



BOARD OF DIRECTORS MEETING
THURSDAY, FEBRUARY 25, 2010 at 1:30 p.m.

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

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 January 28, 2010 BOD Meeting Minutes
 - B. Approval of Quarterly Investment Report as of 12/31/09
 - C. Resolution Accepting the Fiscal Year 2008-2009 Annual Financial Statements
 - D. Resolution Approving Release of Bid Documents for Transfer Station Floor Repair and Authorizing Executive Director to Accept Bids and Enter into Contract
 - E. Receipt of Allied Monthly Metrics
6. **Old Business**
 - A. Resolution Recommending SBWMA Member Agencies Approve Use of Used Commercial Bins by Recology San Mateo County
7. **New Business:**
 - A. Resolution Approving Mid-Year Budget Adjustments FY09/10
8. **Staff Updates**
 - a) Update on Allied Contract Compliance
 - b) Recycling and Outreach Programs Update
 - c) Facility Operations Update
 - d) Summary of Agency Milestones
 - e) Preview of Upcoming Board meetings
9. **Board Member Comments**
10. **Adjourn**

Next Regular meeting scheduled for March 25, 2010, San Carlos Library at 2 pm

MEMBER AGENCIES

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



CONSENT CALENDAR

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
January 28, 2010 - 1:30 p.m.
San Carlos Library, Conference Room A
610 Elm Street, San Carlos, California

1. **Roll Call:** CTO 1:30 p.m.
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**
Nothing to Report

AGENDA ITEM 8F Moved – REGOGNITION OF KEY PARTNERS

Executive Director McCarthy: Good afternoon. I thought it would be appropriate as we have got a little bit of wind behind our back with the RFP process to recognize a couple of folks that are really key partners in our success in getting those RFPs done, getting the agreements finished and signed slowly. Some of them are trickling in. So there is two people in particular I want to recognize today that worked as really a key extension of our staff. Those two individuals are Ray McDevitt and Joe Sloan. I am going to just take a minute and say a few nice things about both of them.

Mr. McDevitt, as all of you know, was our outside counsel on the RFP work. He helped us draft both RFP documents, both of the model agreements, the final agreements. He worked with us on the BHS agreement, the license agreements. So it has been a full employment act for Ray. So we did not want him to get too bored with his water works. We got him deeply into our garbage work. But I think I can simply say that we really could not have gotten through that process, really still on schedule as it relates to the collection services RFP without Ray's work. I know when I met with him in early 2007 he kind of looked at me cross-eyed and thought that I was out of my mind to try to do procurements at the same time and a master plan to get all these contracts signed. So sorry Ray. But he really was an incredible asset to us. And he was a true, true warrior for the agency. He has a very strong personality, not unlike a few of us. And so we certainly as a group kind of went at it a few times. But at the end of the day, you know, Ray really got us over the finish line. So I have plaque here for Ray. Maybe Ray can come up and say a few things.

MR. Ray McDevitt: Well the first thing, of course, I will say is thank you. Thank you to the members of the Board and thank you to Kevin. These contracts that I did have the responsibility and the privilege of working on were truly among the most challenging of any that have undertaken in practicing, 40 years of practicing law. And individually they are complicated and the inter-relationship among the three or four different contracts certainly amplified the challenges. And I appreciate the many nice things that Kevin said. But it is also true, as I am sure you know better than I or at least as well as I that it would not have been done without Kevin. And it would not have gotten done as well without his very talented staff, Hilary Gans and Marshall Moran and Cliff Feldman, who spent a lot of time in the trenches, very, very dedicated civil servants.

So I am glad that the wind is at your back. And I wish you the best of luck and success from here on out. And thank you again Kevin.

Executive Director McCarthy: So the next person I am going to recognize is Joe Sloan. Before I do that I want to mention there was one other person that was outside the organization, Tim Flanagan from Monterey Regional Waste Management District that served on our collection services evaluation committee. And really put in a

tremendous amount of hours and was a great help for us. And trying to give Tim the most recognition, I am going to go down to his Board in Monterey and give him a plaque like this.

So Mr. Sloan. Anybody that has worked with Joe knows that he is not just a consultant, he is a friend. He is a passionate warrior in defense of whatever he is working on. So when I say that he has taken fire for the organization, it is just the way Joe is. So Joe really dug in deep for us. We had a very small team that did the work on the facility RFP evaluation and Joe as our one and only consultant and extension of our staff. I know Jim Porter and Larry got to know him a little bit and Mark Weiss. And we all had a lot of fun in the long hours that we worked. So Joe really, he kind of was that glue for us on the facility procurement side. I know when I had to step aside he was a tremendous help for Hilary. And as I said, he was a true warrior for the agency. So he helped us get through a lot of tough times. So Mr. Sloan here is a nice plaque for you.

Mr. Joe Sloan: Well it is an unexpected pleasure, I must say. Because when I was invited to come to the meeting today I was not even sure what it was for but I just know anytime I have a chance to come to San Carlos I am coming. It is a great place and I have really enjoyed this last couple of years of working with SBWMA and great staff. Ray, I have 30 years of working with public agencies and trustees, Boards, commissions, council members, supervisors of all stripes. Started out doing tax exempt finance work for municipalities and somehow got into garbage. From cash to trash.

Most people like to go the other direction but I have worked with a lot of agencies over the years and I can say that I have not really had any greater fulfillment and appreciation of the role of a Board and of an organization than I have through this process. You guys have been a tremendous, tremendous organization. And I can say it is kind of uncommon, in fact it is very uncommon, unsurpassed in my experience, to have a Board that as close to the actual operation that they are responsible for, that they are ultimately responsible for. So it was your engagement as a Board and your knowledge and commitment to the process that really made my work quite easy.

And then, as well, all of you guys on the staff, tremendous and uncommon as well. So I appreciate it. Thanks for the acknowledgement but you made my life easy and better and thank you for it.

4. Public Comment

None

5. Approval of Consent Calendar:

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

- A. Adopt the November 19, 2009 BOD Meeting Minutes
- B. Resolution Approving MOU with Santa Clara County re: Power Purchase Agreement Procurement

Resolution 2010-01

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 Waiver of Franchise Agreement Requirement for Annual Contractor Performance Hearing for 2010

Resolution 2010-02

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

D. Receipt of Republic Monthly Metrics

M/S Patterson/Crist approve Consent Calendar

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

6. Election of New Officers for 2010

Member Patterson: I understand from Brian that given the challenges on his time over this next year that the normal sequence of progression is not really feasible. His City Manager believes that the natural progression from Vice Chair to Chair is not going to be feasible this year. So what I would like to do is suggest a nomination of Jim Porter from the County as the Chair for this next year and leave Brian in the position that he is in.

Chair DeBry: Are there any other nominations for Chair? Hearing none, would we like to vote for Jim Porter for Chairman?

Member Patterson: By acclamation.

Chair DeBry: By acclamation. Congratulations Jim, you are now Chair.

Chair Porter: Well thank you members of the Board and Martha. I am honored, honored to take over for Martha. And I look forward to an interesting year, certainly fun.

Member Patterson: What I was suggesting in the motion was, and we can do it separately too, is ask Brian to continue as the Vice Chair for this year.

Chair Porter: Yes, I thought that was all part of the same motion but you want to do it separately? All right. It looks like we have two-thirds agreement. Great. Thank you. And congratulations Brian.

7. New Business:

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

Executive Director McCarthy: There was a special Board Meeting on January 21st to go through an outline of this potential, for Consent to Assignment of all the municipal franchise agreements here in the service area. In the last week there is nothing of substance that has really changed in terms of the deal points. The only thing that was added in the conditions of approval is there is language now that the two parties agree to each cover up to \$25,000 per year for rate review costs in 2010. One of the points I brought up at the meeting on the 21st is that we are going to incur extra costs to do the separate rate reviews and still do the Shoreway rate review.

So I certainly appreciate the two companies agreeing to help cover those costs. So that has been added to the agreement. So for the folks that were not at the meeting, and as a matter of background, I

am going to go through sort of the outline of what is covered. So the fundamental points, as I mentioned, have not changed. If this transaction was approved it would be an assignment of all the municipal, excuse me, of all the member agency franchise agreements effective July 1st, that would be the assignment date.

The key here is the timing. This is contingent on all 12 of the member agencies approving Consent to Assignment by April 1st. As I mentioned last week, this certainly poses a challenge timing wise to try to get through the agencies but I do not think any of the board members should be unclear on the point that it takes all 12 member agencies. It would require a unanimous vote. So if one or two decided to not calendar it or were opposed to it then this Consent to Assignment would not occur. If there are pieces that are in this package that we have gone through that you find of interest, and certainly there would be a need for the agencies that maybe blocked it to maybe help understand if they want to get the benefits of this assignment some new arrangement would have to be negotiated with the parties. But essentially that is what we are faced with, is a sprint until April 1st to get all the agencies to approve.

