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## MINUTES

### SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY MEETING OF THE BOARD OF DIRECTORS October 27, 2011 – 2:00 p.m. San Carlos Library Conference Room A/B

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#### 1. Roll Call:

CTO 2:09 p.m.

In attendance: Belmont, Foster City, Hillsborough, Menlo Park, Redwood City, 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 September 22, 2011 BOD Meeting Minutes
- B. Adopt the October 6, 2011 Special BOD Meeting Minutes
- C. Receipt of Recology and SBR Monthly Reports

Member Fotu requested agenda item 3A be pulled from consent for discussion

Motion to approve consent calendar items B and C

M/S: Hardy/Gibbons

Voice Vote: All in Favor (Atherton, Burlingame, East Palo Alto, and San Carlos Absent)

Member Fotu requested that the September 22, 2011 Board of Director's meeting minutes be amended on page 7 to reflect: *Member Fotu asked about the labor routes, she gave the example of there being an increase of 2% more accounts in Menlo Park but that there is an increase of 7% route hours and a 15% increase in labor route hours, she asked for clarification of reconciling increase in costs.*

Member Fotu made a motion to accept agenda item 3A as amended

M/S Fotu/Hardy

Voice Vote: All in Favor (Atherton, Burlingame, East Palo Alto, and San Carlos Absent)

#### 4. New Business:

- A. Results of 2011 Third Quarter Recology Franchise Agreement(s) Quarterly Contamination Measurement for Loads of Recyclable Materials, Organic Materials and Plant Materials

Staff Feldman explained that through the franchise agreements, every quarter the SBWMA is to measure the levels of contamination of the 5 material streams that Recology picks up. He noted that the contamination numbers are going in the right direction, announcing that there will be no disincentive payments for the 3<sup>rd</sup> quarter based on the results. There were disincentive payments associated with the first and second quarter results.

Member Oskoui asked about the ramifications of the disincentive payments, asking for clarification on the process of the disincentive payments.

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Staff Feldman answered that it's part of a checks and balances system so that the SBWMA gets the most value for the commodities being processed through the MRF. Noting that if Recology doesn't meet the contractual contamination thresholds, then there is a disincentive payment paid to the SBWMA, explaining that it is paid to the SBWMA not the agencies because the SBWMA pays the increased costs associated with disposal of contaminated loads.

B. Resolution Approving Office Lease Agreement at San Carlos Library

SBWMA staff is still working with the City of San Carlos on the terms of this agreement, so this item was removed from discussion and will be brought up for discussion at the November meeting.

Executive Director McCarthy added that within the last day the SBWMA and the City of San Carlos has come to terms on a 3 year lease with an annual CPI adjustment that will come before the Board at the November meeting.

7. **Old Business:**

Hilary Gans introduced Faustina Mututa the newest member to the SBWMA staff. She will serve as the Environmental Education Coordinator, and is working 4 days a week.

A. Resolution Approving Teamster Benefit Trust (TBT) Repayment Agreement with Recology San Mateo County

Executive Director McCarthy stated that this was a follow item up from the September board meeting where the Board approved a resolution with 5 points in it, 4 were agreed upon at the last meeting and the 5<sup>th</sup> point was for staff to come back to the Board with repayment terms around a 121<sup>st</sup> payment if there is one. The Board has been presented with an agreement that has been reviewed by Legal Counsel, and is acceptable by Recology and Staff.

Member Oskoui asked if this amount was part of the Allied balancing account.

Executive Director McCarthy answered that it is separate from the balancing account numbers. Noting that originally this number was in the Allied balancing account, but we worked with Allied and the Executive Committee for an agreement to be brought up at the September Board meeting. The Agreement is that the SBWMA would reimburse Allied, and Recology would reimburse the SBWMA to keep this number separate from inflating the Allied balancing account figures.

Member Oskoui asked if this was only for Allied employees that transferred to Recology or if it was Allied outstanding balance.

Executive Director McCarthy explained that the difference is that there are fewer number of employees on the Recology payroll as compared to the payment Allied made, adding that the payments also dealt with some SBR employees. He also noted that this was an unanticipated item, but according to Allied and the Teamsters this very typical when there is a change in contractor.

Member Oskoui asked if there had been any thought around building the cost into the established 120 payments.

Executive Director McCarthy stated that the thought process was to not assume an 121<sup>st</sup> payment in the rates, but create a an agreement that would address this contingency so that the SBWMA wouldn't be in this position again in 10 years at the end of this contract, and the SBWMA wouldn't be in the position of trying to get the money back from Recology.

Member Scott asked about the likelihood of having to pay it.

Executive Director McCarthy stated that we don't know as it depends in part on whether the Recology franchise agreements are extended beyond the 10 year terms.

Member Gibbons made a motion to approve the resolution as written

M/S: Gibbons/Fotu

Roll Call Vote:

Motion Passes: 7-0-1-4

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			

B. RSMC Franchise Agreement Operational and Contract Administration Update

Gino Gasparini gave an update on Recology's operations.

Gino thanked the Agencies and SBWMA for the good quarterly contamination results.

He told a good will story about travel documents and money accidentally ending up in the recycling, and how Recology was able to track the driver using the on board systems and recover the items.

C. SBR Shoreway Operations Agreement Update

John Richardson SVP with SBR and VP of Community Recycling. He reminded that Board the SBR is a joint venture with Potential Industries and Community Recycling. He stated that SBR had two items to update the Board on.

The first was the tragic fatal accident that happened at the Community Recycling compost facility in Bakersfield. He handed out a press release sent to The Bakersfield California from Community Recycling in response to the accident, and noted that due to the investigation they were restricted to what they could say. He told the Board that Community Recycling is doing everything they can to deal with this tragedy.

John announced that Dwight Herring will be the new general manager. He thanked David Langer for his service, and said that David would continue through the end of year to ensure that the transition goes smoothly.

**8. Staff Updates**

Executive Director McCarthy stated that he would like to extend his thanks and from all of the staff for all the help from David Langer. Noting that David was a critical member of the team, he's been a great resource for our staff and SBR, and expressed that the SBWMA expects to continue to find ways to work with him.

Executive Director McCarthy stated that we now have an updated state recycling goal thanks to AB 341, and that this would be a topic of discussion at the Board Retreat in February. We now have a target for where we're going with our diversion efforts.

Executive Director McCarthy thanked all the Board Members for attending the Grand Opening Event.

- a) Update on Recology Commercial Recycling Outreach Efforts
- b) Recycling and Outreach Programs Update
- c) Shoreway Construction Update
- d) Preview of Upcoming Board meetings

Executive Director McCarthy noted that the Board would be discussing Tip Fee adjustments at the November meeting, and asked members of the Board to let staff know if advance of questions.

**9. Board Member Comments**

**10. Adjourn 2:39 PM**

**Next Regular meeting scheduled for November 17, 2011, San Carlos Library at 2:00 pm**

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