



MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
October 23, 2014 – 2:00 p.m.
San Carlos Library Conference Room A/B**

Call to Order: 2:00PM

1. Roll Call

Agency	Present	Absent	Agency	Present	Absent
Atherton	X		Menlo Park		X
Belmont	X		Redwood City	X(late)	
Burlingame	X		San Carlos	X	
East Palo Alto	X(late)		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).

Regular Session Called to order at 2:44PM

3. Report from Closed Session

None

4. 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. 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.

No Public Comment

6. 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 25, 2014 BOD Meeting Minutes
- B. Second Reading of Ordinance Implementing a Reporting System for Commercial Recycling Haulers
- C. Resolution Approving 2015 Public Education Plan

Member Bronitsky requested items B and C be pulled from consent.

Member Brownrigg made a motion to approve item 6A

Member Benton seconded the motion.

Voice Vote: All in Favor, Member Bronitsky Abstained

Discussion on item 6B:

Member Bronitsky commented that he is against this agency having the power to enact ordinances. He asked regarding page 17 of 89 of the Board packet in reference to multifamily complexes, if that meant there would be fines paid by the residents of HOA complexes.

Executive Director McCarthy noted that the hauler that picks up recycling from a business or HOA complex would be the business subject to the ordinance. He also added that one of the changes made to the ordinance is that no penalties would be enforced without prior Board approval.

Chair Widmer added that it was an important discussion and the Board wanted prior notification before any penalties were enforced.

Member Bronitsky asked if that was written in the ordinance, and where.

Counsel Lanzone answered yes, in section 7 page 5, it states that if a civil penalty is enforced it is issued by the Board.

Member Bronitsky asked for further explanation about how Lucky, Costco and Orchard Supply Hardware are affected.

Executive Director McCarthy added that there are two pieces. One is the hauler that is subject to the ordinance. The second is the type of businesses they are hauling from. He noted that the regulation is around the hauler and the definition of who they are picking up from. If a business is hauling their own recyclables, then they are subject to the ordinance.

Member Bronitsky requested as an example, using the Lucky store in Foster City. He wondered what would be the first thing that would happen to Lucky regarding the ordinance.

Executive Director McCarthy answered that they would receive notification about being potentially subject to this ordinance, and staff would confirm if they haul their own recyclables, or if they hire a 3rd party hauler. If they hire a 3rd party hauler to take their recyclables then they aren't subject to the ordinance, if they back haul they are.

Member Abrica now absent.

Member Bronitsky asked what happens if they don't give any information.

Counsel Laznone stated that then staff would come back to the Board asking for a penalty.

Member Brownrigg added that this was an important piece to be included for him. He noted that the County and this Agency has an interest in knowing how much is being diverted, because soon the state is going to tell San Mateo County it has to divert x percent from the landfill, right now a big chunk is going to an unknown black hole, and this is a way to determine what's not being picked up by Recology. He added that the first order of business if a company is not complying is to find out why they're not complying. He reiterated that it is not an effort to penalize, but to collect information.

Member Bronitsky commented that currently, there are no state penalties, and the he thought the effort to get voluntary information was a weak effort by staff. He expressed continuing concern over the large amount of HOAs in Foster City, and wondered how to know who was collecting the recycling at an HOA. He reiterated that nobody in Burlingame voted for him to enact laws in that effect people in Burlingame.

Member Olbert noted that he was also opposed to the JPA enacting ordinances as well, and remarked that at the last meeting he suggested that the JPA recommended each of the Cities pass an ordinance and if they don't adopt the ordinance they would be kicked out of the JPA.

Chair Widmer noted that state wide JPAs are eligible to do taxing, as well as enact fines, and that this kind of agency having the right to enact ordinances is happening all the time state wide. He commented that it's already been voted on once, and he called for a motion to move it forward.

Member Benton motioned to approve the ordinance and waive the second reading.

Member Stone seconded the motion

Roll Call Vote: 7-2-0-3

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 Dist	X			

Member Browrigg requested quarterly updates on how the program is being received.

Discussion on item 6C:

Member Bronitsky asked for clarification on why some of the things that Recology pays for under the contract, RethinkWaste staff does the work, and commented that the time the RethinkWaste staff spends in developing outreach that Recology pays for under the contract should also be reimbursed.

Executive Director McCarthy answered in the case of billing inserts and annual service notice, those are paid for by Recology because they were part of the original proposal, and are included in Recolgy's compensation. He noted that all the other outreach costs are in the SBWMA budget.

