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MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
November 17, 2011 – 2:00 p.m.  
San Carlos Library Conference Room A/B**

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**1. Roll Call:**

**CTO 2:05 p.m.**

In attendance: Belmont, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, County of San Mateo, West Bay Sanitary District

**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. 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 October 27, 2011 BOD Meeting Minutes
- B. Approval of Quarterly Investment Report as of 9/30/11
- C. Approval of 2012 Board Meeting Calendar
- D. Resolution Approving Office Lease Agreement at San Carlos Library
- E. Receipt of Recology and SBR Monthly Reports

M/S: Hardy/Fotu

Voice Vote: All in Favor

**4. New Business:**

A. Presentation on Future Strategic Priorities and Planning  
Executive Director McCarthy noted that at the direction of the Board and the Executive Committee, staff was asked to begin the conversation about what is next for the SBWMA over the next 5 to 6 years.

Executive Director McCarthy noted that staff would be reaching out to the Board with dates for a public meeting sometime in February to discuss strategic planning further.

Executive Director McCarthy's gave a presentation referencing the success the SBWMA has had to date, the strategic drivers for future plans, noting specifically: AB 341 75% Statewide recycling goal by 2020, the expiration of the OX Mountain Disposal Agreement in 2019, and rate stability and predictability, and the existing strategic plan, and next steps.

Chair Moura asked about diversion numbers being provided to individual agencies.

Executive Director McCarthy answered that the numbers are in the monthly contractor reports.

Member Oskoui asked about the issue of having elected officials on the Board that was brought up at the Grand Opening ceremony noting there is some interest and wanting to know more about what that would mean from Belmont council members.

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Chair Moura noted that it is a contentious issue, and some members of the Board do not want that to happen.

Executive Director McCarthy added that there are many governance issues to talk about, adding that as well as the governance structure, possibly getting additional JPA members, and other structural changes to the JPA like the fiscal year versus calendar year issue that has been brought up before.

B. Discussion on Shoreway Education Center Tour Bus Funding and Tour Reservation Protocol  
Staff Gans announced that January 2012 would be the launch of the school group tour program and the Shoreway Environmental Center. He introduced Staff Mututa to discuss the details of the program.

Staff Mututa noted that the goal of the program is to promote and empower 4R behaviors. The tours will be 2 hours, and be in line with California State curriculum for 4<sup>th</sup> to 6<sup>th</sup> grade. Free transportation would be provided to the 4<sup>th</sup> – 6<sup>th</sup> grade tours groups from schools within the SBWMA service area.

She also noted that to promote the tour program, there would be promotional flyers to schools, and in the Rethinker. She asked for suggestions from the Board Members on promotional ideas.

Member Fotu stated that that the staff report noted that every 3<sup>rd</sup> Thursday the Education Center would be open. She asked if reservations were required.

Staff Mututa answered that reservations are preferred, but tours will be given to those who just show up as well.

Member Bernardo asked why busses are being provided.

Executive Director McCarthy answered that based on experience from the program in Alameda County, without providing this service the turnout for tours would be much lower. Adding that, having multiple private vehicles on site raises other concerns with parking and safety as well.

Member Scott requested revisiting paying for the buses at the strategic plan meeting.

C. Resolution Approving Shoreway Facility Tipping Fee Adjustments Effective 1/1/12

Executive Director McCarthy gave a power point presentation on the proposed rates for 2012 summarizing the recommended tip fee adjustments. He noted a recommended decrease of \$2/ton in the franchise rate, no change to the residential organics, and commercial food waste rate, but separating commercial food waste as its own rate which it doesn't currently have, and further reductions in public rates, because the July changes have driven an increase in public solid waste volumes, and have driven a very significant increase in public yard waste volumes.

Member Scott asked for clarification on projected rates vs. no change.

Executive Director McCarthy answered that the budgeted numbers haven't been implemented yet; they were projected for January 1, 2012 in the budget passed in June. Noting that now we are recommending changes to those projected numbers before they are implemented.

Member Oskoui asked how undesignated funds are being allocated, and if they are cumulative.

Executive Director McCarthy answered that those funds can not be spent without Board approval. He also answered that the funds are cumulative. We are projecting in 2012 we will have \$350,000 in undesignated funds. Noting that the \$350,000 was the number to watch as the Board considered changing tip fees.

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Member Fotu questioned why the undesignated funds have been decreasing year after year.

Executive Director McCarthy answered that last year we had proposed a \$93/ton tip fee and what was passed was \$90, noting that that was part of it.