Also important to note, because there was some confusion about this. I do not think with Board members but other stakeholders is that Republic would remain the Shoreway operator. So there is no change there.

Member Hardy: There is a second assignment for those agencies that have not assigned, they need to do that.

Executive Director McCarthy: That is correct, thanks Jim for pointing that out. So back in November the Board, this Board recommended that all the member agencies approve an assignment from the current service provider to Republic due to a merger. So far two agencies, Hillsborough and Foster City, have approved that. San Mateo, I understand, is going to consider it in February. So if you have not, you know, sort of got it queued up, you would want to do this at the same council meeting because one does precede the other.

So in terms of what is covered in this transaction, Recology would also be assuming the Republic's customers in the county service area. You will note there are a few things that I mention here that I am mentioning just so that no one is surprised about what the parties have agreed to. Obviously this is an item that is really only relevant to the county. The big financial matter between the parties is that if Republic operates for the full year there is a projected profit in overhead that they would be paid. That is assumed in the rate report.

So from their perspective, if they are going to agree to the assignment with Recology, they would want to be paid the profit that was projected for that six month period. So that is 3.1 million.

There are some other key assumptions that come with approving the assignment. One of them is that all of the member agencies agree that in their future franchise agreements they will allow for the use of used commercial bins. That is the largest single cost saving item. It has been negotiated in this package. If the consent to assignment is not approved, it is certainly still possible that that can be agreed upon and I think everybody involved, staff and Republic and Recology, would want to make sure that you do that for sure. That there has been a lot of time and attention paid to that and it represents about 80 percent of the total cost savings. So we certainly want to make sure that we get that covered.

The other important item is that all of the detail that I have given you in the staff report and this PowerPoint is just a summary is based on an agreement between the two parties. As I understand it there is no significant items of disagreement at this point. But the two parties have to have a definitive agreement signed. If for some reason today, tomorrow, next week as we are going through this process, it is possible that something could come up and the parties essentially back out of this arrangement. I will leave it up to Republic or Recology if they want to speak to anything of concern. I am not aware of anything at this moment.

Some of the other key things that would happen upon the effective date of the assignment. There is all the various legal protections for the parties. And the other important thing to note is that in doing this other than the use of the used commercial bins and some changes to the implementation schedule there is nothing in this consent to assign that is going to change Recology's obligations under the next franchise agreement.

So we tried to make it very clear from the beginning that we did not want to have to burden the member agencies with, not only, approving this assignment but then having to go back, bring your new franchise agreements back to council and then agree on a bunch of changes. So the nature of the changes, we believe, are administrative or administrative and could be handled without having to go back to your City Councils. But as I noted before, they only relate to the use of used equipment and changes to the implementation schedule.

Some of the other points to note, there is a lot of discussion about how the rate review work would be done. And what was agreed upon was really to make this the most fair and equitable for the parties, really everybody involved, was to do separate rate reviews for the period. For the first half of the year there would be a separate rate review for Republic and that whatever balancing account issues come out of that, agencies are owed money or agencies owe money, would be between Republic and the member agencies.

And the assumption is that the rate review work that is done for the first half of 2010 would be finished in time so that if there was any adjustment to be made to your rates you would know that in the fall and it could be rolled into your 2011 rate setting. There will also be a separate rate review for the last six months of 2010 and I will make note of why that is important. And as we talked about at the last Board Meeting, the special Board Meeting, there is various transactions between the parties to purchase or lease asset supplies. The most significant one being purchase of the commercial bins.

As I mentioned, this Consent to Assignment generally does not change Recology's contractual obligations with the two exceptions, the use of used commercial bins and the modification to the implementation plan. The cost savings, and this is very critical, the cost savings that have been documented in the staff report, the way they get captured is that they will be put into the cost forms for your future franchise agreements.

So when the rate submittal occurs, and when is it Cliff, July or August of this year, these numbers will be captured there. So that is where the savings are realized. It will not be anybody writing a check or, you know, money is flowing back through the Authority or any of that. The cost savings are essentially factored into the rate review process.

As I mentioned, the two parties have agreed to each cover up to \$25,000 in rate review expenses. As we go through this, if this Consent to Assignment moves forward there will be a series of meetings with the two parties and with HF&H to try to ascertain what our rate review costs will be.

And at that point, whatever the additional costs are compared to this past year, which was about—will end up being about \$175,000. Any costs over that will be essentially split between the parties.

So the question that I posed at the last meeting, you know, why should member agencies consider approving this assignment? We think there is three or four notable benefits. Certainly there are the cost savings, which from my view may be is not the single largest benefit for the assignment but nonetheless there is over \$3.7 million in savings, which translates roughly to \$374,000 per year. The number is not exactly \$374,000. It depends on how the interest cost savings are spread out over the ten years.

What I will be asking Recology to do very soon is to put these numbers back into the individual city cost forms so that you will know what your exact savings are. So when you go to Council, assuming you approve this today, you will know what your dollar savings are for your particular community. But I really, really would like to say that I think that the biggest benefit to this consent to assignment is that the new services will be rolled out a few months early in the fall. With this sort of a cut-over, with a large service area, it is really without precedent recently in the Bay area.

Some of the other large transitions that have occurred have been bringing in new service providers but essentially with the same set of services. What we are faced with is converting from an antiquated system to a modern automated system. And it causes lots of challenges in how you do that. If you are trying to roll out by January 1st, we have to work around putting carts early to customers. Those carts would have to be stored. There is just a series of - - service disruption issues. By doing this assignment, the way it would work is once these new carts over here to my left are placed out with the residential customer their old garbage cans or tubs will be taken back shortly thereafter, such that the next service day for the customer they will be able to begin using those new carts. It still will be in the

same service level. So that means recycling will still be every other week. Garbage will still be weekly. The one exception in terms of the new service is that the organics program would not start until January 1st.

And the main reason for that is if we were to try to go weekly it would require getting those new trucks in place early. Those trucks are not going to be available and it would significantly drive up the cost in the last six months of the program. As I get to a point here that is in the staff report, there is a real key savings here in terms of this early roll-out, is that we are doing this but Recology has agreed to cap their costs within that six month period. So not only are we getting the benefit of the early roll-out, there is cost savings. There is a cost cap for that six month period.

If this does not occur we are faced with implementing and dealing with our typical cost plus contract, what we currently have. And other than, you know, something that clearly does not fit within the contract, generally we are going to be approving all of Allied's expenses, Republic's expenses to close out the contract. And we really have no way to control their costs in that six month period.

So another significant cost savings with this program is that we do have this cost control within the six month period. Recology has agreed to a cost cap. It equates to the number that was projected in the rate application.

But once again, I would say my own personal experience and my staff and certainly talking to people in the industry, when you go through a close-out on a franchise agreement, particularly in a cost plus situation, you are not going to see your costs drop. They are going to be going the other way and we really have no way to control that.

There are certainly smoother transition issues. One of the challenges, once again, with trying to do this hard cutover on January 1st is there is a lot of training activities, customer service, whether it is customer service training, driver training, logistics that have to be essentially done outside of the operation. They cannot be done on site because the current service provider is there.

We have captured some of those cost savings in these negotiations. But generally, this offers, certainly, the hope and I think the reality of far fewer risks in terms of transition issues.

Then finally, I mention commercial recycling. One of the very attractive components of Recology's original RFP submittal and what is captured in their contract is a commercial recycling blitz that would be starting July 1st. It would be an effort to essentially go out to every account that does not currently have recycling and try to sign them up. It is a commitment that is iron clad. It is in the contract. But nonetheless there are limitations to that sales, commercial recycling sales blitz. One of them is, and it is not unlike the other transition issues, is Recology would not be the service provider. They would not be able to use the existing sales force that is in place. They would have no control of the customer service reps at the company. They would essentially be bringing resources in, trying to sign accounts up, but they would have to turn that sort of customer start-up request, change in service request over to the incumbent provider. They also would be running their own trucks, pick up the material. So there is really far greater cost to Recology to deliver the service. And once again, we have captured those cost savings in these negotiations. But nonetheless we believe that the company is in sooner, it is going to greatly enhance the success of that blitz.

So that is a summary of what is in the staff report. At this point the recommendation is for the Board to approve the attached resolution. Attached to that resolution is Exhibit A, which is all of the conditions of approval that have been put together related to this approval of the Consent to Assignment. I know some of you who were not at the meeting last week probably do not have a great deal of time to go through what is in Exhibit A. So certainly, at this time I can take any questions that any Board members have.

Chair Porter: Thanks Kevin. Before we take questions we have one speaker on the side. Josef Vidakovitz.

