

MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
February 23, 2023– 3:00 p.m.
SVCW 1400 Radio Road, Redwood Shores, CA 94065 OR
Via Zoom Tele or Video Conference

Call to Order: 3:02 PM

1. Call to Order/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 (Closed Session)

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.**

None

3. Executive Director's Report

Executive Director La Mariana welcomed all to the meeting and gave the following updates.

- Meeting locations and times will be changing in the next few weeks. The March board meeting is the annual Board/TAC retreat which will be at Cañada College at 2PM. **The April meeting is likely moving to the to the SamTrans building in San Carlos. The April meeting will be at 3PM, then the meeting time will be at 2PM going forward beginning in May. Please pay attention to the location and start time on future meeting agendas.**
 - Chair Aguirre noted that Cañada is a large campus so be prepared to walk.
- In the last two weeks staff has hosted two orientation tours at the Shoreway facility for newly elected city council members, and newly appointed city staff or the Member Agencies. He thought these were really meaningful events, that assisted in giving newly elected officials an understanding of the structure of the Agency and what we are responsible for, as well as aiding in their future decision-making process when Agency related decisions come to their councils.
- The Education and Outreach teams are currently working on the 2022 Annual report which will be on the

April Board Agenda, as well as planning for an in-person Earth Day and Community Swap event on April 29, so save the date.

- The repairs to 225 Shoreway Road where the Recology staff works are looking to be completed by April. The full cost for repairs plus replacing the massive tunnel pumps, looks to be about \$200,000, and a full report out will be given when repairs are completed this Spring.
- Staff Joanne Nghiem is leading an effort to apply for FEMA reimbursement for some of these costs.
- Last week, Recology submitted their cost proposal for the additional services required under SB 1383. The Board will be reviewing this at the April Board meeting, with the intention of rolling these additional services and costs into the annual compensation application and rate setting process.
- The City of San Francisco has reached out to the SBWMA as they are looking at how to modify the City's compensation model for collection services. They are using the SBWMA compensation process as a model for best practices in public policy.
- The 2,700 solar panels on the Shoreway roofs are being replaced in March. The technology is 12 to 15 years old and they have diminished in their capacity to generate power, so the purchase power agreement is replacing them on their dime. Additionally, staff is asking them for a proposal to add panels to the large maintenance building in the back.
- Cal Recycling is soliciting engagement of SB 54 (Plastics Pollution Prevention). He has asked Hilary Gans to submit his name for placement on the advisory committee that is being assembled.
- The SBWMA has won an Outstanding Policy and Regulatory award for our co-sponsorship of the battery bills from the Household Hazardous Waste/Used Oil Conference. It is a co-award with the other two sponsors of the bill CPSC and CAW.
- Lastly Executive Director La Mariana recognized Tammy Del Bene on her retirement from Recology and presented her with a resolution honoring her service and dedication to Recology and the RethinkWaste service area customers.

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 January 26, 2023, Board of Directors Meeting

Motion/Second: Froomin/Brownrigg

Roll Call Vote: 8-0-0-3

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

No Items

6. Collection and Recycling Program Support and Compliance

No Items

7. Shoreway Operations and Contract Management

A. SBWMA Board Actions regarding the Shoreway Site Optimization Study:

- 1) Review and Accept SCS Engineer's FINAL Shoreway Environmental Center's Site Optimization Study and Design Development Starting Point Findings/Recommendations Report, and

- 2) Review and Approve Staff's Proposal to Retain KNN Public Finance's services in an Amount Not To Exceed the Executive Director's Authority Pursuant to SBWMA's Purchasing Policies to Work with the Finance Committee to Formulate a Recommendation On Feasible Funding Sources for an Anticipated Future Site Master Plan's Capital Improvement Projects

Executive Director La Mariana gave a refresh overview of where this discussion left off in January. The purpose of this project is to plan for more people, more cars, more regulations, more material, more types of material, and back up storage capacity when problems arise at the port. He gave a PowerPoint presentation highlighting the history of the site, current site conditions and concerns, key planning considerations and assumptions, and desired creation of a world class education center on the Shoreway campus. He also noted that it looks like the County is not interested in a long term lease and, while he wants to revisit the Agency gaining access to the adjacent County property with a louder and elevated elected official voice, for now the only option may be the offsite space at West Bay Sanitary District which presents some operational challenges for Recology. He concluded his portion of the presentation by noting that what he hopes the outcome from today's discussion is that the Board accepts the findings and recommendations of SCS Engineers Site Optimization Study and authorize the Finance Committee to enter into conceptual discussions with KNN Public Finance to discuss non-binding financing options, but that any actual breaking ground is at least 5 years out.

