

**MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
November 18, 2021– 2:00 p.m.  
Via Zoom Tele or Video Conference Only**

**Call to Order: 2:01 PM**

**1. Call to Order/Roll Call (Closed Session)**

Agency	Present	Absent	Agency	Present	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 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](mailto:rethinker@rethinkwaste.org).**

None

**3. Adjourn to Closed Session:**

Pursuant to Government Code Section § 54957– Public Employee performance evaluation – Executive Director. Conference with Labor Negotiator (Government Code Section §54957.6); Agency Designated Representative: Jean B. Savaree; Unrepresented Employee: Executive Director

**4. Call to Order/Roll Call (Public Meeting)**

Call to Order: 2:40PM

Agency	Present	Absent	Agency	Present	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 District	X	
Menlo Park	X				

## 5. Public Comment (Public Meeting)

None

## 6. Executive Director's Report

Executive Director La Mariana welcomed everyone to the meeting and gave the following updates:

### Personnel updates:

- Grant Ligon left the agency on October 29, he apologized for not mentioning his resignation at the October study session when Staff Ligon was still here and acknowledged Grant's time with the Agency.
- Roxanne Murray has retired from the City of San Mateo. Executive Director La Mariana acknowledged that he has worked with Roxanne in the industry for well over 20 years and she recently served as our TAC Chair for the last 2 years. He thanked her for her service and wished her well on her retirement.
- He acknowledged a nice note from RethinkWaste Fellow Nadia Thompson who recently moved on in her career. This letter was included in this agenda packet's Executive Director's report.
- Lastly, he noted that Recology had advised him about two months ago that there would be a change at the General Manager position at Recology San Mateo. He hasn't seen any results from the recruitment but noted that it is a condition of the Franchise Agreements that the top candidates get presented to the Executive Director and the Board Chair to see if the candidate is a suitable fit, so we are waiting to hear from Recology on that front.

### Member Agency Updates:

- Amendment One to the Franchise Agreements has now been passed by every member agency's elected body, so there is now 100% participation in the Bulky Item Collection/Abandoned Waste additional route that will begin in FY2022 (adding a 4<sup>th</sup> route).
- Belmont was the final Member Agency to approve Amendment One last week but made a note that, because of their unique compensation structure as outlined in the Franchise Agreement in Section 11, if there are future decisions like this that are made at the SBWMA Board level, Belmont's representative will need to go back to their elected council for final approval.
- The Member Agencies have been hosting public SB1383 Study Sessions, as well as first and second readings of the SB1383 ordinance. Through the ordinance, member agencies delegate a series of six important technical SB1383 compliance tasks to the SBWMA.
- He thanked the County's Office of Sustainability for their work on the Edible Food Recovery Ordinances that are also now being considered by all of the Member Agency's elected councils. He noted San Mateo County has a unique set up to manage the SB1383 mandates around edible food recovery, which is not the norm throughout the state, and was grateful to the County for their support of that program.

### RFP/RFQ Updates:

- The Operations Agreement RFQ/RFP had a very successful mandatory site tour for prospective bidders on October 27. There were 30 attendees and they represented 16 different companies. A few of those companies have asked for additional observational time, so he would be reaching out to make those arrangements.
- The deadline for potential proposers to submit questions was November 2, and the answers to those questions are due to be posted tomorrow.
- He noted that due to the Management Analyst vacancy there will likely be an item on the January agenda to amend HF&H's contract to take on some of the Operations RFQ/RFP work that would have been assigned to the Management Analyst.
- The SB1383 Additional Services RFP closes tomorrow, and staff has already received some responses. The contract will be for field auditing, the waiver management, and some required outreach.

### Shoreway Projects called out by the Local Law Enforcement Agency (LEA):

- At the September meeting the Board gave authorization to enter into a contract for up to \$300,000 for

floor repair, we are just waiting on the performance bond from the contractor to finalize that contract and schedule the work, and it should be completed by the end of the year.

