



# CONSENT CALENDAR



**DRAFT MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
September 22, 2016 – 2:00 p.m.  
San Carlos Library Conference Room A/B**

**Call To Order: 2:00PM**

**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	

Member Brownrigg of Burlingame attended via phone call from 48 Montgomery Ave. Suite 600 Bethesda MD

**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. Adjourn to Closed Session - Pursuant to Government Code Section 54956.9(A): Conference with Legal Counsel – anticipated litigation – one case.**

**The regular session was called to order at 2:39PM**

**4. 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	

Member Michael Brownrigg of Burlingame attended via phone call from 48 Montgomery Ave. Suite 600 Bethesda MD

## 5. Additional Public Comment

None

## 6. Report from Closed Session

Counsel Savaree noted that direction was given but no action was taken.

## 7. Executive Director's Report

Executive Director La Mariana gave highlights of the staff report and noted priorities. First priority, the 2017 Recology and South Bay Recycling 2017 compensation application, that were being considered later in the meeting. He noted that staff would be working with individual Member Agencies as they bring rate discussions to their Councils for consideration. Second priority, the Shoreway Environmental Center Facilities are back online with minimal service disruption after the fires. He thanked SBR and Recology Management Staff for their efforts during and after the fire, and also thanked SBWMA Staff Gans for taking the lead as the point person on restoration work. Third priority, the Franchise Agreement Extension Committee work is about to start. The committee will be getting dates in the near future, and he named the six committee members. He commented that this committee will be discussing what the contract might look like over the next term of the contract, and added that it's an exhaustive process and the priority is to make sure that the interests of the rate payer are represented by this committee. He also added that following the Board's recommendation there will be a third party solid waste industry and financial expert as part of these discussions to guide the discussion, and will be following recent TAC recommendations on proceeding with the hiring of that expert. Fourth priority, the assessment of the structure of the SBWMA and the agency resources, which will be going on during the next month. He also mentioned that the investment staff at the City of San Carlos has recommended the redirection of \$7M in assets to the US Onshore Treasury Bond, and that the finance committee has vetted this action, and given the green light to move forward and thanked the Finance Committee for their quick action. Finally, he noted that there is an agenda item later in the meeting to approve costs associated with the restoration work. He added that he authorized a purchase order at his spending authority of \$50,000 to get the work started last week. Additionally, it has become clear that syncing up approvals of spending at the Board level with the restoration work without starting and stopping the work will be impossible, so he asked for feedback from the Board on how to move forward with paying the large restoration invoices in between the Board Meetings.

Counsel Savaree noted that she has advised the Executive Director that under the purchasing policy it states in section 3.12.180 the Executive Director has Emergency Authority to enter into contracts that exceed \$50,000 and he is required to bring those at the next meeting with an explanation as to why the contract was executed.

Executive Director La Mariana asked if the Board felt comfortable with that approach.

Member Widmer noted that they seemed very reasonable, and others agreed.

### A. Executive Director and Staff update on Shoreway Environmental Center Fire Damage

Executive Director La Mariana gave a Power Point presentation update on the two fires in September at the Shoreway Environmental Center. He listed the team of professional restoration, remediation, and inspection staff that are working with Staff Gans to get the plant up and running. He introduced John O'Neill, the President of Risk Strategies, which is the brokerage firm that holds the SBWMA insurance policy. He noted that the plant

is down and that the estimated down time is 4-6 months. During this period the recyclable material is being taken to facilities similar to the MRF in San Jose, Oakland and Newby Island so there is no interruption to residential or commercial service. He also noted that there are 10 people at the facility now from Bulk Handling Systems (BHS) inspecting the MRF equipment, and the inspection is expected to take about two weeks. He then spoke about insurance coverage, and noted that the deductible for each of the fire two claims will be \$5,000 for a total of \$10,000. Next he spoke about the Shoreway Environmental Center site, and where the damage occurred, and showed some images and gave descriptions of the damage, as well as showing video from both fires.

John O'Neill from Risk Strategies noted that the initial claims review has indicated a 4-6 months recovery time, and the MRF claim is estimated to be \$8-10M, and the second claim is estimated at about \$1M. He noted that there is really sufficient coverage and they expect to have minimal financial participation from the SBWMA.

Member Benton asked where the primary damage is.

Executive Director La Mariana, showed affected areas on a slide using a layout of the site and MRF equipment.