Tim Flanigan of SCS Engineers then took over the presentation. He described the three options they developed to meet existing and future needs to identify the best possible use of the 16 acres, and the timeline for each of the three options. Executive Director La Marina added that the timeline goal would be to complete construction by the time the current Recology Franchise Agreements end in 2035.

Member McCune asked what the allowable height is on the site.

Executive Director La Mariana answered up to 85 feet, and there is more allowance on the north end than the south end and there is a flight path zone, so a parking garage that is 3-4 stories is nowhere near that allowance.

Member McCune commented that it might be better to go taller and consolidate construction costs and end up with fewer but taller buildings.

Member Royse commented that staff did a very good job laying out the needs of the future, he asked if this major investment in capital would preclude any further need for major investments like this for the next 20 years.

Tim Flanigan answered given the scope we do think it should be longer than that. The current site has lasted about 40 years. These are permanent facilities so it should be amortized over a 20-to-30-year investment except for any new state mandates.

Executive Director La Mariana added that at this point the Recology fleet is not ready to be converted to EV, the cost-effective technology and scaled production isn't there yet. If, and when, that does happen there will be a significant capital outlay required for charging the vehicles that is not a part of this plan.

Evan Williams of Cambridge Companies, Inc. a subcontractor for SCS Engineers and the architect for this project added the current big critical collection and waste handling elements are good and largely solid. So, they focused on current deficiencies which are only going to get more pronounced over time, like car parking – thus going vertical with the car parking to free up site space. He also noted that the current Recology building is not suitable for putting money into to retrofit for current seismic, energy, and ADA requirements. He noted that new structures should last 30-40 years.

Member Royce concluded that he could tell rate payers that if we spend \$100M now, we don't see a capital outlay like this for the next at least 20 to 30 years.

Executive Director La Mariana noted that tonnage-wise, the facility is currently operating at about 60% of permitted capacity, so there is room for growth of tonnage, and there is also room to add a second shift as well.

Member Brownrigg asked how the options would be affected if the County property could be acquired.

Executive Director La Mariana answered we would pave a proposed parking lot there and remove the parking structure from the plans.

Member Brownrigg asked if the next phase besides going to the Finance Committee to discuss bond options would be to get sharper pencils out on these estimates.

Executive Director La Mariana noted that the report SCS has presented today, marks the end of that project, that's not saying there couldn't be a contract modification to do some value engineering to see if there is a way to bring the price down, but this report is the key deliverable SCS has met.

Member Brownrigg commented that this feels like it's \$95M or nothing, and there hasn't been enough of an effort to value engineer the project. He would like to see staff work harder to bring down the cost and if there is significant savings if the County property were an option, then it makes it more useful to initiate further talks with the County. He noted that he understands the need to modernize, but he wasn't comfortable signing off on this design. He is concerned about the cost benefit analysis when explaining this to rate payers, especially with the interest differential when borrowing from bonds in this financial environment.

Member Loraine asked how the plans for the public recycling center (PRC) compared to the current foot print, and if there are plans to re-introduce buy back options at the PRC.

Executive Director La Mariana noted that the current footprint is considerably smaller than the proposed footprint of the PRC and staff would be open to including a reinstated buy back center in future plans assuming safety considerations can be met. He also noted that staff is also open to add a County household hazardous waste site in to the PRC footprint, which could possibly be used as leverage to access additional acreage from the County.

Member Loraine wondered if technology advances to address waste diversion were included in the Site Optimization Study or if those were separate.

