

MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
 BOARD OF DIRECTORS, TECHNICAL ADVISORY COMMITTEE RETREAT
 March 28, 2024– 1:00 p.m.
 Belmont Sports Complex
 550 Island Parkway, Belmont CA 94002

Call to Order: 1:08 PM

1. Call to Order/Roll Call Board Members

Agency	Present	Absent	Agency	Present	Absent
Belmont	X		Redwood City	X	
Burlingame	X		San Carlos	X	
East Palo Alto	2:37PM		San Mateo	X	
Foster City	X		County of San Mateo		X
Hillsborough	X		West Bay Sanitary District	X	
Menlo Park	X				

Roll Call TAC Members

Agency	Present	Absent	Agency	Present	Absent
Belmont	X		Redwood City	X	
Burlingame	X	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 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. 2024 Board, TAC Staff and Contracting Partners Retreat/Strategic Planning Workshop

A. Welcome and Introductions – Board Chair Adam Rak and Vice Chair Michael Brownrigg

Chair Rak welcomed everyone to the retreat and thanked past chair Alicia Aguirre for her leadership in creating an annual retreat for the RethinkWaste Board. He thanked the Board, TAC, Staff, Recology and SBI for their work in keeping these essential services going and gave an overview of the day.

B. RethinkWaste's 2024 Opportunities and Challenges – RethinkWaste Senior Management Team

Executive Director La Mariana gave an overview of RethinkWaste, a big picture snapshot of the agency and operations overview, as well as comparable facilities in the bay area. He also gave an overview of the challenges the Agency is currently facing and expecting to face in the future.

TAC Member Johnson noted that he was curious as to what the Newby Island disposal rate was.

Executive Director La Mariana noted that the number in the slide for Newby Island disposal is what they charge to dispose of the material that gets shipped to them from the organics carts, that is not organics. He also noted the need to clean up that material.

Board Member Aguirre noted that there was nothing on the slide about revenues.

Executive Director La Mariana noted that because we're a governmental agency, the expenses and revenues match.

Staff Mangini then gave a presentation on rate payer value, and the agency's opportunities and challenges with regards to finance. He noted that fiber commodities have been pretty strong over the last few months. \$11 a ton was budgeted and currently the revenue is \$60 a ton, so that is good news so far. He also discussed the new insurance provider the Agency is working with to try and mitigate the current big jumps in insurance costs the agency is experiencing each year. He asked for feedback on how the agency should replenish reserves after using reserves last year to bring down the big rate impact with the transition to SBI, and the reserves being used this year for the underground storage tank project, and the office move.

Board Member Froomin noted that he thought we should have more time to rebuild the reserves since the big jumps in rates wouldn't happen every year.

Board Member Loraine asked if building a reserve was the right question and should there be a targeted number for the reserves.

Staff Mangini explained the difference between the different reserve accounts, and that the reserves need to be built to anticipate some of the capital needs coming in the near future, so it becomes necessary to build the reserves.

Chair Rak asked if recycling revenue could serve as a reserve given that 100% of the commodity revenue is coming to the agency.

Executive Director La Mariana noted that it is a historically volatile source of revenue, so when the markets are down the Agency takes the risk.

Board Member Froomin noted that it will be important to have public-facing reasons behind each of the reserves, to explain why there are both rate increases, and large reserves.

TAC Member Johnson noted that he didn't see the point of building up a rate stabilization reserve if it meant raising the rates the reserve is meant to offset.

TAC Member Brown offered a different point of view noting that a rate stabilization reserve is like a savings account, you put a little in and grow it over time, so when the big double-digit increases come there is savings there to offset the big jumps.

TAC Member Henry commented that replenishing the rate stabilization fund right now when we're still recovering from using that fund, then when things stabilize before building it back up.

Board Member Brownrigg thinks of the rate stabilization fund as a rate smoothing fund to smooth out the big spikes in cost increases and build it up over time to be ready for the next spike made sense.

Member Loraine commented that he felt the need to keep the difference between the reserves separate for public discussion so that reserves for capital projects are separate from the reserve meant to smooth rates.

Member Brownrigg commented that it's always important that we as elected officials ask the question, is the agency providing high-quality service for the best possible price, and that should be the basis for our expenditure decisions.

Staff Au then gave a presentation on opportunities and challenges with outreach, education and compliance. She asked for feedback on whether the leadership prefers larger awareness campaigns or more targeted outreach, and for feedback prioritizing the need for program work with the growing demand for tours with limited staff, as well as the in-schools program which can't grow in its current form.

Chair Rak recalled from the presentation on the schools' program at a previous board meeting, that the program has a significant impact on diversion at schools and focusing on programs that have the biggest impact makes sense. He also suggested working with the member agency cities to make sure the compost bins are in all the parks and downtown areas.

