



**A Public Agency**

STAFF UPDATES





## STAFF UPDATE

### November 2014 – March 2015 Potential Future Board Agenda Items

#### November 6, 2014 (meeting at San Carlos Library Conference Room)

- Special Board Workshop on Waste Reduction, Recycling and Composting Programs, Policies and Technologies to Achieve 75% Recycling Goal

#### November 20, 2014 (meeting at San Carlos Library Conference Room)

- Consideration of Shoreway Facility Tipping Fee Adjustments Effective 1/1/15 (**Approval item if recommended adjustments**)
- Consideration of 2015 Merit Increase Pool for Unrepresented Employees (**Approval item**)
- Consideration of Approval of Change to Technical Advisory Committee Meeting Frequency (**Approval item**)
- Consideration of Approval of Additional Third Party Tons into Shoreway Environmental Center MRF (**Approval item**)
- Progress Report on Long Range Plan (**Staff presentation**)
- Discussion on Scopes of Work for Auditing Recology and SBR's Reporting, Customer Service, and Financial Systems (**Discussion item**)
- Resolution Approving Revised SBWMA Investment Policy for 2015 (**consent item**)
- Approval of Quarterly Investment Report as of 9/30/14 (**Consent item**)
- Contractor Quarterly Updates

**Board meeting preceded by a holiday luncheon starting at 12:30 PM in the SBWMA offices, down the hall from the San Carlos Library Conference Room**

#### January 22, 2015 (meeting at San Carlos Library Conference Room)

- Resolution Accepting the FY1314 Annual Financial Statements (**Approval item**)
- Election of Board Officers for 2015 (**Approval item**)
- Mid-Year Review of FY1415 Annual Operating Budget (**Approval item**)
- Update on Transfer Station Organics Recovery Project (**Staff presentation**)

#### February 26, 2015 (meeting at San Carlos Library Conference Room)

- Draft Plan and Recommended Process to Support Member Agencies with Future Decisions Regarding Franchise Agreements with Recology (**Discussion item**)
- Review of Purchasing Policy (**Discussion item**)
- Approval of Quarterly Investment Report as of 12/31/14 (**Consent item**)

#### March 26, 2015 (meeting at San Carlos Library Conference Room)

- Review Draft Long Range Plan Report (**Discussion item**)
- Resolution Approving Calendar Year 2014 Financial Statements (**Consent item**)
- Recology San Mateo County 2014 Annual Report (**Contractor Presentation**)
- South Bay Recycling 2014 Annual Report (**Contractor Presentation**)





## STAFF UPDATE

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**To:** SBWMA Board Members  
**From:** Marshall Moran, Finance Manager  
**Date:** October 23, 2014 Board of Directors Meeting  
**Subject:** Check Register for September 2014

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This is an informational item only and no action is required. This report was requested by the Board members.

The SBWMA has a contract with the City of San Carlos for accounting services including the issuing of all payments and receipt of all revenue. In accordance with the City of San Carlos' policies, checks are normally issued every two weeks. All SBWMA invoices are approved for payment by the program manager and then by the Executive Director or Finance Manager. Total A/P spending for September 2014 was \$1,746,876.87 as detailed in **Attachment A**. Certain ACH transactions such as payroll and some benefit payments are drawn directly from the bank and are therefore not included in these A/P reports.

If you have any questions on this, please contact Cyndi Urman or Marshall Moran. The format of the check registers is limited to what is available from the city's MUNIS accounting system.

**Attachments:**

Attachment A –September 2014 Check Registers



09/05/2014 10:28  
linda

CITY OF SAN CARLOS  
A/P CASH DISBURSEMENTS JOURNAL S090514

PG 2  
apcshdsb

CASH ACCOUNT: S000 110020 WELLS FARGO BANK

CHECK NO	CHK DATE	TYPE	VENDOR NAME	INVOICE	INV DATE	PO	CHECK RUN	NET	
-----									
							CHECK	6124 TOTAL:	148.32
6125	09/05/2014	PRTD	3277 J R MILLER AND ASSOCIATES INC	29164	03/31/2014	2804	S090514	28.51	
Invoice: 29164					FUEL ISLAND WK PHASE 1-SHIP/DELIVERY SHOREWAY FACILITY COST				
				28.51	S0113010	522714			
Invoice: 29090			J R MILLER AND ASSOCIATES INC	29090	03/31/2014	2804	S090514	3,000.00	
Invoice: 29161					FUEL ISLAND WK PHASE 1 SHOREWAY FACILITY COST				
				3,000.00	S0113010	522714			
Invoice: 29161			J R MILLER AND ASSOCIATES INC	29161	03/31/2014	2803	S090514	28.51	
Invoice: 29088					CANOPY DESIGN WK PH 1-SHIP/DELIVERY SHOREWAY FACILITY COST				
				28.51	S0113010	522714			
Invoice: 29088			J R MILLER AND ASSOCIATES INC	29088	03/31/2014	2803	S090514	6,000.00	
Invoice: 29088					CANOPY DESIGN WK PH 1 SHOREWAY FACILITY COST				
				6,000.00	S0113010	522714			
							CHECK	6125 TOTAL:	9,057.02
6126	09/05/2014	PRTD	1278 LOCAL GOVERNMENT SERVICES	ADV10-2014	08/25/2014		S090514	14,500.00	
Invoice: ADV10-2014					ADVANCE OCT 2014 RECYCLING PROG MGR AB939 PROGRAM STAFF				
				14,500.00	S0113010	520306			
Invoice: 2154			LOCAL GOVERNMENT SERVICES	2154	07/31/2014		S090514	2,623.90	
Invoice: 2154					JULY 2014 TRUE UP OFFICE SUPPLIES CELL PHONES AB939 PROGRAM STAFF SALARIES - CAR ALLOWANCE CONSULTING CONTRACTS RGS/LGS				
				260.02	S0113010	520201			
				358.79	S0113010	520105			
				855.09	S0113010	520306			
				400.00	S0113010	511830			
				750.00	S0113010	520337			
							CHECK	6126 TOTAL:	17,123.90
6127	09/05/2014	PRTD	3431 KEVIN MCCARTHY	JUL2014CELL	08/18/2014		S090514	115.00	
Invoice: JUL2014CELL					REIMBURSE CELL CHGS JUL 2014 CELL PHONES				
				115.00	S0113010	520105			
Invoice: AUG2014KM			KEVIN MCCARTHY	AUG2014KM	08/18/2014		S090514	1,036.70	
Invoice: AUG2014KM					REIMB CONFERENCE EXPS CONFERENCES & MEETINGS				
				1,036.70	S0113010	520503			
							CHECK	6127 TOTAL:	1,151.70
6128	09/05/2014	PRTD	4383 MARSHALL MORAN	080514	08/05/2014		S090514	49.36	
Invoice: 080514					REIMBURSE JULY 2014 CELL PHONE CHGS CELL PHONES				
				49.36	S0113010	520105			

