



**MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
September 26, 2019– 2:00 p.m.  
San Carlos Library Conference Room A/B**

**Call To Order: 2:01PM**

**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.

John Bouchard of Teamsters 350 spoke about the impact of the closure of the Buyback Center on the union members, he asked the Board to discuss alternative solutions and reopen the buyback center as soon as possible.

**3. Executive Director's Report**

Executive Director La Mariana went over the remaining meetings for the year. November 7, a joint Board/TAC Study session to discuss the projected impacts of SB1383, a presentation by HF&H Consultants, Amendment One to the Model Amended and Restated Franchise Agreement with Recology, and the Long-Range Plan. The final Board meeting of the year will be November 21, with a Holiday lunch preceding the meeting in the SBWMA staff offices. He provided the following updates:

- Last Friday there was a legislative priorities meeting with the Agency's lobbyist EEC. Chair Benton was there, and there was an emphasis on lithium-ion batteries and plastic packaging. EEC encouraged a bay area coalition to gain support of AB1509.
- On July 31<sup>st</sup> Kevin Mullin and his staff held their annual staff retreat at Shoreway. SBWMA management gave a program priorities presentation and facilities tour. Facility staff discussed the impact of the big fire and why AB1509 was so important.

- The County's Board of Supervisors passed a climate emergency act on September 17, and he commended the county on their leadership in their role on the issue of sea level rise.
- Agenda item 9C in today's packet has information on the County's disposable foodware ordinance. Similar to the bag ban, the County is looking for Cities in the County to adopt a similar ordinance because the County only has jurisdiction over the unincorporated parts of the County.
- The Organics-to-Energy Pilot and other capital projects are getting underway - equipment is arriving, and there will be some disruptions at the site as work is proceeding.
- He and Staff Gans met with Recology to move discussions forward on alternative fuel vehicles for the new Recology fleet that will be purchased between 2022-2025.
- He announced that TAC Chair Afshin Oskoui has been promoted to City Manager in Belmont.
- He also announced that two SBWMA fellows had been promoted. Joanna Rosales is the new Outreach and Communications Coordinator, and Adele Halili is the new Environmental Education Associate.
- Four New Fellows (replacements) will be here by the November Board Meeting.
- October 27 the Agency will host Rethink Recycling Day. Due to the construction at Shoreway there are space constraints so the event will be at the San Carlos Library in the conference room and in the staff offices. There will be a Fix-It clinic, food preservation workshops, a clothing swap and info booths from our program partners.

#### 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 June 27, 2019 Board of Directors Meeting
- Resolution Authorizing the Executive Director to Execute a Contract with Lahlouh for \$51,672 for Printing and Postage for the 2019 Service Notice
- Resolution Approving Change Order #1 for \$8,126 to MRF Debris Roll Screen Replacement and Installation Contract with BHS to include Prevailing Wage
- Resolution Approving Amendment Number One to the Professional Service Agreement with HF&H Consultants for SB1383 Strategic Planning Assistance
- Approval of Quarterly Investment Report for Quarter Ending June 30, 2019

Motion/Second: Hurt/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			

#### 5. Administration and Finance

No Items

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

- Discussion on Buy Back Center Operations and the Public Recycling Center

Executive Director La Mariana gave an overview of the staff report and discussion background. Due to traffic, safety and permit concerns, the decision was made to temporarily shut down the buyback center in August until an assessment could be done on what improvements and at what cost it would take to operate the buyback center at the increased volume. He noted that to re-open the buyback center it would cost \$1.1M per year to double the staffing, and for some minor capital improvements to improve efficiency. Even

with those expenditures there are still choke points in the way Shoreway Road is set up to access our facility that could continue to cause traffic and safety concerns, so it was hard for him to recommend re-opening the buyback center.

The Board discussed possible alternatives to re-open the buyback center, and directed staff to report on the following options:

- Operate a buyback center off-site or multiple dispersed sites similar to the RePlanet model
- Limit the time that the buyback center is open
- Locate the buyback center in a different location at Shoreway or reroute the traffic and reduce the traffic on Shoreway road
- Operate the buyback center similarly to the HHW facility with appointments
- Re-open it temporarily to see if the customer base has shifted during the closure, and more normal volumes would occur
- Hold CRV event collections similar to Shred and e-recycling events.

Member Dehn commented that she went to the buyback center shortly after the RePlanet closure and sat in the traffic and saw the road rage. She asked what the Agency's responsibility is regarding the buyback center and chartering dispersed sites. She also noted that no matter where you buy bottles and cans the state is still charging CRV, and there should be a way for people to recycle and get their money back.

Member Brownrigg suggested staff get the bankruptcy filings of RePlanet before trying to follow that business model.

Member Rak asked staff to work with Assembly Member Mullin to see what role the state is going to play to remedy the situation and address the challenges and see if there are partnership opportunities.

