



MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
 MEETING OF THE BOARD OF DIRECTORS
 October, 22, 2015, 2015 – 2:00 p.m.
 San Carlos Library Conference Room A/B

Call To Order: 2:03PM

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 to Government Code Section Govt. Code Sec. 54956.9 Conference with Labor Negotiator: Unrepresented employees- (All employees).
- 3. **Regular Session CTO: 2:11PM**
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	

4. Report from Closed Session

Chair Widmer noted that the Board met with the representative that was negotiating on behalf of the unrepresented employees, and that the Board took action and would be reporting on that action during the regular agenda.

5. 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

6. Executive Director's Report

Executive Director McCarthy highlighted a commodity price chart that was in the staff report. He noted that world commodity prices as they relate to plastics, and metals are extremely volatile, and added that with the price of oil being low, the price for plastics has depressed, which continues to affect movement of that commodity from the MRF.

Executive Director McCarthy also introduced Carolina Leonhardt as the new Recycling Outreach and Sustainability Manager.

Executive Director McCarthy commented that all of the Board members were copied on correspondence from the Town of Atherton related to interpretation of the Franchise Agreement, and things that are covered in the compensation and the JPA budget. He noted that those items and the specific questions will be addressed in the next few meetings.

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. Adopt the September 24, 2015 BOD Meeting Minutes
- B. Resolution Approving Amendment Number 4 to Agreement with WM Curbside, LLC to Provide Household Hazardous Waste, Universal Waste, Electronic Scrap, Sharps and Medicine Door-to-Door Collection, Recycling and Disposal Services
- C. 2016 Annual Public Education Plan
- D. Consideration of Approval of 2016 Merit Increase Pool for Unrepresented Employees

Chair Widmer noted that item 7D is the approval of the Merit Increase pool for the unrepresented employees that was discussed in closed session.

Member Benton pulled item 7C from consent

Member Bonilla moved to accept items 7A, 7B, and 7D

Member Bronitsky seconded the motion

Voice Vote: All in favor

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 Dist.	X			

Discussion on item 7C:

Member Benton commented that he pulled the item because it's an extensive list of materials and programs towards public education. He noted that the report frequently mentions how these items

will be measured for effectiveness, but that there isn't anything in the staff report about historical effectiveness.

Executive Director McCarthy replied that there was a section in the Long Range Plan that detailed all of the existing programs, so the last time the Board would have seen historical effectiveness data would have been the Long Range Plan. He added that whenever specific projects are run there are numbers tied to them, and gave an example of a truck signs program. He also commented that everything in the public education plan is required in the Franchise Agreement.

Member Benton asked for confirmation that as a part of the process staff is reviewing items for effectiveness, and programs are continually evaluated.

Executive Director McCarthy answered that to the extent possible, yes, data is collected and analyzed.

Chair Widmer added that he would like to see metrics included for some of the pieces mentioned in the plan, and noted that he would like to see metrics specifically for the mobile app, and multifamily outreach. He also noted that he thought the anti-littering campaign sounded like make work. He noted that he would like to see key performance indicators (KPI) included, or at least have a discussion on what those indicators should be.

Member Brownrigg commented that outreach is not always easy to measure, if it was reduced then less education would happen in our service area, and it's not always easy to point to one campaign or another.

Executive Director McCarthy commented that some of the data and KPIs are collected but not reported. Adding that, based on feedback from the Board that the Board Packets were too long and those staff updates were taken out of the Board packet about a year ago, but are still being written and are available. He also added that the website, MyWaste app, and social media are being tracked, but the feedback he received was to not give that level of detail, but he would be happy to share it. Lastly, he added the anti-littering campaign is a state requirement, and the idea of a bill insert came out of a collaboration with a number of agencies, as a way to get the word out about those requirements.

Chair Widmer commented that KPIs are not as important now, but it would be important to see them as part of the budget process when future programs are being discussed, and he would like to see the information.

Member Dehn noted that she is a fan of shrinking the package, but when changes to a particular program come forward to the Board statistics and specifics need to be included.

Member Benton moved to approve agenda item 7C.

Member Brownrigg seconded the motion.

Voice Vote: All in favor

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 Dist.	X			

8. Administration and Finance:

A. Presentation on Extended Producer Responsibility Framework by the Executive Director of California Product Stewardship Council (Presentation and Discussion item)

Staff Feldman introduced Heidi Sanborn, Executive Director, for the California Product Stewardship Council (CPSC).

Heidi Sanborn gave a presentation on Extended Producer Responsibility (EPR).

Chair Widmer asked if laptops and flat screens TVs would be included in EPR legislation.

Heidi Sanborn answered that the current California bill is a government run program with an advance disposal fee and only covers monitors, and is the opposite of producer responsibility.

Chair Widmer asked about end of life management, noting that the consumer is paying for it at the time of purchase but then it is very difficult to get it where it needs to go at the end of life even though its already been paid for.