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CITY OF SAN CARLOS  
A/P CASH DISBURSEMENTS JOURNAL S090514

PG 3  
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CASH ACCOUNT: S000 110020 WELLS FARGO BANK  
CHECK NO CHK DATE TYPE VENDOR NAME

CHECK NO	CHK DATE	TYPE	VENDOR NAME	INVOICE	INV DATE	PO	CHECK RUN	NET
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Invoice: 070514			MARSHALL MORAN	070514	07/05/2014		S090514	50.52
				50.52 S0113010 520105	REIMBURSE JUNE 2014 CELL PHONE CHGS CELL PHONES			
					CHECK	6128	TOTAL:	99.88
6129	09/05/2014	PRTD	5557 RECOLOGY GROVER ENVIRONMENTAL PRO	140731	08/04/2014		S090514	112,593.97
Invoice: 140731				112,593.97 S0113010 522713	JULY 2014 DISPOSAL - GROVER DISPOSAL & PROCESSING COSTS			
					CHECK	6129	TOTAL:	112,593.97
6130	09/05/2014	PRTD	1260 RICOH AMERICAS CORPORATION	18621589	08/15/2014		S090514	1,547.64
Invoice: 18621589				1,547.64 S0113010 520215	SEPT 2014 EQUIP COSTS OFFICE EQUIPMENT COSTS			
					CHECK	6130	TOTAL:	1,547.64
6131	09/05/2014	PRTD	6068 RISK STRATEGIES COMPANY	516244	08/19/2014		S090514	45,099.50
Invoice: 516244				45,099.50 S0113010 520710	QTRLY INSTALLMENT 14-15 PROPERTY INSURANCE SHOREWAY			
					CHECK	6131	TOTAL:	45,099.50
6132	09/05/2014	PRTD	7193 SAN FRANCISCO PRINT MEDIA CO	1098492	07/27/2014		S090514	1,596.00
Invoice: 1098492				1,596.00 S0113010 520604HHWUW	AD-HHW OUTREACH PUBLIC EDUCATION/OUTREACH/WORK			
					CHECK	6132	TOTAL:	1,596.00
6133	09/05/2014	PRTD	767 CITY OF SAN MATEO	2013 SHRED EVENT	08/29/2014		S090514	928.42
Invoice: 2013 SHRED EVENT				928.42 S0113010 480025	SHRED/SCRAP REVENUE E-RECYCLING			
					CHECK	6133	TOTAL:	928.42
6134	09/05/2014	PRTD	6156 SHRED WORKS INC	81568	07/30/2014		S090514	564.00
Invoice: 81568				564.00 S0113010 522719	SHRED DAY EXPENSES SHRED EVENT SVCS (PASS THRU)			
					CHECK	6134	TOTAL:	564.00

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CITY OF SAN CARLOS  
A/P CASH DISBURSEMENTS JOURNAL S090514

PG 4  
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CASH ACCOUNT: 8000 110020 WELLS FARGO BANK  
CHECK NO CHK DATE TYPE VENDOR NAME

INVOICE INV DATE PO CHECK RUN NET

INVOICE DTL DESC

6135 09/05/2014 PRD 5443 SPECIALTY'S CAFE & BAKERY INC T2423-9450893 08/28/2014 S090514 43.48  
Invoice: T2423-9450893

43.48 S0113010 520300 SNACKS-BOARD MEETING  
BOARD ADMINISTRATION

CHECK 6135 TOTAL: 43.48

NUMBER OF CHECKS 18 \*\*\* CASH ACCOUNT TOTAL \*\*\* 210,179.72

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TOTAL PRINTED CHECKS	16	202,352.22
TOTAL EFT'S	2	7,827.50

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ARP	<input checked="" type="checkbox"/>
EFT	<input checked="" type="checkbox"/>
Email	<input type="checkbox"/>

\*\*\* GRAND TOTAL \*\*\* 210,179.72

PREPARED BY: *R. J. Jula* DATE: 9/5/14  
APPROVED BY: *J. J.* DATE: 9/5/14  
FUNDS TRANSFERRED BY: *J.* DATE: 9/5/14  
ACTS 9514 0001.txt

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CITY OF SAN CARLOS  
A/P CASH DISBURSEMENTS JOURNAL S091914

PG 1  
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CASH ACCOUNT: S000 110020 WELLS FARGO BANK  
CHECK NO CHK DATE TYPE VENDOR NAME

CHECK NO	CHK DATE	TYPE	VENDOR NAME	INVOICE	INV DATE	PO	CHECK RUN	NET
----- INVOICE DTL DESC -----								
6136	09/19/2014	EFT	1495 GIGANTIC IDEA STUDIO	INV-2357	08/31/2014		S091914	624.51
				624.51	S0113010	520604MP001	BIZ-SMART MFD MATERIALS PUBLIC EDUCATION/OUTREACH/WORK	
			GIGANTIC IDEA STUDIO	INV-2356	08/31/2014		S091914	414.50
				414.50	S0113010	520604MP001	MFD TRILINGUAL POSTCARDS PUBLIC EDUCATION/OUTREACH/WORK	
							CHECK 6136 TOTAL:	1,039.01
6137	09/19/2014	EFT	6922 HAZARD CONTROL TECHNOLOGIES INC	7990	09/03/2014		S091914	8,353.80
				8,353.80	S2251000	570300SF055	FIRE SUPPRESSION FACILITIES IMPROVEMENTS	
							CHECK 6137 TOTAL:	8,353.80
6138	09/19/2014	EFT	1097 IRON MOUNTAIN INFORMATION MANAGEM	KSN5076	08/31/2014		S091914	152.00
				152.00	S0113010	520201	SEPT 2014 STORAGE OFFICE SUPPLIES	
							CHECK 6138 TOTAL:	152.00
6139	09/19/2014	EFT	1419 THE OFFICE CITY	IN-1229357	09/08/2014		S091914	178.51
				178.51	S0113010	520201	OFFICE SUPPLIES OFFICE SUPPLIES	
			THE OFFICE CITY	IN-1229924	09/10/2014		S091914	76.28
				76.28	S0113010	520201	OFFICE SUPPLIES OFFICE SUPPLIES	
							CHECK 6139 TOTAL:	254.79
6140	09/19/2014	EFT	6809 PRECISE PRINTING & MAILING	12311-P	09/03/2014		S091914	11,838.52
				11,838.52	S0113010	520604QNLPM	NEWSLETTER POSTAGE PUBLIC EDUCATION/OUTREACH/WORK	
							CHECK 6140 TOTAL:	11,838.52
6141	09/19/2014	EFT	725 CITY OF SAN CARLOS	198111	09/02/2014		S091914	285.02
				285.02	S0113010	520202	JULY 2014 BANKING FEES BANK FEES AND SERVICES	
			CITY OF SAN CARLOS	198110	09/02/2014		S091914	4,368.25
				4,368.25	S0113010	520203	SEPT 2014 LEASE RENT	

