



MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
June 27, 2019– 2:00 p.m.
San Carlos Library Conference Room A/B**

Call To Order: 2:03PM

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	

Alternate Members: Richa Awasthi attended representing Foster City and

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. Executive Director's Report

Executive Director La Mariana thanked the Board Members for their commitment with the last two Board packets being so large. He noted that the resolution numbers in agenda item 5A and 6A were not correct in the packet that was attached to the email but had been corrected on the online version of the packet. He gave the following updates:

- Agency-sponsored bill AB1509 is currently on the Senate Environmental Quality Committee's agenda, and EQ staff has asked to have some of the language modified, so it will be reactivated for the second year of the two-year session and will move forward at that time. He added that we don't know yet what the language changes will be but nothing too substantive.
- The Administrative Services contract transition is underway, as of next week the City of Redwood City will be providing those services. He thanked the San Carlos team for their years of service and noted that staff is expecting a smooth transition.
- The 2020 Compensation Application has been received from Recology and staff is working on confirming the calculations. SBR's Compensation Application is due July 5th. He went over the rate setting calendar dates. He noted that this year there will be a Service Level Adjustment that is part

of the amended and restated Franchise Agreement and that will prepare the Member Agencies for the new calculations and methodology in the contract extensions. This is in response to the growth in our service area since the Recology Contract started.

- A Facilities Project Contract team has been created to manage procurement, grants, contracts, permits and financial draw down of bond proceeds. It includes: Joe La Mariana, Hilary Gans, Grant Ligon, and Rob Kaulkbrenner.
- A \$1M Grant has officially been received by the County of San Mateo towards the purchase of the OREX Press.
- Bonds were sold yesterday. He noted that the current debt service is 4.1, and the debt service yesterday is 3.6 which is half a million dollars of savings a year, and the interest is in the low 3%. Executive Director La Mariana acknowledged the team that worked hard on the bonds. That resulted in \$20M for the agency and lowering the debt service to the agency by \$500,000. The were sold as green bonds. Member Brownrigg noted that he was very pleased that they were designated green bonds, these are the first green bonds in San Mateo County for infrastructure. Executive Director La Mariana passed out a financial summary of the bonds.

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.*

- Approval of Minutes from the May 23, 2019 Board of Directors Meeting
- Resolution Approving an SBWMA Environmentally Preferable Purchasing and Practices Policy
- Resolution Authorizing the Executive Director to Execute a not-to-exceed \$128,620 Contract with Tanner Pacific for Construction Management services at the Shoreway facility for FY19/20
- Resolution Approving Findings of the Annual Financial and Operational Audits
- Resolution Approving a Contract Amendment to the Agreement with Stradling Yocca Carlson & Rauth for Bond and Disclosure Counsel Services for the SBWMA's Issuance of 2019 Solid Waste Revenue Bonds
- Resolution Approving Amendment 1 to the Agreement with Recology for Relocation of Organics Extrusion Recovery System & Purchase of Organics Polishing System
- Resolution Approving Reallocation of Budgeted Mid-Year Reserves
- Resolution Approving a Change in the Deductible Amount to the Shoreway Environmental Center's Property/Fire Insurance Policy for FY19/20

Items 4B, 4C, and 4D were pulled for separate discussion

Items 4A, 4E, 4F, 4, G and 4H:

Motion/Second: Brownrigg/Aguirre

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			

Discussion on Item 4B:

Member Widmer commented that he would like the language to be softened where feasible and where it makes climate and economic sense to be added to the policy. He also thought the requirement for suppliers to have electronics recycling was redundant.

Executive Director La Mariana noted that this language was developed by the state, and an Environmentally Preferable Purchasing and Practices Policy is required in order for RethinkWaste to pursue specific grant opportunities through CalRecycle. Staff Ligon added that, while a policy is required, the specific language is not required.

Member Widmer asked to amend the language to say when economically feasible and encourage rather than require.

The Board discussed the policy language. Member Widmer noted that making a vendor do something no matter what the cost is and using public money to pay that cost was not something he supported. Member Bonilla asked about intent of the language in the policy noting that there is a difference between recycling and environmentally sound recycling. Staff Ligon noted that the first part of the policy is to know what the vendors and suppliers are doing, and second part of the policy is extended producer responsibility.

The Board discussed the timing of approving an Environmentally Preferable Purchasing and Practices Policy, and Staff Ligon noted that approving a policy today would be required to apply for grants. Chair Benton suggested approving the policy as written and getting feedback from vendors as the policy was put in place and amend the policy based on vendor feedback.

Executive Director La Mariana noted that staff would report back on vendor feedback.

Motion/Second: Aguirre/Bonilla
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			

Discussion on Item 4C:

Member Widmer commented that there was nothing in the staff report about whether this contract was competitively bid or sole sourced, and \$128,620 is a large contract without justification if it was sole sourced.

