

MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS**

January 27, 2022– 2:00 p.m.

Via Zoom Tele or Video Conference Only

Call to Order: 2:00 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.**

Mike Kelly, General Manager of Recology San Mateo County, thanked the SBWMA staff for their assistance in getting the message out regarding the impact of COVID to their work force. He noted that Recology is still experiencing driver shortages, but it is improving slowly. They continue to work extra hours and on Saturdays to service the SBWMA service area and collect trees and thanked the Board for their patience as they work through these issues.

Chair Aguirre thanked Recology for connecting with their customers and getting the word out about what is going on.

Member Hurt asked if it was possible to extend an extra week of pick up for Christmas trees.

Mike Kelly answered yes, that they will pick up Christmas trees when they see them throughout the year, but that he would talk to operations about having some satellite routes continue into the first week of February.

Member Froomin commented that the drivers of the trucks are normally in the truck alone, and he wondered if the workers were asymptomatic, or having symptoms.

Mike Kelly answered that all Covid scenarios are occurring, from close contact to actual symptoms, but Recology is following the County guidelines.

3. Executive Director's Report

Executive Director La Mariana welcomed everyone to the meeting and made the following announcements.

- There has been a change at the Board level in SBWMA Leadership. He recognized Board Member Davina Hurt for her service and advocacy supporting RethinkWaste, who is stepping off the RethinkWaste Board, and this will be her last Board meeting. Council Member Tom McCune will be stepping onto the SBWMA Board representing Belmont.
- This year 8 of 11 Board Members are either serving as either Mayors or Vice Mayors. This is an extraordinary level of commitment to our communities and our agency is grateful for their efforts.
- Staff Member Joanna Rosales-Jose has been promoted to a Program Manager I position.
- Staff Gans' office has been relocated to Shoreway, so now he will be home based at the Shoreway facility. He also explained that there has been some shuffling of offices at the RethinkWaste office to make more space, to add Covid safety precautions and to have an on-site presence at the facility.
- He thanked Recology for their collaborative efforts in getting the word out about their COVID-Omicron-related staffing shortages, and noted that the letter that went out was very well received - he received positive calls from Board and TAC members and members of the community.
- He announced that there has been a change in leadership at Recology San Mateo County. Mike Kelly has accepted another position at the South Bay Recology division (based in Morgan Hill/Gilroy) and introduced Evan Boyd has been assigned as the General Manager of Recology San Mateo County as of February 7. He also noted that Carl Mennie has been promoted to Regional Group VP of Recology and will be part of Recology San Mateo County's senior Management team.
- The Shoreway Operations RFP deadline was earlier this month, and there were multiple responses to the solicitation. He noted that there will be a very significant cost increase, it is quite clear that the market has shifted. He reviewed the evaluation, selection, negotiation and contract award timeline, and noted that staff is still targeting to have a recommendation to the Board at the September 2022 Board meeting.
- February 24 the next Board meeting, which will be the annual Board/TAC retreat, and he asked Board and Committee members to block out 12N to 4PM.

Member Hurt thanked the Board for the hard work that they are doing and noted that she has enjoyed her time on this Board. She also noted that it's been a difficult few years, and there are challenges ahead, including electrification, the needed evolution in recycling, and keeping rates palatable for people. She closed by noting that she will be working on behalf of all the member agencies at the California Air Resources Board (CARB).

Mike Kelly thanked the Board for being so collaborative during his time in San Mateo County and noted that even though there will be a new general manager, the San Mateo County team is still in place, and thanked the Board for helping him grow, and with Evan Recology is in a great spot.

Member Brownrigg thanked Mike Kelly for being a great partner at Recology for the last 5 years. He also thanked Board Member Hurt for her instrumental and courageous leadership.

Executive Director La Mariana noted that with Member Hurt leaving the Board there will be a vacancy on the Zero Waste Committee, and if any Board member is interested in joining the Zero Waste Committee to email Joe or Chair Aguirre.

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 18, 2021 Board of Directors Meeting
- B. Resolution Approving the Audited Financial Statements for the Six-Month Period ending December 31, 2020
- C. Resolution Approving the SBWMA Investment Policy for 2022
- D. Resolution Approving Contract Amendment #1 with HFH Consulting not-to-exceed \$96,970 for SBWMA Operating Agreement RFP Technical Support
- E. Resolution Approving the Acceptance of the remaining \$500,000 Grant funds from the County of San Mateo for the SBWMA's Organics-to-Energy pilot program's Organics Extrusion Recovery System (OREX) Mechanical Processing System
- F. Approval of Quarterly Investment Report for the Quarter Ended September 30, 2021
- G. Resolution Direction 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: Hurt/Bonilla

Roll Call Vote: 11-0-0-0

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 SBWMA Board Officers for 2022

Counsel Savaree introduced the item and invited nominations for Board Chair for 2022.

Vice Chair Bonilla nominated Member Aguirre to serve a second year as chair, Member Rak seconded the nomination.

