



BOARD OF DIRECTORS
THURSDAY, January 26, 2017 at 2:00 p.m.

San Carlos Library, Conference Room A/B
610 Elm Street, San Carlos, CA 94070

1. Roll Call

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.

3. Adjourn to Closed Session – Pursuant to Government Code Section Govt. Code Sec. 54957 Public Employee Evaluation: Executive Director

THE REGULAR PORTION OF THE MEETING IS ANTICIPATED TO START AT 2:45 PM

4. Roll Call

5. Additional Public Comment

6. Executive Director's Report

7. 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. Approval of Minutes from the November 17, 2016 Board of Directors Meeting
- B. Resolution Approving the 2016 Annual Financial Statements
- C. Resolution Approving Revised SBWMA Investment Policy for 2017

8. Administration and Finance

- A. Election of SBWMA Board Chair and Vice Chair for 2017
- B. Resolution Approving the FY16/17 Mid-Year Budget

9. Collection and Recycling Program Support and Compliance

- A. Quality Control on Recology Call Center: Update on Random Monitoring Calls
- B. Resolution Approving of final recommendations on Household Hazardous Waste Collection Options

10. Shoreway Operations and Contract Management

- A. Resolution Approving Shoreway Environmental Center Site Restoration Services' Contracts Let Under Purchasing Policy and Update on MRF Fire Restoration and Facility Reopening Schedule
- B. Resolution Approving a New Contract with Zanker Road Resource Recovery for Construction and Demolition Materials Processing Services
- C. Update on Recology's Termination of 3rd Party Tons Supply Agreement with SBR

MEMBER AGENCIES

ATHERTON * BELMONT * BURLINGAME * EAST PALO ALTO * FOSTER CITY * HILLSBOROUGH * MENLO PARK * REDWOOD CITY
* SAN CARLOS * SAN MATEO * COUNTY OF SAN MATEO * WEST BAY SANITARY DISTRICT

11. Informational Items Only (no action required)

- A. Franchise Agreement Extension Discussions Calendar
- B. November and December 2016 Check Register Detail
- C. Technical Consulting and Professional Services Agreements for 4th Quarter 2016
- D. 2018 Finance and Rate Setting Calendar

12. Board Member Comments

13. Adjourn

MEMBER AGENCIES

ATHERTON * BELMONT * BURLINGAME * EAST PALO ALTO * FOSTER CITY * HILLSBOROUGH * MENLO PARK * REDWOOD CITY
* SAN CARLOS * SAN MATEO * COUNTY OF SAN MATEO * WEST BAY SANITARY DISTRICT



EXECUTIVE DIRECTOR'S REPORT



STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: January 26, 2017 Board of Directors Meeting
Subject: Executive Director's Report

The following projects and initiatives highlight staff efforts during the past month:

1. **Administration & Finance:**

A. **Mid-Year Review of FY16-17 Annual Operating Budget—Report Out:**

The Mid-Year review of the SBWMA FY 16-17 Annual Operating Budget resulted in a net positive variance of \$1,018,459 in net income, or +63.5%. These Mid-Year projections include: revenues of \$45.2M against expenses of \$42.6M for a net income projection of \$2.6M, or a +63.5% positive variance.

Staff goes to great effort to project and manage the agency's financial plan in a fiscally conservative and responsible fashion. There are several key factors to these highly unusual results, including:

- **Key Revenue Variances:** A 19% jump in commodity pricing vs. plan (+\$1.6M); A \$470K increase in franchise sales due to higher material volumes; Higher than planned buyback payments of \$95K.
- **Key Expenses Variances:** Lower administrative costs (salary costs) due to four extended staff vacancies (\$298K); Favorable credit card charges due to bank change (+\$53K); Favorable HHW program expenses thru YE due to non-renewal of Waste Management contract (+\$341K).

The agency's total reserve balance continues to maintain a strong position with a Mid-Year fund total of \$13,337,984, which is a \$232,241 positive variance vs. budget (or +1.8%). Please note that the "Undesignated Reserves" fund has been re-named "Capital Reserve" to more accurately depict the agency's historic and intended future use of these funds.

NOTE: Fire-related expenses are not called out above for simplicity. Mid-Year variance details are provided in item 8B in today's packet, including a summary of fire-related expenses and reimbursements.

B. **Annual Financial Services Audit—Now Complete:**

Per standard GAAP procedures, the City of San Carlos commissioned Maze & Associates to conduct an annual review of the SBWMA's comprehensive financial reporting practices. Maze's findings report was first reviewed by the City of San Carlos Administrative and Accounting Management team before being presented to SBWMA management. These findings were reviewed by the Finance Committee on January 10, and these findings are presented for final Board consideration today in agenda item 7C.

C. 2017 Investment Policy—Minor Changes:

The City of San Carlos' Investment Committee has recommended seven non-substantive adjustments to the SBWMA Investment Policy due to mandated code-changes that were effective January 1, 2017. On January 10, the Finance Committee reviewed these changes and recommended they progress to final Board consideration today in agenda item 7D. The Finance Committee also recommended the future evaluation and consideration of alternative, higher-yielding financial options for a portion of the Agency's investment portfolio. Any such recommendations would, of course, require board approval of its standing investment policy.

D. Staffing Update--Two Vacancies:

The agency currently has one staff vacancy, the *Recycling Outreach & Sustainability Manager* and one additional contracted position vacancy, the *Recycling Programs Manager* (the former LGS contractor). Both vacancies are professional grade and are budgeted. As previously reported, technical contractors are being used to support the agency's priority program work during this interim period, and their costs are being kept below the budgeted wages that would have been paid out if the agency were operating at normal staffing.

These vacant positions will be addressed in the agency assessment provided to the SBWMA board prior to the January 26th meeting.

2. Collection and Recycling Program Support and Compliance:

A. 2017 Contractor Compensation Adjustment Application update:

Member agencies have now concluded their local rate setting actions to establish their garbage, recycling and organics rates for 2017. Staff provided technical support during this important process as requested.

B. Household Hazardous Waste (HHW) handling:

The HHW collection contract with Waste Management (WM) expired on December 31, 2016 per Board action. The County's HHW program reports a substantial increase in drop-off appointments at their Tower Road HHW Facility since the WM program's expiration was announced in mid-November.

With strong Board direction, Staff recommends maximizing the County's fully AB 939 fee-funded, existing HHW materials handling infrastructure and local drop-off events in the future. SBWMA Staff has worked enthusiastically with our County HHW Program colleagues to deliver many viable HHW options for our ratepayers and no, or minimal additional cost. SBWMA Staff notes (and appreciates!) County staff has demonstrated a highly-responsible and flexible approach during our planning discussions. With final Board approval of Item 9B today, Staff will develop an expanded HHW education and outreach plan to supplement the County's confirmed 2017 collection event schedule. A Shoreway Environmental Center HHW drop-off facility option will also be addressed in this report.

C. Franchise Agreement Negotiations Committee (FAX):

Vigorous progress has been made in this top-tier initiative. Our lead negotiator, HF&H Consultants, and both parties are now fully engaged in active negotiation mode. The tone of our discussions has been cordial and constructive and all participants are working hard to advance the discussion to meet the established timeline. The Recology team has met a critical deliverable by submitting their completed sole-source RFP worksheets on January 10th, as requested. Staff would like to acknowledge Recology's efforts in providing this critical deliverable during a very compressed time period that occurred over the holidays. This critical path document provides fundamental insights on the financial aspects of the Recology operations that are necessary for our discussions to proceed.

Staff has placed a strong priority on incorporating Member Agency feedback into these discussions. Here are four ways that Staff has purposefully solicited this input:

- **A senior-level survey:** This was directed to every SBWMA Board Member/Alternate and all City Managers. 23 total responses and 100% participation from our member agencies.
- **Senior and frontline staff** participated in a comprehensive, study-session-style input session on January 5th in a combined TAC/FAX meeting. There were 35 attendees, including three city managers. 11 of 12 member agencies represented.
- **Senior and frontline staff:** Agreement-specific written and verbal input has been provided to staff from a number of member agencies.
- **Planning staff survey:** Through our TAC members, each member agency's expert planners has been engaged through a survey to gain a better understanding of our region's projected growth through 2030, and its relative impacts on Recology's operations, productivity and costs. The results of this survey are still outstanding at the time of this writing.

Please see attached summary table of all FAX milestones that have been realized since the last Board meeting on November 17th. Recent updates (since the January 5th Executive Director Report) are indicated in **red** for your ease of readability). In addition, a project timeline with milestone dates has been included in this Board packet under Agenda Item 11A. Remember, these dates work us through the SBWMA review and approval process of 1. a Model Franchise Agreement (which addresses core services that are provided to all 12 member agencies) and 2. Recology's Cost Proposal that is anticipated to be presented at the April Board meeting. **(Presumed) SBWMA Board approval will then conclude Part One** of the Franchise Agreement negotiation process. NOTE: Should the SBWMA Board review process extend beyond April, contract modifications will likely be required to compensate HF& Consultants, RJR Proto, and SCS Engineers for their services since this was the timeline originally envisioned as Staff scoped this work.

Upon SBWMA Board approval, the new Model Franchise Agreement and Recology's Cost Proposal will then be provided to each Member Agency to proceed with their agency-specific negotiations and, ultimately, executing their individual Franchise Agreements-**this is Part Two of the negotiations process**. Please note: The Model Franchise Agreement is currently envisioned to be an amendment to our current agreement, not a brand new contract.

It is imperative that Parts One and Two of the negotiations process be completed before December 31, 2017, or a new Request for Proposal (RFP) will need to be prepared and implemented in 2018 to represent the best interests of the Agencies.

3. Shoreway Operations and Contract Management:

A. Fire Recovery Update:

On January 10, 2017, the MRF resumed full operations about three months ahead of projections.

This noteworthy achievement is directly due to the highly-skilled project management and extreme collaborative planning efforts led by SBWMA staff member Hilary Gans, and included SBR General Manager Dwight Herring; Tanner Pacific principal, Bill Tanner; Bulk Handling Systems (BHS) technical staff (the facility's specialized processing equipment manufacturer) and the Hanover Insurance claims representatives. As a result of these efforts, 35 highly-valued Shoreway and VRS employees are now back to work. SBR is currently in final negotiations with the Vocational Rehabilitation Services (VRS) program management to

implement the new County Living Wage Ordinance. These parties are operating under an MOU until this agreement is finalized.

It should be noted that, while full operations have resumed, there is still important repair work to be completed on the facility's roof and siding. After Board approval, this contract work will begin (see staff report 10A), with an estimated completion in March/April. This work is valued at \$170,302.

As of December 31st, Hanover Insurance has provided the Agency with \$6,340,385 in reimbursements for all facility clean up and equipment repair/replacement expenses. We currently have a slight net positive balance of \$142,555. Offsite recyclable material processing ceased as of January 5th. Staff is particularly grateful for the support these MRF's provided during our emergency circumstances. One never knows when, or if, our facility may be called on to reciprocate in the future under similar circumstances.

B. Construction & Demolition (C&D) Materials Processing:

The SBWMA's contract with Zanker Road Resource Recovery (Zanker) for C&D processing (expires on January 31, 2017 and extended by MOU through February 28th) is discussed in agenda item 10B.

Respectfully submitted,



Joe La Mariana
Executive Director

Attachment 1: Franchise Negotiations/Project Milestone Summary

Process Milestone	Date Completed	Comments
PROCESS SET-UP		
1. SBWMA FAX Committee Formation	SBWMA Board Mtg. April 2016	Authorized by Resolution #2016-21
2. SBWMA Staff Distributes RFQ <i>Soliciting lead negotiator and financial analytical services</i>	11/1/16	*Two highly-qualified responses from R3 Consultants and HF&H Consultants * Board selects HF&H (Resolution #2016-44)
3. SBWMA Negotiation Team Formation * HF&H Consultants, Lead Negotiator * RJP Proto, SW Industry Technical Expert * SCS Engineers, Staff augmentation * ADCL, Legal support	12/14/16	Professional Services Contracts are now completed for all team members.
4. Preliminary Meetings w/Recology	11/2/16 11/3/16	Excellent briefing with Recology team of key operational issues of high importance to them.
6. Recology Submits Franchise Agreement Redlines for proposed new term	11/30/16	* Redline completed at SBWMA request. *This doc provides an important starting point for our negotiation discussions.
10. Recology Cost Proposal /RFP	1/10/17	*Recology delivered comprehensive, 644-page response document. *HF&H Consultants currently reviewing submittal.
MEMBER AGENCY INPUT		
8. Member Agency Input #1: TO: Board Members; Alternates; City Managers	12/16/16	*Survey completed on 1/10/16. *All 12 Member Agencies responded. * 23 total responses. *Survey Goal: Secure input to shape SBWMA's key negotiation points.
9. Member Agency Input #2: TO: TAC + FAX members	1/5/17	* Joint TAC/FAX meeting was held on 1/5. * 35 attendees; 11 of 12 MAs attended. *Special Session goal: To solicit input from TAC/FAX members (senior-level member agency staff) to shape Agency's key negotiation points.
11. Member Agency #3: Future Growth Survey	Survey closes 1/20/17	Survey sent to Member Agency's senior Planners (through TAC members). Survey Goal: To identify growth factors through 2030 that may affect Recology's operations, productivity and costs.
NEGOTIATIONS PROCESS		
7. Negotiation Team Meetings <i>Joint Meetings w/SBWMA + Recology</i>	12/7/16 1/11/17 1/23/17	Frontline discussions on key language, costs and negotiation points.
5. FAX Ad Hoc Committee Meetings <i>Six Board-appointed FAX team members:</i> * Chair, Jim Porter, County of SM * Vice Chair, Melissa Stevenson-Diaz * Larry Patterson, San Mateo * Afshin Oskoui, Belmont (also TAC Chair) * Brenda Olwin, EPA * Heather Abrams, Menlo Park	2016: 11/10; 12/7 2017: 1/12 1/24	SBWMA's Negotiation Team provides in-depth report backs of key discussion items to FAX for feedback and direction.



CONSENT CALENDAR



DRAFT MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
November 17, 2016 – 2:00 p.m.
San Carlos Library Conference Room A/B**

Call To Order: 2:03PM

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	

Alternate Member Emily Beach Attended Representing Burlingame

Alternate Member Diane Papan Attended Representing San Mateo

2. Public Comment

Persons wishing to address the Board on matters NOT on the posted agenda may do so.

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None

3. Adjourn to Closed Session – Pursuant to Government Code Section Govt. Code Sec. 54956.9

Conference with Labor Negotiator: Unrepresented employees- (All employees).

Call To Order: 2:16

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	

5. Additional Public Comment

None

6. Executive Director’s Report

Executive Director La Mariana welcomed everyone to the Thanksgiving edition Board Meeting. He highlighted some items in his report. First, the bond covenant: He noted that the bond covenant ratios are being met, and that staff met with the City of San Carlos accounting department to discuss ways to stay within those ratios. Second, he introduced Madison Guzman, RethinkWaste’s new Environmental Education Associate, and he gave some background information about her. Third, he noted that the contractor compensation process is winding down, and that most member agencies had a small or no rate impact for 2017. Fourth, he noted that Waste Management Curbside did not accept the terms the Board required of being able to opt out with 60 days notice from the Household Hazardous Waste (HHW) contract. So, that program will end on December 31, 2016, and a post card will go out notifying residents of the change, and later in the meeting other HHW program options will be discussed. Fifth, he noted that the Franchise Agreement Extension (FAX) committee has had their first meeting, and two preliminary meetings with Recology to determine likely key discussion points for the next term of the contract. Sixth, he gave an update that it looks like fire restoration will be complete and the facility will be operational in January, and the laid off workers can come back to work sooner than anticipated. He also noted that so far we’ve received \$2.5M in reimbursements and have had \$2.2M in expenses. Seventh, he also noted that as of November 1, the County has enacted a living wage ordinance, and there will be a discussion later in the meeting on how that will affect SBR’s rate scale. Eighth, he noted that staff is in negotiations with Zanker Road for C&D material processing contract, and so far the numbers are pretty high, and staff will keep the Board updated as negotiations progress.

Member Widmer commented that the Executive Director reports are a great executive briefing, and are better than what was received previously and he thanked Executive Director La Mariana.

7. 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. Approval of Minutes from the October 27, 2016 Board of Directors Meeting
- B. Consideration of Approval of 2017 Merit Pool for Unrepresented Employees
- C. Approval of SBWMA 2017 Board Meeting Calendar
- D. Approval of Shoreway Environmental Center MRF Equipment Capital Projects
- E. Approval of Code of Conduct for Franchise Agreement Extension Decisions
- F. Approval of Quarterly Investment Report for First Quarter 2017

Member Widmer requested item 7E

Member Rutherford removed 7A

Member Papan removed 7F

Member Aguirre made a motion to approve consent items B through D

Member Benton seconded the motion

Voice Vote: All in favor

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			

Member Papan asked about item 7F, questioning why there was a \$4M loss this quarter.

Executive Director La Mariana said a very large part of the loss is a timing consideration, there was a bond payment, and a bond interest payment during that period, and because of the timing of the quarters, there was a positive variance last quarter, so it's a timing true up.

Member Rutherford noted that she would abstain from item 7A.

Counsel Savaree noted that Member Widmer was concerned about the time period being approved for item 7E. She noted that the Board was being asked to consider two codes of conduct - one for the staff and officers, and one for the contractor, and that they mirror the codes of conduct that were in place when the original Franchise Agreements were being negotiated. She noted that the way that they were drafted Ex Parte contacts would be prohibited throughout the entire year of 2017, and there was a concern that the negotiations might be complete before that. So, the suggested revision is that Ex Parte contacts be prohibited until the contract extension conversion is completed. She also noted that there was a second concern that the code of conduct prohibited all Ex Parte contacts, and that was to the board as a Board member might run into the contractor at a social engagement or on the street, as the intent was it was only supposed to apply to the meet and confer process. She handed out a proposed revised code of conduct with those changes for the Board's consideration.

Chair Widmer asked for clarification on the definition of meet and confer.

Counsel Savaree noted that she viewed that as until a contract extension is brought back to this Board for approval.

Chair Widmer noted that he was concerned that if the contract that was brought to the Board in mid-2017 didn't meet the needs of his jurisdiction that it might be too late for his jurisdiction to go through their own process.

Counsel Savaree noted that the Executive Director plans to have a potential uniform franchise agreement to the Board by April.

Member Benton made a motion to approve items 7A, 7E and 7F

Member Aguirre seconded the motion

Voice Vote: All in Favor

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		7A		San Mateo	X			
Foster City				X	County of San Mateo				X
Hillsborough	X				West Bay Sanitary Dist.	X			

8. Administration and Finance

A. Staff Update on Bond Covenant Impacts with Tip Fee Increases

Executive Director La Mariana noted that the SBWMA is currently within the Bond Covenant ratio breakeven of 1.4, and the debt coverage ratio of 1.93, which is a very comfortable and secure position, and that the staff report gives further detail.

Member Benton asked what numbers go into the computation to figure out break even.

Staff Fakira answered that break even is determined by dividing net income by the total operating expenses, and debt coverage is determined by net revenue divided by the total debt commitments.

9. Collection and Recycling Program Support and Compliance

A. Staff Update on Household Hazardous Waste Program Options and Presentation by Larry Sweetser, Sweetser and Associates, (Principal)

Executive Director La Mariana introduced Larry Sweetser, an industry expert in the field of Hazardous Waste, who has been retained to identify the SBWMA's best options to handle Household Hazardous Waste (HHW).

Larry Sweetser gave a Power Point presentation on HHW program options.

Executive Director La Mariana reiterated that the door to door HHW collection program is no longer an option.

Member Benton asked for clarification that they didn't accept the Board counter proposal, but does that mean they aren't willing to accept a contract at all.

Executive Director La Mariana answered that WM Curbside was not willing to accept the terms that the Board had given direction at the October meeting, they are not willing to negotiate the pricing, nor are they willing to offer an extension. So it was a take the terms and pricing "as is" or leave it.

Member Widmer commented that he would like to see the addresses of where things can be dropped off, and he wanted to follow up on the possibility of WM Curbside still picking from the residents, but then dropping off at either Shoreway or a County facility that is closer.

Larry Sweetser noted that there is still an opportunity to do that, but it would be a whole new discussion not the current contract.

Executive Director La Mariana noted that there was a conceptual discussion around putting a HHW collection shed at Shoreway, not the other County facilities, but there were some barriers to doing it, so it was a discussion for the future.

Member Dehn noted that Executive Director La Mariana mentioned in his Executive Director's report that WM Curbside would be reaching out to the Board Members individually, and she asked if they wanted to negotiate contracts individually or come back with a future contract as a group.

Executive Director La Mariana noted that they are attempting to retain as many of the Member Agencies as possible under individual contracts.

Member Beach asked if there are other HHW door to door providers that could be more competitive.

Larry Sweetser answered that it is one of the options laid out in his presentation, and there are a few other companies that offer the service, but it is very expensive, and he noted that HHW is an expensive endeavor in general, as it usually costs more to get rid of it than it does to buy it.

Member Beach noted that it seemed like there was an option, but perhaps not an optimistic option.

Larry Sweetser noted that about 2/3 of the door to door programs in California service only seniors and disabled life line services. So that might be an option for making the services cheaper.

Member Hurt asked what the next step is after HHW is dropped off or collected.

Larry Sweetser answered that it depends on the material, there are a number of different vendors collecting different types of materials, and they come and pick it up from the drop off facility.

Member Hurt noted that even though the WM Curbside program is a Cadillac program, in the end maybe the savings is in car trips.

Executive Director La Mariana noted that the quality of the program is not in question regarding the current program. The discussion was around price, and what is perceived as low participation rate of about 5%. He noted there was a general sense among the Board to maximize the existing County's program because each ratepayer in the county that disposes waste at Ox Mountain landfill is already paying into that program.

Larry Sweetser noted that residents don't generate HHW on a daily or weekly basis like they do with recycling, so it's hard to measure participation in these programs. He then continued his presentation on HHW options.

Member Widmer asked what lifeline services are.

Larry Sweetser answered that it is a door to door program only for senior and disabled residents, it's a program offered to a limited group of people who don't have access to a car.

Executive Director La Mariana asked Waymond Wong from the County of San Mateo to speak about a pilot lifeline program in Millbrae.

Waymond Wong noted that the pilot program does not currently exist, they are still doing research on vehicles, and what is needed to get that program up and running.

Member Aguirre commented that the County seemed like a good option economically. She asked what the willingness is on the part of the County to partner with the SBWMA, and what are the benefits, cost savings, and things that would be a deterrent to partnering with the County for HHW programs.

Executive Director La Mariana answered that he is pleased with the spirit of the cooperation on the County in the discussions thus far, they have an existing program, with an existing funding source that all of our Member Agencies are already contributing to, and all of our discussions have been very collaborative.

Waymond Wong noted that the County's priority is to service all residents in the county, and will work with the SBWMA on ways to maximize those services.

Member Dehn asked if they would consider the lifeline pilot in the SBWMA service area. Waymond Wong noted that he could discuss that with Joe.

Chair Grassilli asked how you discern whether a resident needs the lifeline services or not.

Larry Sweetser noted that the program in Richmond is taken on an honor system basis..

Member Benton asked what percentage of HHW is captured in some form of program, and not going into landfill.

Larry Sweetser answered that we only know how much is collected, not how much is out there, so it's hard to tell, but despite all the programs, there is still Hazardous Waste being found in the garbage.

Chair Grassilli asked the Board what direction they want staff to pursue regarding HHW.

Member Beach recommended expanded advertising to create awareness and support the County's HHW program.

Member Benton commented that he'd like to see the County be the backbone of the program, but the local drop off events need to be well advertised as well.

Member Papan suggested the annual event being on the same day every year.

Member Widmer commented that Recology picks up batteries, so maybe batteries should be taken off the postcard, and he asked each Member Agency to put the list on their websites of alternate drop off locations.

Executive Director La Mariana commented that the document is on the SBWMA website.

Member Benton commented that there wasn't enough information on the post card about where to go now that the HHW program is ending.

Executive Director La Mariana noted that the address is not published because it leads to abandoned waste at their facility; the address is given at the time of the appointment.

Member Widmer reiterated that he'd still like to get more information about what can be done at Shoreway going forward.

Member Benton noted that some items are already taken at Shoreway, what do we need to do to enhance that program with more HHW options.

Member Rutherford commented that in the staff report it says that the Tower Road facility doesn't have sufficient space to handle the material, how will that be dealt with.

Waymond Wong answered that at the Tower Road facility, they can plan for increased drop offs by scheduling more frequent pickups of the HHW that is dropped off. He also noted that there is a temporary collection day in January in Redwood City as well as the Tower Road appointment system.

Larry Sweetser clarified that the staff report was referring to the Door to Door program taking items to Tower Road and that was what the County didn't have capacity for, but they can still do the individual resident appointment system.

Member Dehn commented that Recology's call center needs to be aware of this, and even though it's not a Recology program, Recology will receive calls, so they will need a script.

B. Resolution Approving Contract for Financial Review Support and Negotiation Services to support Franchise Agreement Extension Negotiation Process

Executive Director La Mariana introduced the item, and noted that he discussed the progress of the negotiation process in his Executive Director's report. In deciding on a lead negotiator, and financial consultant, a RFQ was distributed to two well well-known and respected organizations; HF&H, and R3. He noted that staff and the Franchise Agreement Extension (FAX) Committee recommend HF&H as the lead negotiator, and financial consultant, based on their experience with multi-jurisdictional agencies, and their highly structured approach to the process.

Member Dehn made a motion to approve Resolution 2016-44

Member Aguirre 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			

10. Shoreway Operations and Contract Management

A. Resolution Approving Construction and Demolition MOU with Zanker Road

Staff Gans noted that staff is requesting the approval of an MOU with Zanker Road to extend the current agreement for one month. He noted that staff is encountering a situation with Zanker where rates are increasing 25%. He noted that Zanker is the only close by option for C&D processing and there are not a lot of options. Because of that Zanker is dictating the terms. He added that staff will be trying to get a more favorable outcome, but will be back to the Board in January with a proposed rate.

Chair Grassilli asked for confirmation that this MOU would extend the current agreement until February 28.

Staff Gans answered yes.

Member Benton made a motion to approve the one month MOU with Zanker.

Member Hurt 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			
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B. Staff Update on Fire Restoration Progress

Staff Gans noted that the total restoration process is expected to cost approximately \$9M. He also noted that the equipment repair has been accelerated, and the repairs to the equipment should be completed by December so the equipment can be started in January, the building repair work will extend into March, but the facility will be running while the building work is being completed.

Chair Grassilli noted that all expenses (less the deductible) are being covered by insurance.

C. Resolution Approving Shoreway Environmental Center Site Restoration Services' Contracts Let Under Purchasing Policy

Staff Gans noted that this is a routine item to approve the expenditures let under the purchasing policy for fire damage repair and he had nothing to add other than the staff report.

Member Widmer made a motion to approve the expenses.

