

DRAFT MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
STUDY SESSION MEETING OF THE BOARD OF DIRECTORS AND THE
TECHNICAL ADVISORY COMMITTEE
November 7, 2019 – 2:00PM.
San Carlos Library Conference Room A

Call to Order: 2:06PM

1. Roll Call Board Members:

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	

Roll Call TAC Members:

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. Executive Director's Update

Executive Director La Mariana welcomed all to the study session and made the following updates:

- The January 2020 Board Meeting will be the 5th Thursday in January rather than the usual 4th Thursday, so it will be Thursday January 30th from 2-4PM.
- Rethink Recycling day was held on October 27, here at the San Carlos library. Due to construction at Shoreway the event couldn't be at its usual home at the facility. There were about 100 attendees. There was a fix-it clinic, a clothing swap, and food preservation workshops, and he thanked the education and outreach teams for their efforts.
- The annual Earth Day event held in the spring will face similar site restrictions due the construction, but he is hoping to preserve the site tours as part of the Earth Day messaging.
- Buy back center options are being evaluated and will be discussed at the January meeting.
- The Organics-to-Energy project is making great progress and looking at going live by the end of January.
- At the November board meeting there will be a proposal for one part time additional staff to assist with high level engineering review of Shoreway projects to assist with the high volume of work that is taking place at Shoreway.
- The November Board meeting will have the calendar year financial review and staff will not be recommending a tip fee increase in 2020.
- Discussions on alternative fuels for the new Recology fleet have begun with Recology, there will be two pilot trucks starting in the next few weeks - one running on bio-gas and one electric.
 - Member Widmer asked about the possibility of renewable diesel fuel, and Executive Director La Mariana answered that it looks viable, that it won't require any retrofitting of the current vehicles. Staff will continue to look into that possibility and will be reporting back on that sooner than the other two options.
- Mike Kelly of Recology will speak at agenda item 7A about the power lines at Shoreway that keep getting hit by Recology trucks.
- AB1298 is a new statewide bond measure that Kevin Mullin is sponsoring, intended to be a funding mechanism for a broad variety of natural resources programs and projects that currently have gaps in funding. He added that this is a direct result of Kevin Mullin's team retreat at our facility.
- Veteran's day operations and collections will be business as usual.
- He introduced the 4 new fellows that joined the team in October: Juan Miranda, Janelle Osteen, Nadia Thompson and Laura Wessberg.

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. Approval of Minutes from the September 12, 2019 Board/TAC Study Session

Member Groom noted that the minutes had her as both present and absent, she was present

Motion/Second: Hurt/Brownrigg

Voice Vote: All in favor

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

Staff Ligon gave a PowerPoint presentation highlighting the changes since the last Long-Range Plan discussion and asked for Board and TAC feedback on the revised draft.

The Board discussed the mission statement and guiding principles and gave feedback:

- Cost Effective and efficient should stay part of the mission statement it's a crucial element
- Concerns that leading edge could be bleeding edge
- Needs to be more flexible to work when the waste stream and waste industry changes
- Questioning the Agency's role in enforcement relating to the Mission Statement
- Include something in the Mission Statement about the Agency's role in legislative analysis and development
- The cost-effective elements are still there just not called out enough
- The Mission Statement needs strike a balance between innovative programs, cost-effective and flexible

Member Widmer added that he thought he couldn't approve it in just a few weeks, and thought it needed more revision and more time to review where the technology is changing.

The Board discussed enforcement as part of the mission statement. Executive Director La Mariana noted that the next agenda item is on SB1383, and enforcement is a big part of that legislation, and putting enforcement into the mission statement is trying to address that legislation.

The Board then discussed the guiding principles and gave feedback.

- The guiding principles need to be clear that a return on investment analysis is a big part of how the Agency approaches innovative technologies. And that the return on investment analyzes both revenues generated, and costs avoided.
- Should include more about finance.
- Include specific language about batteries and plastics in the 5-year plan.
- Another member noted that the Agency is not where it needs to be on batteries but didn't think it was a long-term problem but rather it is short term and needs to be addressed before 2021.
- The guiding principles under economically sustainable were cut down to three bullet points, likely to save space, but they should be expanded and more in depth.
- Regarding Zero Waste Principles; the board discussed changing the words because actual net zero waste is not possible, while others thought Zero Waste is a stretch goal, and the Agency will support a more robust legislature program to reduce or ban products that aren't recyclable to get to Zero Waste.
- The Board asked to include specifics and stronger language on EPR in the principles, so that the Long-Range plan doesn't assume the Agency is responsible for everything.

The Board then discussed the long-range plan document and gave feedback. Member Widmer asked that the program timing table be more specific as it was too generic. Staff Ligon noted that it relates to the following pages with more detail.

