



**MINUTES**

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
 SPECIAL MEETING OF THE TECHNICAL ADVISORY COMMITTEE  
 September 10, 2020 – 2:00PM.  
 Via Zoom Tele/Video Conference

**Call to Order: 2:04PM**

**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.

None

**3. Executive Director's Update**

Executive Director La Mariana welcomed everyone and thanked the Committee members for attending. He then gave the following updates:

There are two Board meetings remaining in 2020. The October 15, joint Board/TAC study session, and the November 19, final Board meeting.

The October 15<sup>th</sup> meeting will be a refresher on the proposed SB1383 Compliance plan, and then it will be recommended for approval at the November 19<sup>th</sup> meeting.

Also at the November 19 meeting, the board will approve the first calendar year budget which will true up the Agency's fiscal year with the rate year.

At the August special meeting the Board established an exit fee for the Town of Atherton to exit the JPA, that fee includes all costs through December 31, 2020. Any on going costs will be discussed separately. Following the August Special Board meeting, Recology has identified some on going operating and overhead costs meaning January 2021 and forward that will continue to be costs going forward but would

have been included in Atherton’s obligations. He noted that staff is reviewing Recology’s calculations and contractual obligations and will have a recommendation at the next meeting.

The Town of Atherton will have a final action step at their Council meeting on September 16<sup>th</sup>, when they will vote on the decision to exit the JPA. If they do vote to exit the JPA each member agency will need to vote on whether or not to approve Atherton’s exit of the JPA, and this will need to be placed on the Council agendas in the next few weeks.

Shoreway operations continue to be uninterrupted through this 6-month of COVID operations. He noted that a similar facility in Marin 40 workers were infected with COVID and it affected their operations.

Vice Chair Murray asked how Atherton’s withdrawal would affect the rate setting process. Executive director La Mariana answered that there may be a modified comp app.

The committee then discussed the Recology costs associated with the Atherton exit. Executive director La Mariana noted that the number Recology has identified is \$367,000, and that further discussions would occur to verify the calculations and determine contractual obligations. Mike Kelly of Recology added that these are overhead, manager and IT costs that don’t go away even if Atherton does, and depending on the Member Agency’s size the change in costs would be 0.25% to 0.65%.

**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 November 7, 2019 Joint Board/TAC Meeting

B. Approval of 2021 TAC Meeting Calendar

Motion/Second: Cooke/A. Lee

Roll Call 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

**5. Election of New TAC Chair and Vice Chair**

Vice Chair Murray called for nominations for TAC Chair

Member Lucky nominated Vice Chair Murray as Chair. Vice Chair Murray accepted the nomination.

Member Shapero seconded the nominations.

Roll Call Vote: 8-0-0-4

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

Chair Murray called for nominations for Vice Chair

Member Lucky nominated Member Lorenz for Vice Chair. Member Lorenz accepted the nomination. Member Shapero seconded the nomination.

Roll Call Vote: 8-0-0-4

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

## 6. TAC Review of 2021 Recology Compensation Adjustment Application<sup>3</sup>

Staff Mangini gave a PowerPoint presentation outlining the Recology 2021 compensation application, noting that 2021 marks the first year of the amended and restated franchise agreements. He also gave an overview of all of the workstreams that lead to the final compensation recommendation by staff. He went over Table 8 and highlighted revenue surplus and shortfall.

Executive Director La Mariana noted that over the last several years he's been vocal about recommending Member Agencies build up their reserves to soften the increase this year and compliments the TAC Members are doing that for the most part. He noted that after this jump off point the process will become formulaic and CPI based except for the service level adjustment.

Staff Mangini continued the presentation going over direct costs and indirect costs as well as the service level adjustment matrix which is new in the amended and restated franchise agreements.

The committee then discussed service level adjustments. Executive Director La Mariana noted that there was a lot of discussion at this committee to carve this out in the amended and restated agreements, and at your direction if there is growth in your agency the additional costs will be tied directly to your agency and you'll be responsible for collecting the revenue to cover that growth cost.

Member Lorenz asked what the expectation for the service level adjustment going forward. Staff Mangini noted that he thought the bulk of the adjustment would still be CPI going forward, but there would also be a service level adjustment based on growth or shrinkage in any particular agency.