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A/P CASH DISBURSEMENTS JOURNAL S091914

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CASH ACCOUNT: S000 110020 WELLS FARGO BANK  
CHECK NO CHK DATE TYPE VENDOR NAME

CHECK NO	CHK DATE	TYPE	VENDOR NAME	INVOICE	INV DATE	PO	CHECK RUN	NET
					INVOICE DTL DESC			
							CHECK 6141 TOTAL:	4,653.27
6142	09/19/2014	EFT	4519 SHRED-IT USA SF	9404155072	09/08/2014		S091914	89.54
		Invoice: 9404155072		89.54 S0113010 520201	9/5/14 SHREDDING SVS OFFICE SUPPLIES			
							CHECK 6142 TOTAL:	89.54
6143	09/19/2014	EFT	5512 SOUTH BAY RECYCLING LLC	2014-8	09/10/2014		S091914	1,490,647.44
		Invoice: 2014-8		-32,828.38 S0113010 480033	JULY 2014 OPERATIONAL EXPENSES			
				21,751.00 S0113010 522713	MRF 3RD PARTY PROCESSING FEE			
				-31,253.29 S0113010 522713	DISPOSAL & PROCESSING COSTS			
				84,936.26 S0113010 522717	DISPOSAL & PROCESSING COSTS			
				155.16 S0113010 522714	BUYBACK PAYMENTS			
				1,447,886.69 S0113010 522712	SHOREWAY FACILITY COST			
							CHECK 6143 TOTAL:	1,490,647.44
6144	09/19/2014	EFT	3892 T324 INC	IN90438107	09/01/2014		S091914	5,897.58
		Invoice: IN90438107		5,897.58 S0113010 522706	DESKTOP COMPUTERS			
							CHECK 6144 TOTAL:	5,897.58
6145	09/19/2014	PRTD	5556 BFI OF CALIFORNIA	1059846	08/31/2014		S091914	2,897.94
		Invoice: 1059846		2,897.94 S0113010 522716	AUG 2014 OX MT TIPPER MAINT			
							CHECK 6145 TOTAL:	2,897.94
6146	09/19/2014	PRTD	2257 BLX GROUP LLC	43332-1157/090814	09/09/2014		S091914	1,700.00
		Invoice: 43332-1157/090814		1,700.00 S0113010 520202	ARBITRAGE REBATE REPORT			
							CHECK 6146 TOTAL:	1,700.00
6147	09/19/2014	PRTD	2223 THE BANK OF NEW YORK MELLON TRUST 252-1811448	252-1811448	09/01/2014		S091914	1,650.00
		Invoice: 252-1811448		1,650.00 S0113010 520202	ADMIN FEE			
							CHECK 6147 TOTAL:	1,650.00

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CITY OF SAN CARLOS  
A/P CASH DISBURSEMENTS JOURNAL S091914

PG 3  
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CASH ACCOUNT: S000 110020 WELLS FARGO BANK  
CHECK NO CHK DATE TYPE VENDOR NAME

CHECK NO	CHK DATE	TYPE	VENDOR NAME	INVOICE	INV DATE	PO	CHECK RUN	NET
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6148	09/19/2014	PRTD	6733 HEATHER CO	051959	09/03/2014		S091914	1,250.00
			Invoice: 051959					
				1,250.00	S0113010	520502	REIMB-SF STATE EXPENSES TRAINING	
							CHECK	6148 TOTAL: 1,250.00
6149	09/19/2014	PRTD	6226 COSCO FIRE PROTECTION INC	JC134964	08/27/2014		S091914	4,086.00
			Invoice: JC134964					
				4,086.00	S2251000	570300SP055	ADD SPRINKLER HEADS-CNTL ROOM FACILITIES IMPROVEMENTS	
							CHECK	6149 TOTAL: 4,086.00
6150	09/19/2014	PRTD	7205 LIGHTGUARD SYSTEMS INC	14130	09/05/2014		S091914	1,771.20
			Invoice: 14130					
				1,771.20	S0113010	522714	STOP SIGN-SPECIAL ORDER SHOREWAY FACILITY COST	
							CHECK	6150 TOTAL: 1,771.20
6151	09/19/2014	PRTD	3431 KEVIN MCCARTHY	SEPT2014	09/03/2014		S091914	115.00
			Invoice: SEPT2014					
				115.00	S0113010	520105	AUG 2014 CELL PHONE CELL PHONES	
							CHECK	6151 TOTAL: 115.00
6152	09/19/2014	PRTD	449 PITNEY BOWES GLOBAL	8474059-AU14	09/03/2014		S091914	128.29
			Invoice: 8474059-AU14					
				128.29	S0113010	520215	EQUIPMENT LEASE 9/20-12/20/14 OFFICE EQUIPMENT COSTS	
							CHECK	6152 TOTAL: 128.29
6153	09/19/2014	PRTD	5443 SPECIALTY'S CAFE & BAKERY INC	T2423-9526343	09/11/2014		S091914	71.38
			Invoice: T2423-9526343					
				71.38	S0113010	520300	BOARD MEETING REFRESHMENTS BOARD ADMINISTRATION	
			Invoice: T2423-9505317					
			SPECIALTY'S CAFE & BAKERY INC	T2423-9505317	09/08/2014		S091914	101.39
				101.39	S0113010	520340	LUNCH-LONG RANGE PLAN LONG RANGE PLAN	
							CHECK	6153 TOTAL: 172.77