Staff Gans noted that Tanner Pacific has been working with the SBWMA for eight years and was the company that worked construction management for the construction of the facility. The original contract for that construction was competitively bid, and this experience gives Tanner Pacific unique knowledge of the facility.

Motion/Second: Brownrigg/Hurt
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			

Discussion on Item 4D

Member Widmer asked if the operational recommendations in the report would come back to the Board at a future meeting. He asked for more detail on the 60 additional reason codes.

Staff Managini noted that there was a finding in R3's report and invited the consultant from R3 to further elaborate. Garth Schultz of R3 noted it's a finding not seen in previous audits, so they wanted to bring that to the Board's attention. There will be work in next year's audit to understand more what this finding means. It is at the discretion of the Board if a follow up report is desired. He also noted that the 60 new reason codes vary, and some were similar to other codes, they were new and didn't have a specific indicator, and because they are new from prior years they are little harder to track through the system.

Member Widmer noted that if there were going to be operational changes that those should be brought to the Board.

Motion/Second: Widmer/Hurt

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. Resolution Approving the FY19/20 SBWMA Operating Budget and 5-Year Capital Improvement Plan

Staff Mangini gave a presentation and highlighted the changes since the preliminary budget was first presented to the Board in draft form in May.

The Board discussed the higher deductible and lower premium recommended by the Finance Committee. Chair Benton that the Finance Committee is recommending the higher deductible because there are enough reserves to cover it there is a relatively quick payback, and the \$114,000 in savings would go into reserves. He reminded staff that anytime fire precautions can be brought to the Board, there is motivation to do everything possible to reduce fire risk. Member Carlton noted with the battery issue, she's concerned about more fires and having that much of a liability. Chair Benton noted that the fire happened on the second shift which doesn't exist anymore. Executive Director La Mariana added that since the fire in 2016 there is a lot more fire suppression to give a very fast response to any incidences.

The Board directed staff to track the \$114,000 separately so that is set aside to pay the deductible.

The Board discussed the \$450,000 savings in debt service and where that money would show on the budget. Staff Mangini noted it would automatically go to reserves, and either at the calendar year/tip fee review or at the mid-year budget review the Board could consider where the debt service savings would go, if the Board feels that the reserves are growing too much.

Motion/Second: Bonilla/Hurt

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. Staff Update and Review of 2020-2024 Long-Range Plan

This item was continued to September and the September Board meeting would go from 2-4:30PM

6. Collection and Recycling Program Support and Compliance

A. Resolution Approving Amendment One Modifications to the Model Amended and Restated Recology Franchise Agreement

Executive Director La Mariana introduced the item and gave background information.

Consultant Rob Hilton gave a presentation giving an overview of the seven proposed changes to the Franchise Agreement extensions.

The Board discussed the proposed allocation method of using accounts. Rob Hilton noted that the feedback was to allocate program costs based on program usage, but their analysis confirmed that the cost difference between costs and usage have historically tracked so closely that it made sense to continue to use the current allocation methodology. Member Widmer asked why 2015-2016 numbers weren't used in the analysis. Rob Hilton answered that those numbers were not yet available when the analysis was done.

Rob Hilton continued the presentation noting the five proposed contract amendments that had to do with storm water compliance noting that these items would be added to the contract language but come at no additional cost to the rate payers. Matt Fabry, C/CAG's Countywide Stormwater Program Manager was introduced, and he gave a presentation on the Municipal Regional Stormwater Permit's requirements for trash load reduction.

Rob Hilton continued his presentation and went over the details of seven items included in the proposed amendment one.

The Board discussed the proposed Bulky Item Collection's alternative-use voucher program. Rob Hilton noted that the intent of the program is to defer the need for an additional Bulky Item Collection route and drivers, but the pilot would determine the demand as well as the type of user that the voucher would be beneficial for. Member Widmer commented that, if the voucher program is approved, we don't know how long it will be before we have to also pay for an additional route, and it didn't seem smart to him to pay for both. Member Dehn asked for clarification on what jurisdictions would be part of the pilot. Rob Hilton answered that the intent is for it to be multi-jurisdictional, but the approval is for the costs to set up the pilot, that logistics would be considered once the cost is approved. Member Brownrigg noted that he is not sure what the voucher program is trying to solve, it doesn't seem to solve the abandoned waste issue. Rob Hilton noted that the committee talked a lot about this program working well for multi-family and mixed use who have a lot of move in and move out, but the pilot would determine which customers would best benefit from the program. Member Carlton noted concern over incentives when Recology is picking up abandoned items now, there is no incentive to use the voucher. She suggested if a customer uses the voucher possibly giving them a third voucher as an incentive. Member Brownrigg noted that he was fine moving forward with the voucher pilot, but thinks it is limited. Mike Kelly of Recology added that the pilot will be a multi-step process one to see if it alleviates the need for an added bulky

item/abandoned waste collection route, and two to see how impacts SBR and traffic on Shoreway Road. Once logistics are worked out, other uses could be discussed, like the incentive or a third free voucher, or selling them to multi-family complexes for move out residents.

