

MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
 MEETING OF THE BOARD OF DIRECTORS
 April 25, 2024– 2:00 p.m.
 San Mateo County Transit District Offices
 1250 San Carlos, Ave. San Carlos, CA 94070

Call to Order: 2:00 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 (2:29PM)		West Bay Sanitary District	X	
Menlo Park	X				

George Otte, Alternate Board Member for West Bay Sanitary District served as the representative. Member Royse representing Hillsborough participated via teleconference.

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. Executive Director's Report

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

- He invited everyone to the Agency's Earth Day Celebration at Shoreway on Saturday April 27 from 10AM to 2PM.
- He gave the following staffing updates:
- He introduced Reagan Chung joined the agency on April 8 as the Recycling Compliance Program Manager and will be working on SB 1383
- Staff is interviewing candidates for the Administrative Associate role beginning next week.
- He gave an update on the office buildout project and invited members to tour after the board meeting.
- He encouraged Board and TAC members to follow RethinkWaste on social media.
- He noted that following up on the retreat discussion he met with his counterpart at Silicon Valley Clean Water regarding next steps for the Organics to Energy program, and there is willingness on the part of both agencies to get that going again, and he will report out on the progress as they work through next

steps.

- Upcoming Board Meetings
 - Not planning to hold a May Board meeting.
 - The next meeting will be in June.
 - The September meeting will be 2.5 hours because there is no July or August meeting.
 - November's board meeting will be on the third Thursday and will be preceded by our annual Board thank you lunch, and staff is planning to have that meeting in the new administrative offices.
- SB 54 is currently in it's rule making phase and comments are due May 8, and he will update the board as rule making progresses.

Member Brownrigg asked how this agency should comment on SB54.

Executive Director La Mariana noted that we're submitting comments as an industry at this time because it's still big picture, there will be other comment periods later on in the process at which point we will engage the legislative committee and the board on these comments.

Staff Au noted that there will be a letter sent that will be sent on behalf of the Agency that will be discussed at the legislative committee.

Member Brownrigg commented that residents care a lot about getting plastic out of the environment, so it's important that this issue continue to be driven by listening to the rate payers.

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 February 22, 2024 Board of Directors Meeting
- B. Approval of the Minutes from the March 28, 2024 Board/TAC Retreat
- C. Resolution Approving a contract amendment number one with Ascent Environmental to add San Mateo County's Franchised Areas to the CalRecycle Electronic Annual Report preparation for a total not to exceed amount of \$126,000.
- D. Resolution Authorizing the Execution of a Two-Year Contract with The City of Redwood City for Finance and Accounting Services
- E. Resolution Approving Appointing Board Member Betsy Nash to the Public Education and Outreach Committee
- F. Resolution Approving of Sale of SBWMA Owned Surplus Trailers
- G. Approval of Quarterly Investment Report for the Quarter Ended December 31, 2023

Agenda Item 4D was pulled from consent for discussion.

Motion/Second: Froomin/Brownrigg (Items A, B, C, E, F & G)

Roll Call Vote: All in favor 9-0-1-1

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								

Agenda Item 4D discussion:

Member Froomin noted concern that the opt out notice in the contract for financial services was only 30 days, and he thought the contract opt out should be at least 90 days to give us a better opportunity to find a qualified replacement.

Staff Mangini noted that he didn't see any issues with requesting that language change in this contract as it wouldn't begin until July 1. Staff will reach out to RWC and request this change.

Member Froomin made a motion to approve item 4D with the changes relating to notice period opt out as discussed.

Member Loraine seconded the motion.

Roll Call Vote: All in favor 9-0-1-1

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								

5. Administration and Finance

- A. Administration Office Tenant Improvement Project Update, and Resolution 2024-13 Allocating an Additional \$38,000 to the Project Contingency Fund for Change Orders and Authorizing Contract Amendment No. 1 in the Amount of \$14,500 With Gelfand Partners Architects for Additional Design Services Associated with Bid Alternates 1 and 2

Executive Director La Mariana explained that Foundry Construction is performing the construction, and Gelfand is the design architect. He noted that there were some items flagged during the planning and permitting process phase that were unanticipated, and because they were unanticipated, they were not budgeted.

Rob Kalkbrenner of Common Goal Consulting, the project manager for this project gave an update on the status of the project, the budget, and explained the need for a contract amendment related to design, and increased contingency for construction as well as next steps for construction.

Member Nash asked if the HVAC system was going to be a heat pump system.

Mr. Kalkbrenner answered that it's all electric and one of the issues is the right size because there are two different zones.