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CITY OF SAN CARLOS  
A/P CASH DISBURSEMENTS JOURNAL S091914

PG 4  
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NUMBER OF CHECKS 18 \*\*\* CASH ACCOUNT TOTAL \*\*\* 1,536,697.15

	COUNT	AMOUNT
TOTAL PRINTED CHECKS	9	13,771.20
TOTAL EFT'S	9	1,522,925.95

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Email	<input type="checkbox"/>

\*\*\* GRAND TOTAL \*\*\* 1,536,697.15

PREPARED BY: Linda DATE: 9/18/14  
APPROVED BY: [Signature] DATE: 9/19/14  
FUNDS TRANSFERRED BY: [Signature] DATE: 9/19/14  
ACT 591910001-10T  
Mukulj Talwar 9/20/14





## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Monica Devincenzi, Recycling Outreach and Sustainability Manager  
**Date:** October 23, 2014 Board of Directors Meeting  
**Subject:** Update on Recently Adopted State Legislation (AB 1594 and AB 1826)

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### Recommendation

This is an informational report and no action is necessary.

### Analysis

On September 28, 2014, California Governor Jerry Brown signed two important bills related to recycling that result in stronger requirements for diverting organics (yard trimmings and food scraps) from the landfill and close loopholes allowing local government to get diversion credit for green waste (grass, leaves, brush, etc.) used as alternative daily cover (ADC) at a landfill. It is important to note that all RethinkWaste Member Agencies are already well positioned to meet the requirements of both bills through the existing collection services Franchise Agreements, and disposal and organics processing agreements.

### ***AB 1826***

Assembly Bill (AB) 1826 (Chesbro) will require businesses generating eight or more cubic yards of organic waste to recycle (compost) their organic waste starting on April 1, 2016. AB 1826 has a phased-in approach which would later require those generating four cubic yards or more of organic waste to recycle during 2017 and 2018. Starting January 1, 2019, it would also require those that generate four or more cubic yards of commercial solid waste (garbage) to arrange for organics collection services, and then possibly target those generating two cubic yards or more on and after January 1, 2020.

Since businesses in the RethinkWaste service area already have access to organics collection services through the BizSMART collection services provided by Recology San Mateo County, no new programs would need to be added for compliance purposes with the new bill. AB 1826 also complements the existing mandatory commercial recycling component of AB 341 that requires all businesses generating four or more cubic yards of solid waste and multi-family dwellings with five or more units to recycle. Staff anticipates that its implementation and compliance requirements will be similar to those of AB 341 and will not result in increasing the RethinkWaste budget.

As stated in previous staff reports, RethinkWaste has conducted studies to ascertain the composition of materials discarded from the commercial sector in recent years to determine the potential for achieving additional diversion. Based on the most recent commercial disposal composition study conducted for RethinkWaste in 2012, the largest single component of commercial disposal is food waste at 32%. When wet and dry mixed paper is included, the readily compostable percentage of disposal totals 48.5%. Diverting this material, which comprises close to half of our commercial discards, is especially significant since it is organic or compostable discards of this type that result in the most methane generation when landfilled. This is significant because methane is 22 times more potent of a greenhouse gas than carbon dioxide.

### **AB 1594**

The second bill, AB 1594 (Williams), would amend the existing California Integrated Waste Management Act of 1989 (Section 41781.3 of the Public Resources Code) to eliminate the exemption allowing local government to count green waste used as alternative daily cover (ADC) as "diversion" beginning January 1, 2020. Using green waste as ADC is a common operational practice by many landfill operators because it is a low cost material which is used to "cap" the landfill at the end of each day of operation. Other materials used for ADC include automotive "fluff" (derived from the shredding of cars and consisting mainly of plastics and foam) and discarded soil.

Since 2002, RethinkWaste has had in place a contract requirement that prevents the use of plant materials/green waste as ADC by the facilities that receive our material to ensure its highest and best use through composting. Staff believes the current practice of allowing green waste used as ADC weakens the integrity of California's recycling goals by misleadingly treating landfill disposal as "recycling," undermines efforts to promote beneficial uses of organic waste, and contributes in a significant way to global warming by producing powerful methane emissions that cannot be completely captured even in state-of-the-art landfills.

Landfilling compostable materials is also counterproductive to the State's goal of cutting greenhouse gas emissions and recycle 75% of its waste by 2020. The landfilling of organic waste generates significant greenhouse gas emissions, water and air quality impacts, as well as long-term financial liabilities. Just as important is the expectation by residents and business that take the effort to separate yard trimmings for recycling, that the material is being composted and are certainly unaware that that material might ultimately be landfilled as ADC.

### **Background**

At the April 24, 2014 Board of Directors Meeting, Board Member Catherine Carlton (Menlo Park) requested that AB 1826 be placed on the May agenda for discussion by the Board. She is a member of the League of California Cities Environmental Quality Policy Committee, which voted to support AB 1826 "in concept" at its April 3, 2014 meeting.

Upon further review of AB 1826 and consideration of AB 1594, staff believed that both bills supported practices currently in place throughout the service area and would provide greater diversion opportunities if they were enacted statewide. As such, RethinkWaste letters of support for both bills were presented and approved at the May 22, 2014 Board meeting.

### **Fiscal Impact**

There is no fiscal impact to RethinkWaste or Member Agencies associated with this staff report.



## STAFF UPDATE

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To: SBWMA Board Members  
From: Cliff Feldman, Recycling Programs Manager  
Marshall Moran, Finance Manager  
Date: October 23, 2014 Board of Directors Meeting  
Subject: Update on 2014/2015 Franchise Rate Setting Process

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### Recommendation

This is an informational report and no action is necessary.

### Analysis

The purpose of this staff update report is to keep the Board and Member Agency staff informed on the timing, schedule of events and issues affecting Member Agencies during the 2015 Contractor's Compensation Application(s) review (performed in 2014) and the SBWMA Recommended Rate Adjustment process for the 2015 Rate Year (i.e., establishing rates for January 1 - December 31, 2015). The goal is to provide pertinent information for Member Agencies to effectively plan for and manage communications regarding the compensation application and rate setting process including specific input needed from all Member Agencies. This staff update is revised as necessary and included in the Board packet for each Board meeting.