Roll Call Vote: 11-0-0-0

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								

Member Rak nominated Vice Chair Bonilla to serve a second term as Board Vice Chair. Member Groom seconded the nomination.

Roll Call: 11-0-0-0

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 Fourth Amendment to the Executive Director’s Employment Agreement

Counsel Savaree introduced the item and highlighted the changes to the Executive Director’s contract that would include: 1) Amend salary to \$219,390 annually, 2) a onetime \$10,000 bonus and 3) to allow the Executive Director to cash out 50% of accrued sick leave upon separation from the agency in alignment with the employee policies of the Agency.

Motion/Second: Froomin/Abrica

Roll Call: 11-0-0-0

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								

- C. Introduction of an Ordinance to amend SBWMA Ordinance NO. 001, Informal bidding and award procedures for public projects, in accordance with the uniform public constructions cost account procedures to increase public project bidding threshold to the amounts authorized under California public contract code section 22032

Counsel Savaree gave an overview of the cost accounting ordinance which has been in place for many years but needs to be amended to align with California public contract code.

Motion/Second: Royce/Froomin

Roll Call: 11-0-0-0

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								

Second reading will come to the Board in February along with changes to the purchasing policy.

6. Collection and Recycling Program Support and Compliance

- A. Resolution Approving a Two-Year Contract with SCS Engineers for \$685,000 for Non-Franchised, Mandated Senate Bill 1383 Support Services for FY2022-23 with optional one year extension for FY2024

Staff Carter gave a PowerPoint presentation highlighting the background and the need for this contract to support SB 1383 requirements that are not part of the Franchise Agreements.

Executive Director La Mariana explained that staff’s recommendation to go out for an RFP for these services was based on their research that what Recology was proposing for costs related to implementation of these services appeared to be significantly out of alignment with the rest of the industry. He added that Recology is a valued partner and will be expected to still be an important part of these services during their collaborative implementation. He also reemphasized staff’s excitement about former City of San Mateo Solid Waste Programs Manager and former TAC Chair, Roxanne Murray, joining the SCS team for this contract.

Vice Chair Bonilla commented that the SBWMA will be in really good hands if Roxanne Murray is working with SCS on this project, and he supports staff recommendation.

Member Froomin expressed concern that this contract is time and materials based and not flat rate, noting that flat rate is easier to budget. He asked how many time and material based contracts has the agency had that have gone over and need to be amended and increased costs.

Executive Director La Mariana answered that the agency has favored time and materials contracts as it puts the burden on staff to manage them smartly. There have been very few contracts being modified for going over and it's typically because something has changed in the scope, and many where the final billables are actually under the not to exceed number.

Member Froomin noted that the price per year in the contract is \$399,569 but noted that the approval of the two-year contract is \$685,000, and that simple math says that the contract amount doesn't balance.

Executive Director Joe La Mariana and Staff Carter answered that there will be a heavier burden in the first year, and staff expects that to scale back in year two. There will be a heavier burden on the consultant in the first year as they manage waiver requests and work with Recology to scope out what the partnership looks like to comply with the law.

Member Froomin asked for clarification on what the contractor will do versus what staff will do in regard to the task – assist with waiver management.

Staff Carter answered that under the SB 1383 regulations, the actual approval of the waiver cannot be delegated to a private third party. So, through the MOU the member agencies have delegated this responsibility to the SBWMA. SCS will provide research and analysis on the waiver requests before submitting a recommendation to RethinkWaste.

Member Froomin asked for clarification around the twice per year audits that are required and the 5,000 bin audits in the scope.

Staff Carter noted that he would review the language and get back to Member Froomin.

Member Froomin commented that he wants to make sure that the SBWMA is responsible for monitoring and managing the bin audits to ensure that this process is in compliance with the law, and any additional audits requested by the contractor are approved by staff to determine the need for additional auditing.

Motion/Second: Rak/Bonilla

Roll Call: 11-0-0-0

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 RFP to Solicit for Technical Design Services Contract for SBWMA Shoreway Site Optimization Plan

Executive Director La Mariana gave an overview of the staff report noting that the Shoreway site has had heavy use every day since 1982, and every year there are more state mandates and environmental regulations, in addition to agency operational goals, and the site is increasingly space constrained. Therefore, the purpose of this site optimization study is to clarify what the agency's needs are and identify and maximize the operational attributes of the Shoreway site.

Member Brownrigg noted that sometimes it feels like all the board does is hire contractors, so he reminds himself that it is a very small management team that sits on top of very large contractors. Very often consultants are needed because there just isn't a big staff, so he supports this work. He also added that this agency needs more space to reach its goals to lead the state, so the space need is going to need to be justified with the County, and this report will help do that.

Member Abrica is now absent

Member Froomin expected the contractor to look at the site through this study into the distant future as best as possible.

Motion/Second: Brownrigg/Hurt

Roll Call: 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. Resolution Approving Contract with Common Goal Consulting Group not-to-exceed \$55,000 providing Technical Project Management Services in FY2022-2023 to Develop a SBWMA Shoreway Site Optimization Study and Design Development

Executive Director La Mariana noted that 7B directly ties to 7A, the model for our agency has always been to have a lean staff, and to look into the marketplace when we need to flex up, so staff is recommending that Common Goal Consulting Group project manage the Site Optimization project and its RFP process.

