



**A Public Agency**

CONSENT CALENDAR



**DRAFT MINUTES**

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
 MEETING OF THE BOARD OF DIRECTORS  
 June 27, 2013 – 2:00 p.m.  
 San Carlos Library Conference Room A/B

**Call to Order: 2:11 PM**

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

Regular Session Called to Order: 2:20 PM

**3. Report from Closed Session**

No Action was taken.

**4. 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

**5. 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. Adopt the May 23, 2013 BOD Meeting Minutes
- B. Resolution Approving Annual Contract with Aaronson, Dickerson, Cohn & Lanzone for Legal Counsel Services for FY14
- C. Resolution Approving Annual Contract with the City of San Carlos for Accounting and Financial Services for FY14
- D. Resolution Approving Property Insurance Policy Renewal

E. Receipt of Recology and SBR Monthly Reports

Vice Chair Oskoui asked regarding 5D if staff checked back with any of the other insurance carriers why they didn't submit bids.

Staff Moran answered that no additional contact was made and that a low response was received last year as well.

Vice Chair said he supports approving, but requested that staff follow up with the companies that declined to bid to find out what the issues are.

Motion/Second: Patterson/Hardy

Roll Call Vote: 11-0-0-1

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 District	X			

6. **New Business:**

A. Discussion on Third Party (i.e., Non-Franchise) Pricing Approach for New Tonnage Into Shoreway Environmental Center

Executive Director McCarthy gave an overview of the staff report, noting that over the last year 3<sup>rd</sup> party tons from other sources have been brought in to Shoreway. The direction has been to put the burden of pursuing 3<sup>rd</sup> party tons and pricing those tons on the facility operator, and the SBWMA would get a host fee. He noted that there is an opportunity to process Daly City tons and staff would like to get Board feedback on whether the Board is happy with the current model. He added at the July meeting the pricing structure would be approved, and that SBR would be responsible for responding to the RFP.

Vice Chair Oskoui asked if we know the going rate at our competition.

Executive Director McCarthy answered that we are in a good position competitively because Shoreway is the only single stream MRF on the peninsula. He added that SBR is talking to various parties to make sure the bid is competitive, but as an Agency we have to decide what our host fee will be and we need to find the spot where we can cover our costs and make money but not make SBR uneconomical.

Member Patterson asked how much available capacity there is, and how much of that would this potential contract need.

Executive Director McCarthy answered that there is a second shift available at 50 tons per hour, and we don't yet know the Daly City tons, but we think they're around 40-50 tons a day.

Member Patterson questioned the marginal cost of adding those tons but not a full capacity second shift, and if the host fee really covers the complete cost.

Executive Director McCarthy answered that if Daly City is 30-50 tons per day those costs are in the staff report, and with a \$10 per ton fee costs would be covered.

With no further comments Executive Director McCarthy concluded that staff would come back to approve the current model, and would be asking the Board give authority to the executive director to accept at or above an approved number.

**7. Old Business:**

**A. Resolution Adopting FY14 Budget**

Executive Director McCarthy noted that this was the third time budget numbers had been before the board, and pointed out the big picture budget items. First, the financial results are much better than last year due to higher revenues, stable commodity prices, and SBR’s costs only increasing 2%. He added that the higher net income will fully fund reserve balances. He also noted a few line item changes highlighted in orange, but clarified that these don’t change the overall budget total. He also thanked staff for the hours put into to budget preparations.

Member Patterson complimented staff for the work on the budget and noted the reserve policy and reserve balances. He also commented that historically and especially with the improvement over last year’s budget this budget is noteworthy, and that he was pleased with the budget.

Vice Chair Oskoui asked what the Administration CIP line item was.

Executive McCarthy answered that it is for general upkeep of the Recology Administration building which was never included in the master plan. He also added that some of this line item is meant to upgrade the upstairs conference room that may eventually become a better place for Board Meetings.

Chair Doughy thanked staff for their work.

Motion/Second: Patterson/Hardy

Roll Call Vote: 11-0-0-1

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 District	X			

**B. Resolution Approving Early Redemption of Solid Waste Enterprise Revenue Bonds Series 2009B (Taxable)**

Staff Moran noted that this item was discussed at last month’s board meeting, and is being brought back for approval. He added that we have the funds to pay off the Burlingame bond 1 year early, and will save \$150,000 in interest.

Motion/Second: Hardy/Patterson

Roll Call Vote: 11-0-0-1

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 District	X			

C. Discussion on SBWMA Governance

Chair Doughty asked if San Carlos had approved the change in the JPA with the alternate motion they put forward.