Attached is the current 2014 (for calendar year 2015 rates) Rate Approval Schedule (**Attachment A**).

### *Schedule of Compensation/Rate Adjustment Activities:*

#### January 2014

- January 23 Board Meeting - Discussion on Cost Allocation Methodology.

#### February 2014

- February 14 – Recology issued its 2013 Annual Report.
- February 27 Board Meeting - Discussion on interest calculations for rate revenue surplus/shortfall.

#### March 2014

- March 27 Board Meeting – Board approval of MOU with Recology on interest calculations for rate revenue surplus/shortfall.
- March 27 Board Meeting - Follow-up information and responses to questions on the Cost Allocation Methodology.
- Recology submitted the 2013 Revenue Reconciliation Report.

#### June 2014

- SBWMA issued a letter to the Board requesting feedback from all Member Agencies on estimated 2015 Member Agency fees (e.g., franchise fees) to be included in their 2015 solid waste rates.
- June 13th – Recology submitted its 2015 Compensation Application to the SBWMA and Member Agencies.
- June 26 – Board approved the Financial Audit Report on Recology and SBR for calendar year 2013 including final results of the 2013 Recology Revenue Reconciliation.

- June 26 – Board approved the Audit Report of Recology 2013 Annual Report and financial impact of performance incentives/disincentives and liquidated damages to be included in Recology's 2015 compensation application.

### July 2014

- July 1 - SBR's 2015 Compensation Application due to the SBWMA. Application was submitted on June 13, 2014.
- July 3 – Member Agency responses due to SBWMA on 2015 estimated Member Agency fees.
- July 8 – SBWMA staff issued comments to Recology on its 2015 Compensation Application.
- July 8 – SBWMA Board deadline to issue comments to Recology on its 2015 Compensation Application. (Comments from the following two Member Agencies were received: Foster City and County of San Mateo.)
- July 21 – SBWMA issued the following reports to the Board and Member Agency staff for review and comment:
  - Estimated residential revenue changes due to cart migration (i.e., lost revenue) by Member Agency since July 2013.
  - Projected 2014 and 2015 residential and commercial base revenue (based on six months of actual).
  - Residential rates versus cost analysis by Member Agency. Member Agencies are encouraged to review their residential rate structure for rate versus cost deficiencies (i.e., if rates don't cover costs) and rate subsidization of small carts by large carts.
  - Projected 2014 and 2015 tonnage based on six months of actual. These projections were used to estimate Member Agency 2014 and 2015 disposal expense.
  - Summary of 2015 Member Agency fees based on Member Agency feedback for final agency review.
- July 29 – Recology revised 2015 Compensation Application submitted to the SBWMA and Member Agencies.

### August 2014

- August 8 – SBWMA issued the Draft Report Reviewing Recology's 2015 Compensation Application (due on August 15). Included in this Report is the draft recommended total Revenue Requirement and rate adjustment(s) for 2015.
- August 8 – SBWMA issued the Draft Report Reviewing SBR's 2015 Compensation Application.
- August 29 – Member Agency comments due back on SBWMA Draft Report(s) Reviewing Recology's and SBR's 2015 Compensation Applications. (Comments were received from the County of San Mateo.)

### September 2014

- September 11 – Special Board meeting
  - Board had opportunity to discuss the 2015 Compensation Application(s) and rate setting process.
- September 18 – SBWMA Final Report Reviewing Recology's 2015 Compensation Application issued. Included in the Final Report is the recommended total collection rate adjustment for 2015.
- September 18 – SBWMA Final Report Reviewing SBR's 2015 Compensation Application issued.
- September 25 – Board approved the SBR 2015 Compensation Application.
- September 25 – Board approved the Recology 2015 Compensation Application and total recommended Revenue Requirement for 2015.

### September 27 – December 31, 2014

- Member Agencies issue Prop. 218 notice and approve final 2015 solid waste rates.

**November 2014**

- Report to Board on recommended January 1, 2015 Shoreway tip fee adjustments, if needed, including updated calendar year 2015 SBWMA financial projection with assumed tip fee and cash reserve balances.

**Attachment:**

**Attachment A – Draft 2015 Rate Approval Schedule**

## Attachment A

### DRAFT **2015 Rate Approval Schedule**

#### Member Agency Rate Setting Process

The Recology 2015 Compensation Application was submitted to the SBWMA and Member Agencies on June 13, 2014 and the revised version on July 30, 2014. On August 8, 2014, the SBWMA issued its Draft Report Reviewing Recology's 2015 Compensation Application (due on August 15) and the recommended Total Solid Waste Revenue Requirement for 2015. The Member Agencies were provided until August 29<sup>th</sup>, fifteen business days, to provide comments on the SBWMA's Draft Report. The comments received are incorporated in the SBWMA Final Report Reviewing the Recology 2015 Compensation Application that will become binding upon the Board's consideration for approval at the September 25, 2014 Board meeting. While the individual Member Agencies actually set solid waste rates for their jurisdictions, any rate increases put forth by the Member Agencies that are less than recommended in the approved SBWMA Final Report and cause a shortfall in compensation to Recology will result in interest payments for amounts owed to Recology.

#### September 25, 2014 Board Meeting

- Recology and SBR Compensation Applications Considered by Board
- Total Recommended Revenue Requirement Considered by Board

#### Member Agency Residential Billing Schedule

##### **Group A: October-November-December (Billed September 30, 2014; December 31, 2014)**

- Menlo Park
- Redwood City (Not applicable to Residential, Redwood City does its own billing.)
- San Mateo
- West Bay Sanitary District

##### **Group B: November-December-January (Billed October 31, 2014; January 31, 2015)**

- Atherton
- Burlingame
- San Carlos

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**Group C: December-January-February  
(Billed November 30, 2014; February 28, 2015)**

- East Palo Alto (Not applicable to Residential.)
- Foster City
- Hillsborough
- County of San Mateo

Prop 218 Public Notice Implications

Prop 218 requires an agency to provide a minimum of 45 days public notice directly to all account holders prior to authorizing a rate increase. If more than 50% of all account holders file a protest letter within the 45 day public comment period, the agency cannot adopt the proposed rate increase.