Heidi Sanborn commented that if the right details aren't in the law, then the outcomes desired won't be achieved, and is also why it would be great to have an agency like the SBWMA to give input to these laws to get the right details into the bill.

Member Brownrigg asked who is paying when the producer is out of state, if it is the reseller or wholesaler or manufacturer.

Heidi Sanborn answered that producers are responsible if the item is sold into a jurisdiction regardless of where the item is made, and the definition that Cal Recycle has adopted is producer first, then the brand owner, and then first importer, and that definition catches all the decision makers.

Member Brownrigg asked if EPR legislation makes it hard for California companies to compete in 3rd markets.

Heidi Sanborn answered no, because it doesn't matter where it is made.

Member Benton requested further information on the process to add an item to the product list.

Heidi Sanborn answered that each product has to go through the legislature, and she noted that in 2008 Assembly Member Chesbro tried to pass legislation for a framework approach, that would delegate the authority to CalRecycle to pick products based on their volume, toxicity, and cost. However, there was a lot of opposition, and now the legislature is going product by product.

Member Benton commented that a lot of packaging has no indication that it is recyclable, and asked what it takes to get a product that is packaged in plastic to be required to be recyclable plastic.

Heidi Sanborn gave an example of the Belgium system, and how the producers are working with the manufacturers, and noted that we have to work together and in the United States there is a lot of influence from the industry group's causing push back on this type of legislation.

Executive Director McCarthy commented that the staff report lists 3 types of items that the SBWMA receives revenue for, but it's an insignificant amount of money in terms of what local government and the rate payers are paying. He also noted that not every class of materials is the same in terms of difficulty in getting laws passed, there are all kinds of complex issues, and the more stakeholders that get involved the more opposition there is. He also added that he helped write California's eWaste law, and it is a different model from EPR which mandates that manufactures stop using certain chemicals in their product.

Heidi Sanborn commented that EPR is a policy tool in the toolbox that wasn't being used in the United States and now for the right products it can be.

Member Bronitsky asked if the resistance to EPR was all political.

Heidi Sanborn said yes, from the manufacturers, but not all of them, paint, mattresses and thermostat industry stakeholders worked with lawmakers.

Member Bronitsky commented that he thought the law should be like product liability law and changed so that any product in the stream of commerce has to be recyclable.

Heidi Sanborn commented there is a lot of legislative strategy around EPR, and she noted that CPSC is trying to encourage the SBWMA to have a voice at the table when the time comes.

Executive Director McCarthy added that the intent would be to bring back a resolution for approval, and asked for comments on the draft resolution in the staff report.

Chair Widmer commented that as opposed to just embracing one manner of policy, he wanted to make sure it was the right and smart thing to do.

Vice Chair Dehn asked when the item would be back for approval.

Executive Director McCarthy responded probably November, since there are not a lot of questions at this point.

9. Collection and Recycling Program Support and Compliance:

A. Results of Recology Evaluation of Using Larger Data Pool for Conducting Annual Route Assessment (Discussion item)

Chair Widmer commented that he thought the staff report was too narrowly focused, and that the original question was broader, and the report should have included how Recology does data collection and why it is so hard to get a larger data pool, when the cost of equipment for data collection was included and paid for through the RFP process.

Staff Feldman gave an overview of the staff report, and summarized that Recology has come to the conclusion that it will cost roughly \$8,300 for a one time set up fee, and an additional \$93,000 annual for an additional staff person, to manipulate the date in the way that the Board is requesting.

Chair Widmer commented that as part of the future franchise agreement discussion the onboard computer system should be looked at from the point of view of being cost effective in the first place. He added that if it isn't being used for reporting the information the JPA has requested then the Company should be paying for it and not the rate payers.

Staff Feldman responded that the onboard computer system does have a value add in customer service real time responses that Recology is providing, but it was never envisioned to be the critical component related to cost allocation.

Chair Widmer reiterated that data was supposed to be collected, and collected data should be available and it is not.

Member Benton asked for clarification on what exactly were the findings from the data collection.

Staff Feldman answered that the results are that Recology will analyze additional data, if that is what the Board decides, but it will cost additional money.

Member Benton asked for clarification if a second period of data collection to validate what the results were from the first data collection period was or was not part of the Franchise Agreement.

Staff Feldman answered Recology compared data from the contractually required period in the April/May time frame with an additional not contractually obligated period in July of 2015. He added that in September Recology provided a report that compared the two. The extra money to compile a wider range of data to be used in the future is not in the Franchise Agreement.

Member Benton asked for clarification if Recology was willing to do the second validation period going forward.

Executive Director McCarthy added that from Recology's perspective the data results were not significantly different enough to justify continuing with two data collection periods, or moving forward with the larger data pool.

