

**MEMBERS:**

- 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



# RethinkWaste

South Bayside Waste Management Authority

**BOARD OF DIRECTORS MEETING**  
**THURSDAY, JANUARY 28, 2010 at 1:30 p.m.**

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

1. Roll Call

2. Adjourn to Closed Session pursuant to Government Code Section Govt. Code Sec. 54956.9 Conference with Legal Counsel—anticipated litigation-one case.

3. Report from Closed Session

THE REGULAR PORTION OF THE MEETING IS ANTICIPATED TO START AT 2:00 PM

4. Public Comment

5. Approval of Consent Calendar:

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

- A. Adopt the November 19, 2009 BOD Meeting Minutes
- B. Resolution Approving MOU with Santa Clara County re: Power Purchase Agreement Procurement
- C. Resolution Approving Waiver of Franchise Agreement Requirement for Annual Contractor Performance Hearing for 2010
- D. Receipt of Republic Monthly Metrics

6. Election of New Officers for 2010

7. New Business:

- A. Resolution Recommending Assignment of the SBWMA Member Agency Franchise Collection Agreements by Republic Services, Inc., to Recology San Mateo County
- B. Mid Year Review of FY2010 Annual Operating Budget
- C. Resolution Approving Contract with Zanker Road for Processing of Construction and Demolition Debris
- D. Approval of Updated SBWMA Brand Identification

8. Staff Updates

- a) Update on Allied Contract Compliance
- b) Recycling and Outreach Programs Update
- c) Facility Operations Update
- d) Implementation of County AB 939 Fee
- e) Preview of Upcoming Board meetings
- f) Recognition of Key Partners in RFP Processes

10. Board Member Comments

11. Adjourn

**DRAFT MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
November 19, 2009 - 1:00 p.m.  
San Carlos Library, Conference Room A  
610 Elm Street, San Carlos, California**

1. Roll Call: CTO 2:04 p.m.

2. Public Comment:  
None

3. Approval of Consent Calendar:

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

- A. Adopt the October 7, 2009 Special BOD Meeting Minutes
- B. Adopt the October 22, 2009 BOD Meeting Minutes
- C. Approval of Quarterly Investment Report as of 9/30/09
- D. Approval of 2010 Board Meeting calendar
- E. Resolution Accepting the Shoreway Environmental Center Phase I as Complete and Authorizing the Authority to Record a Notice of Completion

Resolution 2009-33

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

F. Receipt of Allied Monthly Metrics

M/S Crist/Moura approve Consent Calendar

Motion Passed 8-0-0-4 (Absent: Burlingame, EPA, San Mateo and West Bay Sanitary District)

4. Old Business:

A. Resolution Approving Contract with Jeffrey Scott Agency (JSA) for Collection Services Education & Promotion Campaign Development & Implementation Services

M/S Moura/LaMariana approve Resolution 2009-34

Motion Passed 8-0-0-4 (Absent: Burlingame, EPA, San Mateo and West Bay Sanitary District)

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

Burlingame now present.

B. Resolution Recommending Assignment of the SBWMA Member Agency Franchise Collection Agreements By Allied Waste Industries, Inc., to Republic Services, Inc.

SPEAKER:

MR. MARK ARSENAULT: "Good afternoon members of the Board. My name is Mark Arsenault, I'm the Area Manager for Recology. I am not sure this is the right item, but there is a tie. We have been actually meeting, both Republic and Recology, every week for the past several weeks to start to map out the details of the transition. As we looked at it, and again and again and again, we recognized that there are actually several benefits we think both to the customers and to both companies for an early transition. The date that we have mapped out for that transition would be July 1st. In listening to the assignment process that you're going through currently, we have come to the agreement that an assignment by all of the jurisdictions would be needed within the first three months of 2010 for us to be able to put all the things in place to make that transition occur on July 1st. The obvious benefits to the customers would be that as we begin deploying all the new carts for the recycling, we could actually bring in some trucks, all be they not new trucks, but used trucks to begin that service and also begin collecting all the surplus equipment; thousands and thousands of surplus containers, carts, tubs that will result from this transition. So hopefully creating a very smooth transition for the customers and also a smooth transition in terms of phone calls, so a lot of the sort of abrupt changes that normally occur in a transition on a single date would be softened tremendously by this kind of a transition. There's obviously benefits to the two companies in terms of questions going into the future. Those would be resolved through an agreement we have at least have a framework for with Republic which we'll be finalizing in the next couple of weeks, and then sharing that as well with the SBWMA and you as well. That's what we are proposing and would look to see if we can get some support for that and make this happen a little early and I think in a very smooth way. So I'd be happy to answer any questions you have. We've got Kevin and Evan here who we've been working with for several weeks on this. Again, happy to answer any questions. But, the key thing is it wouldn't even be able to be a two-thirds vote, it would have to be a hundred percent of all the jurisdictions within the three month time period. Thank you."

M/S Moura/LaMariana approve Resolution 2009-35

Motion Passed 9-0-0-3 (Absent: EPA, San Mateo and West Bay Sanitary District)

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

C. Resolution Approving SBWMA Consent to Assignment: Operating Agreement, and Disposal Agreement. Allied Waste Industries, Inc. Merger with Republic Services, Inc.

M/S Nava/Moura approve Resolution 2009-36 and Resolution 2009-37

Motion Passed 9-0-0-3 (Absent: EPA, San Mateo and West Bay Sanitary District)

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

5. **New Business:**

A. Resolution Approving Employee Compensation Policy and Setting Salary Ranges

Member Nava: For the record, I want to make sure I'm fully understanding there are no bonus provisions in the compensation policy?

Affirmed by Executive Director.

M/S Moura/LaMariana approve Resolution 2009-38

Motion Passed 9-0-0-3 (Absent: EPA, San Mateo and West Bay Sanitary District)

Resolution 2009-38

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

B. Quarterly Review of Bond Proforma

MEMBER CRIST: Question: We've got positive projections in nine and ten and then it kind of sinks in 2011?

EXECUTIVE DIRECTOR McCARTHY: Responded that public revenue is what's off significantly from what was projected. The projected operating revenues from 2011 are almost 8.3 million. As of now there's a \$381,000.00 variance; as a percent of total operating revenue, it's a very small amount. There might be an opportunity to work with the Port on the construction and demolition material, and will keep the Board posted

FINANCE MANAGER MORAN: One other item to add to answer Jack's question. Because commodity prices right now are higher than we had projected, we raised our prices for commodity sales in 2010 by about \$6.00, but then 2011 just to be a little conservative, we only raised them less than \$2.00, so that is not offsetting as much of the other variances in '11 as in '10.

C. Resolution Approving Proposed 2010 Adjustments to Tipping Fees at Shoreway Recycling and Disposal Center

D. Resolution Approving Allied Waste 2010 Collection Rate Application

E. Resolution Approving Allied Waste 2010 Facility Operations Rate Application

*Discussion for Items C, D and E (Combined)*

Presentation by Rick Simonson, HF&H Consultants, Inc. on Allied's rate applications, both for the Shoreway facility and collection operations

MEMBER NAVA: Question to the Executive Director, what the discussions between agency and the company on the overhead expenditures once the closure of the MRF took place?

EXECUTIVE DIRECTOR McCARTHY: Responded that there is a disagreement between the parties.

Discussion on the AB939 fee increase:

MEMBER LAMARIANA: "Sure, thank you Martha. First of all I wanted to express Jim Porter's regrets. He is at a conference. He had made a long term commitment quite some time ago. He's in a leadership position with his organization and he really felt like he could not get out of it and then he

wished me lots of luck. Describing this. So, if you can kind of bear with me, I've got some prepared remarks. I'd be happy to address any comments relating to the history and the process that I can fill in the blanks on. If there's specifics relating to the content of it, what I'd like to do is write down your comments and then we'll huddle when he gets back into town and we can get you a response that way if that works for you guys. To some degree he touched on this at the last meeting and I'm just sort of fleshing this out a bit.

First and foremost, he and I and all of our staff want to express and acknowledge the fact that we heard the cities loud and clear. We sent a letter out on Monday that described the circumstance and the process that we're currently in and gave a little bit of the history about how we got there and what we need to do to represent the interests and the direction that the Board of Supervisors has given us recently on this topic of proposed implementation of an AB939 fee. So we have heard the cities' feedback and based on that, what we're going to be recommending at the December 1st Board of Supervisors meeting is an alternate option that would actually stagger the implementation of the fee. So in the letter that you received on Monday, the direction in the letter was that we were going to implement a fee of \$9.83 effective January 1, 2010. In fact, we are now going to be recommending as an alternative option to our Board of Supervisors recommending implementation of an AB939 fee of \$7.02 effective January 1st and then phasing it in and stepping it up to the full \$9.83 on July 1st. And to give you some perspective, the \$7.02 per ton fee is significant because that is the current fee that is charged right now. So in other words, the net result that you and we would feel is there's no different in what's going on for six months. So we're going to stagger that out then, again on a proposed basis, if our Board of Supervisors does in fact accept staff recommendation. I think most of us are staff in here and we can appreciate how that process works.

I do want to say the letter did go out to every City Manager in the county, every SBWMA Board member and to our friends in the Holland Community here in the county. So that's what we're recommending. So if you can of bear with me, just to reiterate what this fee is, how we got here, and where we're going in the future, I'll give you a little background.

Again, the purpose of the fee is to fund the county's solid waste management and diversion programs and also the household hazardous waste and local enforcement agency programs. The fee has been in effect in some version for at least 30 years. We checked back in our records and some of them are very old records and they're a little crusty around the edges, but we saw some stuff that went back to the mid-seventies that related to that. In those cases it was through collaboration with the owner/operator of the Ox Mountain Landfill.

We currently have an operating agreement with the owner/operator of the Ox Mountain Landfill currently that expires on December 31, 2009, which is right around the corner. So recognizing this, we've had a group that has met with the folks at Republic and we've had a series of discussions since last spring and they've been very cordial discussions, but unfortunately towards the end of the summer it became pretty apparent that we were at an impasse and there were certain parts of the agreement that each party felt uncomfortable renewing for like terms and conditions. So we have formally acknowledged that we are at an impasse and so it was time to go to Plan B. So what the heck is Plan B? As staff we immediately did some surveys of the local landfill protocol, local meaning Northern California and Greater Bay Area.

It became immediately apparent to us that the industry norm, the industry standard is to get the revenues that drive the programs that I just described earlier. It's typically done through and AB939 fee. So that's where the discussion lead us to this point now about simply offsetting, the \$7.02 portion, offsetting the fees. Now, during this discussion, we had a lot of internal discussion where we were directed by the County Manager and ultimately by some of our elected officials to critically review the programs that are in the Solid Waste Management and Diversion Programs and also the Household Hazardous Waste and Local Enforcement Agency programs. So we have done that. We got direction.

We presented our findings and had discussion and received direction back from the elected officials, our supervisors, via the Environmental Quality Committee that is a sub-committee of the Greater Board. We went to them in September, October and November and presented a variety of options and findings. We were given direction by that committee to find a way to recoup a hundred percent of the expenses. So let me just explain what that means.

Although the tip fee was \$7.02, the true cost of operating these programs is actually \$9.83. The way, the mechanism that has augmented the difference, which is \$2.81 is our Solid Waste fund. There was enough in the fund, once upon a time, to continue funding this difference. Our staff has now presented the reality to our Board of Supervisors in the committee format that this fund is projected to be depleted by the end of 2010. So here we are looking for a new funding mechanism and being given direction to recover full recovery for these programs.

So that's where we are. That's how we got there. Again, we heard very loud and clear the concerns that were expressed by the cities and we're very appreciative of the feedback and we took them to heart. That's why we're recommending this phased approach in implementing them. We absolutely apologize for the very unfortunate timing. Our timing really could not be any better could it? Relating to all this stuff that we're talking about here, relating to all the new services and the transition of services, etc., it's really quite an unfortunate timing. I wish very dearly I could do something about that, but that's how the chips have fallen.

I did want to mention, at least in one of the phone calls, I've actually spoken to several folks in the room today by phone, and there was discussion, boy why did we just hear about this now? What's going on? I did want to mention that until we were at impasse, we were in a negotiations relationship with the folks at Republic and during those periods I hope you can respect that those were confidential discussions. Until we had a chance to present the findings and where we were or the progress reports to our Board of Supervisors, we were simply not at liberty to go public on this. I hope that at least presents something of an answer for the timing consideration.

We also very strongly respect the fact that we're sort of dropping it in everyone's lap right now. Right as we're all going into Prop 218 protocol in doing the announcements and all that. Again, the timing itself was somewhat unavoidable and we hope that you acknowledge our gesture here in terms of trying to phase it in to soften the blow of it.

So my read on it to Mr. Simonson's estimates up there would be that for this upcoming year you'd probably reduce that 3.8 in half because it would be stepped in in a two-phase process.

And just on a closing note, one of the things we've talked about as staff all the way through the County Manager's office is there are a lot of solid waste issues on the table right now that are affecting the county at large. This is really quite an extraordinary circumstance. We certainly deal with it with our portion of the county right here. What we're talking very seriously about is we think that there'd probably be no better time than right now to perhaps start up a solid waste technical advisory council or committee where we could talk about these issues collaboratively and move forward on it. There's a lot of things going on, again, talking outside just the scope of the SBWMA itself. As that idea takes a little bit more shape we'll be in touch with you. We'd love to get a cross section of representation, not only from cities, the county, the hauling community. We really want to have a holistic approach to some of these discussions. So with that, I'm going to take a deep breath and I'll be happy to try to address questions or write them down for future response.

MEMBER NAVA: to Member LaMariana. I heard the policy direction from the Board of Supervisors is one hundred percent cost recovery. And part of our strategy, then, is to continue to minimize the amount of tonnage that goes to the landfill. So everything that we're doing here is an attempt to continue to lower each year what's being dumped into that landfill. This means then that we're going to be looking at aggressive increases each year as the volume goes down. So has the Board of

Supervisors given thought to some multi-year strategies in terms of rate increases? Because I think that maybe we're maybe working at cross purposes here. Again, our main goal is to not put things into the landfill and the County's goal is to get one hundred percent of your program from the tonnage that is going into the landfill.

MEMBER LAMARIANA: Responds: Yes, Jesus, that's a great and very poignant statement. One could say that around 1999/2000 when the last agreement was agreed upon, negotiated and agreed upon, between the county and then BFI, the amount of material going into the landfill was slightly over 900,000 tons per year. We're now projecting almost half of that. So in a way, we know the economy has had some impact on that, certainly. But also, it's a function of exactly what you just said, all of the great programs, all the great efforts. By the way, this is an industry-wide trend throughout California. I've talked to a number of my counterparts throughout the State and it's quite a challenging situation.

To address the question, number one, we plan to, we've been directed to give the Board of Supervisors annually on what the status is, what the projected expenses are and what the projected and recommended rate increases are, so as staff we've absolutely considered that. The actual fee is, I want to be real clear on this, is not directed per se specifically at Ox Mountain, it is being levied on active landfills within the county and we have a curious situation currently that there's one active landfill and so that's how we get to Ox Mountain that way. There has been discussion on looking at alternative ways to implement this. I don't feel comfortable getting into the full details of it, but I will make a note of it and advise Jim on it. There's several other tiers that we've seen other counties do and that will be part of the discussion and Jim will be doing a power point presentation at the December 1st Board of Supervisors meeting and he will be addressing that issue as well. At that point, and obviously there's "x" amount of dollars and if you can increase the amount of tons that you divide it into it gets cheaper. We're looking at alternative ways. We do know that there are at least one instance of a city that's disposing their material outside the county and so we're exploring ways to go back to the point of generation of that material and then be able to capture that end and if you can bring those tons in, that then presents an opportunity to aggregate that number into a larger base and therefore lower the number. So we're very sensitive to that point. I just think it's a little premature for me right here, right now to go any further with it.

MEMBER NAVA stated: The other thing I heard you say was the Board of Supervisors asked us to take a very critical review of all our existing programs. My personal feeling is that there's some duplication between what the county does and what SBWMA does. So was there any discussions about either maybe contracting some of those county duties out to the SBWMA or eliminating some of the redundant services that are in place in order to reduce costs or anything like that?

MEMBER LAMARIANA Responded: The short answer is yes. There has been that conversation internally. We're looking at, again, a very critical review of what we've done, what we, the value of all the programs, we've categorized them into AB939 eligible programs, which would then tuck in under this proposed rate and we've also re-categorized a number of expenses that would be AB939 ineligible. Obviously the county has to come up with a funding mechanism to support those programs or the programs go away in some way, shape or form. So that's been part of this pretty arguable process that we've undertaken for the last three or four months. It's been quite an interesting process.

EXECUTIVE DIRECTOR questioned: Could you clarify when you say you're going to phase it in January 1, 2010, I heard it will remain the current amount of \$7.02. July 1 it would go to the proposed about \$9.83. There's nothing in between where it steps up to that?

MEMBER LAMARIANA responded. No. First of all just, it's a two step process. One is we're going to an AB939 fee, which we've never had before because the funding mechanism vaporizes on January 1, 2010. So that step one is to implement an AB939 fee to fund the programs. The second phase of that, as a result of the feedback that you gave us, is to stagger that into mid-year. From that point on, we

really do have a need to cover the costs because we're looking into alternative funding to make this happen, but we're projecting that we'll pretty much tap out that funding source by that time so we need to be in sync with that reality. To Kevin's question - It is a staff recommended option. I want to be very clear on that. After the phone started ringing and we started getting feedback which we expected and we were fully prepared, that will be the recommended staff option.

MEMBER MAVA: I'm one of the ones who talked to Joe and I think you all saw the email that I sent him too, so it's not necessarily that Burlingame is opposed to it. It's just simply that we've already begun the process, we've already done the analysis, we've got it going and then it puts us into a deficit situation if in fact the rate goes into effect without recovering those costs and since it's a pass through cost, I sort of always feel like those get paid first and then kind of what's left in the balancing account is what the city gets to draw on for whatever it's doing. And that puts us in just an awkward situation, but again, I wanted to make sure that the county understood that - - opposition, we're supportive of the programs that you're trying to implement, it's really just a timing issue at this point - - us being able to recover the costs.

MEMBER LAMARIANA: Just to, thank you very much Jesus and again, I appreciate your words of support conceptually and timing implications. Our original intention was to go to a single 18 month cycle and the report back to the Board, not at the end of 2010, but to sync up with our fiscal year which, of course, ends June 30th of the following year so that we would be in sync, our rate issues and programs would be in sync, not issues, programs, would be in sync with our fiscal year. Again, through a number of pretty high level discussions including the County Manager himself and one of the Deputies and our budget analyst and everybody else, it's a big chip there; a lot of voices to weigh in. We decided to again, accelerate and stagger it back. Again, it would be our intention to present to the Board at the end of each fiscal year, which again ends at the end of June, so for the future we would presumably have lots of forewarning by the time we get to the SBWMA's rate review process which happens in the tail end of the year. So you'd have this information well in hand before that and we could all sync up with the Prop 218 process and hopefully it would remove that one-time issue of the current initial phase in.

EXECUTIVE DIRECTOR McCARTHY: One I think a number of us have been made aware of cuts in the county HHW program. When you calculated this \$9.83 did you take into consideration those cuts in the HHW?

MEMBER LAMARIANA: Yeah. Great question. Let me just address something. There's one basic fee and it breaks out into two subcategories. There'll be a solid waste management and diversion programs subcomponent and a household hazardous waste and local enforcement agency program. The answer is yes those, Dean Peterson, who's the environmental health director of those programs, is Jim Porter's counterpart, he's been very engaged in these discussions. I need to have him speak for his own subcomponent of that. But they certainly have been part of our discussions. The discussion I've been part of, yes.

EXECUTIVE DIRECTOR McCARTHY: Just a couple of points to remind the Board about. I mean at one point the county paid for the pick up of HHW items at the transfer station. They stopped doing that, so that expense was added to our budget. I do understand you're cutting back on some of the pick up programs and some of the member agencies. So just want to point out to the Board, there's a \$2.81 per ton net increase, but I think there's a reason for member agencies to think about our on-call HHW program. If you've not considered it, please do consider it because the county has been cutting back on their services. So I just don't want there to be any confusion about that unless the fact the county isn't continuing those cuts in the programs.

MEMBER LAMARIANA: We're looking very anxiously/interestedly at what the net impact will be. I know Dean Peterson and his program is looking with great interest at what the net result will be for the household hazardous waste. As we, member agency by agency choose to adopt and implement the

curbside recycling program, which looks like a terrific program, and I personally have experience with it up in San Francisco, it's a great program. It would be my expectation that each year as Dean Peterson and Jim Porter are presenting to the Board of Supervisors, they're going to have to justify the expenses. And if the material isn't coming in in the same fashion that it once did, it's going to be pretty challenging to justify maintaining that level. So I don't want to speak for Dean so I'm kind of in the middle here, but I think that sort of lays it out for you.

EXECUTIVE DIRECTOR McCARTHY: Just one other, maybe a question or comment. I notice that North Fair Oaks has a projected positive balancing account. Was that taken into consideration? And related to that, your conversations with West Bay, they're one of the other communities that's projecting a very large positive balancing account, so one could assume that there is some money there that was applied, put into your calculation, or do you know if it was?

MEMBER LAMARIANA: Well, we're actually holding off on that, to give you a direct answer. There is a positive net balancing account that's accurate. Again, I certainly don't want to speak for West Bay because we're in discussions but we haven't gotten to a critical point in that discussion. For the moment that money is staying earmarked for what we call CSAA, North Fair Oaks, and it has not been factored into this in a direct way. We are anticipating, like all of us as we're looking at the projected exiting costs that Mr. Simonson and Mr. Hilton have shared with us, and are getting us sensitized to, during the last couple of meetings, we don't want to overextend. Those moneys were collected very specifically to be dedicated for the people in North Fair Oaks and we don't want to talk about funding county-wide programs from that very specific earmarked account.

