



**MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
February 25, 2016 – 2:00 p.m.  
San Carlos Library Conference Room A/B**

**Call To Order: 2:11PM**

**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. Interim Executive Director's Report**

Interim Executive Director Gans gave a brief overview of the staff report. He noted that as the Interim Executive Director he will speak on hot topics and provide updates. He noted that a standing item in the Interim Executive Director's report would be the plan and recommended process updates as the negotiations with Recology proceed, and that there would be a TAC meeting on March 10<sup>th</sup>. At this meeting TAC members will discuss commitments from Member Agencies on moving forward with the plan and recommended process, as well as the formation of an Ad Hoc subcommittee that would offer a recommendation to the Board. He also gave updates on the Every Other Week Pilot, AB1826, upcoming staff reports, and the changes in commodity pricing. He noted that Member Widmer had asked that he do some surveying of other recyclers to see what prices they were getting paid, and that he surveyed three other recyclers and the pricing is very similar. He noted that SBR's Dan Domonoske had written a letter that provided industry trade publication's projections and past commodity pricing information, and made forecasts to be used in the budget process. He added that he had invited Nick Lapis from Californian's Against Waste to talk later in the meeting

about legislation affecting the waste industry. Lastly he added that there was some confusion with emails around the Zero Landfill Committee and Bob's office will come in and do some training with staff about Brown Act requirements.

**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 January 28, 2016 BOD Meeting Minutes
- B. Resolution Approving Agreement with R3 Consulting Group, Inc. for Financial Systems Audit of Collection Services and Facility Operations Contractors for Calendar Year 2015
- C. Resolution Approving Agreement with R3 Consulting Group, Inc. to Conduct a Review of Collection Services and Facility Operations Reports, Tonnage Data and Customer Service Systems for Calendar Year 2015
- D. Approval of the Quarterly Investment Report as of 12/31/15

Member Widmer removed item 4A from consent for discussion

Member Brownrigg made a motion to approve consent calendar items 4B though 4D.

Member Stone 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			

Member Widmer pointed out that on page 9 of the minutes, the job description for the Executive Director was being discussed, and the end result was that the job description was going to come back to the Board for review as requested by Member Abrica. He noted that the recruitment for the position had already begun, but that no job description had been presented to the Board. He suggested that the job description be put on the agenda for the next meeting, and any discussion there be considered by the committee when conducting interviews, as a way to keep the process moving forward.

Chair Grassilli thought it was a good idea to bring the job description back and make sure everyone gets a copy, but not stop the process.

Member Slocum noted that he brought copies of the recruitment brochure for the position, and passed a copy to all the Board Members.

Member Stone made a motion to approve 4A.

Member Dehn seconded the motion.

Member Brownrigg asked for clarification if the minutes were being amended.

Chair Grassilli clarified that the minutes were not being amended, that Member Widmer just wanted the information brought back for discussion.

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			

**5. Administration and Finance:**

**A. Approval of the 2015/16 Mid-Year Budget - Continued Item (Approval item)**

Staff Fakira gave an overview of the staff report. He noted that the program figures in the revenue and expense reports in the budget are based on six months of actuals up through the month of December, which should satisfy the need for trending projections. He added that as a result of increased green waste volume during the second quarter, the tipping revenues have improved slightly to \$568,000, but that was more than offset by a large drop in commodity values which caused a drop of \$720,000. He noted the big items which negatively affected the budget: the commodity price drop, the split body pilot, the glass handling costs, and disposal. He also addressed Member Benton's question from the January meeting about the appearance that less money is made by processing more tons, and noted that regarding the mid-year budget there is almost \$200,000 in unbudgeted disposal expenses, as explained in table 4 of the staff report. Regarding the FY1516 budget, he noted that he did an intensive analysis of this year's actuals versus last year's actuals and noted there was no tipping fee increase in 2015. There was a \$3/ton CPI impact on disposal and SBR compensation, and there was no tipping fee increase to cover that cost. However, the undesignated reserve is about \$3M at the end of 2015. Lastly he added that a meeting will be scheduled with the Ad Hoc finance committee to go over the 2015 compilation report and improving the SBWMA financial situation.