Member Moura said no, the vote was against the task force recommendation and for the alternate that San Carlos approved.

Chair Doughty asked if any other jurisdictions were pondering San Carlos' alternate amendment as an option.

Member Patterson noted that the City of San Mateo was, and commented that the transition date is very important especially concerning the timing of the rates and other issues occurring this fall.

Chair Doughty noted that East Palo Alto has suggested the alternate proposed by San Carlos, and that the City Manager was asking if any other agencies are considering the alternate.

Member Galli asked if we could find out who's already approved the amendment as Redwood City prepared it.

Yes Votes: Atherton, Burlingame, Hillsborough, Redwood City and West Bay Sanitary District

No Votes: San Carlos

Member Hardy noted that Redwood City sent out today a separate minute order today for the code of conduct and the TAC, but not a separate start date. He noted that because they did a separate minute order it is considered as adoption of the task force recommendation, and the minute order is just guidance.

Member Hardy questioned how the JPA operates, noting that it requires 8 agencies to vote yes, but what the effective would date be, not knowing when the 8<sup>th</sup> vote took place.

Counsel Savaree noted that the current JPA states that an amendment is effective immediately following 8 yes votes.

Member Hardy asked who would collect the information to know when the 8<sup>th</sup> vote took place.

Executive Director McCarthy stated that as a courtesy the Assistant City Manager in Redwood City is sending him information, but the SBWMA isn't collecting the information. Redwood City is collecting all the documents.

Member Porter asked how many agencies were going to vote before July 25<sup>th</sup>, and noted it could pass before the July 25<sup>th</sup> Board meeting, which would make this Board invalid at that meeting.

Chair Doughty suggested scheduling a special meeting before the votes could potentially happen to deal with any July issues.

Member Porter brought up that the Redwood City recommendation doesn't ask for a representative to be appointed, and asked how many agencies have appointed a Board Member with their approval.

Those with appointed members are: Redwood City, Burlingame, and Hillsborough.

Executive Director McCarthy noted that we have to respond to the grand jury report on this very topic and that discussion will take place at the July meeting.

Executive Director McCarthy added that there are serious timing issues regarding the rate package, and that if there is a change it will be happening right in the middle of the rate setting process, and that we need to move through it expeditiously to make sure rates are approved on time. He asked the Board Members to make people aware of the significant transition issues. He also added the other notable

transition concern is the CBAs expiring in October, which could lead to significant issues in the fall.

Member Hardy suggested scheduling an August meeting to deal with transition logistics, and to serve as an orientation meeting.

Chair Doughty noted that we don't even know if the new Board will meet at this time and in this place.

Member Moura thought Member Hardy's idea of an orientation was a good idea but noted that the San Carlos City Council would be on summer recess.

Member Hardy also noted that agencies would be at a disadvantage if it is approved but no Board Member has been appointed.

Vice Chair Oskoui noted that it takes a few days for the resolutions to get signed before they would be effective.

Chair Doughty directed Executive Director McCarthy to convey the logistical issues to Redwood City, and to make sure it is clarified who the repository of the information is.

Executive Director McCarthy asked the Board Members share in the responsibility by having the logistical issue conversation with your councils.

Member Porter asked if there were 8 votes by the 25<sup>th</sup>, but not 8 signed resolutions would it be effective or not effective.

Counsel Savaree noted that she would follow up with the Redwood City City Attorney and ask for copies of documents to be sent to her, and ask that each of the Cities that have a signed resolution send a copy to her.

Member Hardy asked if the July meeting could be cancelled and schedule an August meeting and then move the agenda items from July to August.

The members then discussed item 8e to see if cancelling was possible.

Executive Director McCarthy noted the audit findings that would get approved and those numbers would carry into rates.

Chair Doughty asked when the Board needed to respond to the Grand Jury.

Member Hardy answered they are due by September 16.

Member Patterson asked if there were staffing issues with scheduling an August Board Meeting.

Executive Director McCarthy noted that most of the staff would be gone at least part of August, and that staff would figure it out based on the Board's recommendation.

Member Patterson suggested that we direct staff to communicate to Redwood City, and postpone the July meeting to a near to the normal Board meeting date in August.

Executive Director McCarthy stated that this was prejudging the fact that there would be 8 votes.

Chair Doughty suggested scheduling at special meeting prior to the 25<sup>th</sup>, and leave August alone until we know more.

Member Hardy noted that it's possible it may happen by July 16<sup>th</sup>, and questioned whether it was possible to prepare a meeting before the 16<sup>th</sup>.

Chair Doughty suggested canceling the July meeting and put those items on a Special Meeting Agenda for August.