MEMBER HARDY I've got one comment and one request of the staff. First, the request to the staff--the documentation that supports the fee or the calculation is available, I would ask the SBWMA staff to take a close look at that and look at some of the issues you've raised, which is have there been reductions, is there duplication of efforts and give us a little analysis on that. The other comment, if you go to implementing a fee effective July 1 to coincide with your fiscal year, that doesn't coincide well with our rate review process because we do it on a calendar year basis, so a fee imposed in the middle of the year, our rates are already set for that year, and so you're always doing this catch up. So if it goes up in the middle of the year, we start having a revenue shortfall that we don't anticipate, and so the dynamics of that, I think, need to be evaluated and understood.

EXECUTIVE DIRECTOR McCARTHY: Actually, we're talking about changing the tipping fees at the transfer station to offset the fees that will be paid for disposal up at Ox Mountain. The rates that we have with the cities is going to be Prop 218 hearings with each city for whatever rate it's going to charge the ratepayers.

BOARD COUNSEL LANZONE: What part of the LEA fees are not paid for by the state right now?

MEMBER LAMARIANA: To my knowledge, it's zero. It all comes from the county. I may be wrong in that. That falls in Dean Peterson's area of expertise, but everything that I've seen during this critical review process has indicated that his staff time and his expenses involved with the regulation, safety and health and welfare and full compliance of the facility come right back out of this. In other words, I don't know of any expenses that he may be holding back. I can't imagine that he would be holding back 'cause he's been looking to us as a funding partner, you might say. I may be not totally accurate on that one, so I'll ask that question.

MEMBER NAVA: Express gratitude to Rick. Every time I send him an email or pick up the phone and call him, asking for rate impacts or asking for information or costs and such, he responds rather quickly and always on target, so I just want to say thank you for your work. Appreciate it.

MEMBER CRIST: Well, I want to echo that comment. He's been very helpful.

M/S Hardy/Nava approve Resolution 2009-39 amending if schedule in response to action taken by

County to impose an AB939 Fee on Solid Waste Stream and all cities noticed of rate schedule immediately.

Motion Passed 9-0-0-3 (Absent: EPA, San Mateo and West Bay Sanitary District)

Resolution 2009-39

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

M/S Nava/Lamariana approve Resolution 2009-40 – 2010 Collection Rate Adjustment

Motion Passed 9-0-0-3 (Absent: EPA, San Mateo and West Bay Sanitary District)

Resolution 2009-40

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

M/S Nava/Lamariana approve Resolution 2009-41 – 2010 Rate Adjustment for Operations of the Shoreway Facility

Motion Passed 9-0-0-3 (Absent: EPA, San Mateo and West Bay Sanitary District)

Resolution 2009-41

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

**6. Staff Updates**

- a) Update on Allied Contract Compliance
- b) Recycling and Outreach Programs Update
- c) Facility Operations Update
- d) Preview of Upcoming Board meetings
- e) Update on Member Agency Actions/Grand Jury Responses

**7. Board Member Comments**

MEMBER LAMARIANA: I have just one very quick follow up. You know, as you sit here and you think of what you put in there, I did want to mention that in the situation when we're making recommendations to the board supervisor of what rate to charge, the basis of that is always dividing into the tons that are

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disposed of. So in this situation, we're looking at the current situation. We've projected out for the next year when the dual stream or the single stream program kicks in which further reduces tons going into Jesus' point up there, but there's also the potential of an up tick in tons going there, and the reason that that might happen is the landfill is permitted to take a certain level of capacity, and they're very low in that permitted capacity, so it's quite possible that the Republic staff go out and potentially solicit tons from other sources that brings more material in there. If that were to occur, potentially, that could reduce the fee, the AB939 fee, so I just wanted to present a balanced--I was kind of emphasizing on the current situation, but in fact, it's quite possible that that could occur, and that's something to add. So thank you for hearing me out on all the comments.

MEMBER NAVA: I have a comment, and again, I don't know how to express my gratitude for Rick's help in the past. I am in favor of attempting to reduce as much as we can our consultant fees and to try to see whether we can bring the work in house, but I also see great value in the work that HF&H performs on behalf of the agency, and I know that I, myself, have come to rely on the firm over the years for good information and for access to that information, so if there's a possibility of striking a balance between the savings that we can incur by bringing some of the work in house and still having independent review by HF&H, I think that would bring some value to each of the member agencies, so I would ask that Kevin look at that if possible and that we see whether we can have some role that they can play as well in the rate setting process in the future.

MEMBER HARDY: I just wanted to say that this is our last board meeting for the year because we're canceling the December meeting. I want to acknowledge personally on behalf of my city the efforts of the SBWMA staff. I think they have done a phenomenal job this year. Much has been accomplished. A lot of things have happened. It's been a very, very busy year. I hope that they have some time to relax and enjoy the holidays before we meet again in January. Thank you very much for all that you've done.

**8. Adjourn: 3:55pm**

Video of this meeting can be viewed at [www.rethinkwaste.org](http://www.rethinkwaste.org)



# RethinkWaste

South Bayside Waste Management Authority

## Board Members/Staff SIGN IN SHEET

November 19, 2009

### BOARD MEMBER

PRESENT	NAME	JURISDICTION
<i>JB</i>	Jerry Gruber	Atherton
	Eileen Wilkerson	Atherton
✓	Jack Crist	Belmont
	Thomas Fil	Belmont
✓	Jesus Nava	Burlingame
	Alvin James	East Palo Alto
	Anthony Docto	East Palo Alto
<i>JH</i>	Jim Hardy	Foster City
	Ray Towne	Foster City
<i>LG</i>	Laura Galli	Foster City
<i>MD</i>	Martha DeBry	Hillsborough
<i>KS</i>	Kent Steffens	Menlo Park
	Lisa Ekers	Menlo Park
<i>MP</i>	<del>Brian Ponty</del> Mike Gibbons	Redwood City
	Alison Freeman	Redwood City
	Brian Moura	San Carlos
	Larry Patterson	San Mateo
	Jim Porter	County of San Mateo
<i>JL</i>	Joe LaMariana	County of San Mateo
	John Simonetti	West Bay Sanitary District
	Vivian Housen	West Bay Sanitary District

### STAFF

PRESENT	NAME	TITLE
<i>KM</i>	Kevin McCarthy	Executive Director
<i>CH</i>	Cathy Hidalgo	Board Secretary
<i>MM</i>	Marshall Moran	Finance Manager
	Hilary Gans	Facility Operations Contracts Manager
	Cliff Feldman	Recycling Programs Manager
<i>MD</i>	Monica Devincenzi	Recycling Outreach Sustainability Manager
<i>JMK</i>	Jeanenne Minnix Kingston	Administrative Assistant
<i>BL</i>	Bob Lanzone	Legal Counsel



## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Robert J. Lanzone, Legal Counsel  
**Date:** January 28, 2010 Board of Directors Meeting  
**Subject:** Resolution Approving MOU with Santa Clara County Re: Power Purchase Agreement Procurement

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### Recommendation

Staff recommends Board approval of the attached resolution, **Attachment A**, authorizing the SBWMA Executive Director to execute an Agreement for Cooperative Purchasing of Power (see **Exhibit A**).

### Analysis

By authorizing the Executive Director to sign the attached Agreement for Cooperative Purchasing Power, this will enable the SBWMA, at minimal cost, to participate with other public agencies in the Santa Clara County RFP process and better determine if proceeding with a Power Purchase Agreement (PPA) will benefit the SBWMA and allow it to provide solar power energy to its facilities.

The Agreement commits the SBWMA to participate in the Santa Clara County Request for Proposals (RFP) process. There is no cost associated with the RFP to the SBWMA, except for a site survey, and all of the RFP information will be made available to the SBWMA. Santa Clara County will do all the work. There will be a preferred contractor recommended to all participating agencies. It is anticipated there will be a cost savings through the joint purchasing power of the agencies participating.

The SBWMA Board will receive a recommendation in a few months and a proposed PPA contract with preferred contractor. At that time, and only at that time, will the Board be asked to make a decision that would commit the SBWMA to proceed with a Power Purchase Agreement.

### Background

It was anticipated as part of the SBWMA's Master Plan for improvements to the Shoreway Recycling and Disposal Facility that renewable energy would be used, in some form, for the operation of the new facility.

The new Materials Recovery Facility (MRF) has been designed and is being constructed to accommodate photovoltaic (solar) cells being attached to the roof structure. **Attachment B** is a site diagram showing where such energy cells could be attached.

Staff has investigated having SBWMA directly contract to have photovoltaic cells constructed. So far the cost appears to be very high and SBWMA does not have the present resources to proceed.

An alternative to direct construction is to engage in a PPA. Under such an agreement a government agency contracts with a private company to:

1. Have that company construct, at its own cost, the installation of equipment to place photovoltaic cells at the government facility.

2. Agree to purchase from the company, over a period of years, its electric energy needs produced by the photo voltaic cells.

Joint Venture Silicon Valley's Climate Protection Task Force has facilitated a renewable energy PPA project, lead by Santa Clara County, and is currently proceeding to an RFP stage to receive proposals from renewable energy vendors. The Task Force has sought to have multiple government agencies in both Santa Clara and San Mateo Counties agree to participate in the RFP process to try and obtain the best costs and bids possible. **Attachment C** further explains the PPA project.

Staff has submitted information on the Shoreway facility as a project to be considered in the PPA. As part of the process, a site survey by independent engineers is required to ensure that the project can accommodate the photovoltaic cells and required connections. Santa Clara County is also spearheading an effort to pool the site surveys, including Shoreway, to minimize costs for participating agencies. Estimates for a site survey are approximately \$4,500 per site. As the Shoreway MRF is under construction, the survey will consist of a review of the plans for the facility, and, as a result, may not cost as much as a full physical site survey.

### **Fiscal Impact**

Approximately \$4,500 is needed for the site survey, and will be paid for using existing budgeted funds.

### ***Attachments:***

**Attachment A – Resolution 2010-01**

**Attachment B – Site Diagram**

**Attachment C – Task Force PPA Memo**



# RethinkWaste

South Bayside Waste Management Authority

## RESOLUTION NO. 2010-01

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING AGREEMENT FOR COOPERATIVE PURCHASING POWER

**WHEREAS**, the South Bayside Waste Management Authority (SBWMA) is committed to “Green Living”, respecting the environment by, among other things, reducing energy usage; and

**WHEREAS**, the SBWMA Master Plan for the Shoreway facilities shows future use of solar energy to produce energy for electricity needs of the facilities; and

**WHEREAS**, the Board has considered a report from staff regarding the Power Purchase Agreement (PPA) method of providing solar energy equipment to a public agency; and

**WHEREAS**, the County of Santa Clara is prepared to take a lead role in processing an RFP to assess and review providers of solar energy to public facilities; and

**WHEREAS**, attached as **Exhibit A** hereto is an agreement “Agreement for Cooperative Purchasing Power” (the Agreement) that will enable the SBWMA, at no cost, to participate with other public agencies in the Santa Clara County RFP process, and better determine if proceeding with a PPA agreement will benefit the SBWMA and enable it to provide solar power energy to its facilities.

**NOW, THEREFORE, BE IT RESOLVED** by the SBWMA Board of Directors hereby approves the Agreement and authorizes the Executive Director to execute the document.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 28<sup>th</sup> day of January, 2010, 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. 2010\_01 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 28, 2010.

ATTEST:

\_\_\_\_\_  
Martha DeBry, Chairperson of SBWMA

\_\_\_\_\_  
Cathy Hidalgo, Board Secretary

# [DRAFT]

## AGREEMENT FOR COOPERATIVE PURCHASING OF POWER

This agreement (“Agreement”) is effective \_\_\_\_\_ by and among the following California jurisdictions: County of Santa Clara (“Santa Clara County”), \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_. Signatories to this Agreement other than Santa Clara County, are referred to herein as “Non-County Parties.”

### Recitals

WHEREAS, the parties desire to purchase renewable energy for their operations;

WHEREAS, the parties wish to take advantage of potential discounts when such purchases are made at large volumes;

WHEREAS, large volume purchases of renewable energy will result from a regional, multi-jurisdiction purchasing arrangement where project sites are aggregated into groups on the basis of various risk and other financing related factors;

WHEREAS, large volume purchases likely result in lower pricing than would otherwise be available if individual jurisdictions independently purchased renewable energy;

WHEREAS, the parties agree that Santa Clara County shall be the lead agency for issuing a solicitation to purchase renewable energy (the “Solicitation”);

WHEREAS, the parties acknowledge that the transaction costs associated with purchasing renewable energy are significantly reduced when the parties agree to the same terms and conditions incorporated within standardized template documents; and

WHEREAS, at the completion of the Solicitation process, the parties are committed to signing power purchase, financing, real estate and/or other required agreements with selected vendors (“Vendors”) in the forms prepared by Santa Clara County.

NOW THEREFORE, in consideration of their mutual promises and agreements, and subject to the terms, conditions and provisions hereinafter set forth, the parties agree as follows:

### **SECTION 1. ROLE AND RESPONSIBILITIES OF SANTA CLARA COUNTY**

- A. Santa Clara County shall (i) perform the “lead” role in preparing and issuing the Solicitation, (ii) create templates of transaction documents, which may include, without limitation, a form of power purchase agreement and a form of lease (the “Template Documents”), and (iii) coordinate with the Non-County Parties, as necessary.
- B. Santa Clara County will consult with Non-County Parties with respect to the content of the Solicitation and the terms and conditions contained within Template Documents, provided, however, that any comments or concerns must be communicated to Santa Clara County within the allotted timeframe provided by Santa Clara County.
- C. The Non-County Parties agree that Santa Clara County shall be the single point of contact for Vendors and necessary third parties throughout the Solicitation process.

### **SECTION 2. ROLES AND RESPONSIBILITIES OF THE NON-COUNTY PARTIES**

- A. Each Non-County Party has undertaken their own due diligence prior to entering into this agreement to determine feasibility of solar, fuel cell or other feasible technology to be located at project sites.
- B. Each Non-County Party is responsible for meeting its individual legal, procedural and other requirements.

- C. Non-County Parties are responsible for promptly providing site surveys, if available, of their proposed real property sites that may accommodate renewable energy installations (individually, a “Site Survey”, and collectively the “Site Surveys”) and each such Site Survey shall be prepared by a licensed engineer in a uniform, industry standard format. Each party acknowledges that to the extent it does not undertake a site survey for a particular site, such site (i) may not be considered by Vendors or (ii) Vendors may aggregate such sites into a higher risk group and pricing for such group may be less favorable.
- D. Upon conclusion of the Solicitation process, Non-County Parties shall enter into binding agreements, substantially in the form of the Template Documents, with the selected parties, provided the Non-County Parties determine, to their satisfaction, that the Vendors are responsible, and comply with the Non-County Parties’ terms, conditions and requirements. Santa Clara County shall not be responsible for reference checks, performance, or for compliance with any agreement, regulations, laws or policies (by either the Vendor(s) or Non-County Parties).
- E. Non-County Parties agree to participate in the Solicitation under the lead role of Santa Clara County and agree to work cooperatively and promptly with Santa Clara County throughout the Solicitation process. The parties agree that time is of the essence; and failure of a Non-County Party to provide the required information in the requested format and within the deadlines established by Santa Clara County may result in termination of that party’s participation in the cooperative purchase.

### **SECTION 3. TERM OF AGREEMENT.**

The term of this Agreement shall commence on \_\_\_\_\_, 20\_\_ and shall expire on \_\_\_\_\_, 20\_\_.

### **SECTION 4. GOVERNING LAW AND VENUE.**

The law governing this Agreement shall be that of the State of California. In the event that suit shall be brought by any party to this contract, the parties agree that venue shall be exclusively vested in the

states courts of the County of Santa Clara, or if federal jurisdiction is appropriate, exclusively in the United States District Court, Northern District of California, San Jose, California.

**SECTION 5. WARRANTY DISCLAIMER; LIABILITY; WAIVER.**

- A. No warranty, express or implied, is provided by Santa Clara County as to results or success of the Solicitation, this Agreement, or any agreements ultimately entered into by the Non-County Parties. Each Non-County Party acknowledges that Santa Clara County has not made, and is not making, any assurances, guaranties or promises with respect to the subject matter of this Agreement and that each party is ultimately responsible for conducting its own due diligence with respect to feasibility, pricing, technology, third parties and all other matters in any way related to the subject matter of this Agreement.
- B. In no event shall Santa Clara County, nor its officers, agents, employers, or representatives be liable for any direct, indirect, incidental, special, exemplary, or consequential damages (including, but not limited to, procurement of substitute goods or services, loss of use, data, or profits, or business interruption) however caused and on any theory of liability, whether in contract, strict liability, or tort (including negligence or otherwise) arising in any way, directly or indirectly, from this Agreement, participation in the Solicitation, or any agreement(s) between a Non-County Party and any third party, even if advised of the possibility of such damage.
- C. Each party is responsible for negotiation, execution, administration and enforcement of any contract with a Vendor or third party related to the subject matter of this Agreement and the agreements ultimately entered into by each party shall not be cross-defaulted or cross-collateralized in any respect with the agreements entered into by any other party to this Agreement.
- D. No waiver by any party to this Agreement of any breach or violation of any term or condition of this Agreement shall be deemed to be a waiver of any other term or condition contained

herein or a waiver of any subsequent breach or violation of the same or any other term or condition.

**SECTION 6. NOTICES.**

Notices shall be deemed effective on the date delivered if by personal service or overnight delivery service, or, if mailed, three (3) days after deposit in the U.S. Postal Service mail. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be personally served, delivered by overnight service, or by mail, first class, certified or registered postage prepaid and return receipt requested, addressed to the respective parties as follows:

To County of Santa Clara: \_\_\_\_\_ To City of \_\_\_\_\_: \_\_\_\_\_  
\_\_\_\_\_  
To City of \_\_\_\_\_: \_\_\_\_\_ To City of \_\_\_\_\_: \_\_\_\_\_  
\_\_\_\_\_  
To City of \_\_\_\_\_: \_\_\_\_\_ To City of \_\_\_\_\_: \_\_\_\_\_  
\_\_\_\_\_

**SECTION 7. MISCELLANEOUS PROVISIONS.**

- A. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding on the parties.
  
- B. This Agreement may be executed in counterparts and will be binding as executed.
  
- C. All changes or extensions to this Agreement shall be in writing in the form of an amendment approved by all parties.

D. This Agreement is entered into only for the benefit of the parties executing this Agreement and not for the benefit of any other individual, entity, or person.

## **SECTION 8. TERMINATION.**

A. Santa Clara County may, upon thirty (30) days' written notice, terminate this Agreement without penalty or liability.

B. Non-County Parties may terminate this agreement at any time up to three (3) weeks prior to the issuance of the Solicitation pursuant to the schedule developed by the County.

## **SECTION 9. INDEMNIFICATION**

In lieu of and notwithstanding the pro rata risk allocation, which might otherwise be imposed between the parties pursuant to Government Code Section 895.6, the parties agree that all losses or liabilities incurred by a party that are in any way related to this Agreement shall not be shared pro rata but, instead, the parties agree that, pursuant to Government Code Section 895.4, each of the parties hereto shall fully indemnify and hold each of the other parties, their officers, board members, employees, and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying party, its officers, employees, or agents, under or in connection with or arising out of any work, authority, or jurisdiction delegated to such party under this Agreement. No party, nor any officer, board member, or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of another party hereto, its officers, board members, employees, or agents, under or in connection with or arising out of any work authority or jurisdiction delegated to such other party under this Agreement.

## **SECTION 10. NON-DISCRIMINATION**

Parties shall comply with all applicable Federal, State, and local laws, regulations and policies concerning nondiscrimination and equal opportunity in contracting. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503 and 504); California Fair

Employment and Housing Act (Government Code sections 12900 et seq.); and California Labor Code sections 1101 and 1102. Parties shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor shall parties discriminate in provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

IN WITNESS WHEREOF, the parties have executed this Agreement:

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
Name and Title



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## RENEWABLE ENERGY POWER PURCHASE AGREEMENT

### **The Challenge**

One of the major barriers for local governments in purchasing renewable energy systems is the high upfront costs involved. Although purchasing a renewable energy system outright is generally considered to be the most cost effective strategy in the long-term, the high capital costs are often prohibitive. An alternative method of financing is needed in order to utilize renewable energy and thereby decrease energy costs and aid in the reduction of carbon emissions in compliance with AB32. In the past five years, the financial sector and renewable energy providers have developed innovative third party ownership financing structures (Power Purchase Agreements) to take advantage of the tax incentives available to the private sector. However, these financing structures require significant legal, procurement, property management, and engineering expertise to execute and therefore have high transaction costs that present a barrier to local governments.

### **The Opportunity**

In order to reduce the transaction costs associated with Power Purchase Agreements and to support the diffusion of renewable energy generation, the members of the Joint Venture Climate Protection Task Force have suggested a regional collaborative procurement, lead by Santa Clara County. By leveraging the contractual resource investment of the lead agency and creating a procurement pool, all will benefit by reducing or eliminating a barrier to adoption of renewable power. A regional Power Purchase Agreement (PPA) is one model which provides an opportunity to break down both the upfront capital barriers to direct ownership and the transaction costs associated with third party financing and move our region forward in municipal renewable energy usage. Additionally, by creating a regional PPA rather than individual ones for each city, the costs of developing the agreement are reduced significantly for all parties involved. This method not only conserves funds, but also accelerates the financing process and deployment of renewable energy technologies, promotes compliance of AB32, and supports local economic development.