Staff Devincenzi added that originally Recology had their own public education manager that was included in their costs for the contract. When the Member Agencies went through the Franchise Agreement amendments a few years ago, that position was removed, and there was a savings passed to the Member Agencies for that headcount and the responsibilities of that position were transferred to the JPA staff.

Member Bronitsky would like to see offline what the dollar amount was for the savings when that position was eliminated.

Staff Devencenzi noted that it was one of 3 positions that were eliminated for a savings of approximately \$350,000.

Chair Widmer commented that he would like to take a hard look at the education component in the next budget cycle. He noted that the Board just spent six months talking about how the biggest issue is getting a handle on commercial diversion. He noted that he didn't see the need to pay for bussing and Night at Shoreway events. He would like to debate whether or not that is the role of the JPA, and he believes the role should be to manage contracts. He would like to see the money spent on education spent on commercial programs to increase diversion.

Member Dehn commented that she agreed and would like to see Nights at Shoreway eliminated as well, and suggested the Halloween experience should be left to another venue.

Executive Director McCarthy commented that the Nights at Shoreway events are not Halloween events this one just happened to fall in October.

Member Aguirre made a motion to approve Resolution 2014-24.

Member Benton 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			

7. New Business:

- A. Resolution Approving Organics Processing Agreements with Browning-Ferris of California, Inc.; Recology-Grover Environmental Products; and Harvest Power California, LLC

Staff Gans summarized the staff report noting it is a complicated item, and involves a lot of money. He noted that the overall organics processing cost are going to go up as a result of these new contracts 1.84% over current rates in 2015.

Chair Widmer asked how the amount of tonnage and length of years was determined for each contract.

Staff Gans answered that it is based on the price given and capacity. He noted the Newby is close but has the highest rate which includes a big increase. He noted that because of that big increase staff wanted a shorter 3-year term noting that in 3 years the market conditions may change. He also noted that Newby is close to full, and because of that they've capped SBWMA tons at 50,000, with a minimum of 40,000.

Chair Widmer asked why a longer term with Harvest Power wasn't negotiated.

Staff Gans answered that Harvest Power is new, and an unproven entity.

Executive Director McCarthy added that Staff didn't have the same level of confidence to enter into a long term agreement with a company that's only been operating for a couple of years.

Staff Gans added that he made a subjective call when he visited the facility, and noted there could be some risk in locking in a lot of tonnage over a long period of time.

Member Dehn asked if there was a guaranteed minimum to Harvest Power or if the SBWMA could deliver less.

Staff Gans answered there is no guaranteed minimum to Harvest Power, but there is to Grover and Newby. Newby is a minimum of 40,000 and a maximum of 50,000, and Grover can take more than the 55,000 the minimum in the contract, but it's a long distance to haul.

Executive Director McCarthy added that staff did analyze shipping more tons to Grover, and there is a cost savings at 55,000 tons, because at 55,000 tons SBR can haul with their current equipment. At 60,000 or 65,000 SBR has to buy another tractor trailer and the cost of that would exceed the savings. He noted that staff spent a lot of time trying to find the right mix of using these three companies so that the overall cost increase was small.

Member Bronitsky asked for further explanation of the cost per ton per mile analysis.

Staff Gans answered that the number was included in the analysis to get a per load cost, so that hauling to other locations could be analyzed. He noted that the reason it's more expensive to go to Newby and cheaper to go to Grover which is further away is because the farther they haul the more efficient they become because when they're on the road they're very efficient, the most time is spent in loading and unloading.

Vice Chair Dehn asked if within 3 years there might be another solution with Silicon Valley Clean Water.

Staff Gans answered that the tons for anaerobic digestion will come from solid waste not from the green bins, the tons from the green bins aren't candidates for anaerobic digestion.

Member Brownrigg asked if it was possible to process the material without using a contractor.

Executive Director McCarthy noted that there are two stages to processing the material. The first stage to grind it, and then it is broken down further. As part of this process staff asked the vendors if the first stage was done for them would lower tipping fees be an option, and in two cases they said no, and in one case the price was only \$3 per ton cheaper, and the JPA can't get it into the first stage for less than \$3 ton. The second phase, to actually compost it, requires a lot of land, and since there isn't a lot of space in this county no serious consideration has been given to that option.

Member Olbert asked if there had been any consideration given to buying land somewhere else, or with a cooperative of different agencies.

Executive Director McCarthy noted that StopWaste in Alameda County has tried, but the facility got stuck in permitting issues, and added that these types of facilities are very hard to permit.

Member Brownrigg wondered if incineration was an option.

Staff Gans answered that this material is about 50% moisture content so there is too much moisture for incineration.