John O'Neil stated that the primary repairs need to happen on the equipment, screens that need to be replaced, and scaffolding, and business loss. He stressed that evaluations are still happening, and it's premature to speculate.

Member Benton asked if the additional transportation and processing costs of moving the material is covered by insurance.

John O'Neil said yes, \$4.5M is dedicated to a business income component of the claim.

Member Widmer questioned whether the water used in extinguishing the fire had been cleaned up properly to avoid contamination, and if there will be any special reporting or follow up from dealing with the water.

Staff Gans answered that the water is gone. It was cleaned up within 3 days. A hazardous materials handler came on site to pump the water out which is taken to a special treatment facility, so it doesn't enter the waste water, or storm water system. He noted that there was probably \$70,000 in water clean-up costs, and restoration costs are currently estimated at \$1.5M just to clean the building.

Member Dehn asked if BHS was the company that originally built the equipment.

Executive Director La Mariana answered yes.

Member Bonilla noticed that where the fire actually hit, the area was somewhat sheltered from the sprinklers, and he suggested putting fire suppression into the machinery, not just on the ceiling.

Staff Gans noted that he would look into that possibility, but noted that the machinery is partially enclosed to reduce dust.

Executive Director La Mariana gave recognition to SBR's management team Dwight Herring, Paul Keck, Chad Zupfer, and Robert Ourique, in honor of excellent execution of emergency procedures and keeping everyone safe the night of the fire. He also thanked Dan Domonoske for his efforts as well.

Dwight Herring of SBR also recognized and thanked Mario Puccinelli, and Tammy Del Bene of Recology for their support the night of the fire. He noted that he was on site probably 20 minutes after the fire started, and they were already there, and he thanked them for their support.

**8. 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 July 28, 2016 Board of Directors Meeting
- B. Resolution Approving Contract for Legal Counsel for FY16/17
- C. Approval of Quarterly Investment Report as of 6/30/16
- D. Resolution Authorizing Update to 401(a) Retirement Plan Trustees
- E. Resolution Authorizing the Executive Director to execute a letter in support of Proposition 67 The California Plastic Bag Ban Veto Referendum

Member Benton made a motion to approve the consent calendar.  
Member Stone seconded the motion.

Member Widmer noted that he would be abstaining from items 8A because he wasn't at the last meeting, and 8E because Atherton's City Attorney has implied that support of things like this from an elected official may not be appropriate.

Member Aguirre was absent for the consent calendar vote.  
Roll Call Vote: 8-0-1-4

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X		8A/8E		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 Dist.	X			

**9. Administration and Finance**  
No Items

**10. Collection and Recycling Program Support and Compliance**

- A. Resolution Approving the SBWMA Final Report Reviewing the 2017 Recology San Mateo County Compensation Application

Member Aguirre is now present.

Staff Feldman gave a brief overview of the staff report, noting a decrease in compensation over the prior year. He added that 2017 is the seventh year of the contract that adjusts each year based on CPI, as opposed to the cost plus model from prior to the current Recology contract. He also noted that the total compensation recommended is \$56,172,233, and that the TAC reviewed this item on September 8.

Member Stone made a motion to approve resolution 2016-35

Member Bonilla seconded the motion

Roll Call Vote: 9-0-0-3

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	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 Dist.	X			

B. Discussion on Expiring Agreement With WM Curbside to Provide Household Hazardous Waste Collection Services

Staff Feldman gave an overview of the staff report, and noted that staff is looking for direction from the Board on how to proceed regarding the expiring HHW contract with Waste Management's At Your Door program. He noted that each Member Agency elects to participate individually in the program, and if the Board chooses to enter into a new five year agreement, there is no budget impact to the SBWMA. Each agency approves whether or not they want to participate in the program. He explained how the program works, that it is on an as needed basis, and that the contractor picks up the most dangerous residential material. He noted that the participation rate is roughly about 5% per year, but when a post card advertising the program goes out the numbers go up dramatically. He concluded by noting that the 5 year pricing model includes an initial increase in 2017 to \$0.60 per household up from \$0.47 in 2016. He also introduced Bill Anderson the President of At Your Door.

Member Widmer asked for clarification on how many years the new contract would be. He also commented that all the Member Agencies are burdened by the landfill costs as noted in the staff report, and are paying approximately \$2M to have a similar program with the County. He recalled that when the County representatives attended a Board meeting they were asked if integration of the two processes was possible, as the SBWMA Member Agencies are paying for the At Your Door program and then paying again for the County's hazardous waste program. He asked if any progress had been made in combining efforts with the county to avoid paying for the program twice.