### **Project Goal**

To combine the efforts of local governmental agencies by identifying potential sites for renewable energy usage on government land/facilities, and create a PPA which will provide financing for the individual projects within the larger, overall plan.

### **Benefits**

1. Conserve government funds available for capital equipment.
2. Reduce greenhouse gas emissions from local government operations.
3. Stabilize the cost of electrical energy during a time when we expect prices to rise sharply.
4. Drive down the cost of photovoltaic systems through volume purchasing.

5. Help vendors drive down their costs through economics of scale, and standardization of purchasing methods.
6. Help smaller cities access legal, procurement and technical expertise that they can not afford to hire.
7. Minimize the workload for cities through the use of turnkey installations of solar systems, including financing, installation, maintenance, and operation.
8. Support the creation of local clean tech jobs.

### **Project Outcomes**

Share the PPA and lessons learned with schools, landlords, and other organizations considering solar to help them reduce their greenhouse gas emissions and stabilize their cost of electricity. Additionally, stimulate the local economy by using local vendors thereby creating more jobs.

Initial estimates indicate that the total amount of energy produced through this project may exceed 14 Mega Watts.

### **First Steps**

1. Create and issue a Request for Qualifications for photovoltaic systems integrators to develop a list of approved vendors for public agencies to use. (Santa Clara County)
2. Prepare preliminary draft scope of services for RFP. (Santa Clara County)
3. Identify vendors. (Santa Clara County)
4. Government agencies post sites for bid. (All participants)
5. Pool projects by type. (Climate Team)
6. Individual follow-up with vendors.
7. Refine the model Power Purchase Agreement (RFP) so that most public agencies should be able to use it with minimal modifications. The model PPA would be developed with inputs from system integrators to ensure that it would attract their interest. (Santa Clara County)
8. Issue the RFP (Santa Clara County)
9. Utilize a scoring system for vendor proposals. (Santa Clara County)

### **Challenges**

1. Smaller cities do not have the funds to develop expertise in photovoltaic systems on staff.
2. The structuring of Power Purchase Agreements is complicated. A number of public agencies have been successful, so role models are available.
3. There are legal barriers to allowing a private company to use a bond-funded building for private purposes (i.e. to generate electricity to sell to the city). It is not clear at this time how strictly this rule will be enforced.
4. A contract with a single company could undermine the goal of creating clean tech jobs in Silicon Valley.

### **Leadership Team**

- Caroline Judy, Manager of Intergovernmental Support Services, County of Santa Clara Facilities and Fleet Department

- Chris Schroeder, Purchasing Agent, City of Milpitas
- Jerry Lahr, Power Program Manager, Association of Bay Area Governments
- Jessie Denver, Solar America City Program Coordinator, City of San Jose
- Kara LaPierre, Vice President, Joint Venture: Silicon Valley Network
- Lin Ortega, Utilities Engineer/Program Manager, County of Santa Clara
- Lindsay Joye, Marketing Engineer, City of Palo Alto Utilities
- Rachel Massaro, Associate Director of Climate Initiatives, Joint Venture: Silicon Valley Network
- Steve Mitra, County Counsel, County of Santa Clara

### **Role of Joint Venture**

Joint Venture will facilitate the project through project planning, setting up meetings, documentation, event planning, and publicizing the project in the local media, the Joint Venture newsletter, and at the State of the Valley event.

For more information please contact Rachel Massaro at Joint Venture: Silicon Valley Network. 408-278-2245, [massaro@jointventure.org](mailto:massaro@jointventure.org)

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Kevin McCarthy, Executive Director  
Cliff Feldman, Recycling Programs Manager  
**Date:** January 28, 2010 Board of Director's Meeting  
**Subject:** Resolution Approving Waiver of Franchise Agreement Requirement  
for Annual Contractor Performance Hearing for 2010

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### **Recommendation**

Staff recommends that the Board approve the attached resolution waiving the requirement for the annual contractor (i.e., Allied Waste/Republic Services) performance hearing in 2010. The Performance Hearing to be conducted in 2010 would cover the contractor's performance under the Collection and Operating Agreements during calendar year 2009 and provide an update on the implementation of the recommendations from the 2008 Performance Hearing.

### **Analysis**

The 2008 Performance Hearing Report and recommendations were approved by the Board on May 28, 2009. The report presented findings regarding Republic Services performance in 2008. Staff believes the company has substantially complied with its obligations per the approved recommendations. In addition, staff has been focused on the transition to a new service provider at the end of this year, and this focus combined with the improvements made by the company in recent years, are the primary rationale to cancel conducting a performance hearing for the company's 2009 activities. Republic Services agrees with the staff recommendation to not conduct a performance hearing in 2010.

### **Background**

For the past several years, SBWMA staff and the Board have conducted a Performance Hearing of Republic Services in accordance with the performance hearing process as per Article 7, Section 7.01 of the Member Agency's Franchise Agreement(s) for Solid Waste, Recyclable Materials and Plant Materials Collection Services. The last performance hearing that was conducted covered the company's operations for 2008. This hearing was held on April 2, 2009 and the final report and recommendations were approved by the Board on May 28, 2009. The Hearing Board consisted of SBWMA Board members Martha DeBry (SBWMA Chair), Brian Moura (SBWMA Vice Chair) and Jesus Nava.

### **Collection Agreement Provisions**

The Performance Hearing process is prescribed in the Collection Franchise Agreements:

**7.01 Performance Hearing.** Agency may hold a public hearing on or about the first anniversary date of this Agreement and each subsequent anniversary, at which time Contractor shall be present and shall participate, to review the Solid Waste Collection, Recycling, waste reduction, processing and other diversion services and overall performance. The purpose of the hearing is to provide for a discussion and review of technological, economic, and regulatory changes in Collection, waste reduction, Recycling, processing and Disposal to achieve a continuing, advanced Solid Waste Collection, waste reduction and diversion system; and to ensure services are being provided with adequate quality, effectiveness and economy.

Forty-five (45) days after receiving notice from Agency of a Solid Waste performance review hearing, Contractor shall, at a minimum, submit a report to Agency indicating the following:

**A.** Changes recommended and/or new services to improve Agency's ability to meet the Agency's waste reduction and recycling goals and those of AB 939 and to contain costs and minimize impacts on rates.

**B.** Any specific plans for provision of changed or new services by Contractor. The reports required by this Agreement regarding service recipient Complaints shall be used as one basis for review. Contractor may submit other relevant performance information and reports for consideration. Agency may request Contractor to submit specific information for the hearing. In addition, any service recipient may submit comments or Complaints during or before the hearing, either orally or in writing, and these shall be considered.

**C.** Topics for discussion and review at the Solid Waste performance hearing shall include, but shall not be limited to, services provided, feasibility of providing new services, application of new technologies, service recipient Complaints, amendments to this Agreement, developments in the applicable laws and regulations, new initiatives for meeting or exceeding waste reduction and recycling goals, regulatory constraints and Contractor performance. Agency and Contractor may each select additional topics for discussion at any performance review hearing.

Not later than sixty (60) days after the conclusion of each performance hearing, Agency may issue a report. As a result of the review, Agency may require Contractor to provide expanded or new services within a reasonable time and for reasonable rates and compensation and Agency may direct Contractor to take corrective actions for any performance inadequacies.



# RethinkWaste

South Bayside Waste Management Authority

## RESOLUTION NO. 2010-02

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING WAIVER OF FRANCHISE AGREEMENT REQUIREMENT FOR ANNUAL CONTRACTOR PERFORMANCE HEARING FOR 2010

**WHEREAS**, Staff recommends that the Board of Directors approve waiving the requirement for the annual contractor (i.e., Allied Waste/Republic Services) performance hearing in 2010.

**NOW, THEREFORE, BE IT RESOLVED** by the SBWMA Board of Directors hereby approves the recommendation and waives the requirement for the annual performance hearing.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 28<sup>th</sup> day of January, 2010, 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. 2010\_02 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 28, 2010.

ATTEST:

\_\_\_\_\_  
Martha DeBry , Chairperson of SBWMA

\_\_\_\_\_  
Cathy Hidalgo, Board Secretary



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## Allied Waste Update

**Agenda Item 5D**

**Part I - 18 Pages\***

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Part I	Executive Summary	Attached
Part II	Monthly Progress Report By City	Posted on Website-not attached
Part III	Coordinator Call Logs	Posted on Website-not attached



## EXECUTIVE SUMMARY

### **Overtime Hours Per Day (Transfer Station/MRF)**

Overtime hours per day for the Transfer Station (T20) remained consistent with the previous month at 33 hours per day in December. Much of this consistency in the overtime hours per day can be attributed to incoming volumes coming in close to historical numbers. We do anticipate January overtime hours per day to increase due to changes in the collection schedule as well as an increase in volumes due around the holidays.

### **Overtime Hours per Day (Collection Operations)**

Overtime hours per day for the collection operation (925) in December increased substantially to 105 hours per day from 41 hours per day in the prior month. This substantial increase in overtime hours per day can be attributed to the change in the collection schedule, which occurs around the Christmas holiday. As a result of this schedule change, all operations staff work one Saturday in the month of December. During this Saturday all hourly personnel receive pay at 1.5 times their normal wage, which is recorded for payroll purposes as overtime.

We are pleased to report that despite the increase in overtime hours per day for the month of December, we did improve upon our overtime hours per day recorded in December 2008 by nearly 5% (105 hours/day in December 2009 versus 110 hours/day in December 2008). We anticipate this number to continue to remain at this level and potentially slightly higher for at least the month of January, as volumes tend to increase substantially over the holiday, as well as another Saturday is worked due to the collection schedule change around the New Years Day holiday. We do however expect this number to decrease substantially in the month of February when curbside collection schedules and volumes return to normal.

### **Average Weekly Delayed Pickups**

The average weekly number of delayed pickups for the month of December decreased month over month, moving from 78 to 56. This decrease can be attributed to outreach sent to customers regarding the collection schedule around the holidays and customer's general understanding of the collection schedule around the Christmas holiday versus the Thanksgiving holiday. The average weekly number for delayed pickups out performs our average weekly number of delayed pickups for the previous 12 months of approximately 85. The average weekly number of delayed pickups in December continues to far exceed performance standards for the industry of 120 per week based on the high number of service opportunities in the area.

### **Missed Pickups**

Missed pickups for the month of December were recorded at 1. The number of missed pickups in December exceeds performance in this area for the previous 12-month average and is consistent with performance in the previous month. Performance in this area continues to be positive given the approximate 1.1 million service opportunities a month. We anticipate this number to continue to yield positive results in the foreseeable future and will continue to strive to reach and maintain a rate of zero missed pickups each month.



### **Customer Service Average Hold Time**

Average hold time for the month of December decreased to 8 seconds down from 9 seconds in the previous month. An 8 second average hold time is slightly below the previous 12-month average hold time of 9.5 seconds. An 8 second hold time far exceeds the goal of 30 seconds or less. In last month's report, we anticipated average hold times increasing due to two Customer Service Representatives going out on personal leave, however, that personal leave was delayed until the month of January due to this delay we are now anticipating an increase in average hold times for the month of January.

### **Calls Answered in 30 Seconds**

Calls Answered in 30 Seconds for the month of December remained consistent with the previous month at 91%. This number far exceeds the industry standard performance of 80%. Our performance in this area is in direct correlation with our performance with average hold time. Those contributing factors, which drive average hold time, are also going to drive our performance against this measurement. A 91% service level is directly in line with our previous 12-month average. We expect service levels in December to decrease due to two Customer Service Representatives being out on personal leave, as well as an increase in call volume as a result of year-end mailings. We anticipate service levels to decrease in January due to personal leave of absence in the Customer Service Department, year-end outreach and calendars, and Prop 218 notices being mailed by the cities of San Mateo, Foster City, and San Carlos. All of which are expected to result in a spike in call volume.

### **Calls Answered in 90 Seconds**

The percentage of Calls Answered in 90 Seconds increased to 98% in the month of December. This measurement is tied directly to our number of calls answered in 30 seconds, as well as our average hold time. Our performance in these areas dictates our performance against this particular metric. As mentioned above, we expect this number to decrease in January.

### **Abandoned Call Percentage**

Our abandon rate for the month of December decreased to 1.1%. As with most of the call center metrics reported, our performance in this area is dictated by our performance in other key call center metrics (i.e., average hold time, calls answered in 30 seconds, and calls answered in 90 seconds). An abandon rate of 1.1% far exceeds the industry standard abandon rate of 3.0%. A 1.1% abandon rate is also below our previous 12-month average of 1.3%. Again, we anticipate this number to increase slightly in the month of January.

### **Total Calls by Month**

Total Calls by Month for December increased by approximately 8.65% to 16,233. This is approximately 1% higher than our average call volume for the previous 12 months of 16,071 calls. Call volumes are expected to increase in the month of January due to year-end mailings such as the 2010 recycling calendars and schedule, and Prop 218 notices being mailed for the cities of San Mateo, Foster City, and San Carlos.



**Self-Haul Ratio**

December 2009 yards per ton ratio was 2.69 yards per ton up from 2.42 in the previous month. Although this is above the established threshold of 2.65 yards per ton, Allied will continue to focus on this metric and will continue to closely monitor transaction activity through January. Scale house personnel are aware of the current ratio and are working on continuing the upward trend. Wet weather at the beginning of the month produced greater than expected heavy and wet self-haul yardage.

**C&D Recycling Performance**

2,290 net tons of C&D materials were recovered in December 2009. Allied was able to achieve a 4% year over year increase in this program in 2009 versus 2008. Allied is especially pleased with the Q3 and Q4 2009 results, which were 19% better than C&D tonnage recovered through this program for the same period in 2008.

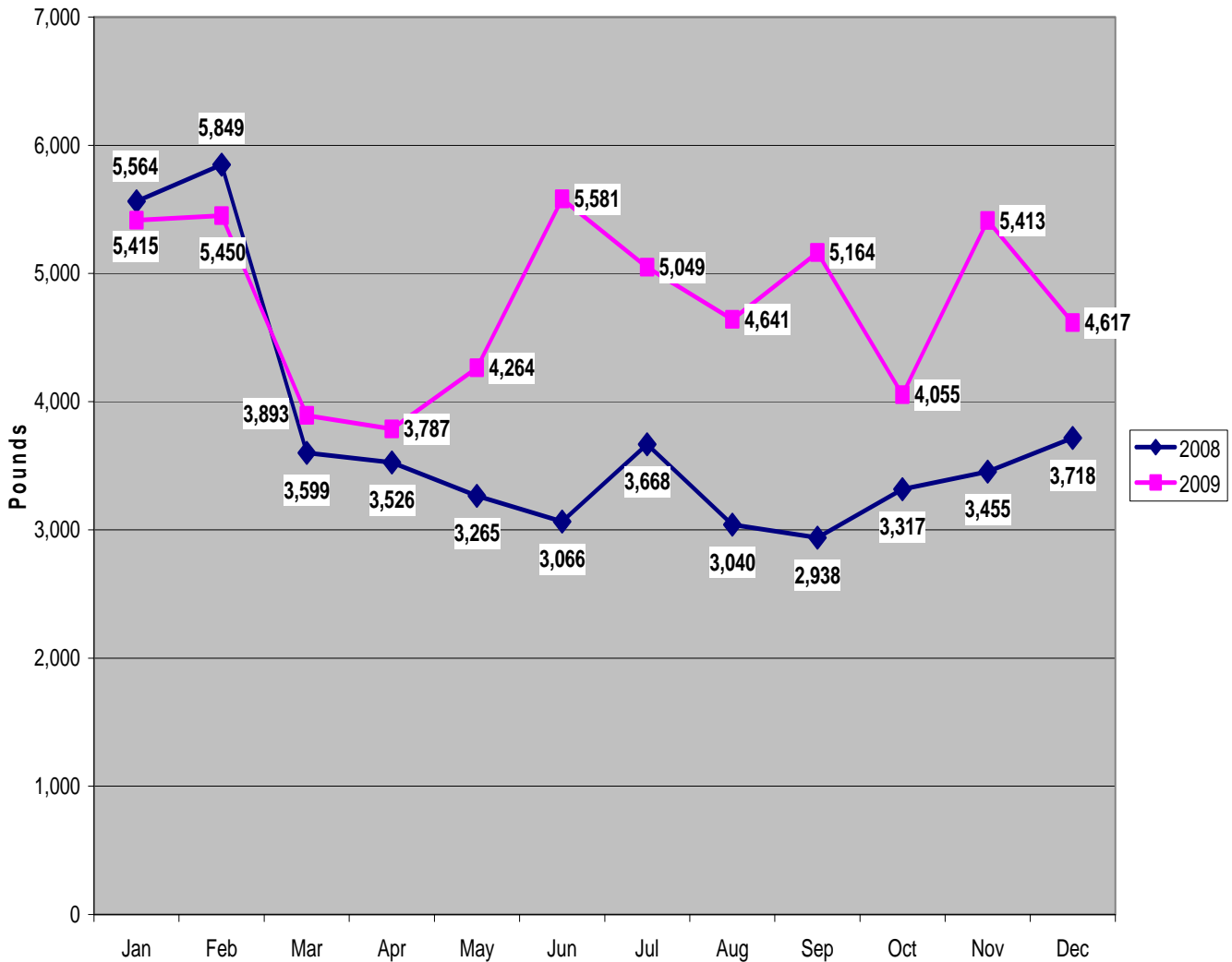
<b>South Bayside Transfer Station C &amp; D Tons to Zanker Road</b>					
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Jan</b>	1,246.98	639.26	1585.44	1,693.36	1,602.88
<b>Feb</b>	1,618.18	1,369.73	1337.82	1,530.43	1,424.63
<b>Mar</b>	2,182.49	1,461.86	1605.41	1,574.55	1,723.11
<b>Apr</b>	1,100.82	1,361.47	1749.16	2,461.99	2,058.04
<b>May</b>	1,102.71	2,208.81	2226.75	2,354.57	1,828.76
<b>Jun</b>	317.86	2,292.17	2048.91	2,674.06	2,093.77
<b>Jul</b>	353.46	1,943.33	1974.51	2,528.04	2,601.29
<b>Aug</b>	889.65	2,095.46	2059.83	2,508.20	2,793.49
<b>Sep</b>	1,271.40	1,740.60	1879.53	2,483.64	2,810.07
<b>Oct</b>	1,058.87	1,883.58	2126.58	2,576.17	3,057.28
<b>Nov</b>	657.42	1,453.40	1954.91	1,829.21	2,610.23
<b>Dec</b>	465.68	1,174.56	1588.37	1,650.82	2,290.76
	<b>12,265.52</b>	<b>19,624.23</b>	<b>22,137.22</b>	<b>25,865.05</b>	<b>26,894.31</b>



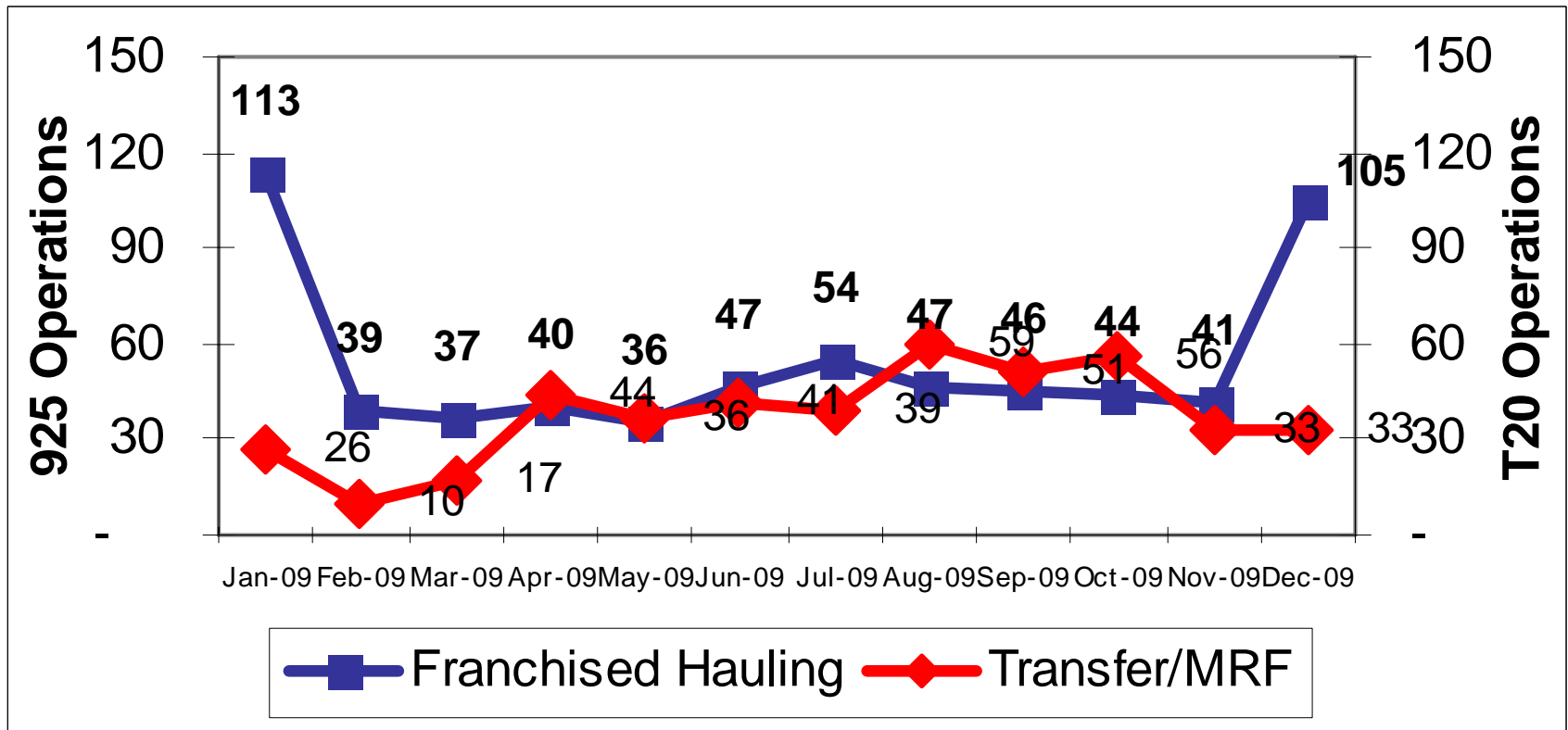
### Battery Collection Performance

Residential curbside collection volumes for household batteries and cell phones for all jurisdictions in December 2009 was 4,617 pounds. In 2009, the battery program saw a 27% year over year improvement in batteries and cell phones recycled. Increased outreach and awareness of the curbside collection of batteries and cell phones have been a major contributing factor to this increase.