Board Member Loraine suggested offering more virtual tours spaced out specifically away from the in-person tours, which would hopefully help with the demand for the in-person tour. He also liked larger campaigns that could potentially lead to millions of impressions on YouTube or other social media platforms.

Board Member Froomin commented that return on investment when it comes to outreach is the most important driver, and to focus outreach in the areas with the lowest diversion (i.e. multi-family). He also suggested potentially offering a self-guided tour of the facility, as a way to minimize the impact on staff's time. Lastly, he noted that focusing on legislation that would make diversion easier, and a national standard for bin colors.

Board Member Brownrigg asked staff to focus on the key performance indicators for outreach, to know where the impacts are, and report those back to the board to justify budget.

Staff Gans then gave a presentation on the Shoreway facility opportunities and challenges. He asked should the agency be spending political will to try and make the organics-to-energy program grow or was the pilot an experiment that worked and we move on.

Board Member Aguirre asked what is political about it, and what are the best practices, is this an industry-wide movement or a one-off that is nice to have.

Executive Director La Mariana answered that it's the economic piece that is political at this point, the technology was proven during the pilot. In order for it to work financially for the agency it has to be revenue neutral compared to organics processing, so we need to find a cost structure that works on both sides.

Staff Gans added that Silicon Valley Clean Water is charging double what Central Marin is charging, but it costs more to truck the material to Marin than it does to tip the material, so staff would love to have a local partner in the same cost range as Marin. There is also political will around the commitment to the program as well. RethinkWaste needs the wastewater treatment plants to commit to this operation and take the material they say they are going to take every day.

TAC Member Mello asked if it might be possible to lease the pilot equipment to another jurisdiction, where they are already doing this project successfully.

Staff Gans said it's possible, but the wastewater treatment plants would still need to commit to taking the material, and it would get tricky to contract the operation of the equipment with the unions, but it is possible.

TAC Member Johnson asked staff to do more analysis, because Cal Recycle is encouraging this type of energy creation.

C. **Contracting Partner's 2024 Opportunities and Challenges – Recology and South Bayside Industries**

General Manager of Recology San Mateo County John Zirelli gave a presentation on Recology's collections operations based at Shoreway. Followed by Dwight Herring, General Manager of South Bayside Industries, who gave a presentation on the operation of the Shoreway facility.

Member Froomin asked if car stackers in the large vehicle arena to help maximize space exist. And he asked if might be possible to decentralize the trucks so that the trucks were closer to their routes. He suggested offering assistance and incentives for employees who carpool.

D. **Long Range Plan 2024-2034 Kick Off Session – Associate Engineer Joanne Nghiem/Executive Director Joe La Mariana**

• **Proposed Mission Statement/Guiding Principles**

Facilitator Eileen Goodwin lead a discussion on the proposed mission and vision statements based on feedback from last year's Boart/TAC retreat.

Executive Director La Mariana noted that the mission statement is the guide of the agency's day to day work doing what we do, and the vision is more aspirational, where we'd like to see the agency go.

Board Member Dehn challenged staff to rethink the name RethinkWaste, noting that she thought it didn't match the mission and vision and she thought it was too passive.

Written feedback was given from members in attendance was received as follows:

Mission statement revision suggestions included:

- Eliminate the "how" suggested "To implement innovative, cost-effective waste reduction and recycling programs for our Member Agency communities."
- Should include compost/organics in the mission statement.
- Should include regulatory compliance in the mission.

Vision Statement Suggestions Included:

- Preserve and enhance the quality of life and the environment for our member agency communities to create an affordable and sustainable zero-waste future.
 - Our vision is not to create programs, our vision is a zero-waste future.
- **Long Range Plan Development/Agency Programs**
 - **Facility Operations Future Planning**

Executive Director La Mariana and Staff Nghiem gave a presentation outlining the process of developing the long-range plan and planning for the future of the facility.

Board Member Froomin commented that board members will change with the election in November, so the current membership who will give feedback on the plan's development won't be the same group that approved the plan in February, so he encouraged staff to have the final plan at the end of the calendar year before the election.

Board Member Aguirre agreed and noted that the plan needs to be easy to understand for a new person coming to the agency with little or no knowledge. She also wanted yearly check-ins to see if what we said we would accomplish is actually accomplished each year.

Chair Rak suggested yearly milestones being included in the plan and adding a long-range plan annual report benchmarks each year.

Staff asked for feedback on whether staff should pursue a bond approach with rate increases for funding projects identified in the long-range plan.

Board Member Brownrigg suggested not worrying about how to pay for something before deciding what to build. But he noted that he has little sympathy for spending money to make space for single occupancy vehicle parking and noted the need to reduce the number of cars coming to the facility.

Board Member Romero agreed that reducing the number of cars that our employees drive should be a priority. He also noted that bonding thresholds are likely to change over time, but, agreed that deciding what to build should come first.