Mr. Josef Vidakovitz: Good afternoon. My name is Josef Vidakovitz and I am currently part of the administrative staff at Allied Waste in San Carlos. The Teamsters Local 350 are currently campaigning to unionize the office staff, which I am a part of. I have a few questions. The Union leaders say that if we unionize they can protect or guarantee our jobs once Recology takes over from Allied Waste and I

want to know if that is true. And then if the office staff does vote to unionize, if there is an agreement with Allied, is Recology then obligated to honor that union contract?

And then I have also heard that 50 to 70 people may lose their jobs when Recology takes over. And can you say how many of those jobs are drivers and how many are office staff? And if the office staff does vote to unionize will this have any impact on those job loses?

Chair Porter: Before we take that question I think maybe we would get some advice from legal counsel whether this is within the realm of the item and whether we can discuss this.

Legal Counsel Savaree: I do not think it is within the realm of the item that is before you. But I would be happy, if I can, I cannot answer any of those questions sitting here. I do not know the answers. I would be happy to follow-up with the gentleman if you would like me to.

Chair Porter: All right, thank you. I think probably the best way to address this is we have heard your questions. I think someone from staff will get in touch with you to try to follow-up and answer those questions for you. But since it is not within the realm of this agenda item, it is not appropriate for us to provide a response at this time.

Member Patterson: I just have one question because there was, I do not know that it was said explicitly in the staff report but I just want to confirm that, that the parties have reached agreement on the terms of the agreement then. So it is really a matter of getting this assignment approved by the member agencies or is there still more negotiations to be done?

Executive Director McCarthy: The two parties, excuse me. The two parties have agreed to the conditions of approval that are in Exhibit A. I cannot answer the question as to whether have come to terms with MOU agreement. Maybe they can respond to that.

Member Patterson: If it is okay with the Board I think I would like to know kind of where we stand in terms of the assignment process. And obviously a key part is have an agreement between the two parties before we start jumping through hoops.

Mr. Mark Arsenault: Good afternoon, my name is Mark Arsenault. I am the group manager for Recology. I can tell you that we have reached agreement to the basic terms. There has been a couple of red lines that have gone back and forth. So it is in the final throes with the attorneys but the principles, the basic principles of the deal have been agreed to. So we just do not have the contracts penned. If Kevin has a different view of it, then I will let him speak to that but we talked this morning and think we have it hammered out pending the attorneys approval.

Chair Porter: Do you have a timeline on approval?

Mr. Mark Arsenault: We do. The timeline was actually December 31st of last year because we know we have got to get to all of your cities to get these approvals done. So yes, time is of the essence.

Chair Porter: Days, weeks?

Mr. Mark Arsenault: Hopefully, literally days. We hope to begin talking to your cities next week actually. So that is our timeline. We understand the need. And again, I answered this last week but the real hard deadline of April 1st is a need based on training and on outreach because both of those elements are really impacted by the early transition. But yes, as quick as we can get it done.

Mr. Kevin Finn: Kevin Finn, I am with Republic Services and we have been negotiating this for quite a while now and Mark is absolutely correct. We are in agreement on terms and we are waiting on the red lines to be black lines and sign the MOU. So it could be a couple of days. It could be next week but the attorneys need to get their hours and we will get it done. Thank you.

M/S Moura/Patterson approve Resolution 2010-04
Motion Passed 8-0-0-4 (Absent: Burlingame, EPA, Menlo Park 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

Member Hardy: I have just a follow-on request. In order to turn this around that quickly will there be a kind of model staff report? You know, model resolution, the actual, you know, signed MOU, gets transmitted to each of the agencies to make it as easy as possible for people to then turn that into their own kind of staff report and get it onto their agendas? And then I think we may need some personal outreach to make sure that right away we know what schedule they are going to put it on and when you need unanimous and we have had problems in the past of all agencies acting within a timeframe. So I offer the one as a suggestion to all of us. It just makes it so much easier that we are not putting out different information. That there is kind of a standardized staff report reso and what not. And then that we do some additional outreach and early on get commitments from each of the agencies as to what date that they are going to take this to their respective governing Boards for action so that we know that it is all within this timeframe.

Executive Director McCarthy: Staff will commit to making some minor tweaks to the staff report. There will be some minor formatting changes and some things taken out but we will do that. I certainly will commit to be at every member agency meeting. I will say though that this, I think there has been a tremendous amount of work done by staff to get it to this point and it is really up to the parties to help with the outreach to get this thing moved forward.

Member Patterson: Just one, and this goes along the same line because I provided our attorney's office with a copy of the staff report and reso as it stood. I cannot imagine them not coming back and saying let me see that agreement as soon as possible. So whatever you can do to expedite that part from the parties actually - - agreement would be helpful. And I assume everybody is here since we voted for it, you could count on us in delivering.

Member DeBry: This amount - - done with East Palo Alto, Burlingame and West Bay.

Executive Director McCarthy: There will be. Actually in the case of West Bay we have already had conversations with them. I have not spoken to Burlingame. I have spoken to Menlo Park. So it is two of them we have not spoken to, two of them that we have. But certainly that this—tomorrow morning or sometime tomorrow the staff report will go out to all member agencies. Certainly pointing out the urgency. I cannot really commit to Larry's request to move the parties any further along on the MOU. There was a December 31st deadline and it was missed. This MOU should have been to us before this Board Meeting and it was not. So hopefully, as I say, there is no major changes and we will get the MOU.

Chair Porter: I just have one more question. What sort of—how mechanically would you like us to get your schedules to staff or will there be outreach from staff to the various jurisdictions to give you our schedules for getting to our Councils and Boards?

Executive Director McCarthy: Just let us know the date and we will have somebody there.

Chair Porter: I know for the county we have scheduled this for our environmental quality committee in February. At least to give a verbal update and it is kind of the path to getting to our Board of Supervisors. So we will contact one of your staff and let you know what the timeframe on that

B. Mid Year Review of FY2010 Annual Operating Budget

Informational Item. Review of Budget. Mid Year will be brought to Board for motion at the February Meeting.

Hillsborough now absent

C. Resolution Approving Contract with Zanker Road for Processing of Construction and Demolition Debris

We have had a contract with Zanker Road dating back to December 2006. That contract has been in place for three years. We believe they have delivered a very high level of service to us and we are desirous of extending that contract. We have negotiated lower tipping fee at \$45.00 per ton and we are projecting the cost savings of that new rate to be on an annualized basis \$125,000.

Resolution 2010-03

M/S Moura/Patterson approve Resolution 2010-03

Motion Passed 7-0-0-5 (Absent: Burlingame, EPA, Hillsborough, Menlo Park 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

D. Approval of Updated SBWMA Brand Identification

Member Patterson: Was there a polling of staff about the opinion about which staff preferred?

Staff Devincenzi: We did. We actually had 28 logos that were presented to us and we narrowed it down to the top, ten that we liked and then we went around and voted. And I think the one that staff preferred, that had the highest votes was number three on what was presented. But they were all very close within a point or two of each other.

M/S Patterson/Crist approve Brand Identification

Motion Passed 7-0-0-5 (Absent: Burlingame, EPA, Hillsborough, Menlo Park and West Bay Sanitary District)

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

Executive Director McCarthy: I will note that there is an Item D update on the county AB 939 Fee and that is a segway. And in a moment or so I think Jim has something to say maybe updating that item. But we did follow through and had a meeting with county staff. I met with Jim recently. There is still some concerns I think that we need to address relative to the county fee and some of the equity issue around, you know, is this agency paying its proportion and fair share, you know, - - budget. So, you know, but in terms of the task that was presented by Board member Hardy as to whether there is, you know, substantial overlap in the scope - - services between the two agencies, we do not believe that there is.

Chair Porter: Maybe I will say few words before we get going. We did meet with Kevin and our staff has been talking with his staff and we do think that this issue of fairness is a big issue. Right now we have most of the agencies or most of the cities in this county hauling to Ox Mountain. There are three that I can think of off the top of my head that are not. In fact I just went through the State Boards reporting on solid waste for all the jurisdictions. And everybody here has some waste that is being hauled out of county.

Now a lot of that is from self-hauls. There is a lot of things you cannot control. But I think what we need to do is get together as a county, meaning members of this body as well as the other ten cities in the county, and talk about how we are going to address this equity issue. What we need to do is to either find a way to catch revenue from these cities that are hauling out of this county or charge a fee for the services that the county is providing to those cities that are not paying in now or tell these cities you are not going to get this service. Half of this fee goes towards implementation of county-wide programs by our recycle works group in Public Works. The other half, roughly, goes to the household hazardous waste program.

So if you are from a jurisdiction that is not hauling to Ox right now you are getting that service for free. And we agree that is not fair. So what our staff is going to do and Joe LaMariana is in the back here, is set up a meeting of all the cities and get together and start brainstorming. Because we would like to come to consensus with all the cities in the county as to how to proceed with this. And then we will take it to our Board of Supervisors and provide a recommendation to them.

