



MINUTES
SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
 November 21, 2013 – 2:00 p.m.
 RethinkWaste Board Room at the Shoreway Environmental Center

1. Roll Call

Agency	Present	Absent	Agency	Present	Absent
Atherton	X		Menlo Park	X	
Belmont		X	Redwood City	X	
Burlingame	X (late)		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. 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 24, 2013 BOD Meeting Minutes
- B. Adopt the October 24, 2013 Special BOD Meeting Minutes
- C. Approval of Quarterly Investment Report as of 9/30/13
- D. Resolution Approving Updated Conflict of Interest Code
- E. Receipt of Recology and SBR Monthly Reports

Motion/Second: Frisella/Olbert

Voice Vote: All in Favor

4. New Business:

- A. Election of Officers for 2013/14

Counsel Lanzone noted that due to the election cycle the current Chair and Vice Chair would no longer be eligible to serve as SBWMA Board members as of the second week of December. He also mentioned that the Agencies may be appointing new SBWMA Board Members in January, so it may be beneficial to elect an interim Chair and Vice Chair to serve until January, but that it was recommended that a chair and vice chair be elected in case of need for a special meeting before the next regularly scheduled Board meeting in January.

Member Dehn nominated Member Widmer for interim Chair.

Bill Widmer nominated Member Dehn for interim Vice Chair.

Member Benton moved nominations be closed.

Voice Vote: All in Favor.

B. Consideration of Shoreway Facility Tipping Fee Adjustments Effective 1/1/14

Member Brownrigg now present.

Executive Director McCarthy gave a PowerPoint presentation and explained the proposed tipping fee increase. He noted that the recommended tipping fee adjustments are lower than what was recommended in the approved budget.

Member Carlton asked about the miscellaneous line item which has doubled since last year.

Executive Director McCarthy answered that it is for Shoreway remediation project and that there is a presentation on that item later today.

Member Widmer asked if there was a targeted number to be at to be competitive, noting that the presented numbers didn't seem very competitive, specifically noting that Sunnyvale is significantly cheaper. He questioned whether there should be a policy on tipping fee range so the facility is competitive for the area.

Executive Director McCarthy noted that there is no set policy. He noted that there is a higher margin on public revenue which adds a cushion (keeps lower) to franchise tipping fees. He also added that historically Ox has had much lower prices than Shoreway, but noted that the margin is closing. He added that the target is to try and match Ox Prices as closely as possible so that the customer has to factor in the longer drive to Ox Mountain into their cost.

Member Gauthier is now present.

Member Dehn asked how the Sunnyvale Smart Station pricing is so different.

Executive Director McCarthy noted that he didn't know the exact situation in Sunnyvale, but did know that one of the differences in the arrangement with the Cities that bring their material to Sunnyvale is that the Cities individually have rate stabilization funds. The SBWMA's rate stabilization fund is Agency wide and is covered through tipping fees.

Member Widmer suggested information sharing with similar facilities.

Member Olbert suggested figuring out what the market is, and then figuring out how to run the facility at that rate. He also asked about the possibility of sending some of the SBWMA material to Sunnyvale.

Executive Director McCarthy noted that there are things included in the rates at Shoreway that are not included in some of the competitor's rates. He noted that research would need to be done to factor in the hauling costs to determine if transporting material to Sunnyvale would cost less, but added that this agency invested in a \$46M facility.

Member Brownrigg asked why the cost of franchised organics jumped 50%.

Executive Director McCarthy noted that under Allied the SBWMA had a below market rate to Newby Island which is an Allied facility. When the operator changed that number jumped significantly.

Member Brownrigg noted that leaves no incentive to use organics.

Executive Director McCarthy agreed.

Member Benton asked for a breakdown of commodity revenue.

Executive Director McCarthy answered that the largest contributor to commodity revenue is fiber grades, and that the highest prices come from containers.

Member Olbert asked what the information from the TAC was.

Executive Director McCarthy answered that due to the numbers being better than expected and the short turn around for the November meeting this item didn't go to the TAC.

Member Olbert stated that he would have liked to have gotten TAC feedback on this item.

Member Ross noted that the miscellaneous category hasn't been defined yet.

Staff Moran noted that it is the spending for next year for the Shoreway remediation project.

Chair Ira commented that he thought a plan for competitiveness would come back in stages, but noted it would be up to the interim chair and vice chair to determine whether this Board should set a bench mark, and how to get there.

Member Brownrigg asked what percentage of the tipping fee increase the Member Agencies would have to pay.

Executive Director McCarthy noted that the budget projected a 0.7% increase and the new recommendation is for a 0.4% increase.

Member Benton asked why the non-franchised rate was going down.

Executive Director McCarthy answered that it is to try to make pricing more competitive.

Motion/Second: Brownrigg/Benton
Roll Call Vote: 11-0-0-1

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. Update on Shoreway Remediation Project

Staff Gans gave an update and background of the Shoreway remediation project. He noted that the site is close to closure with the County, and that once the site is closed there will be a surplus from settlement negotiated with Allied, and that the Board will need to determine how to repurpose those surplus funds.

Member Olbert asked about the history of the remediation and if a higher level of contamination is now accepted.

Staff Gans answered that the contamination that is still there is underneath the transfer station, and that it's not possible to get to without significant operational impacts. He noted that there is a deed restriction on the property, but that the County has agreed that the contamination that remains can dissipate through natural attenuation.