Member Rutherford 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			

D. Resolution approving VRS Contract with South Bay Recycling

Staff Gans introduced the item, and noted that the County Vocational Rehabilitation Services (VRS) program provides the sort labor at the MRF for SBR. He noted that this is a request authorizing the Executive Director to amend the SBR compensation to include the newly enacted County of San Mateo living wage ordinance for the VRS workers. He noted that on November 1, the County passed a living wage ordinance for all workers at \$14/hour on November 1, and the \$15/hour on July 1, 2017. He noted that SBR is requesting that the SBWMA reimburse them for the cost difference between what they're currently paying the workers, and what the living wage ordinance requires they get paid. He added that if approved the SBWMA would increase the per ton processing fee which includes all the costs of operations, from \$85.38 to \$89.73 per ton, and the annualized cost impact would be approximately \$321,000 per year. The net impact of the SBWMA's compliance with this ordinance through the end of FY16-17 is approximately \$134,000.

Member Aguirre commented that this is a priority to her, and she wants to figure out a way to make the budget work to make it happen. She thought the SBWMA needed to a leader in this area.

Member Widmer commented that SBR is under a fixed price contract, and this should be SBR's cost, and noted that this doesn't qualify as one of the items in the contract that would allow SBR to ask for an adjustment in compensation. He concluded that he supports the Living Wage Ordinance, but objects to asking the rate payers to pay for something that they are not obligated to pay.

Member Benton asked for confirmation if SBR is required to pay the \$14 per hour as of November 1st. He also asked what rights under the contract does SBR have to approach the SBWMA for relief from this increase.

Member Widmer had a copy of the contract, which stated a change in scope of services which is directed by the authority. But he noted that this is not a change in scope.

Staff Gans added that under that there is a section about change in law.

Member Widmer noted that the contract states if there is a change in law that requires a change in operation.

Member Benton asked if the increase in wage law fell under a change in operation.

Counsel Savaree answered no, because it doesn't create a change in service. She also noted that it is the burden of the contractor to demonstrate entitlement to increased compensation.

Member Benton commented that he would like to be cautious about authorizing an increase, because there is a legal binding contract. He thinks it's SBR's obligation to come to the Board and make a case for why they should get this increase.

Staff Gans noted that the contract between SBR and VRS ends at the end of 2016, and they have indicated that they will not renew the program at the current wage rate, and if they don't renew the program, SBR will have to find workers to do that work, and the cost will likely much higher than the 2% threshold.

Member Benton commented SBR is making a business decision, and they have the right to terminate the VRS contract and seek labor elsewhere but whatever the economic implication of their business decision is, it's theirs, and not the SBWMA.

Member Papan asked for clarification on the exact language in the contract and noted that if SBR can't do the same work for the same price wouldn't that be a change in operation, and there has been a change in the law that affects their budget.

Member Widmer commented that they have a CPI adjustment, and when the federal minimum wage went up they never petitioned.

Counsel Savaree suggested hearing from SBR.

Member Benton noted that he thought as point of process SBR should point out to the Board the reasons that they are requesting the change in compensation.

Dan Domonoske Vice President of SBR commented that at the direction of the Board he was the one who reached out to the VRS program at the beginning of their contract, and was instrumental in reinstating the relationship. He noted that when the California minimum wage went up SBR approached the SBWMA, and we were in the process of pursuing an adjustment but the increase fell just short of the 2% threshold required to request the adjustment, and that is why a request has not been made before. Based on the change in County law, we have no choice but to comply with the new pay scale, and from a practical perspective it's only right and appropriate to have SBR's compensation adjusted on a pass through basis. He also added that the RFP process was designed to competitively bid a lowest cost operator to maintain cost control. SBR continues to do

that, and the fact that the County has changed regulations doesn't give us any position but to request the pass through.

Member Benton asked if it's the interpretation of the contract that gives SBR a legal reason to ask for the pass through.

Dan Domonoske noted that it was his understanding that the 2% threshold, along with the change in law gives them the right to ask for the increase in compensation.

Executive Director La Mariana noted the differences of this decision versus previous conversations the Board has had on this topic in the past. One, there has been a change in law. If the Board were to approve a living wage ordinance adjustment, it would not trigger the two percent clause. The nuance to this discussion is that if the Board doesn't approve their request, SBR would have to go find an alternative labor source, and there is a strong opinion that the alternate labor source would trigger the 2% threshold.

Member Benton wondered why SBR wouldn't just take the hit, and continue to use VRS.

Dwight Herring General Manager of SBR noted that VRS has given them 120 days notice that if SBR couldn't meet the living wage ordinance they would exit the program. If VRS is no longer a labor source option, SBR would need to use temporary staffing, and by contract SBR would need to come back to the Board and get permission to do that, and at some point in time those would become collective bargaining unit jobs, and those costs become exponentially higher.

Member Benton commented that VRS remains a competitive program even with the living wage ordinance, and the Board is being asked to compensate SBR for the increase in wage due to the living wage ordinance to avoid higher costs in the future, but there is no legal reason for the SBWMA to amend the compensation, and even without the SBWMA amending the compensation VRS might still be the most viable option for SBR. He noted that he was concerned about deviating from a signed contract.

Member Dehn asked what the Board action was at the time when SBR increased the wages when the second shift of workers was brought on.

Dwight Herring answered that there was no change in compensation at that time, and VRS required that increase in order to provide the workers.

Member Papan commented that there is a legal side and practical side, and she understood the desire to do the legally right thing by the Board and the rate payers, but the practical side of the matter may be more harmful in the long run.

Chair Grassilli commented that as he remembered this Board encouraged SBR to use VRS, and this could bring an end to that agreement.

Member Benton commented that whomever VRS hires they are going to have to pay the living wage.

Chair Grassilli countered that without looking at the dollars it could be any labor source, but the original direction of the Board was to use VRS workers.

Member Rutherford noted that some of her clients are VRS clients as well, and she wondered if there would be a conflict of interest if she voted on this item.

Counsel Savaree advised Member Rutherford to recuse herself from the vote.

Member Dehn asked for clarification if this was a recommendation from staff not a request from SBR.

Staff Gans answered yes, it's a recommendation from staff.

Executive Director La Mariana added that the MRF will reopen in January, and staff would like to have this resolved so that SBR will know what the labor situation is prior to reopening.

Member Benton commented that if a motion were to come forward he would vote no, and he reiterated that he would prefer SBR to make a formal request and justify the adjustment.

Executive Director La Mariana added that with the plant being projected to open in January, there is a training component of the VRS workers to consider, the workers could come in for training at the end of December.

Member Benton made a motion that the Board asks SBR to make a formal request to the Board for relief given the living wage ordinance.

Member Dehn seconded the motion.

Member Hurt asked what the time line would be for Member Benton's request.

Staff Gans answered that the contract ends December 31, 2016, and if there is no successful negotiation between SBR and VRS then the VRS option goes away. So, the incentive is to wrap up the negotiation before the New Year. He also noted that SBR would not be able to make a presentation to the Board until the January Board meeting, so there are competing timelines. He also noted that SBR can make an application to the SBWMA, but they don't have grounds under the contract to do so because it doesn't reach the 2% threshold.

Member Dehn commented that Dan Domonoske stated that it did earlier.

Staff Gans noted that the increase in wage quantified is \$321,765, and the 2% is \$720,000, but if another group of workers were to come in it could go well beyond the 2%, and there may not be the opportunity to reel things back.

Member Beach commented that she agreed with Member Papan that there is a practical element, and also noted that there is an element of good faith, with a local law that went into effect. She noted that VRS is a good program, and she is concerned about the timing and that the work force might not be available from a practical standpoint. She also added that this Board represents the rate payers, and yes there is a letter of the law piece to this, but also a question of what would our constituents want us to do, how does this affect their rate paying and our budget. She concluded that she was leaning towards being inclined to authorize the Executive Director to authorize the adjustment.

Member Dehn commented that she is in favor of the VRS program, and thinks it has been very successful, but she was objecting to the way that this came forward to the Board based on the contract with SBR not to the VRS program.

Member Aguirre commented that she supported moving forward with authorizing the change in compensation especially due to the timeline.

Chair Grassilli noted that he agreed with Member Beach and Aguirre, but there was a motion on the floor, and called for any further comments on the motion.

Member Hurt commented that she supports the living wage ordinance and that time lines are really critical in this decision, and there are unintended consequences with pushing this down due to formality.

Member Beach asked for clarification of the motion on the table.

Member Benton and Member Dehn withdrew the motion.

Member Hurt made a motion to authorize the Executive Director to amend SBR's compensation to include the newly enacted County of San Mateo living wage ordinance with the VRS program.

Member Aguirre seconded the motion.

Roll Call Vote: 6-2-1-3

Member Rutherford recused herself from the vote

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			

Member Rutherford commented that the next time the contract needs to be reviewed it needs to come to the Board before the end of the year.

11. Informational Items Only (no action required)

- A. Update on Shoreway Environmental Education Programs
- B. Update on Multi-Family Organics Collection Pilot Program
- C. October 2017 Check Register
- D. Potential Future Board Agenda Items

12. Board Member Comments

Chair Grassilli adjourned the meeting wishing everyone a Happy Holiday season.

13. Adjourn 4:00 PM



STAFF REPORT

To: SBWMA Board Members
From: Farouk Fakira, Finance Manager
Date: January 26, 2017 Board of Directors Meeting
Subject: Resolution Accepting the FY1516 Annual Financial Statements

Board Action

It is recommended that the SBWMA Board of Directors approve Resolution No. 2017-02 attached hereto authorizing the following action:

Accept the South Bayside Waste Management Authority's audited Annual Financial Statements (see **Exhibit A to the Resolution**) for the fiscal year ending June 30, 2016 as prepared by the SBWMA's audit firm, Maze & Associates.

Summary

The purpose of the financial statements is to present a summary of the financial position of the Authority for the fiscal year. These reports have been reviewed by the Board Adhoc Audit Subcommittee which recommends approval. The final step in the formal process of preparing these financial statements is to transmit them to the Board for its acceptance.

Analysis

The financial statements of the SBWMA for fiscal year ending June 30, 2016, have been prepared by the City of San Carlos Administrative Services Department and examined by the independent auditing firm of Maze & Associates and SBWMA staff. It is the **unqualified opinion** of the audit firm that the financial statements present fairly the financial position of the SBWMA as of June 30, 2016, and that the financial statements were prepared in conformity with generally accepted accounting principles. No exceptions or qualifications were found.

Financial Condition Highlights

As shown in Table 2 on page 5 of the Audit report, ending net position decreased \$2.6 million to \$18.8 million from \$21.5 million. That is due to the following:

1. Higher than actual FY1415 revenues of \$1,196.5 million are due to higher franchise revenue of \$.8 million due to favorable volumes of \$.5 million and higher tipping fees increase of \$.3 million due to 2.6% (\$2) increase in tipping fees in 2016;
2. Higher \$1.2 million in self haul revenue due to \$1.1 million in higher volume and \$.1 million due to favorable tipping fees increase of \$1 per cubic yard.
3. That was offset by a decrease of \$.840 million in commodity revenue due to a drop in blended rate (average recycling rate) (\$128.10 in FY 15/16 vs. \$146.72 in FY14/15) due to unfavorable market conditions.

All were more than offset by higher Shoreway operating expense of \$2.9 million. That is due to the following:

1. \$.830 million in SBR compensation mainly due to higher volumes.
2. Higher disposal expenses of \$1.68 million due to \$.739 million in higher rates and \$.958 million in higher volume.
3. Credit cards charges \$.269 million due to being charged for the first time by SBR.
4. Finally, \$.127 million in higher long term plan expenses as compared to prior year.

The unrestricted net assets (Unrestricted Reserves) decreased by \$1.5 million to \$13.8 million as of June 30, 2016 (see Table 1 and 3 in Audit report). Net position income decreased by \$1,737 million (see Table 2 in Audit report). Unrestricted net assets are used to fund the Board designated reserves as shown in Table 3 of the Audit report.

General Operating Results

The operating results for FY1516 and FY1415 are as follows:

	<u>FY2016</u>	<u>FY2015</u>	<u>Variance</u> Better / (Worse)
Total Revenues	\$43,914,950	\$42,718,433	\$1,196,517
Operating Expense	40,424,253	37,414,982	(\$3,009,271)
Depreciation Expense	3,308,421	3,337,059	\$28,638
Operating Income <Loss>	\$182,276	\$1,966,392	(\$1,784,116)
Interest Expense	(\$2,810,821)	(\$2,857,904)	\$47,083
Net Asset Change	<u>(\$2,628,545)</u>	<u>(\$891,512)</u>	<u>(\$1,737,033)</u>
<i>per Table 2 in Audit Report</i>			

Long-Term Debt

At the end of the current fiscal year, the SBWMA had bond debt outstanding of \$48,929,747.

Outstanding Debt Activities

	<u>FY2015</u>	<u>FY2014</u>
Revenue Bonds 2009A	\$48,929,747	\$50,207,247

Payment of principal on the 2009A bonds began on September 1, 2013. Additional information on the SBWMA's long-term debt can be found in the notes (5) to the accompanying financial statements.

Note: Early redemption of bonds cannot start until after September 1, 2019 per the bond indenture.

Fiscal Impact

There is no financial impact associated with the adoption of this Resolution.

Attachments:

Resolution 2017-02. Accepting the Authority's FY1515 Financial Statements

Exhibits A – [SBWMA FY1516 Audited Annual Financial Statements \(Available online only at www.rethinkwaste.org\)](http://www.rethinkwaste.org)



A Public Agency

RESOLUTION NO. 2017-02

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS ACCEPTING THE FISCAL YEAR 2015-2016 ANNUAL FINANCIAL STATEMENTS

WHEREAS, the South Bayside Waste Management Authority contracted with the audit firm of Maze & Associates to conduct an audit of the Agency's financial records in accordance with Governmental Accounting Standards Board (GASB) Statement 34; and

WHEREAS, the financial statements for the fiscal year ending June 30, 2016 as prepared by said firm have been completed and are attached as **Exhibit A**; and

WHEREAS, it is recommended that the Board accept the financial statements.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the Annual Financial Report as prepared by Maze & Associates for the fiscal year ending June 30, 2016.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 26th day of January, 2017, 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. 2017-02 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2017.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary



STAFF REPORT

To: SBWMA Board Members
From: Farouk Fakira, Finance Manager
Date: January 26, 2017 Board of Director's Meeting
Subject: Resolution Approving Revised SBWMA Investment Policy for 2017

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2017-03 attached hereto authorizing the adoption of the Investment Policy for 2017. See **Exhibit A** to the Resolution for the actual 2017 Investment Policy.

Summary

As stated in the Investment Policy, the Investment Policy shall be adopted by resolution of the Board on an annual basis. It was last approved by the Board in January 28 2016. It has been reviewed by the Board Adhoc Finance Sub-Committee (comprised of Board Members Bill Widmer, Michael Brownrigg, and Jay Benton. Committee member and Burlingame City Treasurer, Carol Augustine was not able to participate in this discussion due to a conflict) which recommends approval. The minor changes to the policy that have been recommended are shown in the attached redline version (see **Exhibit B**). It should be noted that the Finance Committee has expressed a strong interest in evaluating alternative, higher-performing investment options for a portion of the Agency's overall investment portfolio. This topic will be discussed further at upcoming Finance Committee meetings a a report back will be provided to the Board of any recommendations that emerge from this process.

Analysis

On August 24, 2000, the Board approved utilization of the City of San Carlos' Investment Policy for the SBWMA Investment Policy. This decision was based on the Authority's need to have policies in place. The Board has approved annual revisions. The attached SBWMA Investment Policy (see **Exhibit A**) is fully compliant with California Code and is the similar to the policy that is used by the City of San Carlos who serves as the Financial Agent for the Authority. City staff has also reviewed this proposed policy. The primary objective of the Investment Policy is safety of principal, while meeting the cash flow needs of the JPA, through prudent investment of unexpended cash.

Background

In January 2015 the Audit Committee reviewed the mix of investments between the County Pool and the state LAIF fund. The Audit Sub-Committee agreed to increase the County Fund to 30% to 50% while keeping the state LAIF Fund at 50% to 70%. This change was approved by the Board at the January 22, 2015 Board meeting.

The Audit Sub-Committee also recommended that staff evaluate an option for more active management of the investment funds, including an option for hiring an investment advisor. Staff released an RFP, which was sent to all companies that had responded to other similar RFPs released by other Member Agency, and only received one response. Staff decided to not pursue this recommendation further given the limited response and also inability to discern any financial value from this approach.

Fiscal Impact

There is no fiscal impact associated with approving the attached revised Investment Policy.

Attachments:

Resolution 2017-03

Exhibit A – Investment Policy

Exhibit B – [Redline version of Investment Policy showing changes \(available online only at www.rethinkwaste.org\)](http://www.rethinkwaste.org)



RESOLUTION NO. 2017-03
**RESOLUTION OF THE SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY BOARD OF DIRECTORS
APPROVING A REVISED INVESTMENT POLICY FOR 2017**

WHEREAS, the South Bayside Waste Management Authority (SBWMA) and the City of San Carlos has reviewed and revised the current Investment Policy;

WHEREAS, the Board's Adhoc. Audit Sub-Committee has also reviewed the Policy and supports the recommended changes;

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the 2017 SBWMA Investment Policy document as shown in Exhibits A and B.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 26th day of January, 2017, 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. 2017-03 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2017.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cynthia Urman, Board Secretary

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY INVESTMENT POLICY

January 2017

POLICY

The investment of the funds of the South Bayside Waste Management Authority (SBWMA) is directed to the goals of safety, liquidity and yield. This Investment Policy incorporates the policies defined by the certified investment policy standards recommended by the Association of Public Treasurers. The authority governing investments for municipal governments is set forth in the California Government Code, Sections 53601 through 53659.

The primary objective of the investment policy of the South Bayside Waste Management Authority is SAFETY OF PRINCIPAL. Investments shall be placed in those securities as outlined by type and maturity sector in this document. Effective cash flow management and resulting cash investment practices are recognized as essential to good fiscal management and control. The SBWMA's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. Portfolio management requires continual analysis and as a result the balance between the various investments and maturities may change in order to give the SBWMA the optimum combination of necessary liquidity and optimal yield based on cash flow projections.

SCOPE

The investment policy applies to all financial assets of the South Bayside Waste Management Authority as accounted for in the Annual Financial Statements. Policy statements outlined in this document focus on the SBWMA's pooled funds and debt-related funds held by the trustee/ fiscal agent.

PRUDENCE

The standard to be used by investment officials shall be that of a "prudent investor" and shall be applied in the context of managing all aspects of the overall portfolio. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

It is the SBWMA's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.

However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized that in a well-diversified investment portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit analysis. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

The Administrative Services Director of the City of San Carlos (City) and other individuals assigned, as approved by the SBWMA Executive Director and SBWMA Finance Manager to manage the SBWMA investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

OBJECTIVES

Safety of Principal

Safety of principal is the foremost objective of the South Bayside Waste Management Authority. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default or erosion of market value. The SBWMA shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the SBWMA's capital base and cash flow.

Market risk, defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the average maturity of the SBWMA's investment portfolio to two years, the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long term securities for the sole purpose of short term speculation.

Liquidity

Historical cash flow trends are compared to current cash flow requirements on an ongoing basis in an effort to ensure that the SBWMA's investment portfolio will remain sufficiently liquid to enable the SBWMA to meet all reasonably anticipated operating requirements.

MATURITY MATRIX

Maturities of investments will be selected based on liquidity requirements to minimize interest rate risk and maximize earnings. Current and expected yield curve analysis will be monitored and the portfolio will be invested accordingly. The weighted average maturity of the pooled portfolio should not exceed two years and the following percentages of the portfolio should be invested in the following maturity sectors:

Maturity Range	Suggested Percentage
1 day to 7 days	10 to 50%
7 days to 180	10 to 30%
180 days to 360 days	10 to 30%
1 year to 2 years	10 to 20%
2 years to 3 years	0 to 20%
3 years to 4 years	0 to 20%
4 years to 5 years	0 to 20%
Over 5 years	Board Authorization Required *

* One exception does exist regarding the investment of bond reserve funds. If in the opinion of the City Administrative Services Director, matching the segregated investment portfolio of the bond reserve fund with the maturity schedule of an individual bond issue is prudent given current economic analysis, the investment policy authorizes extending beyond the five year maturity limitation as outlined in this document.

PERFORMANCE EVALUATION

Investment performance is monitored and evaluated by the Investment Advisory Committee, whose membership is outlined in the following section. Investment performance statistics and activity reports are generated on a quarterly basis for presentation to the Investment Advisory Committee and to the SBWMA Board of Directors. Annually, a statement of investment policy, and any proposed changes to the policy, will be rendered to the Investment Advisory Committee and to the SBWMA Board of Directors for Board consideration at a public meeting.

The SBWMA's investment portfolio is designed to at least attain a market average rate of return through economic cycles. The market average rate of return is defined as average return on the Local Agency Investment Fund (assuming the State does not adversely affect LAIF's returns due to budget constraints).

DELEGATION OF AUTHORITY

The Joint Powers Authority Agreement of the South Bayside Waste Management Authority and the authority granted by SBWMA Board assign the responsibility of investing unexpended cash to the City's Administrative Services Director. Daily management responsibility of the investment program may be delegated to the City's Financial Services Manager, who shall establish procedures for the operation consistent with this investment policy.

INVESTMENT COMMITTEE

An investment committee consisting of the City of San Carlos Treasurer, City Manager, and Administrative Services Director shall be established to provide general oversight and direction concerning the policy related to management of the SBWMA's investment pool. The Financial Services Manager shall not be a member of the committee but shall serve in a staff and advisory capacity. The committee shall review and approve quarterly investment reports prepared by the Finance Department and reviewed by the Financial Services Manager or meet as necessary to discuss changes to the report or the investment strategy. The Investment Committee serving as the legislative body of the Investment Policy will have the quarterly reports for their review within thirty (30) days following the end of the quarter covered by the report as per Section 53646 (b)(1) of the California Government Code.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally the City's Administrative Services Director and the Financial Services Manager are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC).

SAFEKEEPING OF SECURITIES

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the SBWMA shall be held in safekeeping by a third party bank trust department, acting as agent for the SBWMA under the terms of a custody agreement. All trades executed by a dealer will settle delivery versus payment (DVP) through the SBWMA's safekeeping agent.

Securities held custody for the SBWMA shall be monitored by the City's Administrative Services Director to verify investment holdings.

All exceptions to this safekeeping policy must be approved by the City's Administrative Services Director in written form and included in the quarterly reporting to the Investment Committee and the SBWMA Board of Directors.

INTERNAL CONTROL

Separation of functions between the City's Administrative Services Director or Financial Services Manager and/or the Senior Accountant is designed to provide an ongoing internal review to prevent the potential for converting assets or concealing transactions.

Investment decisions are made by the City's Administrative Services Director, executed by the Administrative Services Director or Financial Services Manager and confirmed by the Senior Accountant. All wire transfers initiated by the Administrative Services Director or Financial Services Manager must be reconfirmed by the appropriate financial institution to the Senior Accountant. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Senior Accountant on a monthly basis. An independent analysis by an external auditor shall be conducted annually to review and perform procedure testing on the Agency's cash and investments that have a material impact on the financial statements. The Administrative Services Director and/or Investment Committee shall review and assure compliance with investment process and procedures.

REPORTING

The City's Administrative Services Director shall review and render quarterly reports to the Investment Advisory Committee and to the Board of Directors which shall include the face amount of the cash investment, the classification of the investment, the name of the institution or entity, the rate of interest, the maturity date, the current market value and accrued interest due for all securities. The quarterly reports will be submitted to the Investment Committee within thirty (30) days following the end of the quarter covered by the report as per Section 53646 (b)(1) of the California Government Code. Once approved by the Investment Committee, the quarterly reports shall be placed on the Board of Director's meeting agenda for its review and approval no later than 60 days after the quarter ends. If there are no Board of Director meetings within the 60-day period, the quarterly report shall be presented to the Board of Directors at the soonest possible meeting thereafter.

QUALIFIED BROKER/DEALERS

The SBWMA shall transact business only with banks, savings and loans, and with broker/dealers. The broker/dealers should be primary or regional dealers. The City currently does not maintain a list of broker/dealers approved to do business with the City. When necessary, the City shall go through the Request for Proposal processes to select the broker/dealers. The City's Administrative Services Director will make exceptions only upon written authorization. Investment staff shall investigate dealers wishing to do business with the SBWMA to determine if they are adequately capitalized, have pending legal action against the firm or the individual broker and make markets in the securities appropriate to the SBWMA's needs. The SBWMA's investment policy shall be made available on the Authority's website for broker/dealers' review.

COLLATERAL REQUIREMENTS

Collateral is required for investments in certificates of deposit. In order to reduce market risk, the collateral level will be at least 110% of market value of principal and accrued interest.

AUTHORIZED INVESTMENTS

Investment of SBWMA funds is governed by the California Government Code Sections 53600 et seq. Within the context of the limitations, the following investments are authorized, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
2. Local Agency Investment Fund (LAIF) which is a State of California managed investment pool, and San Mateo County Investment pool, may be used up to the maximum permitted by California State Law. A review of the pool/fund is required when they are part of the list of authorized investments, with the knowledge that the pool/fund may include some investments allowed by statute but not explicitly identified in this investment policy.
3. Obligations issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), and the Federal Home Loan Mortgage Corporation (FHLMC). There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.

Investments detailed in items 4 through 10 are further restricted to a percentage of the cost value of the portfolio in any single issuer name to a maximum of 5%. The total value invested in any one issuer shall not exceed 5% of the issuers net worth. Again, a five-year maximum maturity limitation is applicable unless further restricted by this policy.

4. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Banker's acceptances purchased may not exceed 180 days to maturity or 40% of the cost value of the portfolio.
5. Commercial paper ranked the highest letter and number rating by a nationally recognized statistical rating organization (NRSRO), such as Standard and Poor's Ratings Services, Fitch Ratings, Inc. or Moody's Investors Services, , and issued by domestic corporations having assets in excess of \$500,000,000 and having an A or better rating on its' long term debentures as provided by NRSRO. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 5% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 25% of the cost value of the portfolio.
6. Negotiable Certificates of Deposit issued by nationally or state chartered banks (FDIC insured institutions) or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio. A maturity limitation of five years is applicable.
7. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 30% of the investment portfolio may be invested in this investment type.
8. Medium Term Corporate Notes, with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated A or better by an NRSRO. Purchase of medium term notes may not exceed 30% of the market value of the portfolio and no more than 5% of the market value of the portfolio may be invested in notes issued by one corporation. Commercial paper holdings should also be included when calculating the 15% limitation.
9. Ineligible investments are those that are not described herein, including but not limited to, common stocks and long term (over five years in maturity) notes and bonds are prohibited from use in this portfolio. It is noted that special circumstances arise that necessitate the purchase of securities beyond the five-year limitation. On such occasions, requests must be approved by Board of Directors prior to purchase.
10. Various daily money market funds administered for or by trustees, paying agents and custodian banks contracted by the SBWMA may be purchased as allowed under State of California Government Code. Only funds holding U.S. Treasury or Government agency obligations can be utilized.