But I just want to let you know that I appreciate the work that Kevin has done. I appreciate the work that our staff has done and this is not over but we certainly want to address all these issues and we plan on doing those in the coming months. And I will just also offer up that, we, the county, as well as our staff would be happy to attend any City Council meetings that you have. I know there is questions about this. We will be in Foster City on March 15th to speak with their Council. So the offer is open, we will meet individually with your staff and/or your Councils at a meeting if you would like. So if there is any questions I can answer them. And if I cannot answer them, Joe LaMariana can sure answer them.

10. Board Member Comments

Chair Porter: Before we adjourn I think there are a couple of members here that we need to recognize as outgoing Board members. Jack Christ from Belmont, last meeting and you will be saying hi ho silver and heading off to retirement again. And Brian Ponty, I guess this is your last official Board Meeting, although we hope to see you again. But on behalf of the Board and the SBWMA staff thank you for your service and do not be strangers.

Member Crist: Would it be appropriate for us to say a few words at this point, Mr. Chair? I would just like to say that I never thought I had it in me to learn to appreciate garbage as much as I have come to in this process. It has been a growth opportunity. I find myself talking to my trash can now. So that tells me I am ready to be a retiree for sure. And I do not know if Brian is doing that sort of thing as well but there is something—it is transformational when you serve on this Board. I do, however, feel a little bit of a failure. You know, it is Belmont's dream to put elected officials on this Board and we have not been able to accomplish that but Thomas Fil, our Finance Director, will be my replacement and I am mentoring him. And so I am sure you will hear him bring this topic up from time to time, it is our tradition. We never want to fail to at least broach the subject on that issue. And it has been fun. I appreciate the opportunity. And I am not coming back again.

Mr. Brian Ponty: Thank you. It is—I have been here since coming, these meetings off and on since 1985 when this was the SBTBSA and I think Jim was probably - Yes, you are probably one of the few people that can remember going back that far but I want to thank you for your support and confidence over the years. I think the organization does tremendous work. I think you are in excellent hands with Kevin and his staff in terms of taking this organization to the next step. And I am looking forward to turning this over to our very highly respected Public Works staff who will take our involvement to the next level. Thank you.

11. Adjourn - 3:05pm

Video of this meeting can be viewed at www.rethinkwaste.org



Board Members/Staff SIGN IN SHEET Closed Session and Regular Meeting

January 28, 2010

BOARD MEMBER

PRESENT	NAME	JURISDICTION
<i>JD</i>	Jerry Gruber	Atherton
	Eileen Wilkerson	Atherton
<i>JC</i>	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
	Martha DeBry	Hillsborough
	Kent Steffens	Menlo Park
	Lisa Ekers	Menlo Park
<i>BP</i>	Brian Ponty	Redwood City
	Alison Freeman	Redwood City
<i>BM</i>	Brian Moura	San Carlos
<i>LP</i>	Larry Patterson	San Mateo
<i>JP</i>	Jim Porter	County of San Mateo
	Joe LaMariana	County of San Mateo
	John Simonetti	West Bay Sanitary District
	Vivian Housen	West Bay Sanitary District

STAFF

PRESENT	NAME	TITLE
<i>✓</i>	Kevin McCarthy	Executive Director
<i>OK</i>	Cathy Hidalgo	Board Secretary
<i>M</i>	Marshall Moran	Finance Manager
<i>✓</i>	Hilary Gans	Facility Operations Contracts Manager
<i>✓</i>	Cliff Feldman	Recycling Programs Manager
<i>MD</i>	Monica Devincenzi	Recycling Outreach Sustainability Manager
<i>✓</i>	Jeanenne Minnix	Administrative Assistant
<i>JL</i>	Bob Lanzone <i>J. Lanzone</i>	Legal Counsel



STAFF REPORT

To: SBWMA Board Members
From: Marshall Moran, Finance Manager
Date: February 25, 2010 Board of Director's Meeting
Subject: Quarterly Investment Report as of 12/31/09

Recommendation

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

Analysis

The primary objective of the Investment Policy for the SBWMA is safety of principal, while meeting the cash flow needs of the JPA, through prudent investment of unexpended cash. As of December 31, 2009, the investment portfolio was in compliance with the Investment Policy. The portfolio contains enough liquidity to meet the next six months of expected expenditures by the Authority as well as by other third parties.

Fiscal Impact

The attached investment report indicates that on December 31, 2009, funds in the amount of \$51,668,815 were invested producing a weighted average yield of 0.22%.

Accrued interest earnings this quarter totaled \$124,904. The increase in interest income is due to the accrual of a full quarter of the bond proceeds as compared with the prior quarter.

Below is a summary of the changes in the portfolio.

	Qtr Ended 12/31/09	Qtr Ended 09/30/09	Increase (Decrease)
Total Portfolio	\$ 51,668,815	\$ 71,595,965	\$ (19,927,150)
Wgt'd Avg Yield	0.22%	0.19%	0.04%
Interest Earnings	\$ 124,904	\$ 37,043	\$ 87,861

The decrease in the total portfolio of \$19,927,150 is primarily related to the timing of the redemption of the 2000 Revenue Bonds following the issuance of the 2009 Revenue Bonds. In September 2009, the Authority defeased the 2000 Revenue Bonds and issued tax-exempt Series 2009A bond and a taxable Series 2009B bond to build the new Shoreway Environmental Center, a capital project costing \$47 million for a new MRF building, expanded Transfer Station building, and new MRF recycling equipment. The proceeds from the bonds were received in the 3rd quarter and the payment to defease the 2000 Bonds was made in the 4th quarter. In addition, payments from the bond proceeds project account in the amount of \$4,407,240 have been made to vendors related to the capital project costs.

A table comparison of the portfolio components has been provided:

	12/31/09 Balance	% of Total	09/30/09 Balance	% of Total	Change over prior qtr
Agency Securities	\$ 1,001,250	2%	\$ 1,001,250	1%	\$ -
SM County Pool	\$ 1,690,785	3%	\$ 1,685,963	2%	\$ 4,822
LAIF	\$ 4,003,801	8%	\$ 5,734,445	8%	\$ (1,730,644)
Bond Proceeds	\$ 44,972,979	87%	\$ 63,174,307	88%	\$ (18,201,329)
Total Portfolio	\$ 51,668,815	100%	\$ 71,595,965	100%	\$ (19,927,150)

The average yield of the portfolio excluding bond proceeds was 1.405%. The Local Agency Investment Fund (LAIF) is used as a benchmark, and the average LAIF yield for the quarter ending December 31, 2009, was 0.60%. The San Mateo County Pool average yield for the quarter was 1.11%. Due to the continued decline in the markets, all of the yields were lower as compared with September.

Due to arbitrage restrictions, bond proceeds investments are not included in our LAIF rate comparison. As of December 31, 2009, the bond proceeds of approximately \$45 million were invested with the trustee in LAIF, Federal Home loan securities and other cash and short-term investments.

The US Government Security invested in the FHLB had a maturity date of 11/30/2011 but a provision for an early call on 11/30/2009. The US Government Security invested in the FHLB had a maturity date of 11/30/2011 but a provision for an early call on 11/30/2009. On 11/30/2009, the early call was exercised and the proceeds from that call were deposited into a money market account with the Trustee.

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

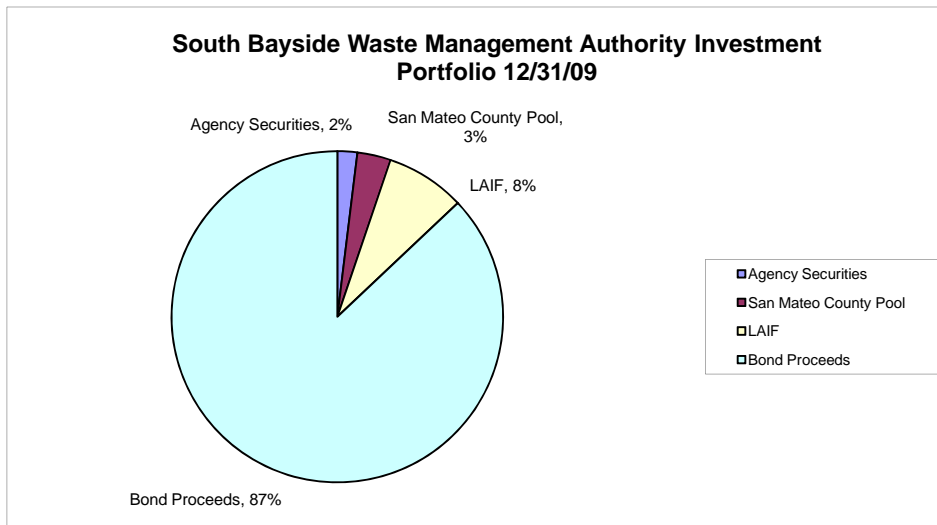
Attachments

- 1 – Investment Portfolio Summary for the Quarter Ended December 31, 2009
- 2 – Historical Summary of Investment Portfolio