- In late August, a RFP was issued for the MRF wall repair, but no bids were received. Staff has gotten a number of recommendations from construction industry experts as to why there were no responses and is working towards a resolution or alternate plan. But the LEA has called this out and if it's not fixed it could be a serious violation down the road which could jeopardize our facility's operating permit status.

•  
Vice Chair Bonilla asked if the damage to the wall was structural.

Executive Director La Mariana answered that it has not been deemed as affecting the structural integrity of the building. He explained that there's so much material that comes into the facility quite regularly now, that it goes up over the MRF's 12-foot concrete push wall. Over time this material has become lodged behind that wall and in between that wall and the actual exterior wall of the building. So, now the debris that has gotten stuck between the wall and the exterior wall is pushing the exterior wall out. It is aesthetic, but it's also a bigger issue.

Lastly, he noted that the Education Program is back to a full schedule, most programming is still virtual, but some is in person. The education team just put on a series of Rethink Recycling Day events that were attended by about 100 people, and the fall poster contest is coming to a close. He also noted he spoke at the National Recycling Congress on November 3, where he a subject matter expert in the battery safety/fire safety around batteries discussion topic.

He then went over the upcoming important calendar dates:

- \*Zero Waste Committee December 16, at 2PM
- \*Next year on January 27 will be the first Board Meeting of 2022 at 2PM
- \*On February 24, from 1-5PM we will have our 2<sup>nd</sup> Annual Board retreat.

## 7. 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 the Minutes from the September 9, 2021 , Board of Directors/TAC Study Session
- Approval of the Minutes from the September 30, 2021 Board of Directors Meeting
- Approval of the Minutes from the October 21, 2021 Board of Directors Study Session
- Approval of a 2022 SBWMA Board Meeting Calendar
- Resolution Consenting to Change of Control from Zanker Road Resources Management LTD to MIP V Waste. LLC, As Related to the Agreement for Construction and Demolition Debris Processing Services Between Zanker Road Resource Management LTD and SBWMA
- Resolution Directing that all meetings of the SBWMA Board of Directors, Technical Advisory Committee and all Board Appointed Subcommittees will continue to be held via teleconference Pursuant to California Government Code Section 54953(e)

Motion/Second: Froomin/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								

**8. Administration and Finance**

**A. Resolution Approving of FY 2022 Operating Budget and Capital Improvement Plan**

Staff Mangini gave an overview of the revised budget presentation, noting that there were only minor changes from the presentation at the October study session. The only change made was to add an expense for material sampling at the facility required by SB 1383 for \$210,000. Which brings the net revenue and expense to just over \$1 million. He also noted that this budget still meets the bond covenant ratios – 1:4. There were also a couple minor changes to the language, not the numbers. The senior program manager position was missing from the salary schedule, so that position was added.

Member Hurt commented that at the state level there are reports of record consumption and online purchases. She noticed that the budget shows a reduction in disposal and processing expenses because of a reduction in volume, but tip fees are increasing, and she thought those were disconnected. She asked what was driving cost increases, and how are there tonnage decreases in the face of statewide record consumption.

Staff Mangini answered that, in terms of SBR compensation, those reductions are mainly driven by volume. The mid-year 2021 budget had projected volumes to come back up knowing that vaccines were being rolled out with an expected return to normalcy, but that volume just hasn't come back yet. So, he used more current volumes to project what the expenses will be. SBR's compensation and disposal expense are all driven by volume and then the price per ton. If volume does come back adjustments can be made at midyear. The volume ties to both revenue and expense, if we have the volume, we have the revenue. If we don't have the volume, we don't have the expense, so they track closely.

Executive Director La Mariana added that the residential sector remains stable after a surge in residential tons early in the pandemic. Commercial sector tons remain down about 15% of pre-pandemic levels. While there are variables in volume which ties to revenue and expense there are also fixed costs. It is those fixed costs that are reflected in the recommendation to adjust tip fees upward to meet those fixed cost obligations.

