



**MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
November 20, 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	
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.

Vice Chair Dehn announced the Chair Widmer had a death in the family and sends holiday greetings and regrets that he couldn't attend.

**3. Executive Director's Report**

Executive Director McCarthy noted the change in agenda format, and that Board meetings would start with the Executive Director going over any notable highlights. As part of that he announced that on November 11<sup>th</sup> he received a letter from South Bay Recycling requesting consent to assignment of the Operations Agreement. He noted that this means Recology is in the process of purchasing Community Recycling which is one of the two partners in SBR. He noted that correspondence has been sent to SBR with some legal and operational questions, and that this item deserves serious consideration by the Board, but given the timing of receiving the letter, and not having feedback yet from SBR, he didn't feel it would be ready for a full discussion at this Board meeting, but that Recology has requested this be completed by the first of the year, so we will be sending dates out to the Board to try to schedule a special Board meeting in December.

Member Benton asked for a review of the corporate structure of SBR.

Counsel Lanzone answered that SBR is a California LLC. In their Operations Agreement, they have two equal voting managers - Community Recycling has a 60% ownership interest, and Potential Industries has 40%. Recology is acquiring Community. He summarized that Recology would have 60% ownership of the LLC, but 50% management of the LLC.

Member Olbert commented that he was nervous about discussing an item not on the agenda.

Counsel Lanzone noted that the Executive Committee thought there would be a little discussion, but not much, and that there would be an email going out to request available dates for a Special Board Meeting in December.

**4. 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 23, 2014 BOD Meeting Minutes
- B. Approval of 2015 Board Meeting Calendar
- C. Approval of Quarterly Investment Report as of 9/30/14

Member Bronitsky made a motion to approve the consent calendar.

Member Stone seconded the motion.

Voice Vote: All in Favor

**5. Administration and Finance:**

- A. Consideration of Approval of 2015 Merit Increase Pool for Unrepresented Employees

Executive Director McCarthy noted that Board approval of the merit increase pool was discussed in closed session at the last Board meeting. He added that the resolution is to adopt a merit increase pool that is 3% of wages, and that the total would be \$26,775, which is a little bit lower than the number in the staff report.

Member Stone made a motion to approve Resolution 2014-27

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			

- B. Consideration of Approval of Change to Technical Advisory Committee Meeting Frequency

Counsel Lanzone summarized the staff report noting that when the TAC was established it was presented to the Board that the TAC would meet on an as needed basis, the Board at that time decided that it wanted the TAC to meet on a regularly scheduled basis. He noted that over the last year, the TAC has been effectively meeting on an as needed basis because limited items have been referred to them from the Executive Committee. So this Resolution is before you to change the meeting frequency to an as needed basis.

Executive Director McCarthy added that there is still an open discussion on what is the goal of the TAC, and that sometime after the first of the year there will be a special meeting to discuss the issue of what role should the TAC play; this resolution is just to change the meeting frequency to as needed.

Member Olbert questioned why the change was being proposed now, and suggested waiting until the in depth discussion.

Counsel Lanzone noted that it's just a convenience as the staff keeps having to send cancellation notices.

Member Olbert noted that he spoke with his TAC member, and his TAC member didn't recall being asked if the meeting frequency should be changed. He also noted that his TAC member thought it was odd that the TAC was not convened with the rate applications were received, and that is one of the things he would like to see the TAC tasked with, and that it's important to keep the staff technical experts involved early on. He noted that he wasn't in support of this change, and that next year he would be trying to persuade the Board to continue to have the TAC meet regularly.

Member Stone noted that he also spoke with his TAC member who is somewhat ambivalent about this, but noted that he echoes some of Member Olbert's concerns. He is concerned about continuity of institutional knowledge if these meetings aren't being held on a regular basis. He also questioned how as needed is determined.

Counsel Lanzone noted that as needed would be determined by the Board or the Executive Director as it says in the resolution.

Member Stone noted that he was supportive of waiting on the decision and then make that decision along with the broader discussion.

Member Abrica agreed that putting the decision off until the in depth discussion would be best, and asked that the Board determine a specific goal for the TAC, because he didn't want to see the issue become a point of contention when it doesn't need to be.

Vice Chair Dehn noted that the discussion would be different.

Member Benton commented that he would like to see the discussion be a part of the regular meeting, and not a special meeting.

Executive Director McCarthy noted that he felt it would be a lengthy discussion, and was worried about getting everything on a regular Board meeting agenda done in the allotted time.

Vice Chair Dehn concluded that the TAC discussion would be brought back to a regular Board meeting, after January.

## 6. **Collection and Recycling Program Support and Compliance:**

### A. Progress Report on Long Range Plan

Executive Director McCarthy gave an update on long range planning activities, noting that the November 6<sup>th</sup> Workshop was part of phase 2 of the Long Range Plan which was an inventory of all of the existing programs. He noted that phase 3 would be beginning in November, and noted that the staff report included an emerging list of program ideas and service changes that staff would be taking a closer look at. He noted that staff would continue to give the Board regular updates as the Long Range plan moves along and the draft plan will be before the Board in March.

Member Benton asked if there was a big problem with recyclables being put into the black carts.

Executive Director McCarthy answered that in the residential sector there isn't much recoverable material in the black cart, but in the commercial sector there is more. He noted that a disposable ban is a policy tool that has been used by other JPAs in the Bay area, where they prohibit the disposal of yard waste. He also added that it's not enforced at the cart level, it's at the disposal site.

