



MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
January 28, 2021– 2:00 p.m.
Via Zoom Tele or Video Conference Only**

Call to Order: 2:00PM

1. Call to Order/Roll Call

Agency	Present	Absent	Agency	Present	Absent
Belmont	X		Redwood City	X	
Burlingame	X		San Carlos	X	X(3:05PM)
East Palo Alto	X	X(3:07)	San Mateo	X	
Foster City	X		County of San Mateo	X	
Hillsborough	X(arrived 3:14PM)		West Bay Sanitary District	X	
Menlo Park	X				

All Members and public participated by Zoom Video or Conference Call

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. **Speakers may also submit comments via email prior to the meeting by sending those comments to rethinker@rethinkwaste.org.**

1. Doug Silverstein of Circular San Mateo County addressed the board on the disposable food serviceware ordinance that has been passed by The County, Belmont and Burlingame, and encouraged the other member agencies that have not passed the ordinance in their jurisdiction to do so. It bans food service business from using plastics, and only allows for compostable food ware products to be used.

Member Bonilla added that the City of San Mateo approved this ordinance at their last Council meeting.

2. Mike Kelly General Manager of Recology updated the Board on Recology's cart delivery noting that there has been comments on Nextdoor. He noted that the cart supplier has been heavily impacted by COVID-19 both in terms of supply chain issues and staffing issues which has slowed production, and orders that were taking 6-weeks are now taking 12 to 14 weeks. Recology is working hard to get that inventory. On January 18, Atherton cart retrieval began, which will increase inventory once they are cleaned, additionally they are offering alternative sizes to customers. Christmas tree collections are winding down this week. Recology

did have multiple drivers require periods of quarantine, but only a few contracted COVID, of those that did get COVID most are back and two are set to return next week.

3. Executive Director's Report

Executive Director Joe La Mariana made the following announcements:

- He responded to Mike Kelly's comments noting that Recology is in constant contact with him on these COVID-related issues as well as SBR, and both organizations have done a phenomenal job during these challenging times.
- Julia Au has been promoted to a Program Manager III which means she joins the senior management team at the Agency. Her responsibilities include outreach, education, and compliance like the SB1383 initiatives.
- In June and July SBWMA will be working with the Town of Atherton one last time to make sure they properly get their data to fill out their 2020 Cal Recycle Electronic Annual Report.
- Verlan insurance who was our fire insurance provider at the time of the 2016 Shoreway MRF fire, took legal action against SBR's insurance provider and BHS' (the MRF's equipment manufacturer) insurance provider which just resulted in a settlement of \$4M. The SBWMA was not involved in the discussion or decision, but the settlement may mean more positive response the next time the Agency does a RFP for insurance quotes in the marketplace.
- The SBWMA staff is working with the staff at Silicon Valley Clean Water (SVCW), they have a \$1B capital improvement project to upgrade their plant. There is a component of that workplan that involves replacing sewage pipe that happens to go down Shoreway road, and right in front of the Shoreway facility. The staff at SVCW was very responsive to our concerns and they have now presented a second plan that will be inconvenient, but it is far better for Shoreway operations than the first plan. He thanked SVCW staff for listening to the SBWMA's concerns. He added that over the next two years there will be major road work and closures on portions of Shoreway road that will affect SBWMA operations and site access.
- The February Board meeting will be cancelled and there will be a Zero Waste Committee instead.
- Chair Aguirre has suggested an annual strategic planning Board retreat. Staff is proposing to have it in lieu of the April Board meeting from 1:30 to 5PM. In future years staff will plan to have this retreat in January or February.
- The SBWMA/SBR operations agreement has been extended through December 31, 2023. We have no contractual ability to extend the current contract past that date, therefore, we will conduct a RFP for this work. Staff has currently conducted an RFQ for technical assistance to the Operations Agreement RFP.
- Lastly, he welcomed the three new Board Members; Council Member Jon Froomin representing Foster City, Council Member Al Royle representing Hillsborough, and Council Member Cecilia Taylor representing Menlo Park.

Member Bonilla asked for confirmation that there will be a Zero Waste Committee meeting on February 25 at 2PM instead of a Board Meeting, so the February Board meeting is cancelled.