The Board discussed the litter and related storm water issue. Member Widmer asked if the SBWMA Board approved the Storm Water amendments if individual Member Agencies could opt out. Executive Director La Mariana noted that Recology has indicated a strong preference for all agencies to adopt the same program language because it would be very hard for them to run 12 separate programs. TAC Chair Oskoui noted that with the storm water requirements, there is no cost to the rate payers associated with the overage issue. There is training of Recology staff on reporting, but the amendment is intended to be for data and education. However, the enforcement would be up to the individual agencies through code enforcement. Member Brownrigg commented that at this time the plan is to monitor overages, but if the plan is to go down the path of fining for overages there has to be photographic evidence, and there has to be education to the public about how full the bins can be so they are aware of what an overage is. Member Rak commented that he could not support charging for overages on the green and blue carts, because he didn't want to charge residents for doing something they've been asked to do. Member Carlton noted if a resident is consistently having overages, they need to be notified to get the right size cart. TAC Chair Oskoui noted that the administrative cost associated with charging for overages is cheaper than the full trash capture devices.

Member Groom noted that she was not ready to move on this item, because she didn't feel ready to explain it to residents and businesses. She wanted to have an education plan ready for both the overage and the voucher program. Member Brownrigg suggested education now before any action is taken on why bins need to be closed.

Member Hurt asked regarding litter if doing nothing was an option. Executive Director La Mariana noted that all Cities have to comply with the regional permit, and there are a number of paths that each Agency can use to comply, but trash collection can lead to litter, and this change will help Agencies comply with the regional permit.

The Board decided to continue the item to September, with a better understanding of the implementation plan.

7. Shoreway Operations and Contract Management

For the public's benefit, Chair Benton noted that items 7A-7C have been thoroughly discussed at 4 previous Board meetings, as well as TAC, Finance and Zero Waste Committee meetings.

- A. Approving a Contract with BHS, Inc. to 1. replace and install optical sorter hardware and software and 2. replace existing sort system electrical controls and software for a not-to-exceed amount of \$770,500

Staff Gans noted that this approval would get the facility ready for the MRF Phase I upgrades that have been discussed by this Board previously.

Motion/Second: Brownrigg/Rak

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. Resolution Approving a Not-to-Exceed Contract for \$717,950 with BHS, Inc. for the Design & Engineering of Phase I MRF Upgrades Project

Item previously discussed at 4 Board Meetings

Motion/Second: Carlton/Widmer

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			

C. Resolution approving payment of \$77,420 for MRF Debris Roll Screen replacement and installation

Staff Gans noted this was a repair item for MRF equipment.

Motion/Second: Widmer/Bonilla

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			

D. Review of TAC direction regarding agency options as they relate to the current (10-year) Shoreway Operations Agreement with South Bay Recycling which expires on December 31, 2020.

Executive Director La Mariana gave background and asked for direction from the Board on whether or not to move towards exercising the extension options and what kind of process would the Board like to see moving forward. He noted that staff will come back with a work plan in the fall, and there are 13 reasons in the staff report to consider the extension. He noted that the TAC had a straw vote and they provided strong interest in the SBWMA exercising its unilateral extension option through 2023, per the terms of the current agreement.

The Board gave direction that staff would come back in September with a work plan towards moving forward with an extension.

8. Public Education and Outreach

A. Staff Update on the Public Spaces Pilot Program – Full Report

Due to time, the Board was asked to read the full report and give comments back to staff, no discussion was had.

B. Presentation by 6th Grader Christine Chang on her Metal Straws initiative in San Carlos

This item was taken before items 7A-7D, and 8A-8B

Member Rak introduced San Carlos' rising 7th grader Christine Chang who did an independent study program working with restaurants in San Carlos to get them to have better environmental practices.

Christine Chang gave a presentation on her project.

Vice Chair Aguirre thanked Christine for her presentation and suggested that Christine talk to other children at other schools because there is no greater influence than children.

9. Informational Items Only (no action required)

- A. Legislative Session Update
- B. 2019 Finance and Rate Setting Calendar
- C. Check Register Detail for May 2019
- D. Technical Consulting Contracts March 16 - May 2019
- E. Potential Future Board Agenda Items

10. Board Member Comments

Member Brownrigg reminded staff to start educating residents now about cart overages and their effect on litter

Chair Benton thanked everyone for their patience.

11. Adjourn 4:10PM