September 12, 2013 Special BOD Meeting Minutes
- C. Resolution Approving Revised SBWMA Investment Policy

D. Approval of Quarterly Investment Report as of 6/30/13

E. Receipt of Recology and SBR Monthly Reports

Member Widmer Abstained from item 5A, as he was absent from that meeting

Motion/Second: Brownrigg/Frisella

Voice Vote: All in Favor

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X		X(5A)		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. New Business:

A. Resolution Approving 2014 South Bay Recycling Compensation Application

Executive Director McCarthy gave an overview Power Point presentation on both agenda items 6A and 6B. He noted that for agenda item 6A what was being approved was a fee per ton.

Vice Chair Frisella asked what the methodology was on the increase from 2013 to 2014 on SBR.

Executive Director McCarthy answered that it's calculated very similar to Recology; it's primarily index adjustments, and are all going to index adjustments in January of 2014, so it's very formulaic.

Member Widmer commented that a couple of hundred pages of information to digest and understand in a short time is not fair to the decision makers, and makes it difficult to make the decisions. He also noted that there are a number of costs multiplied across indices that are not logical, and he would have liked more time to look at those.

Executive Director McCarthy answered that this is the same compensation allocation approach that we've been using for 3 years, and nothing has changed in the process. He added that the Compensation Application has been out for 3 months, and that 90% of what is included in the packet is backup.

Member Brownrigg noted that SBR total was a 3.4% increase, and asked for a refresher on what percentage of the total was SBR.

Executive Director McCarthy put the pie chart slide back up and noted that SBR is 14% of the total system cost, and that 14% is going up 3.4% for 2014.

Member Benton clarified if the price per ton is going up 3.4%.

Executive Director McCarthy answered yes.

Member Olbert asked to include analysis of cost per ton year over year and what operational factors caused increases. He would like to see an elevator speech as to why costs went up.

Executive Director McCarthy noted the tables in the attachment to 6A that show changes in fees year over year.

Member Benton asked if anything was happening in the area of trying to reduce green waste cost per ton.

Executive Director McCarthy clarified for the group that what Member Benton was referring to is that organics processing costs are higher than disposal cost going to Ox Mountain. He noted that staff is looking at some new technologies, but the numbers are unknown at this point.

Member Benton asked if organics are sold once they are processed and what the commodity price is.

Executive Director McCarthy stated that organic material is turned into compost which is sold. He added that one of the compost facilities is in the central valley so they sell product to the agricultural community at a lower price per yard than the Milpitas facility which sells mostly to landscapers. He also added that the transportation costs to both of these facilities are very high due to the distance away from Shoreway.

Member Benton moved approval of resolution 2013-20

Vice Chair Frisella seconded the motion

Voice vote: All in Favor 7-0-0-5

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 2014 Recology San Mateo County Compensation Application

Member Widmer asked for a better explanation of the reasons for Atherton’s cost variance, asking specifically for a careful inventory of green carts.

Executive Director McCarthy commented that SBWMA staff reviews the report for completeness and accuracy and we do the analysis and forecasting. He noted that when there is a specific question about Recology’s data, staff can connect Agencies with Recology, but those types of questions need to be answered by Recology.

Member Benton noted that there was a comment about the back yard service in Hillsborough, and that Recology and Hillsborough have met, the issue isn’t resolved, but clarified that from Hillsborough’s perspective the Town is not taking advantage of a clerical error, and fundamental to the rate application the Town’s position is correct.

Member Olbert asked if the Board’s decision today was binding.

Executive Director McCarthy noted that it is binding. The way the franchise agreements work, is that the SBWMA Board approves the revenue requirement that each Member Agency has to set rates to get to.

Member Olbert asked if that means the San Carlos City Council's decision about rates has already been made.

Executive Director McCarthy noted that the Board was making a decision on the revenue requirement, but that how each Agency got there was up to the City Council. He added that today is the starting point for each Member Agency council action.

Member Benton added that the Board is approving what is going to be paid to Recology, and once this Board approves that the Member Agencies are obligated to pay it. He noted that the revenue collected to offset that payment is up to each Agency.

Member Olbert commented when the SBWMA Board makes this decision it to a very great extent sets the rate locally, and at least in San Carlos' there wasn't an awareness that that was happening, and added that the process San Carlos is about to go through to set the rate should have been done earlier in the year.