Executive Director La Mariana noted that Cal Recycle is working on long term and short term solutions to the financial structure of the buyback program, and he felt that it was on the State to come up with a long term remedy and ensure that the redemption value that is being paid by the consumers can be properly redistributed back to them. He noted that the short term solution is very limited, and the long-term solution would probably require legislation. He added that staff will talk to the Mullin team about possible political solutions. He also noted that the SBR workers that were re-deployed to the buyback center during the crisis came off of other parts of the operation which diverted regular operations work from getting completed. He concluded by noting that financially speaking the \$1.1M cost per year to improve efficiencies will result in a 1% increase in residential rates, and any increased costs of operations will trickle down the rate payer.

Dan Domonoske of Potential Industries noted that there were a couple of companies that tried to be dispersed buyback centers before RePlanet and they no longer exist. He added that RePlanet didn't file chapter 11 or 7, they did what is called "ABC" Assignment for Business Creditors, which basically means they just walked away. So, the likelihood of SBR wanting to get into this business is pretty remote. He also added there is a very high recovery in the MRF of CRV from curbside recycling, and that CRV from containers in the blue bins comes back to the SBWMA.

Vice Chair Aguirre commented that this a community at large issue, but the Board is responsible to the rate payers, and how to balance that. She suggested studying the issue and possible solutions further and come back to the Board with pros and cons of possible solutions.

The Board Members determined that the Zero Landfill Committee would study the issue further, look at best practices throughout the state and bring back recommendations to the Board.

Vice Chair Aguirre asked how long it would take to bring something back to the Board for an action item. Dwight Herring answered that they could have numbers by the November Board meeting.

Member Royce asked if state action and solutions would be included in what SBR would bring back.

Executive Director La Mariana noted that the state is trying to get their hands around the problem, and it will be longer than November before any solutions will be available, but staff could give an update.

Vice Chair Aguirre noted that the Board has thrown out a lot of ideas, and SBR will look into those ideas, best practices in the industry and what Cal Recycle is doing and come back to the Board with suggestions on how to meet the community's needs and balance responsibilities to the rate payers.

Member Groom asked what the average dollar amount that is returned to someone gets when they visit the buyback center.

Dwight Herring answered that the average customer brings one to two pounds and it's a nickel per container, so not that much, but the SBWMA is reimbursed by Cal Recycle, and then receives all of the scrap value for the recyclables.

Executive Director La Mariana noted that it's about a 90-day process to get recertified to re-open the buyback center. He also mentioned that, if the buyback operations remained closed, it was staff's strong recommendation its SBR staff be reassigned back into the overall SBR operations with no terminations or layoffs.

Member Abrica now absent 2:47PM

Member Carlton now absent 2:47 PM

B. Resolution Approving the Recology San Mateo County 2020 Compensation Application at the Final SBWMA Report

Staff Mangini gave a PowerPoint presentation similar to the one given to the TAC and Board on September 12.

Executive Director La Mariana underscored a point of the study session and asked the Member Agencies to give consideration to adding a couple of percentage points to the 2020 rates even if this year shows a positive balance because Agencies could burn through their reserve this year and not have coverage for the anticipated step up costs coming in 2021 and beyond.

Member Groom commented that the County is concerned about the high increase in North Fair Oaks this year after increasing rates last year.

Motion/Second: Brownrigg/Rak

Voice Vote: 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 Dist.	X			

**7. Shoreway Operations and Contract Management**

**A. Resolution Approving the South Bay Recycling 2020 Compensation Application and the Final SBWMA Report**

Staff Mangini gave a PowerPoint Presentation overviewing the SBR compensation process. He followed up on his comment from the September 12 Board/TAC Study session when he would ask SBR to make an adjustment to the VRS compensation because profit was being applied twice. The numbers in today’s presentation have been adjusted to reflect that change and the adjusted compensation application reflects a 2.1% increase.

Staff Mangini gave a handout noting that at the study session Board Member Bonilla pointed out that a formula was missing, and the handout shows that the missing calculation was 3%.

Motion/Second: Bonilla/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 Change Order #1 to Contract with Anaergia for Electrical Work on Organics-to-Energy Pilot**

Staff Gans introduced the item and noted that the work on the Organics-to-Energy Pilot has started and equipment is being installed. This approval is for a change order of \$300,000, that was included in the budget for the project, but was not included in the contract because the scope of the work was unclear and needed clarity from PG&E. Now that work has been clarified, and it has been verified that the contractor onsite can do the work.