The following summary of maximum percentage limits, by instrument, is established for the SBWMA's total pooled funds portfolio:

Authorized Investment Type	Government Code	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment in One Issuer
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Local Agency Investment Fund (LAIF)	16429.1	Upon Demand	N/A	50% to 70% of the investment portfolio, as approved by the SBWMA Board but no more than \$65 million permitted by LAIF	N/A
San Mateo County Investment Pool	53684	Upon Demand	N/A	30% to 50% of the investment portfolio, as approved by the SBWMA Board	N/A
Treasury Obligations (bills, notes & bonds)	53601(b)	5 Years	N/A	100%	N/A
US Government Agency and Federal Agency Securities	53601(f)	5 Years	N/A	100%	N/A
Bankers Acceptances	53601(g)	180 Days	N/A	40%	(A), (B)
Commercial Paper	53601(h)	270 Days	Highest letter and number rating by an NRSRO	25%	(A), (B)
Negotiable Certificates of Deposit	53601(i)	5 Years	N/A	30%	(A), (B)
Time Certificates of Deposit – Banks or Savings and Loans	53601.8	5 Years	N/A	30%	(A), (B)
Medium Term Corporate Notes	53601(k)	5 Years	A	30%	(A), (B)

(A) 5% of outstanding paper of issuing corporation

(B) 5% of the portfolio in one corporation

DERIVATIVE INVESTMENTS

Derivatives are investments whose value is "derived" from a benchmark or index. That benchmark can be almost any financial measure from interest rates to commodity and stock prices. The use of derivatives is prohibited under this policy.

LEGISLATIVE CHANGES

Any State of California legislative action that further restricts allowable maturities, investment type, or percentage allocations will be incorporated into the South Bayside Waste Management Authority's Investment Policy and supersede any and all previous applicable language.

INTEREST EARNINGS

All moneys earned and collected from investments authorized in this policy shall be allocated quarterly to various fund accounts based on the cash balance in each fund at quarter end as a percentage of the entire pooled portfolio.

LIMITING MARKET VALUE EROSION

The longer the maturity of securities, the greater their market price volatility. Therefore, it is the general policy of the SBWMA to limit the potential effects from erosion in market values by adhering to the following guidelines:

All immediate and anticipated liquidity requirements will be addressed prior to purchasing all investments.

Maturity dates for long-term investments will coincide with significant cash flow requirements where possible, to assist with short term cash requirements at maturity.

All long-term securities will be purchased with the intent to hold all investments to maturity under then prevailing economic conditions. However, economic or market conditions may change, making it in the SBWMA's best interest to sell or trade a security prior to maturity.

PORTFOLIO MANAGEMENT ACTIVITY

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations and prudent investment principals. These objectives will be achieved by use of the following strategies:

Active Portfolio Management. Through active fund and cash flow management, taking advantage of current economic and interest rate trends, the portfolio yield may be enhanced with limited and measurable increases in risk by extending the weighted maturity of the total portfolio.

Portfolio Maturity Management. When structuring the maturity composition of the portfolio, the SBWMA shall evaluate current and expected interest rate yields and necessary cash flow requirements. It is recognized that in normal market conditions longer maturities produce higher yields. However, the securities with longer maturities also experience greater price fluctuations when the level of interest rates change.

Security Swaps. The SBWMA may take advantage of security swap opportunities to improve the overall portfolio yield. A swap, which improves the portfolio yield, may be selected even if the transactions result in an accounting loss. Documentation for swaps will be included in the SBWMA permanent investment file documents.

Competitive Bidding. It is the policy of the SBWMA to require competitive bidding for investment transactions that are not classified as "new issue" securities. For the purchase of non-"new issue" securities and the sale of all securities at least three bidders must be contacted. Competitive bidding for security swaps is also suggested, however, it is understood that certain time constraints and broker portfolio limitations exist which would not accommodate the competitive bidding process. If

a time or portfolio constraining condition exists, the pricing of the swap should be verified to current market conditions and documented for auditing purposes.

POLICY REVIEW

The South Bayside Waste Management Authority's investment policy shall be adopted by resolution of the Board on an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to Board for approval.

Glossary of Terms

Accrued Interest- Interest earned but not yet received.

Active Deposits- Funds which are immediately required for disbursement.

Amortization- An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Annual Financial Report - The official annual financial report for the SBWMA. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Asked Price- The price a broker dealer offers to sell securities.

Basis Point- One basis point is one hundredth of one percent (.01).

Bid Price- The price a broker dealer offers to purchase securities.

Bond- A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Bond Swap – Selling one bond issue and buying another at the same time in order to create an advantage for the investor. Some benefits of swapping may include tax-deductible losses, increased yields, and an improved quality portfolio.

Book Entry Securities – Securities, such stocks held in “street name,” that are recorded in a customer’s account, but are not accompanied by a certificate. The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors’ concerns about the certificates themselves. All the large New York City banks, including those that handle the bulk of the transactions of the major government securities dealers, now clear most of their transactions with each other and with the Federal Reserve through the use of automated telecommunications and the “book-entry” custody system maintained by the Federal Reserve Bank of New York. These banks have deposited with the Federal Reserve Bank a major portion of their government and agency securities holdings, including securities held for the accounts of their customers or in a fiduciary capacity. Virtually all transfers for the account of the banks, as well as for the government securities dealers who are their clients, are now effected solely by bookkeeping entries. The system reduces the costs and risks of physical handling and speeds the completion of transactions.

Bearer and Registered Bonds - In the past, bearer and registered bonds were issued in paper form. Those still outstanding may be exchanged at any Federal Reserve Bank or branch for an equal amount of any authorized denomination of the same issue. Outstanding bearer bonds are interchangeable with registered bonds and bonds in "book-entry" form. That is, the latter exist as computer entries only and no paper securities are issued. New bearer and registered bonds are no longer being issued. Since August 1986, the Treasury's new issues of marketable notes and bonds are available in book-entry form only. All Treasury bills and more than 90% of all other marketable securities are now in book-entry form. Book-entry obligations are transferable only pursuant to regulations prescribed by the Secretary of the Treasury.

Book Value- The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker – In securities, the intermediary between a buyer and a seller of securities. The broker, who usually charges a commission, must be registered with the exchange in which he or she is trading, accounting for the name registered representative.

Certificate of Deposit- A deposit insured up to \$250,000 by the FDIC at a set rate for a specified period of time.

Collateral- Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Constant Maturity Treasury (CMT) - An average yield of a specific Treasury maturity sector for a specific time frame. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

Coupon- The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis- A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield- The interest paid on an investment expressed as a percentage of the current price of the security.

Custody- A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Discount- The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification- Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration- The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serve as the weights; the future point in time at which on average, an investor has received exactly half of the original investment, in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow time line.

Fannie Mae- Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Federal Reserve System- The central bank of the U.S. that consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$250,000) per account.

Fed Wire- A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac- Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae- Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Inactive Deposits- Funds not immediately needed for disbursement.

Interest Rate- The annual yield earned on an investment, expressed as a percentage.

Investment Agreements- An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Liquidity- Refers to the ability to rapidly convert an investment into cash.

Market Value- The price at which a security is trading and could presumably be purchased or sold.

Maturity- The date upon which the principal or stated value of an investment becomes due and payable.

Nationally Recognized Statistical Rating Organizations (NRSRO): A U.S. Securities & Exchange Commission registered agency that assesses the creditworthiness of an entity or specific security. NRSRO typically refers to Standard and Poor's Ratings Services, Fitch Ratings, Inc. or Moody's Investors Services.

New Issue- Term used when a security is originally "brought" to market.

Perfected Delivery- Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio- Collection of securities held by an investor.

Primary Dealer- A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Purchase Date- The date in which a security is purchased for settlement on that or a later date.

Rate of Return- The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - A transaction where the seller (bank) agrees to buy back from the buyer (SBWMA) the securities at an agreed upon price after a stated period of time.

Reverse Repurchase Agreement (REVERSE REPO) - A transaction where the seller (SBWMA) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Risk- Degree of uncertainty of return on an asset.

Safekeeping- see custody.

Sallie Mae- Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market- A market made for the purchase and sale of outstanding issues following the initial distribution.

Settlement Date- The date on which a trade is cleared by delivery of securities against funds.

Time Deposit – A deposit in an interest-paying account that requires the money to remain on account for a specific length of time. While withdrawals can generally be made from a passbook account at any time, other time deposits, such as certificates of deposit, are penalized for early withdrawal.

Treasury Obligations- Debt obligations of the U.S. Government that are sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

U.S. Government Agencies- Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the particular agency.

Yield- The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity- The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve- The yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.



ADMINISTRATION AND FINANCE



STAFF REPORT

To: SBWMA Board Members
From: Jean Savaree, Deputy General Counsel
Date: January 26, 2017 Board of Directors Meeting
Subject: Election of Board Officers for 2017

Recommendation

The Board is required to annually elect a Board Chair and Vice Chair per Article 8, Governance, of the JPA Agreement, Sections 8.5 and 8.6 which provide:

8.5 Chair. The Board shall annually select a Chair, by a vote taken in accordance with Section 10.8 of this Agreement, who shall serve without compensation at the pleasure of the Board. The duties of the Chair include, but are not limited to the following:

- a. Conduct Board meetings.
- b. Review and set meeting agendas with the Executive Director.
- c. Sign any and all SBWMA official documents.

8.6 Vice Chair. The Board shall annually select a Vice Chair, by a vote taken in accordance with Section 10.8 of this Agreement, who serves without compensation at the pleasure of the Board. The Vice Chair shall act in the absence of the Chair, with full powers of the Chair.

This selection traditionally occurred at the Board's January meeting. Staff recommends that the Board now select the Chair and Vice Chair for 2017.

In addition to the duties enumerated in Section 8.5, as a matter of practice, the Board Chair and Vice Chair along with the Executive Director, General Counsel and Board Clerk have traditionally met on a monthly basis as the "Executive Committee" to conduct Board meeting agenda planning and discuss major items of note related to JPA operations. The Executive Director also updates the Executive Committee on a regular basis on any major issues that may come up in the course of day-to-day operations.

Background

Staff recommends the following process for the Board to follow in electing a Chair and Vice Chair for calendar year 2017:

1. Chair calls for nominations for the position of Chair (nominations do not require a second).
2. Motion is adopted to close nominations.
3. Board votes on nominations in the order in which the nominations were made until a Chair is elected.

4. Sections 8.5 and 10.8 of the JPA Agreement require the successful vote to be by 2/3 of the Directors present.
5. The new Chair takes the gavel and assumes the office and calls for nominations for Vice Chair and the same procedure is followed for electing the Vice Chair.

Fiscal Impact

None.

Attachments:

None.



A Public Agency

STAFF REPORT

To: SBWMA Board Members
 From: Farouk Fakira, Finance Manager
 Date: January 26, 2017 Board of Directors Meeting
 Subject: Resolution Accepting Mid-Year Review of FY16/17 Annual Operating Budget

Board Action

It is recommended that the SBWMA Board of Directors approve Resolution No. 2017-04 attached hereto authorizing the following action:

Approval of the Mid-Year Budget Adjustments for FY16/17.

Analysis

Staff has conducted a thorough analysis of year-to-date revenues and expenditures. **Attachment A** has been prepared to provide the Board with key budget and related information as follows:

- **Attachment A** contains budget worksheets providing line item detail for all projected revenues, expenditures, cash reserve balances and capital spending.

FY16/17 SUMMARY NET INCOME				
Revenues	Approved Budget	Mid-Year Projections	Variance	Variance %
Total Revenues	\$ 44,667,519	\$ 45,243,964	\$ 576,445	1.3%
Total Expenditures	43,063,917	42,621,903	(442,015)	-1.0%
Net Income	\$ 1,603,602	\$ 2,622,061	\$ 1,018,459	63.5%

Net Income is projected at \$2,622,061 which is \$1,018,459 more than was projected in the Approved FY16/17 Budget (see Table 1).

As shown in **Table 1 and Table 2**, there was a Total Revenue variance of \$576,445 due to the following:

1. A decrease of \$75,988 in non- franchise revenue is due to a reduction in volume by 542 tons, Increase of \$470,465 in franchise sales is due to an increase of 4,886 tons;
2. Favorable commodity revenue of \$1,620,841 is due to favorable blended rate variance of \$1,605,900 (\$141.71 vs. \$119.24 as budgeted) and favorable volume variance of 125 tons for \$14,941.
3. Unfavorable commodity shared revenue to SBR of \$313,527 in line with the revenue increase due to favorable blended rate.
4. Higher than budgeted buyback payment of \$94,793
5. \$10,502 is due to favorable E Recycling revenue prices.
6. Loss of Host fees revenue of \$230,398 due to the discontinuation of the third party program effective January 1st, 2017.
7. Loss of HHW revenue of \$341,727 due to discontinuation of contract with WM effective January 1st, 2017;
8. Favorable interest revenue of \$18,636.

9. \$3,159,624 loss due to the fire for most of September and the months of October through December (see Table 6).
10. \$885,327 in favorable shared revenue due to the loss due to the fire at the MRF (see Table 6).
11. Favorable single stream revenue to third party customers of \$608,888 (see Table 6).
12. Favorable \$1,309,676 due to the insurance revenue interruption claim (see Table 6).

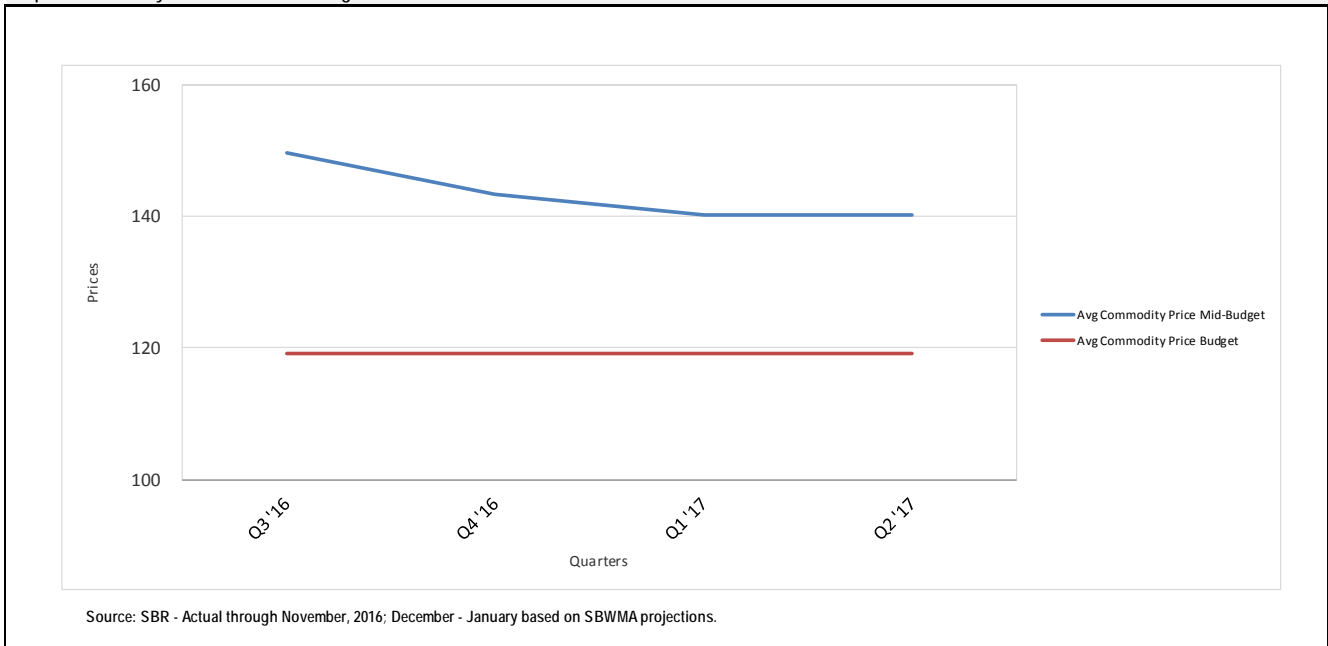
Lower than budgeted Expenditures of \$422,015 are primarily due to the following (see **Table 1 and Table 4**):

1. Favorable administrative cost of \$298,551 mostly due to salary savings relating to extended staff vacancies, including the Sustainability Manager, Recycling Manager, Assistant Education Coordinator, and one month for the Executive Director positions during FY16/17. A small offset of \$10,000 was spent for on call human resources recruiting services.
2. Favorable \$341,727 due to the discontinuation of the HHW program. This saving will be factored into the 2018 Recology Compensation Adjustment Review process to provide proper credit back to each member agency.
3. \$204,338 higher SBR compensation than budgeted due to higher transfer and transportation cost.
4. Higher disposal and processing cost of \$515,960 mainly due to \$129,000 in higher disposal rates than budgeted, \$145,000 due to higher volume in line with the higher revenue, \$97,500 in higher other disposal cost, and \$142,900 in lower residue credit due to the discontinuation of the operation at the MRF for four months
5. Favorable savings of \$53,219 in credit cards charges due the SBR changing banks that charged lower service charges than before.
6. Higher franchise fees of \$18,750 in line with the higher tipping revenues.
7. Saving in processing cost at the MRF of \$2,064,723 due the fire at the MRF and the stoppage of operation from September through December (see Table 6).
8. Incurring of trans-load cost of \$871,378 to SBR at \$36.26 per ton to load the single stream tons to third party trucks
9. Incurring of \$705,780 in trucking cost to haul the single stream tons to the third party customers

Revenues

Total operating revenues for FY16/17 are projected to be 1.3% higher than originally budgeted primarily due to higher tipping fees revenue of \$394,477, insurance claim of \$1,309,676, and higher commodity prices which have caused an offset against the loss of commodity revenue. A price variance revenue increase of \$1,605,900 as illustrated in **Graph 1** below. There is a positive variance of \$22.47 per ton from the approved budget (Mid-Year at \$141.71 vs \$119.24 as per approved budget).

Graph 1. Commodity Price Mid-Year vs. Budgeted



This positive revenue was supported mostly by an increase in tip fee revenues resulting from higher than budgeted tonnage into Shoreway and insurance claim for the revenue interruption (see Table 2).

Revenues	Approved Budget	Mid-Year Projections	Variance	Variance %
Tip Fee Revenues	\$ 36,508,044	\$ 36,902,521	\$ 394,477	1.1%
<i>Non Franchised</i>	8,114,936	8,038,948	(75,988)	-0.9%
<i>Franchised</i>	28,393,108	28,863,573	470,465	1.7%
Net Commodity Sales Revenues*	6,943,411	8,155,931	1,212,520	17.5%
MRF - Host Fees	403,070	172,672	(230,398)	-57.2%
Interest Income	78,940	97,576	18,636	100.0%
HHW and Other Revenue	734,054	402,828	(331,225)	-45.1%
Sub Revenue	\$ 44,667,519	\$ 45,731,528	\$ 1,064,010	2.4%
Fire Related Revenues:				
Commodity Sales Loss	-	(3,159,624)	(3,159,624)	100.0%
Commodity Shared Revenue	-	885,327	885,327	100.0%
MRF Host Fee	-	(131,832)	(131,832)	100.0%
Single Stream Sales	-	608,888	608,888	100.0%
INS. Revenue Interruption	-	1,309,676	1,309,676	100.0%
Sub Fire Revenue	\$ -	\$ (487,565)	\$ (487,565)	100.0%
Total Revenues	\$ 44,667,519	\$ 45,243,964	\$ 576,445	1.3%

*Gross commodity sales – 28.02% revenue share with SBR and buyback payments.

Expenditures

Table 3 below shows that the higher than budgeted Shoreway Operations expense of \$198,264 mostly is due to \$2,064,723 savings in processing cost due to the fire, favorable credit cards charges of \$53,219, and which was offset by \$871,378 in trans-load expense to SBR for loading the single stream tons into the trucks; \$705,780 in truck transportation cost to haul the single stream tons to the third party customers; higher disposal of \$515,960, and higher franchise fees of \$18,750..

Table 3

FY16/17 EXPENDITURE DETAIL FOR SHOREWAY OPERATIONS				
Expenditures	Approved Budget	Mid-Year Projections	Variance	Variance %
SBR Compensation*	\$ 18,423,627	\$ 18,627,965	\$ 204,338	1.1%
Disposal and Processing*	15,329,602	15,845,562	515,960	3.4%
Insurance Shoreway	238,998	238,998	-	0.0%
Education Center	60,000	60,000	-	0.0%
Credit Cards Charges	173,710	120,491	(53,219)	-30.6%
Debt Service Bond Interest	2,747,908	2,747,908	-	0.0%
Other Operating Expenses	242,690	242,690	-	0.0%
Taxes (Sewer)	60,643	60,643	-	0.0%
Franchise Fee (San Carlos)**	1,738,513	1,757,263	18,750	1.1%
Sub Shoreway Expenses:	\$ 39,015,692	\$ 39,701,521	\$ 685,829	1.8%
Fire Related Expenses:				
SBR Compensation*		(2,064,723)	(2,064,723)	100.0%
Transload By SBR		871,378	871,378	100.0%
Transportation Cost of Single Stream		705,780	705,780	100.0%
Sub Fire Expenses		(487,565)	(487,565)	100.0%
Total Shoreway Operations:	\$ 39,015,692	\$ 39,213,956	\$ 198,264	0.5%
* Expense projection based on estimated facility tonnage				
** Expense projection based on estimated gate revenue (tipping fees x estimated tons)				

As shown in **Table 4** below, the SBWMA budget has a Mid-Year Budget variance that include mostly a \$298,551 savings in Administrative Expenses due the vacancy in the Recycling Outreach and Sustainability Manager for 12 months, the Assistant Education Coordinator for four months, and eight months for the Recycling Manager in the FY16/17, and one month for the Executive Director position, and the savings in HHW cost of \$341,727 due to discontinuation of Household Hazardous Waste contract with WM.

Table 4

FY16/17 EXPENDITURE SUMMARY				
Expenditures	Approved Budget	Mid-Year Projections	Variance	Variance %
Administrative Expenses	\$ 1,763,172	\$ 1,464,621	\$ (298,551)	-16.9%
Contract Compliance & Support	465,000	465,000	-	0.0%
Recycling & AB 939 Compliance	1,132,000	1,132,000	-	0.0%
Collection Operations	688,054	346,327	(341,727)	-49.7%
Total SBWMA Expenses	4,048,226	3,407,947	(640,278)	-15.8%
Shoreway Operations	39,015,692	39,213,956	198,264	0.5%
Total Expenses	\$ 43,063,917	\$ 42,621,903	\$ (442,015)	-1.0%

Capital Spending

No change in projected capital spending. Please see **Attachment A** for a worksheet on our capital projects.

Reserve Balances

Table 6 below captures the Mid-Year reserve balance projections for FY16/17 compared to the Approved Budget reserve balance. The projected Total Uncommitted Reserve favorable variance of \$280,341 primarily due a drop of \$997,552 in the beginning based on the actuals for FY15/16 from the budgeted balance and that was offset by the favorable positive net income of \$1,018,459, and favorable \$21,133 in bond spending.

Table 5

RESERVE BALANCE					
	ACTUAL FY1516	ADOPTED BUDGET FY1617	MID-YEAR BUDGET FY1617	Variance	Variance%
Uncommitted Reserves:					
RATE STABILIZATON (10% of expense)	\$ 4,174,238	\$ 4,033,671	\$ 4,227,558	\$ 193,886	4.8%
EMERGENCY RESERVE (10% of total expense)	\$ 4,174,238	\$ 4,033,671	\$ 4,227,558	\$ 193,886	4.8%
CAPITAL RESERVE	\$ 2,001,431	\$ 3,538,887	\$ 3,383,355	\$ (155,532)	-4.4%
TOTAL UNCOMMITTED RESERVES	\$ 10,349,907	\$ 11,606,229	\$ 11,838,470	\$ 232,241	2.0%
Committed Reserves:					
EQUIPMENT REPLACEMENT (ANNUAL)	\$ 1,736,098	\$ 1,499,514	\$ 1,499,514	\$ -	0.0%
TOTAL COMMITTED RESERVES	\$ 12,086,005	\$ 13,105,743	\$ 13,337,984	\$ 232,241	1.8%

Table 6 is showing the components that make up the insurance revenue interruption claim due to the September 7, 2016 fire at the Shoreway Environmental Center's Material Recovery Facility:

Table 6		
Insurance Revenue Interruption Claim		
Account	Amount	Comments
Revenue - Sept to Dec 2016	\$ 3,159,624	Lost commodity revenue for 23 days in Sept plus Oct. thru Dec.
Share Revenue -Sept to Dec 2016	(885,327)	28.02% of revenue
Host Fees September to December	131,832	4 months of lost host fees revenue less the first 7 days.
Single Steam Revenue	(608,888)	Revenue received for sales of single stream tons.
SBR MRF Processing Cost	(2,064,723)	Saved processed tons of lost revenue at \$84.49
Transload cost SBR @ 36.26	871,378	Single stream transloading cost into third party trucks by SBR.
Trucking cost for single stream	705,780	Trucking cost to third party customers.
Total Insurance Claim	\$ 1,309,676	Total claim to insurance

Fiscal Impact

The Mid-Year Budget for FY16/17 shows Net Income of \$2,622,061 which is \$1,018,459 higher than the Approved FY16/17 Budget.

Attachments:

Resolution 2017-04

Attachment A – FY16/17 Budget Worksheets



RESOLUTION NO. 2017-04

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS ACCEPTING MID-YEAR REVIEW OF FY1617 ANNUAL OPERATING BUDGET

WHEREAS, the South Bayside Waste Management Authority proposed budget adjustments as presented is balanced and provided sufficient funds for normal operations.

