



CONSENT CALENDAR

**DRAFT MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
October 27, 2011 – 2:00 p.m.  
San Carlos Library Conference Room A/B**

**1. Roll Call:**

CTO 2:09 p.m.

In attendance: Belmont, Foster City, Hillsborough, Menlo Park, Redwood City, San Mateo, County of San Mateo, West Bay Sanitary District

**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. 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 September 22, 2011 BOD Meeting Minutes
- B. Adopt the October 6, 2011 Special BOD Meeting Minutes
- C. Receipt of Recology and SBR Monthly Reports

Member Fotu requested agenda item 3A be pulled from consent for discussion

Motion to approve consent calendar items B and C

M/S: Hardy/Gibbons

Voice Vote: All in Favor (Atherton, Burlingame, East Palo Alto, and San Carlos Absent)

Member Fotu requested that the September 22, 2011 Board of Director's meeting minutes be amended on page 7 to reflect: *Member Fotu asked about the labor routes, she gave the example of there being an increase of 2% more accounts in Menlo Park but that there is an increase of 7% route hours and a 15% increase in labor route hours, she asked for clarification of reconciling increase in costs.*

Member Fotu made a motion to accept agenda item 3A as amended

M/S Fotu/Hardy

Voice Vote: All in Favor (Atherton, Burlingame, East Palo Alto, and San Carlos Absent)

**4. New Business:**

- A. Results of 2011 Third Quarter Recology Franchise Agreement(s) Quarterly Contamination Measurement for Loads of Recyclable Materials, Organic Materials and Plant Materials

Staff Feldman explained that through the franchise agreements, every quarter the SBWMA is to measure the levels of contamination of the 5 material streams that Recology picks up. He noted that the contamination numbers are going in the right direction, announcing that there will be no disincentive payments for the 3<sup>rd</sup> quarter based on the results. There were disincentive payments associated with the first and second quarter results.

Member Oskoui asked about the ramifications of the disincentive payments, asking for clarification on the process of the disincentive payments.

Staff Feldman answered that it's part of a checks and balances system so that the SBWMA gets the most value for the commodities being processed through the MRF. Noting that if Recology doesn't meet the contractual contamination thresholds, then there is a disincentive payment paid to the SBWMA, explaining that it is paid to the SBWMA not the agencies because the SBWMA pays the increased costs associated with disposal of contaminated loads.

B. Resolution Approving Office Lease Agreement at San Carlos Library

SBWMA staff is still working with the City of San Carlos on the terms of this agreement, so this item was removed from discussion and will be brought up for discussion at the November meeting.

Executive Director McCarthy added that within the last day the SBWMA and the City of San Carlos has come to terms on a 3 year lease with an annual CPI adjustment that will come before the Board at the November meeting.

7. **Old Business:**

Hilary Gans introduced Faustina Mututa the newest member to the SBWMA staff. She will serve as the Environmental Education Coordinator, and is working 4 days a week.

A. Resolution Approving Teamster Benefit Trust (TBT) Repayment Agreement with Recology San Mateo County

Executive Director McCarthy stated that this was a follow item up from the September board meeting where the Board approved a resolution with 5 points in it, 4 were agreed upon at the last meeting and the 5<sup>th</sup> point was for staff to come back to the Board with repayment terms around a 121<sup>st</sup> payment if there is one. The Board has been presented with an agreement that has been reviewed by Legal Counsel, and is acceptable by Recology and Staff.

Member Oskoui asked if this amount was part of the Allied balancing account.

Executive Director McCarthy answered that it is separate from the balancing account numbers. Noting that originally this number was in the Allied balancing account, but we worked with Allied and the Executive Committee for an agreement to be brought up at the September Board meeting. The Agreement is that the SBWMA would reimburse Allied, and Recology would reimburse the SBWMA to keep this number separate from inflating the Allied balancing account figures.

Member Oskoui asked if this was only for Allied employees that transferred to Recology or if it was Allied outstanding balance.