Chair Grassilli asked if Staff Fakira anticipated these numbers trending the same for the second half of the year.

Staff Fakira answered that beginning January 1, 2016, a tipping fee increase was implemented which will bring in about \$3/ton and hopefully compensate for the current short fall.

Chair Grassilli asked if the tipping fee increase had been implemented for the whole year what would the gain have been.

Staff Fakira answered probably about \$1M, so it will be approximately \$0.5M now through June.

Member Widmer made a motion to approve Resolution 2016-08.

Member Brownrigg seconded the motion.

Roll Call Vote: 7-0-0-5

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			

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

No items

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

**A. Approval of Contract for the Repair of the MRF and Transfer Station Tipping Floor (Approval item)**

Interim Executive Director Gans gave an overview of the staff report. He noted that the floors of the MRF and transfer station need to be repaired routinely, due to surface wear and heavy use. He added that it usually in the range of \$100,000 to \$200,000, but there was no floor repair last year so there is deferred maintenance and that is why the cost is higher than usual. He added that the quote received was very good, and the competitive quote was over \$100,000 more.

Chair Widmer asked if American Restore has done work for the SBWMA before.

Interim Executive Director Gans answered yes, and staff has been happy with the work.

Member Stone made a motion to approve resolution 2016-13.

Member Aguirre 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			

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

**A. California State Legislative Update for 2015/16 (Nick Lapis, CAW)**

Interim Executive Director Gans introduced Nick Lapis from Californian's Against Waste (CAW), to give an overview of legislation passed that would affect the SBWMA.

Nick Lapis noted that in the last two years, four bills had been passed on organics, and that for the first time California is focused heavily on getting organics out of the waste stream.

- AB1826, which requires organic generators to have organics collection and is phased in over time with the biggest producers required to have organics collection by April 2016.
- AB1594, which got rid of green waste credit.
- AB1045, which requires composting facilities to get on the same page with each other.
- AB876, which tells local governments to plan for organics infrastructure.

He added that in the plastics and ocean debris realm, Californian's Against Waste was the sponsor of the Plastic Bag ban, which will be on the November ballot, and will be a big state wide fight. CAW is outmanned and out gunned in terms of resources, with 98% of the money coming from out of state plastic bag manufacturers. He added that it will be a grass roots campaign to defend the plastic bag ban, and to set the precedent that California's environmental laws can't be overturned. Similarly last year CAW sponsored a bill

to outlaw plastic microbeads in cosmetic products and toothpaste, which are another major source of plastic pollution.

He also added that last year a sales tax exemption for recycling and composting equipment was passed to help MRF operator purchase equipment.

He noted that he's been working with San Mateo County on AB901 which required tracking of solid waste, recyclables, and organics within the state. This will make it difficult for less than honest operators to take their materials outside of local franchise fees etcetera. This will have a big impact in San Mateo County.

He noted that for the first time the state is putting a pot of money in grants to local governments to build the infrastructure to manage organics. The state is not just mandating it and putting the burden on local governments, they are giving money to the processors who will need to take the material.

He mentioned several bills in the current legislative session which are still in play.

- AB45 which was a bill that was introduced by Assembly Member Mullin on household hazardous waste to get more door to door collection, but was used in a way to move away from extended producer responsibility. The bill was held in the assembly appropriations committee last year, and it was released this year with some amendments. The bill in its current form allows Cal Recycle to adopt model ordinances for HHW collection, but there is no reason why Cal Recycle couldn't do that now, and it allows for a vague undefined industry to create a non-profit to educate people about what to do with their HHW. He noted that there is a concern that the bill may put a burden on local governments to collect sharps and pharmaceuticals, and at this point negotiations are ongoing and CAW is strongly opposed.
- AB 1063 which is a proposal to increase the state tip fee surcharge to help build composting facilities around the state. The tip fee surcharge has been at \$1.40 for the last 20 years, and as disposal has gone down, so has this fund. He noted that there is a need to build more composting facilities in the state, and there is reluctance on the part of many to have to go through the rate raising process and the prop 218 process.
- AB1239 which is a tire recycling bill.
- SB778 which is a bill to help reduce motor oil waste by requiring businesses that provide oil changes to put stickers in the vehicles with the actual recommended mileage to return not just 3,000 miles.
- AB2725 that will reform expiration date labels on food.