NOW THEREFORE, BE IT RESOLVED, the South Bayside Waste Management Authority hereby approves the adjustments to the fiscal year 2016/2017 operating budget.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 26th day of January, 2017, 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. 2017-04 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2017.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary

REVENUES BY MAJOR CATEGORY AND SOURCE							
REVENUE SUMMARY	ACTUAL FY1516	APPROVED BUDGET FY1617	YTD 11/30/16	MID-YEAR PROJECTION FY1617	Variance to Adopted Budget	Variance vs. Approved Bud %	Notes
ADMINISTRATIVE REVENUES							
409100 INVESTMENT INCOME	\$ 86,504	\$ 78,940	\$ 27,399	\$ 97,576	\$ 18,636	23.6%	
409101 INVESTMENT INC GASB31 FAIR VAULUE ADJ	21,421						New GASB31 to state investment at fair value
TOTAL ADMINISTRATIVE	\$ 107,925	\$ 78,940	\$ 27,399	\$ 97,576	\$ 18,636	23.6%	
OPERATIONS							
480026 TIPPING FEES - Non Franchised	\$ 7,720,588	\$ 8,114,936	\$ 3,813,077	\$ 8,038,948	\$ (75,988)	-0.9%	Mainly due to a drop of 4,245 tons in green waste, 279 tons in solid waste, and which was offset by favorable C&D 3,982 tons.
480027 TIPPING FEES - Franchised	26,924,354	28,393,108	11,418,482	28,863,573	470,465	1.7%	Mainly due to a favorable pickup of 4,083 tons of greenwaste, 189 tons in favorable solid waste, and 614 tons in favorable inerts.
480028 COMMODITY SALES	9,112,974	8,565,216	2,253,341	10,186,056	1,620,841	18.9%	Favorable \$1605,900 is due to a favorable blended value per ton of \$141.71 vs. \$119.24 that was budgeted. And a favorable volume variance of 125 tons for \$14,941.
480029 COMMODITY REVENUE SHARING	(1,076,765)	(825,285)	(245,502)	(1,138,812)	(313,527)	38.0%	Unfavorable shared revenue In line with the favorable blended revenue value above.
522717 Buyback Payment	(879,726)	(796,519)	321,328	(891,313)	(94,793)	11.9%	Higher activity at the buyback operation.
480025 E Recycling	7,611	5,600	8,051	16,101.32	10,502	187.5%	E Recycling prices have improved.
480033 MRF Host Fee	401,228	403,070	40,608	172,672	(230,398)	-57.2%	Due to the discontinuance of third part revenue effective January 1st, 2017.
480031 HHW ON-CALL COLLECTION SERVICE - NEW	659,917	683,454	335,028	341,727	(341,727)	-50.0%	HHW discontinued at the end of December 31, 2016
406001 COMMERCIAL RECYCLING REPORTING ORDINANCE	6,375	15,000	9,031	15,000	-	0.0%	Fee revenue from commercial recyclers per Ordinance.
480008 MISCELLANEOUS REVENUE	50,743	30,000	47,221	30,000	-	0.0%	CA Paint Care program payments.
SUB OPERATIONS REVENUE	\$ 42,927,299	\$ 44,588,579	\$ 18,000,664	\$ 45,633,952	\$ 1,045,374	2.3%	
FIRE RELATED REVENUE:							
480028 COMMIDITY SALES LOSS	-	-	-	(3,159,624)	(3,159,624)	100.0%	Due to revenue loss for the most of the month of September and the months of October through December.
480029 COMMODITY REVENUE SHARING				885,327	885,327	100.0%	Favorable shared revenue due to the September, 2016 fire and the discontinuance of revenue shared payments for most of September and all the months of October through December.
480033 MRF Host Fee				(131,832)	(131,832)	100.0%	Lost of host fee revenue.
480028 SINGLE STREAM SALES				608,888	608,888	100.0%	Favorable sales of single stream material
INS. REVENUE INTERRUPTION COMPENASATION				1,309,676	1,309,676	100.0%	Already submitted September, October, November claims to the Hanover insurance company.
SUB FIRE REVENUE	\$ -	\$ -	\$ -	\$ (487,565)	\$ (487,565)	100.0%	
TOTAL OPERATIONS	\$ 42,927,299	\$ 44,588,579	\$ 18,000,664	\$ 45,146,388	\$ 557,809	1.3%	
TOTAL REVENUE	\$ 43,035,224	\$ 44,667,519	\$ 18,028,063	\$ 45,243,964	\$ 576,445	1.3%	

EXPENDITURE SUMMARY	ACTUAL FY1516	APPROVED FY17 BUDGET	YTD 11/30/16	FY17 MID-YR BUD	VARIANCE	NOTES
ADMINISTRATIVE EXPENSES						
511810 ADMINISTRATIVE STAFF	\$ 503,424	\$ 547,648	\$ 212,151	\$ 526,917	\$ (20,731)	Adjustment for one month Salary for executive director started August 1st, 2016
511820& 520306 AB 939 PROGRAM STAFF	690,515	738,889	234,206	451,068	(287,820)	Mainly saving of 12 months salary for Carolina \$140.9K, 8 months for Cliff \$120K, and \$26.7K for Madison.
520328 EMPLOYEE RECRUITMENT / HR SUPPORT	4,431	5,000	1,625	15,000	10,000	On call Human Resources planning, organization development, and analytical services.
520337 PEO COST (RGS/ILGS ADMIN FEES)	10,963	11,400	2,366	11,400	-	Fees paid to contract HR and payroll service provider.
520312 BOARD COUNSEL	37,039	65,000	38,959	65,000	-	Contracted legal counsel services.
520300 BOARD MEETINGS	2,712	4,500	3,195	4,500	-	
520310 ACCOUNTING SERVICES	136,530	139,929	68,975	139,929	-	Estimated fees paid to current vendor (City of San Carlos).
520334 INFORMATION SYSTEMS	26,241	27,000	12,943	27,000	-	Fees paid to IT service provider.
520338 WEBSITE	11,077	12,100	8,983	12,100	-	Fees paid to website management service provider.
520301 ANNUAL AUDIT	11,400	10,216		10,216	-	Fees paid to auditors to complete FY & calendar year financial statements.
520701 D&O INSURANCE	42,898	48,200	44,890	48,200	-	Annual insurance premium for Director's and Officer's insurance.
520202 BANK FEES	6,480	8,492	5,067	8,492	-	Bank fees inclusive of fees paid to BNY as the Bond Trustee.
520203 RENT	53,467	55,073	27,423	55,073	-	Assumes one-year extension on lease with one option year at current terms.
520204 PRINTING AND POSTAGE	240	150	58	150	-	
520107 UTILITIES	16,886	17,500	7,484	17,500	-	Utilities and janitorial services by the City.
520905 OFFICE/TENANT IMPROVEMENTS	400	1,000	1,748	1,000	-	
520201 OFFICE SUPPLIES	10,417	15,500	6,865	15,500	-	
520215 OFFICE EQUIPMENT COSTS	15,033	15,000	7,411	15,000	-	
520504 PUBLICATIONS & PUBLIC NOTICES	482	3,000	-	3,000	-	Assumes notice for 2 bids.
520501 PROFESSIONAL DUES & MEMBERSHIPS	4,217	2,000	1,096	2,000	-	
520801 VEHICLE MILEAGE & TOLLS	37	75		75	-	
520105 CELL PHONES	2,291	4,500	597	4,500	-	Reimbursement for employee work related cell phone costs.
520503 CONFERENCE & MEETINGS	8,789	10,500	3,675	10,500	-	Staff attendance at trade conferences and travel related to budgeted projects.
520502 TRAINING	3,148	5,000		5,000	-	Up to \$1250/employee per year for qualified educational, job related development activities, and personal development as approved by Executive Director.
520511 SPONSORSHIPS & DONATIONS	9,500	9,500	5,500	9,500	-	Sponsorships for Acterra, SSMC, CAW and CPSC.
522706 COMPUTER PURCHASE	5,687	6,000	2,896	6,000	-	Two new laptops. Minor other hardware.
TOTAL ADMINISTRATIVE	\$ 1,614,305	\$ 1,763,172	\$ 698,115	\$ 1,464,621	\$ (298,551)	
CONTRACT COMPLIANCE AND SUPPORT						
520307 RATE REVIEW	\$ 14,265	\$ 60,000	\$ 6,776	\$ 60,000	\$ -	3rd party consulting support if needed.
TOTAL RATE REVIEW	\$ 14,265	\$ 60,000	\$ 6,776	\$ 60,000	\$ -	
CONSULTANT SUPPORT						
520308 FACILITY IMPROVEMENT OVERSIGHT	\$ 8,405	\$ 50,000	\$ 1,355	\$ 50,000	\$ -	Operations assessment @\$20K, disaster mgt. plan, utility analysis for CNG and mixed waste processing.
520309 CONTRACT MANAGEMENT SUPPORT	46,813	55,000	-	55,000	-	Annual financial audit of RSMC and SBR at \$40k. \$15k for reviewing annual route assessment.
520309 COLLECTION SERVICES FRANCHISE ADMIN.	71,514	180,000	8,457	180,000	-	Franchise Agreement support and compliance \$40k; call center monitoring \$15k; operational assessment follow-up \$25k; consultant and outside legal counsel support for FA negotiations \$100k).
520309 FINANCE MANAGER SUPPORT	4,080	70,000	2,250	70,000	-	On-Call consultant support as needed MM \$35k; Franchise Agreement negotiations financial analysis and support \$35k.
520336 HCM01 QUARTERLY LOAD CONTAMINATION MONITORING	46,000	50,000	22,656	50,000	-	Bi-Annual contamination monitoring required per Franchise Agreements.
TOTAL CONSULTANT	\$ 176,811	\$ 405,000	\$ 34,718	\$ 405,000	\$ -	
TOTAL CONTRACT COMPLIANCE & SUPPORT	\$ 191,076	\$ 465,000	\$ 41,494	\$ 465,000	\$ -	
RECYCLING - AB939 COMPLIANCE						

EXPENDITURE SUMMARY	ACTUAL FY1516	APPROVED FY17 BUDGET	YTD 11/30/16	FY17 MID-YR BUD	VARIANCE	NOTES
RECYCLING ADMINISTRATION						
520311 CIWMB CIWMB ANNUAL REPORTS	\$ 24,774	\$ 25,000	\$ 19,960	\$ 25,000	\$ -	Annual development and submittal of CalRecycle EARs for ten MAs required per AB 939. Support with diversion programs \$10k and public spaces recycling assistance \$40k.
520341 SBWMA ANNUAL REPORT	270	5,000	270	5,000	-	
520309 HDV01 DIVERSION PROGRAM SUPPORT	4,255	50,000	-	50,000	-	
520508 RECYCLING REPORTING ORDINANCE EXPENSES	15,429	15,000	175	15,000	-	
522705 EVENT GIVEAWAYS		2,500		2,500	-	
TOTAL RECYCLING ADMINISTRATION	\$ 44,728	\$ 97,500	\$ 20,405	\$ 97,500	\$ -	
LONG RANGE PLAN/DIVERSION PROGRAMS						
520340 LRP01 LONG RANGE PLAN ALTERNATIVES	\$ 273,432	\$ 495,000	\$ 8,208	\$ 495,000	\$ -	EOW pilot \$120k; Enhanced public outreach pilot \$175k; MFD recycling pilot \$30k; Commercial focused outreach pilot \$30k; Behavior change and social marketing \$10k; Commercial recycling participation compliance \$30k; Sector specific food waste prevention \$30k; Enhanced environmental education \$70k; Behavior change marketing \$5k; Drop-off events \$10k.
TOTAL LONG RANGE PLAN/DIVERSION PROGRAMS	\$ 273,432	\$ 495,000	\$ 8,208	\$ 495,000	\$ -	
COMMERCIAL PROGRAMS						
520331 LARGE EVENT/VENUE CONSULTING	\$ -	\$ 7,500	\$ -	\$ 7,500	\$ -	MD Note - Carry over project from FY1415. If done before end of FY, not needed then. Repurpose 2nd trailer as mobile education trailer, will explore grant funding opportunities. Incorporating all of Shoreway requires much more reporting requirements and review by outside auditors. Commercial accounts assessment \$20; AB1826 and AB341 Compliance \$30k; Commercial Toolkit per Franchise Agreements \$20k. Annual purchase of MFD buddy bags \$20, internal recycling containers \$20 and Agency Facility containers \$20k per Franchise Agreements. AB341&1826 Compliance \$10; MFD Toolkit \$20; Battery/cell phones subscription support \$10; Annual MFD awards program \$10
520608 CLIMATE CHANGE POLICY OPTIONS	20,815	27,000	9,025	27,000	-	
520604 COE01 COMMERCIAL RECYCLING TECHNICAL ASSIST	34,427	70,000	3,745	70,000	-	
520604 COE02 PURCHASE COMMIFD CONTAINERS FOR RECOLOGY	49,237	60,000	31,253	60,000	-	
520604 CDCRY C&D RECYCLING PROGRAM		-	-	-	-	
520604 MF001 MULTI-FAMILY OUTREACH	6,638	50,000	1,545	50,000	-	
TOTAL COMMERCIAL PROGRAMS	\$ 111,117	\$ 214,500	\$ 45,568	\$ 214,500	\$ -	
RESIDENTIAL PROGRAMS						
520604 QNL01 QUARTERLY NEWLESTTER DESIGN/SETUP	\$ 5,978	\$ 20,000	\$ 2,593	\$ 20,000	\$ -	Design/produce 3 newsletters. Assumes 2 direct mail newsletters and one sent via bill insert. Outreach per Franchise Agreements \$70k; Annual Service Notice per Franchise Agreements \$12k; website and social media \$15k; Mobile phone app \$23k Community events support \$2k; Compost and shred events support \$3k Ongoing promotion for in program, includes direct mail, print and outdoor advertisements. Included under "Community Events" line item.
520604 QNLPM QUARTERLY NEWLESTTER PRINTING/MAILING	59,092	90,000	44,964	90,000	-	
520604 RES01 RESIDENTIAL OUTREACH PROGRAMS	61,067	120,000	1,006	120,000	-	
520604 COMPS COMMUNITY EVENTS	-	5,000	-	5,000	-	
520604 HHWUW HHW DOOR TO DOOR COLLECTION OUTREACH	59,011	80,000	33,814	80,000	-	
52064 3RG01 3R GUIDE IN SBC PHONE BOOK		5,000		5,000	-	
520335 CURBSIDE HOUSEHOLD BATTERY OUTREACH	4,098	5,000	1,450	5,000	-	
520604 ECE01 ELECTRONIC COLLECTIONS EVENTS	-	-	-	-	-	
TOTAL RESIDENTIAL PROGRAMS	\$ 189,246	\$ 325,000	\$ 83,827	\$ 325,000	\$ -	
TOTAL RECYCLING - AB939 COMPLIANCE	\$ 618,523	\$ 1,132,000	\$ 158,008	\$ 1,132,000	\$ -	
SUBTOTAL SBWMA PROGRAM BUDGET	\$ 2,423,903	\$ 3,360,172	\$ 897,617	\$ 3,061,620	\$ (298,551)	
COLLECTION OPERATIONS						
522710 HHW/U-WASTE ON-CALL COLLECTION SERVICES	649,497	683,454	274,220	341,727	(341,727)	HHW discontinued at December 31, 2016
522719 SHRED EVENT SERVICE	6,164	4,600	3,743	4,600	-	
TOTAL COLLECTION OPERATIONS	655,661	688,054	277,964	346,327	(341,727)	
TOTAL SBWMA PROGRAM BUDGET	\$ 3,079,564	\$ 4,048,226	\$ 1,175,581	\$ 3,407,947	\$ (640,278)	
SHOREWAY OPERATIONS						

EXPENDITURE SUMMARY		ACTUAL FY1516	APPROVED FY17 BUDGET	YTD 11/30/16	FY17 MID-YR BUD	VARIANCE	NOTES
522712	OPERATING CONTRACT - SBR	\$ 18,275,660	\$ 18,423,627	\$ 7,429,863	\$ 18,627,965	\$ 204,338	Higher transfer and transportation cost \$129K due to higher disposal rates than budgeted , \$145./K due to higher volume, \$97.5K higher other disposal cost, \$142.9K due to lower residue credit from host fees accounts and MRF residue due to fire.
522713	DISPOSAL	15,757,108	15,329,602	6,450,139	15,845,562	515,960	
520710	INSURANCE SHOREWAY	212,059	238,998	89,798	238,998	-	
522714	SHOREWAY FACILITY COST	167,156	150,000	25,133	150,000	-	Insurance for Shoreway facility.
570300	SHOREWAY MAINTENANCE - New	2,742	-	-	-	-	Facility repair and maintenance projects not treated as "capital" projects.
520202	Shore CREDIT CARDS CHARGES	268,744	173,710	50,205	120,491	(53,219)	Favorable credit cards charges for self haul operation - They changed banks
520207	SHOREWAY CHARGES	15,569	26,690	11,121	26,690	-	SBR bought a trailer and they charging us a monthly charge for it.
522718	EDUCATION CENTER OPERATIONS	57,138	60,000	8,750	60,000	-	Budget for three special public events, school busing (\$19K), tour supplies, etc.
522716	MAINTENANCE - OX MTN TIPPER	30,310	36,000	5,577	36,000	-	Monthly maintenance charge for tipper that JPA owns and Republic operates at Ox. Mtn.
520901	SHOREWAY MRF EQUIP. MAINTENANCE > \$10k	-	30,000	-	30,000	-	Unplanned MRF equipment repairs greater than \$10k are responsibility of JPA.
520324	TAXES (SEWER) PROPERTY TAX	57,747	60,643	30,175	60,643	-	Sewage water has doubled up causing higher charge.
SUB SHOREWAY OPERATIONS COST		34,844,233	34,529,270	14,100,760	35,196,349	667,079	
FIRE RELATED EXPENSES:							
522712	OPERATING CONTRACT - SBR - FIRE RELATED	-	-	-	(2,064,723)	(2,064,723)	September through December tons at \$84.49 savings due to fire.
522712	TRANSLOAD EXPENSE BY SBR FOR SINGLE STREAM	-	-	-	871,378	871,378	Expecting reimbursement by insurance company
522712	TRANSPORTAION COST BY THIRD PARTIES OF SINGLE STREAM	-	-	-	705,780	705,780	Expecting reimbursement by insurance company
SUB FIRE COST		-	-	-	(487,565)	(487,565)	
TOTAL SHOREWAY OPERATIONS		\$ 34,844,233	\$ 34,529,270	\$ 14,100,760	\$ 34,708,784	\$ 179,514	
TOTAL OPERATING EXPENSES		\$ 37,923,797	\$ 38,577,496	\$ 15,276,341	\$ 38,116,732	\$ (460,764)	
NON-OPERATING EXPENSES							
521116	BONDR DEBT SERVICE BOND INTEREST	\$ 2,810,821	\$ 2,747,908	\$ 468,485	\$ 2,747,908	\$ -	Solid Waste Enterprise Revenue Bond interest payments.
522702	FRANCHISE FEE	1,649,758	1,738,513	725,313	1,757,263	18,750	5% franchise fee payments by JPA to City of San Carlos. Higher in line with revenue.
NON-OPERATING EXPENSES		4,460,579	4,486,421	1,193,798	4,505,171	18,750	
TOTAL SHOREWAY OPERATING EXPENSES		\$ 39,304,812	\$ 39,015,692	\$ 15,294,559	\$ 39,213,956	\$ 198,264	
TOTAL OPERATING EXPENSES (SBWMA Program + Shoreway Operations)		\$ 42,384,376	\$ 43,063,917	\$ 16,470,139	\$ 42,621,903	\$ (442,015)	

Attachment A - Mid-Year FY16/17 Capital Expenditure Budget					
Capital Project Name	Adopted FY15/16	Forecast FY16/17	Forecast FY17/18	Forecast FY18/19	Forecast FY19/20
Transfer Station (TS)Tipping floor resurfacing	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Site paving repairs and restriping ³	-	-	600,000	-	1,400,000
TS building maintenance	20,000	20,000	20,000	20,000	20,000
Admin building maintenance	20,000	115,000	40,000	40,000	40,000
Site maintenance	65,000	30,000	30,000	30,000	30,000
Fire suppression	15,000	-	15,000	-	-
Repairs to landfill tipper	15,000	15,000	15,000	15,000	15,000
Education center exhibits	-	-	15,000	-	-
Electric charging station	-	-	15,000	-	-
Replace diesel fuel storage and dist. System ³	-	-	-	-	275,000
Transfer Station building improvements ³	-	-	2,665,437	-	-
LED Lighting retrofit ³	274,000	-	-	-	-
Total Capital Expenditure Budget	\$ 1,204,000	\$ 515,000	\$ 14,764,837	\$ 350,000	\$ 3,337,500
<i>'1 \$1,240,000 available in Shoreway Remediation fund to help cover capx.</i> <i>'2 Equipment Replacement cash reserve funds will cover these expenses.</i> <i>'3 2015 Long Range Plan recommended projects.</i>					



COLLECTION AND RECYCLING PROGRAM SUPPORT AND COMPLIANCE



STAFF REPORT

To: SBWMA Board Members
From: Joe LaMariana, Executive Director
Date: January 26, 2017 Board of Directors Meeting
Subject: Quality Control on Recology Call Center: Update on Random Monitoring Calls

Recommendation

This is an informational report and no action is necessary.

Background

As a quality-control measure of Recology's Customer Service Center and per Section 7.02, of our Franchise Agreement, SCS Engineers was hired to perform 200 call center monitoring calls to the Recology San Mateo County's Customer Service Call Center during varying times and days of the week starting in October 2016 and ending in June 2017. The objective of these fictitious calls is to assess responsiveness to customer inquiries, providing accurate information, using appropriate reason codes in the AS400 customer service database, and the level of customer service received by the Customer Service Representative. The results of this audit will be used in the evaluation of the "Customer Service Calls" portion of the performance data that Recology reports to its Member Agencies and to the SBWMA. It may also be used as a tool for Recology's own CSR training program. This effort is a continuation and expansion of the previous five annual call center audits (November 2011 – June 2016).

Analysis

This Board report is an update on the seventy six (76) fictitious monitoring calls that were successfully performed from October 24, 2016 to December 31, 2016. As part of this analysis, there were nine (9) reason codes chosen (discourteous behavior, excessive noise, property damage, spill after collection, unauthorized collection hours, initial missed pick-up, cart & bin placement, and spill animal/scavenging) with the fictitious calls being made using a script that matches the appropriate reason code.

The results show that 100% of the calls generated tickets and were placed in the AS400 customer service database within 10 minutes, which is required of Recology. Of the 76 calls that were made, 80% or 61 of the calls were documented with correct reason codes. All survey findings confirmed that the Recology Customer Service Center is performing within Franchise Agreement standards, as stated in Section 7.02. Table 1 shows the results of the number of calls performed, if the ticket was placed within 10 minutes of the call, and if the proper reason code was used on the ticket generated by the Customer Service Representative.

Table 1. Recology Customer Service Monitoring Call Summary of Results

Month Calls Made	Number of Calls	Ticket placed within 10 minutes of Call (YES)	Ticket placed within 10 minutes of Call (NO)	No Ticket Generated	Proper Reason Code Used (YES)	Proper Reason Code Used (NO)
October 2016	11	11	0	0	10	1
November 2016	35	35	0	0	29	6
December 2016	30	30	0	0	22	8
TOTAL	76	76	0	0	61	15

Table 2 shows the results of the number of calls performed by reason code each month.

Table 2. Recology Customer Service Monitoring Call Results by Reason Code

Month Calls Made	Discourteous Behavior	Excessive Noise	Property Damage	Spill After Collection Garbage	Unauthorized Collection Hours	Vehicle Fluid Spill	Initial Missed P/U Garbage	Cart & Bin Placement	Spill Animal / Scavenging
October 2016	2	1	2	1	2	1	1	0	0
November 2016	4	6	3	5	1	3	4	4	2
December 2016	3	4	3	1	1	3	3	3	1
TOTAL	9	11	8	7	4	7	8	7	3

Table 3 shows the results of the number of calls performed for each member agency. Customer accounts are chosen to provide an appropriate number of calls for each member agency, with the hopes of an attempt at equal distribution.

Table 3. Number of Calls Targeted in each Member Agency

Month Calls Were Performed	Atherton	Belmont	Burlingame	East Palo Alto	Foster City	Hillsborough	Menlo Park	Redwood City	San Carlos	San Mateo	County Franchise Area	North Fair Oaks	West Bay Sanitary District
October 2016	0	0	1	2	0	0	2	1	0	4	1	0	0
November 2016	0	0	5	2	1	2	3	6	6	3	4	0	3
December 2016	1	2	0	3	4	0	4	5	2	1	2	3	3
Total	1	2	6	7	5	2	9	12	8	8	7	3	6

Fiscal Impact

There is no specific fiscal impact to the SBWMA associated with item although the SBWMA FY 16/17 budget allocated \$14,500 to perform this work from October 2016 to June 2017.

Attachments:

Attachment A – Recology Customer Service Monitoring Calls December 2016 Summary Update

**AGENDA ITEM 9A
January 26, 2017 Board Packet**

**Recology Customer Service Monitoring Calls
SUMMARY SHEET 12-23-16**

Month Calls Made	Number of Calls	Ticket placed within 10 minutes of Call (YES)	Ticket placed within 10 minutes of Call (NO)	No Ticket Generated	Proper Reason Code Used (YES)	Proper Reason Code Used (NO)	03CDB - Discourteous Behavior	03CEN - Excessive Noise	03CPD - Property Damage	03CSG - Spill After Collection Garbage	03CUH - Unauthorized Collection Hours	03CVF - Vehicle Fluid Spill	03CMG - Initial Missed P/U Garbage	03CCP - Cart & Bin Placement
October-16	11	11	0	0	10	1	2	1	2	1	2	1	1	0
November-16	35	35	0	0	29	6	4	6	3	5	1	3	4	4
December-16	30	30	0	0	22	8	3	4	3	1	1	3	3	3
TOTAL	76	76	0	0	61	15	9	11	8	7	4	7	8	7

Cities That Were Targeted With Call

	Atherton	Belmont	Burlingame	East Palo Alto	Foster City	Hillsborough	Menlo Park	Redwood City	San Carlos	San Mateo	Unincorporated		West Bay Sanitary District
											County Franchise Area	North Fair Oaks	
October-16	0	0	1	2	0	0	2	1	0	4	1	0	0
November-16	0	0	5	2	1	2	3	6	6	3	4	0	3
December-16	1	2	0	3	4	0	4	5	2	1	2	3	3
TOTAL	1	2	6	7	5	2	9	12	8	8	7	3	6



STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Hilary Gans, Facility Operations Contract Manager
Larry Sweetser, Sweetser and Associates, Inc.
Date: January 26, 2017 Board of Directors Meeting
Subject: Resolution Approving of Final Recommendations on Household Hazardous Waste Collection Options

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution 2017-05.
Approving of final recommendations on Household Hazardous Waste Collection Options.

Summary

At the November meeting, the Board voted not to renew the Door-to-Door HHW collection program with Waste Management, Curbside Inc. Staff is now seeking concurrence on the recommendation to rely solely on the San Mateo County HHW program services to cover the needs the SBWMA's residential customers. SBWMA staff will monitor the program and support the County services through enhanced HHW public education and event notification outreach.

Analysis

Staff has evaluated options for handling HHW materials, and recommends relying on the existing HHW programs offered by San Mateo County.

Evaluation of the County HHW Program

SBWMA staff and Mr. Sweetser have had extended conversations with San Mateo County HHW staff during the past two months that culminated in a milestone meeting on December 19, 2016 and was assured that the County's infrastructure and staffing at the Tower Road facility could accommodate the residents from the SBWMA service area. During this meeting, County staff also provided information about their program's 2017 planned community-based HHW collection events that includes the following:

- The schedule for one-day drop-off events has already been established for calendar year 2017. Each HHW event is planned to accommodate the needs 200 residents. Historically, there is significant available capacity to receive more HHW materials at these events. The County's HHW program is wholly funded through the AB 939 fee that is generated by all waste materials that are currently disposed of at the Ox Mountain landfill.
- There are eleven events scheduled for 2017 in the SBWMA service area.
- Six events are scheduled in Redwood City, three events in East Palo Alto, and two events in Menlo Park.
- Even though the temporary events are open to all County residents, participation primarily consists of residents from the host jurisdiction.

- Several SBWMA jurisdictions have expressed interest in having a collection event scheduled in their location as well as conducting an event at the Shoreway facility, the County is reluctant to add additional locations unless participation at the scheduled events substantially nears capacity.
- Residents calling for County HHW services are also informed of upcoming HHW events.
- Promotion and advertising for community-based collection events is primarily the responsibility of the host jurisdiction.
- Increasing advertising of the one-day events to other surrounding jurisdictions would increase participation and SBWMA staff will assist their member jurisdictions in advertising for the events.