Bill Insert Considerations

Recology typically requires that a bill insert is prepared and ready for insertion with the bills a minimum of two weeks prior to the scheduled bill issuance date. However, the company may reduce this deadline to 5 business days for special circumstances, such as a Prop 218 Notice. The company has detailed guidelines regarding the specifications for bill inserts and will share these upon request. Agencies issuing a Prop 218 Notice via Recology's bills will need to **pay directly for the costs** associated with production and printing but will save on mailing expenses since Recology can include the insert with its bills at no additional cost.

Direct Mail Considerations

Member Agencies sending the Prop 218 Notice via direct mail will need to **pay directly for the costs** associated with production, printing and mailing. Agencies sending a direct mail piece typically include these costs in their rates. Sending the Prop 218 Notice via direct mail provides the Agency with total control and flexibility regarding production and mailing of the notice.

Bill Insert vs. Direct Mail:

**Group A**

These agencies may be able to prepare and print a bill insert in time for inclusion with the September 30, 2014 mailing.

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Proposed Schedule:

- September 25, 2014..... SBWMA BOD Approves Recology and SBR Compensation.
- October 1-15 ..... Governing body or Agency staff approves issuance of the Prop 218 notice.
- October 16-31 ..... Prop 218 Notice printed and issued via direct mail
- December 1-15 ..... Governing body closes the Prop 218 public notice period and adopts 2015 rates effective January 1, 2015.
- December 31..... First Recology bill issued with new 2015 rates.

**Group B**

These agencies will likely be able to prepare and print a bill insert in time for inclusion with the October 31, 2014 mailing. However, since the Prop 218 process will not close for 45 days after issuance of the Prop 218 rate increase notice, these agencies will have to bring the results of the Prop 218 notice before their governing body between December 16 and 31, 2014. Otherwise, these agencies will need to produce a direct mail piece in order to close the Prop 218 public hearing process prior to January 1, 2015.

Proposed Schedule:

- September 25, 2014..... SBWMA BOD Approves Recology and SBR Compensation
- October 1 – October 15..... Governing body or Agency staff approves issuance of the Prop 218 notice.
- October 31 ..... Prop 218 Notice included with Recology bills
- January 1-15 ..... Governing body closes the Prop 218 public notice period and adopts 2015 rates.
- January 31, 2015 ..... First Recology bill issued with new 2015 rates including a retroactive rate adjustment for January.

**Group C**

While these agencies will have ample time to prepare and print a bill insert in time for inclusion with the November 30, 2014 mailing, this is moot since the 45 day Prop 218 notification period will not close until after January 1, 2015 (i.e., on January 14, 2015). Therefore these agencies will be required to produce a direct mail piece in order to close the Prop 218 public hearing process prior to January 1, 2015.

Proposed Schedule:

- September 25, 2014..... SBWMA BOD Approves Recology and SBR Compensation
- October 1-15 ..... Governing body or Agency staff approves issuance of the Prop 218 notice.
- November 15-30 ..... Prop 218 Notice printed and issued via direct mail
- December 1-15 ..... Governing body closes the Prop 218 public notice period and adopts 2015 rates.
- February 28, 2015..... First Recology bill issued with new 2015 rates including a retroactive rate adjustment for January and February.

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## STAFF UPDATE

To: SBWMA Board Members  
 From: Recycling Program and Environmental Education Staff  
 Date: October 23, 2014 Board of Directors Meeting  
 Subject: Recycling and Outreach Programs Update

### Recommendation

This is an informational report and no action is necessary.

### Collection Programs

#### *WM At Your Door Special Collections (Door-to-Door HHW Collection Program)*

The following ten Member Agencies are participating in the program: Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, San Carlos, San Mateo, San Mateo County, and West Bay Sanitary District. Interest in the program has been strong and the company has made approximately 16,773 collections since the program started in mid-May 2010 through September 2014. The below table provides the program statistics:

<u>Month - Year</u>	<u>Collection Events</u>	<i>Pounds Collected</i>			
		<u>HHW</u>	<u>E-Scrap</u>	<u>Universal Waste</u>	<u>TOTAL</u>
<b>May - December 2010</b>	2,855	96,403	47,659	89,689	233,751
<b>2011</b>	3,998	123,042	53,753	123,906	300,701
<b>2012</b>	3,474	113,285	66,519	116,077	295,881
<b>2013</b>	4,343	151,485	80,294	138,898	370,677
<b>January - September 2014</b>	2,103	73,134	40,932	58,015	172,081
<b>May 2010 - September 2014</b>	<b>16,773</b>	<b>557,349</b>	<b>289,157</b>	<b>526,585</b>	<b>1,373,091</b>

The FY1415 promotional effort began in late July 2014 to increase program participation. These outreach activities include direct mail, outdoor and print advertising, *rethinker* newsletters, holiday ads (November and December), community events and social media. Residents will first see a direct mail postcard promoting the program which was delivered to all single-family and multi-family residents (in the participating Member Agencies) starting in late July. The postcard was mailed over a staggered schedule through early September.

#### *Household Battery and Cell Phone Curbside Recycling Collection Program by Recology*

In September 2014, Recology collected 7,300 pounds of batteries and cell phones which is much higher than the 4,040 pounds collected in September 2013; however, the monthly average for 2013 was 5,546 pounds and is trending slightly higher at 6,171 pounds for 2014.

The total pounds of batteries and cell phones collected through the curbside recycling program are provided in the table below:

Year	Pounds Collected
2009*	57,000
2010*	53,000
2011	47,000
2012	58,000
2013	66,560
January – September 2014	55,540
<b>Total</b>	<b>337,100</b>

\*Curbside recycling service provided by Allied Waste/Republic Services

### **Outreach Programs**

#### ***RethinkWaste Website, Social Media and “my waste” Mobile App***

The RethinkWaste website averaged over 730 visitors per week over the last month, an increase over August. There is a noticeable spike in site visitors any time there is a public education effort promoting programs and services. The most frequently visited pages this past month continue to be Household Hazardous Waste, Shoreway Facility and Beyond the Cart.

RethinkWaste also continues to use its Facebook and Twitter pages to promote program information and new services. To date, the Facebook page has 1,299 “likes,” a slight increase over the prior month. The Twitter page has 222 followers, which is comparable to last month.

To date, 615 residents have downloaded the “my waste” mobile application, a slight increase over the prior month. The convenient Agency-wide mobile app for residential customers enables them to request services, get additional program information and receive notifications. The mobile app can be downloaded through the RethinkWaste website or the Apple and Android app stores.