#### Residential Curbside Cell Phone & Battery Collection

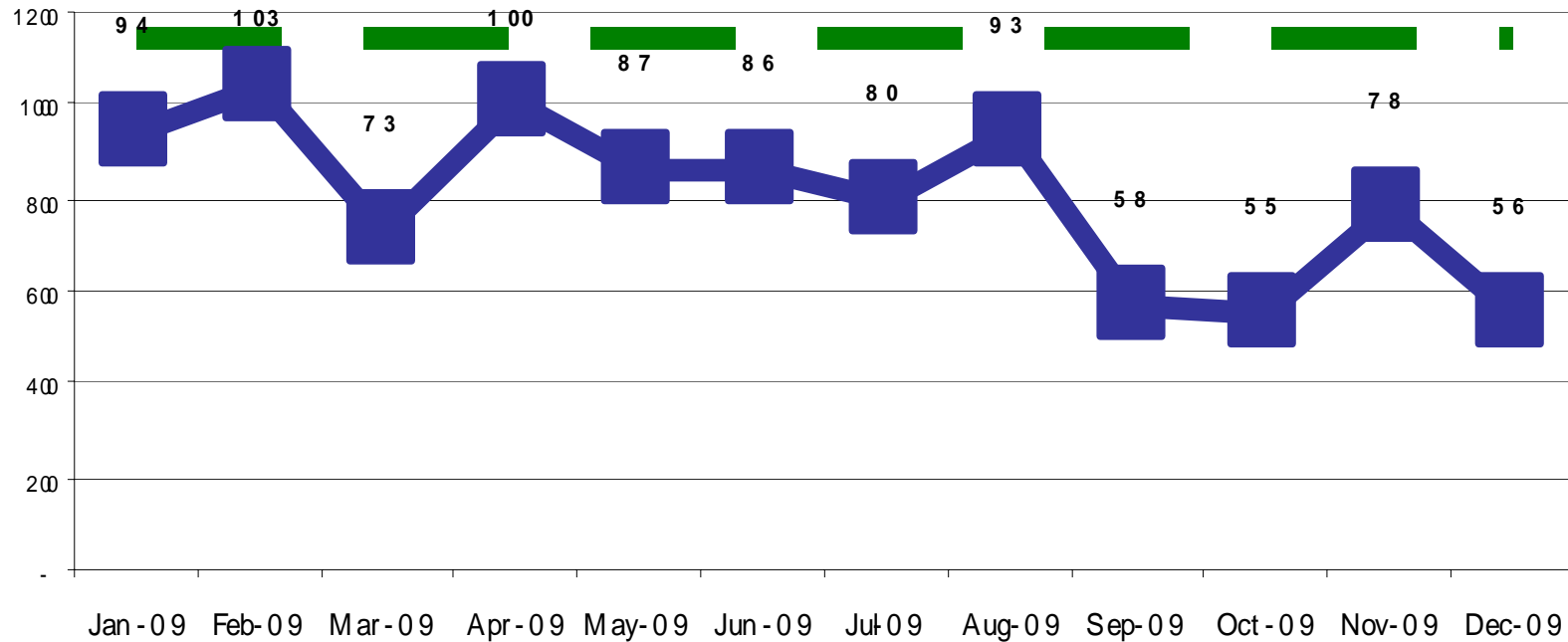


# Collection Driver and Transfer/MRF Operations Overtime Hours Per Day



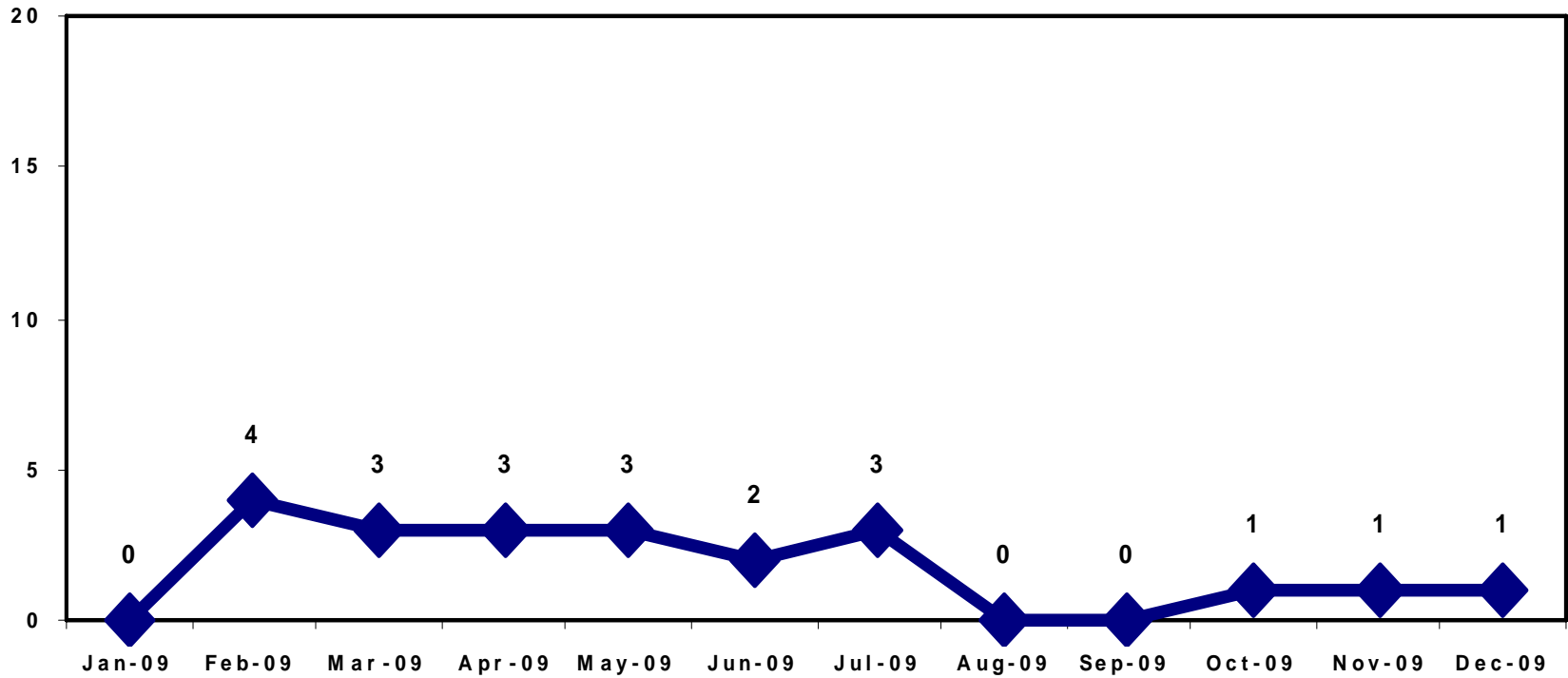
# Average Weekly Delayed Pickups

Service Standard is 114 Total



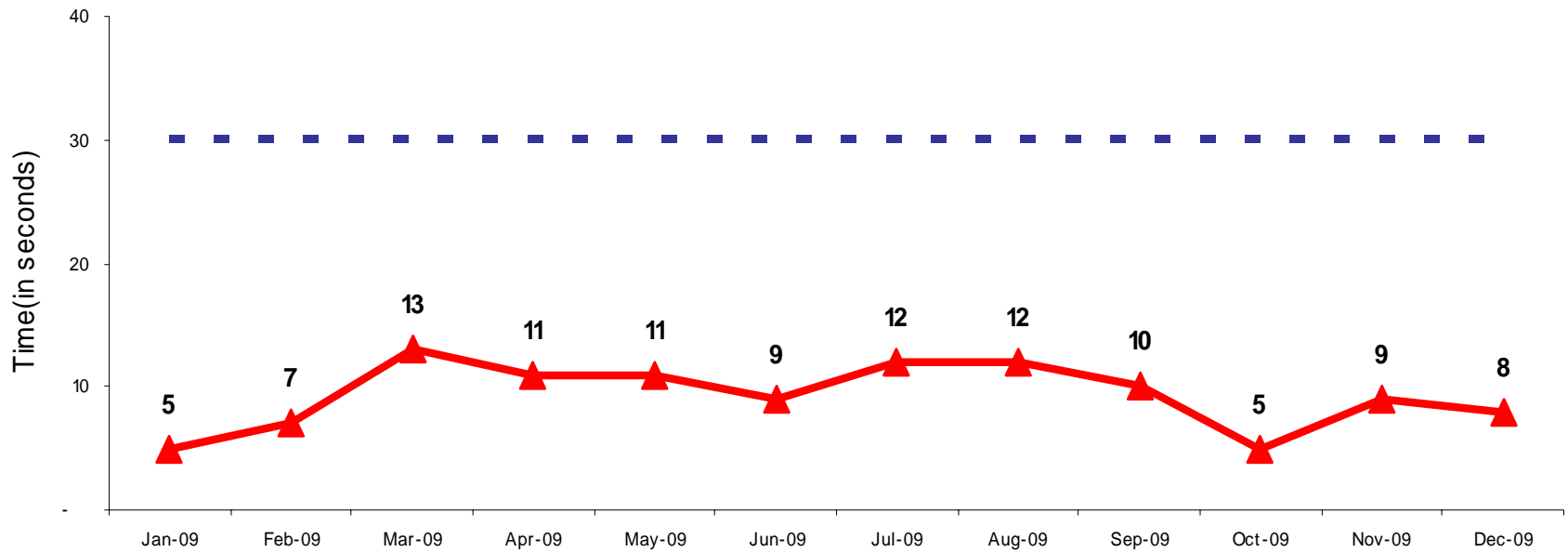
Note: Service Standard is 1 missed pick up per 1000 residential customers and 2 missed pick ups per 1000 commercial customers.

# Monthly Missed Pick Ups



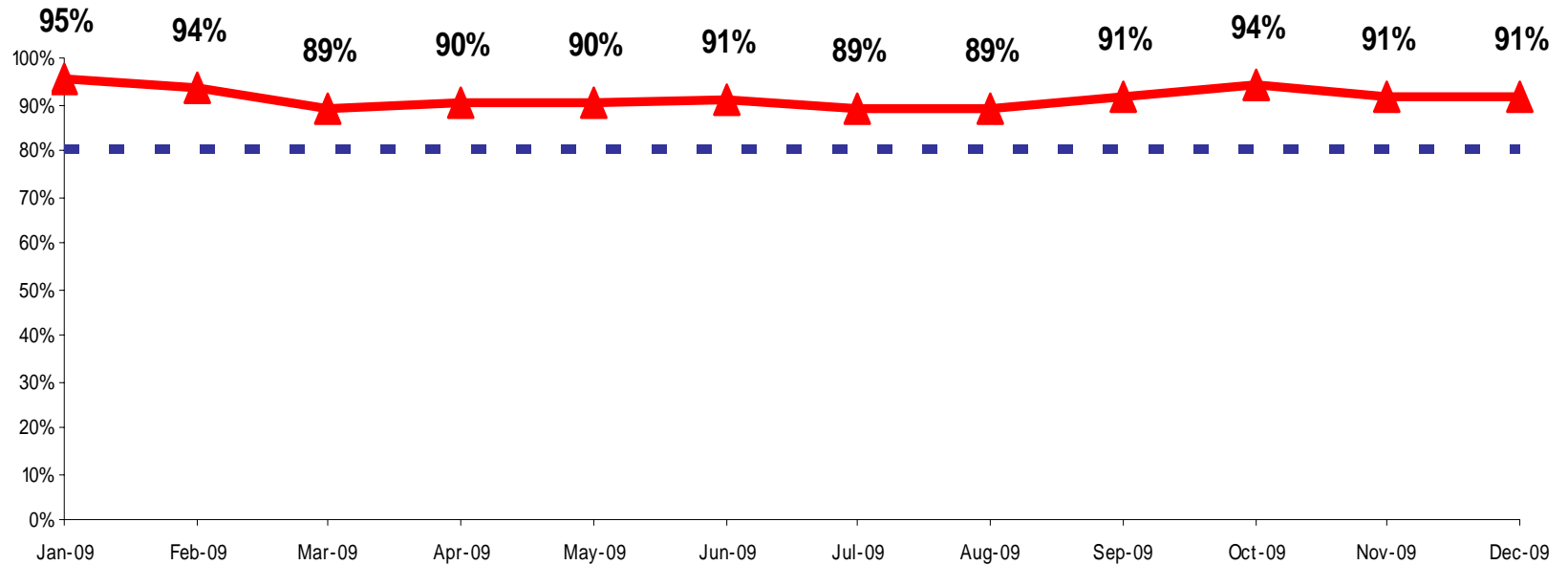
# Customer Service Average Hold Time

30 Second Service Standard



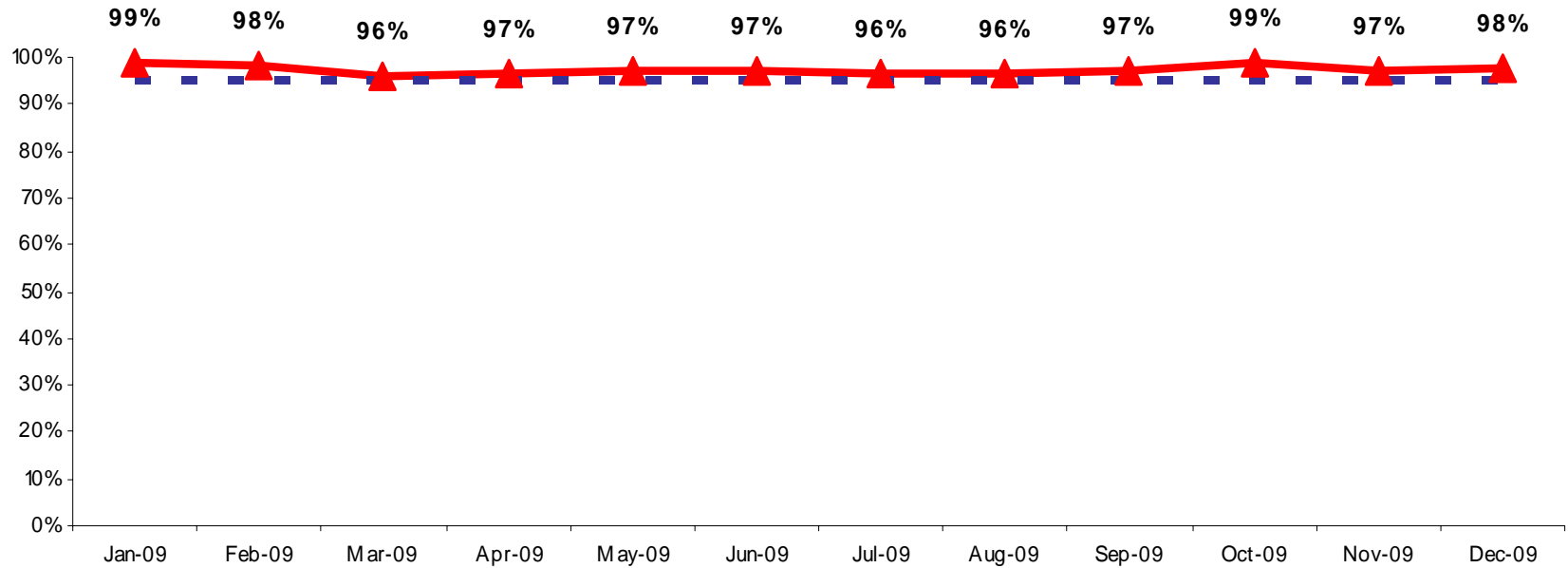
# Customer Service Percentage of Calls Answered in 30 Seconds

80% Service Standard



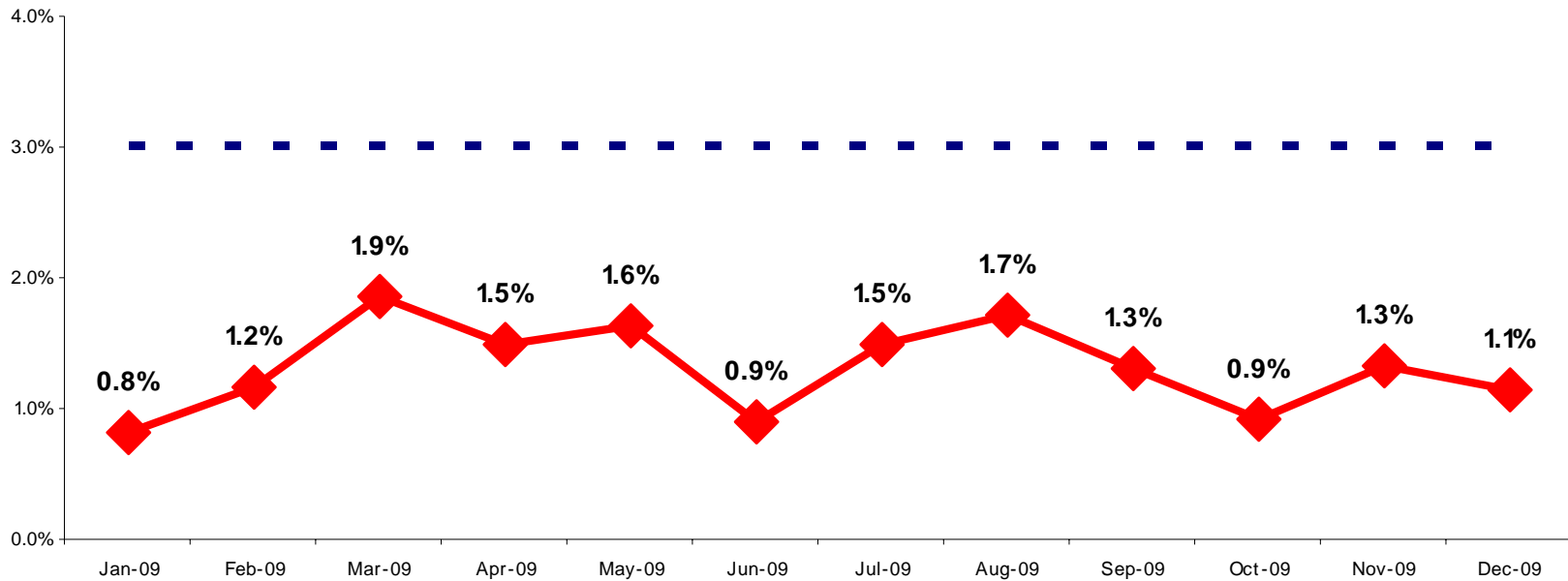
# Customer Service Percentage of Calls Answered in 90 Seconds