Member Brownrigg added that as new Board members we are in the middle of the end of a rate year. He noted that one of the decisions that sparked bringing elected officials onto the SBWMA Board is to learn how to go through this process better, and thought that may mean adjusting when each Member Agency talks about these issues.

Member Widmer reiterated that floating adjustment allocation is inappropriate for the smaller communities without commercial accounts, and would like to see fixed allocation, and asked to have a future discussion on the issue.

Chair Ira commented that he didn't think the larger agencies were against the fixed allocation, but didn't think now was the time to be making that decision and wanted to discuss it next year.

Member Widmer noted that Atherton has been asking since the start of this contract to change the allocation method.

Chair Ira stated that that was the point of having elected officials on the Board so that we could discuss these philosophical things, but as it related to this year we need to go along with what's been done and allow for enough time to make the decisions.

Executive Director McCarthy stated that he would schedule the discussion for next year, but added that it is something each member agency would need to vote on.

Vice Chair Frisella commented that one of the reasons we wanted to change the Board structure was that elected officials would be forced into paying close attention to what the issues are, and that is why there are these kinds of questions, and thought it would be a good agenda item.

Member Dehn added that she would like to see the Board look more forward to ensure that the Board is making decisions in the proper order.

Executive Director McCarthy noted that every year in January or February we have started a conversation about what can be changed from the previous year, and added that there are a couple of notable items to add to that discussion next year.

Member Benton commented that 300 pages is a lot to go through, but that the answers to the questions are in the 300 pages. He thanked Marshall for working with the Town of Hillsborough to find the answers. He also asked for an executive summary approach in the future.

Executive Director McCarthy stated that to be perfectly clear what the Board is voting on today is Appendix G that is the revenue requirement by each Member Agency, with revenue reconciliation that tells each Agency what the short fall is. So each Agency will get a forward looking projection for the coming year.

Member Olbert acknowledged that we are in an awkward situation this year, because the Member Agencies changed the decision makers. He noted that different decision makers do things differently. He commented that he agreed about looking at process going forward, because this new set of decision makers may want to see different information, or see it in a different way. He then asked if Recology hedges their fuel purchases.

Executive Director McCarthy answered that a portion is hedged.

Member Olbert asked that that be looked at more closely in the future. He also noted that not all variances for all Member Agencies were analyzed, only the significant ones. He requested that all of the variances for all of the Agencies be analyzed, because it would be useful to be able to explain to the public why a rate is going up.

Executive Director McCarthy stated that SBWMA staff can get Agencies to a point, but when it comes to why variances have happened; Agencies need to get those answers from Recology.

Member Widmer asked if you go to each of the individual jurisdictions and go through the packet, are those numbers factored by the allocation, but those numbers aren't flat like the CPI numbers.

Staff Moran stated that it is only Recology's costs that get allocated.

Member Benton asked if the disposal and processing cost was the SBR portion coming through. He explained further that the prior motion approved was per ton and asked for clarification if this line item was an estimate of that.

Executive Director McCarthy answered that the only thing that is a fixed cost is the Recology cost. Everything else is an estimate that gets trued up at the end of the period.

Member Brownrigg asked if an Agency has an overage on the revenue requirement what happens.

Executive Director McCarthy stated that there is an interest payment one way or the other.

Motion/Second: Frisella/Dehn
 Voice Vote: All in favor, 7-0-0-5

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			

C. Review of Executive Director's Goals for FY1314

Executive Director McCarthy gave a brief overview of his goals; he noted that these are high level goals that match up with the strategic priorities approved by the board in 2012.

Member Dehn asked if the goals have changed since the beginning of the Recology contract, noting that she saw them as 1-3 year goals not 1-10 year goals, and wondered if there was another set that was more forward thinking.

Executive Director McCarthy answered that the goals are similar, but the objectives have changed a lot.

Chair Ira noted that the previous Board had taken the goal setting into action which has two purposes; one is an evaluation for the Executive Director's compensation which we need to do on an annual basis, and two is the long term goals. He noted that at next month's Board Meeting there would be a closed session on Executive Director McCarthy's compensation. He added that the previous Board was in the middle of Kevin's compensation package, and that this Board is already into the new year. He suggested that after the compensation for the current year is reviewed it would be a good time for the new Board to discuss how they want things changed going forward.