Member Brownrigg made a motion to approve Resolution 2014-25

Member Aguirre 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			

B. Resolution Approving Amendment Number 3 to Agreement with WM Curbside, LLC to Provide Household Hazardous Waste, Universal Waste, Electronic Scrap and Sharps Door-to-Door Collection, Recycling and Disposal Services

Staff Feldman noted that the Resolution before the Board was to extend the WM Curbside, LLC for one year. He noted that the other provisions on the contract remain unchanged, including the option for one more year. He added that in 2015 the cost will increase according to CPI, which is \$0.01 per household per month, and that rate increase has been included in the rate assumptions for 2015 already shared with the Board. He also added that in February of 2015 the remaining two agencies are slated to join the program, so there will be full JPA wide participation.

Executive Director McCarthy added as a matter of full disclosure that as Cliff mentioned the current costs our Member Agencies are paying are way below market value: \$.46 per household compared to \$0.69 in San Ramon. He noted that there is only one more option year with the favored nations clause, and that two years from now WM Curbside is seeking big increases, so staff is trying to look at other options to head off a big increase two years from now.

Member Olbert asked for clarification on the rate that was being quoted and if it was per household.

Staff Feldman answered that it's per unit per month, and that the 2015 charge will be \$0.46 per single family unit, and \$0.21 per multifamily unit.

Member Benton made a motion to approve Resolution 2014-26

Member Stone 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			

C. Review of Landfill Disposal and Transportation Rates

Executive Director McCarthy explained why this survey was done now when the contract with Ox Mountain doesn't expire until the end of 2019. He noted that staff wanted to get a fix now as to what the competitive market place looks like, because projections will be included as part of the long range plan document. He also noted that after 2019 sizable increases are expected, and having this analysis done will be critical in determining options.

Staff Gans summarized the staff report and explained the graphs in the staff report.

Member Benton questioned why we expect such a big tipping fee increase in 2019 from Ox Mountain.

Executive Director McCarthy answered that Ox Mountain is owned by Republic, and they know that if we ship farther away it's going to cost more money, so they can easily do the research to figure out what the market will bear, and then charge an increased rate based on that information because they know they have a transportation advantage. He also noted that he was encouraged that the total disposal cost was only 3-18% higher than current rates, but there are a lot of variables to consider, mentioned in the staff report, but from a planning perspective trying to project future disposal costs it's a relatively good story.

Member Benton asked how the dynamic of less material going to Ox because of increased diversion affects their tipping fees.

Executive Director McCarthy answered that Republic is a publicly traded company, and they want the tons, regardless of the number, but their margins are going to be squeezed if less material is sent there.

Member Benton suggested that because increased diversion means less space is needed at Ox, and the fact that the JPA brings Ox the majority of their business, that may give the JPA more leverage in the negotiation.

Member Olbert asked if the alternative sites identified in the staff report are capable of taking the amount of tons needed.

Executive Director McCarthy answered some yes, and some have permit limitations on tonnage, and the volumes our service area have would push them over their permit limit.

Staff Gans added that if all of the JPA material was being trucked farther away that would be 30 trucks a day, and traffic impacts would need to be studied and considered.

Member Olbert commented that he would think the major risk of a county levying fees would come from the impacted county that the material was being brought to, not the county the material was leaving from.

Executive Director McCarthy noted that there is case law, and many California counties already have these sort of fees in place. The conversation about what those fees might look like for San Mateo County hasn't occurred because the material has always gone to Ox, but the conversation is happening now in Daly City, so there will be an answer soon.

Member Brownrigg asked what percentage of the transportation cost is fuel.

Staff Gans answered that he would need to get back to Member Brownrigg, but that labor was the biggest percentage.

8. Staff Updates:

a) Potential Future Board Agenda Items

Executive Director McCarthy pointed out that the November 6th Long Range Plan workshop is a Special Board Meeting, but that no action would be taken.

Member Benton asked if it was possible to come and go.

Executive Director McCarthy answered yes.

Chair Widmer commented that there would also need to be an RSVP for the Holiday Lunch on November 20th before the November Board meeting.

- b) Check Register for September 2014
- c) Update on Recently Adopted State Legislation (AB 1594 and AB 1826)
- d) Update on 2014/15 Franchise Rate Setting Process
- e) Recycling and Outreach Programs Update
- f) Shoreway Facility Operations and Maintenance Update
- g) Receipt of Recology and SBR Monthly Reports

9. Board Member Comments

Chair Widmer suggested that Board Members get together informally to discuss the strategic plan, and he asked the Board Members who are interested in being a part of that discussion email him over the next month.

10. Adjourn 3:44 PM