Member Brownrigg thanked Interim Chair Aguirre for the initiative to suggest a Board retreat.

Chair Aguirre congratulated Julia, noting that it's not often you see women in leadership roles in this type of organization. Chair Aguirre also noted that she is the Chair at Silicon Valley Clean Water. She noted that, while their capital improvement project will benefit the region, this work will cause a disruption for the SBWMA, but in the long run there is a positive outcome for the community.

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 the Minutes from the November 19, 2020, Board of Directors Meeting
- B. Resolution Approving the SBWMA Investment Policy for 2021
- C. Resolution Accepting the FY19/20 Audited Financial Statements
- D. Resolution to Approve the appointment of a Citizen at Large position to the Finance Committee Ex-Officio Board Member Jay Benton

Motion/Second: Brownrigg/Bonilla

Roll Call Vote: 10-0-0-1

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

5. Administration and Finance

- A. Election of Board Officers for 2021

Counsel Savaree gave an overview of the process for electing the 2021 Board Chair and Vice Chair. Interim Chair Aguirre called for nominations.

Member Bonilla nominated Interim Chair Aguirre for Board Chair. Member Brownrigg seconded the nomination.

Roll Call Vote: 10-0-0-1

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

Chair Aguirre called for nominations for Vice Chair.

Member Rak nominated Member Bonilla for Board Vice Chair. Member Groom seconded the nomination.

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

- B. Resolution Approving the SBWMA 2020-2021 Legislative and Regulatory Platform

Staff Au gave an overview of the staff report and the platform that identifies 14 key topic areas.

Member Brownrigg asked if increasing bottle reimbursements or changes to bottle bill rates was embedded in one of the 14 key topic areas.

Staff Au answered that the bottle bill isn't specifically called out because we know that Cal Recycle is working on it, but the bottle bill would fall into the market and economic development topic area in the platform. Member Brownrigg expressed thoughts that the language in the platform regarding the bottle bill was too gentle and thought increasing the reimbursement was really important. He also agreed that extended producer responsibility (EPR) was number one on the list of legislative priorities and asked that if there is time at a future Board meeting the board have a drill down discussion on EPR. He noted that he would like to see the agency's voice grow in Sacramento and specifically regarding EPR and getting behind something that requires much more from producers. He thought this was important to the financial health of the agency as well as climate and planet health.

Member Hurt echoed Member Brownrigg's comments regarding EPR and asked to list specific sectors that are important to the Agency. She also expressed concern about building decarbonization and balancing the right to repair with having to replace, and how that will stream down to consumers, and asked this agency to advocate on a legislative level regarding that balance. She also wanted to add plastics to the future board discussions regarding legislative priorities.

Vice Chair Bonilla commented agreed that EPR is an important missing link in the end of like of products.

Doug Silverstein gave public comment and noted that the legislative platform says to have a stronger voice in Sacramento but doesn't mention local. He reiterated that locally there is a lot we can do versus at the state or even national level. Bans are complete source reduction and can be done locally, and there is a lot of political will from the local citizens to tackle specifically plastics packaging.

Executive Director La Mariana noted that staff knows that we have a very progressive minded community on these issues and these comments empower our staff to continue the path in this regard. He agreed that acting locally was imperative, but when taking on EPR and manufacturers it is imperative to go to the highest level. He noted that the SBWMA has an initiated an informal statewide work group of like-minded public agencies to create an even larger voice on these issues. This new work group is called Zero Waste Now and there is representation from as far north as Eureka to the Mojave Desert in the south and all around the greater Bay Area.

Member Rak suggested as part of the Board retreat a couple of board members could form a legislative subcommittee to help support and work on these issues.

Chair Aguirre noted that she feels very strongly about a legislative committee, and had mentioned that to Executive Director La Mariana. She asked Board Members to send her an email if they were interested in being on the Legislative Committee and that group can help put the retreat together.