95% Service Standard

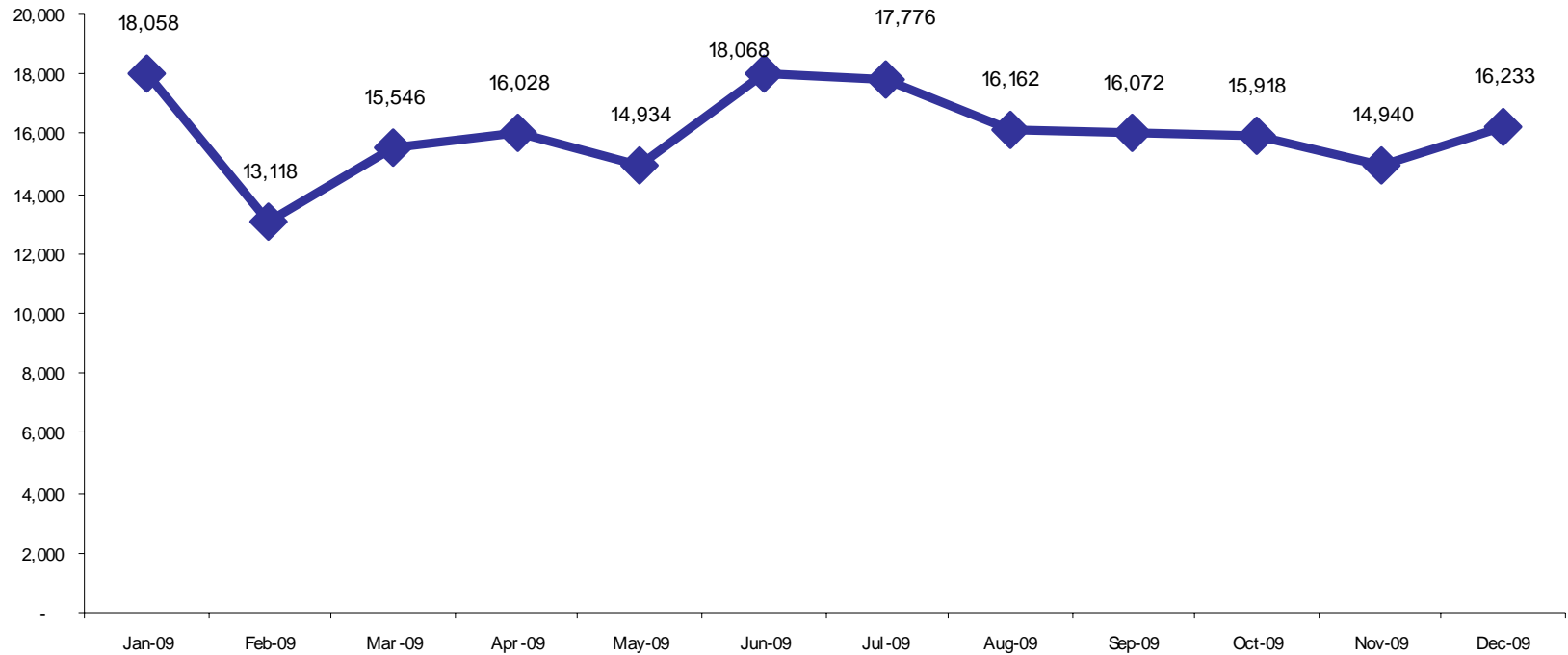


# Customer Service Abandoned Call Percentage

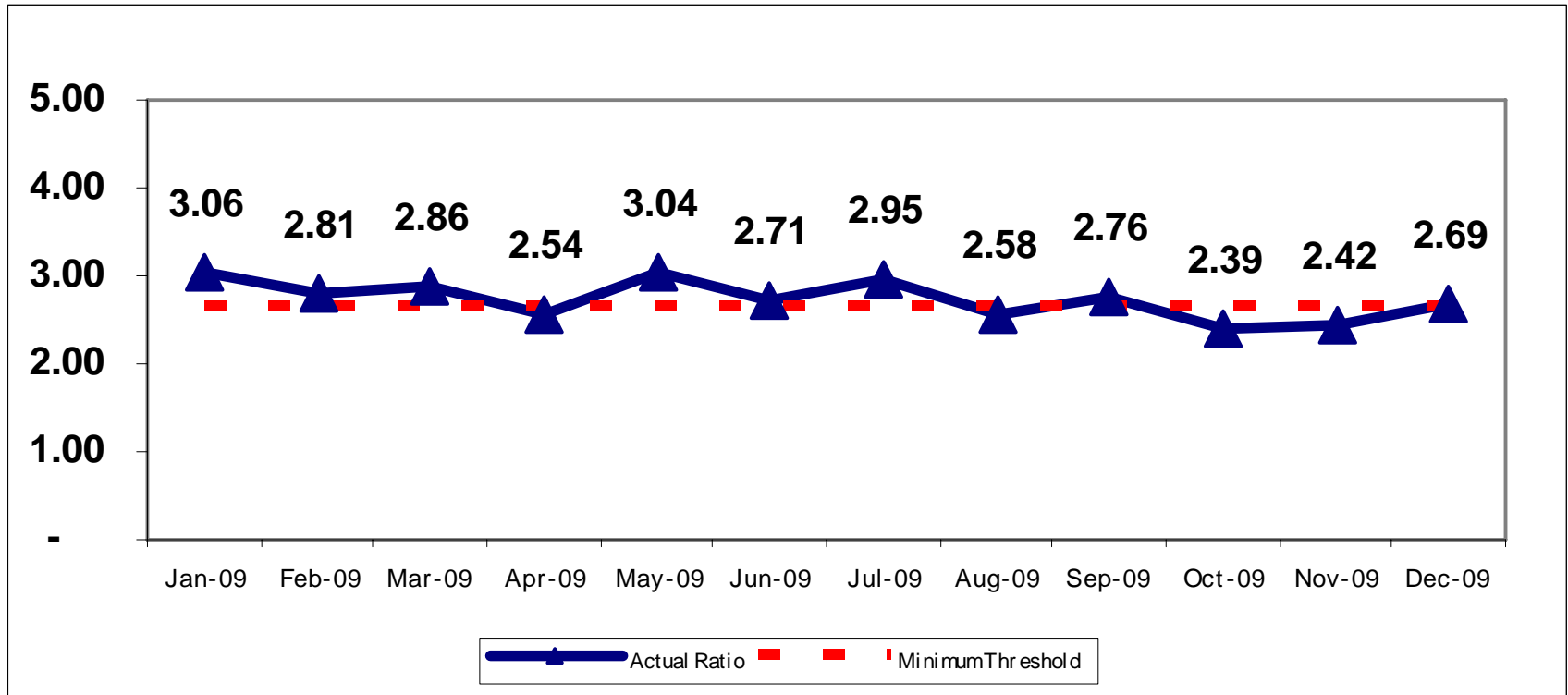
Service Standard 3%



# Total Calls by Month



# Transfer Station Public Yards to Ton Ratio



# 2009 LIQUIDATED DAMAGES



### 11.03, B.1a. Failure to commence service to a new recipient within 7 days

													Less:				Total LD				
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total		2009 Total	Annual Allowance	Net # of Incidents	LD per Incident
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	(5)	\$ 150	\$ -
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60	(60)		\$ -

### 11.03, B.1b. Missed Pickup Not Corrected in 24 Hours

													Less:				Total LD				
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total		2009 Total	Annual Allowance	Net # of Incidents	LD per Incident
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Belmont	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -
Burlingame	-	4	1	5	-	-	-	-	-	-	-	-	-	-	-	-	5	15	(10)	\$ 150	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Foster City	-	-	-	-	-	1	1	-	-	-	-	-	1	-	-	1	2	15	(13)	\$ 150	\$ -
Hillsborough	-	-	-	-	-	-	-	1	-	-	-	1	-	-	-	-	1	15	(14)	\$ 150	\$ -
Menlo Park	-	-	-	-	-	1	1	1	-	-	-	1	-	-	1	3	15	(12)	\$ 150	\$ -	
Redwood City	-	-	-	-	2	1	1	4	-	-	-	-	-	-	-	4	15	(11)	\$ 150	\$ -	
San Carlos	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -	
San Mateo	-	-	-	-	1	1	-	2	1	-	-	1	-	-	-	3	15	(12)	\$ 150	\$ -	
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
<b>Total</b>	-	4	3	7	3	3	2	8	3	-	-	3	1	1	1	3	21	180	(159)		\$ -

### 11.03, B.1c. Consecutive Missed Pickups

													Less:				Total LD				
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total		2009 Total	Annual Allowance	Net # of Incidents	LD per Incident
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	1	-	1	-	-	-	1	0	0	1	\$ 150	\$ 150
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
<b>Total</b>	-	-	-	-	-	-	-	-	-	1	-	1	-	-	-	-	1	0	1		\$ 150

# 2009 LIQUIDATED DAMAGES



### 11.03, B.1d. Failure to properly conduct special collections

													Less:				2009 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total					
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0			\$ -

### 11.03, B.1e. Failure to perform and submit billing reviews

													Less:				2009 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total					
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 250	\$ -
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0			\$ -

### 11.03, B.2a. For each occurrence of private property damage

													Less:				2009 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total					
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	
Belmont	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(6)	\$ 250	
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	1	1	7	(6)	\$ 250	
San Carlos	-	-	-	-	1	-	-	1	-	-	-	-	-	-	-	-	1	7	(6)	\$ 250	
San Mateo	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	1	7	(6)	\$ 250	
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	
	1	-	-	1	1	1	-	2	-	-	-	-	1	-	-	1	4	84	(80)		\$ -

# 2009 LIQUIDATED DAMAGES



**11.03, B.2b. For each occurrence of failure to properly return containers to the appropriate location**

													Less:				2009 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total					
Atherton	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	1	10	(9)	\$ 150	
Belmont	-	-	-	-	-	-	-	-	1	1	2	4	1	1	-	2	6	10	(4)	\$ 150	
Burlingame	-	1	2	3	2	1	1	4	6	1	2	9	-	2	1	3	19	10	9	\$ 150	\$ 1,350
East Palo Alto	-	-	-	-	-	-	-	-	-	1	1	2	-	-	-	-	2	10	(8)	\$ 150	
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	
Foster City	-	-	-	-	-	-	-	-	1	-	1	2	-	-	-	-	2	10	(8)	\$ 150	
Hillsborough	-	-	-	-	-	-	-	-	2	-	1	3	1	1	-	2	5	10	(5)	\$ 150	
Menlo Park	-	2	1	3	1	-	-	1	-	-	1	1	1	-	-	1	6	10	(4)	\$ 150	
Redwood City	4	2	1	7	5	1	-	6	1	3	6	10	4	3	2	9	32	10	22	\$ 150	\$ 3,300
San Carlos	3	1	-	4	-	1	2	3	-	-	2	2	1	-	2	3	12	10	2	\$ 150	\$ 300
San Mateo	2	-	-	2	1	2	5	8	6	2	3	11	1	3	2	6	27	10	17	\$ 150	\$ 2,550
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	10	(9)	\$ 150	
<b>Total</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>19</b>	<b>9</b>	<b>6</b>	<b>8</b>	<b>23</b>	<b>17</b>	<b>8</b>	<b>19</b>	<b>44</b>	<b>9</b>	<b>10</b>	<b>8</b>	<b>27</b>	<b>113</b>	<b>120</b>	<b>(7)</b>		<b>\$ 7,500</b>

**11.03, B.2c. For each occurrence of excessive noise or discourteous behavior**

													Less:				2009 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total					
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Belmont	-	-	-	-	-	-	-	-	1	-	-	1	1	-	1	2	3	0	3	\$ 250	\$ 750
Burlingame	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	0	1	\$ 250	\$ 250
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	1	0	1	\$ 250	\$ 250
Foster City	-	-	-	-	-	-	-	-	1	1	1	3	-	-	-	-	3	0	3	\$ 250	\$ 750
Hillsborough	-	-	-	-	-	1	-	1	-	-	1	1	-	-	-	-	2	0	2	\$ 250	\$ 500
Menlo Park	-	1	-	1	-	-	-	-	-	1	-	1	-	-	-	-	2	0	2	\$ 250	\$ 500
Redwood City	-	-	-	-	-	-	2	2	1	1	1	3	2	2	2	6	11	0	11	\$ 250	\$ 2,750
San Carlos	-	1	-	1	-	-	-	-	-	1	-	1	-	-	-	-	2	0	2	\$ 250	\$ 500
San Mateo	-	-	-	-	-	-	1	1	2	2	-	4	-	-	3	3	8	0	8	\$ 250	\$ 2,000
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
<b>Total</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>15</b>	<b>3</b>	<b>2</b>	<b>6</b>	<b>11</b>	<b>33</b>	<b>0</b>	<b>33</b>		<b>\$ 8,250</b>

**11.03, B.2d. For each failure to clean up solid waste spilled by the Contractor**

													Less:				2009 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total					
Atherton	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -
Belmont	-	1	-	1	1	-	1	2	-	2	1	3	1	-	-	1	7	15	(8)	\$ 150	\$ -
Burlingame	-	-	-	-	-	1	3	4	-	-	-	-	-	-	1	1	5	15	(10)	\$ 150	\$ -
East Palo Alto	1	-	-	1	-	-	1	1	2	-	1	3	-	-	-	-	5	15	(10)	\$ 150	\$ -
Fair Oaks/SMCo	1	-	-	1	-	-	-	-	-	-	-	-	1	-	1	2	3	15	(12)	\$ 150	\$ -
Foster City	-	1	-	1	-	-	-	-	-	-	1	1	-	-	1	1	3	15	(12)	\$ 150	\$ -
Hillsborough	-	-	1	1	-	-	-	-	-	1	-	1	1	1	-	2	4	15	(11)	\$ 150	\$ -
Menlo Park	-	1	1	2	-	-	-	-	-	-	-	-	-	-	1	1	3	15	(12)	\$ 150	\$ -
Redwood City	2	4	1	7	3	2	3	8	-	1	3	4	5	-	4	9	28	15	13	\$ 150	\$ 1,950
San Carlos	1	-	-	1	2	-	-	2	-	-	1	1	-	1	1	2	6	15	(9)	\$ 150	\$ -
San Mateo	2	-	2	4	1	2	3	6	1	1	2	4	-	-	1	1	15	15	-	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
<b>Total</b>	<b>7</b>	<b>7</b>	<b>5</b>	<b>19</b>	<b>7</b>	<b>5</b>	<b>12</b>	<b>24</b>	<b>3</b>	<b>5</b>	<b>9</b>	<b>17</b>	<b>8</b>	<b>2</b>	<b>10</b>	<b>20</b>	<b>80</b>	<b>180</b>	<b>(100)</b>		<b>\$ 1,950</b>

# 2009 LIQUIDATED DAMAGES



**11.03, B.2e. For each occurrence of collection of solid waste materials during unauthorized hours**

													Less:				2009 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD	
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total						
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -	
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -	
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -	
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -	
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -	
Foster City	-	-	-	-	-	-	-	-	-	1	-	1	-	-	-	-	-	1	10	(9)	\$ 250	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -	
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -	
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -	
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -	
San Mateo	-	-	-	-	-	-	-	-	-	2	-	2	-	-	-	-	-	2	10	(8)	\$ 250	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -	
	-	-	-	-	-	-	-	-	-	-	3	3	-	-	-	-	-	3	120	(117)		\$ -

**11.03, B.3a. For each failure to initially respond to a service recipient complaint within one business day**

													Less:				2009 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total					
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -

**11.03, B.3b. For each failure to process service recipient complaints to Agency**

													Less:				2009 Total	Annual Allowance	Net # of Incidents	LD per Incident	Total LD
	JAN	FEB	MAR	Q1 Total	APR	MAY	JUN	Q2 Total	JUL	AUG	SEP	Q3 Total	OCT	NOV	DEC	Q4 Total					
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0		\$ 100	\$ -

				49				61										62	255		\$ 17,850
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## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Robert J. Lanzone, Legal Counsel  
**Date:** January 28, 2010 Board Meeting  
**Subject:** Election of Officers for 2010

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### **Recommended Procedure**

Staff recommends the following process for the Board to follow in electing a Chair and Vice Chair for 2010:

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 (if the current Chair is not re-elected) 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.

### **Background**

The SBWMA Joint Powers Agreement was amended in 2005 to provide for the annual election of a Chair and Vice Chair from amongst the SBWMA Board members. (JPA Agreement sec. 8.5 and 8.6).



**RethinkWaste**

South Bayside Waste Management Authority

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**Agenda Item 7A**

**NEW BUSINESS**

**Resolution Recommending Assignment of the SBWMA Member Agency Franchise Collection Agreements by Republic Services, Inc., to Recology San Mateo County**

**Will Forward/Post when available**

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## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Kevin McCarthy, Executive Director  
Marshall Moran, Finance Manager  
**Date:** January 28, 2010 Board of Director's Meeting  
**Subject:** Mid-Year Review of FY2010 Annual Operating Budget

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### **Recommendation**

This staff report is for discussion purposes only and no formal action is requested of the Board. Staff is presenting a draft report for consideration and review. Input will be incorporated into a revised and final staff report for the February 25, 2010 Board meeting. Attached is a budget worksheet providing line item detail for all revenues and expenses.

### **Analysis**

On June 25, 2009 the South Bayside Waste Management Authority (SBWMA) Board of Directors adopted the FY 2010 Operating Budget. As part of the mid-year review, Staff has conducted a thorough analysis of year-to-date revenues and expenditures. Based on the projections detailed below, staff is expecting some required Board action to transfer funds from the rate stabilization fund to address budget variances related to Shoreway operating expenses.

### ***Proposed Adjustments to Budget***

As detailed under "Fiscal Impact" we are projecting a \$1,319,996 higher net loss due to significant Shoreway operating budget variances. These variances relate to unbudgeted balancing account (compensation shortfall) payments to Allied for 2006 and 2008 totaling \$1,596,281 and an additional \$459,788 in 2000 bond debt interest payments. These variances are offset somewhat from higher revenues of \$353,499, lower interim operations (shipment and processing of MRF recyclables offsite by Smurfit) expenses of \$627,117, and \$188,561 in lower SBWMA program expenses.

The compensation shortfall payments were \$996,281 for 2006 and \$600,000 for 2008. The \$996,281 was budgeted as a cash flow adjustment to the reserve balance and not as a current operating expense which is where it is being recorded. The \$600,000 payment was not included as an adjustment to our reserve balance.

The bond debt service higher expense is due to accrued interest and early redemption of the 2000 bonds. From a cash flow perspective, these funds came out of Bank of New York (trustee for bond proceeds) accounts and not the SBWMA operating account so this variance does not affect our reserve balances.

Staff is still investigating what if any impact the accounting for the non-current Shoreway operating expenses (i.e., compensation shortfall payments) and the higher interest expense may have on our bond covenants for 2009 and 2010. Relatedly, staff may also recommend that we make a transfer from our rate stabilization reserve.

### ***Staffing and Position Changes***

Two staffing changes are expected to be implemented effective March 1, 2010 with Cathy Hidalgo filling the vacant Recycling Coordinator position and Jeannene Minnix Kingston filling the Recycling

Specialist/Board Secretary position currently filled by Cathy. These changes are within the discretion of the Executive Director.

Staff will also be requesting an adjustment in staffing levels to reflect the 0.8 FTE Administration Assistant position becoming a full-time position effective May 1, 2010; this requires Board approval.

**Fiscal Impact**

The mid-year projections reflect an operating deficit of \$3.695 million due to the Shoreway operating budget variances previously described; this projection is a \$1.319 million higher operating loss than budgeted. The adopted budget assumed use of working capital from bond proceeds to augment cash flow given projected operating deficits.

After the issuance of new debt in August 2009 \$2.8 million in working capital was transferred to the SBWMA's cash reserves along with reimbursement of internal funds previously used by the SBWMA for Shoreway masterplan improvements. The net result is the SBWMA has significantly higher reserve balances than budgeted. Staff will present further details at the Board meeting on our reserve balances and potential transfer of funds to address our operating deficit.

The following tables represent FY 2010 revenues and expenditures, actual receipts and spending through December 31, 2009, and year-end projections.

<b><u>FY 2010 NET INCOME</u></b>				
<b><u>Revenues</u></b>	<b><u>FY 2010 Adopted Budget*</u></b>	<b><u>FY 2010 Year-to-date Totals</u></b>	<b><u>FY 2010 Year End Projections</u></b>	<b><u>Variance</u></b>
Total Revenues	\$36,719,300		\$37,072,799	\$353,499
Total Expenditures	\$39,095,109		\$40,768,604	(\$1,673,495)
<b>Net Gain/(Loss)</b>	<b>(\$2,375,809)</b>		<b>(\$3,695,805)</b>	<b>(\$1,319,996)</b>

Projected revenues are \$353,499 higher than budgeted due to modestly higher tip fee receipts, and commodity revenues. Also, we received a one-time gain of \$197,800 from the sale of the old MRF processing equipment.

<b><u>FY 2010 REVENUES</u></b>				
<b><u>Revenues</u></b>	<b><u>FY 2010 Adopted Budget*</u></b>	<b><u>FY 2010 Year-to-date Totals</u></b>	<b><u>FY 2010 Year End Projections</u></b>	<b><u>Variance</u></b>
Tip Fee Revenues	\$27,937,300	\$13,206,182	\$28,045,328	\$108,028
Commodity Sales Revenues	\$8,661,500	\$4,273,061	\$8,735,841	\$74,341
Interest Income & Other Revenues	\$120,500		\$93,830	(\$26,670)
Non-Operating Receipts*			\$197,800	\$197,800
<b>Total Revenues:</b>	<b>\$36,719,300</b>		<b>\$37,072,799</b>	<b>\$353,499</b>

\* Exclusive of non-operating receipts from new debt funding received in September 2009

\*\* Net revenue from the sale of the used MRF processing equipment.

FY 2010 expenditure projections are \$1,673,495 higher than budgeted due to Shoreway operating budget variances. Line item detail within the Shoreway operating budget is provided below.

The SBWMA program budget is \$188,561 lower than budgeted.

