



MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
January 30, 2020– 2:00 p.m.
San Carlos Library Conference Room A/B**

Call To Order: 2:14PM

1. Call to Order/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 Member Diana Reddy represented Redwood City

2. Public Comment

Persons wishing to address the Board on matters NOT on the posted agenda may do so. Each speaker is limited to three 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. Adjourn to Closed Session:

A. Pursuant to Government Code Section §54957.6 – Conference with Labor Negotiator; Agency Designated Representative: Jean B. Savaree; Unrepresented Employee: Executive Director

4. Call to Order/Roll Call (Public Session)

Call To Order: 2:43PM

Agency	Present	Absent	Agency	Present	Absent
Atherton	X	X(2:59PM)	Menlo Park	X	
Belmont	X		Redwood City	X	
Burlingame	X		San Carlos	X (3:28PM)	(late)
East Palo Alto		X	San Mateo	X	
Foster City	X		County of San Mateo	X	
Hillsborough	X		West Bay Sanitary District		X

Alternate Member Diana Reddy represented Redwood City

5. Report from Closed Session

None

6. Public Comment (Public Session)

Chair Benton welcomed Catherine Mahanpour representing Foster City to the Board, and he welcomed new Alternate Member Diana Reddy representing Redwood City.

He announced that he would be taking the action items prior to the discussion items to ensure a quorum. Agenda Items: 8, 9, 11B, and 12 were taken before 7, 11A, and 13.

7. Executive Director's Report

Executive Director La Mariana introduced Matt Southworth, who has joined RethinkWaste as a limited term part-time Senior Engineer. He will be working on the alternative fuels project and several capital projects as well as internal peer reviews on projects. He also welcomed Catherine Mahanpour to the Board, she is the current Mayor of Foster City, and he thanked her for taking the time to take a tour of the facility. He then made the following announcements:

- On Tuesday, he and Staff Au went to Sacramento and had several meetings on AB1509. They met with Senator Jerry Hill and his legislative director, as the bill moves to the senate to talk about next steps and strategy. They also met with the bill's stated opposition - the Portable Rechargeable Battery Association, and they identified a process for working through the points of the bill, and that process will start in February. The bill must get through the senate by the end of June, and the Governor would have until September 30th to sign the bill into law. After those two meetings they met with the Governor's Legislative Secretary, one of their key concerns is making sure bills have a sustainable funding architecture.
- SB1383 has been the topic of a lot of discussion and planning at the Agency. In April, HF&H Consulting will be at the Board meeting to discuss the implementation plan they recommend for RethinkWaste. Representatives for Cal Recycle will also be attending that meeting to hear the Board's questions, concerns and response to the bill.
 - Member Brownrigg asked if the Agency would be able to exempt out of SB1383 because of Organics-to-Energy.
 - Executive Director La Mariana answered that it isn't that simple, there are aspects of the bill that the Agency must comply with, regardless of the Organics-to-Energy outcome.
 - Member Brownrigg asked staff to analyze where the Agency has a strong intellectual argument that the Agency's approach meets the objectives of SB1383. Then, give the Board Members and the Cities the talking points so that RethinkWaste becomes more than one voice in Sacramento.
 - Member Bonilla added that he would be happy to represent as a Member of the Board on the next trip to Sacramento.
- He acknowledged Recology's leadership on the Plastics Recycling and Pollution Prevention Act of 2020. It has passed the state's legal review and they have gotten the green light to get 638,000 qualified signatures to get it on the ballot for November.
 - Member Brownrigg would like to see RethinkWaste help with the underwriting of Recology's plastics bill, because the Agency stands to make money if there was a world with only recyclable