Member Widmer asked why the recycling tonnage was going down. Executive Director La Mariana answered that part of it is the unsettled markets, and part is that when the fire happened the 3rd party tons that were coming in went to a different facility, and never came back.

The Board asked for continued focus on the In-School program based on the success on the pilot. They wanted to see what the diversion numbers are once the staff leaves. Member Widmer wanted to see it rolled out to all schools and all public spaces. Executive Director La Mariana added that staff does go back at the beginning of the school year to the schools they went to the year before to keep the program education going.

Executive Director La Mariana then followed up on batteries. An outreach RFP was recently conducted to do a specific battery campaign, and the Public Outreach Committee will review those responses next week. And, staff continues to work on AB1509 which is the battery EPR legislation. Member Brownrigg commented that he would like to make a request to the County to see if the County could provide a battery CRV program and require the producers to put in the deposits locally, which would put pressure on the industry. There is a draft program that the CPSC has put together. Member Groom noted that the County would be happy to investigate this.

Member Widmer wanted increased financial information in the Long-Range Plan, a return on investment for each program, and a diversion impact for each program. He also noted that the Long-Range plan should be driving the Capital Plan each year. Executive Director La Mariana noted that staff made a decision to emphasize guiding principles to make philosophical decisions about programs in the Long-Range plan, then use the budget process to flush out costs, since costs change drastically over the course of a long-range plan, and this approach allowed for more nimbleness.

3:05PM East Palo Alto now absent.

The TAC Members gave some final feedback comments for staff regarding the Long-Range plan.

- There are many programs in the Plan that could cause additional rate hikes, with that in mind, they would like staff to take a look leveraging existing resources at the County and otherwise and to be conservative with new programs with all the new rate hikes in the queue.
- Members would like to see the program table tie back to the objective or principle that it's supporting.
- There is going to need to be balanced decision making going forward to deal with unfunded mandates and become creative and get more active in Sacramento.
- Ask the haulers to do more for the schools' program.
- Enforcement for mandates needs to be contracted out, and the cost should not fall on the rate payers.

Chair Benton commented that the general theme is to watch the costs.

Executive Director La Mariana responded that staff is very mindful of cost considerations and thanked the Board and the TAC for their feedback.

6. Presentation and Discussion on SB1383 Compliance Planning

Rob Hilton HF&H Consultants

Executive Director La Mariana shared a Bloomberg article that was recently released about a NASA study that identified greenhouse gas emissions and where they are emitted from, that stated the number one emitter of methane gas in California is landfills. He noted that this is the starting point for why the SB1383 law exists and why the Agency is having this conversation.

Rob Hilton of HF&H Consultants gave a PowerPoint presentation on the initial compliance analysis that HF&H has done on behalf of the SBWMA. He noted that at the end of the presentation he would like to get specific feedback on compliance options, enforcement options, and extended regional cooperation.

The Board discussed the food recovery aspect of SB1383. It is not envisioned that the SBWMA is going to find edible food at the Transfer Station and recover it for human consumption, this part of the law is intended to divert it before it even goes into the bins. The measurement for diversion will be on minimum program standards being met, not an actual tonnage weight. Member Dehn noted that the County Health Department regulations would have to change in order to get to 20% reuse, because right now so much of that food that is excess food at a restaurant can't go to those who need it due to hours or food handling regulations. Rob Hilton noted that food safety regulations are paramount, no one wants to feed people unsafe food.

Member Carlton asked why capturing the methane gas that is being emitted through the composting process is not a part of this law. Rob Hilton answered that is addressed, but the bill is broader than that and is trying to include everything to try and address the infrastructure gaps, and the air and water boards are really focused on the permits for the composting facilities.

The Board discussed the monitoring and enforcement component of the law, and they wondered if that was at the Member Agency level or the SBWMA level. Rob Hilton answered that they think there are economies of scale to do monitoring at the SBWMA level, but the enforcement is a policy decision. Chair Benton asked what the timeline is for when the Board would need to make a decision about how to deal with enforcement. Rob Hilton answered there would be 9-12 months of implementation time before any tickets are written, and that obligation doesn't hit until 2024. Member Brownrigg asked why water efficient landscape obligations would fall to the SBWMA. Rob Hilton answered that there are 3 pieces of the ordinance that they want local agencies to adopt that involve use of what would become organic waste or re-use of what would become organic waste in landscaping. TAC Member Cook expressed concern that as enforcement and auditing get delegated out there would be confusion with the residents about who to go to. Rob Hilton noted that it will be important to have an MOU or formal document that defines what the SBWMA is taking on and what the Member Agency is keeping and help with communications internally to help staff. Member Widmer asked if enforcement is to be contracted out. Rob Hilton answered no, enforcement can not be delegated, it has to be an employee of a public agency, but a contractor could do monitoring and investigation and then call the Member Agency code enforcement when necessary.

Member Widmer commented that the residential customers should not have to pay for the costs associated with complying with this law, if the problem is apartment complexes and commercial customers that don't have food waste collection.