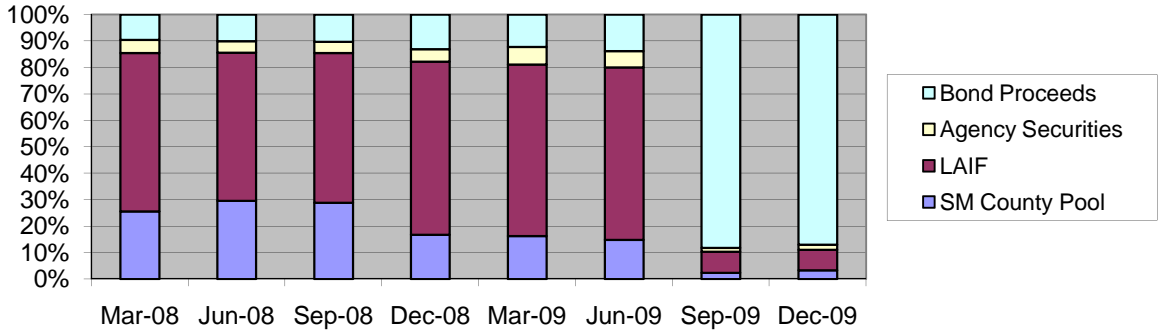
SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

SUMMARY OF ALL INVESTMENTS
For Quarter Ending December 31, 2009

Category	Maturity		Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value
	Days	Months			
Liquid Investments:					
San Mateo County Investment Pool (COPOOL)	2		1.11%	1,690,785	1,690,785
Local Agency Investment Fund (LAIF)	1		0.60%	4,003,801	4,003,801
US GOVERNMENT-Securities & Agencies (0-100%)					
Federal Home Loan Bank Cusip 3133XHXD9		23	5.13%	1,001,250	1,001,250
Maturity Date 11/30/2011, early call date 11/30/09					-
Total - Investments			1.405%	6,695,836	6,695,836
Bond Proceeds Accounts - Cash with Fiscal Agents					
BNY Western Trust - US Treas CTF IND CLUG SERV 2000 Bond Escrow Account			0.00%	-	-
BNY Western Trust - Wells Fargo Treasury M MKT Acct 2000 Bond interest Account			0.01%	152,779.69	152,779.69
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009 Project Fund Account			0.06%	36,182,808	36,182,808
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Reserve Fund Account			4.39%	4,108,360	4,108,360
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Payment Fund Account			0.00%	4,529,031	4,529,031
Total - Bond Proceeds Accounts			0.449%	44,972,979	44,972,979
GRAND TOTAL OF PORTFOLIO			0.224%	51,668,815	51,668,815
Total Accrued Interest this Quarter					124,904
Total Accrued Interest Fiscal Year to Date					161,947



South Bayside Waste Management Authority Historical Summary of Investment Portfolio



South Bayside Waste Management Authority Portfolio

	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
SM County Pool	5,227,144	6,790,971	6,833,098	3,607,319	2,410,579	2,422,086	1,685,963	1,690,785
LAIF	12,206,103	12,849,815	13,454,022	14,044,469	9,636,669	10,694,091	5,734,445	4,003,801
Agency Securities	1,001,250	1,001,250	1,001,250	1,001,250	1,001,250	1,001,250	1,001,250	1,001,250
Bond Proceeds	1,948,740	2,299,729	2,428,870	2,808,872	1,802,299	2,260,635	63,174,307	44,972,979
Grand Total	\$ 20,383,237	\$ 22,941,764	\$ 23,717,240	\$ 21,461,909	\$ 14,850,797	\$ 16,378,061	\$ 71,595,965	\$ 51,668,815



STAFF REPORT

To: SBWMA Board Members
From: Marshall Moran, Finance Manager
Date: February 25, 2010 Board of Director's Meeting
Subject: Resolution Accepting the Fiscal Year 2008-2009 Annual Financial Statements

Recommendation

Staff recommends the Board approve the attached resolution, **Attachment A**, accepting the South Bayside Waste Management Authority's Annual Financial Report for the fiscal year ending June 30, 2009 as prepared by the SBWMA's audit firm, Maze & Associates.

Analysis

The financial statements of the South Bayside Waste Management Authority for fiscal year ending June 30, 2009, have been prepared by the City of San Carlos Administrative Services Department and examined by the independent auditing firm of Maze & Associates and SBWMA staff. It is the opinion of the firm that the financial statements present fairly the financial position of the Agency as of June 30, 2009, and that the financial statements were prepared in conformity with generally accepted accounting principles.

The purpose of the financial statements is to present a summary of the financial position of the Authority. The final step in the formal process of preparing these financial statements is to transmit them to the Board for its acceptance. The financial statements have previously been sent to the Board members.

Overview Of The Financial Statements

The annual report consists of two parts – *management's discussion and analysis* (MD&A) and the *basic financial statements*. The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data.

The financial statements include two important schedules that present financial data for the SBWMA as a whole: The Statement of Net Assets and the Statement of Activities. These two statements report the SBWMA's net assets and changes in them. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Financial Condition Highlights

Net assets of the SBWMA's activities decreased \$2.3 million to \$23.9. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from \$20.9 million at June 30, 2008 to \$14.3 million at the end of this year. The main activity affecting the change in our financial condition was the decrease in commodity prices, the spending on the Master Plan for design and engineering work, and the repayment to Allied for underpayments for Shoreway operations in 2006 - \$1,000,000 in FY2009.

Fund Accounting

The SBWMA has one cash fund. At the end of the fiscal year, the unrestricted fund balance was \$14.3 million while total fund balance was \$23.9 million.

General Fund Actuals

Major deviations between FY2009 and FY2008 actual operating results were as follows:

	<u>FY2009</u>	<u>FY2008</u>
Operating Revenues	\$34,746,500	\$38,280,900
Operating Expense	<u>36,331,100</u>	<u>33,950,700</u>
Operating Net Income	\$<1,584,600>	\$4,330,200
Capital Expenditure	\$4,100,000	\$791,800

Operating revenues were \$3.5 million below last year or 9.2% due to lower commodity prices.

Capital expenditures of \$4.1 million were primarily for spending on the Master Plan.

Long-Term Debt

At the end of the current fiscal year, the SBWMA had bonded debt outstanding of \$13,440,000.

Outstanding Debt Activities

	<u>2009</u>	<u>2008</u>
Revenue Bonds	\$13,440,000	\$14,320,000

Additional information on the SBWMA's long-term debt can be found in the notes (5) to the accompanying financial statements. The change from year to year can be attributed to normal debt service.

Fiscal Impact

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

Attachments:

Resolution 2010-05 accepting the Agency's FY 2009 Financial Statements



RESOLUTION NO. 2010-05

**RESOLUTION OF THE SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY BOARD OF DIRECTORS
ACCEPTING THE FISCAL YEAR 2008-2009 ANNUAL FINANCIAL STATEMENTS**

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

WHEREAS, the financial statements for the fiscal year ending June 30, 2009 as prepared by said firm have been completed; and

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

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby adopts the Annual Financial Report as prepared by Maze & Associates for the fiscal year ending June 30, 2009. .

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 25^h day of February, 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. 2010-05 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on February 25, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Cathy Hidalgo, Board Secretary



STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Facility Operations Contracts Manger
Date: February 25, 2010 Board of Directors Meeting
Subject: Resolution Approving Release of Bid Documents for Transfer Station Floor Repair and Authorizing Executive Director to Accept Bids and Enter Into a Contract

Recommendation

It is recommended that the SBWMA Board of Directors:

1. Approve Resolution No.2010- 06 attached hereto as **Attachment A** authorizing the issuance of a Request for Bids for repairs to the transfer station floor and authorize the Executive Director to accept a bid from the low-bidder and enter into contract for the described transfer station floor repair work.

Analysis

The proposed work consists of recoating repairs to approximately 3,000 square feet of the transfer station floor that is located in heavily trafficked areas of the tipping floor.

In heavy wear areas near the load-out ports the transfer station floor topping layer is worn through and the structural floor and rebar are being abraded. This repair will recover the exposed rebar and will protect the structural elements of the transfer station floor.

Specifications and bid documents will be essentially identical to previous sets, except that the Drawings will identify the new portions of the floor to be repaired. The documents are available for review.