He also added that CAW is working on a bill to require PET bottles to label how much recycled content they have as a way to encourage use of recycled PET and help combat the bad commodity prices of plastic.

He then noted that there has been a major closure of convenience recycling centers around California. 200 facilities have closed in the past two weeks, and now there over 700 unserved zones, which is a problem because people don't have a convenient place to take their bottles and cans. It is also problematic for the grocery industry, which doesn't want people bringing the bottles back to them.

Chair Grassilli asked Mr. Lapis to talk about AB1826.

Nick Lapis noted that AB1826 is the bill that requires commercial organics to be diverted. It is phased in over time, with the first date being this April. He added that CAW is seeing local governments fall into one of three categories: governments that are following the intent and spirit of the law and everything is on track;

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governments that are following the basic requirements of the law but moving slowly; and there are some cities that haven't done anything.

Interim Executive Director Gans noted that Mr. Lapis stated that organics was getting a lot of attention in the legislature, and he asked him to talk about why.

Nick Lapis answered that the biggest driver is the climate conversation at the Air Board. The Air Board has been regulating greenhouse gasses since 2007, and early on identified landfills as a major source of greenhouse gasses. While at first the focus was on the landfills themselves, the Air Board has now said they want to eliminate organic waste over the next 10 years, because they see that as the only way to avoid landfill methane emissions. He added that it is an ambitious but achievable goal in the Bay Area, but in Southern California there are not a lot of compost facilities, so the goal is almost beyond imagination. He added that CAW has generally been supporting the Air Board, but that it's not just about mandating but giving other tools as well including funding from the greenhouse gas reduction fund; coordination between the different agencies on permitting, the state taking a more active role in helping these facilities get built, and local governments taking a more active role in educating residents and business.

Member Widmer noted that the SBWMA has been looking at glass recycling and noted that there is a very limited supply of business that will take glass, and he asked what could be done to expand the marketplace or give opportunities for those that do process glass to be in more areas.

Nick Lapis answered that it's the million dollar question, and the same question for glass exists for PET. He noted that CAW has a proposal of a glass recycling incentive payment to help subsidize more glass going to California glass plants, but the exact answer is unknown. It's become harder and harder for these plants to get clean material, so there are a lot of factors.

Interim Executive Director Gans added that the Air Board that is pushing for organics diversion is clamping down on all air emissions and glass plants have a thermal process that generate emissions.

Member Widmer commented that his point was as what is being recycled, and opportunities to recycle are being pushed to expand, there needs to be a look at how recycling is done because agencies are pushing in opposite directions. He thought that one of the best ways to reduce landfill is to use incineration, but the Air Board doesn't want to use incineration, but there are things to do to make a happy medium, and he asked CAW to work to find common solutions and work holistically on the problem.

Nick Lapis agreed on the first part, but not on incineration of Member Widmer's comments.

- B. 2015 Finance and Rate Setting Calendar
- C. Check Register for January 2016
- D. Potential Future Board Agenda Items

Member Widmer asked the HHW item be put back on the agenda for next month, and he would like to discuss leveraging the County facility, and ensure continuation of the HHW program at a reasonable cost.

Chair Grassilli noted that it's costing each member agency over \$50,000 per month and thought it was a good idea to look at how much it is being used in each Member Agency.

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Staff Gans noted that the contract was slated for the May agenda.

Chair Grassilli asked to talk about it on next month's agenda in anticipation of the contract conversation in May.

**9. Board Member Comments**

Chair Grassilli thanked the Board Members, and will try to get all 12 Board members at the next meeting.

**10. Adjourn 3:04PM**

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