Executive Director McCarthy explained that the difference is that there are fewer number of employees on the Recology payroll as compared to the payment Allied made, adding that the payments also dealt with some SBR employees. He also noted that this was an unanticipated item, but according to Allied and the Teamsters this very typical when there is a change in contractor.

Member Oskoui asked if there had been any thought around building the cost into the established 120 payments.

Executive Director McCarthy stated that the thought process was to not assume an 121<sup>st</sup> payment in the rates, but create a an agreement that would address this contingency so that the SBWMA wouldn't be in this position again in 10 years at the end of this contract, and the SBWMA wouldn't be in the position of trying to get the money back from Recology.

Member Scott asked about the likelihood of having to pay it.

Executive Director McCarthy stated that we don't know as it depends in part on whether the Recology franchise agreements are extended beyond the 10 year terms.

Member Gibbons made a motion to approve the resolution as written

M/S: Gibbons/Fotu

Roll Call Vote:

Motion Passes: 7-0-1-4

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 District	X			

B. RSMC Franchise Agreement Operational and Contract Administration Update

Gino Gasparini gave an update on Recology's operations.

Gino thanked the Agencies and SBWMA for the good quarterly contamination results.

He told a good will story about travel documents and money accidentally ending up in the recycling, and how Recology was able to track the driver using the on board systems and recover the items.

C. SBR Shoreway Operations Agreement Update

John Richardson SVP with SBR and VP of Community Recycling. He reminded that Board the SBR is a joint venture with Potential Industries and Community Recycling. He stated that SBR had two items to update the Board on.

The first was the tragic fatal accident that happened at the Community Recycling compost facility in Bakersfield. He handed out a press release sent to The Bakersfield California from Community Recycling in response to the accident, and noted that due to the investigation they were restricted to what they could say. He told the Board that Community Recycling is doing everything they can to deal with this tragedy.

John announced that Dwight Herring will be the new general manager. He thanked David Langer for his service, and said that David would continue through the end of year to ensure that the transition goes smoothly.

**8. Staff Updates**

Executive Director McCarthy stated that he would like to extend his thanks and from all of the staff for all the help from David Langer. Noting that David was a critical member of the team, he's been a great resource for our staff and SBR, and expressed that the SBWMA expects to continue to find ways to work with him.

Executive Director McCarthy stated that we now have an updated state recycling goal thanks to AB 341, and that this would be a topic of discussion at the Board Retreat in February. We now have a target for where we're going with our diversion efforts.

Executive Director McCarthy thanked all the Board Members for attending the Grand Opening Event.

- a) Update on Recology Commercial Recycling Outreach Efforts
- b) Recycling and Outreach Programs Update
- c) Shoreway Construction Update
- d) Preview of Upcoming Board meetings

Executive Director McCarthy noted that the Board would be discussing Tip Fee adjustments at the November meeting, and asked members of the Board to let staff know if advance of questions.

**9. Board Member Comments**

**10. Adjourn 2:39 PM**

**Next Regular meeting scheduled for November 17, 2011, San Carlos Library at 2:00 pm**



## STAFF REPORT

**To:** SBWMA Board Members  
**From:** Marshall Moran, Finance Manager  
**Date:** November 17, 2011 Board of Director's Meeting  
**Subject:** Quarterly Investment Report for the Quarter Ended September 30, 2011

### Recommendation

It is recommended that the SBWMA Board review and accept the Quarterly Investment Report.

### Analysis

The primary objective of the Investment Policy for the SBWMA is safety of principal, while meeting the cash flow needs of the Authority, through prudent investment of unexpended cash. As of September 30, 2011, the investment portfolio was in compliance with the Investment Policy. The portfolio contains enough liquidity to meet the next six months of expected expenditures by the Authority as well as by other third parties.

### Fiscal Impact

The attached Investment Portfolio Summary indicates that on September 30, 2011, funds in the amount of \$18,224,474 were invested producing a weighted average yield of 1.420%.

Accrued interest earnings this quarter totaled \$60,368. As shown in the table below, the slight decrease in interest earnings is due to the slight decreased balance of the portfolio as compared with the prior quarter.