The County's Tower Road facility will continue to accept appointments (Thursdays-Saturdays), as well as the many ongoing collection locations throughout the County for batteries, lamps, electronic wastes, used oil and filters, paint, sharps and pharmaceuticals. The County's implementation of a pilot Door-to-Door program for older adults and people with disabilities is expected to start limited service in 2017. No start date has been assigned to the County's Door-to-Door program or which jurisdiction will be selected to start the program. SBWMA staff suggested that the County consider piloting a Door-to-Door program in one of the SBWMA jurisdictions since their residents understand the logistics of this program. The County has committed to sharing HHW participation data with SBWMA staff for future analysis.

Evaluation of Shoreway HHW Facility Drop-Off Option

The Shoreway facility currently accepts many types of Universal Wastes (e.g., used oil & filters, antifreeze, cooking oil, paint, florescent lamps, batteries, electronics, and sharps) which covers about 70% of the volume of HHW types expected to be generated by residents and Staff considered expanding Shoreway to accept all types of HHW. Though adding additional HHW materials at Shoreway would be a convenience for Shoreway's customers, staff decided not to recommend this to the Board for the following reasons:

- Proximity of the Shoreway Environmental Center to the County's Tower Road Facility located only 5.7 miles away.
- The permanent facility would operate independently of the County HHW program and could potentially "compete" for customers.
- In order to accept the full range of HHW, several permits would need to be obtained including a special variance from the local fire department.
- Establishing a permanent HHW facility at Shoreway would include an estimated cost of \$160k (see below).

Category	Cost
Hazardous Materials Storage Lockers (2)	\$80,000
Supplies	\$12,000
Permitting	\$5,000
Training	\$2,400
Labor costs to handle the HHW onsite	\$100,000
Subtotal	\$199,400
Estimated Annual Additional Disposal Cost	\$60,000
Estimated Staffing Expense*	0
TOTAL (estimate)	\$259,400

- Many variables makes estimation challenging.

Background

Along with the decision not to renew the contract with Waste Management Curbside Inc. to provide Door-to-Door HHW Collection Services, the Board directed staff during the November 17, 2016 meeting to analyze various HHW program options and make a recommendation on the most viable option for HHW services. SBWMA retained the profession services of Larry Sweetser of Sweetser & Associates, Inc. to evaluate program options. Mr. Sweetser has extensive expertise with the design, permitting, training, and compliance reviews of HHW operations. At the January 26, 2017 Board meeting, Mr. Sweetser will provide the Board with a short review of the discussions with San Mateo County and present the SBWMA staff recommendations.

SBWMA's agreement with Waste Management Curbside Inc. to provide Door-to-Door HHW collection services expired on December 31, 2016. A post card was sent to all SBWMA customers indicating the end of the Door-to-Door service effective 12/31/16, as well as a notice was posted on the Rethink Waste website. As a result of that notification, SBWMA residents increased calls for Door-to-Door service before its expiration and residents also increased scheduling of appointments to utilize the County HHW program at Tower Road and also at upcoming one-day collection events. The SBWMA office received 6 phone calls and one email from ratepayers before December 31 to express their disappointment that the program was ending. Recology and the County's RecycleWorks Hotline also reported similar calls as well. There have been no such calls reported since January 1.

During Fiscal Year 2015-2016, the County reported 539,000 pounds collected by all County HHW programs not including the amount of electronics waste collected which is not accepted by the County HHW facility or at collection events which is about 42% of all HHW collected statewide. Paint collected by retail locations under the PaintCare program are also not reported to the County which is a significant amount of HHW previously collected by HHW programs. There were 6,136 households using the County HHW programs not including participation at the retail drop-off locations. Participation by jurisdiction at the retail drop-off is not tracked but the reported weight collected at these retail locations is 2.3% of the total weight of 539,000 pounds collected by the County in FY 2015-2016. The participation in the County programs by SBWMA households is presented in the table below.

San Mateo HHW Program Participation FY15/16				
Jurisdiction	Tower	Events	Satellite	Total
Atherton	62	6	0	68
Belmont	340	1	0	341
Burlingame	252	0	1	253
East Palo Alto	17	5	0	22
Foster City	195	0	2	197
Hillsborough	118	0	0	118
La Honda	20	45	0	65
Menlo Park	275	173	0	448
Portola Valley	99	128	0	227
Redwood City	640	120	0	760
San Carlos	407	4	0	411
San Mateo	1,021	2	1	1,024
TOTAL SBWMA	3,446	484	4	3,934
Total other Cities	1,122	349	697	2,168
Unincorporated	26	8	0	34
Total Participants:	4,594	841	701	6,136
Percent SBWMA	75%	58%	1%	64%

In calendar year 2014, Waste Management reported that 3,128 households used the Door-to-Door service and 4,500 residents were service in 2015. Numbers for the Door-to-Door 2016 participation are not available yet.

During the last quarter of 2016, SBWMA customer participation at the County's Tower Road Facility increased significantly in December compared to the rest of the County participation. This increase is assumed to be due to the resident notification of the end of the Door-to-Door service. It is too early to determine if there is a similar spike in SBWMA participation for the one-day events or for January participation at the County's Tower Road facility. The participation rates for the County's Tower Road Facility for second quarter 2016 are below:

Participation	Oct-16	Nov-16	Dec-16
Total	361	244	522
SBWMA area	286	181	445
Other County usage	75	63	77
Previous month comparison			
SBWMA (% change)		-37%	146%
Other (% change)		-16%	22%

Fiscal Impact

The SBWMA FY16/17 budget allocated \$80,000 for public education and outreach for HHW programs. This budget could be utilized for providing notification to SBWMA customers regarding the County HHW services. The postcard notifying customers of the end of the Door-to-Door program cost \$43,000 (budgeted under "HHW program outreach").

Attachments:

Resolution 2017-05



RESOLUTION NO. 2017-05

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS

WHEREAS, The SBWMA Board on November 17, 2016 did not renew the contract with Curbside Inc. for HHW Collection services, and

WHEREAS, The SBWMA staff has evaluated other HHW Collection options to meet the needs of the residents in the SBWMA service area,

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the recommendation to rely solely on the San Mateo County HHW program services to cover the needs the SBWMA’s residential customers, and support the County services through enhanced HHW public education and event notification outreach.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 26th day of January, 2017, 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. 2017-05 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2017.

ATTEST

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary



SHOREWAY OPERATIONS AND CONTRACT MANAGEMENT



STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Operations Contracts Manager
Date: January 26, 2017 Board of Directors Meeting
Subject: Resolution Approving Shoreway Environmental Center Site Restoration Services' Contracts Let Under Purchasing Policy & Update on MRF Fire Restoration and Facility Reopening Schedule

Recommendation

SBWMA Staff recommend approval of resolution No. 2017-07 approving Shoreway Environmental Center site restoration services' contracts let under purchasing policy.

Summary

This report provides a description of the MRF fire restoration efforts, contracts let, and status of claims with Hanover Insurance. The Shoreway MRF restoration efforts are currently under budget and ahead of schedule. On January 5th the MRF resumed full operations and discontinued shipping recyclable materials to offsite facilities for processing. Repairs to the MRF building and some minor equipment replacements are the only items that remain to be completed in the fire restoration efforts. The SBWMA has been reimbursed by Insurance for all major repairs and is now processing the SBWMA's business interruption claims.

Analysis

Status of Facility Restoration Efforts

SBWMA staff has lead the fast-tracked and highly-coordinated efforts of contractors, consultants and SBR to restore the MRF to normal operations. After final equipment testing and calibration performed by BHS in December, the MRF workers returned to their positions and on January 5th, the MRF restarted full operations. Shipment of recyclable materials to offsite MRFs for processing was halted and all recyclables are being processed by SBR at the Shoreway MRF since its re-start on January 5th.

Below is a list of the restoration projects that have been completed since the September 7th fire. At the writing of this staff report, only the last time, Building Repairs remain to be completed from the following task list:

- ✓ Making arrangements for off-site processing of recyclable materials
- ✓ MRF and transfer station cleaning
- ✓ Assessment of building damage
- ✓ Assessment of equipment damage
- ✓ Removal of materials and equipment from MRF
- ✓ Complete smoke and fire related cleaning
- ✓ Order parts and complete equipment electrical and mechanical repairs
- ✓ Testing and calibration of MRF equipment
- ✓ Securing all final equipment and fire inspection approvals
- ✓ Develop specifications and bid package for building repairs
- **Bid award and complete MRF Building Repairs**

A low bid award in the amount of \$170,302.84 was awarded to South West Construction on January 10, 2016 for repairs to the MRF building that were the result of the fire. The building repair work has been sequenced so that it will not interfere with the MRF operations (work will largely be performed in off-hours). The MRF building repairs consist primarily of metal

panel replacement for the roofing and side panels and is expected to be completed in March. Additionally, there is a large conveyor in the transfer station that was damaged by the second fire that occurred on September 11th, and will need to be replaced. Staff is developing bid specifications now with the goal of having this item replaced by March. Staff has worked closely with TannerPacific, the construction management company, track the MRF restoration project schedule (see Exhibit A).

Insurance Claims Processing

The Fire Project Tracking table below shows the status of restoration funds received by Hannover and paid out to restoration vendors. At the end of December, the SBWMA has received a total of \$6,340,385 in claims payments from Hanover Insurance to cover expenses incurred in performing fire restoration work and the SBWMA has paid a total of \$6,197,830, resulting in a positive cash balance of \$142,555. SBWMA has accumulated over a million dollars in lost revenues as a result of being *out of service* for the past four months. Business Interruption claims for September – November are being processed by Hanover currently.

Table 1. Fire Project Tracking		9/7/2016
Insurance Payments Received		
	Date	Amount
Payment #1	9/14/2016 \$	300,000
Payment #2	9/28/2016 \$	700,000
Payment #3	10/13/2016 \$	500,000
Payment #4	10/24/2016 \$	1,000,000
Payment #5	11/15/2016 \$	1,806,136
Payment #6	12/5/2016 \$	1,055,632
Payment #7	12/5/2016 \$	728,617
Payment #8	11/23/2016 \$	250,000
Total \$		6,340,385
Fire Expenses Paid		
	Week Ending	Amount
Invoice # 1	9/30/2016 \$	760,241
Invoice # 2	10/7/2016 \$	164,925
Invoice # 3	10/14/2016 \$	516,608
Invoice # 4	10/21/2016 \$	379,583
Invoice # 5	10/28/2016 \$	392,085
Invoice # 6	11/4/2016 \$	524,153
Invoice # 7	11/11/2016 \$	477,222
Invoice # 8	11/23/2016 \$	452,963
Invoice # 9	12/2/2016 \$	718,097
Invoice # 10	12/9/2016 \$	558,567
Invoice # 11	12/16/2016 \$	1,188,548
	Reconciled amount \$	51,424
	Pending \$	13,413
Total \$		6,197,830
Balance - Over/(Shortfall)		\$ 142,555
Note Business Interruption Claims are not included.		

Contracts Let

Table 2 below lists contracts that have been let by the SBWMA for fire restoration and repair. The most recent contract was to South West Construction for MRF building repair in the amount of \$170,302.84.

PO Number	Date Issued	Amount	Company	Description
629	9/16/2016	\$50,000.00	Signal Restoration	Initial PO for Clean Up Work*
630	9/30/2016	\$50,000.00	BHS	Initial PO for Inspection and Repair of BHS Equipment*
760	9/30/2016	\$17,200.00	JR Miller	Design of Roof Repairs*
761	9/30/2016	\$344,324.54	BHS	Inspection of BHS Equipment Damage*
	10/6/2016	\$4,750,000.00	Signal Restoration	Signal Contract for Restoration*
808	10/10/2016	\$23,649.79	LiveWire	Replacement of Camera System
809	10/10/2016	\$157,134.61	BHS	Parts List Two for BHS - Short- Lead
810	10/10/2016	\$374,992.57	BHS	Parts List One for BHS - Long - Lead*
811	10/10/2016	\$82,180.00	Tanner Pacific	Full Contract for Construction Management Services
2968	10/10/2016	\$16,080.00	Tanner Pacific	On Call Construction Management Services - Let prior to fire
1028	10/27/2016	\$83,988.77	BHS	Duct Work
1031	10/27/2016	\$871,585.00	BHS	Mechanical Work
1032	10/27/2016	\$479,520.56	BHS	Electrical Work
810-01	10/27/2016	\$87,405.30	BHS	Change Order #1 to Parts List Number 1 - Long - Lead
810-02	11/21/2016	\$73.68	BHS	Change Order #2 to Parts List Number 1 - Long - Lead
809-01	11/29/2016	\$15,862.07	BHS	Change Order #1 to Parts List Two-Short Lead
761-02	12/21/2016	\$29,766.32	BHS	Change order number 1 to BHS Inspection
809-02	12/21/2016	\$29,934.07	BHS	Change order #2 to parts list 2 - short lead
TBD	1/10/2017	\$170,302.84	South West Const	MRF Building fire damage repair

Background

Insurer Coverage and Response

The SBWMA has maintained a fire damage insurance policy with Hanover Insurance in the coverage amounts listed in **Table 2**. Hanover's loss adjusters responded promptly after being notified of the fire, and soon thereafter, Hanover conducted an investigation as to the cause of the fire (which proved inconclusive) and cleanup and restoration work was initiated. Hanover has been cooperative and expeditious in their response and in setting up claims for fire restoration expense processing. Hanover has indicated that they will reimburse the SBWMA for all expenses related to: 1) restoration of the building and equipment to proper function (Personal Property Coverage), and 2) SBWMA's loss of business revenues (Business Income Coverage) during the restoration process.

Table 2.

Hanover Insurance coverage:

- \$37 Million Buildings
- \$20 Million Personal Property
- \$4.5 Million Business Income
- The deductible each of our two fire claims is \$5,000

Fiscal Impact

The SBWMA maintains fire insurance coverage with Hanover and has a \$5,000 deductible. Based on conversations with SBWMA legal counsel relating to the Agency's coverage and claims Hanover should reimburse the SBWMA for all expenses related to: 1) restoration of the building and equipment to proper function (Personal Property Coverage), and 2) SBWMA's loss of business revenues (Business Income Coverage) during the restoration process.

Attachments:

Resolution 2017-07

Exhibit A - [Contract with South West Construction for MRF Building Repair \(available online only at \[www.rethinkwaste.org\]\(http://www.rethinkwaste.org\)\)](#)

Attachment A – MRF Restoration Project Detail Schedule



RESOLUTION NO. 2017-07

**RESOLUTION OF THE SBWMA BOARD OF DIRECTORS
ACCEPTING AND APPROVING EXECUTIVE DIRECTOR'S
REPORT PURSUANT TO SBWMA PURCHASING POLICIES
SECTION 3.12.180, EMERGENCY AUTHORITY OF EXECUTIVE DIRECTOR**

WHEREAS, pursuant to South Bayside Waste Management Authority Purchasing Policies Section 3.12.180, Emergency Authority of Executive Director, an emergency requiring the Executive Director to purchase supplies and services exists by virtue of a fire at the Shoreway Environmental Center on September 8th; and

WHEREAS, the Board of Directors was advised at its meeting of September 22nd, 2016, that the Executive Director intended to authorize emergency contracts for supplies and services in order to address damage caused by the above-referenced fire; and

WHEREAS, Purchasing Policies Section 3.12.180 requires that the Executive Director report at the next succeeding Board meeting on the supplies and services purchased, and prices thereof; and

WHEREAS, the Executive Director has executed the following emergency contracts:

- o **South West Construction on 1/10/17 for \$170,302.84.**

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the Executive Director's report made pursuant to Purchasing Policies Section 3.12.180.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the January 26, 2017, 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				

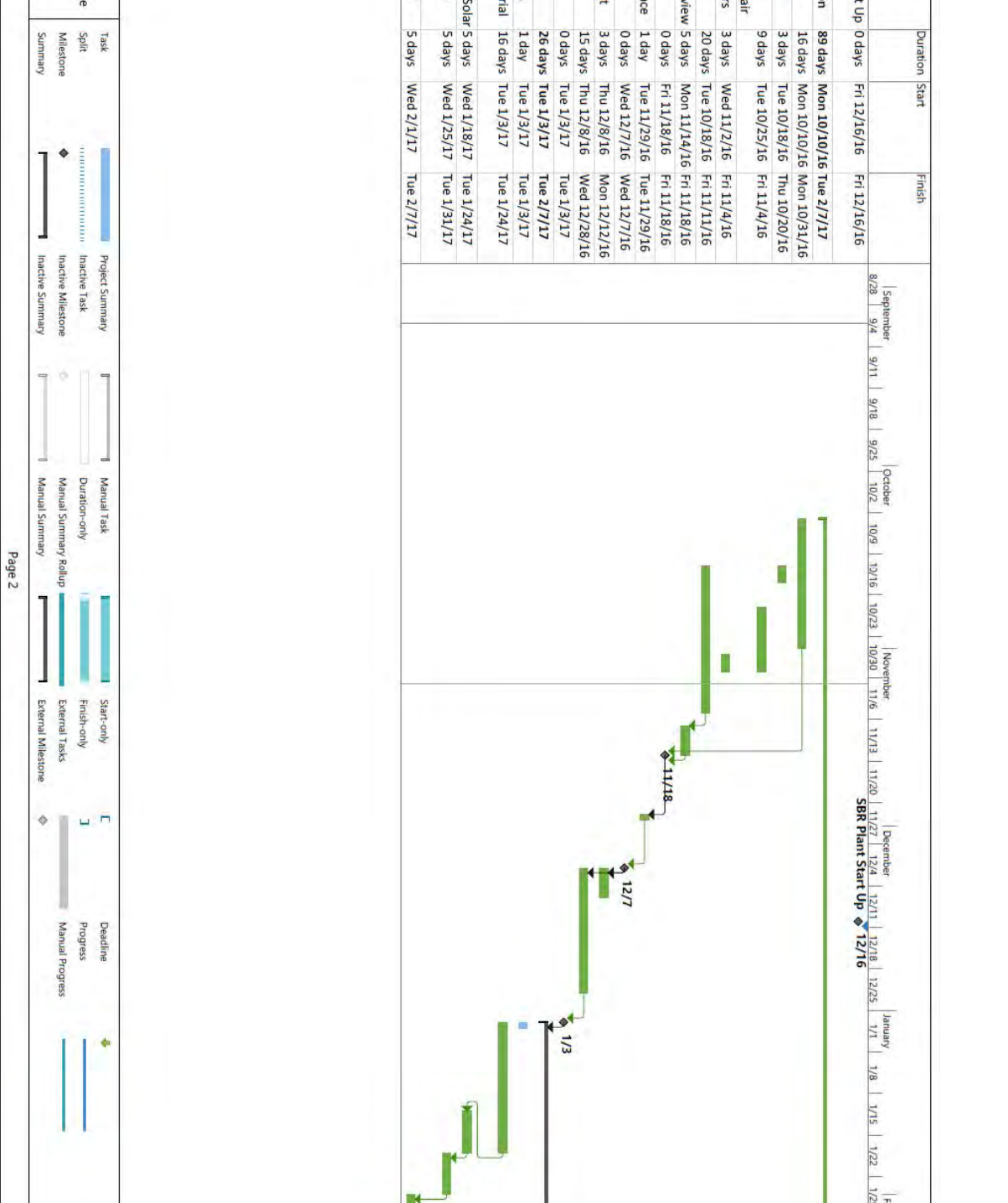
I HEREBY CERTIFY that the foregoing Resolution No. 2017-07 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2017.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary

ID	Task Name	Duration	Start	Finish
33	SBR Plant Start Up	0 days	Fri 12/16/16	Fri 12/16/16
34	Building Restoration	89 days	Mon 10/10/16	Tue 2/7/17
35	JRMA Drawings	16 days	Mon 10/10/16	Mon 10/31/16
36	Camera Repairs	3 days	Tue 10/18/16	Thu 10/20/16
37	Lighting Assessment/Repair	9 days	Tue 10/25/16	Fri 11/4/16
38	Cosco Fire Repairs	3 days	Wed 11/2/16	Fri 11/4/16
39	Bid Doc Prep	20 days	Tue 10/18/16	Fri 11/11/16
40	Bid Doc Legal Review	5 days	Mon 11/14/16	Fri 11/18/16
41	Publish Bid	0 days	Fri 11/18/16	Fri 11/18/16
42	Pre-Bid Conference	1 day	Tue 11/29/16	Tue 11/29/16
43	Bid Opening	0 days	Wed 12/7/16	Wed 12/7/16
44	San Carlos Permit	3 days	Thu 12/8/16	Mon 12/12/16
45	Insurance	15 days	Thu 12/8/16	Wed 12/28/16
46	NTP	0 days	Tue 1/3/17	Tue 1/3/17
47	Construction	26 days	Tue 1/3/17	Tue 2/7/17
48	Replace Doors	1 day	Tue 1/3/17	Tue 1/3/17
49	Building Material Procurement	16 days	Tue 1/3/17	Tue 1/24/17
50	Remove Roof Solar	5 days	Wed 1/18/17	Tue 1/24/17
51	Panel & Hatch Replacement	5 days	Wed 1/25/17	Tue 1/31/17
52	Reinstall Solar	5 days	Wed 2/1/17	Tue 2/7/17



Project: SBWMA Bid Schedule
Date: Mon 11/7/16

Task Summary
 Inactive Task
 Inactive Milestone
 Inactive Summary

Manual Task
 Duration-only
 Manual Summary Rollup
 Manual Summary

Start-only
 Finish-only
 External Tasks
 External Milestone

Deadline
 Progress
 Manual Progress



STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Facility Operations Contracts Manager
Date: January 26, 2017 Board of Directors Meeting
Subject: Resolution Authorizing the Executive Director to Enter into a Contract with Zanker Road Resource Recovery for Construction and Demolition Materials Processing Services

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2017-08 authorizing the Executive Director to enter into a contract with Zanker Road Resource Recovery for Construction and Demolition Materials Processing Services.

Background

The Self Haul materials delivered to the Shoreway transfer station are primarily composed of construction and demolition material (C&D). The SBWMA has held a contract with Zanker Road Resource Management (Zanker) in San Jose for the processing and recycling of C&D material since 2004 (the agreement was revised in 2006, 2010, 2012 and amended in 2014). The expiration date of the current agreement was January 31, 2017, but was extended through an MOU to February 28, 2017.

Analysis

The new agreement for C&D materials processing services (**Exhibit A**) differs from the expiring agreement with Zanker in two substantive elements: Term and Rates. In the new contract with Zanker:

1. The Term of the agreement is for a total of 5-years (the SBWMA can exercise an option to exit the agreement after the first two-years by providing Zanker written notice six-months prior to the contract anniversary date).
2. The Rate for C&D processing services will increase from the current rate of \$51.61 per ton as shown in the Table 1 below.

Year	Term	Rates
	Current 2016-17	\$51.61
Year 1	2017-18	\$60.00
Year 2	2018-19	\$65.00
Year 3	2019-20	\$70.00
Year 4	2020-21	\$73.00
Year 5	2020-22	\$74.00

Note: the SBWMA may exit the Agreement in Years 3-5:

Staff has explored the possibility of taking C&D materials to other processors and found that there are very few facilities in the Bay Areas for C&D materials processing. In addition to having few processing options, other options are not economical due to: 1) the distance that the materials would need to be hauled to get to other facilities, 2) the tip fees at other facilities are comparable, 3) the fact that many other C&D facilities are under-capitalized and recover far less material than Zanker's facility. To mitigate costs, SBWMA staff and SBR are

evaluating ways to process C&D materials at the Shoreway transfer station, however, lack of floor-space is limiting on-site material sorting opportunities.

Fiscal Impact

C&D materials are brought to the Shoreway transfer station exclusively by self-haul customs and therefore, there will be no impact to the Member Agencies rates from the Zanker C&D rate change. The cost increase for C&D processing by Zanker will only impact self-haul customers

The SBWMA FY16/17 Budget anticipated an increase in C&D processing rates after the expiration of the current Zanker agreement and the Shoreway Tip Fees for self-haul customers have been increased sufficiently (\$5 in July and \$5 January) to cover the Zanker cost increase. Hence, there will be no adverse impact to the FY16/17 Budget.

Attachments:

Resolution 2017-08

Exhibit

Exhibit A – Zanker Contract



RESOLUTION NO. 2017-08

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A NEW CONTRACT WITH ZANKER ROAD RESOURCE RECOVERY FOR CONSTRUCTION AND DEMOLITION MATERIALS PROCESSING SERVICES.

WHEREAS, the South Bayside Waste Management Authority (SBWMA) has construction and demolition (C&D) materials that it would like have Zanker Road Resources Management, LTD., (Zanker) process for recovery.

WHEREAS, the SBWMA Board has reviewed the contract with Zanker Road Resource Recovery for Construction and Demolition Materials Processing Services (**Exhibit A**).

NOW, THEREFORE, BE IT RESOLVED that the South Bayside Waste Management Authority hereby authorizes the Executive Director to enter into a new contract with Zanker Road Resource Recovery for Construction and Demolition Materials Processing Services.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on January 26, 2017 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 San. District				

I HEREBY CERTIFY that the foregoing Resolution No. 2017-08 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2017.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary

EXHIBIT A

**AGREEMENT FOR CONSTRUCTION AND DEMOLITION DEBRIS PROCESSING
FOR RECYCLING AND BENEFICIAL USE
BETWEEN THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
AND ZANKER ROAD RESOURCE MANAGEMENT, LTD.**

This Agreement is entered into by and between the South Bayside Waste Management Authority (SBWMA), a California joint powers authority, and Zanker Road Resource Management, Ltd. (Contractor) a California limited partnership, on February 1, 2017, and sets forth the terms and conditions under which Contractor will accept and process for recycling and beneficial use mixed construction and demolition debris from the Shoreway Environmental Center owned by the SBWMA and located at 225 Shoreway Road, San Carlos, California 94070. The SBWMA and Contractor shall be referred to hereinafter as the Parties.

1. Definitions

A. Construction and Demolition Debris (C&D)

“Construction and Demolition Debris (C&D)” means a mixture of all non-hazardous waste material resulting from construction, remodeling, repair, or demolition activities. Construction and Demolition Debris includes, but is not limited to: soil, brush, logs, concrete, asphalt, brick, ceramics, stucco, plaster, wood, drywall, metals, wall coverings, roofing materials, wires and conduit, carpet, carpet pad, ceiling tiles, windows, doors, fixtures, insulation, fencing, cardboard, and plastic. Individual pieces of Construction and Demolition Debris delivered to Contractor shall not exceed 150 pounds or 8 feet in any two directions. There is no minimum size restriction for individual pieces of Construction and Demolition Debris; however, materials cannot be ground or shredded prior to arriving at Contractor’s processing facility.

B. Non-Construction and Demolition Debris

“Non-Construction and Demolition Debris” means putrescible waste, food waste, grass clippings, leaves, residential or commercial waste collected in compacting vehicles, waste enclosed in plastic bags, furniture, mattresses, tires, and individual pieces of Construction and Demolition Debris exceeding 150 pounds or 8 feet in any two directions.