<b><u>FY 2010 EXPENDITURES</u></b>				
<b><u>Expenditures</u></b>	<b><u>FY 2010 Adopted Budget*</u></b>	<b><u>FY 2010 Year-to-date Totals</u></b>	<b><u>FY 2010 Year End Projections</u></b>	<b><u>Variance</u></b>
Administrative Expenses	\$1,531,109	\$719,356	\$1,500,548	\$30,561
Contract Compliance & Support	\$875,000	\$352,124	\$895,000	(\$20,000)
Recycling & AB 939 Compliance	\$948,500	\$227,656	\$770,500	\$178,000
<b>Total SBWMA Expenses</b>	<b>\$3,354,609</b>	<b>\$1,299,136</b>	<b>\$3,166,048</b>	<b>\$188,561</b>
<b>Shoreway Operations**</b>	<b>\$35,740,500</b>		<b>\$37,602,518</b>	<b>(\$1,862,099)</b>
<b>Total Expenses:</b>	<b>\$39,095,109</b>		<b>\$40,768,604</b>	<b>(\$1,673,495)</b>
*Exclusive of capital project expenses				
** See breakout of expenses below				

<b><u>FY 2010 EXPENDITURE DETAIL FOR SHOREWAY OPERATIONS</u></b>				
<b><u>Expenditures</u></b>	<b><u>FY 2010 Adopted Budget*</u></b>	<b><u>FY 2010 Year-to-date Totals</u></b>	<b><u>FY 2010 Year End Projections</u></b>	<b><u>Variance</u></b>
Operating Contract	\$27,553,700	\$15,483,955	\$29,513,600	(\$1,959,900)
Interim Operations	\$5,160,800		\$4,533,700	\$627,100
Insurance Shoreway	\$130,000		\$130,000	0
Debt Service Bond Interest (old and new)	\$1,521,600		\$2,045,700	(\$524,100)
Taxes (Property, Possessory Interest)	\$44,000		\$44,000	0
Franchise Fee	\$1,330,400		\$1,335,518	(\$5,118)
<b>Total Shoreway Operations:</b>	<b>\$35,740,500</b>		<b>\$37,602,518</b>	<b>(1,862,018)</b>

**Attachment**  
Budget Worksheets for Revenues and Expenditures



**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
EXPENSE DETAIL BY PROGRAM**

**FY 2010 PROJECTION**

<b>GENERAL OPERATING EXPENSES BY MAJOR CATEGORY AND SOURCE</b>				
		<b>APPROVED</b>	<b>MID YEAR SPENT</b>	<b>YEAR END PROJECTION</b>
<b>EXPENDITURE SUMMARY</b>		<b>FY 2009-2010</b>	<b>DEC 2009</b>	<b>FY 2009-2010</b>
<b>ADMINISTRATIVE EXPENSES</b>				
520305	ADMINISTRATIVE STAFF	560,764	273,008	563,200
520306	AB 939 PROGRAM STAFF	553,570	227,865	488,600
520328	EMPLOYEE RECRUITMENT/HR SUPPORT	8,000	3,163	8,000
520337	PEO COST (LGS ADMIN FEES)	13,200	6,000	11,250
520312	BOARD COUNSEL	50,000	40,789	75,000
520300	BOARD ADMINISTRATION	12,600	5,050	12,600
520310	ACCOUNTING SERVICES	98,000	49,000	108,000
520334	INFORMATION SYSTEMS	22,500	12,767	22,500
520338	WEBSITE	11,000	5,055	11,000
520301	ANNUAL AUDIT	10,300	2,400	15,000
520701	INSURANCE	22,000	30,223	30,223
520202	BANK FEES	12,000	4,375	12,000
520203	RENT	48,500	23,722	48,500
520204	PRINTING AND POSTAGE	200	77	200
520107	UTILITIES	17,000	6,681	17,000
520905	OFFICE/TENANT IMPROVEMENTS	10,000	553	7,000
520201	OFFICE SUPPLIES	22,500	8,103	17,000
520215	'OFFICE EQUIPMENT COSTS__	12,600	5,957	12,600
520504	PUBLICATIONS & PUBLIC NOTICES	2,000	940	2,000
520501	PROFESSIONAL DUES & MEMBERSHIPS	2,000		2,000
520801	VEHICLE MILEAGE & TOLLS	500	17	500
520105	CELL PHONES	5,000	2,569	5,000
520503	CONFERENCE & MEETINGS	15,000	6,044	12,000
520502	TRAINING	4,375		4,375
520511	SPONSORSHIPS & DONATIONS	12,500	5,000	12,500
522706	COMPUTER PURCHASE	5,000		2,500
<b>TOTAL ADMINISTRATIVE</b>		<b>\$ 1,531,109</b>	<b>\$ 719,356</b>	<b>\$ 1,500,548</b>

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
EXPENSE DETAIL BY PROGRAM**

**FY 2010 PROJECTION**

<b>GENERAL OPERATING EXPENSES BY MAJOR CATEGORY AND SOURCE</b>			
	<b>APPROVED</b>	<b>MID YEAR SPENT</b>	<b>YEAR END PROJECTION</b>
<b>EXPENDITURE SUMMARY</b>	<b>FY 2009-2010</b>	<b>DEC 2009</b>	<b>FY 2009-2010</b>
<b>CONTRACT COMPLIANCE AND SUPPORT</b>			
520307 RATE REVIEW	180,000	133,824	175,000
	<b>180,000</b>	<b>133,824</b>	<b>175,000</b>
520308 SF017 FACILITY IMPROVEMENT OVERSIGHT	75,000	37,142	75,000
520309 BUSINESS CONSULTANT/HF&H	5,000		5,000
520309 HCM01 CONTRACT MANAGEMENT SUPPORT	10,000	600	10,000
520309 HCN01 CONTRACT NEGOTIATIONS/LEGAL REVIEW	30,000	50,414	60,000
520309 HCS02 COLLECTION RFP RESPONSE REVIEW & ANALYSIS & IMPLEMENTATION	65,000	8,847	65,000
520309 HCS03 COLLECTION SERVICES PUBLIC EDUCATION FOR ROLLOUT	450,000	83,355	450,000
520309 HCS1B FACILITY RFP RESPONSE REVIEW & ANALYSIS & IMPLEMENTATION	25,000	21,250	25,000
520309 HSHOR SHOREWAY INVESTIGATIONS	30,000	16,691	30,000
520329 ANNUAL ALLIED PERFORMANCE HEARING	5,000		-
	<b>695,000</b>	<b>218,300</b>	<b>720,000</b>
<b>TOTAL CONTRACT COMPLIANCE &amp; SUPPORT</b>	<b>\$ 875,000</b>	<b>\$ 352,124</b>	<b>\$ 895,000</b>

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
EXPENSE DETAIL BY PROGRAM**

**FY 2010 PROJECTION**

<b>GENERAL OPERATING EXPENSES BY MAJOR CATEGORY AND SOURCE</b>				
		<b>APPROVED</b>	<b>MID YEAR SPENT</b>	<b>YEAR END PROJECTION</b>
<b>EXPENDITURE SUMMARY</b>		<b>FY 2009-2010</b>	<b>DEC 2009</b>	<b>FY 2009-2010</b>
<b>RECYCLING - AB939 COMPLIANCE</b>				
520311	CIWMB ANNUAL REPORTS	25,000	19,927	25,000
520341	SBWMA ANNUAL REPORT (NEW)	7,500		7,500
520309 HDV01	DIVERSION PROGRAM SUPPORT	20,000		20,000
520604 EVG01	EVENT GIVEAWAYS	15,000		10,000
		<b>67,500</b>	<b>19,927</b>	<b>62,500</b>
520340 LRP01	LONG RANGE PLAN UPDATE	45,000	4,343	35,000
520340 OPRFP	ORGANICS PROCESSING RFP	20,000	2,124	20,000
520340 MPOTR	MASTER PLAN OUTREACH	30,000	9,993	25,000
		<b>95,000</b>	<b>16,460</b>	<b>80,000</b>
520331	LARGE EVENT/VENUE CONSULTING	25,000	4,590	20,000
520342	LARGE EVENT/VENUE RECYCLING SERVICES (NEW)	60,000	1,092	50,000
520608	CLIMATE CHANGE POLICY OPTIONS	20,000	1,281	10,000
520604 COE01	COMMERCIAL RECYCLING TECHNICAL ASSIST	180,000	36,439	125,000
520604 CDRCY	C&D RECYCLING PROGRAM (NEW)	22,000	706	5,000
520604 GREEN	GREEN BUSINESS PROGRAM (NEW)	15,000	1,563	10,000
520604 MF001	MULTI-FAMILY OUTREACH	30,000		10,000
		<b>352,000</b>	<b>45,671</b>	<b>230,000</b>
520604 QNL01	QUARTERLY NEWLESTTER DESIGN/SETUP	40,000	17,276	40,000
520604 QNLPM	QUARTERLY NEWLESTTER PRINTING/MAILING	150,000	73,334	150,000
520604 RES01	RESIDENTIAL OUTREACH PROGRAMS	36,000	13,636	20,000
520604 COMPS	COMPOST GIVEAWAY (NEW)	20,000	312	5,000
520604 HHWYW	HHW/U-WASTE ON-CALL COLLECTION PROGRAM (NEW)	125,000	7,088	125,000
520335	CURBSIDE HOUSEHOLD BATTERY COLLECTION	48,000	27,157.80	48,000
520604 ECE01	ELECTRONIC COLLECTIONS EVENTS	15,000	6,796	10,000
		<b>434,000</b>	<b>145,598</b>	<b>398,000</b>
<b>TOTAL RECYCLING - AB939 COMPLIANCE</b>		<b>\$ 948,500</b>	<b>\$ 227,656</b>	<b>\$ 770,500</b>
		<b>\$ 3,354,609</b>	<b>\$ 1,299,136</b>	<b>\$ 3,166,048</b>

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
EXPENSE DETAIL BY PROGRAM**

**FY 2010 PROJECTION**

<b>GENERAL OPERATING EXPENSES BY MAJOR CATEGORY AND SOURCE</b>				
		<b>APPROVED</b>	<b>MID YEAR SPENT</b>	<b>YEAR END PROJECTION</b>
<b>EXPENDITURE SUMMARY</b>		<b>FY 2009-2010</b>	<b>DEC 2009</b>	<b>FY 2009-2010</b>
<b>SHOREWAY OPERATIONS</b>				
522701	OPERATING CONTRACT	27,553,700	15,484,000	29,513,600
522708	INTERIM OPERATIONS	5,160,800	1,912,860	4,533,700
520710	INSURANCE SHOREWAY (March 1 Renewal)	130,000		130,000
521104	DEBT SERVICE BOND INTEREST	1,521,600	459,787	2,045,700
520324	SEWER FEES ON PROPERTY TAX BILL	44,000	17,296	44,000
522702	FRANCHISE FEE	1,330,400	651,846	1,335,518
<b>TOTAL SHOREWAY OPERATIONS</b>		<b>\$ 35,740,500</b>	<b>\$ 18,525,789</b>	<b>\$ 37,602,518</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 39,095,109</b>	<b>\$ 19,824,926</b>	<b>\$ 40,768,566</b>

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Kevin McCarthy, Executive Director  
**Date:** January 28, 2010 Board of Director's Meeting  
**Subject:** Resolution Approving Contract With Zanker Road For Processing Construction And Demolition (C&D) Materials

---

### **Recommendation**

It is recommended that the SBWMA Board of Directors:

1. Approve the attached resolution extending the existing C&D processing contract with Zanker Road for four years.

### **Analysis**

Approval of this contract will reflect a new, lower C&D processing rate of \$45 per ton as reflected in the attached contract. Staff researched other C&D options in the Bay area and found limited options and certainly no other more cost effective options. Zanker has also provided consistently high quality services over the past three years under its current contract.

### **Background**

On December 8, 2006 a contract was executed with Zanker Road for a four year term effective January 1, 2007 to December 31, 2010 with an option to extend the contract upon mutual agreement. The starting C&D rate was \$47.50 per ton with an annual CPI adjustment at 90% of the San Francisco-Oakland-San Jose, CA rate. The current rate for 2010 is \$50.62 per ton.

### **Fiscal Impact**

Approval of this contract with Zanker Road is projected to save \$5.62 per ton or \$125,365 per year (projected 2009 C&D diversion of 22,307 tons x \$5.62/ton) in C&D processing costs; these costs are reflected in Shoreway "pass through expenses" that are included in Member Agency collection costs.

### **Attachments**

*Resolution 2010-03*

*Agreement on Construction and Demolition Debris Processing For Recycling and Beneficial Use*



# RethinkWaste

South Bayside Waste Management Authority

## RESOLUTION NO. 2010-03

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING CONTRACT WITH ZANKER ROAD FOR PROCESSING CONSTRUCTION AND DEMOLITION (C&D) MATERIALS

**WHEREAS**, the South Bayside Waste Management Authority (SBWMA) has had a contract with Zanker Road for the processing of construction and demolition materials (C&D), and

**WHEREAS**, staff has negotiated a new four (4) year contract (Exhibit A attached), effective February 1, 2010 for Zanker Road to continue to process C&D materials, and

**WHEREAS**, the SBWMA Board of Directors reviewed the new contract and finds the terms and conditions acceptable and the new contract to be in the best interests of the SBWMA.

**NOW, THEREFORE, BE IT RESOLVED** by the SBWMA Board of Directors hereby approves the contract, Exhibit A, with Zanker Road and authorizes the Executive Director to execute the contract.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 28<sup>th</sup> day of January, 2010, 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. 2010-03 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 28, 2010.

ATTEST:

\_\_\_\_\_  
, Chairperson of SBWMA

\_\_\_\_\_  
Cathy Hidalgo, Board Secretary

1       **AGREEMENT FOR CONSTRUCTION AND DEMOLITION DEBRIS PROCESSING**  
2                               **FOR RECYCLING AND BENEFICIAL USE**  
3       **BETWEEN THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**  
4                               **AND ZANKER ROAD RESOURCE MANAGEMENT, LTD.**  
5

6       This Agreement is entered into by and between the South Bayside Waste  
7       Management Authority (SBWMA), a California joint powers authority, and Zanker  
8       Road Resource Management, Ltd. (Contractor) a California limited partnership,  
9       on February 1, 2010 and sets forth the terms and conditions under which  
10       Contractor will accept and process for recycling and beneficial use mixed  
11       construction and demolition debris from the Shoreway Recycling and Disposal  
12       Center owned by the South Bayside Waste Management Authority (SBWMA)  
13       and located at 225 Shoreway Road, San Carlos, California 94070.  
14

15   **1. Definitions**  
16

17   **A. Construction and Demolition Debris (C&D)**

18   “Construction and Demolition Debris (C&D)” means a mixture of all non-  
19   hazardous waste material resulting from construction, remodeling, repair, or  
20   demolition activities. Construction and Demolition Debris includes, but is not  
21   limited to: soil, brush, logs, concrete, asphalt, brick, ceramics, stucco, plaster,  
22   wood, drywall, metals, wall coverings, roofing materials, wires and conduit,  
23   carpet, carpet pad, ceiling tiles, windows, doors, fixtures, insulation, fencing,  
24   cardboard, and plastic. Individual pieces of Construction and Demolition Debris  
25   delivered to Contractor shall not exceed 150 pounds or 8 feet in any two  
26   directions. There is no minimum size restriction for individual pieces of  
27   Construction and Demolition Debris; however materials cannot be ground or  
28   shredded prior to arriving at Contractor’s processing facility.  
29

30   **B. Non-Construction and Demolition Debris**

31   “Non-Construction and Demolition Debris” means putrescible waste, food waste,  
32   grass clippings, leaves, residential or commercial waste collected in compacting  
33   vehicles, waste enclosed in plastic bags, furniture, mattresses, tires, appliances,  
34   and individual pieces of Construction and Demolition Debris exceeding 150  
35   pounds or 8 feet in any two directions.  
36

37   **C. Recyclable Construction and Demolition Debris**

38   “Recyclable Construction and Demolition Debris” means 1) wood such as  
39   dimensional lumber, pallets, shake shingles, particle board, plywood, Oriented  
40   Strand Board, Medium Density Fiberboard and other manufactured wood  
41   products, that are free of lead paint, stain, melamine coating, creosote, arsenic or  
42   other chemical treatments; 2) brush and logs; 3) concrete, asphalt, brick, rock,  
43   ceramics; 4) soil; 5) metal; 6) drywall; and, 7) cardboard.  
44

45   **D. Recycled**

46   “Recycled” means those materials, which would otherwise be Disposed, that  
47   have been processed, separated, treated, and/or reconstituted and returned to  
48   the economy in the form of raw materials for new, reused, or reconstituted  
49   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.

58  
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.

67  
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.

77  
78 **G. Disposed (Disposal)**

79 "Disposal" 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 Recycling and Disposal Center Operator**

89 "Shoreway Recycling and Disposal Center Operator" means the private entity  
90 employed by the SBWMA to operate the Shoreway Recycling and Disposal  
91 Center and deliver Construction and Demolition Materials to Contractor. The  
92 current Shoreway Recycling and Disposal Center Operator is Allied Waste  
93 Systems of San Mateo.

94  
95 **I. Hazardous Waste**

96 "Hazardous Waste" means all substances defined as Hazardous Waste, acutely  
97 Hazardous Waste, or extremely Hazardous Waste by the State of California in  
98 Health and Safety Code §25110.02, §25115, and §25117 or in the future

99 amendments to or recodifications of such statutes or identified and listed as  
100 Hazardous Waste by the U.S. Environmental Protection Agency (EPA), pursuant  
101 to the Federal Resource Conservation and Recovery Act (42 USC §6901 et  
102 seq.), all future amendments thereto, and all rules and regulations promulgated  
103 thereunder.  
104

105 **J. Universal Waste**

106 “Universal Waste” means all wastes as regulated and defined by Title 22 Article 1  
107 Subsections 66273.1 through 66273.9 of the California Code of Regulations.  
108 These include, but are not limited to, batteries, fluorescent light bulbs, mercury  
109 switches, creosote treated lumber, and E-Waste.  
110

111 **K. Accepted Load**

112 “Accepted Load” means a load of SBWMA Construction and demolition debris  
113 delivered to Contractor’s facility, which meets the requirements of Section 5 and  
114 will be processed by Contractor.  
115

116 **L. Held Load**

117 “Held Load” means a load of SBWMA Construction and Demolition Debris  
118 delivered to Contractor’s facility, which Contractor believes does not conform to  
119 the requirements of Section 5 of this Agreement, and is being kept separate and  
120 undisturbed so that it can be inspected by an authorized representative of the  
121 SBWMA. Contractor must provide the SBWMA until 5:00 p.m. the day following  
122 notification to inspect a Held Load.  
123

124 **M. Rejected Load**

125 “Rejected Load” means a Held Load that the SBWMA has either a) inspected in  
126 person or by utilizing photographs provided by Contractor, and agreed that it  
127 does not meet the requirements of Section 5 of this Agreement; or b) waived its  
128 right to inspect by not performing such an inspection by 5:00 p.m. of the day  
129 following notification that the load is being Held.  
130

131 **2. Contractor’s Representations and Warranties**  
132

133 **A. Legal Status**

134 Contractor represents and warrants that it is a limited partnership duly organized,  
135 validly existing, and in good standing under the laws of the State of California  
136 and authorized to do business in the State of California. It has the power to own  
137 its properties and to carry on its business as now owned and operated and as  
138 required by this Agreement.  
139

140 **B. Limited Partnership Authorization**

141 Contractor represents and warrants that it has the authority to enter into and  
142 perform its obligations under this Agreement. The General Partner of Contractor  
143 (or the shareholders, if necessary) have taken all actions required by law, its  
144 partnership agreement, or otherwise, to authorize the execution of this  
145 Agreement. The person signing this Agreement on behalf of Contractor has  
146 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 commencing February 1, 2010 to January 31, 2014. The parties, if they mutually agree in writing, may extend the term of this agreement on an annual basis for up to three annual extensions.

**4. Exclusive Services**

Except as provided below, during the term of this Agreement, the SBWMA shall direct the Shoreway Recycling and Disposal Center Operator to transport all loads of Construction and Demolition Debris generated from the Shoreway Recycling and Disposal Center to be hauled 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. Contractor shall make available to the SBWMA at least 70 tons per day of Construction and Demolition Debris processing capacity. The SBWMA shall guarantee delivery of at least 35 tons per day (as calculated on a 30 day average) to the Contractor's processing facility, on the terms and conditions specified in this Agreement.

195 **5. Scope of Construction and Demolition Processing Services**  
196

197 Contractor agrees to accept, process for recycling, and dispose of residual  
198 amounts, all Construction and Demolition Debris received from the SBWMA.  
199 Contractor shall process, recycle, market finished products, and dispose of  
200 residuals. Contractor shall ensure that, at a minimum, Recyclable Construction  
201 and Demolition Debris from the SBWMA are Recycled. Contractor shall ensure  
202 that at least 75% by weight of the Construction and Demolition Debris accepted  
203 from the SBWMA is Recycled. Contractor shall ensure that at least 50% by  
204 weight of the Construction and Demolition Debris accepted from the SBWMA is  
205 Recycled to uses other than Beneficial Use at a Landfill. Contractor may dispose  
206 of or utilize as ADC any residuals from the SBWMA Construction and Demolition  
207 Debris that cannot be Recycled. Such residuals shall not exceed 25% of the  
208 inbound weight of accepted SBWMA Construction and Demolition Debris.  
209 Contractor may reject SBWMA loads containing more than 5% by weight of Non-  
210 Construction and Demolition Debris as defined in this Agreement. Contractor  
211 may also reject SBWMA loads containing less than 75% by weight of Recyclable  
212 Construction and Demolition Debris as defined in this Agreement. In order to  
213 reject an SBWMA load, Contractor must follow the procedures for rejection of  
214 loads set forth in Section 7.  
215

216 **6. Hours of Operation**  
217

218 Contractor's facility shall be open to accept Construction and Demolition Debris  
219 from 6:00 a.m. to 5:45 p.m., Monday through Friday, and from 8:00 a.m. to 3:45  
220 p.m., Saturday and Sunday. Said facility will be closed Thanksgiving Day,  
221 Christmas Day, New Year's Day, and Easter Sunday. In the event the  
222 Contractor applies to its regulating agencies for, and is granted, additional  
223 permitted receiving hours, Contractor shall make those additional hours available  
224 to the SBWMA for delivery of Construction and Demolition Debris.  
225

226 **7. Rejection of Loads**  
227

228 An SBWMA Construction and Demolition Debris load may be held by Contractor  
229 if Contractor believes that it does not conform to the guidelines set forth in  
230 Section 5. Contractor may not declare a load to be held until that load has been  
231 unloaded from the transfer vehicle so that the entire load may be viewed. If  
232 Contractor declares a load to be held, Contractor shall photograph the Held  
233 Load, and shall keep the entire Held Load separate from other materials, and  
234 undisturbed, until it can be visually inspected by an authorized representative of  
235 the SBWMA. Contractor shall inform the SBWMA of the Held Load via e-mail  
236 ([cdloadproblem@rethinkwaste.org](mailto:cdloadproblem@rethinkwaste.org)) and telephone (number to be designated by  
237 the SBWMA.) The e-mail shall include digital photos of the Held Load. The  
238 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 by  
240 5:00 p.m. of the day following notification, Contractor may move the load or  
241 combine it with other materials.  
242

243 By 5:00 p.m. of the day following notification, the SBWMA will inform Contractor  
244 as to whether or not it is in agreement that the Held Load should be Rejected. If  
245 the SBWMA finds that the Held Load does conform to the requirements of  
246 Section 5, Contractor shall accept the load at the rate for Accepted Loads set  
247 forth in Section 10A. If the SBWMA agrees that the load does not conform to the  
248 requirements of Section 5, the SBWMA will either 1) authorize Contractor to  
249 dispose of the load, and direct the Shoreway Recycling and Disposal Center  
250 Operator to pay Contractor the rate for disposing of Rejected Loads as specified  
251 in Section 10B or 2) direct the Shoreway Recycling and Disposal Center  
252 Operator to remove the Rejected Load from Contractor's facility. Contractor will  
253 load the Rejected Load into the Shoreway Recycling and Disposal Center  
254 Operator's vehicle and weigh that vehicle as it leaves Contractor's facility. In the  
255 event of a dispute as to whether or not a Held Load should be Rejected,  
256 Contractor may be required to remove and separately weigh materials from the  
257 Held Load to demonstrate that it does not conform to the requirements of Section  
258 5. In addition to the other costs provided for herein, if the load is deemed  
259 rejected, the SBWMA shall pay for all costs associated with the sorting and re-  
260 weighing of the Rejected Load.