Staff Gans answered that MRF Phase II is money that has already been budgeted to spend money on improving the efficiency of the MRF operation and the recovery of material. It is separate from the Site Optimization because the money is already earmarked for it in the budget.

Member Froomin asked if the operations contracts would look different if an onsite facility for truck maintenance was not offered.

Executive Director La Mariana answered that this was brought up during the RFP process and proposers did bid on the work based on truck maintenance being on site. However, SBI has stated that they have an option for at least some of that activity to go off site. This is a great short term solution during construction, or temporary need, but in the long term if you develop that area for an alternative use, in the next contracting cycle when you go out to bid, it limits your options to only consider companies that can provide maintenance off site.

Member Froomin asked what additional on-going costs there would be to lease the space at West Bay Sanitary District (WBSD) in addition to the \$5M to develop the space. He asked for an analysis of return on investment, if we developed space on site versus leasing space off site.

Executive Director La Mariana answered that main consideration for the WBSD property was to free up space onsite for other activities that are required to be conducted under the solid waste permit. So the trade off is cost to lease versus allowing for space for highest and best use of the property.

Member Froomin thought that given the significant outlay of capital on the WBSD space, and that the space is being initially used for parking and flex space, maybe to save cost that part of the project could be delayed to a later point to see if it's really needed. In option 1 and 1A highlight a risk to meet state mandates, he asked for examples on how going with option 1 or 1A would mean the facility would not meet state mandates, or is this potential future mandates issue.

Tim Flannigan answered that the risk they were trying to identify in the plan is that given the current site constraints the utilization of the property for anything other than state mandated solid waste state requirements represents a risk.

Member Brownrigg now absent 4:34PM

Member McCune commented that based on his experience what is laid out here is not three options, it's one option with a couple of tweaks. He would like to see a wider range of options before moving forward with a decision.

Member Slocum supported Member McCune and Member Brownrigg's comments, he would like to see more options.

Executive Director La Mariana answered that staff will present more options at a future meeting.

Chair Aguirre commented that there is no reason to take action today if the Board is not ready.

Member Dehn commented that conversation to use the WBSD facility has never been brought to the WBSD Board. Both of the directors have talked, but before this Board votes on a plan to move forward, the WBSD board and the City of Menlo Park should be brought into the conversation to be sure this option is feasible before this votes on a favored option for site development.

Executive Director La Mariana agreed conversations have only been at the staff level to date. So, now would be the time to bring it to the WBSD Board.

Chair Aguirre commented that it's hard to see the difference in the three options, so really offering different options at our next discussion would be helpful. She also noted that she would like to re-open discussions with colleagues at the County so that door doesn't close. She asked the Board representative from the County to help staff to see if that property is a viable option. The Board has raised enough concerns today, that staff needs to go back to the drawing board and come back with alternatives. Knowing that there are already additional expenses with new operators and new fleets, and all the expenses that are coming and the way the economy is going it's important to do further diligence so we can in good conscience go to the constituents with these cost increases.

Member Froomin asked staff to look at offsite parking options with a shuttle so that carts could stay onsite.

Executive Director La Mariana closed the conversation by noting that staff would return with broader set of options as well as specific options for other land outside the 16 acre facility.

Chair Aguirre reminded staff to include Board Members in discussions with the County and other land options especially when those discussions are with elected officials.

No Action was taken.

8. Public Education Outreach and Legislation

A. Resolution Approving the 2023-2024 Legislative and Regulatory Platform

Staff Au gave an overview of the staff report and a request to approve the 2023-2024 Legislative and Regulatory Platform.

Motion/Second: Froomin/McCune

Roll Call Vote: 7-0-0-4

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. Informational Items Only (no action required)

- A. Update on EV Fleet Transition
- B. Update on the Status of SB 1383 Implementation and Compliance
- C. 2023 Legislative and Regulatory Update
- D. 2023 Finance and Rate Setting Calendar
- E. Check Register Detail for January 2023
- F. 2023 Meeting Planning Guide

10. Board Member Comments

11. Adjourn 4:59PM