- plastic. He would like to align the Agency with that mission if RethinkWaste is legally allowed to do so.
- Chair Benton noted he would put it on a future Board Agenda item and get legal input.
- The San Mateo County's proposed food packaging ordinance will be heard at the Board of Supervisors Meeting on February 11, which is in direct alignment with our Agency's goals.
- He then gave an update on the Capital Projects underway:
 - Organics-to-Energy – The equipment is installed, systems checks are moving forward, fire sprinkler work, and reviewing MOUs with 5-different processing partners need to be completed.
 - MRF Phase I upgrades – BHS is completing its final engineering and design of the equipment and will then be ready to proceed to production. There has been a request from the San Carlos building department requiring an additional set of engineering specifications. This step was not anticipated because it's never been required in other BHS projects before. This work is estimated to cost about \$80,000. The concern is less about the dollar amount but more about the project timeline implications, because BHS can't go into manufacturing until it is approved by the building department which will cause a delay of project.
 - There has been a failure of several of the liquid pumps in the tunnel of the transfer station, and he is executing emergency powers to facilitate and fast track replacing the pumps which is about \$80,000.
- Staff will come back to two important decision items for Board consideration at the February meeting--- The 5-year Long Range Plan, and Amendment One of the restated and amended Franchise Agreements. The Amendment One item involves adding program capacity to the popular Bulky Item Collection (BIC) program because its currently about maxed out.
- Also, in February staff will have a recommendation on the Blossom Valley Organics Contract that is expiring at the end of 2020 to either extend the contract by 2 years, or to do an RFP.
- The transition to a calendar year budget will happen this year. So, the approval in May and June will be for a 6-month budget and then in the fall there will be an approval for a 12-month calendar year budget for 2021.

Chair Benton asked Recology for a report back on the Recology truck that knocked down a power line at Shoreway.

Mike Kelly General Manager of Recology San Mateo County noted that Recology has done two things to remedy the situation with a third thing in the queue.

1. They have Recology employees watching the tailgates to make sure they are down before they exit the transfer station
2. AT&T has tightened that wire, so it is 3-4 feet higher than it was at the time of the incident. Now there are only a few vehicles in the Recology fleet that will hit it if the tailgate is up.
3. They have also asked AT&T to raise the wires and are waiting to hear back.

8. 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. Approval of the Minutes from the November 7, 2019 Board/TAC Study Session
- B. Approval of Minutes from the November 21, 2019 Board of Directors Meeting
- C. Resolution Accepting the FY18/19 Audited Financial Statements
- D. Resolution Approving SBWMA Revised Investment Policy
- E. Resolution Approving a contract with LPG Fire Protection Company Inc for a not to exceed amount of \$77,778
- F. Approval of Quarterly Investment Report for the Quarter Ended December 31, 2019

Item D was removed from Consent for discussion by Member Hurt

Chair Benton commented on audited financial statements, noting that it was a good year, and the audit was clean, the Finance Committee spent an hour with the auditor, who particularly singled out the transition to Redwood City as accounting services provider, and how smooth it went.

Motion/Second: Groom/Brownrigg

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 Consent Item D:

Member Hurt commented that she didn't see anything in the investment policy about only investing in climate responsible funds. Adding that she would like to see investments only in organizations in line with the Agency's goals and mission.

Staff Mangini noted that specific language about climate responsible funds is not called out, the policy follows the California investment policy code. He noted that staff could investigate changing the policy to reflect that and report back.

Member Brownrigg commented that he endorsed Member Hurt's suggestion and added that it may be difficult to move the needle if the Agency is in funds like LAIF. But, where there is direct control, like corporate bonds, he would like to see a policy of not buying fossil fuel bonds for example.

The Board tabled the Investment policy until April, the Finance Committee would review these suggested changes at their April 14 meeting, and then bring a recommendation to the Board.

9. Administration and Finance

A. Election of 2020 Board Chair and Vice Chair

Chair Benton opened nominations for the 2020 Board Chair.

Member Brownrigg nominated Chair Benton as it has been the tradition of the Agency that Chairs serve two years in a row if they are willing and the Board agrees.

Member Widmer seconded the nomination

Member Groom moved to close nominations.

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

Chair Benton opened nominations for Vice Chair

Chair Benton nominated Vice Chair Alicia Aguirre for a second year as vice chair.

Member Brownrigg seconded the nomination

Member Widmer moved to close the nomination

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 Accepting Mid-Year Review of FY19/20 Annual Operating Budget

Staff Mangini summarized the staff report and noted that the mid-year budget review was reviewed and the items that the Finance Committee asked staff to look at are outlined in the staff report.

Motion/Second: Bonilla/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

10. Collection and Recycling Program Support and Compliance

No Items

11. Shoreway Operations and Contract Management

A. Review of Analysis of CRV Redemption Alternatives

Member Rak now present 3:28PM

Executive Director La Mariana gave a background of the item, reminding the Board that he made a decision to temporarily close the buyback center portion of the public recycling center in August, after an unexpected influx of traffic that caused traffic and safety concerns at Shoreway. The Board discussed the closure at the September Board Meeting and gave staff direction to assess Board suggestions from that meeting that would both feasibly and economically work for the Agency and offer buyback services to the residents. He added that staff contracted with R3 Consulting (R3) to analyze those suggestions and introduced Garth Schultz of R3 who gave a presentation on their findings.