Below is a summary of the changes in the portfolio.

	<b>Qtr Ended 9/30/11</b>	<b>Qtr Ended 6/30/11</b>	<b>Increase (Decrease)</b>
Total Portfolio	\$ 18,224,474	\$ 18,610,033	\$ (385,559)
Wgtd Avg Yield	1.42%	1.43%	0.00%
Interest Earnings	\$ 60,368	\$ 65,344	\$ (4,976)

The decrease in the total portfolio of \$385,559 is primarily due to debt service payments of approximately \$1.5 million and project costs of approximately \$2.4 million from the Bond Proceeds accounts. These outlays are offset by the receipt of franchise revenues.

A table comparison of the portfolio components is provided below:

	<b>9/30/11 Balance</b>	<b>% of Total</b>	<b>6/30/11 Balance</b>	<b>% of Total</b>	<b>Change over prior qtr</b>
SM County Pool	\$ 2,077,198	11%	\$ 2,070,798	11%	\$ 6,400
LAIF	10,206,329	56%	8,197,304	44%	2,009,025
Bond Proceeds	5,940,947	33%	8,341,931	45%	(2,400,984)
<b>Total Portfolio</b>	<b>\$ 18,224,474</b>	<b>100%</b>	<b>\$ 18,610,033</b>	<b>100%</b>	<b>\$ (385,559)</b>

Note: There may be minor differences in totals as individual amounts are rounded to the nearest dollar

The average yield of the portfolio excluding bond proceeds was 0.537%. The Local Agency Investment Fund (LAIF) is used as a benchmark, and the average LAIF yield for the quarter ending September 30, 2011, was 0.38%. The San Mateo County Pool average yield for the quarter was 1.31%.

Due to arbitrage restrictions, bond proceeds investments are not included in our LAIF rate comparison. As of September 30, 2011, the bond proceeds of approximately \$5.94 million were invested with the trustee in LAIF, Federal Home Loan Bank securities and other cash and short-term investments.

The Investment Advisory Committee, consisting of Jeff Maltbie, City Manager of San Carlos; Brian Moura, Assistant City Manager of San Carlos; Michael Galvin, City Treasurer for San Carlos; and, Rebecca Mendenhall, Administrative Services Director have reviewed this report before presentation to the Board.

