

DRAFT MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE TECHNICAL ADVISORY COMMITTEE**

September 8, 2016 – 2:00 p.m.
San Carlos Library Conference Room A

Call to Order: 2:04PM

1. Roll Call

Agency	Present	Absent	Agency	Present	Absent
Atherton		X	Menlo Park	X	
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	

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.

Chair Oskoui congratulated Executive Director La Mariana on his appointment and thanked Staff Gans for his service as Interim Executive Director.

Executive Director La Mariana gave details of the recent fire at Shoreway. He noted that about 39 fire vehicles and 100 plus fire fighters were in action. He added the fire will not affect Recology Operations, and the MRF is expected to be closed for 4-6 months. He also acknowledged the SBR Senior Management Team for their efforts to keep everyone safe.

Staff Gans added that the structure of the building seems to be intact. There is a video history of the fire, but the cause of the ignition is unknown. He also added that from the front end there will be no effect to operations. There will be a cost, and the hope is that it will be covered by insurance. He noted that the processing equipment manufacturer, BHS, is now on site and preparing a parts and cost, and engineers and architect will be arriving and staff will be getting quotes to repair the building. He also noted that the interim operational costs could be substantial. He noted that the transfer station floor was reconfigured to stage recyclables, and the value will still be recovered. He also noted that most of the fire damage

appeared to be with the equipment, but an insurance adjuster has not been on site yet, but staff is moving quickly to get answers and get the plant back up and running
Chair Oskoui asked if the operational costs will be covered by insurance.

Staff Gans answered that it is unknown until the adjuster arrives.

Chair Oskoui recommended hiring an insurance expert to help navigate insurance issues.

Member Galli asked how SBRs compensation would be handled.

Staff Gans answered that SBR has their own insurance coverage and their loss of income would be covered by their insurance.

Member Gibbons asked if the Public Recycling Center is open.

Staff Gans answered yes, its business as usual to the site's customers.

Member Galli asked if tours were still running, and if there would be a press release.

Staff Gans answered that no tours would be able to take place while the MRF is under construction, and yes there would be a press release announcement.

3. 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. Approve Minutes of the May 12, 2016 TAC Meeting

Member Murray made a motion to approve the 5/12/16 TAC Meeting Minutes

Member Abrams Seconded

Voice Vote: All in Favor

4. Staff Update on Review of Plan and Recommended Process for SBWMA to Support Member Agencies with Future Decisions Regarding Franchise Agreements with Recology

Executive Director La Mariana noted that the current Franchise Agreement which expires December 31, 2020 states that both parties need to meet and confer on an extension by the end of the 2017. As a practical matter, if agreement is not reached between the parties by the end of 2017, an RFP process will automatically trigger. He proposed that the ad hoc subcommittee meet between October and April, with the goal of bringing a redlined version of the current contract to the Board at the March or April Board meeting. At which point the SBWMA Board would approve a general Uniform Franchise Agreement, and then, each Member Agency would negotiate their own individual Agency needs over the summer, and come to agreement by fall of 2017. He also noted that the City of San Mateo requested the use of a 3rd party moderator for the negotiations. He added that he was thinking of using a well-known industry expert for this work, based on their vast experience.

Member Lee asked what the length of the contract extension would be.

Executive Director La Mariana answered that it is negotiable, but at the moment he is thinking another 10 years, based on the standard depreciation schedule for capital assets in our industry.

Member Galli asked about the scope of for the 3rd party moderator, and asked if there would be an RFP.

Executive Director La Mariana answered that because of the time urgency, and because it would fall under his spending authority they had planned to do sole source.

Member Galli responded that if the work was not under the spending authority, then she thought there should be an RFP.

Member Augustine disagreed about going sole source at all because the quotes could come back at more than \$50K, and then it's too late.

Member Murray asked if they would just be moderating the negotiation discussions.

Executive Director La Mariana answered that it would be a financial consultant, and a moderator.

Member Galli suggested starting with some sort of a template, since there will be many things carried over from the current agreement.

Chair Oskoui noted that there would be a red lined version of the current agreement.

Member Galli suggested the TAC come up with a list of items that need to be changed, and Recology do the same from their end.

Executive Director La Mariana noted he's already asked Recology to start preparing a redline version of their desired changes to the franchise agreement document, and the FAX will be looking at the Member Agency needs. And both will be looking at the global Agency wide template first.

Member Abrams suggested that this is a good time to start thinking about what you'd want to see changed and send those suggestions to SBWMA staff.

Member Murray asked if the contract extension would be an amendment.

Chair Oskoui suggested a restated agreement, and commented that now is the time to get comments and feedback in to staff

Executive Director La Mariana noted that he would put together an email with the timeline and a call for items the Member Agencies would like discussed.

5. Discussion on SBWMA Draft Report Reviewing the 2017 Recology San Mateo County Compensation Application

Executive Director La Mariana noted that staff has gone through the process of receiving the 2017 Recology Compensation Application, and is in the final phase of the process. Staff is writing the final

report to the Board which will have final consideration at the September 22, Board of Director's meeting. At which point the Member Agency's will go through their individual rate setting process. He also noted that this year its very straight forward with a negative overall impact due to unusual market conditions, including a significant drop in fuel price projections

Member Murray asked how the fire will impact rates.

Executive Director La Mariana answered that it is unknown at this point, but he assumed the impact would happen in 2018.

Chair Oskoui noted there would need to be a discussion about reserves to moderate the impact over time, and insurance settlements will have an impact.

Member Walter suggested a discussion at the September 22, Board meeting to address the issue as much as possible at this point.

Member Murray asked how is SBR's staff affected by the fire.

Executive Director La Mariana answered that currently SBR is using staff as much as possible in the cleanup efforts, but as it becomes more of a need for technical experts, SBR may not have a full shift of work, and so it's being discussed.

6. Discussion on SBWMA Draft Report Reviewing the 2017 South Bay Recycling Compensation Application

Staff Gans noted that the SBR Compensation Application is a similar story to Recology's, the reduced fuel cost has led to reduced total compensation for 2017. He noted that the Recology compensation process is separate from the SBWMA budget, but the SBR compensation is embedded into the SBWMA budget. He also touched in the \$10 tip fee increase implemented for 2017, noting that the SBWMA has been spending at a deficit for the last three years, and the tip fee increase does not affect SBR's compensation.

7. Staff Update on the Status of Expiring Door-to Door HHW Contract and Options

Executive Director La Mariana noted that the current contract for the At Your Door HHW program expires on 12/31/16, and currently Staff Feldman is in negotiations with the current service provider. He noted that when the contract was first negotiated, it was with an independent company called Curbside Inc.. During the time of the contract Curbside Inc. was purchased by Waste Management, and now we are negotiating with Waste Management. The current price per household is \$.47 per household, and the new contract is proposing an increase to \$.74 per household over the course of 5 years. He noted that staff is looking at other options, and he has reached out to the County and they are looking into alternative options including adding a drop off site at Shoreway, but all are long term and will not be ready by January 1.

Member Murray noted that this contract was approved by individual City Councils and has been part of the cost of services, and is included in the rates, she wondered if it needed to be part of the prop 218 notice.

Executive Director La Mariana noted that he is trying to negotiate a one year extension, so alternative options can be assessed.

Member Galli noted that she was disappointed because she was under the assumption the HHW cost was going to go up by 5% because that is what SBWMA staff projected, and that 5% is already in the 2017 rates.

Chair Oskoui noted that this was just an informational item, and there still a lot of details to be worked out.

Executive Director La Mariana noted that staff will come back with something that works.

8. TAC Member Comments

9. Adjourn 3:11PM