C. Recyclable Construction and Demolition Debris

“Recyclable Construction and Demolition Debris” means 1) wood such as dimensional lumber, pallets, shake shingles, particle board, plywood, Oriented Strand Board, Medium Density Fiberboard and other manufactured wood products, that are free of lead paint, stain, melamine coating, creosote, arsenic or other chemical treatments; 2) brush and logs; 3) concrete, asphalt, brick, rock, ceramics; 4) soil; 5) metal; 6) drywall; and, 7) cardboard.

D. Recycled

“Recycled” means those materials, which would otherwise be Disposed, that have been processed, separated, treated, and/or reconstituted and returned to the economy in the form of raw materials for new, reused, or reconstituted products. For purposes of this Agreement, “Recycled” shall also mean that the

50 material is not reported to the California Integrated Waste Management Board as
51 being either "Disposed" or utilized as "Alternative Daily Cover (ADC.)" Materials
52 Recycled under this Agreement shall not be reported as disposed or ADC at the
53 Contractor's facility or at any other solid waste facility to which the contractor
54 delivers the material after processing. Acceptable end-uses for Recycled
55 materials include, but are not limited to: biomass fuel, manufactured wood
56 products, mulch, compost, engineered soil, agricultural gypsum, gravel, road
57 base, and Beneficial Use at a Landfill.

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59 **E. Beneficial Use at a Landfill:**

60 "Beneficial Use at a Landfill" means use at a solid waste landfill of materials
61 recovered from Construction and Demolition Debris for: final cover foundation
62 layer, liner operations layer, leachate and landfill gas collection system
63 construction fill, road base, wet weather operations pads and access roads, soil
64 amendments for erosion control and landscaping, or any other legitimate use that
65 is not reported to the California Integrated Waste Management Board as either
66 Alternative Daily Cover (ADC) or Disposal.

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68 **F. Alternative Daily Cover (ADC)**

69 "Alternative Daily Cover" means cover material other than soils/earthen materials
70 that are placed on the surface of the active face of a solid waste landfill at the
71 end of each operating day to control vectors, fires, odors blowing litter, and
72 scavenging. For purposes of this Agreement, materials recovered from
73 Construction and Demolition Debris shall be considered ADC if their use meets
74 this definition and/or if they are reported to the California Integrated Waste
75 Management Board as ADC, either at the Contractor's facility or at any other
76 solid waste facility to which the Contractor delivers the materials after processing.

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78 **G. Disposed (Disposal)**

79 "Disposed" means the ultimate disposition of Construction and Demolition Debris
80 at a landfill. Disposal does not include the use of Construction and Demolition
81 Debris as Alternative Daily Cover (ADC) or Beneficial Use at a Landfill, so long
82 as State regulations consider such uses to be diversion for purposes of
83 complying with State diversion requirements. For purposes of this Agreement,
84 C&D shall be considered Disposed if it is reported to the California Integrated
85 Waste Management Board as Disposed, either at the Contractor's facility or at
86 any other solid waste facility to which the Contractor delivers the materials.

87
88 **H. Shoreway Environmental Center Operator**

89 "Shoreway Environmental Center Operator" means the private entity employed
90 by the SBWMA to operate the Shoreway Environmental Center and deliver
91 Construction and Demolition Materials to Contractor. The current Shoreway
92 Environmental Center Operator is South Bay Recycling.

93
94 **I. Hazardous Waste**

95 "Hazardous Waste" means all substances defined as Hazardous Waste, acutely
96 Hazardous Waste, or extremely Hazardous Waste by the State of California in
97 Health and Safety Code §25110.02, §25115, and §25117 or in the future
98 amendments to or recodifications of such statutes or identified and listed as

99 Hazardous Waste by the U.S. Environmental Protection Agency (EPA), pursuant
100 to the Federal Resource Conservation and Recovery Act (42 USC §6901 et
101 seq.), all future amendments thereto, and all rules and regulations promulgated
102 thereunder.
103

104 **J. Universal Waste**

105 “Universal Waste” means all wastes as regulated and defined by Title 22 Article 1
106 Subsections 66273.1 through 66273.9 of the California Code of Regulations.
107 These include, but are not limited to, batteries, fluorescent light bulbs, mercury
108 switches, creosote treated lumber, and E-Waste.
109

110 **K. Accepted Load**

111 “Accepted Load” means a load of SBWMA Construction and demolition debris
112 delivered to Contractor’s facility, which meets the requirements of Section 5 and
113 will be processed by Contractor.
114

115 **L. Held Load**

116 “Held Load” means a load of SBWMA Construction and Demolition Debris
117 delivered to Contractor’s facility, which Contractor believes does not conform to
118 the requirements of Section 5 of this Agreement, and is being kept separate and
119 undisturbed so that it can be inspected by an authorized representative of the
120 SBWMA. After notification, Contractor must provide the SBWMA up to 8
121 Working Hours to inspect the Held Load.
122

123 **M. Rejected Load**

124 “Rejected Load” means a Held Load that the SBWMA has either a) inspected in
125 person or by utilizing photographs provided by Contractor, and agreed that it
126 does not meet the requirements of Section 5 of this Agreement; or b) waived its
127 right to inspect by not performing such an inspection within 8 Working Hours.
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129 **2. Contractor’s Representations and Warranties**
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131 **A. Legal Status**

132 Contractor represents and warrants that it is a limited partnership duly organized,
133 validly existing, and in good standing under the laws of the State of California
134 and authorized to do business in the State of California. It has the power to own
135 its properties and to carry on its business as now owned and operated and as
136 required by this Agreement.
137

138 **B. Limited Partnership Authorization**

139 Contractor represents and warrants that it has the authority to enter into and
140 perform its obligations under this Agreement. The General Partner of Contractor
141 (or the shareholders, if necessary) have taken all actions required by law, its
142 partnership agreement, or otherwise, to authorize the execution of this
143 Agreement. The person signing this Agreement on behalf of Contractor has
144 authority to do so.
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C. Agreement Will Not Cause Breach

To the best of Contractor's and SBWMA's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement, nor the performance of this Agreement: (i) conflicts with, violates, or results in a breach of any applicable law; or (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, order or decree of any court, administrative agency, or other governmental authority, or any agreement or instrument to which Contractor or SBWMA is a party or by which Contractor or SBWMA or any of its properties or assets are bound, or constitutes a default thereunder.

D. No Litigation

To the best of Contractor's knowledge, after reasonable investigation, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency, or instrumentality decided, pending, or threatened against Contractor wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by Contractor of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of Contractor or any surety guaranteeing Contractor's performance under this Agreement, which has not been waived by the SBWMA in writing.

E. Ability to Perform

Contractor possesses the business, professional and technical expertise to manage, handle, treat, store, process, and recycle Construction and Demolition Debris, and possesses the equipment, plant, and employee resources required to perform this Agreement.

3. Term

The term of this Agreement shall be for the period February 1, 2017 to January 31, 2019. Thereafter, the Agreement shall automatically be extended for three (3) additional one (1) year terms (i.e., February 1, 2019-January 31, 2020; February 1, 2020-January 31, 2021; and February 1, 2021-January 31, 2022) unless terminated by the SBWMA giving written notice of termination no later than July 1, 2019, thereby terminating the Agreement on January 31, 2020, or July 1, 2020, thereby terminating the Agreement on January 31, 2021.

4. Exclusive Services

Except as provided below, during the term of this Agreement, the SBWMA shall direct the Shoreway Environmental Center Operator to transport all loads of Construction and Demolition Debris generated from the Shoreway Environmental Center exclusively to Contractor's facilities at 675 and 705 Los Esteros Road in San Jose, California, for processing, recycling, finished product marketing, and disposal of residuals.

192 **5. Scope of Construction and Demolition Processing Services**
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194 Contractor agrees to accept, process for recycling, and dispose of residual amounts, all
195 Construction and Demolition Debris received from the SBWMA at the rates provided in
196 Paragraph 10, Rates. Contractor shall process, recycle, market finished products, and
197 dispose of residuals. Contractor shall ensure that, at a minimum, Recyclable
198 Construction and Demolition Debris from the SBWMA are Recycled. Contractor shall
199 ensure that at least 75% by weight of the Construction and Demolition Debris accepted
200 from the SBWMA is Recycled. Contractor shall ensure that at least 50% by weight of
201 the Construction and Demolition Debris accepted from the SBWMA is Recycled to uses
202 other than Beneficial Use at a Landfill. Contractor may dispose of or utilize as ADC any
203 residuals from the SBWMA Construction and Demolition Debris that cannot be
204 Recycled. Such residuals shall not exceed 25% of the inbound weight of accepted
205 SBWMA Construction and Demolition Debris. Contractor may reject SBWMA loads
206 containing more than 5% by weight of Non-Construction and Demolition Debris as
207 defined in this Agreement. Contractor may also reject SBWMA loads containing less
208 than 75% by weight of Recyclable Construction and Demolition Debris as defined in this
209 Agreement. In order to reject an SBWMA load, Contractor must follow the procedures
210 for rejection of loads set forth in Section 7. Diversion rates for all materials must be
211 maintained using Recycling Certification Institute website site.
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213 The SBWMA shall meet and confer with Contractor if Contractor is unable to meet the
214 diversion requirements set forth in Section 5, due to changes in markets for Recycled
215 materials.
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217 **6. Hours of Operation**
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219 Contractor's facility shall be open to accept Construction and Demolition Debris from
220 6:00 a.m. to 5:45 p.m., Monday through Friday, and from 8:00 a.m. to 3:45 p.m.,
221 Saturday and Sunday. Said facility will be closed Thanksgiving Day, Christmas Day,
222 New Year's Day, and Easter Sunday. In the event the Contractor applies to its
223 regulating agencies for, and is granted, additional permitted receiving hours, Contractor
224 shall make those additional hours available to the SBWMA for delivery of Construction
225 and Demolition Debris.
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227 **7. Rejection of Loads**
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229 An SBWMA Construction and Demolition Debris load may be held by Contractor if
230 Contractor believes that it does not conform to the guidelines set forth in Section 5.
231 Contractor may not declare a load to be held until that load has been unloaded from the
232 transfer vehicle so that the entire load may be viewed. If Contractor declares a load to
233 be held, Contractor shall photograph the Held Load, and shall keep the entire Held Load
234 separate from other materials, and undisturbed, until it can be visually inspected by an
235 authorized representative of the SBWMA. Contractor shall inform the SBWMA of the
236 Held Load via e-mail (cdloadproblem@rethinkwaste.org) and telephone (number to be
237 designated by the SBWMA.) The e-mail shall include digital photos of the Held Load.
238 The load's arrival time and date and truck number shall be included in these
239 communications. If the SBWMA does not inspect the load at Contractor's site within 8
240 Working Hours, Contractor may move the load or combine it with other materials.

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Within 8 Working Hours of the notification, the SBWMA will inform Contractor as to whether or not it is in agreement that the Held Load should be Rejected. If the SBWMA finds that the Held Load does conform to the requirements of Section 5, Contractor shall accept the load at the rate for Accepted Loads set forth in Section 10A. If the SBWMA agrees that the load does not conform to the requirements of Section 5, the SBWMA will either 1) authorize Contractor to dispose of the load, and direct the Shoreway Environmental Center Operator to pay Contractor the rate for disposing of Rejected Loads as specified in Section 10B or 2) direct the Shoreway Environmental Center Operator to remove the Rejected Load from Contractor's facility. Contractor will load the Rejected Load into the Shoreway Environmental Center Operator's vehicle and weigh that vehicle as it leaves Contractor's facility. In the event of a dispute as to whether or not a Held Load should be Rejected, Contractor may be required to remove and separately weigh materials from the Held Load to demonstrate that it does not conform to the requirements of Section 5. In addition to the other costs provided for herein, if the load is deemed rejected, the SBWMA shall pay for all costs associated with the sorting and re-weighing of the Rejected Load.

It is the intent of both the SBWMA and Contractor to have no Held Loads or Rejected Loads. Should Held Loads exceed two in a six-month period, the SBWMA and Contractor will meet and confer to resolve the issue.

8. Hazardous or Universal Waste Materials

In the event any SBWMA Construction and Demolition Debris contains any Universal Waste or Hazardous Waste, the SBWMA shall direct Shoreway Environmental Center Operator to pay to Contractor any actual, reasonable, and necessary costs incurred by Contractor in handling and disposing of said materials. In disposing of said Hazardous and/or Universal Waste materials, the SBWMA shall be designated as the owner or generator of said Hazardous Waste or Universal Waste. In the event that Shoreway Environmental Center Operator does not pay said costs to Contractor within thirty (30) days, the SBWMA shall pay the undisputed portion of said costs directly to Contractor.

9. Reporting

Contractor shall report monthly the amount of SBWMA Construction and Demolition Debris accepted, Recycled, used as ADC, and Disposed. Contractor shall report monthly the end-uses (e.g. biomass fuel, road base, Beneficial Use at a Landfill, etc.) for each material type Recycled from SBWMA Construction and Demolition Debris at Contractor's facility. For reporting purposes, inbound weights from SBWMA loads may be applied to overall diversion and end-use percentages for mixed Construction and Demolition Debris processing operations at the Contractor's facility. However, if the overall diversion and end-use percentages do not demonstrate compliance with the processing services listed in Section 5, Contractor shall be required to demonstrate compliance in regards to the SBWMA materials by processing the SBWMA's Construction and Demolition Debris separately. Diversion rates for all of Contractor's sorting operations must be maintained on the Recycling Certification Institute website.

10. Rates

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For the period February 1, 2017 through January 31, 2022, the SBWMA shall direct Shoreway Environmental Center Operator to pay to Contractor

- A. The sum of \$60.00 per ton for all SBWMA Construction and Demolition Debris accepted by Contractor for processing for the period of February 1, 2017 to January 31, 2018.
- B. The sum of \$65.00 per ton for all SBWMA Construction and Demolition Debris accepted by Contractor for processing for the period of February 1, 2018 to January 31, 2019.
- C. The sum of \$70.00 per ton for all SBWMA Construction and Demolition Debris accepted by Contractor for processing for the period of February 1, 2019 to January 31, 2020.
- D. The sum of \$73.00 per ton for all SBWMA Construction and Demolition Debris accepted by Contractor for processing for the period of February 1, 2020 to January 31, 2021.
- E. The sum of \$74.00 per ton for all SBWMA Construction and Demolition Debris accepted by Contractor for processing for the period of February 1, 2021 to January 31, 2022.
- F. The sum of \$70.00 per ton for any rejected SBWMA loads that the SBWMA authorizes Contractor to dispose of during the term of this Agreement.

In the event that any government agency imposes upon Contractor any additional regulations or fees which result in additional expenses, charges, fees, or taxes to Contractor and which relate specifically to the construction and demolition services provided hereunder, either 1) such expenses, charges, fees or taxes shall be added to the prices on a pro-rata basis, based upon the percentage that the total tonnage of construction and demolition waste being delivered to Contractor pursuant to this Agreement bear to the total tonnage of construction and demolition waste delivered to Contractor's facility from all sources; or, 2) the SBWMA may terminate this Agreement by giving thirty (30) days' written notice of termination.

11. Payment

On or before the 10th of each month, Contractor shall send an invoice (showing by date, time, and vehicle identification number the tonnage received and the rate charged) to Shoreway Environmental Center Operator for the preceding month. Shoreway Environmental Center Operator shall reconcile such invoice to its daily records and pay the undisputed portion of said invoice within thirty (30) days of receipt. Within fifteen (15) days of receipt, Shoreway Environmental Center Operator shall inform Contractor and the SBWMA of any disputed amounts and Shoreway Environmental Center Operator and Contractor shall act promptly to resolve such disputes. Payment shall be made only by cashier's check, certified check, or by Shoreway Environmental Center Operator or SBWMA check. In the event that Shoreway Environmental Center Operator does not pay any undisputed invoice within thirty (30) days, the SBWMA shall pay the amounts it reasonably determines are due Contractor directly to Contractor.

12. Default and Remedies

340 All provisions of this Agreement to be performed by Contractor are considered material.
341 Each of the following shall constitute an event of default.

- 342 A. Fraud or deceit.
- 343 B. Failure to maintain insurance coverage described herein.
- 344 C. Contractor violation of orders or filings of a regulatory body having a
345 material impact on Contractor's ability to perform its obligations as
346 required by this Agreement.
- 347 D. Failure to perform services as required by this Agreement for two (2)
348 consecutive days or more or for any seven (7) days in a period of 30 days.
- 349 E. Failure of Contractor to provide reports and/or records as provided for in
350 this Agreement.
- 351 F. Any act or omission by Contractor which violates the terms of this
352 Agreement.
- 353 G. Any false or misleading representation of Contractor.
- 354 H. Filing of a voluntary petition for debt relief.
- 355 I. Bankruptcy of Contractor.
- 356 J. Contractor's failure to provide assurance of performance.

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358 Contractor shall be given thirty (30) days from written notification by the SBWMA to cure
359 any default arising under this Agreement.
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361 In the event of Contractor's failure to cure said default, the SBWMA may, at its option,
362 terminate this Agreement by giving thirty (30) days written notice of termination. This
363 right of termination is in addition to any other rights of the SBWMA and the SBWMA's
364 termination of this Agreement shall not constitute an election of remedies. Instead, it
365 shall be in addition to any and all other legal and equitable rights and remedies the
366 SBWMA may have.
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369 **13. Termination for Cause**

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371 The SBWMA selected Contractor based on its high landfill diversion levels. These
372 factors are essential to the services the SBWMA shall obtain from Contractor.
373 Therefore, notwithstanding the terms and conditions of Section 12, in any month, should
374 the Recycled fraction of accepted Construction and Demolition Debris fall below 75% or
375 should the fraction of these accepted Construction and Demolition Debris Recycled to
376 end-uses other than Beneficial Use at a Landfill fall below 50%, then Contractor will be
377 found in breach of this Agreement and the SBWMA may terminate the Agreement for
378 cause. In such case, the SBWMA shall notify Contractor in writing of its intent to do so
379 sixty (60) days prior to the intended date of termination. Contractor shall be given thirty
380 (30) days to correct the breach and, if it does, then the termination shall be suspended.
381 A second breach within a twelve-month period may reactivate the termination of the
382 Agreement and such termination shall occur within sixty (60) days of the SBWMA's
383 written notification of the second breach, without any right by Contractor to correct the
384 breach.
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386 **14. Insurance**

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388 Insurance policies are to be obtained by Contractor and remain in full force and effect at
389 all times to provide protection against liability for damages which may be imposed for
390 the negligence of Contractor or its employees, agents, or subcontractors including, but
391 not limited to, general liability and automobile liability insurance. Contractor shall also
392 provide liability coverage under California Workers' Compensation laws. The amounts
393 of insurance required are to be established herein. Said amounts shall not be
394 construed to limit Contractor's liability.
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396 The insurance requirements provided herein may be reduced or waived in writing by the
397 SBWMA Board of Directors, provided the Board of Directors determines that such
398 waiver or reduction does not unreasonably increase the risk of exposure to the
399 SBWMA.
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401 **A. Workers' Compensation Insurance.** Contractor shall obtain and
402 maintain in full force and effect throughout the entire term of this
403 Agreement full Workers' Compensation Insurance in accord with the
404 provisions and requirements of the Labor Code of the State of California.
405 Endorsements that implement the required coverage shall be filed and
406 maintained with the SBWMA throughout the term of this Agreement.
407

408 **B. Comprehensive General Liability.** Contractor shall obtain and maintain
409 in full force and effect throughout the entire term of this Agreement a
410 Broad Form Comprehensive General Liability (occurrence) policy with a
411 minimum limit of TWO MILLION DOLLARS (\$2,000,000.00) aggregate
412 and ONE MILLION DOLLARS (\$1,000,000.00) per occurrence for bodily
413 injury and property damage, with any self-insured retention not exceeding
414 TWO HUNDRED THOUSAND (\$200,000.00) per occurrence. Said
415 insurance shall protect Contractor and the SBWMA from any claim for
416 damages for bodily injury, including accidental death, as well as from any
417 claim for property damage which may arise from operations performed
418 pursuant to this Agreement, whether such operations are by Contractor
419 itself, or by its agents, employees and/or sub-contractors. Copies of the
420 policies or endorsements evidencing the above-required insurance
421 coverage shall be filed with the SBWMA. Endorsements are required to
422 be made a part of all of the following insurance policies required by this
423 Section:
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425 (1) "The SBWMA, its employees, agents, and officers, are hereby
426 added as insured as respects liability arising out of activities
427 performed by or on behalf of Contractor."
428

429 (2) "This policy shall be considered primary insurance as respects
430 any other valid collectible insurance the SBWMA may possess
431 including any self-insured retention the SBWMA may have,
432 and any other insurance the SBWMA does possess shall be
433 considered excess insurance and shall not contribute with it."
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- (3) "This policy shall act for each insured, as though a separate policy had been written for each. This, however, will not act to increase the limit of liability of the insuring company."
- (4) "Thirty (30) days prior written notice by certified mail, return receipt requested, shall be given to the SBWMA in the event of suspension, cancellation, reduction in coverage or in limits or non-renewal of this policy for whatever reason. Such notice shall be sent to the SBWMA."

C. Vehicle Liability. Contractor shall obtain and maintain in full force and effect throughout the entire term of this Agreement a vehicle liability policy with a minimum limit of TWO MILLION DOLLARS (\$2, 000,000.00) per occurrence for bodily injury and ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) per occurrence for property damage. Said insurance shall protect Contractor and the SBWMA from any claim for damages for bodily injury, including accidental death, as well as from any claim for property damage which may arise from operation of owned and non-owned vehicles. Copies of the policies or endorsements evidencing the above-required insurance coverage shall be filed with the SBWMA.

The limits of such insurance coverage, and companies, shall be subject to review and approval by the SBWMA every year and may be increased, subject to Contractor's consent, at that time and match the coverage provided by the SBWMA's own liability insurance policy. The SBWMA shall be included as a named insured on each of the policies, or policy endorsements.

15. Indemnification

A. Indemnification of the SBWMA. Contractor shall defend the SBWMA with counsel reasonably acceptable to the SBWMA and indemnify the SBWMA from and against any and all liabilities, costs, claims, and damages which are caused by Contractor's negligence, intentional wrongful acts, or failure to comply with applicable laws and regulations, including but not limited to, liabilities, costs, claims, and damages.

B. Indemnification of Contractor. The SBWMA shall defend Contractor with counsel reasonably acceptable to Contractor and indemnify Contractor from and against any and all liabilities, costs, claims and damages which are caused by the SBWMA's negligence, intentional wrongful acts, or failure to comply with applicable laws and regulations, including but not limited to, liabilities, costs, claims, and damages. The SBWMA shall not be obligated to indemnify Contractor for Shoreway Environmental Center Operator's negligence, intentional wrongful acts or failure to comply with applicable laws and regulations, including but not limited to, liabilities, costs, claims and damages.

16. General Provisions

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A. Entire Agreement. This Agreement represents the full and entire Agreement between the SBWMA and Contractor with respect to the matters covered herein.

B. Force Majeure. Neither party shall be in default under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to any of the following reasons: riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides, fires, and volcanic eruptions, strikes, lockouts and other labor disturbances or other catastrophic events which are beyond the reasonable control of Contractor. Labor unrest, including but not limited to strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by Contractor's employees or directed at Contractor is not an excuse from performance; provided, however, that labor unrest or job action directed at a third party over whom Contractor has no control, shall excuse performance.

A party claiming excuse under this Section must (i) have taken reasonable precautions to avoid being affected by the cause, and (ii) notify the other party in writing within 5 days after the occurrence of the event specifying the nature of the event, the expected length of time that the party expects to be prevented from performing, and the steps which the party intends to take to restore its ability to perform.

C. Notice Procedures. All notices, demands, requests, proposals, approvals, consents, and other communications which this Agreement requires, authorizes, or contemplates shall be in writing and shall either be personally delivered to a representative of the Parties at the address below, e-mailed to the e-mail address below, or faxed to the fax number below, or sent via certified mail or Federal Express, or deposited in the United States mail, first class postage prepaid, addressed as follows:

1.) If to the SBWMA:

Joe La Mariana
Executive Director
South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, California 94070
E-Mail: KMcCarthy@ReThinkWaste.org
Fax: 650-802-3501

2.) If to Contractor:

Greg Ryan
President
Zanker Road Resource Management, Ltd.
675 Los Esteros Road
San Jose, CA 95134
E-Mail: Michael@zankerrecycling.com

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The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

Notice shall be deemed given on the day it is personally delivered, e-mailed, or, if mailed, three calendar days from the date it is deposited in the mail.

- D. Independent Contractor.** Contractor is an independent contractor and not an officer, agent, servant or employee of the SBWMA. Contractor is solely responsible for the acts and omissions of its officers, agents, employees, Contractor's and sub-contractor, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between the SBWMA and Contractor. Neither Contractor nor its officers, employees, agents or subcontractor shall obtain any rights to retirement or other benefits which accrue to SBWMA employees.
- E. Severability.** If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Agreement or any part thereof is, for any reason, held to be illegal, such decision shall not affect the validity of the remaining portions of this Agreement or any part thereof.
- F. Waiver or Modification.** No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.
- G. Forum Selection.** Contractor and the SBWMA stipulate and agree that any litigation relating to the enforcement or interpretation of this Agreement, arising out of Contractor's performance, or relating in any way to the work, shall be brought in California State Courts in San Mateo County.
- H. Dispute Resolution.** Any and all disputes, claims or controversies arising out of or relating to this Agreement shall be submitted to mediation before a mediator agreed to by the Parties. The mediation process shall be concluded within thirty (30) days and the costs of the mediator, if any, shall be paid equally by the parties. In the event a dispute is not resolved by mediation, either Party shall have the right to pursue any available legal or equitable remedy, including damages, injunctions and restraining orders. All remedies shall be cumulative and the pursuit of any available remedy shall not constitute a waiver or election of remedies with respect to all other available remedies.
- I. Counterparts and Facsimile Signatures.** This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall be deemed a single document. For purposes of this Agreement, each of the signatories hereto agrees that a facsimile copy of the signature page of the person executing this Agreement shall be effective as an original signature and legally binding and effective as an execution counterpart thereof.

583 IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives,
584 have affixed their hands on the day and year this Agreement first above written.
585

586 **South Bayside Waste Management Authority**

587 By:

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590 Name: _____

591 Joe La Mariana
592 Title: Executive Director

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594 Date: _____

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597 **Contractor**

598 Zanker Road Resource Management, LTD, a California limited partnership

599 By:

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601

602 Name: _____

603 Greg Ryan
604 Title: Zanker Road Resource Recovery, Inc. President

605

606 Date: _____



A Public Agency

STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Operations Contracts Manager
Date: January 26, 2017 Board of Directors Meeting
Subject: Update on Recology's Termination of 3rd Party Tons Supply Agreement with SBR.

Recommendation

This staff report is an informational update and no Board action is required.

