



MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
 MEETING OF THE TECHNICAL ADVISORY COMMITTEE
 September 8, 2022 – 2:00PM.
 Via Zoom Tele/Video Conference

Call to Order: 2:01PM

1. Roll Call

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				

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 Report

Chair Lorenz welcomed the newest TAC member Mary Morris-Mayorga representing Menlo Park to the committee.

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

- He went over the fall to the end of the year meeting calendar and noted that at the September SBWMA Board meeting the board would consider moving to hybrid meetings. If that decision is made, the meetings will take place at Silicon Valley Clean Water and will move to 3PM. As such the TAC meetings will also move to 3PM and be held in hybrid format.
- The operations agreement with the two finalists is winding down, staff has been in negotiations with both parties all summer, and there will be staff recommendation to award the contract at the November 17 Board meeting.

- He noted that with either contractor there will be a significant cost increase and rate impact of at least 10%. He encouraged member agencies to consider raising rates an additional 5% this year to avoid the full 10% or more impact in 2024.
 - Member Brown asked for a further explanation on the rate increase recommendation.
 - Executive Director La Mariana answered that the total step up in the operations agreement costs is 10%, but he is recommending member agencies increase rates 5% this year, and another 5% next year so the full 10% hit isn't coming in one year. He noted that this is only on the operations. Rate impacts on the collection side are in addition to this. He also noted that the main driver in the contract's cost increases is that both proposers believe more staff is needed to run the facility. So, both proposers responses include additional staff. He noted that there will be a full detailed report on these cost increase drivers that will go the Board in November, but that he couldn't share any specific details before then.
 - Chair Lorenz asked staff to provide comparative rate information as they are being asked to raise rates in 2023.
 - Executive Director La Mariana noted that a local rate survey will be included in the September Board packet.

- He encouraged TAC members to talk to their city attorneys regarding the Zolly versus the City of Oakland case. It may have ramifications for setting rates in the member agencies' cities, because it defines what can and cannot be included in utility rates charged by a City.
 - Member Tong asked if there was anything final yet about the Zolly court case.
 - Counsel Savaree answered that it is not final yet, it is being further considered at this stage.

- On September 13 the Finance Committee will meet to discuss setting up a Captive Insurance entity which would allow the agency to self-insure to address the high escalation in insurance costs over the last five years.

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 TAC, 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 June 9, 2022, TAC Meeting
- B. Approval of the 2023 SBWMA TAC Meeting Calendar

Motion/Second: Tong/Lee

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. TAC Review of the SBWMA Report Reviewing the Recology 2023 Compensation Application

Staff Mangini gave a PowerPoint presentation highlighting the 2023 Recology Compensation Application, and an overview of the rate setting process.

Executive Director La Mariana reiterated that RethinkWaste staff is available to attend member agencies' council meetings or study sessions as each member agency navigates the rate setting process, so if city staff would like SBWMA staff present please reach out. He also reiterated his comments from his executive director report regarding bumping up rates by 5 – 6% this year to smooth out the jump in the Operating Agreement costs in 2024.

Staff Mangini continued his presentation and noted that Recology has requested a reimbursement based on special circumstances due to COVID costs. He explained SB114 requiring companies to pay additional sick leave. He noted that this item would be discussed at the Board meeting, but he wanted to bring it to the TAC's attention as well.

Evan Boyd, General Manager of Recology, noted that Recology has made the request for reimbursement for expenses related to the pandemic that weren't considered in the contract negotiations. He explained the expiration dates for CARES Act and the Retroactive California Supplemental Sick Leave (CPSL) passed by the state legislature (SB114). He explained the costs that were incurred and how they are reducing those costs as pandemic restrictions relate.

Member Ramirez asked if all of the CPSL costs were incurred in 2022 and if all of these costs were not part of any other governmental reimbursement.

Evan Boyd answered yes, from January through June 2022, and that there was a mechanism for governmental reimbursement of costs in 2021 that doesn't exist any longer in 2022, which is why the request is larger.

Member Brown asked for an accounting of all the grants and governmental reimbursements requests and a full cost accounting of the difference between costs in 2021 versus 2022. He also wondered if this request falls above or below the 2% threshold set forth in the Franchise Agreements.

Evan Boyd answered that this doesn't exceed the 2% threshold it is purely Covid related.

Member Clark asked for a time period of when these expenses incurred, and how many employees were affected relative to sick leave.

Evan Boyd noted that he would include the number of employees affected in the report that goes to the Board. But relative to the portable toilets they have 190 employees sharing two toilets, so to comply with regulations they needed additional toilets.

6. TAC Review of the SBWMA Report Reviewing the South Bay Recycling 2023 Compensation Application

Staff Mangini gave an overview of SBR's compensation application for 2023. He noted that the indices are very high this year compared to recent years, resulting in a 6.5% increase in SBR's compensation for 2023. He noted that the fuel index was a big driver in the increase, as that index is up 82%.