Mike Kelly of Recology added that the second data collection is time consuming and he would need to verify what the additional costs would be, but Recology could do it. He noted that he wasn't sure there would be any value add other than what is in the report today. He also noted that there is a timing issue, because it's already happening in April/May and if the data collection is happening any later than July it is too late to get included in the rate report.

Member Benton reiterated that he wanted to have some kind of a validation process to make sure that the data that is used in the compensation application is accurate.

Executive Director McCarthy commented that Recology has an obligation when the annual route assessment is completed if there is something noticeably off in the data that they have to do something so that the results are not skewed. He added that it would be very complex timing wise to figure out what to do with the validated numbers.

Member Benton commented that little variances in the route assessment data can make big swings in allocation especially for the smaller agencies who are not a big percentage of the total.

Mike Kelly commented that there is no period of time that could be identified to guarantee no anomalies.

Chair Widmer noted that one of the options discussed previously was the possibility of taking one to two weeks per quarter, to level out the anomalies.

Mike Kelly noted that the data collection process is a manual process to merge three different data collection systems, and because it's not the same drivers on every route every day it takes and individual to try and marry up all of the collected data, which is why it would take an additional head count to have additional data available for allocation purposes.

Member Brownrigg suggested coming up with an acceptable percent swing and if the number for a particular agency is above that percent swing, anomalies are then looked for, and an Agency has to defend those anomalies. If there are anomalies the number is thrown out and last year's percentage is used, and if not the new percentage stands.

Mike Kelly noted that Recology does explain any variances greater than plus or minus three percent, and those are identified by jurisdiction in the rate application.

Executive Director McCarthy added that so far in the rate application that type of anomaly hasn't happened where there had to be a fix negotiated.

Member Bonilla wondered why an average of the data over the year couldn't be used.

Chair Widmer commented that that more or less that is what the Board had asked Recology to do, and this staff report is their response to that request.

Member Aguirre asked why the data collected would be collected that often, and what would be done with the data, and will additional data make a difference, noting that they wouldn't be able to stop road work just because it was time for the route assessment.

Chair Widmer noted that the data collected goes into the allocations in the annual compensation application, and the Board has suggested that if a larger data sample is used the anomalies will trend themselves out. He asked for clarification if Recology is saying these small percentage differences are not having a major impact.

Mike Kelly responded that it's not necessarily true for the smaller agencies, but overall not one jurisdiction's allocations changed by one half of one percent for 2016.

Executive Director McCarthy added that maybe there needs to be a change written in the contract so that if there is an anomaly that has a material effect in any jurisdiction there is a process to deal with that. He also asked Recology to set the goal of coming up with a better way to collect the data that isn't going to cost \$93,000 a year.

Staff Feldman added that the data collection period in the April/May time frame predates the Recology contract, it was chosen to deal with the complexity of the service area and the sharing of routes to maximize efficiency. He also noted the Recology's contract is structured in such a way that they have no incentive or disincentive to be more efficient in one Agency over another, they have incentive to maximize efficiency evenly in every Agency.

Member Benton commented that Recology's lack of incentive or disincentive is the genesis of his concern, noting that they get the compensation they're going to get it only affects the allocation among the jurisdictions, and therefore data collection needs to be done carefully because it does have impact.

Mike Kelly commented that all of the data is reviewed carefully, it is three systems that are manually reviewed, which is why an additional person would be needed for that manual review if the Board wanted to review it for all 12 months.

10. Shoreway Operations and Contract Management:

A. Discussion on Glass Commodity Market Issues Impacting Shoreway Environmental Center Operations (Discussion item)

Staff Gans noted that the goal of the staff report was to inform the Board of changes in the glass market. He noted that staff is trying to anticipate the costs associated with the glass market changes, and determine all the possible options for managing those changes. He added that once a preferred recommendation is determined, staff will be bringing an approval item back to the Board.

Chair Widmer commented that from the report it looks like there needs to be another truck or maybe more, and he asked if the new truck would be able to have CNG fuel.

Staff Gans responded that a CNG package has not been developed for these bigger tractor trailer trucks yet, CNG is currently only available on smaller collection vehicles. He added that if the recommendation is the SBR buy a truck we would have them search the market to see if CNG is available.

Member Benton asked for further explanation of the freight on board (F.O.B.) transportation option.

Staff Gans noted that this option will require a facilities modification because only specific truck configurations can fit through the tunnel in the transfer station. Contract trucks will likely not fit through that tunnel, so the tunnels would need to be modified to allow for outside trucks to collect the glass directly.

Executive Director McCarthy commented that what would come back to the Board for approval would be one of two capital requests, either the purchase of an additional tractor trailer or facilities modification to allow for F.O.B. trucks that would include adding a conveyance and load out system at the transfer station.

11. Informational Items Only (no action required)

- A. 2015 Finance and Rate Setting Calendar
- B. Check Register for September 2015
- C. Potential Future Board Agenda Items

12. Board Member Comments

13. Adjourn 3:23