#### ***Community Outreach Events by Recology and RethinkWaste***

The Community Outreach Events (Compost Giveaway, E-Scrap/Shredding Events, Recology’s Bring Your Own Bucket Compost Giveaway, Confidential Document Destruction Service Event and Coats for Kids event) are nearing their end for 2014. RethinkWaste and Recology continued to collaborate on scheduling Member Agency community events. The following events have been scheduled or taken place to date:

#### ***Shred/E-Scrap Recycling Events***

- Redwood City – March 8 (shred only)
- San Mateo – April 13 and October 25
- Belmont – April 26
- Hillsborough – April 26
- Foster City – May 3, July 30 (shred only), and September 6
- Menlo Park – May 3 and November 1
- Burlingame – June 28 (shred only)
- San Carlos – September 13 (shred only)
- North Fair Oaks – October 4 (shred only)

### *Compost Giveaway Events*

- Menlo Park – 1<sup>st</sup> Saturday of the month, February-November
- Redwood City – February 22
- Foster City – March 22, April 12, September 20 and October 4
- San Mateo – Weekly starting mid-March

### *Coats for Kids by Recology*

This year's Coats for Kids curbside collection from residential customers is taking place throughout all Member Agencies during the week of October 13-17. Coat drop off at specific Member Agency locations and Recology's office is taking place between October 13-24.

### *RethinkWaste Night@ Shoreway Event*

RethinkWaste is hosting another "Night@Shoreway" event on Friday, October 17<sup>th</sup> from 4-9 pm at the facility. Cub Scouts in 3<sup>rd</sup> grade from Franklin and Washington elementary schools in Burlingame will be participating in the activity filled night which includes a flashlight tour of Shoreway, recycling relay race, zero waste dinner and movie.

### Shoreway Education Center School Groups and Public Tours Update

School Group and Public tours continue to be popular as staff has already began scheduling tours for 2015. Over 16,000 visitors have toured Shoreway since the tour program began in January 2012.

Below is a table showing tours that have been conducted and those scheduled for October 2014.

<u>Date</u>	<u>School/Group</u>	<u>Jurisdiction</u>	<u>Grade/Group</u>	<u>Total # of Participants</u>
October 1	Foster City Elementary	Foster City	5	34
October 1	Philip Brooks School	Menlo Park	2	52
October 2	Public Open House	Various	Various	18
October 7	Menlo Atherton High School	Atherton	11 and 12	25
October 8	Sunnybrae Elementary School	San Mateo	4	35
October 8	Community Group	Redwood City	Adults	10
October 9	Sunnybrae Elementary School	San Mateo	4	35
October 17	Pack 128 Bear Cubs	Burlingame	3	10
October 21	Sunnybrae Elementary School	San Mateo	4	35
October 22	Burlingame High School	Burlingame	9-12	24
October 24	Laurel Elementary	Atherton	3	29
October 29	Laurel Elementary	Atherton	3	24
October 30	Selby Lane School	Atherton	6	40
<b>Total Participants</b>				<b>**371</b>

*\*The number of participants is based on only those that have made a reservation for the tour on the Public Open House Day. \*\*Includes estimated numbers for those scheduled tours that have not been conducted by the date this report is issued.*

## Photos of Tour Participants at Shoreway Environmental Center



*4<sup>th</sup> graders from Sunnybrae Elementary School, San Mateo*



*3<sup>rd</sup> and 4<sup>th</sup> graders from San Carlos Charter School, San Carlos*

### ***Staffing for the Tours Program***

Faustina Mututa, the Environmental Education Coordinator, is having a baby! Faustina took leave from RethinkWaste in September and is expected to return late in the school year. To help fill the staffing gap, Kali Shiloh was hired on October 15<sup>th</sup> as a part-time seasonal Environmental Education Associate until Faustina returns. Kali is new to the waste industry but has ten years working with children in different educational settings. Kali will be assisting Heather Co in providing tours at the Shoreway Center and in special events like the upcoming Night@Shoreway event.

## STAFF UPDATE

**To:** SBWMA Board Members  
**From:** Hilary Gans, Facility Operations Contracts Manager  
**Date:** October 23, 2014 Board of Directors Meeting  
**Subject:** Shoreway Facility Operations and Maintenance Update

### Recommendation

This is an informational report and no action is necessary.

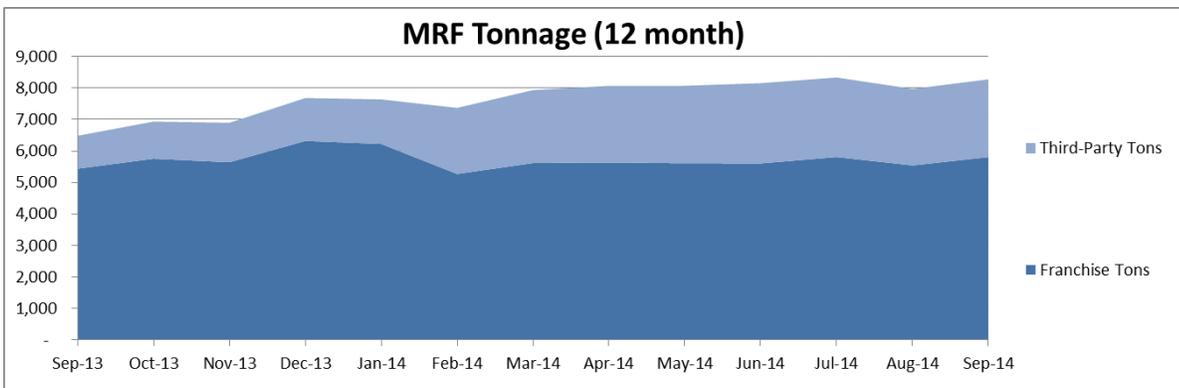
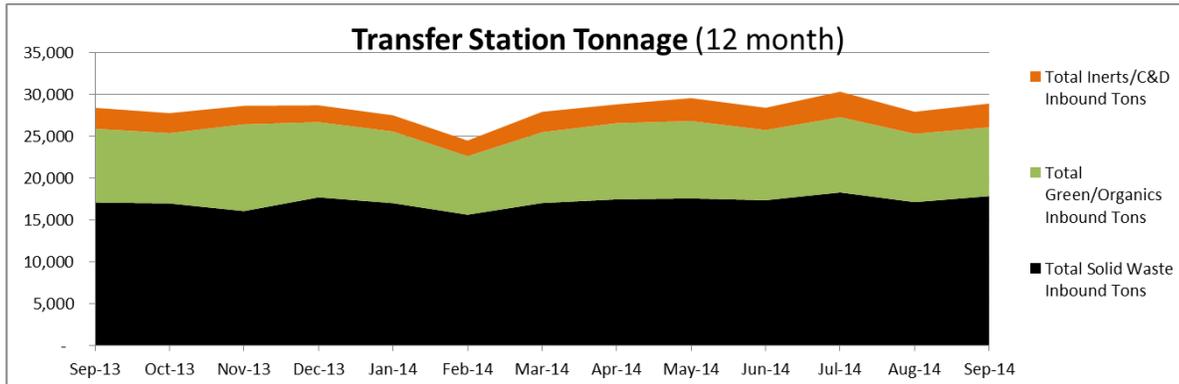
### I. OPERATIONS UPDATE