261  
262 It is the intent of both the SBWMA and Contractor to have no Held Loads or  
263 Rejected Loads. Should Held Loads exceed two in a six month period, the  
264 SBWMA and Contractor will meet and confer to resolve the issue.  
265

## 266 **8. Hazardous or Universal Waste Materials**

267  
268 In the event any SBWMA Construction and Demolition Debris contains any  
269 Universal Waste or Hazardous Waste, the SBWMA shall direct Shoreway  
270 Recycling and Disposal Center Operator to pay to Contractor any actual,  
271 reasonable, and necessary costs incurred by Contractor in handling and  
272 disposing of said materials. In disposing of said Hazardous and/or Universal  
273 Waste materials, the SBWMA shall be designated as the owner or generator of  
274 said Hazardous Waste or Universal Waste. In the event that Shoreway  
275 Recycling and Disposal Center Operator does not pay said costs to Contractor  
276 within thirty (30) days, the SBWMA shall pay the undisputed portion of said costs  
277 directly to Contractor.  
278

## 279 **9. Reporting**

280  
281 Contractor shall report monthly the amount of SBWMA Construction and  
282 Demolition Debris accepted, Recycled, used as ADC, and Disposed. Contractor  
283 shall report monthly the end-uses (e.g. biomass fuel, road base, Beneficial Use  
284 at a Landfill, etc.) for each material type Recycled from SBWMA Construction  
285 and Demolition Debris at Contractor's facility. For reporting purposes, inbound  
286 weights from SBWMA loads may be applied to overall diversion and end-use  
287 percentages for mixed Construction and Demolition Debris processing operations  
288 at the Contractor's facility. However, if the overall diversion and end-use  
289 percentages do not demonstrate compliance with the processing services listed  
290 in Section 5, Contractor shall be required to demonstrate compliance in regards

291 to the SBWMA materials by processing the SBWMA's Construction and  
292 Demolition Debris separately.

293

## 294 **10. Rates**

295

296 For the period February 1, 2010 through January 31, 2011, the SBWMA shall  
297 direct Shoreway Recycling and Disposal Center Operator to pay to Contractor

298

299 A. The sum of \$45.00 per ton for all SBWMA Construction and Demolition  
300 Debris accepted by Contractor for processing.

301

302 B. The sum of \$57.50 per ton for any rejected SBWMA loads that the  
303 SBWMA authorizes Contractor to dispose of.

304

305 Commencing February 1, 2011 and thereafter on each February 1, this  
306 Agreement is in effect, including any extension years, both rates stated above  
307 shall be increased by 90% of the change in the value of the All Urban Consumers  
308 Index (CPI-U), All Items, for the San Francisco-Oakland-San Jose, CA, Base  
309 Period 1982 – 1984 = 100, not seasonally adjusted, compiled and published by  
310 the U. S. Department of Labor, Bureau of Labor Statistics (or its successor) for  
311 the previous December and its value twelve months before.

312

313 In the event that any government agency imposes upon Contractor any  
314 additional regulations or fees which result in additional expenses, charges, fees,  
315 or taxes to Contractor and which relate specifically to the construction and  
316 demolition services provided hereunder, either 1) such expenses, charges, fees  
317 or taxes shall be added to the prices on a pro-rata basis, based upon the  
318 percentage that the total tonnage of construction and demolition waste being  
319 delivered to Contractor pursuant to this Agreement bear to the total tonnage of  
320 construction and demolition waste delivered to Contractor's facility from all  
321 sources; or, 2) the SBWMA may terminate this Agreement.

322

## 323 **11. Payment**

324

325 On or before the 10<sup>th</sup> of each month, Contractor shall send an invoice (showing  
326 by date, time, and vehicle identification number the tonnage received and the  
327 rate charged) to Shoreway Recycling and Disposal Center Operator for the  
328 preceding month. Shoreway Recycling and Disposal Center Operator shall  
329 reconcile such invoice to its daily records and pay the undisputed portion of said  
330 invoice within thirty (30) days of receipt. Within fifteen (15) days of receipt,  
331 Shoreway Recycling and Disposal Center Operator shall inform Contractor and  
332 the SBWMA of any disputed amounts and Shoreway Recycling and Disposal  
333 Center Operator and Contractor shall act promptly to resolve such disputes.  
334 Payment shall be made only by cashier's check, certified check, or by Shoreway  
335 Recycling and Disposal Center Operator or SBWMA check. In the event that  
336 Shoreway Recycling and Disposal Center Operator does not pay any undisputed  
337 invoice within thirty (30) days, the SBWMA shall pay the amounts it reasonably  
338 determines are due Contractor directly to Contractor. The above payment

339 provisions will be modified effective January 1, 2011 such that the Contractor  
340 shall bill the SBWMA.  
341

## 342 **12. Default and Remedies** 343

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

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

361  
362 Contractor shall be given 30 days from notification by the SBWMA to cure any  
363 default arising under this Agreement.  
364

365 In the event of Contractor's failure to cure said default, the SBWMA may, at its  
366 option, terminate this Agreement. This right of termination is in addition to any  
367 other rights of the SBWMA and the SBWMA's termination of this Agreement shall  
368 not constitute an election of remedies. Instead, it shall be in addition to any and  
369 all other legal and equitable rights and remedies the SBWMA may have.  
370

## 371 **13. Termination for Cause** 372

373 The SBWMA selected Contractor based on its high landfill diversion levels.  
374 These factors are essential to the services the SBWMA shall obtain from  
375 Contractor. Therefore, notwithstanding the terms and conditions of Section 12, in  
376 any month, should the Recycled fraction of accepted Construction and  
377 Demolition Debris fall below 75% or should the fraction of these accepted  
378 Construction and Demolition Debris Recycled to end-uses other than Beneficial  
379 Use at a Landfill fall below 50%, then Contractor will be found in breach of this  
380 Agreement and the SBWMA may terminate the Agreement for cause. In such  
381 case, the SBWMA shall notify Contractor in writing of its intent to do so sixty (60)  
382 days prior to the intended date of termination. Contractor shall be given thirty  
383 (30) days to correct the breach and, if it does, then the termination shall be  
384 suspended. A second breach within a twelve-month period may reactivate the  
385 termination of the Agreement and such termination shall occur within sixty (60)  
386 days of the second breach, without any right by Contractor to correct the breach.  
387

388 The SBWMA shall meet and confer with Contractor if Contractor is unable to  
389 meet the diversion requirements set forth in Section 5, due to changes in markets  
390 for Recycled materials.  
391

## 392 **14. Insurance**

393  
394 Insurance policies are to be obtained by Contractor and remain in full force and  
395 effect at all times to provide protection against liability for damages which may be  
396 imposed for the negligence of Contractor or its employees, agents, or  
397 subcontractors including, but not limited to, general liability and automobile  
398 liability insurance. Contractor shall also provide liability coverage under  
399 California Workers' Compensation laws. The amounts of insurance required are  
400 to be established herein. Said amounts shall not be construed to limit  
401 Contractor's liability.  
402

403 The insurance requirements provided herein may be reduced or waived in writing  
404 by the SBWMA Board of Directors, provided the Board of Directors determines  
405 that such waiver or reduction does not unreasonably increase the risk of  
406 exposure to the SBWMA.  
407

408 **A. Workers' Compensation Insurance.** Contractor shall obtain and maintain in  
409 full force and effect throughout the entire term of this Agreement full Workers'  
410 Compensation Insurance in accord with the provisions and requirements of the  
411 Labor Code of the State of California. Endorsements that implement the required  
412 coverage shall be filed and maintained with the SBWMA throughout the term of  
413 this Agreement.  
414

415 **B. Comprehensive General Liability.** Contractor shall obtain and maintain  
416 in full force and effect throughout the entire term of this Agreement a Broad Form  
417 Comprehensive General Liability (occurrence) policy with a minimum limit of  
418 TWO MILLION DOLLARS (\$2,000,000.00) aggregate and ONE MILLION  
419 DOLLARS (\$1,000,000.00) per occurrence for bodily injury and property  
420 damage, with any self-insured retention not exceeding TWO HUNDRED  
421 THOUSAND (\$200,000.00) per occurrence. Said insurance shall protect  
422 Contractor and the SBWMA from any claim for damages for bodily injury,  
423 including accidental death, as well as from any claim for property damage which  
424 may arise from operations performed pursuant to this Agreement, whether such  
425 operations are by Contractor itself, or by its agents, employees and/or sub-  
426 contractors. Copies of the policies or endorsements evidencing the above-  
427 required insurance coverage shall be filed with the SBWMA. Endorsements are  
428 required to be made a part of all of the following insurance policies required by  
429 this Section:  
430

- 431 (1) "The SBWMA, its employees, agents, and officers, are hereby  
432 added as insured as respects liability arising out of activities  
433 performed by or on behalf of Contractor."  
434
- 435 (2) "This policy shall be considered primary insurance as respects  
436 any other valid collectible insurance the SBWMA may possess

437 including any self-insured retention the SBWMA may have,  
438 and any other insurance the SBWMA does possess shall be  
439 considered excess insurance and shall not contribute with it."  
440

441 (3) "This policy shall act for each insured, as though a separate  
442 policy had been written for each. This, however, will not act to  
443 increase the limit of liability of the insuring company."  
444

445 (4) "Thirty (30) days prior written notice by certified mail, return  
446 receipt requested, shall be given to the SBWMA in the event  
447 of suspension, cancellation, reduction in coverage or in limits  
448 or non-renewal of this policy for whatever reason. Such notice  
449 shall be sent to the SBWMA."  
450

451 **C. Vehicle Liability.** Contractor shall obtain and maintain in full force and  
452 effect throughout the entire term of this Agreement a vehicle liability policy with a  
453 minimum limit of TWO MILLION DOLLARS (\$2, 000,000.00) per occurrence for  
454 bodily injury and ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) per  
455 occurrence for property damage. Said insurance shall protect Contractor and the  
456 SBWMA from any claim for damages for bodily injury, including accidental death,  
457 as well as from any claim for property damage which may arise from operation of  
458 owned and non-owned vehicles. Copies of the policies or endorsements  
459 evidencing the above-required insurance coverage shall be filed with the  
460 SBWMA.  
461

462 The limits of such insurance coverage, and companies, shall be subject to review  
463 and approval by the SBWMA every year and may be increased, subject to  
464 Contractor's consent, at that time and match the coverage provided by the  
465 SBWMA's own liability insurance policy. The SBWMA shall be included as a  
466 named insured on each of the policies, or policy endorsements.  
467

## 468 15. Indemnification

469 **A. Indemnification of the SBWMA.** Contractor shall defend the SBWMA  
470 with counsel reasonably acceptable to the SBWMA and indemnify the SBWMA  
471 from and against any and all liabilities, costs, claims, and damages which are  
472 caused by Contractor's negligence, intentional wrongful acts, or failure to comply  
473 with applicable laws and regulations, including but not limited to, liabilities, costs,  
474 claims, and damages.  
475

476 **B. Indemnification of Contractor.** The SBWMA shall defend Contractor  
477 with counsel reasonably acceptable to Contractor and indemnify Contractor from  
478 and against any and all liabilities, costs, claims and damages which are caused  
479 by the SBWMA's negligence, intentional wrongful acts, or failure to comply with  
480 applicable laws and regulations, including but not limited to, liabilities, costs,  
481 claims, and damages. The SBWMA shall not offer such indemnification to  
482 Contractor for Shoreway Recycling and Disposal Center Operator's negligence  
483 or failure to comply with applicable laws and regulations.  
484  
485  
486

487 **16. General Provisions**

488  
489 **A. Entire Agreement.** This Agreement represents the full and entire  
490 Agreement between the SBWMA and Contractor with respect to the matters  
491 covered herein.

492  
493 **B. Force Majeure.** Neither party shall be in default under this Agreement in  
494 the event, and for so long as, it is impossible or extremely impracticable for it to  
495 perform its obligations due to any of the following reasons: riots, wars, sabotage,  
496 civil disturbances, insurrection, explosion, natural disasters such as floods,  
497 earthquakes, landslides, fires, and volcanic eruptions, strikes, lockouts and other  
498 labor disturbances or other catastrophic events which are beyond the reasonable  
499 control of Contractor. Labor unrest, including but not limited to strike, work  
500 stoppage or slowdown, sick-out, picketing, or other concerted job action  
501 conducted by Contractor's employees or directed at Contractor is not an excuse  
502 from performance; provided, however, that labor unrest or job action directed at a  
503 third party over whom Contractor has no control, shall excuse performance.  
504

505 A party claiming excuse under this Section must (i) have taken reasonable  
506 precautions to avoid being affected by the cause, and (ii) notify the other party in  
507 writing within 5 days after the occurrence of the event specifying the nature of the  
508 event, the expected length of time that the party expects to be prevented from  
509 performing, and the steps which the party intends to take to restore its ability to  
510 perform.  
511

512 **C. Notice Procedures.** All notices, demands, requests, proposals,  
513 approvals, consents, and other communications which this Agreement requires,  
514 authorizes, or contemplates shall be in writing and shall either be personally  
515 delivered to a representative of the Parties at the address below, e-mailed to the  
516 e-mail address below, or faxed to the fax number below, or sent via certified mail  
517 or Federal Express, or deposited in the United States mail, first class postage  
518 prepaid, addressed as follows:  
519

520 1.) If to the SBWMA:

521  
522 Kevin McCarthy  
523 Executive Director  
524 South Bayside Waste Management Authority  
525 610 Elm Street, Suite 202  
526 San Carlos, California 94070  
527 E-Mail: KMcCarthy@ReThinkWaste.org  
528 Fax: 650-802-3501  
529

530 2.) If to Contractor:

531  
532 Richard Cristina  
533 President  
534 Zanker Road Resource Management, Ltd.  
535 675 Los Esteros Road  
536 San Jose, CA 95134

537  
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E-Mail: Michael@z-best.com  
Fax: (408) 263-2393

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 faxed, 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. Court Costs and Attorney Fees.** In the event legal action is instituted by either party to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney fees and actual costs in connection with such action.

**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.

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

583  
584

**South Bayside Waste Management Authority**

585  
586  
587  
588

By:

589  
590  
591

Name:

Kevin McCarthy

Title:

Executive Director

592  
593  
594

Date:

595  
596  
597

**Contractor**

Zanker Road Resource Management, LTD, a California limited partnership

598  
599  
600  
601

By:

602  
603  
604

Name:

Richard Cristina

Title:

Zanker Road Resource Recovery, Inc. General Partner

605  
606  
607

Date:

608  
609  
610

**Approved as to form:**

611  
612  
613  
614

BY:

Robert Lanzone

Legal Counsel of the Board of Directors

615  
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Date:

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621  
622  
623

BY:

Cathy Hidalgo

Secretary of the Board of Directors

624  
625  
626  
627  
628

Date:

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Monica Devincenzi, Recycling Outreach & Sustainability Manager  
**Date:** January 28, 2010 Board of Directors Meeting  
**Subject:** Approval of Updated SBWMA Brand Identification

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### Recommendation

It is recommended that the SBWMA Board of Directors:

1. Approve the selected new logo, which will replace the existing SBWMA logo on all materials moving forward, including website, press releases, public outreach materials, containers, and facility signage, among others; and
2. Rebrand the Authority as "RethinkWaste" to better align with our mission and services.

### Analysis

With the roll out of upcoming new collection services and the Shoreway facility master plan improvements, the Authority's name and logo will be prominently displayed on all advertising, brochures and other educational materials, containers, signage at the future Shoreway Environmental Center and media coverage on our services. This gives the Authority a unique and unparalleled opportunity to strategically brand our name in the communities we serve. Normally, a branding effort is associated with significant costs, however, due to the magnitude of the public outreach campaign being initiated, the branding will occur by default and without any additional costs incurred by the Authority.

A determination on the logo and brand to be used is critical at this time due to key milestones in the transition and public outreach schedule for the upcoming future collection services. Recology of San Mateo County will shortly be placing their cart orders, which will include the Authority's logo. Staff is also working on developing associated outreach materials (graphics/signs for containers, brochures, etc.).

Historically, there have been numerous renditions of the SBWMA's name and logo, including the following:



This has resulted in a brand that is fractured and inconsistent, leading to confusion by customers, the media, community leaders and organizations, and the general public. While the current logo and color scheme have served their purpose, Staff feels strongly that an updated look is needed to better reflect the Authority's future direction. In addition, Staff recommends that moving forward we refer

to the Authority as “RethinkWaste” instead of “SBWMA” as further reflection of our mission and the services we provide. Previous feedback from the Board, the public and Jeffrey/Scott Agency (JSA), the firm recently selected to assist in developing our future services public outreach needs, shows that the name RethinkWaste resonates well with the public and more accurately reflects who we are. However, it is important to note that the agency’s legal name would remain the same: the South Bayside Waste Management Authority. The RethinkWaste name is solely for branding and public education purposes.

With this in mind, Staff requested feedback from the Board in selecting a new logo for the Authority to use on all future items and communications, including website, press releases, public outreach materials, containers and facility signage, among others. The Board was provided four options for a new logo and asked to rank them in order of most preferred to least. Based on Board input, the logos ranked in the following order, from highest to lowest:

1<sup>st</sup> Place



2<sup>nd</sup> Place



3<sup>rd</sup> Place



4<sup>th</sup> Place



Staff recommends that the top-preferred logo be used moving forward.

In making the determination to brand the Authority RethinkWaste, Staff also considered whether it should be “RethinkWaste.org” similar to the “StopWaste.Org” joint powers authority in the East Bay. However, ultimately, this was not selected after further analysis due to differences between the two agencies. Although comprised of the Alameda County Waste Management Authority and the Alameda County Source Reduction and Recycling Board, StopWaste.Org has solely defined itself by its website. It is known primarily as a portal for resources on recycling, resource conservation and sustainability surrounding solid waste and public outreach, with no direct management of the services provided via administration of franchised collection contracts or ownership/management of solid waste-related facilities.

The SBWMA, however, is much more multidimensional with an operations focus given our ownership of the Shoreway facility. In addition, the Authority provides primary contract management support for the collection franchise agreements, develops and manages public education and recycling programs and owns the Shoreway facility – becoming RethinkWaste.org would not accurately reflect these core responsibilities. In addition, San Mateo County has invested heavily in providing a similar resource as StopWaste.Org through its RecycleWorks website and staff, and our two agencies serve complimentary purposes.

### **Background**

As part of the process for selecting a firm to assist Staff with public outreach services, four short-listed firms competed in a Design Competition last year, which required the competing firms to submit concepts and designs for various outreach materials, including a new SBWMA logo. Staff liked elements of the submitted logos from the different firms, and provided this direction to JSA. In

addition, further direction was given to JSA to place emphasis on the RethinkWaste name, and incorporate the colors of green and blue, which are universally recognized as representing the environment/sustainability. It also ties into the colors of the collection carts and containers for the future collection services and the Shoreway facility..

**Fiscal Impact**

There is no fiscal impact associated with incorporating the new logo and RethinkWaste brand on future outreach efforts and materials.

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Cliff Feldman, Recycling Programs Manager  
**Date:** January 28, 2010 Board of Director's Meeting  
**Subject:** Update on Republic Contract Compliance

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### Recommendation

This is an informational report and no action is necessary.

### Analysis

Since July 2008, Republic Services (formerly Allied) has been required to submit its monthly Board packet information on the Monday (e.g., March 16, 2009 by 5:00pm) prior to the SBWMA issuing the Board packet which is one-week in advance of the Board meeting. Republic submitted its monthly information due in November and December on time.

### Assessment of Republic Monthly Operational Performance and Metric Report

If requested a verbal update will be provided at the Board meeting.

### Background

Commencing with the June 26, 2008 Board meeting, this staff report is now included as a regular update. Attached are three tables that will be used to frame Republic's contract compliance in the following areas:

- Attachment 1 - Reports Republic Services Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements
- Attachment 2 – Republic Services Collection Services Franchise Agreement and Shoreway Facility Operations Agreement Contract Compliance - Quarterly Reports
- Attachment 3 - Republic Services Collection Services Franchise Agreement Contract Compliance - Public Education and Outreach

The standards that are used in Tables 1 and 2 pertaining to Republic's submittal of reports to the SBWMA and Member Agencies, include the timeliness of submittal and content of the report(s).