Background

Recology and SBR entered into Supply Agreement in 2013 for the processing of recyclable materials collected by other Recology companies servicing cities outside of the SBWMA franchise area at the Shoreway MRF. These "third-party" tons have been sorted by SBR at the Shoreway MRF for the past four years and under an agreement approved by the Board, SBR pays the SBWMA a "host fee" in exchange for the using the Shoreway MRF to process these third-party recyclables. In November a memo was sent to Board members by legal counsel advising of the potential that Recology could terminate the Supply Agreement with SBR and that the associated host fee payments might be discontinued. Staff was recently advised that Recology has, in fact, exercised its contractual right to opt-out of this agreement, thereby eliminating these non-franchised recycling tons at our MRF.

Analysis

Recology Termination of the Third-party Tons Agreement

Recology collects recyclable material from cities outside of the SBWMA franchise service area and, until recently, has brought this "third-party" material to Shoreway for processing. The processing arrangements for the third-party tonnage is covered by a Supply Agreement between Recology and SBR that was signed in 2013. Since the start of the Supply Agreement, Recology has delivered to the Shoreway MRF for processing a total of 89,920 tons (approximately 22,480 tons per year). (see Table 1)

Year	Third-Party		Total Host Fee
	Tons	Host Fee Rate	Payments
2013	\$ 10.00	5,661	\$ 56,610
2014	\$ 10.15	20,092	\$ 203,934
2015	\$ 13.20	34,544	\$ 455,981
2016	\$ 13.54	29,623	\$ 401,095
TOTAL		\$ 89,920	\$ 1,117,620

On December 7, 2016 Staff received a notice from Recology of their intention to terminate the Master Supply Agreement with SBR. The termination was based on a "Force Majeure Events" contract term that provides

Recology the right to terminate should SBR not be able to process material for a period of more than 90 days (the MRF fire occurred on September 7th, 2016 and the MRF resumed operations on January 5th 2017). Recology confirmed their termination of the Supply Agreement with SBWMA staff in December and has not delivered third-party material to the MRF since the facility's reopening in January. Recology has made it clear their decision to end the Supply Agreement was based on logistical and cost advantages to use another MRF in the south bay and not due to any dissatisfaction with service provided by SBR.

Host Fee Payments

While the Supply Agreement governed the arrangements between Recology and SBR, the SBWMA and SBR have a separate agreement which governs SBR's use of the Shoreway MRF for processing third-party tonnage. Included in this agreement is the payment of host fees by SBR to the SBWMA for each third-party ton processed at the Shoreway MRF. The fee amount (established at \$10.00 in 2013 has adjusted up to \$13.54 in 2016) is intended to cover the cost of 1) the increased wear on the MRF equipment and 2) the construction of the MRF canopy project. The MRF canopy project was built in 2015 out of the need to add covered tip floor area to accommodate additional third-party volume. Over the past four years the total host fee revenues from Recology's third-party materials has exceeded one million dollars – more than covering the increased equipment wear and the \$400K cost of the MRF canopy.

The loss of the Recology third-party tons will have a fiscal impact on the FY16/17 Budget. The budgeted Host Fee revenues for FY16/17 are \$403,070 and approximately \$200,000 in host fee payments were received in the first six months of the fiscal year.

Additional Recology Materials

Staff has had several meetings with Recology regarding the termination of the Supply Agreement and the fiscal impact to the SBWMA from the loss third-party tons. In an effort to mitigate the lost host fee revenues, Recology has offered to bring other non-franchise materials to the Shoreway facility. Starting in December, with staff's approval, Recology began delivering other MSW, Organic and C&D materials collected from cities outside of the SBWMA service area to the Shoreway transfer station. These third-party tons were delivered to the transfer station and have paid the SBWMA's "Gate Rate" for these materials.

The supplemental materials are being offered by Recology to explicitly help offset the budget gap created through the loss of "host fee" revenues. The net financial benefit to the SBWMA for the additional Recology will depend on 1) the total tons of materials, 2) the mix of materials, 3) the margin between the tip fee charged at the scales and the handling costs paid by the SBWMA. Due to the fact that these tons have just started to come into the Shoreway facility, it is not yet possible to forecast the total net financial contribution of these additional tons. Staff will continue work with Recology to support the delivery of additional non-franchise tons to Shoreway and will report back to the Board in March with an analysis and forecast of the financial impacts to the Agency.

Fiscal Impact

The loss of the Recology third-party tons will have a fiscal impact on the FY16/17 Budget. The budgeted Host Fee revenues for FY16/17 are \$403, 070 and approximately \$200,000 in host fee payments were received in the first six-months of the fiscal year. The Mid-year budget has been updated to include this anticipated loss of revenue for the balance of FY16/17.



INFORMATIONAL ITEMS ONLY

SBWMA Negotiation Team Schedule December 2016 – April 2017

Date	Time	Meetings	Meeting Location	In Attendance
COMPLETE Nov. 10, 2016	2-4pm	FAX Committee Meeting	San Carlos Library, 2 nd Floor Conference Room A	FAX Committee, SBWMA Negotiation Team
COMPLETE Nov. 17, 2016	2-4pm	SBWMA Board Meeting	San Carlos Library, 2 nd Floor Conference Room A	SBWMA Board and Staff
COMPLETE Dec. 7, 2016	2-4pm	FAX Committee Meeting	San Carlos Library, 2 nd Floor Conference Room A	FAX Committee, SBWMA Negotiation Team
COMPLETE Dec. 14, 2016	2-4pm	Negotiation Team Meeting	San Carlos Library, 2 nd Floor Conference Room B	SBWMA and Recology Negotiation Teams
COMPLETE Jan. 5, 2017	1-4pm	SBWMA TAC/FAX Meeting	City of Belmont EOC Room 1 Twin Pines Lane 2 nd Floor	TAC Members, FAX Members SBWMA Staff, HF&H
COMPLETE Jan. 6, 2017		MEMBER AGENCY SURVEY INPUT DUE		SBWMA Board Members and Alternates, City Managers, TAC Members
COMPLETE Jan. 11, 2017	1:30-4:30pm	Negotiation Team Meeting	San Carlos Library, 2 nd Floor Conference Room B	SBWMA and Recology Negotiation Teams
COMPLETE Jan. 12, 2017	12-2pm	FAX Committee Meeting	San Carlos Library, 2 nd Floor Conference Room A	FAX Committee, SBWMA Negotiation Team
*Jan. 23, 2017	1:30-4:30pm	Negotiation Team Meeting	San Carlos Library, 2 nd Floor Conference Room B	SBWMA and Recology Negotiation Teams
*Jan. 24, 2017	12-2pm	FAX Committee Meeting	San Carlos Library, 2 nd Floor Conference Room A	FAX Committee, SBWMA Negotiation Team
January 26, 2017	2-4pm	SBWMA Board Meeting	San Carlos Library, 2 nd Floor Conference Room A	SBWMA Board and Staff, Technical Contractors
Feb. 2, 2017	11:30-2:30pm	Negotiation Team Meeting	San Carlos Library, 2 nd Floor Conference Room B	SBWMA and Recology Negotiation Teams
Feb. 6, 2017	12:30-2:30pm	FAX Committee Meeting	San Carlos Library 2 nd Floor Conference Room A	FAX Committee, SBWMA Negotiation Team
Feb 9, 2017	11:30-2:30pm	Negotiation Team Meeting	San Carlos Library, 2 nd Floor Conference Room B	SBWMA and Recology Negotiation Teams

SBWMA Negotiation Team Schedule December 2016 – April 2017

Date	Time	Meetings	Meeting Location	In Attendance
Feb. 21, 2017	12-2pm	FAX Committee Meeting	San Carlos Library, 2 nd Floor Conference Room A	FAX Committee, SBWMA Negotiation Team
February 23, 2017	2-4pm	SBWMA Board Meeting	San Carlos Library, 2 nd Floor Conference Room A	SBWMA Board and Staff, Technical Contractors
Feb 28, 2017	11:30-2:30pm	Negotiation Team Meeting	San Carlos Library, 2 nd Floor Conference Room B	SBWMA and Recology Negotiation Teams
Mar. 8, 2017	2-4pm	FAX Committee Meeting	San Carlos City Hall, Room 207	FAX Committee, SBWMA Negotiation Team
Mar. 20, 2017	1:30-4:30pm	Negotiation Team Meeting	San Carlos Library, 2 nd Floor Conference Room B	SBWMA and Recology Negotiation Teams
March 23, 2017	2-4pm	SBWMA Board Meeting	San Carlos Library, 2 nd Floor Conference Room A	SBWMA Board and Staff, Technical Contractors
Mar. 28, 2017	2-4pm	FAX Committee Meeting	San Carlos Library, 2 nd Floor Conference Room A	FAX Committee, SBWMA Negotiation Team
April 6, 2017	To Be Confirmed	SBWMA Finance Committee Meeting	TBD	Finance Committee, SBWMA Staff, HF&H
**April 13, 2017	2-4pm	TAC Meeting (Final Draft FAX Report Due –Action Item)	San Carlos Library, 2 nd Floor Conference Room A	TAC and FAX Committee Members
April 27, 2017	2-4pm	SBWMA Board Meeting (Final FAX Report Due – Action item)	San Carlos Library, 2 nd Floor Conference Room A	SBWMA Board and Staff

*These meetings will be complete prior to the January 26, 2017 Board meeting.

**Could be a Joint TAC/FAX meeting if issues warrant it, will be determined by the TAC and FAX Chairs



STAFF REPORT

To: SBWMA Board Members
From: Farouk Fakira, Finance Manger
Date: January 26, 2017 Board of Directors Meeting
Subject: Check Register for November and December 2016

Recommendation

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

Summary

The purpose of this report is to provide transparency to the Board and the public on the actual spending by the SBWMA. All payments made by check issued in November and December 2016 are listed on the attached report for review.

Analysis

The SBWMA has a contract with the City of San Carlos for accounting services including the issuing of all payments and deposit of all receipts. 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 November was \$4,800,373.23 (\$1,372,056.91 was spent on fire repairs), and for December was \$6,457,973.15 (\$2,934,807.16 was spent on fire repairs and new equipment) as detailed in **Attachment A**. As of 1/10/17, Hanover Insurance company has advanced us \$6,090,384.69..

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 Farouk Fakira. The format of the check registers is limited to what is available from the city's MUNIS accounting system.

Attachments:

Attachment A – November and December 2016 Check Registers

11/10/2016 10:18 | CITY OF SAN CARLOS
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P 1
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CASH ACCOUNT: S000 110020 WELLS FARGO BANK
 CHECK NO CHK DATE TYPE VENDOR NAME

INVOICE	INV DATE	PO	CHECK RUN	NET
7321 11/09/2016 WIRE	3622 WELLS FARGO PAYMENT REMITTANCE CT 102716			
INVOICE DTL DESC				
Invoice: 102716	10/27/2016			1,261.80
	OCT 27, 2016 STATEMENT			
297.00 S0113010 520201	OFFICE SUPPLIES			
380.00 S0113010 520501	PROFESSIONAL DUES & MEMEBERSHS			
62.80 S0113010 522720MRFES	CONSTRUCTION COST			
81.73 S0113010 520201	OFFICE SUPPLIES			
364.46 S0113010 522718	EDUCATION CENTER OPERATIONS			
75.81 S0113010 520202	BANK FEES AND SERVICES			
	CHECK 7321 TOTAL:			1,261.80
NUMBER OF CHECKS	1	*** CASH ACCOUNT TOTAL ***		1,261.80
	COUNT	AMOUNT		
TOTAL WIRE TRANSFERS	1	1,261.80		
	*** GRAND TOTAL ***			1,261.80

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

PREPARED BY: *[Signature]* DATE: 11/10/16
 APPROVED BY: *[Signature]* DATE: 11/16/16
 WIRE TRANSFER BY: *[Signature]* DATE: 11/16/16

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A/P CASH DISBURSEMENTS JOURNAL

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P 4
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NUMBER OF CHECKS 19 *** CASH ACCOUNT TOTAL *** 1,093,519.45

	COUNT	AMOUNT
TOTAL PRINTED CHECKS	9	67,621.25
TOTAL EFT'S	10	1,025,898.20

*** GRAND TOTAL *** 1,093,519.45

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

PREPARED BY: _____ DATE: 11/10/16
 APPROVED BY: *cy* DATE: 11/10/16
 TRANSFERRED BY: _____ DATE: 11/10/16
 ACHS11100001, TXT
Mehdi G. Badi 11/11/16

SBWMA

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CASH ACCOUNT: 5000 110020 WELLS FARGO BANK
CHECK NO CHK DATE TYPE VENDOR NAME

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INVOICE	INV DATE	PO	CHECK RUN	NET
7345 11/21/2016 WIRE 2223 THE BANK OF NEW YORK MELLON TRUST DEC2016-2009A Invoice: DEC2016-2009A	11/18/2016			343,626.04
343,626.04 S011 114467	DEC 2016 BOND PAYMENT 2009A			
	INVESTMENT BNY 2009AB INTEREST			
	CHECK 7345 TOTAL:			343,626.04
NUMBER OF CHECKS 1	*** CASH ACCOUNT TOTAL ***			343,626.04
		COUNT	AMOUNT	
TOTAL WIRE TRANSFERS		1	343,626.04	
	*** GRAND TOTAL ***			343,626.04

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

RECEIVED BY: [Signature] DATE: 11/23/16
[Signature] DATE: 11/23/16
[Signature] DATE: 11/24/16

11/23/2016 14:44 | CITY OF SAN CARLOS
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CASH ACCOUNT: S000 110020 WELLS FARGO BANK
 CHECK NO CHK DATE TYPE VENDOR NAME

INVOICE	INV DATE	PO	CHECK RUN	NET
INVOICE DTL DESC				
7346 11/23/2016 EFT 5556 BFI OF CALIFORNIA INC 4227-000045271	10/31/2016		5112316	685,925.01
Invoice: 4227-000045271				
685,925.01 S0113010 522713	OCT 2016 DISPOSAL PROCESSING FEES			
	DISPOSAL & PROCESSING COSTS			
Invoice: 4227-000045332 BFI OF CALIFORNIA INC 4227-000045332	10/31/2016		5112316	936.45
Invoice: 4227-000045332				
936.45 S0113010 522716	OCT 2016 TIPPER MAINTENANCE			
	MAINTENANCE ON TIPPER OX MTN			
	CHECK	7346 TOTAL:		686,861.46
7347 11/23/2016 EFT 152 NEWBY ISLAND COMPOST - 4278A 4278-100002945	10/31/2016		5112316	126,124.46
Invoice: 4278-100002945				
126,124.46 S0113010 522713	OCT 2016 DISPOSAL PROCESSING FEES			
	DISPOSAL & PROCESSING COSTS			
	CHECK	7347 TOTAL:		126,124.46
7348 11/23/2016 EFT 2659 CRYSTAL SPRINGS CATERING E01858-2	11/17/2016		5112316	2,018.20
Invoice: E01858-2				
2,018.20 S0113010 520300	BOARD HOLIDAY LUNCH			
	BOARD ADMINISTRATION			
	CHECK	7348 TOTAL:		2,018.20
7349 11/23/2016 EFT 8201 DUDISH CONSULTING LLC 1	10/31/2016 814		5112316	550.00
Invoice: 1				
550.00 S0113010 520340	OCT 2016 DESIGN/EXPERIMENT FOR OREX VALIDATION			
	LONG RANGE PLAN			
	CHECK	7349 TOTAL:		550.00
7350 11/23/2016 EFT 8214 CHRIS LEHON 11	11/14/2016 1033		5112316	1,338.13
Invoice: 11				
1,338.13 S0113010 520306	CONSULTING SVCS & SUPPORT			
	AB939 PROGRAM STAFF			
	CHECK	7350 TOTAL:		1,338.13
7351 11/23/2016 EFT 1278 LOCAL GOVERNMENT SERVICES 2290	10/31/2016		5112316	5,703.31
Invoice: 2290				
-14,500.00 S0113010 520306	OCT 2016 CONTRACT SERV BY CLIFF FELDMAN			
339.00 S0113010 512810	AB939 PROGRAM STAFF			
233.34 S0113010 512830	BENEFITS - WORKERS COMP INS			
473.16 S0113010 520337	BENEFITS - MEDICAL			
17,077.14 S0113010 520306	CONSULTING CONTRACTS RGS/LGS			
245.03 S0113010 512801	AB939 PROGRAM STAFF			
1,675.00 S0113010 512830	BENEFITS - PAYROLL TAXES			
10.22 S0113010 512850	BENEFITS - MEDICAL			
11.68 S0113010 512850	BENEFITS - GUARDIAN LIFE			
14.58 S0113010 512825	BENEFITS - GUARDIAN LIFE			
113.77 S0113010 512825	BENEFITS - RETIREMENT EMPLOYER			
	BENEFITS - RETIREMENT EMPLOYER			

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CASH ACCOUNT: 5000 110020 WELLS FARGO BANK
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CHECK NO	CHK DATE	TYPE	VENDOR NAME	INVOICE	INV DATE	PO	CHECK RUN	NET
				10.39 S0113010 512850				
					INVOICE DTL DESC			
					BENEFITS - GUARDIAN LIFE			
					CHECK	7351 TOTAL:		5,703.31
7352	11/23/2016	EFT	1419 THE OFFICE CITY	IN-1390739	11/08/2016		S112316	193.69
			Invoice: IN-1390739		BINDERS, TAPE DISPENSER & TAPE			
				193.69 S0113010 520201	OFFICE SUPPLIES			
					CHECK	7352 TOTAL:		193.69
7353	11/23/2016	EFT	725 CITY OF SAN CARLOS	79951204	11/01/2016		S112316	4,570.56
			Invoice: 79951204		NOV 2016 LIBRARY RENT - SBWMA			
				4,570.56 S0113010 520203	RENT			
					CHECK	7353 TOTAL:		4,570.56
7354	11/23/2016	EFT	8202 SIGNAL RESTORATION SERVICES	0916-025MIST-6	11/04/2016		S112316	516,475.28
			Invoice: 0916-025MIST-6		MFR FIRE PRJ OCT 27 - NOV 2			
				516,475.28 S0113010 522720MRFES	CONSTRUCTION COST			
					CHECK	7354 TOTAL:		516,475.28
7355	11/23/2016	EFT	5512 SOUTH BAY RECYCLING LLC	2016-10	11/15/2016		S112316	1,492,494.91
			Invoice: 2016-10		OCT 2016 SHOREWAY ENVIR CTR OPERATION			
				-413.80 S0113010 480033	MRF 3RD PARTY PROCESSING FEE			
				23,479.28 S0113010 522713	DISPOSAL & PROCESSING COSTS			
				67,371.64 S0113010 522717	BUYBACK PAYMENTS			
				2,224.17 S0113010 520207	EQUIPMENT CHARGES			
				6,467.74 S0113010 520202SHORE	BANK FEES AND SERVICES			
				1,393,365.88 S0113010 522712	OPERATOR COMPENSATION SBR			
					CHECK	7355 TOTAL:		1,492,494.91
7356	11/23/2016	EFT	7976 TANNER PACIFIC INC	216-91	11/07/2016	811	S112316	7,678.00
			Invoice: 216-91		MRF FIRE REHAB SERV OCT 30 - NOV 5			
				7,678.00 S0113010 522720MRFES	CONSTRUCTION COST			
					CHECK	7356 TOTAL:		7,678.00
7357	11/23/2016	EFT	5558 ZANKER ROAD RESOURCE MANAGEMENT L	201610363	11/01/2016		S112316	200,976.64
			Invoice: 201610363		OCT 2016 DISPOSAL PROCESSING FEES			
				200,976.64 S0113010 522713	DISPOSAL & PROCESSING COSTS			
					CHECK	7357 TOTAL:		200,976.64

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

INVOICE	INV DATE	PO	CHECK RUN	NET
Invoice: 32395				
304.31 S0113010 522720MRFES				
INVOICE DTL DESC				
OCT 2016 REPAIR OF MRF ROOFING DUE TO FIRE DAMAGE				
CONSTRUCTION COST				
			CHECK 7364 TOTAL:	11,754.31
7365 11/23/2016 PRD 8249 PRECISION GROUP INC	15767			
Invoice: 15767				
595.00 S0113010 520604HHWUW	10/13 - 11/11		S112316	595.00
SERV HHW OUTREACH PUBLIC EDUCATION/OUTREACH/WORK				
			CHECK 7365 TOTAL:	595.00
7366 11/23/2016 PRD 5557 RECOLOGY BLOSSOM VALLEY ORGANICS- 161031				
Invoice: 161031				
232,683.96 S0113010 522713	11/03/2016		S112316	232,683.96
OCT 2016 DISPOSAL PROCESSING FEES DISPOSAL & PROCESSING COSTS				
			CHECK 7366 TOTAL:	232,683.96
7367 11/23/2016 PRD 5875 SCAPES INC	16776			
Invoice: 16776				
315.00 S0113010 522714	10/31/2016		S112316	315.00
OCT 2016 SHOREWAY MAINTENANCE SHOREWAY FACILITY COST				
			CHECK 7367 TOTAL:	315.00
7368 11/23/2016 PRD 6156 SHRED WORKS INC	141272			
Invoice: 141272				
450.00 S0113010 522719	10/22/2016		S112316	450.00
SHRED EVENT SECOND EVENT SAN MATEO 10/22/16 SHRED EVENT SVCS (PASS THRU)				
Invoice: 138569				
595.00 S0113010 522719	09/10/2016		S112316	595.00
SHRED EVENT 3RD EVENT FOSTER CITY 9/10/16 SHRED EVENT SVCS (PASS THRU)				
Invoice: 134736				
900.00 S0113010 522719	07/27/2016		S112316	900.00
SHRED EVENT 2ND EVENT FOSTER CITY 7/27/16 SHRED EVENT SVCS (PASS THRU)				
			CHECK 7368 TOTAL:	1,945.00
7369 11/23/2016 PRD 4519 SHRED-IT USA	8121175510			
Invoice: 8121175510				
131.97 S0113010 520201	11/07/2016		S112316	131.97
SHREDDING SERVICE OFFICE SUPPLIES				
			CHECK 7369 TOTAL:	131.97
7370 11/23/2016 PRD 3474 SLOAN VAZQUEZ LLC	SBWMA-067			
Invoice: SBWMA-067				
10,000.00 S0113010 520336	11/11/2016 744		S112316	10,000.00
FY 16-17 CONTAMINATION MONITOR QTRLY LOAD CONTAMINATION MONIT				

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CITY OF SAN CARLOS
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CASH ACCOUNT: S000 110020 WELLS FARGO BANK
CHECK NO CHK DATE TYPE VENDOR NAME

INVOICE INV DATE PO CHECK RUN NET

INVOICE DTL DESC

				CHECK	7370 TOTAL:	10,000.00
7371 11/23/2016 PRD	4326 THE CLIMATE REGISTRY	CBR5914	11/04/2016	5112316	1,200.00	
Invoice: CBR5914			ANNUAL MEMBERSHIP JAN 2017 TO DEC 2017 CLIMATE CHANGE POLICY OPTIONS			
	1,200.00 S0113010 520608			CHECK	7371 TOTAL:	1,200.00
7372 11/23/2016 PRD	5533 WM CURBSIDE LLC	0000363-2960-5	11/01/2016	5112316	54,844.04	
Invoice: 0000363-2960-5			OCT 2016 HHW COLLECTION SERVICE HHW COLLECTION SERVICE			
	54,844.04 S0113010 522710			CHECK	7372 TOTAL:	54,844.04
				NUMBER OF CHECKS	27	*** CASH ACCOUNT TOTAL ***
						3,361,965.94

	COUNT	AMOUNT
TOTAL PRINTED CHECKS	15	316,981.30
TOTAL EFT'S	12	3,044,984.64

*** GRAND TOTAL *** 3,361,965.94

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

APPROVED BY: *[Signature]* DATE: 11/23/16
 CHECKED BY: *[Signature]* DATE: 11/23/16
[Signature] DATE: 11/23/16
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CITY OF SAN CARLOS
A/P CASH DISBURSEMENTS JOURNAL

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

INVOICE	INV DATE	PO	CHECK RUN	NET
7373 12/09/2016 WIRE Invoice: 112516	3622 WELLS FARGO PAYMENT REMITTANCE CT 112516			
	INVOICE DTL DESC			
	11/25/2016			4,469.96
	NOV 25 CREDIT CARD PAYMENT			
	65.09 S0113010 520201 OFFICE SUPPLIES			
	37.56 S0113010 520201 OFFICE SUPPLIES			
	750.00 S0113010 522718 EDUCATION CENTER OPERATIONS			
	157.00 S0113010 522720 MRFES CONSTRUCTION COST			
	24.55 S0113010 520201 OFFICE SUPPLIES			
	175.87 S0113010 520201 OFFICE SUPPLIES			
	167.46 S0113010 522718 EDUCATION CENTER OPERATIONS			
	175.00 S0113010 522718 EDUCATION CENTER OPERATIONS			
	81.87 S0113010 522718 EDUCATION CENTER OPERATIONS			
	739.11 S0113010 522718 EDUCATION CENTER OPERATIONS			
	-65.55 S0113010 522718 EDUCATION CENTER OPERATIONS			
	300.00 S0113010 522718 EDUCATION CENTER OPERATIONS			
	16.00 S0113010 522718 EDUCATION CENTER OPERATIONS			
	1,275.00 S0113010 522718 EDUCATION CENTER OPERATIONS			
	171.00 S0113010 522718 EDUCATION CENTER OPERATIONS			
	400.00 S0113010 522718 EDUCATION CENTER OPERATIONS			
	CHECK 7373 TOTAL:			4,469.96
7374 12/09/2016 EFT Invoice: 431346-SB R	3 AARONSON DICKERSON COHN & LANZONE 431346-SB R			
	6,812.50 S0113010 520312			
	BOARD COUNSEL			
	BOARD COUNSEL			
	CHECK 7374 TOTAL:			6,812.50
7375 12/09/2016 EFT Invoice: 2016534	5514 KATHLEEN B BENTON			
	2016534			
	255.00 S0113010 520604 MF001			
	MULTI FAMILY OUTREACH			
	PUBLIC EDUCATION/OUTREACH/WORK			
	CHECK 7375 TOTAL:			255.00
7376 12/09/2016 EFT Invoice: 17217PF	5058 EMERGING ACQUISITIONS LLC			
	17217PF			
	49,225.36 S0113010 522720 MRFES			
	BHS EQUIPMENT REPLACEMENT			
	CONSTRUCTION COST			
	CHECK 7376 TOTAL:			49,225.36
7377 12/09/2016 EFT Invoice: INV490649	7624 KBA DOCUSYS INC.			
	INV490649			
	367.56 S0113010 520215			
	OFFICE EQUIPMENT COST			
	OFFICE EQUIPMENT COSTS			
	CHECK 7377 TOTAL:			367.56