Background

The abrasive nature of solid waste has required periodic repair to the concrete floor of the transfer station since the beginning of operations in 1984. SBWMA has taken responsibility for these repairs after purchasing the facilities in 2000. Typically this is an annual repair and the cost has ranged from \$100,000 to \$200,000.

Fiscal Impact

This routine repair was anticipated and \$100,000 was budgeted in FY 2009/10 to cover the cost of transfer station tip floor repairs. If the construction bids come in over what is budgeted staff will bring this item back to the Board for consideration of a capital budget transfer.

Attachment

Resolution No. 2010-06



RESOLUTION NO. 2010-06

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING RELEASE OF BID DOCUMENTS FOR TRANSFER STATION FLOOR REPAIR AND AUTHORIZING EXECUTIVE DIRECTOR TO ACCEPT BID AND ENTER INTO CONTRACT

WHEREAS, the South Bayside Waste Management Authority has taken responsibility for repairs to the transfer station floor since purchasing the facilities in 2000; and

WHEREAS, the abrasive nature of solid waste has required periodic repair to the concrete floor of the transfer station since the beginning of operations in 1984; and

WHEREAS, this repair was anticipated and funds have been allocated in the fiscal year 2009/2010 budget

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby authorize the issuance of a Request for Bids for repairs to the transfer station floor and authorize the Executive Director to accept bid and enter into contract provided the lowest bid is at or below the engineer's estimate for the repair.

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 25^h day of February 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. 2010-06 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on February 25, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Cathy Hidalgo, Board Secretary

Allied Waste Update

Agenda Item 5E
Part I - 17 Pages*

*

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) decreased slightly from 33 hours per day in December to 30 hours per day in January. Much of this consistency in overtime hours per day can be attributed to incoming volumes coming in slightly below historical numbers. We expect similar overtime results in February.

Overtime Hours per Day (Collection Operations)

Overtime hours per day for the collection operation (925) in January remained consistent with the previous month at 105 hours per day. This two month increase in overtime hours per day can be attributed to the change in the collection schedule, which occurs around both the Christmas and New Year holiday. As a result of this schedule change, all operations staff work one Saturday in the month of December and January. 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 January, we did improve upon our overtime hours per day recorded in January 2009 by 7% (105 hours/day in January 2010 versus 113 hours/day in January 2009). As predicted last month, overtime hours per day remained consistent with the previous month, as volumes increased over the holidays, and Saturday work is required due to the collection schedule change around the New Years Day holiday. We do 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 January increased month over month, moving from 56 to 78. This increase can be attributed to the change in the curbside collection schedule around the New Years holiday. The average weekly number for delayed pickups in January 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 January 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 January were recorded at 0. The number of missed pickups in January exceeds performance in this area for the previous 12-month average and is slightly better than 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 January increased to 31 seconds, up from 8 seconds in the previous month and well above the previous 12-month average hold time of 11 seconds. As reported in last months Executive Summary, we anticipated average hold times to increase substantially due to planned leaves of absence in the department. In January, two Customer Service Representatives (CSRs) were out on personal leave and one CSR took a position with another division of Allied. This coupled with an abundance of sick calls during the month left the department extremely short-handed, which contributed to the substantial increase in average hold time. We do anticipate hold times to improve substantially and trend closer to the 12-month average in February due to personnel returning from personal leave.

Calls Answered in 30 Seconds

Calls Answered in 30 Seconds for the month of January decreased to 79%, down from 91% in the previous month. 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 contributing to our performance against this measurement. January's number is below the previous 12-month average of 90%. We do, however, expect service levels in February to improve dramatically due to personnel returning from leave and an anticipated reduction in call volume as a result of fewer Proposition 218 rate increase mailings.

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

Abandon rate for the month of January increased to 4.4%. As with most of the call center metrics reported, performance in this area is dictated by 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 4.4% is substantially higher than the previous 12-month average of 1.62%. A short-handed Customer Service staff due to personal leaves and unexpected absences was a major contributor to the increase in abandoned calls. We do anticipate this number to decrease dramatically in the month of February due to decreased call volume and a reduction in absenteeism within the Customer Service department.

Total Calls by Month

Total Calls by Month for January decreased by 1.76% to 15,947 from 16,233 in December. January's call volume is relatively flat with the previous 12 month average of 15,895. Based on trends in prior years, we expect call volumes to decrease fairly dramatically in the coming month.



Self-Haul Ratio

January 2010 yards per ton ratio was 2.50 yards per ton. Green Waste is the commodity that has been bringing this ration down. Self-Haul customers have been finding innovative ways to increase the density of their loads. In particular, there are now several commercial green waste haulers that are chipping their loads prior to delivery rather than bringing in loose branches, leaves, etc. This in turn allows more volume to be transported in the same size of vehicle.

C&D Recycling Performance

January 2010 netted 1,984 tons of C&D materials. This is the best January that has been recorded since the inception of the program.

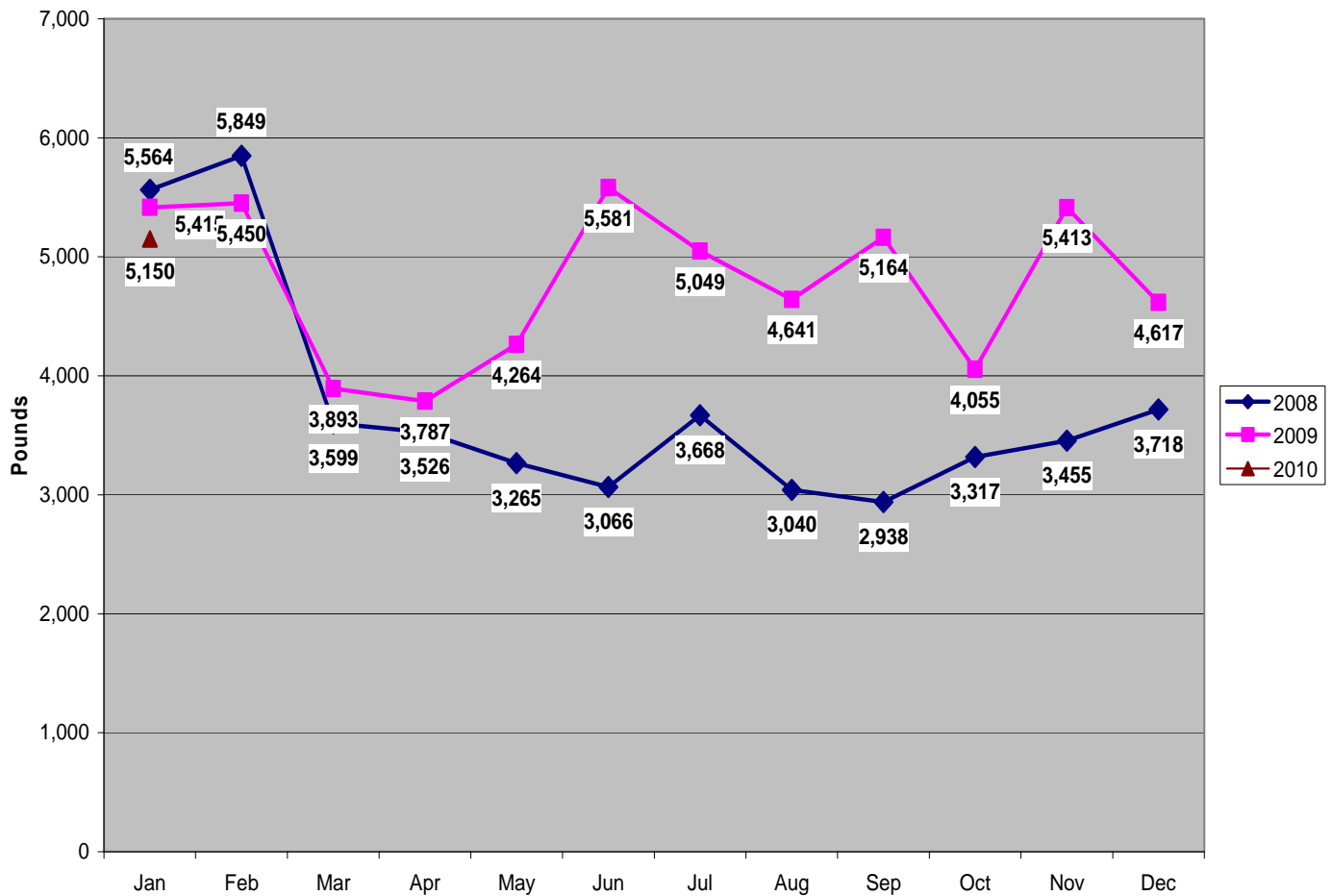
South Bayside Transfer Station C & D Tons to Zanker Road						
	2005	2006	2007	2008	2009	2010
Jan	1,246.98	639.26	1585.44	1,693.36	1,607.03	1,984.50
Feb	1,618.18	1,369.73	1337.82	1,530.43	1,424.63	
Mar	2,182.49	1,461.86	1605.41	1,574.55	1,723.11	
Apr	1,100.82	1,361.47	1749.16	2,461.99	2,058.04	
May	1,102.71	2,208.81	2226.75	2,354.57	1,828.76	
Jun	317.86	2,292.17	2048.91	2,674.06	2,093.77	
Jul	353.46	1,943.33	1974.51	2,528.04	2,601.29	
Aug	889.65	2,095.46	2059.83	2,508.20	2,793.49	
Sep	1,271.40	1,740.60	1879.53	2,483.64	2,810.07	
Oct	1,058.87	1,883.58	2126.58	2,576.17	3,075.84	
Nov	657.42	1,453.40	1954.91	1,829.21	2,778.91	
Dec	465.68	1,174.56	1588.37	1,650.82	2,297.58	
	12,265.52	19,624.23	22,137.22	25,865.05	27,092.52	1,984.50