Member Clark asked if COVID has had affected revenue and if any service level adjustments have been made due to the economic downturn. Staff Mangini noted that the disposal and revenue projections have been affected by COVID. Even though tip fees are going up, volumes are down, so costs on the member agency side are also down, but revenues on the Agency side are down because volume is down. Executive Director La Mariana noted that the Board would be making tip fee adjustment decisions as part of the calendar year budget process for any increases to go into effect January 1, 2020. The tip fees will be affected by the COVID downturn in volume.

Member Clark asked for an explanation of table 8 for the new TAC members. Staff Mangini and Executive Director La Mariana explained table 8. A1 is the estimated revenue if no adjustment is made. A2- A6 is the cost associated with the collection service, and estimated disposal and processing costs,

which are variable based on tonnage received. Then there is a sum of costs compared to collection revenue in A1, which ties to a surplus/shortfall for that period which is A9. A10 is the adjustment percentage recommendation for the year. F3 is the total rate adjustment percentage.

## **7. TAC Review of 2021 South Bay Recycling Compensation Adjustment Application**

Staff Gans gave an overview of the SBR to staff report and SBR compensations application. He noted that table 1 in the staff report outlines how the SBR compensation amount is determined. He noted Recology's compensation is outside of the SBWMA budget, but SBR's compensation is part of the SBWMA budget. SBR's has submitted their compensation to the SBWMA for an estimated \$18,565,479, which is 6.2% lower than 2020. The decrease is a result of 1) the closure of the buy back center and 2) a decrease in fuel costs by 16%. He noted that other costs have gone up but have gone up predictably and based on indices. He did note that there was one big increase in power, PG&E's costs went up 6.16% this year.

Executive Director La Mariana gave an update on the Agency's power purchase agreement for solar power because of the increase in power costs. Staff will be looking at the power purchase agreement, and there might be a proposal to buy out the remaining part of the agreement and get new solar panels.

Executive Director La Mariana noted that last spring South Bay Recycling submitted a request for compensation adjustment in a very significant amount. There will be a discussion with possible action at the November 19 Board Meeting, this discussion could result in adjustment of the compensation numbers presented to you today.

Member D. Lee wondered if staff would look at partnership with Peninsula Clean Energy as solar power is reevaluated.

Staff Ligon answered yes, staff is relying on PCE's expertise in this area and he has been working with their staff to understand the solar data, and how the Shoreway facility's panels are performing. Which is the decision that is trying to be made, is it worth continuing with what is installed now with better maintenance, or would it be better to get a newer generation of panels going forward. Executive Director La Mariana noted that he see's a future with a lot more solar panels, it will be part of future discussions at the TAC.

Chair Murray asked how long the extension on SBR's agreement would be. Staff Gans answered that it's a 3-year extension through December 31, 2023.

Chair Murray asked if the buyback center was closed permanently. Executive Director La Mariana answered yes, unless there is a structural change at the state level, because structurally the system is broken, it will remain closed permanently.

## **8. Contractor Updates**

### **A. Recology**

Mike Kelly of Recology have some updates on Recology's quick pivot due to COVID, a lot of customers have reduced services and then restarted services, so they have had to adjust to those changes quickly. They now have a 4-month supply of PPE, are cleaning and disinfecting trucks every day, drivers a checking in at their trucks rather than going to dispatch, they are adding plexiglass to the customer

service area, and are hardening the facility. And, Recology has been recognized twice as essential heroes through a social media campaign put on by the Chamber. Lastly, the Waste Zero Specialist was invited by the Redwood City youth services was invited to be readers for virtual story time readers at the Redwood City Library.

B. South Bay Recycling

No Report

**9. TAC Member Comments**

Chair Murray thanked Recology and SBR for providing essential services when conditions are not great. She noted that service has not been interrupted and she is grateful for their work.

Chair Murray thanked Executive Director La Mariana for his participation in the City of San Mateo's Infrastructure and Sustainability Commission.

Executive Director La Mariana noted that the Environmental Education Center has just started virtual tours for schools and business, as well as public tours for up to 30-40 participants.

Member D. Lee noted that the County in partnership with the Cities and many organizations is working on the COVID Recovery Initiative, they are putting together their final work plan and there are areas that might overlap with the SBWMA, so they hope to roll out information and support. So if TAC members are going to be working with local businesses and would like those resources please reach out to the County, and she would share the final executive summary of the plan with the TAC once it's final.

**10. Adjourn 3:44PM**