Member Moura made a motion that the July 25<sup>th</sup> meeting be cancelled and a special meeting be

scheduled August 29.

Member Hardy seconded the motion.

Executive Director McCarthy commented that he is concerned about quorum for the August meeting.

Chair Doughty noted that many Board members have put into their staff reports problems of the transition and staff and the new board will just have to make it work, there are too many scenarios.

Member Rodericks noted that he would vote in opposition to it, adding that it is our due diligence to stay the course until we hear differently.

Staff pointed out that the 4<sup>th</sup> Thursday of August is the 22<sup>nd</sup> not the 29<sup>th</sup> and that would be the regular board meeting date.

Member Hardy amended the motion to have the meeting by August 22<sup>nd</sup> so it would fall in accordance with the regular Board meeting schedule.

Member Porter proposed an alternate motion to leave the July meeting as is and schedule an August meeting as well.

Member Patterson seconded the alternate motion.

Chair Doughty asked if the maker and the second willing to withdraw the original motion in favor of the alternate.

Member Moura didn't want to withdraw thinking that the original motion is less disruptive.

Member Hardy noted that he agreed with Member Moura. He explained that people didn't think through the practicality of how it would be amended, and there is an issue of fairness to all agencies, given that we were given until the end of July to act.

Member Porter withdrew his motion.

Roll Call Vote on motion to cancel the July 25<sup>th</sup> meeting and schedule an August 22<sup>nd</sup> meeting: 7-4-0-1

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 District		X		

## 8. Staff Updates

- a) Update on Recology Commercial Recycling Outreach Efforts
- b) Recycling and Outreach Programs Update

Executive Director McCarthy congratulated the outreach and education center staff for their video that won a 2013 Telly award.

- c) Shoreway Operations and Master Plan Update
- d) Update on 2013/2014 Franchise Rate Setting Process

Executive Director McCarthy reminded Board members that comments are due on the compensation application by July 8<sup>th</sup>, and that staff would be submitting comments to Recology on July 8<sup>th</sup>. He added that if Board members have comments submit them directly to Recology but cc SBWMA staff.

e) Preview of Upcoming Board meetings

**9. Board Member Comments**

Vice Chair Oskoui congratulated Brian on his retirement noting that this would be his last meeting, and thanked him for his years of service.

**10. Adjourn: 3:19**





A Public Agency

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Cliff Feldman, Recycling Programs Manager  
Hilary Gans, Facility Operations Contracts Manager  
**Date:** August 22, 2013 Board of Director's Meeting  
**Subject:** Receipt of Recology and SBR Monthly Reports

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### **Recommendation**

This is an informational report and no action is necessary.

### **Analysis**

Recology San Mateo County (Recology) and South Bay Recycling (SBR) are required to submit Monthly Reports 15 days after the end of each month. The attached Monthly Reports from Recology and SBR for the months of June and July were submitted on time.

It is important to note that the tonnage information presented in Recology's Monthly Report is derived from data compiled by SBR as the Shoreway Environmental Center facility operator. Therefore, regarding the reporting of tonnage, the Recology and SBR reports are redundant. In addition, the SBR report provides details on the transfer station and buy-back center activities and therefore includes more facility tonnage data than the Recology Monthly Report. Recology's report includes collection data, monthly updates on various operations, and call center complaint/inquiry related metrics.

### **Background**

Article 9, section 9.05 of the Member Agencies Franchise Agreement(s) with RSMC require the company to prepare and submit a monthly report. Similarly, Article 8, section 8.07 of the Operations Agreement between the SBWMA and SBR requires the company to submit a monthly report. The guidelines and reporting requirements for each company are specified in their respective Agreements.

### **Attachments:**

- Attachment A - Recology June 2013 Monthly Reports
- Attachment B - SBR June 2013 Monthly Reports
- Attachment C - Recology July 2013 Monthly Report
- Attachment D - SBR July 2013 Monthly Report



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**Agenda Item: 3B**

**Receipt of Recology and SBR Monthly Reports**

**Attachment A – Recology June 2013 Monthly Report**

**Attachment B – SBR June 2013 Monthly Report**

**Attachment C – Recology July 2013 Monthly Report**

**Attachment D – SBR July 2013 Monthly Report**

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Files too large to be included in packet Posted on Website: [www.rethinkwaste.org](http://www.rethinkwaste.org)

- Attachment A: Recology June 2013 Monthly Report
- Attachment B: SBR June 2013 Monthly Report
- Attachment C: Recology July 2013 Monthly Report
- Attachment D: SBR July 2013 Monthly Report