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CITY OF SAN CARLOS
A/P CASH DISBURSEMENTS JOURNAL

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CASH ACCOUNT: 5000 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
7378	12/09/2016 EFT		1419 THE OFFICE CITY	IN-1394145	11/30/2016		S120916	120.49
	Invoice: IN-1394145			120.49 S0113010 520201	OFFICE SUPPLY OFFICE SUPPLIES			
					CHECK		7378 TOTAL:	120.49
7379	12/09/2016 EFT		3473 R J PROTO CONSULTING GROUP INC	1685	12/01/2016 1045		S120916	6,834.91
	Invoice: 1685			6,834.91 S0113010 520309HCS02	TECH ASSISTANCE FRANCHISE AGMT 10/20 - 11/30/16 BUSINESS CONSULTANT (HFH)			
					CHECK		7379 TOTAL:	6,834.91
7380	12/09/2016 EFT		725 CITY OF SAN CARLOS	11331	11/18/2016		S120916	375.07
	Invoice: 11331			375.07 S0113010 520202	OCT 2016 SBWMA WELLS FARGO BANK FEE BANK FEES AND SERVICES			
					CHECK		7380 TOTAL:	375.07
7381	12/09/2016 EFT		8202 SIGNAL RESTORATION SERVICES	0916-025MIST-7	11/11/2016		S120916	434,198.68
	Invoice: 0916-025MIST-7			434,198.68 S0113010 522720MRFES	NOV 3 - NOV 9, 2016 MRF RECONSTRUCTION PRJ CONSTRUCTION COST			
					CHECK		7381 TOTAL:	845,482.83
	Invoice: 0916-025MIST-8 & 9		SIGNAL RESTORATION SERVICES	0916-025MIST-8 & 9	12/08/2016		S120916	411,284.15
				411,284.15 S0113010 522720MRFES	FIRE RESTORATION SERV NOV 10 - NOV 22, 2016 CONSTRUCTION COST			
					CHECK		7381 TOTAL:	845,482.83
7382	12/09/2016 EFT		5512 SOUTH BAY RECYCLING LLC	2016-1101	11/14/2016		S120916	36,495.72
	Invoice: 2016-1101			36,495.72 S0113010 522720MRFES	OCT 17 TO NOV 5, 2016 FIRE RECONSTRUCTION PRJ CONSTRUCTION COST			
					CHECK		7382 TOTAL:	51,110.57
	Invoice: 2016-1102		SOUTH BAY RECYCLING LLC	2016-1102	11/22/2016		S120916	14,614.85
				14,614.85 S0113010 522720MRFES	NOV 13 - NOV 19, 2016 FIRE RECONSTRUCTION PRJ CONSTRUCTION COST			
					CHECK		7382 TOTAL:	51,110.57
7383	12/09/2016 EFT		7976 TANNER PACIFIC INC	216-94	11/14/2016 811		S120916	6,528.00
	Invoice: 216-94			6,528.00 S0113010 522720MRFES	11/6 -11/12/16 CONSTRUCTION MGMT SVCS FIRE REHAB CONSTRUCTION COST			
					CHECK		7383 TOTAL:	7,034.00
	Invoice: 216-95		TANNER PACIFIC INC	216-95	11/21/2016 811		S120916	7,034.00
				7,034.00 S0113010 522720MRFES	11/13-11/19/16 CONSTRUCTION MGMT SVCS FIRE REHAB CONSTRUCTION COST			

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CITY OF SAN CARLOS
A/P CASH DISBURSMENTS JOURNAL

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CASH ACCOUNT: 5000 110020 WELLS FARGO BANK
CHECK NO CHK DATE TYPE VENDOR NAME

INVOICE	INV DATE	PO	CHECK RUN	NET
INVOICE DTL DESC				
			CHECK 7383 TOTAL:	13,562.00
7384 12/09/2016 PRD 7295 THE JG PRESS INC Invoice: 46801-2017RENEWAL	46801-2017RENEWAL	12/02/2016	5120916	120.00
120.00 S0113010 520501			PROFESSIONAL MEMBERSHIP RENEWAL FY 2017 PROFESSIONAL DUES & MEMEBERSHS	
			CHECK 7384 TOTAL:	120.00
7385 12/09/2016 PRD 7802 KBA DOSUSYS INC Invoice: 4102543	4102543	11/25/2016	5120916	503.38
503.38 S0113010 520215			OFFICE EQUIPT COST OFFICE EQUIPMENT COSTS	
			CHECK 7385 TOTAL:	503.38
7386 12/09/2016 PRD 449 PITNEY BOWES Invoice: 3100779286	3100779286	11/22/2016	5120916	128.29
128.29 S0113010 520215			OFFICE EQUIP COST OFFICE EQUIPMENT COSTS	
			CHECK 7386 TOTAL:	128.29
7387 12/09/2016 PRD 747 SAN MATEO DAILY JOURNAL Invoice: 120216	120216	11/30/2016	5120916	2,194.08
2,194.08 S0113010 522718			NOV 2016 ED CENTER - ARD EDUCATION CENTER OPERATIONS	
			CHECK 7387 TOTAL:	2,194.08
7388 12/09/2016 PRD 5875 SCAPES INC Invoice: 16851	16851	11/30/2016	5120916	315.00
315.00 S0113010 522714			NOV 16 MONTHLY SHOREWAY MAINTENANCE SHOREWAY FACILITY COST	
			CHECK 7388 TOTAL:	315.00
7389 12/09/2016 PRD 6156 SHRED WORKS INC Invoice: 142304	142304	11/05/2016	5120916	450.00
450.00 S0113010 522719			SHRED EVENT PASS THRU - MENLO PARK SHRED EVENT SVCS (PASS THRU)	
			CHECK 7389 TOTAL:	450.00

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NUMBER OF CHECKS 17 *** CASH ACCOUNT TOTAL *** 982,327.00

	COUNT	AMOUNT
TOTAL PRINTED CHECKS	6	3,710.75
TOTAL WIRE TRANSFERS	1	4,469.96 / <i>resent</i>
TOTAL EFT'S	10	974,146.29

*** GRAND TOTAL *** 982,327.00

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W/P	<input checked="" type="checkbox"/>
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PREPARED BY: *[Signature]* DATE: 12/9/16
 APPROVED BY: *cy* DATE: 12/14/16
 FUNDS TRANSFERRED BY: *cy* DATE: 12/14/16

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A/P CASH DISBURSEMENTS JOURNAL

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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
7391	12/16/2016	EFT	5058 EMERGING ACQUISITIONS LLC	17263PF	11/30/2016	810	5121616	368,596.74
	Invoice: 17263PF							
				368,596.74	S0113010	522720MRFES	BHS REPLACEMENT LIST 1 CONSTRUCTION COST	
	Invoice: 17238PF		EMERGING ACQUISITIONS LLC	17238PF	11/29/2016	1031	5121616	600,388.27
				600,388.27	S0113010	522720MRFES	MECHANICAL SUBCONTRACTOR WORK FOR FIRE DAMAGE CONSTRUCTION COST	
	Invoice: 12312PF		EMERGING ACQUISITIONS LLC	12312PF	11/30/2016	1032	5121616	163,088.43
				163,088.43	S0113010	522720MRFES	ELECTRICAL SUBCONTRACTOR WORK FOR FIRE DAMAGE CONSTRUCTION COST	
							CHECK	7391 TOTAL: 1,132,073.44
7392	12/16/2016	EFT	5512 SOUTH BAY RECYCLING LLC	2016-1001	10/17/2016		5121616	48,287.64
	Invoice: 2016-1001							
				48,287.64	S0113010	522720MRFES	EXP RELATED TO POST FIRE CLEANUP W/E 092416 CONSTRUCTION COST	
							CHECK	7392 TOTAL: 48,287.64
7393	12/16/2016	PRTD	88 READYREFRESH BY NESTLE	06L0028452035	12/10/2016		5121616	134.80
	Invoice: 06L0028452035							
				134.80	S0113010	520201	OFFICE SUPPLIES OFFICE SUPPLIES	
							CHECK	7393 TOTAL: 134.80
7394	12/16/2016	PRTD	3022 SCS ENGINEERS	0289461	10/31/2016	1030	5121616	2,387.88
	Invoice: 0289461							
				2,387.88	S0113010	520306	FRANCHISE & STRATEGIC PLN ASSISTANCE OCT 1-31, 16 AB939 PROGRAM STAFF	
	Invoice: 0288597		SCS ENGINEERS	0288597	10/31/2016	743	5121616	1,622.50
				1,622.50	S0113010	520309HCS02	CALL CTR MONITORING & ANALYSIS SERV OCT 1-31, 2016 BUSINESS CONSULTANT (HFH)	
							CHECK	7394 TOTAL: 4,010.38

NUMBER OF CHECKS 4 *** CASH ACCOUNT TOTAL *** 1,184,506.26

	COUNT	AMOUNT
TOTAL PRINTED CHECKS	2	4,145.18
TOTAL EFT'S	2	1,180,361.08

CP	✓
ARP	✓
EFT	✓
Email	✓

*** GRAND TOTAL *** 1,184,506.26
 APPROVED BY: [Signature] DATE: 12/16/16
 CHECKED BY: [Signature] DATE: 12/16/16
 RECORDED BY: [Signature] DATE: 12/16/16
 ACHS [Signature] DATE: 12/16/16
 AGENDA ITEM 118 ATTACHMENT A - 016

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CASH ACCOUNT: 5000 110020 WELLS FARGO BANK
 CHECK NO CHK DATE TYPE VENDOR NAME

INVOICE INV DATE PO CHECK RUN NET

		INVOICE DTL DESC		
7390	12/16/2016 WIRE	2223	THE BANK OF NEW YORK MELLON TRUST	JAN2017-2009A 12/15/2016 343,626.04
	Invoice: JAN2017-2009A			JAN 2017 2009A BOND PYMT
		343,626.04	S011 114467	INVESTMENT BNY 2009AB INTEREST
				CHECK 7390 TOTAL: 343,626.04
	NUMBER OF CHECKS	1	*** CASH ACCOUNT TOTAL ***	343,626.04
			COUNT	AMOUNT
	TOTAL WIRE TRANSFERS	1	1	343,626.04
			*** GRAND TOTAL ***	343,626.04

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PREPARED BY [Signature] DATE: 12/16/16
 CHECKED BY [Signature] DATE: 12/16/16
 APPROVED BY [Signature] DATE: 12/16/16

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P 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
7395	12/23/2016	EFT	5556 BFI OF CALIFORNIA INC	4227-000045519	11/30/2016		S122316	721,285.63
				721,285.63 S0113010 522713	NOV 2016 DISPOSAL PROCESSING COST			
					DISPOSAL & PROCESSING COSTS			
			BFI OF CALIFORNIA INC	4227-000045589	11/30/2016		S122316	1,197.59
				1,197.59 S0113010 522716	NOV 2016 TIPPER MAINTENANCE			
					MAINTENANCE ON TIPPER OX MTN			
					CHECK		7395 TOTAL:	722,483.22
7396	12/23/2016	EFT	5058 EMERGING ACQUISITIONS LLC	17261PF	11/30/2016	809	S122316	29,934.07
				29,934.07 S0113010 522720MRFES	BHS EQUIPMENT REPLACEMENT LIST-SHORT LEAD			
					CONSTRUCTION COST			
			EMERGING ACQUISITIONS LLC	17258PF	11/28/2016	761	S122316	29,766.32
				29,766.32 S0113010 522720MRFES	BHS EQUIPMENT INSPECTIONS			
					CONSTRUCTION COST			
					CHECK		7396 TOTAL:	59,700.39
7397	12/23/2016	EFT	1495 GIGANTIC IDEA STUDIO	INV-2754	11/30/2016		S122316	1,290.42
				1,290.42 S0113010 520604MF001	MFP OUTREACH BUDDY BAG INSERTS			
					PUBLIC EDUCATION/OUTREACH/WORK			
					CHECK		7397 TOTAL:	1,290.42
7398	12/23/2016	EFT	8214 CHRIS LEHON	12	12/14/2016	1033	S122316	1,938.15
				1,938.15 S0113010 520306	11/17/16 TO 12/8/16 CONSULTING SVCS & SUPPORT			
					AB939 PROGRAM STAFF			
					CHECK		7398 TOTAL:	1,938.15
7399	12/23/2016	EFT	1419 THE OFFICE CITY	IN-1396794	12/14/2016		S122316	12.52
				12.52 S0113010 520201	OFFICE SUPPLY - CALENDAR			
					OFFICE SUPPLIES			
			THE OFFICE CITY	IN-1396127	12/14/2016		S122316	242.01
				242.01 S0113010 520201	OFFICE SUPPLIES			
					OFFICE SUPPLIES			
					CHECK		7399 TOTAL:	254.53
7400	12/23/2016	EFT	725 CITY OF SAN CARLOS	79951205	12/05/2016		S122316	4,570.56
				4,570.56 S0113010 520203	DEC 2016 LIBRARY RENT			
					RENT			
			CITY OF SAN CARLOS	11386	12/12/2016		S122316	423.95

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CITY OF SAN CARLOS
A/P CASH DISBURSEMENTS JOURNAL

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CASH ACCOUNT: 5000 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: 11386								
	423.95		S0113010	520202	NOV 2016 WELLS FARGO BANK FEES BANK FEES AND SERVICES			
					CHECK	7400	TOTAL:	4,994.51
7401	12/23/2016	EFT	8202 SIGNAL RESTORATION SERVICES	0916-025MIST-10	11/30/2016		S122316	178,586.06
Invoice: 0916-025MIST-10								
	178,586.06		S0113010	522720MRFES	NOV 23 - NOV 30, 2016 SERV MRF FIRES PRJ CONSTRUCTION COST			
Invoice: 0916-025MIST-11								
	549,995.55		S0113010	522720MRFES	12/08/2016 FIRE RESTORATION SERVICES DEC 1 - DEC 7, 2016 CONSTRUCTION COST		S122316	549,995.55
					CHECK	7401	TOTAL:	728,581.61
7402	12/23/2016	EFT	5512 SOUTH BAY RECYCLING LLC	2016-1103	11/29/2016		S122316	6,783.42
Invoice: 2016-1103								
	6,783.42		S0113010	522720MRFES	SERV RENDERED FROM NOV 13-19,2016 - MRF FIRES CONSTRUCTION COST			
Invoice: 2016-11								
	35,769.13		S0113010	480033	12/15/2016 NOV 2016 SHOREWAY ENVIR CENTER OPERATION MRF 3RD PARTY PROCESSING FEE		S122316	1,851,460.84
	59,911.77		S0113010	522717	BUYBACK PAYMENTS			
	134,611.86		S0113010	522714	SHOREWAY FACILITY COST			
	2,224.17		S0113010	520207	EQUIPMENT CHARGES			
	7,995.53		S0113010	520202SHORE	BANK FEES AND SERVICES			
	1,610,948.38		S0113010	522712	OPERATOR COMPENSATION SBR			
					CHECK	7402	TOTAL:	1,858,244.26
7403	12/23/2016	EFT	3892 T324 INC	IN90522607	12/13/2016		S122316	3,016.75
Invoice: IN90522607								
	3,016.75		S0113010	520338	WEB SITE SERVICES WEBSITE SUPPORT			
					CHECK	7403	TOTAL:	3,016.75
7404	12/23/2016	EFT	7976 TANNER PACIFIC INC	216-101	12/05/2016 811		S122316	3,726.72
Invoice: 216-101								
	3,726.72		S0113010	522720MRFES	11/27-12/03/16 CONSTRUCTION MGMT SVCS FIRE REHAB CONSTRUCTION COST			
Invoice: 216-106								
	4,583.00		S0113010	522720MRFES	12/12/2016 811 CONSTRUCTION MGMT SVCS FIRE REHAB 12/4/16-12/10/16 CONSTRUCTION COST		S122316	4,583.00
					CHECK	7404	TOTAL:	8,309.72

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A/P CASH DISBURSEMENTS JOURNAL

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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
7405	12/23/2016	EFT	5558 ZANKER ROAD RESOURCE MANAGEMENT L	201611349	11/01/2016		S122316	190,523.02
			Invoice: 201611349					
				190,523.02	S0113010	522713	NOV 2016 DISPOSAL PROCESSING COST DISPOSAL & PROCESSING COSTS	
							CHECK	7405 TOTAL: 190,523.02
7406	12/23/2016	PRTD	1441 ALPINE AWARDS ACCOUNTING	5514167	12/07/2016		S122316	97.86
			Invoice: 5514167					
				97.86	S0113010	520201	OXFORD SHIRT & FLEECE JACKET EMB OFFICE SUPPLIES	
			Invoice: 5514060					
			ALPINE AWARDS ACCOUNTING	5514060	12/02/2016		S122316	62.46
				62.46	S0113010	522718	ED CENTER NAME BADGES EDUCATION CENTER OPERATIONS	
							CHECK	7406 TOTAL: 160.32
7407	12/23/2016	PRTD	5640 BIO FUEL SYSTEMS INC	111604	12/01/2016		S122316	9,685.48
			Invoice: 111604					
				9,685.48	S0113010	522713	DISPOSAL PROCESSING COST SERV TO NOV 2016 DISPOSAL & PROCESSING COSTS	
							CHECK	7407 TOTAL: 9,685.48
7408	12/23/2016	PRTD	4457 CALIFORNIA PRODUCT STEWARDSHIP CO FY17-103-AF		07/01/2016		S122316	3,500.00
			Invoice: FY17-103-AF					
				3,500.00	S0113010	520511	2016-2017 CPSC SPONSORSHIPS & DONATIONS SPONSORSHIP AND DONATIONS	
							CHECK	7408 TOTAL: 3,500.00
7409	12/23/2016	PRTD	4467 DELIA AND ASSOCIATES	SBWMA120316	12/03/2016	1423	S122316	1,625.00
			Invoice: SBWMA120316					
				1,625.00	S0113010	520328	HR/ORGANIZATIONAL DEV SERVICES - AUG TO NOV 2016 EMPLOYEE RECRUITMENT/HR SUPPO	
							CHECK	7409 TOTAL: 1,625.00
7410	12/23/2016	PRTD	3277 J R MILLER AND ASSOCIATES INC	32501	11/30/2016	760	S122316	260.42
			Invoice: 32501					
				260.42	S0113010	522720MRFES	NOV 2016 SERV REPAIR OF MRF ROOFING DUE TO FIRE CONSTRUCTION COST	
			Invoice: 32431					
			J R MILLER AND ASSOCIATES INC	32431	11/30/2016	760	S122316	2,840.00
				2,840.00	S0113010	522720MRFES	NOV 2016 SERV REPAIR OF MRF ROOFING DUE TO FIRE CONSTRUCTION COST	
							CHECK	7410 TOTAL: 3,100.42

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A/P CASH DISBURSEMENTS JOURNAL

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

INVOICE	INV DATE	PO	CHECK RUN	NET	
INVOICE DTL DESC					
7411 12/23/2016 PRD Invoice: 225963	3071 LIVEWIRE INFORMATION SYSTEMS	225963	12/02/2016 808	S122316	23,649.79
			CAMERA SYSTEMS REPLACEMENT		
	23,649.79 S0113010 522720	MRFES	CONSTRUCTION COST		
			CHECK	7411 TOTAL:	23,649.79
7412 12/23/2016 PRD Invoice: 161130	5557 RECOLOGY BLOSSOM VALLEY ORGANICS-	161130	12/03/2016	S122316	255,242.82
			NOV 2016 DISPOSAL PROCESSING COST		
	255,242.82 S0113010 522713		DISPOSAL & PROCESSING COSTS		
			CHECK	7412 TOTAL:	255,242.82
7413 12/23/2016 PRD Invoice: 8121363344	4519 SHRED-IT USA	8121363344	12/07/2016	S122316	213.12
			OFFICE SUPPLY		
	213.12 S0113010 520201		OFFICE SUPPLIES		
			CHECK	7413 TOTAL:	213.12
7414 12/23/2016 PRD Invoice: SBWMA-068	3474 SLOAN VAZQUEZ LLC	SBWMA-068	12/07/2016 744	S122316	12,656.28
			2ND BCM FY 16-17 CONTAMINATION MONITOR FEE		
	12,656.28 S0113010 520336		QTRLY LOAD CONTAMINATION MONIT		
			CHECK	7414 TOTAL:	12,656.28
7415 12/23/2016 PRD Invoice: 1317	8223 SWEETSER & ASSOCIATES, INC	1317	12/07/2016 1043	S122316	3,500.00
			NOV 2016 HOUSEHOLD HAZ WASTE PROG ANALYSIS		
	3,500.00 S0113010 520306		AB939 PROGRAM STAFF		
			CHECK	7415 TOTAL:	3,500.00
7416 12/23/2016 PRD Invoice: 0000373-2960-4	5533 WM CURBSIDE LLC	0000373-2960-4	12/01/2016	S122316	54,844.04
			NOV 2016 HHW COLLECTION SERVICE		
	54,844.04 S0113010 522710		HHW COLLECTION SERVICE		
			CHECK	7416 TOTAL:	54,844.04

12/23/2016 09:26
Tchen

CITY OF SAN CARLOS
A/P CASH DISBURSEMENTS JOURNAL

SBWMA⁵
lapcsbdsb

NUMBER OF CHECKS 22 *** CASH ACCOUNT TOTAL *** 3,947,513.85

	COUNT	AMOUNT
TOTAL PRINTED CHECKS	11	368,177.27
TOTAL EFT'S	11	3,579,336.58

*** GRAND TOTAL *** 3,947,513.85 ✓

CP	✓
ARP	✓
EFT	✓
EFT:01	✓

BY: *[Signature]* 12/23/16
 DATE: *[Signature]* 12/23/16
[Signature] 12/23/16
 ACHS12230003.TXT



STAFF REPORT

To: SBWMA Board Members
From: Cyndi Urman, Office Manager/Board Secretary
Date: January 26, 2017 Board of Directors Meeting
Subject: Technical Consulting Contracts – 4th Quarter 2016

Recommendation

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

Summary

The purpose of this report is to provide an update to the Board on a quarterly basis on the technical consulting contracts that have been issued. All contracts issued in the 4th Quarter 2016 are listed on the attached report for review.

Each quarter throughout a given calendar year, staff will update this listing with any new technical contracts issued. How frequently this report is produced (e.g., monthly or quarterly) was discussed with the Executive Committee and it was decided given the small number of contracts issued that a quarterly frequency was appropriate.

If you have any questions on the attached listing of technical contracts, please contact Cyndi Urman

Attachments:

Attachment A – Technical Consulting Contracts – 4th Quarter 2016

Technical Consultant Contracts - 4th Quarter 2016

<u>Vendor Name</u>	<u>Amount of Contract</u>	<u>Scope of Work</u>	<u>Date of Award</u>	<u>Contract Procedures Used</u>	<u>Budget Line Item</u>	<u>Budget Line Item Description</u>
JR Miller and Associates	\$17,200.00	Design of MRF Roof Repair Due to Fires	10/01/16	Single Source	522720-MRFES	MRF Fire Restoration Reimbursable Cost
Tanner Pacific*	\$82,180.00	Construction Management for Fire Related Shoreway Repairs	10/07/16	Single Source	522720-MRFES	MRF Fire Restoration Reimbursable Cost
Chris Leon & Associates	\$25,000.00	Solid Waste and Recycling Consulting Services	10/21/16	Single Source	520306	AB939 Programs
SCS Engineers	\$45,000.00	Franchise Agreement Extension and Strategic Plan Support	10/24/16	Single Source	520306	AB939 Programs
Sweetser & Associates	\$10,000.00	HHW Program Options Analysis	10/25/16	Single Source	520306	AB939 Programs
RJ Proto Consulting	\$40,000.00	Technical Assistance for the Franchise Agreement Extension Process	10/20/16	Single Source	520309-HCS02	Franchise Administration
HF&H Consulting*	\$138,126.00	Financial and Negotiations Assistance for Franchise Agreement Extension Process	11/18/16	RFP/RFQ	520309-HCS02	Franchise Administration
Delia Consulting	\$10,000	On-Call HR Consulting	11/21/2016	Single Source	520328	HR Support

Competitive Procurement includes selecting contractors resulting from Requests for Proposals (RFP), Requests for Qualifications (RFQ), obtaining multiple bids/proposals and/or obtaining bids/proposals from firms pre-qualified per responses to published RFP/RFQ.

Single Source includes selecting contractors based on a sole source solicitation of bids/contracts and subsequent contract negotiations.

Contracts marked with an * have been adopted by the Board of Directors with the passage of a resolution.



STAFF UPDATE

To: SBWMA Board Members
From: Farouk Fakira, Finance Manager
Date: January 26, 2017 Board of Directors Meeting
Subject: 2018 Finance and Rate Setting Calendar

Recommendation

This is an informational report and no action is necessary.

Summary

The purpose of this staff report is to keep the Board and Member Agency staff informed on the schedule of important financial and rate setting events in 2017. This staff report is updated as necessary and included in the Board packet each month.

Schedule of Finance, Contractor Compensation and Rate Adjustment Activities in 2017:

January 2017

- Approval of FY15/16 audited Financial Statement.
- Mid-Year review of FY16/17 Operating Budget.

March 2017

- Recology submittal of the unaudited 2016 Revenue Reconciliation Report (March 31).
-

April 2017

- Review of Preliminary 17/18 SBWMA Budget at April 27, 2017 Board meeting.
- Approval of unaudited 2016 calendar year financial statement for bond reporting requirements.

June 2017

- Review and approval of Final FY17/18 SBWMA Operating Budget at June 22, 2017 Board meeting.
- Recology's 2017 Compensation Application due to the SBWMA and Member Agencies (*June 15*).
- SBWMA and Member Agency comments are due to Recology on its 2017 Compensation Application (*June 28*).
- SBWMA issues a letter requesting feedback from all Member Agencies on estimated 2018 Member Agency fees (e.g., franchise fees) to be included in their 2018 solid waste rates.
- Approval of Financial Systems audit report on Recology and SBR.

July 2017

- Board approval of Recology and SBR Financial Systems Audit Report.
- SBR's 2018 Compensation Application due to the SBWMA (*July 3*).
- Recology revised 2018 Compensation Application due to SBWMA & Member Agencies (*July 21*).
- SBWMA issues the following reports to the Board and Member Agency staff for review and comment:
 - Estimated 2017 and 2018 residential and commercial base revenue.
 - Estimated collected tonnage for 2017 and 2018.
 - 2017 Residential rates vs cost analysis.
 - Estimated residential revenue changes due to cart migration (i.e., lost revenue) by Member Agency since 2016.

- Summary of 2018 Member Agency fees to be used in the 2018 cost projections based on Member Agency feedback.

August 2017

- SBWMA issues Draft Report Reviewing Recology's 2018 Compensation Application, recommended total Revenue Requirement, and Rate Adjustment (*August 11*).
- SBWMA issues the Draft Report Reviewing SBR's 2018 Compensation Application (August 14).
- Comments due back from Member Agencies on draft Reports Reviewing Recology's & SBR's 2018 Compensation Application (*August 25*).

September 2017

- SBWMA issues Final Report Reviewing Recology's 2018 Compensation Application including the recommended total Collection Rate Adjustment for 2018. (*September BOD Packet*).
- SBWMA issues Final Report Reviewing SBR's 2018 Compensation Application. (*September BOD Packet*).
- Approval of the SBR 2018 Compensation Application (*September 28 BOD Meeting*).
- Approval of the Recology 2018 Compensation Application and total recommended Revenue Requirement (*September 28 BOD Meeting*).

September – December 2017

- Member Agencies issue Prop. 218 notice and approve final 2018 solid waste rates.

November 2017

- SBWMA issues report to Board on recommended January 1, 2018 Shoreway tip fee adjustments (includes calendar year 2017 & 2018 SBWMA financial projections with assumed tip fee and cash reserve balances).