

MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
November 15, 2012 – 2:00 p.m.  
San Carlos Library Conference Room A/B

1. **Call to Order at 2:01 PM**  
**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 54956.9(A): Conference with Legal Counsel – anticipated litigation – one case.

**Regular Session Called to Order at 2:08 PM**

3. **Report from Closed Session**

None

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.

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 September 27, 2012 BOD Meeting Minutes
- B. Approval of Technical Revisions to SBWMA Retirement Plan
- C. Resolution Approving Third Amendment to the Executive Director's Employment Agreement
- D. Resolution Approving Revised SBWMA Investment Policy
- E. Resolution Approving Adjustment to FY13 Non-Master Plan Capital Budget
- F. Receipt of Recology and SBR Monthly Reports

Motion/Second: Oskoui/Doughty  
Voice Vote: All in Favor

**5. New Business:**

**A. Election of Vice Chair**

Chair Porter called for nominations for Vice Chair.

Carl Yeats nominated Mike Gibbons.

Mike Gibbons declined the nomination.

Brian Moura nominated John Doughty.  
Larry Patterson seconded the nomination.  
John Doughty accepted the nomination.  
Roll Call Vote: 12-0-0-0

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 Shoreway Environmental Center Tipping Fee Adjustments Effective 1/1/13**

Executive Director McCarthy explained that a new version of table 1 in the staff report was being distributed. He added that staff is not recommending any changes to the tipping fees that were assumed in the budget that was adopted in September. He further explained that the budget is pretty tight, but suggesting an increase in tipping fees is not recommended at this time. He noted that we will meet our bond covenant break even test, but just slightly.

Member Patterson noted that he was looking at revenue versus operational expenditures and asked if there was any hope in the future in organics costs.

Executive Director McCarthy answered that nothing would change in the next year or two that will make a difference, because we are tied into two contracts don't expire until 2014. He added that there is a new facility in San Jose called Zero Waste Energy, that will have capacity, but we don't know tipping fees at this time.

Staff Gans explained that there are very few options for where to take food waste, so it's very expensive. He added that he is working on a project with the SBSA whereby food waste is turned into energy via methane gas providing an electricity cost offset. He noted that he has meet with their engineer several times to discuss options for bring SBWMA food waste to their facility.

Chair Porter asked if there are any grant opportunities to help the SBSA incorporate this type of digestion facility into their capital improvements project.

Staff Gans noted that the whole waste water industry is very aware of the opportunity to use organic input for energy. The challenge is matching up the world of solid waste to the world of liquid waste. Executive Director McCarthy, added that well in advance of the current two contracts expiring we want to do the research to see what options we have. He noted that right now the only viable option is the Zero Waste Energy Facility in San Jose, and added that the next future opportunity is this wet waste.

Member Oskoui asked if there is a reason to raise the tip fees more to help offset subsidies and financial short comings.

Executive Director McCarthy pointed out attachment A to the staff report and noted that the public tip fee is such a small part of the SBWMA total revenue that the tip fees would have to be raised significantly to make a dent in cash flow. He also noted that we've seen the volume start to come back up with our current rates.

Member Masbad asked for a clearer picture on the net costs of moving the material subsequent to the tip fee being charged.

Executive Director McCarthy noted that if you net all of the expenses out of the commodity revenue, what's left over essentially subsidizes the tipping fees to about 12.2%, so the tipping fees in aggregate are 12.2% lower after we put the revenue against those expenses.

Member Oskoui added that it has been coming up in rate hearings that it's not clear that commodity revenues are offsetting operational costs, and that needs to be a clearer message.

Member Moura commented that he would like to look at building in discounts to encourage Multi-Family developments to participate in the organics program in the next year.

Member Patterson made a motion to accept the staff proposal for 2013 tip fees.

Member Moura seconded the motion.

Roll Call Vote: 12-0-0-0

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. Discussion on Model Anti-Scavenging Ordinance

Staff Feldman explained scavenging is an ongoing problem in our industry. He added that there is a state law prohibiting removal of recyclables from contracted containers, however very few of these infractions have ever been prosecuted. Staff is recommending that SBWMA agencies adopt local anti-scavenging ordinances, noting that this may be one of the only feasible alternatives in addressing the problem of scavenging.

Member Patterson asked if there was any data available comparing scavenging before single stream and after single stream.

Staff Feldman agreed that one of the attributes of going to single stream was to make scavenging harder; noting that on the flip side there has been an increase in material due to single stream making it easier for people to recycle. He added that he has not seen any research on scavenging numbers because it hard to quantify.

Member Oskoui noted that it would be beneficial to be able to quantify the dollars lost, and where the problems are regional via scavenging when going to councils. He also suggested administrative fines instead of misdemeanors to make the ordinance a little more flexible.

Member Yeats commented that scavenging is a symptom of the economy. He noted that Burlingame does have anti-scavenging as part of their solid waste code, and since it was written in 2009 they have fined 30 people. He added that usually the fine is \$50, but they can also fine port fees up to \$250. He added that he thought there would need to be more data on what it's actually costing before a community is going to devote code enforcement officers.

Member Fotu noted that Menlo Park only has one code enforcement officer, and that she didn't see that Menlo Park would want to spend staff time on an ordinance that had no way to be enforced. She suggested the SBWMA pilot a program with one code enforcement office for all the agencies that was paid for out of the rates.

Staff Feldman reiterated that quantifying is the issue; noting that it's hard to measure the success of having an ordinance or the detriment of not having an ordinance.

Member Moura suggested SBWMA contracting directly with the county for code enforcement, and pay for the officer with the fines collected.

Gino Gasparini of Recology thanked Foster City, Redwood City, and Burlingame for their help in this area. He noted that a family was caught; a letter was written and that Recology has not seem them again in our area.

Mario Puccinelli of Recology added that it he'd thought it might be a good idea to use Recology's recycle truck drivers to help quantify scavenging.

Chair Porter summarized that it would be nice to know what the magnitude of this problem is relative to the revenue from commodities, so that we can decide if we want perception based enforcement or if it's to recover lost revenue.

## **7. Old Business:**

### **A. RSMC Franchise Agreement Operational and Contract Administration Update**

Gino Gasparini thanked member Oskoui and his staff for the great explanations at the Belmont City Council meeting regarding rates. He commented that the Belmont rate increase was not highlighted in the newspaper this year. He also added that the Coats for Kids program ends tomorrow.

### **B. SBR Shoreway Operational and Contract Administration Update**

No Report.

## **8. Staff Updates**

- a) Update on Recology Commercial Recycling Outreach Efforts
- b) Recycling and Outreach Programs Update
- c) Shoreway Operations and Master Plan Update
- d) Update on 2013/14 Franchise Rate Setting Process
- e) Preview of Upcoming Board meetings

Executive Director noted that he had a few miscellaneous comments.

- He noted that a final total collection rate impact will be emailed out. He added that because there were some abstentions at the September meeting when rates were voted on, staff needed to do additional work, that work is completed and this will show those changes which are minor.
- He also stated that Staff and Recology will be meeting soon to restart the conversation about commercial recycling. He added that this is an area of opportunity for us, and that effort will start up again shortly.
- He recognized Burlingame who will be rolling out the on call HHW program beginning February 1<sup>st</sup>.
- He also commented on the press release that went out earlier in the day that we will be taking plastic bags at Shoreway in the drop off center.

## **9. Board Member Comments**

## **10. Adjourn 3:00 PM**

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