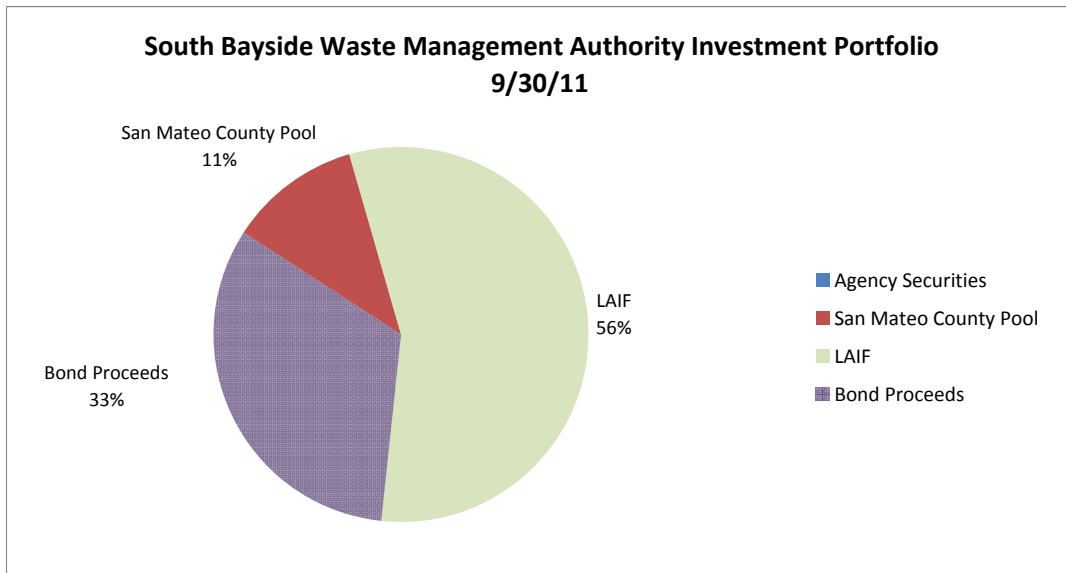
### **Attachments**

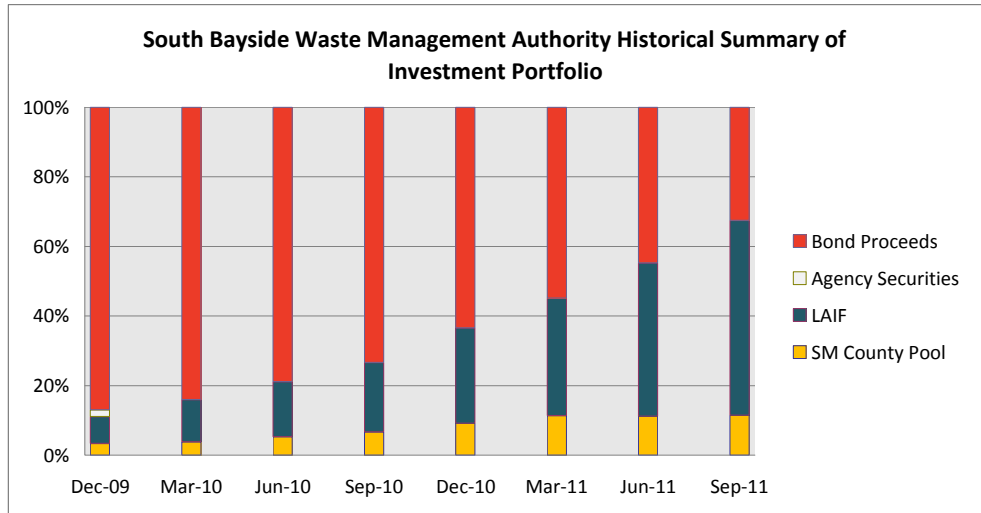
- 1 – Investment Portfolio Summary for the Quarter Ended September 30, 2011
- 2 – Historical Summary of Investment Portfolio

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**

**SUMMARY OF ALL INVESTMENTS**  
For Quarter Ending September 30, 2011

Category	Maturity		Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value
	Days	Months			
<b>Liquid Investments:</b>					
San Mateo County Investment Pool (COPOOL)	2		1.31%	2,077,198	2,077,198
Local Agency Investment Fund (LAIF)	1		0.38%	10,206,329	10,206,329
<b>Total - Investments</b>			<b>0.537%</b>	<b>12,283,527</b>	<b>12,283,527</b>
<b>Bond Proceeds Accounts - Cash with Fiscal Agents</b>					
BNY Western Trust - LAIF 2009 Project Fund Account			0.38%	624,055	624,055
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009 Project Fund Account			0.00%	429,910	429,910
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Reserve Fund Account			0.00%	360,362	360,362
BNY Western Trust - Federal Home Loan Bank 2009A Reserve Fund Account			4.64%	4,108,048	3,904,292
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Payment Fund Account			0.00%	418,572	418,572
<b>Total - Bond Proceeds Accounts</b>			<b>3.246%</b>	<b>5,940,947</b>	<b>5,737,191</b>
<b>GRAND TOTAL OF PORTFOLIO</b>			<b>1.420%</b>	<b>18,224,474</b>	<b>18,020,718</b>
<b>Total Accrued Interest this Quarter</b>					<b>60,368</b>
<b>Total Accrued Interest Fiscal Year to Date</b>					<b>60,368</b>