Member Aguirre now present.

Member Olbert asked Kevin to expand on what he means by mandatory recycling under policy options.

Executive Director McCarthy answered that in San Francisco and Alameda County the governing body has adopted an ordinance mandating participation in recycling or composting. He noted that this is 180 degrees different from anything this JPA has ever done, but he thought the long range plan should give the Board a range of options on what other agencies are doing.

Member Olbert noted that he thought from a policy standpoint what could be done to increase commercial diversion was missing from the plan.

Executive Director McCarthy noted that at meetings with Recology the topic has come up and noted that staff is looking at both policy and operations options. He also noted that Recology will be coming back to staff with information on whether they can expand the programs they have.

Member Olbert noted that he would like to see commercial diversion as a specific bullet point in the long range plan, and thought there should be options about visioning what the JPA would like done versus what could be done.

Executive Director McCarthy explained that he was explaining the process for coming to the diversion outcomes Member Olbert was referring to.

Vice Chair Dehn asked that the Executive Director specifically highlight commercial diversion throughout the process of the long range plan.

Executive Director McCarthy answered yes, and noted that it absolutely is a fundamental part of the Long Range Plan.

Member Olbert noted that he was intrigued by the idea of piloting an every other week garbage collection, because he thought the state law required weekly pick up.

Staff Feldman answered that there is a health and safety code that mandates that putrescible waste needs to be picked up weekly. He noted that the thinking behind every other week garbage collection, is that most of what is considered putrescible is in the green cart. He also added that staff tried to put a pilot program for every other week garbage collection in San Carlos a couple years ago, and the County said no to the pilot program, one of the primary reasons was no solution for disposable diapers. He noted that other agencies around the country have successfully come up with solutions, and as part of the Long Range Plan staff would like to move forward with an every other week pilot program on a small scale to see if it's feasible or not.

Member Olbert noted that the challenge for him, was that you can't guarantee that the black can wouldn't have putrescible waste, and so therefore it would need to be picked up every week.

Staff Feldman noted that by providing households the opportunity of food scrap collection every other week, whether they put their cans out or not meets the requirements of the health and safety code.

Member Olbert noted that San Carlos explored doing this as a way of decreasing rates, but were told that we couldn't do that.

Executive Director McCarthy acknowledged that the challenge is that the rate model is built around the black can, so member agencies are going to have to figure out how to shift costs on to the blue and the green carts to keep their revenue intact, and he thought this would be a bigger challenge than getting the department of environmental health to say yes.

Member Carlton commented that she was skeptical and not a fan of every other week garbage collection.

Member Aguirre noted that on the other hand when Redwood City went to every week recycling collection people didn't like that change and there were a lot of complaints especially about cost, and not needing every week.

#### B. Discussion on Scopes of Work for Auditing Recology and SBR Agreements

Staff Moran gave background information on the staff report and noted that in June the Board asked if any reductions could be made to the scope of the audits. He reminded the Board that each year there are two separate but complimentary audits on the self-reported information from both contractors, and that the audits are a critical component of managing the two contracts, and that it is the JPAs fiduciary responsibility to conduct annual audits as protection for the rate payers. He also noted that the financial audit this year which reviewed 2013 cost approximately \$61,000, and the report audit cost about \$55,000, the total cost of the audits has a rate impact of 0.012% on the total collection rate revenue. He also noted that each year of the contract the cost and scope of the audit has been reduced, but cautioned the Board to not to emphasize the cost of the audit, but to look at value to the rate payers.

Vice Chair Dehn requested the Board give direction on the scope of the audits so that staff could implement any changes before the audit scopes go out in March.

Member Olbert asked if route hours are directly audited.

Staff Moran answered that there is a separate audit of the cost allocation process that was just completed for this year that does audit route hours.

Vice Chair Dehn wondered if that tied into the question that has been posed to Recology to see if more detailed route information can be gathered regularly rather than just in the four week period of time of the audit.

Staff Moran stated not at this time, because a response hasn't been received from Recology yet regarding automated data collection, and until that happens the audit scope for the cost allocation can't be revised.

Mario Puccinelli commented that Recology has made progress with RouteWare, the onboard computer system in the collection fleet, and they can now enter a range of dates a month at a time and then manually compile each month into a year's worth of data. He added that it is much more streamlined, but that there still is a manual component.

Executive Director McCarthy asked if Recology would be prepared to come to the January Board meeting and talk further about this, so that the Board can weigh in before the next route assessment which is scheduled for the spring so it's coming up soon.

Mario Puccinelli said yes.

Member Benton commented that he supports Staff Moran's last comment, and that he didn't want to short cut the value of an audit, and didn't want to see things that ought to be audited annually short cut.

**7. Shoreway Operations and Contract Management:**

A. Consideration of Approval of Additional Third Party Tons into Shoreway Environmental Center MRF

Executive Director McCarthy noted that the reason for this agenda item was in anticipation of the City of Daly City making a decision about their next franchised hauler, and they did vote last night four to one to keep their incumbent Allied Waste, and the details of that proposal doesn't currently involve tons coming to Shoreway, so at this point the opportunity to get those tons has been lost and no action is required.

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

- A. 2015 Finance and Rate Setting Calendar
- B. Check Register for October 2014
- C. Potential Future Board Agenda Items

**9. Board Member Comments**

**10. Adjourn 2:51PM**