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			

**C. Resolution Approving Shoreway Operating Contract Extension through December 31, 2023**

Staff Gans introduced the item and gave background noting that SBR has been a good partner for 9 years and there has been positive feedback from the Board and TAC. The industry is currently complicated and will continue to be complicated in the foreseeable future, and the three-year extension leaves time for the markets to stabilize. And, with the numerous capital projects planned at Shoreway during the next three to five years, there is a strong advantage to having continuity with the operating company for the next 3 years. He also noted that, because of these improvements, it would be unlikely for the agency to obtain reliable operating statistics from which to base any specs for a valid and meaningful public procurement process.

Motion/Second: Hurt/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. Resolution Approving an Agreement with Bulk Handling Systems in the amount of \$5,172,163 for Construction of the MRF Phase I Upgrades

Staff Gans gave a PowerPoint presentation highlighting the recommendation and costs to enter into a contract with BHS for the MRF Phase I work. He clarified that in June the Board approved the design and engineering contract and this approval is for the manufacture and installation contract. He also noted that some items have been moved into Phase II from the original proposal, and the total contract value is \$5,172,000. He added that there are other project costs that he listed including tax that are not part of the contract value, and that the only unknown project cost at this time, is fire suppression implementation which he expected to be \$250,000.

Member Hurt asked how many sorters are working at the MRF now, and will they stay once this project is completed.

Staff Gans answered 24 sorters now, and that number likely wouldn't decrease with this phase but with phase II it is likely to decrease substantially.

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			

**8. Public Education and Outreach**

A. Demonstration of New RethinkWaste Website

Staff Au gave a demo of the new RethinkWaste website, noting that all the improvements were listed in the staff report, as well as a comparison between the old site and the new site.

Vice Chair Aguirre noted that this is a great community resource for people to go to and find out how to get education and become more involved.

Staff Au added that there is also now a get involved button on the home page which lists volunteer opportunities in our service area so if any member agencies are looking for volunteers for an event please let us know, and we can put that up on our website.

Member Royce asked if the Member Agencies have been linked to the website.

Staff Au confirmed that most of them are linked at this point, and staff is working on the rest..

Executive Director La Mariana congratulated Staff Au and her team for the incredible effort and huge improvement to the website. He also noted that the usability meets the current access to government access documents requirements that was part of the Grand Jury recommendation.

Member Dehn commented that as staff was going through the presentation she was following along on her phone and it was working to a tee.

Staff Au noted that it does need to be iOS 10 or higher for the site to have full functionality on a phone.

#### **9. Informational Items Only (no action required)**

- A. 2019 Bay Area Solid Waste Rates and City Fees Survey
- B. Plastics Recycling Update

Member Browrigg shared that he spoke at Burlingame's Citizen Environment Committee a few nights ago, and they had a session on the environmental threat of plastic that was standing room only. He was asked to speak about what RethinkWaste is doing, so he described the Organics to Energy pilot to the group, and got a standing ovation. But noted that there was a lot of concern about plastic from the group. He noted that the recycling symbol and number on plastic is borderline fraudulent, because it implies to everyone that it is all recyclable when it's not. He didn't know that plastics 3-7 were going to landfill until he read it in the packet, but it came up at the meeting, as he was asked if 3-7 plastics should instead be going in the black bin. He thanked Alex of Recology for addressing questions from the group.

Staff Gans noted that the problem with plastics is very serious from an environmental standpoint, and from an image standpoint because it tarnishes recycling. When people stop believing in recycling, they don't put things in the right bin. There is an erosion in confidence in recycling because of the China issue. There is no market for plastics 3-7 so they are not recyclable, but the plastic industry promotes them as being recyclable when they're not. He noted that when he heard what was happening to 3-7 plastics overseas, the SBWMA stopped putting those plastics in bales and shipping them overseas and started landfilling the plastics that didn't have a clearly defined market. He also added that Chair Benton spoke at our recent policy meeting about how frustrated he was that these items are being represented as recyclable, but they really aren't, and he wanted to see legislation that minimized this type of product packaging. Lastly, the equipment being installed in Phase I and Phase II MRF upgrades will do a better job of separating these items so that more items can be marketed more cleanly.

- C. Information on the County of San Mateo's Proposed Disposable Food Service Ware Ordinance

TAC Member Danielle Lee asked to bring this item to the Board's attention. She noted that the proposed ordinance would ban all plastic foodware and require restaurants to provide fiber-based food packaging and utensils instead.

Vice Chair Aguirre noted that she thought the timing was right for us to do something, people are angry about the plastics issue and want to know what they can do about it.

- D. Legislative Session Update
- E. 2019 Finance and Rate Setting Calendar
- F. Check Register Detail for June - August 2019
- G. Technical Consulting Contracts June – August 2019
- H. Potential Future Board Agenda Items

#### **10. Board Member Comments**

Vice Chair Aguirre reminded members that the October 24<sup>th</sup> Board meeting is cancelled, but there are still two remaining meetings for the year in November 11/7 and 11/21 both from 2-4PM.

**11. Adjourn 3:33PM**