**South Bayside Waste Management Authority Portfolio**

	<b>Dec-09</b>	<b>Mar-10</b>	<b>Jun-10</b>	<b>Sep-10</b>	<b>Dec-10</b>	<b>Mar-11</b>	<b>Jun-11</b>	<b>Sep-11</b>
SM County Pool	1,690,785	1,694,971	2,048,690	2,053,315	2,060,200	2,065,675	2,070,798	2,077,198
LAIF	4,003,801	5,511,106	6,166,777	6,174,485	6,182,460	6,189,561	8,197,304	10,206,329
Agency Securities	1,001,250	-	-	-	-	-	-	-
Bond Proceeds	44,972,979	38,168,917	30,856,257	22,690,918	14,335,911	10,045,187	8,341,931	5,940,947
<b>Grand Total</b>	<b>\$ 51,668,815</b>	<b>\$ 45,374,995</b>	<b>\$ 39,071,723</b>	<b>\$ 30,918,719</b>	<b>\$ 22,578,571</b>	<b>\$ 18,300,423</b>	<b>\$ 18,610,033</b>	<b>\$ 18,224,474</b>





## STAFF REPORT

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To: SBWMA Board Members  
From: Cyndi Urman, Board Secretary/Office Manager  
Date: November 17, 2012 Board of Director's Meeting  
Subject: Approval of 2012 Board Meeting Calendar

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### SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY 2012 BOARD MEETING SCHEDULE

*Meetings of the South Bayside Waste Management Authority are held  
on the fourth Thursday of the month from 2:00pm to 4:00 pm*

Location: City of San Carlos Library, 2nd Floor, Conference Room A/B, 610 Elm St., San Carlos, CA 94070

January	26	2012
February	23	2012
March	22	2012
April	26	2012
May	24	2012
June	28	2012
July	26	2012
August		NO MEETING IN AUGUST
September	27	2012
October	25	2012
November	15	2012* (Third Thursday)
December		NO MEETING IN DECEMBER

*\*November's Meeting date falls on the Thanksgiving Holiday; it has been scheduled for the PRIOR week*



## STAFF REPORT

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To: SBWMA Board Members  
From: Kevin McCarthy, Executive Director  
Date: November 17, 2011 Board of Director's Meeting  
Subject: Resolution Approving Office Lease Agreement at San Carlos Library

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2011-26 attached hereto authorizing the following action:

Authorize the Executive Director to execute the fourth amendment to the lease as detailed in **Exhibit A**.

### Analysis

The proposed fourth amendment to the lease agreement at the San Carlos library will extend our current lease, which expired on June 30, 2011, for three years until June 30, 2014 and includes an annual CPI adjustment (i.e., Consumers Price Index for Urban Wage Earners and Clerical Workers, San Francisco Bay Area, All Items (1982-84=100). The first CPI adjustment is effective October 1, 2011 and annually thereafter on July 1<sup>st</sup>.

Staff is recommending this three year lease extension as the only viable current alternative as sufficient office space is not available at the Shoreway facility to house agency staff. If directed by the Board, staff can explore other alternatives over the next two year period prior to the amended lease expiration.

### Background

In 2003 the SBWMA first entered into a lease agreement with the City of San Carlos for approximately 300 square feet in the upstairs office area of the San Carlos library. The lease has subsequently been amended and extended three times for space now totaling approximately 2,429 square feet with a current annual lease amount of \$47,443.56 (\$3,953.63 per month). Utilities and janitorial services are paid separately with the SBWMA paying its prorata share based on the square footage leased.

### Fiscal Impact

Approval of the fourth amendment to the lease would increase our monthly lease amount by \$114.65 or 2.9% effective October 1, 2011. This would result in annual lease costs in FY 2012 of \$48,475.41 compared to our budget amount of \$48,000. Sufficient funds are available to cover this \$475.41 unbudgeted amount.

Subsequent budgets will reflect the annual CPI provision in the amended lease.

### Attachments:

Resolution 2011-26

Exhibit A – Fourth Amendment to Lease



## RESOLUTION NO. 2011-26

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING THE FOURTH AMENDMENT TO THE LEASE AGREEMENT WITH THE CITY OF SAN CARLOS

**WHEREAS**, On July 12, 2010 the SBWMA and the City of San Carlos agreed to amend and extend the lease for a period of one year through June 30, 2011 with no change in the monthly lease amount; and

**WHEREAS**, the SBWMA and the City of San Carlos staff have proposed to amend and extend the lease (see Exhibit A) for a three year period through June 30, 2014 with an annual CPI adjustment in the lease rate.