Motion to approve the 2020-2021 Legislative and Regulatory Platform

Motion/Second: Bonilla/Rak

Roll call vote: 10-0-0-1

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

6. Collection and Recycling Program Support and Compliance

- A. Resolution Recommending Amendment One Modifications to the Member Agency Franchise Agreements with Recology San Mateo County to add a 4th route to the Bulky Item Collection and Abandoned Waste Collection program for an annual operating cost not-to-exceed \$631,371 in year one with contractually allowable adjustments in future rate years

Executive Director La Mariana gave an overview of the staff report. He noted that this is the 4th time this issue has come to the board, and staff is recommending expanding the Bulky Item Collection (BIC) and Abandoned Waste (AW) collection program to meet the current demands of the program which is currently exceeding capacity. The recommendation is to add a 4th BIC/AW collection route, which requires 3 additional staff and two additional trucks, and the costs would be prorated out to the 11 member agencies through the annual contractor's compensation application process. Staff is not recommending the other 2 proposals that have been a part of amendment one discussions in the past--both the storm water, and the electronic voucher pilot are not being recommended at this time.

Mike Kelly General Manager of Recology noted that the staff report states that the BIC program is at 90% capacity which was the case when they first started looking at expanding the program in 2019. It is a program that becomes more popular every year, now the weekly average of BICs is 182 per week with a high one week in July of 212. Currently the capacity is 180, so Recology is at maximum capacity.

Member Froomin commented that he liked the idea of the voucher and thought a 3rd party administrator for that program was too costly but thought the program could be done with less cost than presented, and thought it was still worth considering.

Mike Kelly answered that Recology and SBR are two separate companies, so SBR would not have access to Recology's database to identify which customers are coming in and which of their two BIC's they are using. Recology has concerns about an emailed voucher being duplicated and the BIC not being shown as used from the customer's account. The vouchers need to be validated and not duplicatable, which is why the 3rd party vendor is needed.

Executive Director La Mariana explained that the BIC program is an on-demand scheduled appointment by the resident. The AW program is handled by the same exact crews and trucks that collect BIC's first and then collect abandoned waste. He noted that abandoned waste is collected through a system where Recology is typically notified by each member agency's public works staff or a designated public system of the incident, then Recology collects it and is reimbursed for their labor and equipment costs through that notification system. The drivers are not driving around the neighborhoods looking for abandoned waste.

Motion/Second: Dehn/Froomin

Roll Call Vote: 10-0-0-1

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

7. Shoreway Operations and Contract Management

- A. Resolution Approving Contingency Measures to Dispose of Paper in Case of Shipping Emergency

Staff Gans gave an overview of the staff report, noting that recycling is reliant on overseas markets, and therefore reliant on overseas shipping container services as well. Currently, the shipping lines are too busy shipping consumer products that have a high value and make them a lot of money from China, to take the time to pick up recyclables to return to other countries other than China that are now filling the need for paper recycling. This problem is tied to international logistics and the consumer products industry and is affecting everyone.

Dan Domonske, Vice President of SBR, added that this problem should be temporary, and should be resolved in the next 2-4 months. They have been storing some SBWMA material outside, in compliance with the facility operating permit, and the action before you today is approval to dispose of recyclable materials on an emergency contingency basis, that hopefully won't need to happen. He offered the option of potentially transporting recyclable materials to the Potential Industries (SBR's part owner) facility in Long Beach California to store it there when storage capacity runs out at Shoreway rather than taking recyclables to the landfill.

Staff Gans noted that this offer isn't in the staff report, because staff didn't know about the offer until the staff report was written. He also added that the Potential Industries' 15-acre facility is a recycling-only facility, which is the same size as Shoreway, but there is only about an acre worth of storage at Shoreway, and that storage space is only available because of COVID, because Recology's and SBR's administrative staff are currently working remotely. This means that one of the employee parking lots is available for storage. He added that there are consistent logistic hang ups, which cause the need to hold on to recyclables, and there is no available space to store it which creates a problem.

Member Brownrigg thanked Potential Industries for offering this hybrid solution. He asked if part of the reluctance of shippers to take this material was because China has been turning it away, and if so, does the fact that the SBWMA now sorts to a higher level of quality help it to earn the spot.

Staff Gans answered that the logistics used to be simple. Paper is the biggest export commodity from California and New York, so it is a huge return commodity, and it helped pay for the ships' return trip to China. When China stopped accepting paper that return link was broken, and the ships now needed to make a triangle to another Southeast Asian country to unload the paper. That triangle takes extra time, and they are now reacting to that extra time, by not taking material on the return trip, it has nothing to do with quality.