The contract compliance standards that are reflected in Attachment 3 pertaining to Republic's Public Education and Outreach activities will primarily be based on the timeliness of completing the activities denoted.

### **Attachments:**

Attachment 1 – Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – January 2010 (Year-End 2009) 2009  
Attachment 2 – Republic Services Collection Services Franchise Agreement and Shoreway Facility Operations Agreement Contract Compliance - Quarterly Reports – January 2010 (Year-End 2009)  
Attachment 3 – Republic Services Collection Services Franchise Agreement Contract Compliance - Public Education and Outreach – January 2010 (Year-End 2009)



## Attachment 1

### Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – January 2010 (2009 Year-End)

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Notes</u>
<b>MONTHLY BOARD PACKET INFORMATION</b>					
January	February 13, 2009 5:00pm	February 13, 2009 4:00pm & February 17, 2009 2:13pm	Yes & N/A	Yes	N/A = Not Applicable
February	March 16, 2009 5:00 pm	March 16, 2009 11:35 am	Yes	Yes	
March	April 13, 2009 5:00 pm	April 13, 2009 12:43 pm	Yes	Yes	
April	May 18, 2009 5:00 pm	May 18, 2009 2:06 pm	Yes	Yes	
May	June 15, 2009 5:00 pm	June 15, 2009 9:20 am	Yes	Yes	
June	July 13, 2009 5:00 pm	July 13, 2009 10:44 am	Yes	Yes	
July	August 17, 2009 5:00 pm	August 17, 2009 4:08 pm	Yes	Yes	
August	September 14, 2009 5:00 pm	September 13, 2009 11:00 pm	Yes	Yes	
September	October 12, 2009 5:00 pm	October 8, 2009 5:38 pm	Yes	Yes	



## Attachment 1

### Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – January 2010 (2009 Year-End)

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Notes</u>
October	November 9, 2009 5:00 pm	November 9, 2009 4:34 pm	Yes	Yes	
November	December 14, 2009 5:00 pm	December 14, 2009 10:32 am	Yes	Yes	
December					
<ul style="list-style-type: none"> <li>• Executive Summary</li> </ul>	January 18, 2010 5:00 pm	January 18, 2010 1:58 pm	Yes	*	* Pending review.
<ul style="list-style-type: none"> <li>• Liquidated Damages Reporting</li> </ul>	January 18, 2010 5:00 pm	January 18, 2010 1:58 pm	Yes	*	* Pending review.
<ul style="list-style-type: none"> <li>• Metrics Graphs</li> </ul>	January 18, 2010 5:00 pm	January 18, 2010 1:58 pm	Yes	*	* Pending review.
<ul style="list-style-type: none"> <li>• Commercial Recycling Monthly Progress Report</li> </ul>	January 18, 2010 5:00 pm	January 18, 2010 1:58 pm	Yes	*	* Pending review.
<ul style="list-style-type: none"> <li>• Commercial Recycling Coordinators Call Logs</li> </ul>	January 18, 2010 5:00 pm	January 18, 2010 1:58 pm	Yes	*	* Pending review.
<b>MONTHLY BATTERY AND CELL PHONE COLLECTION PROGRAM UPDATE</b>					
January	February 9, 2009 5:00pm	February 9, 2009 9:47am	Yes	Yes	
February	March 9, 2009 5:00 pm	March 10, 2009 3:12 pm	No	No	
March	April 13, 2009 5:00 pm	April 6, 2009 3:30 pm	Yes	Yes	



# RethinkWaste

South Bayside Waste Management Authority

## Attachment 1

### Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – January 2010 (2009 Year-End)

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Notes</u>
April	May 11, 2009 5:00 pm	May 11, 2009 8:03 am	Yes	Yes	
May	June 8, 2009 5:00 pm	June 8, 2009 9:06 am	Yes	Yes	
June	July 13, 2009 5:00 pm	July 8, 2009 10:55 am	Yes	Yes	
July	August 10, 2009 5:00 pm	August 10, 2009 8:43 am	Yes	Yes	
August	September 14, 2009 5:00 pm	September 6, 2009 9:29 am	Yes	Yes	
September	October 12, 2009 5:00 pm	October 8, 2009 5:11 pm	Yes	Yes	
October	November 9, 2009 5:00 pm	November 6, 2009 3:42 pm	Yes	Yes	
November	December 14, 2009 5:00 pm	December 7, 2009 9:04 am	Yes	Yes	
December	January 11, 2010 5:00 pm	January 11, 2010 10:19 am	Yes	Yes	
<b>QUARTERLY COMMERCIAL TOP GENERATORS LIST</b>					
Q1-2009	March 15, 2009 5:00 pm	March 12, 2009 4:41 pm	Yes	Yes	
Q2-2009	June 15, 2009 5:00 pm	June 12, 2009 5:24 pm	Yes	Yes	



# RethinkWaste

South Bayside Waste Management Authority

## Attachment 1

### Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – January 2010 (2009 Year-End)

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Notes</u>
Q3-2009	September 15, 2009 5:00 pm	September 14, 2009 7:34 am	Yes	Yes	
Q4-2009	December 15, 2010 5:00 pm	Not submitted.	No	No	



# RethinkWaste

South Bayside Waste Management Authority

## Attachment 2

### Republic Services Collection Services Franchise Agreement and Shoreway Facility Operations Agreement Contract Compliance - Quarterly Reports – January 2010 (2009 Year-End)

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Current Disposition</u>
<b>QUARTERLY MIS REPORT</b>					
Q4-2008	February 14, 2009 5:00pm	February 18, 2009 8:21pm	N/A	Yes	N/A = Not Applicable
Q1-2009	May 15, 2009 5:00pm	May 14, 2009 3:20 pm	Yes	Yes	
Q2-2009	August 14, 2009 5:00pm	August 14, 2009 3:48 pm	Yes	Yes	
Q3-2009	November 14, 2009 5:00pm	November 13, 2009 4:55pm	Yes	Yes	
<b>QUARTERLY SRDC LIQUIDATED DAMAGES REPORT</b>					
Q4-2009	February 14, 2009 5:00pm	February 18, 2009 4:28pm	N/A	Yes	N/A = Not Applicable
Q1-2009	May 15, 2009 5:00pm	May 15, 2009 2:05 pm	Yes	Yes	
Q2-2009	August 15, 2009 5:00pm	August 14, 2009 4:06 pm	Yes	Yes	
Q3-2009	November 15, 2009 5:00pm	November 13, 2009 1:25 pm	Yes	Yes	



# RethinkWaste

South Bayside Waste Management Authority

## Attachment 3

### Republic Services Collection Services Franchise Agreement Contract Compliance - Public Education and Outreach - January 2010 (2009 Year-End)

<u>Residential Outreach</u>	<u>Frequency and Date Required</u>	2008			2009		
		<u>Date Issued</u>	<u>Compliant</u>		<u>Date Issued</u>	<u>Compliant</u>	
			Yes	No		Yes	No
Residential Collection Services Brochure	Annually each Summer	September	X		August	X	
Recycling Day Postcard Calendars	Annually each December	December	X		December & January**	X	
Twice Annual On-Call Bulky Item Collection Service notice - "Spring and Fall Cleanups"	Twice Annually						
	• Spring Events	Not Issued		X	January* & April	X	
	• Fall Events	September	X		September/October	X	
<u>Commercial Outreach</u>							
Commercial Recycling Guidelines	Annually <sup>1</sup>	December	X				
Commercial Recycling Bill Inserts	Four Per Year <sup>2</sup>						
	• Q1	Not Issued		X	March	X	
	• Q2	Not Issued		X	Discontinued <sup>3</sup>		
	• Q3	June	X		Discontinued <sup>3</sup>		
	• Q4	September	X		Discontinued <sup>3</sup>		

\*The January mailing was a hold over from 2008 (approved by SBWMA Staff) due to other mailings also going out at the same time in September.

\*\*Some calendars were mailed in early January (approved by SBWMA Staff) due to other mailings also going out at the same time in December.



## **Attachment 3 (continued)**

### **Republic Services Collection Services Franchise Agreement Contract Compliance - Public Education and Outreach – January 2010 (2009 Year-End)**

The SBWMA is working collaboratively with Republic to produce and disseminate several other collateral pieces not provided in the above list of contractually required items. The following is a list of the public education and outreach collateral that is produced by Republic but not specifically required in the franchise agreements:

- On-Call Bulky Item Collection Service Appointment Card
- Resident’s Guide to Recycling and Disposal Services
- Recycle Your Tree flyer (provided to tree lots)
- MFD On-Call Bulky Item Collection Service Program Brochure
- Ghost Compost Flyer for pumpkin recycling distributed to retailers

<sup>1</sup> The Franchise Agreements do not specify a date.

<sup>2</sup> No specific dates are specified in the Franchise Agreements. The Franchise Agreements state “at least four (4) bill inserts a year.”

<sup>3</sup> Discontinued per the 2008 Performance Hearing recommendations.



## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Cliff Feldman, Recycling Programs Manager  
Monica Devincenzi, Recycling Outreach and Sustainability Manager  
**Date:** January 28, 2010 Board of Directors Meeting  
**Subject:** Recycling and Outreach Programs Update

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### **Future Collection Services Public Education and Outreach**

Staff has started holding regular public education coordination meetings with Recology of San Mateo County, the SBWMA's future collection services provider, to ensure proper planning and preparation for the transition. Staff has also had several meetings with Jeffrey/Scott Agency (JSA), the firm selected to develop the SBWMA's public outreach strategy and materials, to finalize the plans and begin collateral development.

All public education and outreach plans and materials will be reviewed by a Public Education Subcommittee comprised of Brian Moura (San Carlos), Laura Galli (Foster City), Lillian Clark (San Mateo County RecycleWorks), Roxanne Murray (San Mateo), and SBWMA staff Monica Devincenzi. As appropriate final draft plans and materials will then be brought before the Board of Directors for final approval. Staff encourages other Member Agencies who would like to be involved in the initial drafting and review of the materials to appoint staff from their jurisdiction to the Public Education Subcommittee.

### **Mandatory Commercial Recycling Ordinance**

The cities of San Carlos and San Mateo are participating in this pilot program to assist with the development of required or mandatory commercial recycling ordinances. Staff concluded the initial stakeholder engagement process in September and has organized seven additional public meetings in January and early February. In addition, we now have a mandatory commercial recycling webpage which can be found at: <http://www.rethinkwaste.org/businesses/mandatory-commercial-recycling>.

The next steps include providing both cities with updates on our stakeholder engagement process and sharing the recommendations to structure their ordinance(s). The Board will be provided updates on our progress in the coming months as the governing bodies of these Agencies provide further direction to staff.

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

The monthly average of batteries and cell phones collected through the curbside recycling program in 2008 and 2009 was 3,750 and 4,778 pounds, respectively. A total of 4,617 pounds was collected in December 2009.

### **City/County Recycling Grants**

Each year, the State of California, Department of Conservation (DOC) issues non-discretionary grant funding to California cities and counties per the Beverage Container Recycling and Litter Reduction Act. The funds are derived from non-redeemed California Redemption Value (CRV) deposits and distributed equitably amongst all California cities and counties. The general guideline for use of these funds entails facilitating recycling of CRV containers and litter abatement. DOC staff anticipates payments to be sent in August. The SBWMA will assist Member Agencies with expending these funds upon request.

### **SBWMA Website**

A Mandatory Commercial Recycling page was added in December 2009 to the SBWMA website with information regarding the pilot project for the Cities of San Carlos and San Mateo. The website will also undergo some significant changes in the coming months to reflect the SBWMA's new logo, future services updates and other information. Staff's goal is to make the website the go-to source for information on future collection services.

The site averaged approximately 277 visits per week since the last Board meeting, of which over 63% were new visits. There is a noticeable increase in the number of visitors to the site following the release of the Board packets, residents receiving the rethinker Newsletter, or other SBWMA outreach promotion (i.e., E-Scrap Events). The most commonly visited sections of the site are "RFPs/RFQs," "Residents" and "Board Meetings."

### **Shoreway Construction Webcams**

The public can view the ongoing demolition and construction of the Shoreway facility through webcams hosted on the RethinkWaste.org website. There are two cameras that are currently directed at the Materials Recovery Facility. The cameras will be repositioned when construction begins on the transfer station.

The webcam link can be found at:

<http://www.rethinkwaste.org/shoreway-facility/construction-webcam>.

### **rethinker Newsletter**

The Winter 2010 issue of the SBWMA quarterly residential newsletter was sent to residents earlier this month. The issue focuses on Household Hazardous Waste, includes information on waste-less holidays, what's accepted in the bottles and cans bin and the 2<sup>nd</sup> Annual Green Lifestyle Contest winners.

### **C&D Recycling Update**

Staff released a model staff report and recommendations to revise Member Agencies C&D ordinances on February 6, 2009. The goal of the revisions is to set high standards for all of the ordinances in an effort to increase C&D diversion throughout the SBWMA service area. Addressing the issue of C&D recycling regionally will likely be the most effective strategy to ensure high levels of diversion, even though Member Agencies are responsible for administering and enforcing their respective C&D ordinances. A variety of recommendations were submitted to Member Agencies; however, one overarching recommendation that has proven to be effective in other communities (e.g., San Jose) is to require contractors to deliver material to certified C&D recycling facilities. If Member Agencies include this requirement, the SBWMA will annually publish a list of approved C&D processing facilities that are certified to accept material.

Member Agencies were requested to respond to the SBWMA in February 2009 to convey their intentions of upgrading C&D ordinances. **Thus far, only Atherton, Foster City, San Mateo, and more recently Redwood City have expressed an interest in the recommendations.** The FY09/10 budget includes only limited funding to support this effort this fiscal year.

### **Schools Recycling Program Update**

Staff has purchased 32 gallon recycling carts for distribution to schools in the SBWMA service area. The program is implemented with assistance from RecycleWorks staff who has delivered 129 carts on behalf of the SBWMA. The following table provides a list of schools that have received carts to date.

**List of Schools Provided Recycling Containers**

<b>School</b>	<b>City</b>	<b>Total Number of Carts Delivered</b>
St. Timothy School	San Mateo	2
Arundel School	San Carlos	5
San Carlos Charter Learning Center	San Carlos	6
Tierra Linda Middle School	San Carlos	2
Adelante School	Redwood City	2
Aragon High School	San Mateo	32
Franklin Elementary School	Burlingame	6
Charles Armstrong School	Belmont	3
Burlingame Intermediate School	Burlingame	13
Cipriani Elementary School	Belmont	3
Central Elementary School	Belmont	1
Burlingame High School	Burlingame	11
Redwood High School	Redwood City	4
Summit Prep. High School	Redwood City	4
Nesbit School	Belmont	2
St. Matthew School	San Mateo	3
Menlo Atherton High School	Atherton	25
Red Morton Park (AYSO Program)	Redwood City	3
Laurel Elementary School	San Mateo	2

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Hilary Gans, Facility Operations Contract Manager  
**Date:** January 28, 2010 Board of Director's Meeting  
**Subject:** Facility Update – Shoreway MRF Construction

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### Shoreway Masterplan Update

The demolition of the MRF building was started on November 6<sup>th</sup> and continued uninterrupted through December. At the completion of MRF building demolition in late December, the MRF foundation earth work was initiated and has been ongoing through the middle of January.

During the building and slab demolition process there were several unanticipated site conditions that caused delays to the demolition schedule. Currently construction is running about three weeks behind the original base-line schedule due to delays encountered during demolition. The base-line schedule is being re-evaluated and opportunities to “make up time” are being explored. The major unanticipated site conditions encountered include the following:

- The discovery of sunken tanks containing hazardous waste were unearthed and needed to be handled and disposed.
- Above standard asphalt thicknesses were encountered in some areas of MRF building apron and required additional grinding and removal time.
- Larger than anticipated foundation pits required extra demolition work, fill material and earthwork to bring these sunken areas up to grade.

The above unanticipated site conditions as well as changes to the foundation design have resulted in project cost changes. Attached is a Construction Cost Change Summary Report that lists the construction items that have resulted in a cost change to the project (note that this report will be updated and presented to the Board on a monthly basis). Most of the cost changes are still estimates that will be solidified after the work is completed and contractor's invoices are approved. The cost increases over the original contract amount will be drawn from the construction contingency fund which was approved by the Board when the construction contract was approved.

The two largest cost increase items include the lime treat of the soils and the cost to add additional piles to the foundations. Staff approved the lime stabilization of the soils at the site to provide assurance that the project would not incur substantial weather delays. If the soils were not lime-treated, rains would have turned the construction site to mud and cause the job to be shutdown for weeks or longer. By lime-treating the soils, the soils are hardened so that water does not penetrate and the construction equipment can operate on the site even in wet conditions. This cost was not forecast in the original budget because the original project schedule showed MRF earthwork to occur in the fall of 2009 before wet weather.

Additional piles were added to the foundation design to reinforce the MRF slab to support the increased weight of the single stream processing equipment. Since the MRF system design was only conceptual at the time of the construction bidding, and the equipment selection and final design was not completed until December 2009, several building design changes were required accommodate the final BHS equipment design.

**SHOREWAY ENVIRONMENTAL CENTER**  
**Construction Cost Change Summary Report**  
**Updated: 01/22/2010**

Constr Phase	#	Date Added Updated	Item	Cost*	Reason / Comment
<u>Demolition</u>	D-1		Additional foundation demolition	\$ 50,000	Old MRF slab had sunken pits that were larger than anticipated and required additional demo and filling.
	D-2		Additional asphalt grinding needed	\$ 50,000	MRF perimeter asphalt was thicker than expected in areas requiring more grinding.
	D-3		Removal of reservoirs containing hazardous materials	\$ 20,000	Three unanticipated subsurface reservoirs were found that needed testing and removal.
	D-4		Construction of interim site entry	\$ 60,000	Wet conditions prohibited the pouring of concrete at the Gate I entrance and a interim asphalt entry needed to be constructed in order to switch over site traffic so demolition could proceed.
<u>Foundation</u>	F-1	1/6/2010	Lime-treat of foundation soils	\$ 58,200	Risk of job shut-down due to wet conditions was mitigated by solidifying MRF foundation soils so that foundation construction can proceed unhindered by weather.
	F-2	1/15/2010	Additional piles in foundation	\$ 113,800	After the MRF equipment design was final, the building foundation needed additional pile support at the slab pits and baler pad areas.
<b>Total Cost Change</b>				<b>\$ 352,000</b>	
<b>Phase II-Construction Contingency</b>				<b>1,620,900</b>	
<b>Remaining</b>				<b>\$ 1,268,900</b>	

\* *Italicized costs are estimates*

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Kevin McCarthy, Executive Director  
**Date:** January 28, 2010 Board of Director's Meeting  
**Subject:** Implementation of County AB 939 Fee

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### Recommendation

This is an informational report and no action is necessary.

At the request of Board Member Jim Hardy at the November 19, 2009 Board meeting, staff has reviewed documents from the County RecycleWorks staff and met with County staff to ascertain to what extent there's any AB 939 programmatic overlap between RecycleWorks and the SBWMA. Based on this review, we see little to no substantive overlap in our respective AB 939 programs.

Over the past several years RecycleWorks and SBWMA staff have collaborated in a number of areas including recycling outreach, schools recycling, Green Business Program, and contract administration functions with the current and future franchise agreement(s). We certainly recognize that there's always room for additional collaboration particularly given the breadth and complexity of new franchise services being driven by the SBWMA and the new opportunities afforded once the Shoreway Environmental Center capital improvements are finished. One such opportunity will be the development of a Shoreway facility tour program available for school children throughout the County.

To be clear, though, there are clear and substantive differences in the focus of each agency. The SBWMA's focus is much more operational in nature given our ownership of the Shoreway facility and emphasis on franchise related contract administration, program development and outreach. Our website reflects this focus and we consciously try not to overlap with the County's broad based education and outreach campaigns and tools such as its master composter program, online recycling and buy green directory, recycling hotline, etc.

Staff does have a significant concern regarding the equity of the funding mechanism used by the County to pay for its AB 939 and HHW programs. Simply, there is a serious inequity associated with the SBWMA ratepayers bearing the brunt of substantially funding the county's AB 939 and HHW related programs; this is the case as the fee is only applied at Ox Mountain Landfill and other significant tonnage sources in the county are going un-captured in terms of a fee. The SBWMA should only be paying its proportionate share (could be measured as a % of the total county population or a % of total disposed tons (i.e., in-county disposed plus any exported disposed tons); in either case the SBWMA is paying a disproportionate share of the county's AB 939 program costs. This concern has been shared with County Public Works Director and SBWMA Board Member Jim Porter.

A related point raised by Board Member Jesus Nava is what's the County's plan for sustaining its funding levels given that they are relying on a disposal based fee and disposed tons are declining? Is it fair and equitable for the SBWMA ratepayers to be faced with an ever increasing County AB 939 fee levels as disposed tons decline?

Board Member Porter is expected to provide an update on the County's perspective on this topic at the January 28<sup>th</sup> Board meeting.



**RethinkWaste**

South Bayside Waste Management Authority

**FEBRUARY - MARCH 2010 BOARD AGENDA ITEMS  
(SUBJECT TO CHANGE)**

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**February 25, 2010**

- Quarterly Update on Bond Proforma Key Financial Metrics
- Resolution Approving Shoreway Center License Agreement with Recology
- Approval of Quarterly Investment Report as of 12/31/09
- Approval of Proposed Mid-Year Budget Adjustments FY09/10

**March 25, 2010**

- Resolution Approving Agreement(s) for Plant and Organics Materials Processing Services