Executive Director McCarthy added that goal number 8 provided in the staff report attachment gets to the long term goals, and long range plan.

Member Widmer noted that he would like to see more specifics; he thought they were great high level.

Executive Director McCarthy answered that there is a document like that it looks very similar to attachment B.

Chair Ira asked if there was anything the Executive Director wanted to highlight.

Executive Director McCarthy stated that he would send out the more specific back up to the Board Members, to show how the goals and objectives fit with the strategic plan.

D. Presentation on Updated Website and Mobile Application Tool

Staff Devincenzi gave a Power Point presentation on the new website and soon to come mobile application tool.

Member Widmer asked if someone could say that their service has been missed via the website.

Staff Devincenzi noted that residents can contact RethinkWaste staff with any type of question.

Member Widmer would like to see a complaint form on the RethinkWaste website.

Staff Devincenzi noted that RethinkWaste's website would link to Recology's form.

Member Benton asked what are the optional reminders in the mobile application tool, and if that included HHW pick-ups.

Staff Devincenzi answered that the HHW program information for the communities that subscribe to that service is on the mobile application tool, there is a “What Goes Where” search which would point a resident to the HHW program. She added that the optional reminders put a pop up alert on your phone or tablet for your regular service day, the developers are working to be able to customize the reminders for services like HHW or Bulky Item Collection.

Member Dehn commented that she would like to see the collection schedule on the website.

Vice Chair Frisella asked if there was a service maintenance fee.

Staff Devincenzi answered that there is an annual subscription fee that varies by jurisdiction and that it’s currently incorporated into the RethinkWaste program budget.

Executive Director McCarthy noted that the total cost for the system this year is \$33,000 for the mobile application tool.

Member Widmer requested that when it is done that RethinkWaste staff give a presentation on it at each Agency’s council meetings.

Staff Devincenzi stated yes, staff would be happy to come to a council meeting.

Member Widmer asked if a tie into report an issue in a city could be tied in to the mobile application tool.

Staff Devincenzi answered yes eventually it will be more customizable to each Member Agency.

Member Dehn expressed concern over additional miscoding and asked if complaints would come through the mobile application tool with a specific code to try and mitigate some of the coding issues found in the audit report.

Staff Devincenzi noted that the service request or the report a problem forms are tied directly to the Recology system, it generates an email to Recology, so it won’t go directly into their system, but the email will come in with a code Recology recognizes.

Chair Ira asked what features of the mobile tool aren’t on the website.

Staff Devincenzi answered that currently the collection schedule isn’t on our website, but noted that she will create a link to it based on feedback from today’s meeting. The “What goes Where” search is more specific on the mobile tool than on the website’s interactive carts, and the notifications wouldn’t be available through the website, but added that there are electronic newsletter subscriptions which could include similar information.

Member Widmer requested a place to be able to see complaints specific to a jurisdiction.

Executive Director McCarthy noted that each Member Agency can have access to the Recology customer service system, and noted that Member Widmer should contact Recology to get access to their system.

Member Brownrigg asked if a customer could report an illegal dumping issue via the mobile application tool.

Staff Devincenzi answered that currently it's not a feature, but we could work with the developer to implement that feature if that is something the Board would like. She added that there is a process in place for Member Agencies to contact Recology when there is illegal dumping and Recology is contractually obligated to pick up that material.

Members Frisella and Widmer are now absent, there is no longer a quorum, the below discussions were informational items only.

7. Staff Updates

- a) Update on Recology Commercial Recycling Outreach Efforts
- b) Recycling and Outreach Programs Update

Staff Devincenzi asked for two Board members to be a part of the Public Education Committee which is an adhoc subcommittee made up of Agency staff and Board members. With no takers she said she would send out more information and request via email.

- c) Shoreway Facility Operations and Master Plan Update
- d) Update on 2013/2014 Franchise Rate Setting Process
- e) Preview of Upcoming Board meetings

8. Board Member Comments

Gino Gasparini of Recology announced that the forms for Member Agencies to participate in Recology's Coats for Kids program would be going out tomorrow and that the program would run the week of November 4th to the 8th.

9. Adjourn 3:46 PM