Chair Lorenz asked for clarification on why SBR's fuel index was 82% higher than last year, while Recology's was up 40% over last year.

Staff Mangini answered yes that is correct, they are using different indices, but both have been confirmed.

7. Update on SB 1383 Implementation

Staff Carter gave the following SB 1383 implementation updates.

- Organics Collection/AB 1826 Action Plan has resulted in more work reaching to generators who needed to be enrolled in organics collection. There has been a huge push to get accounts enrolled. He thanked Mia Rossi and her team at Recology for their efforts on this issue, and 800 new organics customers have been enrolled this year.
- Staff has been working with Ascent Environmental on EARs and 1383 reporting, there are still a few outstanding data points needed from Member Agencies, but the process is moving in the right direction.
- He gave an update on organics capacity planning, noting that he worked very closely with the County to provide CalRecycle specific SBWMA territory information regarding organics capacity and that each Member Agency will be receiving something from Cal Recycle about submitting an implementation schedule. He noted that in the SBWMA service area staff believes that the organics-to-energy program will satisfy the implementation schedule, and staff will provide the Member Agencies with a template to submit to Cal Recycle.

Member Clark asked to make sure the County is included on any emails with Ascent even though Ascent isn't doing the County reporting.

- AB 1985 was the third piece of legislation the Agency co-sponsored in this legislative session. He noted that it has passed out of both houses and is waiting for the Governor's signature. This will stagger out the SB 1383 procurement targets.
- Contamination monitoring protocols have been finalized to meet the SB 1383 mandates. During the middle two weeks of October inspections will take place. Commercial accounts with contamination in their bins will get more hands-on training.
- A large number of generators have been identified as needing SB1383 waivers. SCS is working on efficient ways to quickly and uniformly evaluate waiver requests.

Member Daher suggested SCS use city staff in the waiver evaluation process since they know the sites and may have been there already on that or another issue.

- The complaint form will launch in a couple of weeks to guide the process of complaints and streamline the process.

Chair Lorenz queried if the form could have a way for residents to determine if their complaint does not qualify as a SB1383 report and would take non related complaints to Recology directly.

Staff Carter answered that they are working on the form to guide them to SB 1383 specific complaints, but that staff is expecting to have to field other kinds of complaints as well.

Member Clark asked that when the team is doing the contamination monitoring, can there be a note to look at 32 gallon carts with the 20 gallon insert, because there have been a lot of cases where the insert was removed so the customer was getting a 32 gallon cart at a 20 gallon collection rate.

Staff Carter answered yes, he would make a note.

8. Discussion item to deliver a Site and Optimization Study and Design Development starting point in FY2022

Executive Director La Mariana introduced the item and introduced the staff and contracting partners who worked on this site optimization study. Underlying the site optimization study is that the site has become completely space restrained at this point. In addition to increased staff at Recology and with the new operations agreement the SBWMA team will also need to move on site due to the City of San Carlos not being able to extend the lease for the Agency administrative staff past June 30, 2024. He also noted that in previous discussions there was the possibility of a long-term lease of county property adjacent to the airport. The County has let us know that the property will not be available for long term lease, so in looking at other options there is a possibility of relocating some of the Recology operations off site at West Bay Sanitary District. He then turned it over to the SCS team to walk the committee through 3 possible scenarios.

Tim Flanagan of SCS Engineers gave a presentation outlining the needs of the space and highlighting the 3 identified scenarios for further discussion. He noted that some of the needs of the space include increased parking, a world class environmental education center, covered space for handling ebb and flow of materials when supply chain issues arise, additional space for MRF, organics and transfer operations, improved traffic flow and access to the site and space for staff mentioned before. He also noted that the current layout is insufficient to support the existing regulatory requirements and future requirements.

Executive Director that tours of the back side of Shoreway - the nonpublic facing side - will be available to TAC and Board members to help visualize how space constrained the current operations are.

The committee discussed space for electric vehicle charging. 12 charging stations have been identified to be added to one of these scenarios once it is selected for light duty trucks. 12 is the number that comes from the CARB requirements are, there is not enough space on site to accommodate EV charging for 100% of the fleet. Member Daher expressed concern for private vehicles of employees on site needing to charge while at work not being considered in these scenarios.

Public Comment from Drew asked if there was any public input on this project.

Executive Director La Mariana we haven't had public feedback yet, but as these progresses there will be a formal process to get input from the public. He thanked the team for the presentation and noted he would welcome feedback after the meeting.

9. Contractor Updates

A. Recology

Evan Boyd General Manager gave the following updates.

- The entire administrative team will be back on-site September 12.
- Two changes at the Senior Management level; Sr. Operations Manager is Steve Yugie and Maintenance Manager is Mike King.

B. South Bay Recycling
No Report

10. TAC Member Comments

11. Adjourn 4:12PM