Staff Feldman answered that it is staff's intent to continue working with the County, to see if there can be integration between the services. He noted that staff approached the County about taking the materials collected curbside and handle them at Tower Road and they noted that Tower Road was already at max capacity, but staff is looking into the option of developing a HHHW drop off site at Shoreway, and having the County staff that site, as a long term solution.

Member Widmer asked if the County could provide quarterly pickups in each town.

Staff Feldman answered that type of service used to be provided by the County, but has retreated from community event based services because of cost, but staff has been in touch with a private company that provides events of that nature and staff will continue to explore those costs.

Member Widmer asked if any of the issues with collecting sharps and old medicines have progressed, and can it be added to this contract.

Staff Feldman noted that because of a Homeland Security issue the medicines had to be taken out of the door to door collection, so the company provides a bin at Shoreway and a bin at a Senior Center in Menlo Park for collection of medicines. They are still being collected but only via drop off. He added that sharps are collected at the home through the program.

Staff Feldman concluded that if the program is being discontinued staff will need to notify residents as soon as possible, but if not discontinued staff will come back to the Board in October with a master contract for approval and staff will be reaching out the Member Agencies to see if this new pricing is something they would pursue.

Member Dehn commented that the Menlo Park drop off for medication only takes over the counter medication, and asked if there was any place to take prescription medication.

Staff Feldman answered that through a different program, there are some Sheriff's departments that take prescription medication.

Member Dehn commented that outreach needs to be done as to where medication and which types can be dropped off.

The Board recommended to move forward with bringing a potential contract back to the Board in October.

#### C. Update on Franchise Agreement Negotiations

Executive Director La Mariana noted that an update was given during the Executive Director's report, and asked if there were any other questions.

Member Widmer asked if there was going to be a formal opportunity for Member Agencies to weigh in on items they'd like to see in and out of the contract.

Executive Director La Mariana answered yes, each Member Agency will be contacted as the work for the Franchise Agreement Extension Committee is developed, and will have the opportunity to give feedback on items that are important to that particular agency.

### 11. Shoreway Operations and Contract Management

#### A. Resolution Approving 2017 South Bay Recycling Compensation Application

Member Aguirre now absent.

Staff Gans noted that staff recommended approval of Resolution 2016-36 approving the 2017 South Bay Recycling (SBR) Compensation Application. He summarized that there is a decrease in compensation for 2017 and pointed to table one in the staff report that highlights the three elements to SBR's compensation, transfer station operations, materials recovery operations, and transportation. He noted that transportation decreased year or year by 6% as the result of fuel price decreases, which had the net effect of bringing down the total compensation by 1.8%.

Member Bonilla made a motion to approve resolution 2016-36

Member Widmer seconded  
 Roll Call Vote: 8-0-0-4

Agency	Yes	No		Abstain	Absent	Agency	Yes	No	Abstain	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 Dist.	X			

B. Resolution Authorizing the Executive Director to Execute a Contract with Signal Restoration Services

Member Stone noted that this item was talked about earlier in the meeting during the Executive Director's report, and he asked the chair if he could motion to approve without discussion.

Member Stone made a motion to approved resolution 2016-37 authorizing the Executive Director to enter into a contract with Signal Restoration with a not to exceed amount of \$500,000.

Member Bronitsky seconded  
 Roll Call Vote: 8-0-0-4

Agency	Yes	No		Abstain	Absent	Agency	Yes	No	Abstain	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 Dist.	X			

12. Informational Items Only (no action required)

- A. 2016 Finance and Rate Setting Calendar
- B. July and August 2016 Check Register Detail
- C. Potential Future Board Agenda Items

13. Board Member Comments

Member Stone thanked staff for sending out the presentation on the fire ahead of time, and asked staff to continue doing that whenever possible.

Member Benton commented that the Board went by the two rate applications very quickly today, but noted for the audience that these items were discussed for about four months, and the Board has seen a number of times before the quick approval today.

Chair Grassilli adjourned the meeting in honor of the people of the worked so hard on the fire incidents, Executive Director La Mariana and his staff, Recology, SBR, and anyone else who was associated with the response. He noted it was obviously a great group of people and thanked them for their efforts.

14. Adjourn 3:40PM