Member Romero commented that he is concerned that the entire contingency is burned through already, and only 50% of the project is complete, and it's costing us significantly more than what was originally projected, and hopes that they aren't any additional requests for contingency because if he looked at the analysis now, it isn't as optimal as it once was. He also noted that it is small and not ideal, but it is good to own our own space, and he hopes that staff can keep these costs down as the project progresses.

Chair Rak asked if staff is feeling confident that there won't be any additional requests for funding.

Mr. Kalkbrenner noted that he's confident, because even though only 50% of the construction is completed 40 submittals and 31RFI issues have been worked through, and he didn't see the need for any additional issues going forward.

Executive Director La Mariana commented that early on there were some unexpected costs that needed to be added to the project, and addressed, but staff now feels the core phase of the project has been reached and is well specked out, so no additional costs are foreseen. He acknowledged Rob Kalkbrenner for his efforts in representing the agency in these negotiations and pushing back on a number of cost items, which have resulted in significant savings for the agency, because staff is very mindful of budget.

Member Froomin asked for clarification noting that with the change orders that exist and are expected with this contingency amendment, there will be no contingency left. That means there will be no contingency left for anything that's left if any unexpected costs come up in the second half of the construction.

Mr. Kalkbrenner noted that he feels like what is being presented is worst case scenario, but that Board Member Froomin was correct it doesn't account for any other change orders.

Member Loraine asked for clarification around why bid alternates were not included in the design.

Executive Director La Mariana commented that there were 4 options requested in the bid processes, when the responses came in two of the four were eliminated by staff due to cost. The other 2 were approved when the contract was awarded. These extra costs are related to changes that were required by the City of San Carlos during the permitting process, don't have to do with the bid alternates.

Motion/Second: Aguirre/Froomin

Roll Call Vote: 9-0-0-2

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 Allocating Funds for the Purchase of Furniture, Fixtures, and Equipment for the SBWMA Administration Office Tenant Improvement Project in a not-to-exceed amount of \$237,402, and Authorizing the Executive Director to Execute Purchase Contracts

Rob Kalkbrenner gave an overview of the staff report, noting that the interest is to reuse as much of the furniture as possible, and if not then purchase used furniture as much as possible, and this represents maximum for furniture, but does not include any audio-visual equipment for meetings which will be a decision item at the June meeting. Lastly, he noted that this expenditure would have been the case whether moving to this owned space or a different leased space.

Chair Rak asked for clarification that some of the current furniture may be reused if it can be, so this is worst case scenario.

Mr. Kalkbrenner answered yes.

Executive Director La Mariana added that staff is being aggressive about what we're bringing over including cabinetry and shelving, and this represents the delta.

Member McCune asked what the cost per square foot.

Member Romero noted with the construction is \$750/square foot.

Member Nash asked staff to put out a press release when this is complete about how RethinkWaste reuses.

Executive Director La Mariana agreed that there would be a good story to tell, and staff doesn't plan to order everything on this list, but we do need to move forward to be ready to move in by Labor Day.

Chair Rak noted that the staff report states that the second-floor office furniture would be purchased in the event the existing furniture isn't usable, and asked if it has been determined that it isn't usable.

Mr. Kalkbrenner explained that the current furniture is particle board, and some will need to be cut to fit into the new spaces, so should the furniture not fit, or survive being sized down new used pieces will need to be purchased.

Member Royse now present 2:29PM

Motion/Second: Froomin/Brownrigg

Roll Call Vote: 10-0-0-1

Member Romero noted that his vote was a reluctant yes.

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								

6. Collection and Recycling Programs Support and Compliance

No Items

7. Shoreway Operations and Contract Management

- A. Approval of a Contract with Fike Corporation in A Not to Exceed Amount of \$627,105 and establishment of a 10% contingency to use, if necessary, to Purchase and Install the Fike Water Monitor Fire Suppression System

Executive Director La Mariana gave the background of this project noting that this project is a direct result of our ongoing priority to harden our facility against fires. He noted that this is proven technology, but a recycling facility is a new application.

Staff Nghiem gave an overview of the staff report, noting that in addition to hardening the MRF receiving area and the insurance company has said that we should see lower insurance premiums if we improve fire suppression. She also noted that this contract is recommended to be approved as sole source as the system is proprietary to Fike System, and the timing to approve now is so that installation can in process during the annual policy solicitation renewal season for insurance.

Chair Rak appreciated that staff did the research and brought this forward and is excited about the potential for lower insurance rates.

Member McCune asked if there are assurances that it won't cause more damage than it's worth, noting that the water could cause more damage than the fire.

Staff Southworth noted that it's a flame detecting camera as opposed to a thermal camera so it's new technology, but it is plumbed through the fire sprinkler system. That said it's being used in waste facilities in Europe as well as ship holds, and he hasn't heard of any problems.