Motion/Second: Groom/Royce

Roll Call: 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								

- C. Resolution approving contract with Anergia for three-year OREX Press System Maintenance Agreement for FY2022-FY2024 consisting of 1) annual service intervals not to exceed \$74,093.74 parts and labor and 2) \$78,036 for quarterly maintenance inspection and calibration (July 1, 2022 through December 31, 2024)

Staff Gans gave an overview of the staff report and overview of the contract to be approved.

Member Froomin noted that 42% of the costs of the inspections is related to travel, and he hoped the costs could go down if the company grows and develops a local office. He wondered if there was a possibility of the company to contract with a local contractor.

Staff Gans noted that he had asked the company to only charge for half of the travel costs, assuming they would have other customers to visit, he said the Anaergia has agreed assuming they have other customers to visit, so they are growing and he thought they would get there, but they wanted to protect themselves in this proposal.

Motion/Second: Groom/Rak

Roll Call: 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								

- D. Resolution to Authorize Granting Authority to the Executive Director to Enter into Contracts for MRF Wall on an Emergency Basis for an Amount Not to Exceed \$250,000 without Further Competitive Bidding

Staff Southworth explained the history and market challenges of the MRF wall repair work to date that needs to be completed as soon as possible, noting the LEA has flagged this at the highest level of violation, and their next level of violation would be to revoke the operating license. Material is being stacked too high and is spilling over the wall, and thus material is ending up outside the building. Staff put this work went out for RFP in summer of 2021 and no bids were received. So, staff is now recommending breaking the project up into prefabricated units, so this portion of the work can be done off site, and within regular hours and cause minimal disruption to the MRF schedule, as well as outside the normal RFP process to allow for this work to be completed as quickly as possible due to the current LEA violations. It is our hope that this action will make the work more attractive to technical service providers to complete this project.

Executive Director La Mariana added that the facility is handling more material that had been envisioned 12 years ago when the MRF was designed, and that is why the material has been stacked too high and has caused the material to spill over outside the building. He noted that the space constraints are on the list for the site optimization study.

Chair Aguirre noted that she was concerned about the fact that a wall was coming down due to using the facility in a way it was designed to be used and wanted to make sure operations were occurring within the limited space available to not ruin what is already there.

Member Rak noted that he felt like this problem that needs to be fixed which shouldn't have been a problem and wondered how much staff knew about the damage.

Executive Director La Mariana commented that staff has been working on this for over a year. An engineering design firm was hired to design a fix to the problem before it was as bad as it is now, and that took longer than expected because of the pandemic, then there was the RFP process which resulted in no bids. So this has been going on for some time, and staff has been in contact with SBR throughout and both our staff and SBR are collaborating to find a solution.

Staff Southworth added that part of the design work for the repair will allow SBR to put piles a few feet higher without damaging the wall.

Member Froomin asked that language be added to the forthcoming Operations Agreement that if the operator sees that they are reaching capacity regularly they notify staff before there is a problem, and if not they are financially responsible for damage done to the building if this were to happen again in the future.

Vice Chair Bonilla commented that he agreed that the financial responsibly of fixing damage caused to the building by operations should be in the operations agreement.

Motion/Second: Froomin/Groom

Roll Call: 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. Public Education Outreach and Legislation

- A. Resolution Authorizing the Executive Director to Execute a Contract with FinalOption Corp dba Pacific Printing for Printing and Mailing Services in 2022 not to exceed \$165,000

Staff Au gave an overview of the staff report, and that this resolution would allow staff to work with a single mailing house throughout the year, and not have to come to the board for approval of each mailing.

Member Dehn asked what percentage of single-family residences don't have compost.

Staff Au thought that number was just under 1,000 (out of about 92,000).

Vice Chair Bonilla noted that he has worked with Pacific Printing, and noted that they are a sustainable employer in San Mateo County who provides Union jobs.

Motion/Second: Bonilla/Taylor

Roll Call: 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 Public and Environmental Education Recap Report

Staff Au introduced the item, and the education and outreach team, and several members of the team gave a PowerPoint presentation recapping the 2021 public outreach and environmental education activities of the agency.

The board members enjoyed the presentation, games and songs displaying all the work the education team is doing.

Member Froomin commented that door hanging projects could be given to service organizations as service projects or a fundraising opportunity.

9. Informational Items Only (no action required)

- A. Legislative Session Update
- B. 2022 Finance and Rate Setting Calendar
- C. Check Register Detail for October, November and December 2021
- D. 2022 Meeting Planning Guide

10. Board Member Comments

Member Brownrigg commented that he and Vice Chair Bonilla visited the bio-plastics company Fully Circle Bii Plastics that is a potential client for RethinkWaste, and it was a very exciting opportunity to see a lot of organic waste converted into plastic that actually breaks down to organic material.

11. Adjourn 3:49PM