Member Brownrigg asked if this presentation and the resulting implications to the SBWMA assume full deployment of the Organics-to-Energy process. Rob Hilton answered that there are 3 collection options scenarios and there are significant cost differences.

Chair Benton asked if there was anything the SBWMA Board or the legislative advocates should be doing now to try and position these final regulations to benefit the SBWMA. Rob Hilton said that there would be one more formal comment period, that would only be 15 days, and they've identified some things with staff that they specifically recommend comments on.

The Board discussed the product procurement requirements of SB1383. Rob noted that this could be done in a couple of ways and asked for Board feedback. The most cost-efficient approach is to purchase renewable natural gas (RNG) for Recology's fleet, if not this approach 20 yards per jurisdiction (per capita allocation) per day of compost or mulch needs to be purchased. There is a \$10,000 per day penalty for not meeting these purchasing requirements. Executive Director La Marina noted for scale the our entire program currently brings back about 10 debris boxed sized loads of the compost to the facility per year. TAC Member Lorenz asked if it was purchased but not taken if that would meet the requirement. Rob Hilton noted that probably wouldn't work but the League of Cities is working on this issue because of the unfunded mandate. Executive Director La Marina added that many of the industry lobbyists are collaborating on this part of the law and just how big this regulation is. TAC Member Murray asked if the RNG needed to be looked at by individual Member Agency fleets beyond the Recology fleet. Rob Hilton noted this is still pending but likely some supplemental purchasing would be required. TAC Chair Oskoui commented that there will be a cost to implement RNG fueling, it's not free but maybe a better ROI.

3:48PM Member Dehn now absent the Board no longer has a quorum, the meeting is now a TAC Meeting.

Rob Hilton asked for specific feedback, regarding compliance of SB1383. He noted that there are 3 ways the SBWMA could reasonably comply with SB1383. 1) Standard Compliance, provide the 3 container system to every generator which includes enforcement; 2) a modified compliance approach, which uses the Organics-to-Energy program which maintains the enforcement requirement but avoids rolling out organics containers to all commercial and multi-family customers; 3) Performance based compliance, which waives the enforcement requirement, but the system needs to perform and the testing is expensive, and they're hard numbers to get to in terms of the organics that are coming out of the waste stream. He added that the Agency could not chose performance-based compliance and use Organics-to-Energy.

TAC Member Tong asked if there would be an option to opt in for certain jurisdictions. Noting that the County serves residents outside of the SBWMA service area and it might make sense for the County to have its own program outside of the SBWMA. He asked the cost modeling could include the County on their own.

TAC Chair Oskoui noted that as staff looks at modeling the County doing compliance on their own that all Member Agencies have an opt-in opt-out provision so the Member Agencies can evaluate the impact. Member Widmer agreed that the different Member Agencies may want to manage the regulations in their own way, so if there is going to be a global compliance plan there needs to be an opt out that has no cost associated with it.

Chair Benton commented that the compliance and enforcement pieces are the biggest parts of this law that affect the SBWMA, and the costs associated with that are being pushed locally.

TAC Chair Oskoui asked for a summary of the feedback that HF&H needs.

Rob Hilton responded asking the members if there was a strong consensus around the hybrid compliance approach, using Organics-to-Energy, understanding that there are potential risks, and then on the enforcement piece what is the feedback about who does the enforcement, and based on the opt-in/opt-out feedback HF&H would run some additional scenarios. He also cautioned that enforcement may be an easy thing to break off and do a different way, but if it came down to collection programming or processing technology making different decisions about that will be very expensive. He noted that he would look at putting something about items that would lose economies of scale in the compliance plan.

Member Brownrigg commented that it seems to be a no brainer to go for the hybrid approach, being down the road with Organics-to-Energy. He also thought there should be a lobby to Cal Recycle to get an extra year, because if it's proven to work, we save everyone in the state money.

TAC Chair Oskoui said there is still some push and pull in the final rule making, and this is a lot of information to digest. The SBWMA is way ahead of the curve. Many agencies are going to have issues with the deadline commitments. And he felt until there are final regulations things are still moving targets, he asked as things firm up they get vetted through the TAC and bring a polished presentation of options back to the Board.

7. Contractor Updates

A. Recology

Mike Kelly of Recology talked about the several power outages that have occurred at Shoreway due to a Recology truck hitting overhead AT&T wires and moving the poles that the powerline is attached to and the power snaps. He noted that Recology is increasing driver education, and safety protocol. He added that they are looking into installing an over height alarm system at the exits, and there are some issues with the driver being in front of the over height alarm.

Chair Benton thanked Recology for advising the Board of this problem and asked for a report back at the next Board Meeting when a solution is in place.

B. South Bay Recycling

8. Board/TAC Member Comments

9. Adjourn 4:27PM