**WHEREAS**, if the Board approves the amended lease it will be subject to approval by the City of San Carlos city council; and

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves the fourth amendment to the lease with the City of San Carlos.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 17<sup>th</sup> day of November, 2011, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				

I HEREBY CERTIFY that the foregoing Resolution No. 2011-26 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 17, 2011.

ATTEST:

\_\_\_\_\_  
Brian Moura, Chairperson of SBWMA

\_\_\_\_\_  
Cyndi Urman, Board Secretary

## **FOURTH AMENDMENT TO LEASE**

This is the Fourth Amendment to the Lease between the CITY OF SAN CARLOS (the City) and the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (SBWMA), a California Joint Powers Authority (the Lessee) dated October 14, 2003.

### **RECITALS**

- A. SBWMA and City entered into a Lease on October 14, 2003 for the premises at 610 Elm Street, Suite 202 (the Library Building), of approximately 300 square feet. The Lease originally had an expiration date of October 13, 2006.
- B. The SBWMA assumed the Lease space of World Learning group effective October 13, 2005 and assumed the Lease space of Neal Martin and Associates on or about June 1, 2006.
- C. On February 14, 2007, the SBWMA and City agreed to extend the Lease through June 30, 2008, with an option to extend to June 30, 2010. SBWMA timely extended the Lease before June 30, 2008 and the Lease now terminates on June 30, 2010.
- D. On June 22, 2009 the parties agreed to amend the Lease to add additional space formerly known as the City computer lab. This space includes an additional 384 square feet, bringing the total size of the SBWMA Office to 2,429 square feet with all space leased at the same rate and under the provisions of the Lease.
- E. On July 12, 2010 the parties agreed to amend the Lease to extend the Lease for a period of one year through June 30, 2011. During that one year period, the rental rate will remain at \$3,953.63 per month through June 30, 2011.

**THEREFORE, the City and SBWMA agree as follows:**

### **AGREEMENT**

- 1. The Lease is modified as follows: The Lease as amended is extended three years from July 1, 2011 to June 30, 2014. The rental rate will increase to Four Thousand Sixty Eight Dollars and 28 cents (\$4,068.28) per month starting October 1, 2011.
- 2. The rental rate will increase on July 1, 2012 and each year thereafter. Said rental amount shall increase by the amount of increase in the Consumers Price Index for Urban Wage Earners and Clerical Workers, San Francisco Bay Area, All Items (1982-84=100), hereinafter referred to as the "Index". Such cost of living increases shall be computed based on the change in the index for the period of April to April each year.
- 3. In all other respects the terms and conditions of the Lease are reaffirmed.

DATED: \_\_\_\_\_

CITY:

CITY OF SAN CARLOS, a municipal corporation

By \_\_\_\_\_

(Name) \_\_\_\_\_

(Title) \_\_\_\_\_

DATED: \_\_\_\_\_

LESSEE:

SOUTH BAYSIDE WASTE MANAGEMENT  
AUTHORITY, a California Joint Powers Authority

By \_\_\_\_\_

(Name) \_\_\_\_\_

(Title) \_\_\_\_\_



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**Agenda Item 3E**  
**Receipt of Recology and SBR Monthly Reports**

**Attachments:**

- 1 – Recology October 2011 Report**
  - 2 – SBR October 2011 Report**
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- ◆ Recology October 2011 Report
- ◆ SBR October 2011 Report

*As per the Contract these reports are due 11/15/11, and they will be posted on the web on 11/16/11*

Posted on Website after 11/16/11: [www.rethinkwaste.org](http://www.rethinkwaste.org)

Report POSTED AFTER 11/15/11 at [www.rethinkwaste.org](http://www.rethinkwaste.org)