

**MINUTES**  
**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**  
**MEETING OF THE BOARD OF DIRECTORS**  
 October 25, 2018– 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	
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 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957) Title: Executive Director**

**4. Call to Order/Roll Call (Public Session)**

**Call to Order: 2:21PM**

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 (Public Session)**

None

**6. Executive Director's Report**

Executive Director La Mariana provided highlights of Agency work since the last Board meeting.

- Rethink Recycling Day is Saturday 10/27 from 10am to 2pm, and all are invited to attend.
- Introduction of Emi Hashizume as RethinkWaste' s new Environmental Education Manager.
- Announcement of two new Long Range Plan Fellows who accepted positions that will fill the two Fellow vacancies. Adele Halili will serve as an Environmental Education Fellow, and Shirley Ng will serve as a Public Space Fellow.
- There are 3 important RFPS out right now that staff is working on:
  - **The Disposal/Landfill and related services RFP** is the third largest contract for the Agency. Staff has now meet with all responders. A technical review has been completed and a final recommendation for Board consideration is anticipated in February 2019.
  - **Administrative Services RFP**, the Agency is currently in a 1-year extension which expires on 6/30/19. This extension was executed to allow the proper onboarding of Sr. Finance Manager, John Mangini. A recommendation for Board approval will be in January. There were responses from the City of San Carlos and the City of Redwood City.
  - **Legislative Lobbyist joint RFP** with Stop Waste is currently being conducted to significantly leverage our voice in Sacramento and the marketplace. A recommendation for Board approval will be at the January meeting.
- The Bond refinancing project will work into today's discussion on future capital needs, the Bond refunding is scheduled for Board approval in January or February and then will go out to each Member Agency's elected councils for approval.
- Amendment One discussions continue with Recology. The FAX committee will meet on November 29 to review the options and pricing, and make a recommendation the Board in January.

**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 September 27, 2018 Board of Directors Meeting

Motion/Second: Brownrigg/Bonilla

Roll Call Vote: 8-0-2-2

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	

**8. Convene Joint Board and TAC Meeting**

**Call to Order/Roll Call TAC Members**

Call to Order: 2:28PM

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	

**9. STUDY SESSION:**

A. Shoreway Environmental Center Capital Improvement Plan

Executive Director La Mariana noted that there are 3 projects being discussed for feedback.

1. **Glass Load Out System.** This was budgeted in the FY18/19 budget for \$350,000 but the bids have come back and are higher than what was budgeted. There is also an option to add a paper shredding operation that would be available to customers at Shoreway. The cost of both projects is about \$600,000 and the ROI is about 3.5 years and this will be on the November Board Agenda for board consideration.
2. **Mechanized Automated Effort to upgrade the mechanical sorting process in the MRF-**
3. **a. Residential Automated Sort Line improvements:** This is unbudgeted in the FY18/19 budget, although called out at an estimated \$3.5M in the comments. The project has come back with an estimated cost of \$3.6M and the ROI is 2 years. This item is planned for January Board consideration.  
**b. Commercial Automated Sort Line improvements:** Also unbudgeted in the FY 18/19 budget although called out in the budget comments. This item is planned January Board consideration.

Staff Gans went into more detail about each of the projects. He noted that the proposed projects are about improving the economics of the facility and its operations and recovering more material to sell, and at the time of approval this is a request to create a funding mechanism to finance these projects.

**A. Glass Load Out System:**

The Board/TAC discussed project one, the Glass Load Out system, which was budgeted, but the bids came back higher than the budgeted amount. Staff suggests reallocating funds from other capital projects that are in this year's budget and adopting this new set of more comprehensive projects. The Finance Committee will review the Reserve Policy before the November Board meeting, and with their recommendation, a revised reserve policy will presumably redirect funds to these Capital projects.

The Board/TAC discussed the bid process for project one. One bid was received in the competitive bid process, there was discussion regarding whether the increased cost was a fair price given that there was only one bid. Staff Gans noted that the additional cost of \$60K was likely a factor of the current marketplace. The bid is good for 60 days so as long as the award is approved at the November Board meeting the bid is firm.

The Board discussed the addition of a paper/document shredder to project one. Vice Chair Benton asked do both parts of the project need to happen now? Staff Gans answered he didn't know what the costs of adding the shredder would be if that project were to be a stand-alone project, but the idea of adding the shredder to the PRC makes sense now because work is being done in this area so it made sense to do both at the same time. Discussion included charging a fee for the shredding service, how shredding would be managed and staff implications of shredding. Many Board members advocated having a fee for the shredding service because the private sector offers it as a pay service. Staff has noted this direction accordingly.

The Board asked to hear feedback from SBR about the impacts of this project. Dwight Herring noted that the Glass Load Out project is a much more efficient way for them to manage glass. As far as the shredding, the

increase in customers wanting to shred is unknown, but currently there are 3-4 attendants to direct traffic, but the customer would load the shredder themselves so he didn't see a big increase in labor.

There was Board consensus that the glass load out project would come back to the Board for approval in November, and the shredder installation would come back as an option after further discussion.

Staff Gans noted that there is a larger issue of how to accrue funds for large capital projects given that the Agency only funds capital on an annual basis. Should the Reserve policy be revised and the Finance Committee agree with the recommendation it would provide a long-term funding mechanism for all 3 projects.