Garth Schultz of R3 gave a presentation on what the SBWMA's responsibilities are regarding redemption of CRV deposits, and potential alternatives for bringing those services back to the site and what the State is currently doing regarding CRV. Their overall recommendation is that they don't see a way to bring these services back to Shoreway in a way that would mitigate traffic concerns. Their key conclusions of their analysis included 1) Access to CRV is not a mandated obligation of the SBWMA, 2) Access to a CRV redemption center still exists in the SBWMA service area, 3) There are no cost-effective feasible alternatives at Shoreway that can also accommodate the extra vehicular traffic that this program generates, 4) The

Mobile grant is an opportunity, and there is a person in the audience looking for Member Agency partnership before submitting an application for the grant. And, 5) Permanent closure of CRV activities at Shoreway won't affect diversion rates and will save a little bit of money year over year.

Member Rak asked for clarification on the reduction in costs associated with keeping the buyback center closed.

Mr. Shultz noted that the savings is in SBR's operating cost, not based on tonnage or materials. There is the potential small savings of about \$60,000 per year of re-allocating the SBR employees affected by the closure of the Buyback center. The positions would not be eliminated but the employees would be reassigned to other areas of the operation. The PRC portion of the operation has 3.6FTEs, of that 2.4 FTEs are dedicated to the Buyback function. If the Buyback Center remains closed, those 2.4FTEs would be re-allocated to other areas of the site, with a slight differential in pay. One person would remain at the PRC to help people with drop off.

Member Hurt asked where the employees are now since the Buyback Center has been closed since August and would there be a reduction in pay for those 2.4 employees.

Mr. Schultz answered that the employees are still in the PRC portion of the operations, because SBR has not yet received direction from the SBWMA to reassign those duties.

Executive Director La Mariana added that, if the board agrees with staff recommendation to keep the Buyback Center closed, he would send a letter to SBR directing the immediate reassignment of the positions, and the affected employees would begin working in other areas of the facility, which is very useful with all of the new projects at Shoreway, there is no need to eliminate any of the positions. He also noted that the affected employees haven't been standing around for 5 months they've been doing other tasks within their narrow CBA classification.

Member Hurt asked if the employees would receive a pay reduction when they were reassigned.

General Manager Dwight Herring of SBR answered that these employees are part of the Collective Bargaining Agreement (CBA), and under the CBA, all position reassignments are based on seniority, so depending on the individuals who are currently working the PRC and their seniority, they could end up dropping into a classification that is less pay. He added that if they are very low seniority it could end up being significantly less.

Member Rak asked if just one individual could manage the PRC.

Dwight Herring answered with just the drop off only open they've been monitoring, and yes, one person can manage the PRC.

Member Benton asked for further clarification on the economic ramifications of the minimum revenue guarantee that is affected by the closure of the Buyback Center and his suggestion that the contract be modified around the minimum revenue guarantee.

Garth Schultz answered that, without having been part of the previous negotiations, it is something they recommend the Board looks at, now that the Buyback center will remain closed. With respect to the actual revenues from the Buyback center, those don't become part of the bottom line. Because the money that is being paid to customers for CRV redemption is reimbursed to SBR by the SBWMA, and the SBWMA is reimbursed by the state.

Member of the Public Drew asked to address the Board. He asked if a resident doesn't get the CRV money back and just puts the bottles and cans in the recycling bin, does SBR or the SBWMA get those CRV funds.

Executive Director La Mariana answered that when CRV material is collected curbside, there is an aggregated share of the CRV determined through a once a year audit for which the Agency receives a payment from the State's CRV program. He also added that each of Member Agency also gets a direct annual CRV program payment as well, and the money must go towards projects and/or purchases that increase cans and bottle recycling.

Member Hurt asked if there have been any complaints about the Buyback center being closed.

Executive Director La Mariana answered yes, we've received calls in the weeks immediately after the closure Recology has also gotten calls, and there was a recent letter to the editor in the Daily Journal, which mis-directed anger at Recology, but that he was the one who made the decision to close the Buyback operations in consultation with Recology, SBR and Chair Benton. He added that the complaints have tapered off significantly.

Chair Benton asked for follow up on who enforces retailers who do not take back CRV bottles and cans but are required to.

Executive Director La Mariana answered that the state does the enforcement. Garth Shultz agreed that enforcement is at the state level, but he believed that there were opportunities at the local level for education of retailers.