Member Hurt expressed concern over the continually rising tip fees.

Motion/Second: Bonilla/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								

**9. Collection and Recycling Program Support and Compliance**

No Items

**10. Shoreway Operations and Contract Management**

**A. Hearing on South Bay Recycling's Request for Compensation Adjustment Based On Special Circumstances**

Executive Director La Mariana gave background summary noting that SBR's Long Haul fleet of 23 big rigs and some other trucks that are related to heavy equipment need to be replaced because the law has changed and now require a new fleet of cleaner burning engines. Due to the odd situation where this new law goes into effect one year from the end of the current operations agreement, it didn't allow SBR enough contract years to depreciate new equipment. Staff and SBR have worked together to come up with a path forward with approval

of this recommendation SBR will be able to recoup one year of depreciation of the new fleet at a cost of \$423,913.30 which will allow SBR to be in compliance with the law but does not commit the agency to the cost of the vehicles beyond the first year.

Member Rak asked-if the next Operating Agreement contract is not awarded to SBR is the Agency at risk with a new contractor of not being in compliance with the law.

Executive Director La Mariana answered no, because there is a requirement in the RFP that the proposed fleet comply with this law.

Member Brownrigg thanked SBR and staff for working together to solve this issue.

Motion/Second: Bonilla/Brownrigg

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								

## 11. Public Education and Outreach

### A. Resolution Approving Endorsement of the California Recycling and Plastic Pollution Reduction Act

Staff Au gave an overview of the ballot measure, noting that this legislation will create a comprehensive framework to reduce single use non-recyclable plastic products and packaging. It'll develop a more circular economy to recycle what plastic is made, while also using more recycled content. It will establish a one cent fee on plastic producers for each of their products or packaging and will generate funds for programs and activities intended to reduce waste and increase recycling. The funds generated will be distributed between Cal Recycle, the Natural Resources Agency, and local governments. She added that the Legislative Committee unanimously voted to recommend endorsement to the full board at their September meeting.

Member Brownrigg commented that he has gone to the website to endorse this ballot measure individually, he encouraged others to do so as they make up their minds on the issue. He noted that this is an initiative that in has enormous public favor with residents but will also elicit enormous industry resistance. The petrochemical industry hasn't come out against this issue yet, but they will. He thought this was a great environmental and social initiative that will also help the Agency run more effectively.

Motion/Second: Brownrigg/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								

### B. 2021 Legislative Session Recap

Staff Au introduced Reed Addis, principal at Environmental and Energy Consulting (EEC).

Reed Addis gave a PowerPoint presentation recapping the 2020-2021 legislative session.

There was no questions or discussion from Board Members or public attendees.

Executive Director La Mariana acknowledged EEC, the Legislative Committee and Staff Au for all of their work in this area this year. He noted that staff will be working with the Legislative Committee and other elected officials throughout the state to bring a battery bill back to the legislature.

Member Abrica absent at 3:17PM

Member Taylor absent at 3:28PM

Member Hurt absent at 3:50PM

### C. Update on Recycling – What is and is not Recycled and Why

Staff Rosales-Jose gave a PowerPoint presentation on the status of recycling. She noted that the board received a comment from a resident interested in an update on the status of recycling, and the last written recycling update to the board was in September 2019. So that is why this was an agenda item at today's meeting. She gave an update as to where all the materials accepted in the blue bin go to be recycled. Plastics 3-7 currently have no market and end up at the landfill. She also noted that there is a historically significant disruption in fiber recycling due to the international shipping delays and supply chain issues, but SBR continues to be a great partner and is able to continue to move this material. She then gave an update on RethinkWaste's public education and outreach efforts in this area because it can be confusing. She noted that Recology is contractually bound to accept plastics labeled 3-7 in the blue bin, because of this staff focuses outreach on reduction and reuse.