Member Olbert suggested that thought be put into any possible additional remediation before repurposing the funds.

Counsel Lanzone suggested that Member Olbert and any other Board member who would like to, look at some of the reports produced by the engineers overseeing the remediation, so that he would have a better idea of what is there and what it will take to dissipate.

Member Benton asked if the underground tanks are still in use, and if there are assurances they aren't contaminating further.

Staff Gans answered that the tanks are used for fuel by Recology and SBR. He added that they are tested extensively on a monthly basis, so without actually excavating the tanks we know to the best of our knowledge that there is no leakage.

Chair Ira suggested that staff come back to the board with a report on all capital needs for discussion of use of the surplus funds.

Member Benton wondered if the tanks are such a liability, why the SBWMA owns them.

Staff Gans noted that anything that wouldn't leave the facility with the contractor the SBWMA owns as with a landlord/renter relationship. He added that contractors could fuel offsite, but that it was part of the original RFP that the contractor could fuel onsite, so any request to have them fuel offsite would be an additional cost.

Executive Director McCarthy added that having the fuel where the trucks park at night is the most efficient, and that means there is cost savings in having the fuel onsite.

Staff Gans added that during the RFP process we requested the contractors use bio-fuel, and that biodiesel isn't an option with the current tanks.

Executive Director McCarthy added that industry wide collection vehicles are moving to natural gas, so thinking about how best to make the bridge to a natural gas fleet would be a benefit going forward.

Member Gauthier asked what is considered a safe level of contamination.

Staff Gans noted that this is a complex answer, but that there has been regular vapor testing, and there is no contamination in the air. He noted that the contamination on site is fairly run of the mill hydrocarbons, it's a very complex toxicological analysis that the experts go through to try and determine safe levels, and our site is coming in under those levels.

Executive Director McCarthy added that the readings have been declining.

Staff Gans confirmed that the readings have been going down, which is why the County has agreed to close the site and let the remaining contamination dissipate through natural attenuation. He added that the contamination that remains is hydrocarbons, and explained that natural attenuation is a process where natural bacteria in soil feeds on hydrocarbons, so eventually the hydrocarbons go away.

Member Benton wondered what the requirements of the deed restriction were in the settlement with the County.

Counsel Lanzone answered that it's in perpetuity; a request would need to be made to amend the agreement with the county if the desire was to use the property for some other use, which would require additional testing and likely clean up.

5. Old Business:

A. Contractor Quarterly Updates

Recology: Mario Puccinelli gave a Power Point presentation with the Recology Quarterly update.

Member Benton asked how Recology in San Francisco is doing such a good job with commercial recycling and diversion and the numbers aren't so good in our area.

Mario Puccinelli answered that construction and demolition debris is included in diversion totals in San Francisco, there is so much construction in San Francisco and most of that material ends up at the Recology facility in San Francisco.

Executive Director McCarthy added that the City of San Francisco's diversion rate numbers are reported through the state's formula. Recology here is using much more stringent actually diverted tons to report diversion. San Francisco is doing a great job, but they are also using a different data set.

Mario Pucinelli stated that he disagreed with that statement.

Member Brownrigg clarified that so much more construction in San Francisco is leading to higher diversion numbers.

Mario Puccinelli answered yes, there is so much more, and that construction and demolition is non-franchised in the SBWMA service area.

SBR: Dwight Herring gave a Power Point Presentation with the SBR Quarterly Update.

Member Widmer requested saving money by not printing out the presentations in color.

Chair Ira requested that SBR become more community involved, and add a community involvement page to their quarterly presentations.

6. Staff Updates

- a) Update on Recology Implementation of Collection Services and Facility Operations Reports, Tonnage Data and Customer Service Systems Audit Recommendations
- b) Update on Changes Affecting C&D Ordinances
- c) Recycling and Outreach Programs Update
- d) Shoreway Operations and Master Plan Update
- e) Update on 2013/2014 Franchise Rate Setting Process
- f) Preview of Upcoming Board meetings

Executive Director McCarthy noted that the January meeting is quite full. In January and February we plan to tackle the cost allocation method and the interest on surplus issues, and plan to come to the Board with a non-franchised commercial recycling ordinance.

Staff Devincenzi gave an update on the Rethinker Newsletters that were accidentally mailed to some Palo Alto residents. She noted that she's been in contact with the mail house, and they don't think it's a large amount of homes, but that she doesn't have exact numbers yet.

Member Widmer asked if the Rethinker could go in the bills.

Staff Devincenzi answered that the newsletter used to go out in the bill inserts, but the Board at that time decided it would be more effective for the actual users of the collection system to receive the newsletter rather than just the bill payer. For example a lot of multi-family residents are missed. She added that the billing cycle is 3 months long, and if they newsletter goes out with the bills residents are getting information about tree collection really early or possibly a bit late.

Member Carlton suggested planning ahead and liked the idea of the newsletter being distributed via bill insert.

Member Dehn also thought a bill insert was a better idea.

Staff Devencenzi noted that all outreach would be evaluated for effectiveness.

7. Board Member Comments

Executive Director McCarthy thanked Chair Ira and Vice Chair Frisella for their time as Chair and Vice Chair through the transition of the Board.

8. Adjourn 3:43 PM