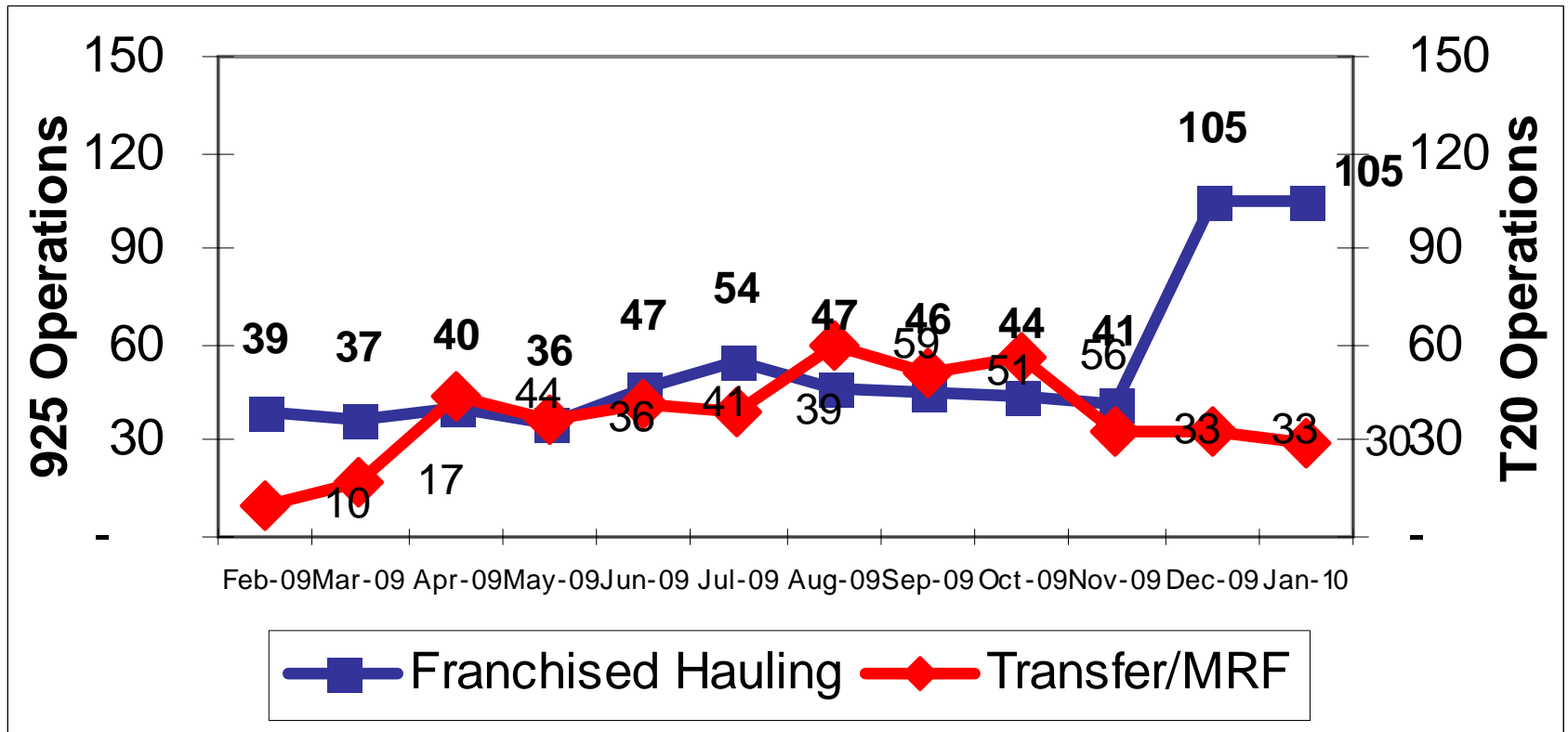
Battery Collection Performance

Residential curbside collection volumes for household batteries and cell phones for all jurisdictions in January 2010 was 5,150 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