#### Facility Tonnage

The charts below provide a summary of the monthly inbound tonnage at the Shoreway Environmental Center Transfer Station and Materials Recovery Facility (MRF). Items of note include:

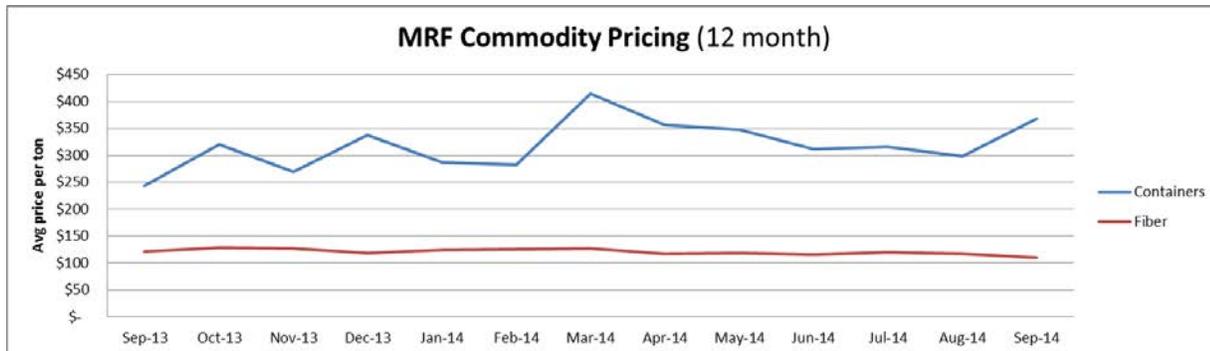
- Organic material tons have declined an average of 15% YTD over prior; likely the result of dryer/lighter organic loads resulting from the drought.

The third-party recyclables tons shown in the MRF Tonnage graph are delivered to the MRF by Recology from communities outside of the SBWMA service area for processing. The third-party tonnage has increased 65% YTD over prior year same period as a result of additional Recology tonnage.



## Commodity Revenues

The chart below provides a price trend summary of container (plastic, metal and glass) and fiber (paper) commodities marketed by South Bay Recycling (SBR) from the Shoreway MRF -- the commodity pricing is an average of the total commodity revenues by type (i.e., container or fiber) for the month divided by the total tons sold. The container pricing tends to vary by month depending on the mix of container volumes types sold during the month. The average price for fiber represents the price for cardboard, mixed paper and newspaper sold during the month. Since fiber represents the largest volume of the commodities marketed from the MRF, the fiber price and MRF tonnage charts provides a strong indicator of trends in SBWMA commodity revenues. (Note that SBR's fiber pricing is contractually tied a commodity index through the Fiber Price Assurance Mechanism in Attachment 11-B of the Operations Agreement.



## **II. MAINTENANCE AND FACILITY IMPROVEMENTS UPDATE**

The SBWMA is the owner of the 16-acre Shoreway Environmental Center and is responsible for maintaining the buildings, site, utilities, and systems that support Recology and SBR's onsite activities. Additionally, the SBWMA purchased and installed the MRF processing system in 2011 and is responsible for all capital repairs to the system. This update summarizes the status of maintenance (budget line item "Shoreway Facility Costs") and facility improvement (capital projects) projects.

### Update on Maintenance and Capital Projects

The following maintenance project activities are in various degrees of completion for the Month of September.

- Additions to the Shoreway monument sign were completed to provide public visitors traveling down Shoreway better visibility of the main facility entrance and the tour parking entrance.
- Enhancements were made to the MRF processing equipment to provide: safety protections for the residue conveyor at the transfer station, and provide SBR better equipment cleaning access to the Sorting system.
- Installation of new carpeting for the Recology shop office area was completed.
- Quotes were received to install electric vehicle charging stations at the Shoreway facility. Specific locational site conditions are being evaluated.
- A contract has been executed with JRMA for the MRF tipping area extension and designs for this structure are in process.

### Project Expenditures Summary

Shoreway Facility Cost – The amount spent on maintenance projects and expensed against the Shoreway Facility Costs budget line is approximately \$42,067 through the month of September on a budget amount of \$160,000.

Capital Expenditures – The amount spent on capital projects at the Shoreway Center is \$0 on a budget of \$925,000.



## STAFF REPORT

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To: SBWMA Board Members  
From: Cliff Feldman, Recycling Programs Manager  
Hilary Gans, Operations Contracts Manager  
Date: October 23, 2014 Board of Directors 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 Monthly Reports for the month of September from Recology and SBR were submitted to the SBWMA on time.

The contractor monthly reports are emailed to the Board directly. For reference, they reports can be accessed via the following links; for SBR - <http://www.rethinkwaste.org/about/service-providers/south-bay-recycling>; and for Recology - <http://www.rethinkwaste.org/about/service-providers/recology>.

It is important to note that the franchise tonnage information presented in Recology's Monthly Report is derived from data compiled by SBR as the Shoreway Environmental Center facility operator. Recology's report includes collection services data, monthly updates on various operations, and call center complaint/inquiry related metrics. In addition to franchise tonnage data, the SBR report also provides details on the transfer station and buy-back center activities from self-haul customers, including any Member Agency vehicles.

### Background

Article 9, section 9.05 of the Member Agencies Franchise Agreement(s) with Recology 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.