Board Member Nash commented that EV regulations would change multiple pieces of the site plan, and she wondered if migrating to EV sooner rather than replacing the underground fuel tanks this year could save money in the overall long term.

Executive Director La Mariana noted that the zero emission vehicle regulations are a huge caveat to this discussion, which is a big unknown. He noted that staff hears the need to reduce cars at the site, and he is willing to collaborate with the contractors on staggering shifts and carpooling to a point but knowing that site is a bit remote with big trucks on the roadway presents challenges.

Board Member Froomin noted that staggered shifts do not encourage carpooling.

TAC Member Henry suggested focusing on improvements that will lower operating costs to offset inflation for the rate payers.

The group was asked to give feedback on how to balance the current and urgent need for site optimization with the uncertainty of pending legislation.

Board Member Nash noted that any long-range planning document needs to address climate issues, there are questions technically and legislatively that we may not be able answer, but the issues aren't going away, so the long-range plan needs to focus on addressing climate issues.

TAC Member Johnson asked what staff's plan for understanding what the legislative drivers are going to require of the site.

Executive Director La Mariana answered that there is a category of projects we have a high degree of confidence in based on the operational needs of the facility. Then there is a category of projects that are still developing, and zero emission vehicles seems to be the driver. So, the plan is to focus on the first category, while the second category becomes clearer in the next few years.

Board Member Froomin there is a lot of public support for zero emissions vehicles without a lot of understanding of how much they cost, he thought that as the public becomes more aware of the cost implications regulations may change at the state and federal level. He also noted that when discussing site optimization, the goal should be diversion. And if moving trucks off site gave the opportunity to increase diversion, that should be prioritized.

Kayla Robinson, EEC Lobbyist for RethinkWaste noted that the state government is clear on timelines on zero emissions vehicles and is not baking down right now. The questions arise around technology and where will be in five years and the costs associated with the technology.

Board Member Aguirre suggested an employee parking survey to find out how far they are commuting, and what their needs are. She suggested offsite parking with a bus. She added it won't happen if it's not easy for them.

Member Rak commented that working with Sacramento to understand what's changing and when from a board/political perspective makes sense, and also engaging with the County to leverage political relationships for more space.

TAC Member Lorenz commented that the agency has to move forward, things are always changing and if we wait for regulations to change nothing will get done.

Board Member Loraine commented that clarifying the agencies mission/vision is fundamental in determining which ways to move forward, and he thought increasing political pressure and having the elected board members involved in lobbying could move the needle in various ways.

Kayla Robinson noted that the contractors also have to make decisions as well, they have to comply with the law whether or not the Agency is ready.

Dwight Herring noted that for SBI it's not as difficult for Recology, it's just 3 trucks to be in compliance.

John Zirelli and Carl Mennie noted that there is some flexibility, but Recology is not the owner of the property, so partnership is required to make zero emissions vehicles work.

Board Member Froomin asked if zero emissions vehicles meant electric vehicles.

Executive Director La Mariana answered not necessarily, and that's one of the fundamental challenges in making this decision, but the collection truck manufacturing infrastructure has been focused on electrification. That said SamTrans is bringing in hydrogen-based fleets, so there are other options out there. However, there needs to be some direction to move forward, or it causes decision paralysis.

Staff Nghiem noted that the long-range plan would be a planning and guidance document “where does the agency want to go in the next 10 years.” And would be a component of the much larger masterplan providing a road map on how to get there. She asked if there should be a steering committee for the master plan and if yes who should be on the steering committee.

Board Member Brownrigg asked for clarification asked if the steering committee would be for the long-range plan.

Executive Director La Mariana answered no, once the long-range plan is adopted, a master-plan work plan with steering committee would be put in place to upgrade the facility.

Board Member Aguirre commented that master plan and long-range plan are too similar, so the master plan needs to be called the facilities plan so it's less confusion. She asked why the steering committee would exclude elected officials.

Executive Director La Mariana answered that no decisions have been made, but the thought was to go to technical staff first then lead into the Board discussion.

Chair Rak noted that checking in with the Executive Committee regularly if the elected officials are not on the steering committee.

Member Dehn noted that resource allocation was left out of the discussion today. Including, land, contractors, employees, legislation, land, etc.

Members expressed some confusion about the sequencing of the long-range plan versus the master plan and when the decisions would be made.

Generally, the room agreed that at least the executive committee should be on the steering committee, it shouldn't just show up on a board agenda to make a decision, which was too late in the process. They also thought they didn't need to make a decision now about who should make up the committee.

They left the retreat noting that the two plans needed completely different names, more definition of structure, more crossover between who is working on which document so that there is less confusion.

Chair Rak closed the retreat noting that this agency has a lot to tackle, and to figure out how to structure all the work so it makes sense. He noted that it's going to take working together to get it done.

4. Adjourn 4:14PM