Member McCune asked if staff would be able to have an emergency shut off.

Staff Southworth noted that there is an app on a smart phone so when it goes off those with the app would get an alarm so if it's not doing what it should be they can shut it off.

Staff Nghiem noted that it's only the receiving area (aka "tipping floor") that would be in range of the water cannon, there isn't a lot of damage that water could cause in that area.

Member Brownrigg asked if a shut off valve is required, and if not make sure that is included in the contract.

Executive Director La Mariana noted that staff would make sure that a shut off valve was included in the design, and added that if a pile that is having a fire and gets deluged with water it does mean those commodities are no longer sellable and will have to go to landfill, so we would lose the value of the commodity, but all of the high value equipment in the MRF is on the second floor outside of the range of this hose.

Member Loraine asked what happens to the water run off when there is a thermal event.

Dwight Herring, General Manager of SBI noted that in the last fire we had a mitigation company clean up the standing water. The way the MRF is set up the water doesn't run off, and if this happened a safety company would come out and treat the water before it is disposed of.

Member Romero asked what the driving force behind this recommendation is.

Executive Director La Mariana noted that the goal is to prevent catastrophic damage and worker safety, and the related goal is to get relief from extreme increases in insurance premiums.

Member Loraine asked if there are ongoing maintenance costs, and how much will be, and do those also need to be sole sourced.

Matt Southworth noted that the integration computer system may be specialized work that would require the installer, but there are contractors already in place doing hydraulic maintenance with the sprinkler system.

Executive Director La Mariana noted staff would explore the maintenance part of it further.

Member Froomin asked why an alternative to run the tip floor dry everyday was not an option.

Mr. Herring answered that would require a second shift, because of the volume.

Member Froomin asked regarding the fire risk report included in the staff report, 1) why the board hadn't seen this report sooner, and 2) he encouraged the board for the need for a strategic plan that deals with fire risk mitigation. He also noted that the report mentioned two proactive solutions, as opposed to this solution, which is reactive, as proactive would save the commodity, and would like to see those proactive solutions reviewed first before this reactive solution.

Executive Director La Mariana noted that staff is working on all of this in parallel. The floor mounted system still

has challenges, which is why it hasn't been presented to the board yet. He also noted that SBI has a safety manager, which was a position not in the previous contract, and SBI is taking fire risk very seriously.

Chair Rak suggested a presentation at the next meeting regarding fire prevention on proactive fire prevention measures.

Member Brownrigg noted that when it comes to fire prevention the answer is both/and, not either/or. He added that he thought this was an easy decision, given that there is a fire a month, the facility almost burned down 8 years ago, and insurance is now \$3.2M, so if insurance premiums improve by even 10% by implementing this system it pays for itself in 3 years. So, he thought it was a good investment.

Motion/Second: Brownrigg/McCune

Member Nash commented that discussing benefits of being the first in North America to have this system should be included in the contract.

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. Public Education Outreach and Legislation

A. Presentation of the 2023 Annual Report

Staff Rosales-Jose presented the first look at the agency's 2023 annual report.

Member Brownrigg commented that he thought it was a well presented report and had three suggestions.

- 1) All the metrics are going up including garbage, but so is the population, he asked to include a per capita statistic particularly for garbage might show that garbage is holding steady or even dropping.
- 2) Include the Recology contract in the report because we are a \$160M agency, not a \$60M agency, because the residents see us as responsible for that.
- 3) This agency does take leadership roles in ending rates, and reducing plastics pollution, and he thought the report should brag a little bit about the leadership roles the agency takes not just education.

Member Loraine asked why the recycling numbers are dropping in some areas. He also asked if printed copies are available.

Staff Rosales-Jose answered that usually volume changes are related to habit change, and staff had the same question. She also noted that staff wanted to save paper, but if you want printed one, we can print one for you by request.

Executive Director La Mariana added that possible reasons recycling decreased could be: 1) proliferation of plastic and the trend line is up, and 2) a radical shift in food take-out which creates more trash.

Member Froomin commented that its worth noting that in the multi-family sector which has historically been the hardest sector for compliance and also the fastest growing sector by population, recycling and compost are both up, and garbage is up the least amount of any of the groups.

9. Informational Items Only (no action required)

- A. 2024 Legislative and Regulatory Update
- B. 2024 Finance and Rate Setting Calendar
- C. Check Register Detail for February and March 2024
- D. 2024 Meeting Planning Guide

10. Board Member Comments

Member McCune asked to add an item to the June board meeting regarding the IT outage and data breach to understand what happened, what caused it, how long it was, and what has been affected.

11. Adjourn 3:44PM