Staff Moran added that some of the 2011 undesignated reserve money was used to start the equipment reserve fund, some was used to finish the Master Plan, which was always planned for using internal money, some will be used to start paying off the \$3M bond owed to the City of Burlingame, and some to pay principal on our debt which is about \$1M a year. He explained further that in 2011 you see the dollars in the reserves and in 2012 those dollars are spent.

Member Hardy asked if the reserve balances being projected include the proposed reduced tipping fees.

Executive Director McCarthy answered that this is what is expected.

Member Scott asked for clarification on the rate stabilization fund.

Executive Director McCarthy answered that it is the JPA's rate stabilization fund, is money held by the JPA in case of any unexpected shocks to our budget. It's an emergency fund.

Executive Director McCarthy continued, noting that the other part of the analysis was to look at projected rates vs. the operational cost. He added that it has been the direction of the Board to set rates to cover costs, and that at the proposed \$88/ton we are still above what our actual costs are.

Member Oskoui asked if the revenues of green waste are off setting the cost, wanting to know where commodity revenues are built in.

Executive Director McCarthy answered that the numbers are all pretty much stand-alone costs. It's built-in in the recommended tipping fees, because we look at the total revenue needed, but it's not built in on the cost side.

Member Clark asked for clarification if the customers at the gate would be charged \$88 in addition to the franchise fee.

Executive Director McCarthy answered that this is the total fee charged to franchise customers.

Member Galli asked why self-haul vehicles are not weighed.

Executive Director McCarthy stated that the facility isn't set up for that kind of operation.

Member Oskoui asked about the balancing account, noting that his perception was each agency was paying off Allied.

Executive Director McCarthy answered that the agency owes money directly to Allied for facility operations.

Member Fotu commented that the recommended tip fee adjustments don't appear to be a structure that promotes sustainability.

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Member Fotu made a motion for discussion to keep the solid waste rate at \$90/ton and lower the residential organics to \$85, and keep commercial food waste as proposed by staff, but still remain revenue neutral in order to promote the mission statement of the JPA and promote sustainability.

Chair Moura asked what the total revenue impact this motion would be.

Executive Director McCarthy answered that it would be fairly close, but not quite revenue neutral.

Member Scott asked how this affects Member Agency rates.

Executive Director McCarthy answered that the staff report says this reduces collection rates by 0.4%. Adding that if an agency has a reduction it would be in the revenue reconciliation process.

Member Galli commented that incentives to recycle should be in the rates not in the tip fees.

Member Fotu pointed out that it does trickle down, because every time a vehicle goes through the gate those tons do get assigned to each agency.

Member Oskoui seconded Member Fotu's motions for further discussion.

Member Scott announced that West Bay Sanitary District couldn't support that motion.

Vice Chair Porter added that there has been discussion for quite some time to have tip fees cover the cost of operations, and he felt it was a principal part of the discussion.

Member Hardy made an alternate motion to move the resolution as drafted by staff, with a request that at the Board's strategic planning retreat include discussion how to achieve philosophical approaches of encouraging recycling.

Member Porter seconded the motion.

Motion passes: 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 District	X			

**5. Old Business:**

A. RSMC Franchise Agreement Operational and Contract Administration Update

Gino Gasparini gave an update on Recology operations. He shared that Recology has an updated 2012 event form, and asked the agencies for any information they can give in advance, so that Recology can prepare as much as possible in advance. He also noted that Recology is working with staff for compost and shred events for the Member Agencies. He also announced that they will be operational on Thanksgiving Day.

B. SBR Shoreway Operational and Contract Administration Update

Dwight Herring introduced himself; as it was the first time he addressed the Board. He updated the board on diversion opportunities and announced SBR's partnership with St. Vincent De Paul, where people can drop of reusable clothes and household items at Shoreway

Chair Moura asked if people would get tax receipts for donations to St. Vincent De Paul.

Dwight Herring answered yes, receipts are given.

**6. Staff Updates**

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

Staff Gans announced that the installation of the Solar Power has begun, and when it's done it will probably generate about 50% of the facilities power needs. It is a big part of our LEED Certification process.

d) Update on 2012/2013 Franchise Rate Setting Process

Executive Director McCarthy brought the Board's attention to this item. It will be an ongoing update going forward. He noted that there will be a rate setting workshop in the spring intended to get Board Members more involved in the process, and have more communication.

Chair Moura asked if it made sense to have Board of Director's rate workshop, and then have elected officials workshop.

Executive Director McCarthy answered anyway the Board wanted to do it, we will.

e) Preview of Upcoming Board meetings

**7. Board Member Comments**

Member Scott requested SBWMA and Recology staff attend their rate setting meeting on December 14<sup>th</sup>.

**8. Adjourn 3:33    Next Regular meeting scheduled for January 26, 2012, San Carlos Library at 2 pm**

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