Member Royce now present at 3:14PM

Member Brownrigg commented that the reason the Board made the investment in upgrading the MRF was in the hope of meeting China's standard, and therefore earn the return trip. So, he asked to have a conversation about that in the future. He also asked if staff has worked to find US opportunities for paper.

Dan Domonoske answered that the final change in Chinese law was a 100% ban on all recyclables across all waste streams going to China. He noted that SBR does make high-quality fiber recycling, and that there is a market for that quality throughout Southeast Asia, but it's the steamship industry refusing to take the commodity that is creating this temporary problem. Regarding domestic markets, most of the mill capacity is coming up in the Mid-West and North East, and there continues to be closures of paper mills in the Western United States, but SBR will continue to look for and try to find domestic options.

Member Hurt asked if there was any ability to force them to take the material, and what is the criteria that is going to force the Agency to have to dispose of recyclables.

Staff Gans answered that, so far no recyclables have gone to the landfill. Currently, there is movement of these materials, but it's much slower than normal. This a space issue, there are irregular shipments causing a backup, and there are only 8 days' worth of storage at Shoreway, and when that fills up Shoreway is out of space. And the SBWMA doesn't have any ability for recourse with the shipping companies. The purpose of this pre-approval is that, if there is no more storage at Shoreway, then there exists the logistical ability to take it to landfill. He added that Dan Domonoske's offer to store materials in Southern California has logistical issues too, namely trucking costs to Long Beach, but still is economically and environmentally better than landfilling.

Vice Chair Bonilla asked if warehousing these recyclables was an option. Staff Gans answered that they have done this in the past, and the material had to be moved multiple times which turned out to not be cost effective.

Chair Aguirre asked what the cost of moving this material to Southern California would be.

Dan Domonske answered that it is a viable option from a cost perspective, the trucking cost would be \$40-45 per ton, and it costs about \$20 to get it to Oakland, so it's incrementally \$20 to \$25 per ton additional, and will not result in a net loss, as it would still have a positive overall value.

Executive Director La Mariana thanked Potential Industries for being an industry leader in marketing the SBWMA's material and thanked them for their offer of alternative storage before being forced to landfill.

Motion/Second: Bonilla/Brownrigg

Member Froomin asked to amend the resolution to include going to Potential Industries before using landfill as a final option.

Vice Chair Bonilla and Member Brownrigg agreed to that amendment.

Roll Call Vote: 9-0-0-2

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

8. Public Education and Outreach

A. 2019-2020 School Year Report

Staff Hashizume and the Public Education team gave a PowerPoint presentation on the 2019-2020 school year programs and updated the Board on the schools served, the waste infrastructure and technical-support programs provided to them as well as the shift from in person on campus programs to virtual instruction and noted that they served 12 new schools in 2019-2020.

Executive Director La Mariana commented that this is a very labor-intensive program, and he recognized the excellent work of the 5 fellows and their energy and enthusiasm for this program. He also noted that this is an essential component to the Agency's mandated community wide educational programs, and it gives the school communities a big morale boost when they have a common goal to rally around and work towards.

Member Froomin commented that another good outcome to the work the team did was reducing food waste by encouraging schools not to make students take a food item that they weren't going to eat. This also saved the school money by not buying food that wouldn't get eaten or provided a food option for food insecure families.

Member Groom commented that every year the education program is doing unbelievable work, and it seems like the team has done even more work than last year and complemented the team on the great job.

Doug Silverstein commented that he saw a lot of plastic in the pictures in the presentation and noted that there is a new program in the County that is helping schools convert from disposable to reusable and encouraged further source reduction in schools.

Staff Hashizume noted that they have been talking to schools about their capacity to reduce the packaging of the food, and that her staff has been involved with the program Doug Silverstein mentioned called Rethink Disposables.

9. Informational Items Only (no action required)

- A. 2021 Finance and Rate Setting Calendar
- B. Check Register Detail for November and December 2020
- C. Legislative Session Update
- D. 2021 Meeting Planning Guide

10. Board Member Comments

Chair Aguirre asked Board Members to send her an email to volunteer for positions on the Legislative and Zero Waste Committee.

11. Adjourn 3:54PM