Member Brownrigg commented that he would like to see the Agency independently audit where the shipments to Asia go. He acknowledged that SBR tries to do this to some degree but thought the Agency may be in danger of looking the other way, so having an independent audit would be a way to assure residents that what we say is recycled.

Dan Domonoske of SBR noted that Potential Industries (SBR's part owner) markets paper and fiber recycling to Southeast Asia. He gave an open invitation for any independent company or board member to go to Asia and see firsthand how the fiber material is received and recycled. He noted that they are selective about who they market to and don't market some materials that others do because they don't comply with the Basel Convention. He added that he would check with staff to see what the level of interest is.

Member Brownrigg suggested taking this issue to the Zero Waste Committee to see if the Agency as a whole wants to spend time and money to be forensic about where our material is actually ending up.

Public Comment from Ricki McGlashan. She commented that she didn't know that Recology was contractually bound to take plastics 3-7 even though they couldn't be recycled. She asked when there would be an opportunity to change that language in the contract or update the website so that there could be less confusion from a consumer's point of view.

Executive Director La Mariana noted that staff is reluctant to make changes like this in the Franchise Agreements, because markets do change, and we don't want to give residents mixed signals if things do change. So, we work towards finding legislative and market solutions to find better uses for the material that is being widely used in packaging but isn't recyclable.

Vice Chair Bonilla added that the item discussed at agenda item 11A – the California recycling and Plastic Pollution Reduction Act - is designed to change the production of plastics so that manufacturers and producers won't be able to place their materials into these kinds of plastics, which will have an impact on the market. He asked if this legislation was aimed at not allowing non-recyclable plastics to be produced.

Executive Director La Mariana noted that his understanding was that if passed, it would give jurisdiction to CalRecycle to define what is and what is not recyclable meaning does it have a market to go to.

Dan Domonoske noted that this legislation would force plastics producers to have truth in advertising by not allowing the petrochemical companies to put the recycling symbol on non-recyclable products. He also added that this legislation will force some producer responsibility, so he thought it was a move in the right direction. He noted that he thought CalRecycle's statewide commission on recycling would also be making some positive changes going forward, but that the Agency's approach to go slow when responding to market changes is consistent with many other agencies.

Public Comment: Ricki McGlashan still thought the website should be updated to reflect the current state of recycling, so that more residents were aware that even though plastics 3-7 are accepted they are being put in the landfill because there is no market for them.

Vice Chair Bonilla asked staff to put language on the website indicating that plastics 3-7 are not being recycled.

Executive Director La Mariana noted that staff could modify the language on the website to reflect the current market reality.

Staff Au noted that at RethinkWaste.org there is an FAQ page that includes this information, but they could think through the organization of this to make it easier to find.

Staff Gans added that the states of Maine and Oregon recently passed extended producer responsibility legislation to charge packaging producers the cost for handling those items when they are disposed of, so if they're not recyclable they are taxed. A lot of states are watching how these programs get implemented, as it is complicated. He noted he would send articles on this after the meeting.

Public Comment: Ricki McGlashan asked if the Recology website could be updated with this information as well.

Mike Kelly noted that Recology is open to updating their website as well.

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

- A. 2021-2022 Finance and Rate Setting Calendar
- B. Technical Consulting Contracts: June – October 2021

Member Froomin commented that it was concerning that there's so many sole source contracts on the list, and that usually sole source is not the most efficient or least expensive way to do business because there is no competition. He wanted to make sure that staff is writing scopes of work in a way that maximizes the ability for competition.

- C. Check Register Detail for September 2021
- D. 2021-2022 Meeting Planning Guide

Chair Aguirre asked if staff has looked at the meetings for 2022. It was noted that the 2022 Board Meeting calendar was approved as part of Consent earlier today, and that agenda item 12D had all of the 2022 Board and Committee meetings listed.

**13. Board Member Comments**

**14. Adjourn 4:03PM**