Chair Benton asked if something on this item would be coming back to the Board.

Executive Director La Mariana answered staff would close the Buyback center permanently unless there were substantive changes at the state level on the program, at which point staff would come back the Board.

B. Resolution Approving contract amendment for \$71,272 for payment of Sales Tax on Board-Approved MRF Controls Equipment

Staff Mangini gave an overview of the staff report, noting that in June the Board approved upgrades to the MRF Equipment controls. He noted that the agency was not able to apply for sales tax exclusion through the California Alternative Energy and Advance Transportation Financing Authority (CAEAFTA), because the program has unexpectedly been restructured, and applications are not being allowed at this time, and as such, this sales tax payment is still due.

Executive Director La Mariana noted that the BHS equipment electronic controls are now obsolete and, therefore, can no longer be serviced and must be replaced. This purchase was planned expense to be funded by the agency's equipment replacement reserve so there is no impact to the agency's operating budget. There was an expectation that sales tax would be funded through a CAEAFTA grant similarly to the Organics-to Energy pilot equipment, but the program is being substantially restructured, and they are not currently accepting applications.

Chair Benton noted that sales tax is sales tax, and it's an obligation that must be paid.

Motion/Second: Bonilla/Brownrigg

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

2:59 PM Member Widmer now absent

12. Public Education and Outreach

- A. Resolution Approving One-Year Base Contract with up to Two Additional Option Years for a Not-to-Exceed Total Contract value of \$99,000 with Royal Coach Tours for SBWMA Environmental Education Programs Busing Services

Staff Hashizume gave an overview of the staff report and gave background of the reason to bid the service, and the RFP response.

Chair Benton asked how the price of the recommended vendor compares to the current vendor, and why change contractors.

Staff Hashizume answered that the current contractor, First Student, charges about \$330 per bus trip, and the recommended vendor proposed \$480. She noted that First Student has not been a reliable partner, and customer service and overall responsiveness has been a growing issue. To maintain the integrity of the program she recommends changing vendors.

Executive Director La Mariana added that it's not an easy decision to recommend going with a different vendor, especially when it is more expensive than the current vendor, but when there are teachers who have 35 kids and chaperones with their day planned around this field trip, to have a bus arrive late or not show up is unacceptable.

Member Hurt asked how often students were not picked up, compared to the total number of bus trips.

Staff Hashizume answered between 5-10 times students were not picked up, and in 2019 there were 87 bus trips. She added that there was miscommunication between the dispatcher and the bus driver, and staff was not able to get a direct contact for the bus drivers, so there is no way to know where the bus is when something went wrong. The new vendor has offered us contact information for individual drivers, so our staff can directly communicate.

Member Benton asked if other schools or educational institutions are using Royal Coach Tours, because he thought they were mostly corporate.

Staff Hashizume answered some in the Santa Clara area yes. Their main target audience has been corporate, but they are expanding to work more with school groups.

Motion/Second: Brownrigg/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

13. Informational Items Only (no action required)

A. Capital Project Status Update: Organics-to-Energy Pilot, MRF Phase I, and Glass Load Out Upgrades

Executive Director La Mariana gave an update on the alternative fuels project. He reported that there is now an electric rear-loading garbage truck at work in the SBMA service area, that is being performance tested. He asked Recology General Manager Mike Kelly to speak about the pilot truck testing.

Mike Kelly added that the truck has been operational for about a week and a half, the two drivers driving it do like it because it's quiet. It doesn't have enough range to get to Burlingame without eating up 25% of its battery, but it's good nearby for about 6 hours, its top speed is 50 miles an hour on the freeway. He also added that this is a first-generation vehicle, there is a second generation about to be released, and a third generation is already being developed that should address most of these issues. He added that this is just an operational test, the entire life cycle operating costs of the individual vehicles, as well as the infrastructure for charging the vehicles, will all be considered in the staff recommendation.

Member Bonilla added that biogas from the organics-to-energy project is also being considered as a fuel alternative.

Executive Director La Mariana also added in addition to electric and biogas options staff is also looking at renewable diesel which is a great immediate step while looking for better options in the long-term. 100% of the Recology fleet (about 150 vehicles) will be replaced between 2022 and 2025.

- B. 2020 Legislative Session Update
- C. 2020 Finance and Rate Setting Calendar
- D. Check Register Detail for November and December 2019
- E. Technical Consulting Contracts September – December 2019
- F. Potential Future Board Agenda Items

14. Board Member Comments

15. Adjourn 4:13PM