Member Brownrigg commented that the second project is \$3.6 M and has a 2-year payback and allows for pulling more recyclables out. He supports the recommendation of revising the reserve policy to create a funding mechanism for project 2.

**B. Organics-2-Energy (O2E) Pilot:** Member Brownrigg introduced the item as the Chair of the Zero Landfill Committee. He noted that all elected officials have a fiduciary responsibility to the rate payers, and to make sure the garbage is picked up as inexpensively and effectively as possible. The Zero Landfill Committee members see an opportunity to advance environmental interests and serve the greater community as Californians. In the case of this project both of those goals can be met.

Executive Director La Mariana and Staff Gans gave a joint Power Point Presentation. Executive Director La Mariana gave a situational overview of the project, noting that this is not a replacement of the current organics collection, but an enhancement to the existing collection programs. Staff Gans discussed the technical and financial aspects pilot. There are two projects, the pilot and the full scale roll out. The financials of the pilot project are a net positive to the Agency at \$6 per ton. About 2/3rds of the pilot project materials targets commercial source separated organics and the remaining third of the current waste stream (from the black can) is the targeted material for the project.

The Board asked to see a breakdown of diversion of the commercial stream versus the residential stream. Member Widmer noted that at the time that the 2015 Long Range Plan was developed, commercial diversion was significantly lagging. Member Brownrigg noted that in both commercial and residential programs there is a lot of food in the black cans, despite available organics collection options. This pilot targets food waste only- not green waste-because there is not enough moisture content in green waste, and there is about 30% food waste in the black stream. The Agency's current overall diversion level is 50%, and this project will move the diversion needle to 66%. This is a bigger single bump than the launch of our expanded new services back in 2010.

Staff Gans discussed the proposed enhanced processing at Shoreway and that the intent is to extract food waste from the waste steam and turn it into energy. This technology and processes are successfully used at other facilities around the world.

TAC Member Lucky asked if there was still waste that needed to be disposed of after the energy is created, and -if yes- where it was going. She would like to see a CEQA analysis on the environmental impact on the project. Staff Gans noted that there was no heat applied during the process, some of the waste is used in land spreading and some goes back to the landfill. TAC Member Rodericks asked if Waste Water Treatment Plants (WWTP) were the only market for the material. Staff Gans answered yes, and the Agency currently has three MOUs in place with local WWTPs who would like to receive the material.

Staff Gans discussed the finances of the pilot project. The cost of the pilot is \$5M. \$3M of that amount is available to our agency from Cal Recycle Grants, the balance (\$2.25M) has been allocated for this project in the FY17/18 budget. The Cal Recycle grant is confirmed as long as the project is done within the timeline of the grant (April 2019). Currently, the cost of processing material is \$69.20 compared to the estimated cost of O2E

process (\$63.17/ton), so the numbers are quite favorable to the Agency. Member Widmer suggested applying for grant money through Peninsula Clean Energy, they have money that is earmarked for local green energy development. Staff Gans stated that the cost of the full scale project is estimated to be \$15-20M, and demonstrated success in the pilot will lead to further grant opportunities for the full project, and refunding the bonds will also provide additional funding that can be redirected to this project.

The Board discussed the potential for a related future third O2E project (beyond the full scale O2E) project) to provide BioCNG fuel for the collection and long haul fleets (almost 200 industrial-grade vehicles) with fuel generated from this project which will save a million gallons in diesel fuel a year. This transition will have a significant favorable climate impact in our operations.

The Zero Landfill Committee members each commented on the project: Member Brownrigg commented that the Board would have the prerogative over the next year not to move to the full scale project, but it was the Committee's view that the full scale project makes sense both from an economic, technical and environmental standpoint. Member Widmer noted that new technologies are being developed all the time, so it may be that after the pilot something different comes along, but this project is almost zero cost and endorsed going through with it. Member Bonilla commented that there is new state legislation calling for elimination of methane emissions from landfills. He noted that this plan accomplishes this goal, it also creates green energy, and disposes of the waste that causes the methane pollutants and there's also an economic benefit so he sees it as a win-win. Member Hurt sees the project as innovative and creative and she is ready to move forward. Member Dehn agreed and noted that we are required to act, and this is an attractive option.

TAC Members added their final comments. Chair Oskoui commented that this is leading edge technology, and he thought the pilot was the right thing to do. He also thought there were still things to be flushed out with the technology on the plant side to see if it will work in the long term. He also added that the 75% diversion is a goal not a mandate and he urged legislators to push Cal Recycle to help jurisdictions deal with organic waste and supporting infrastructure. Member Roderick's noted that with CNG production there may be opportunities for Member Agency savings with surplus BioCNG fuel if they have vehicles that are CNG fueled. Member Lucky commented that she supported the pilot but wanted to see caution in moving towards the full scale project, and taking a holistic and systems approach to waste through the end of the process, including unforeseen impacts e.g. to habitat, or if plastics are ending up in this process they're not being spread through the environment.

Member Benton and Member Aguirre both concluded their comments noting that there needs to be a significant ramp up of environmental education to the residents and what goes into each bin. Making sure we focus on K-12 education and all aspects of education not just tours.

**10. Informational Items Only (no action required)**

- A. Check Register Detail – September, 2018
- B. Potential Future Board Agenda Items

**11. Board Member Comments**

**12. Adjourn 3:55PM**