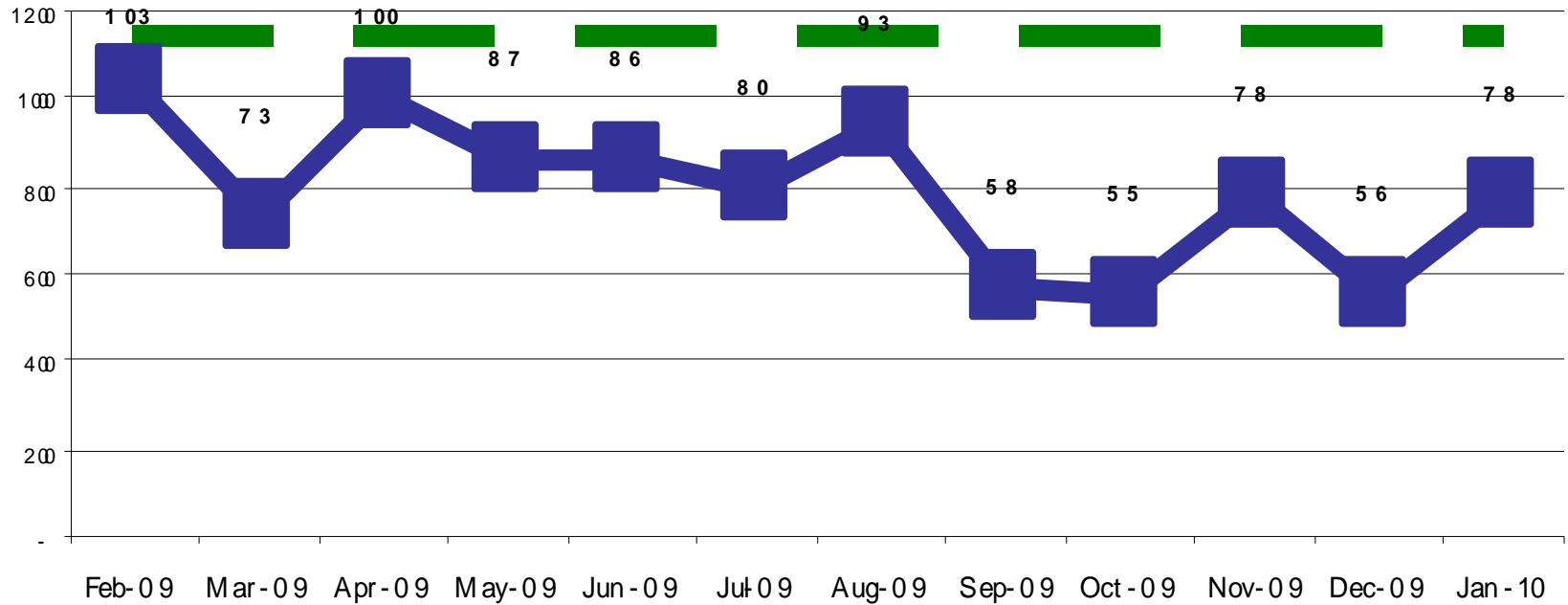


Collection Driver and Transfer/MRF Operations Overtime Hours Per Day



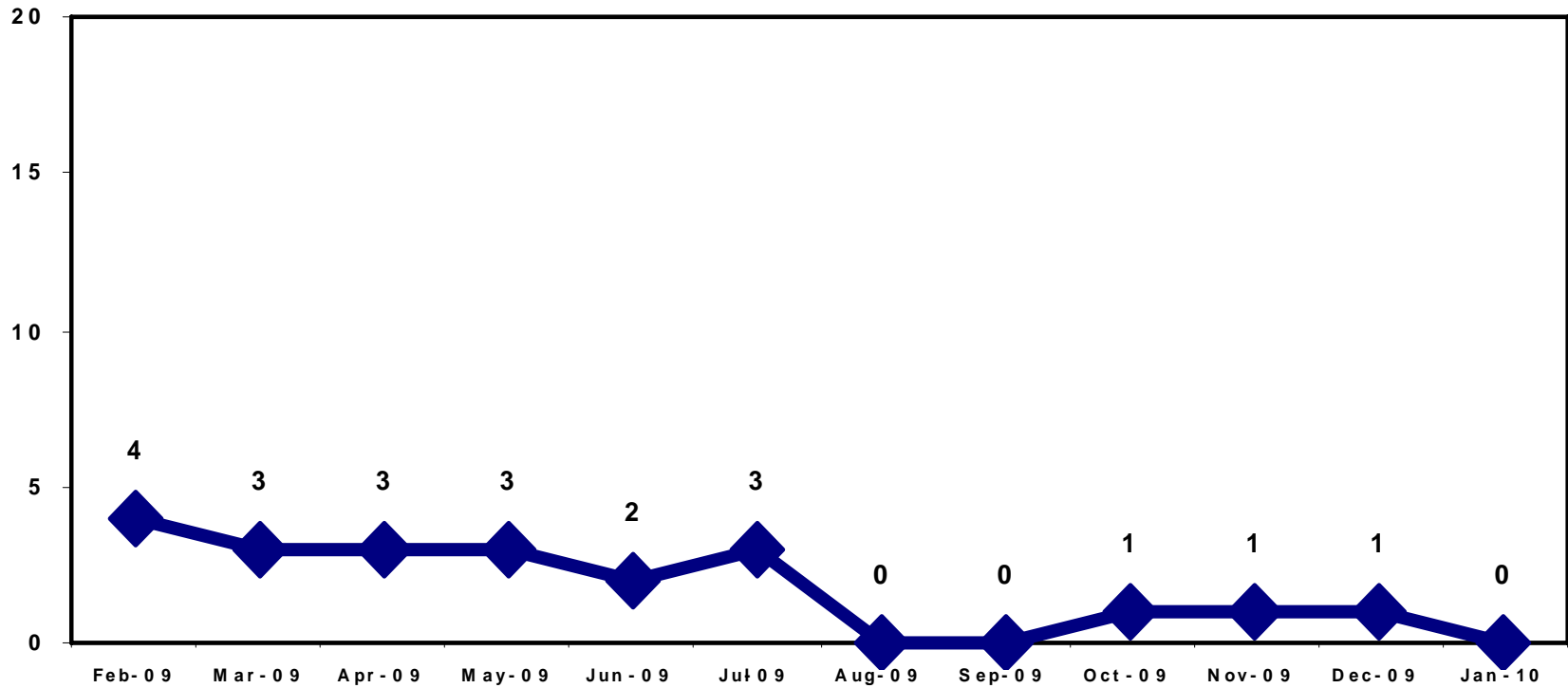
Average Weekly Delayed Pickups

Service Standard is 114 Total



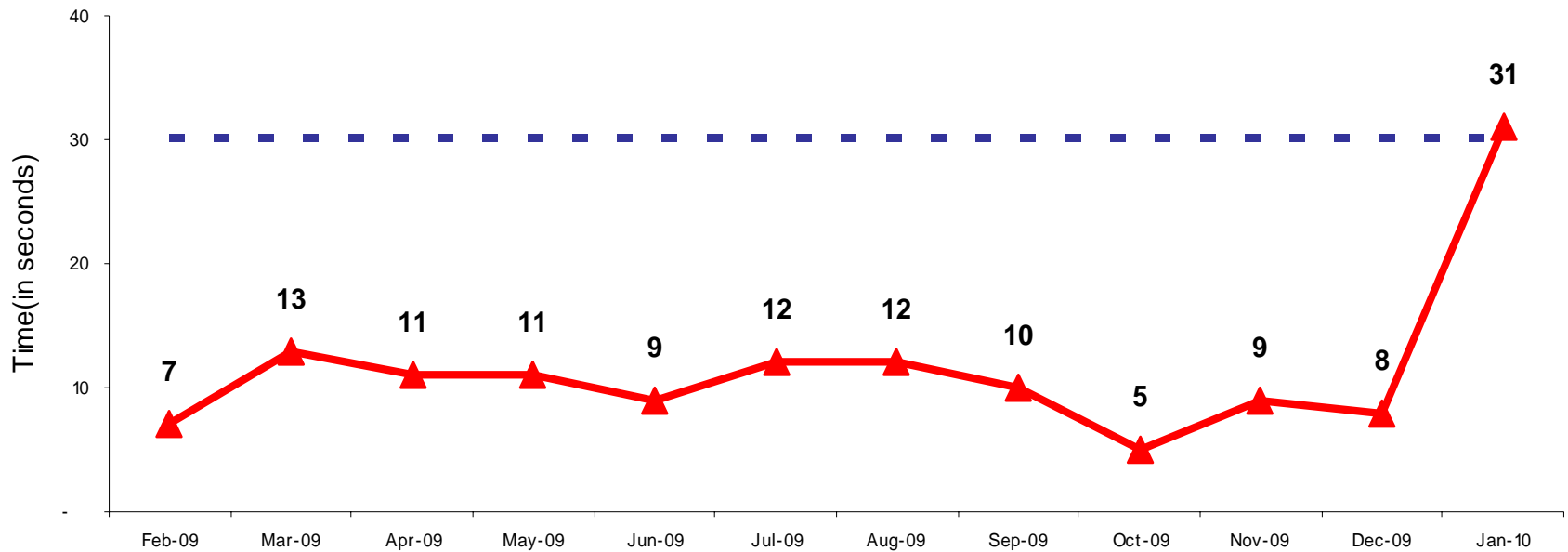
Note: Service Standard is 1 missed pick up per 1000 residential customers and 2 missed pick ups per 1000 commercial customers.

Monthly Missed Pick Ups



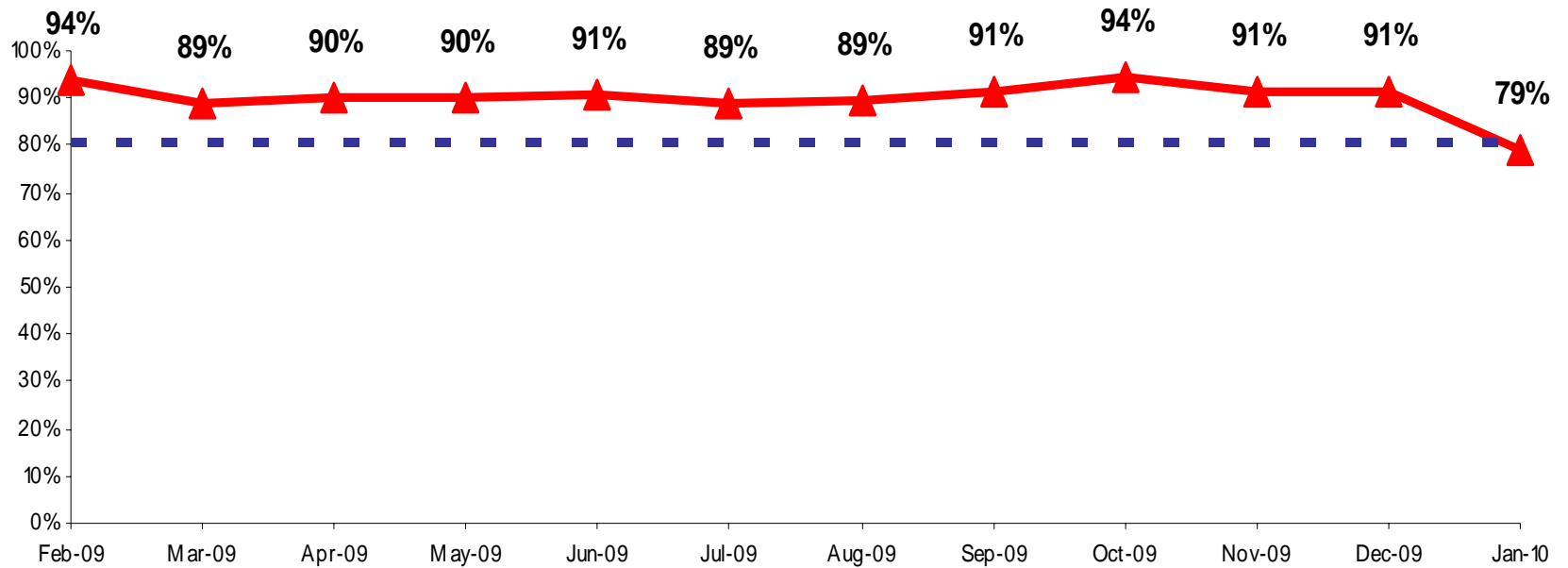
Customer Service Average Hold Time

30 Second Service Standard



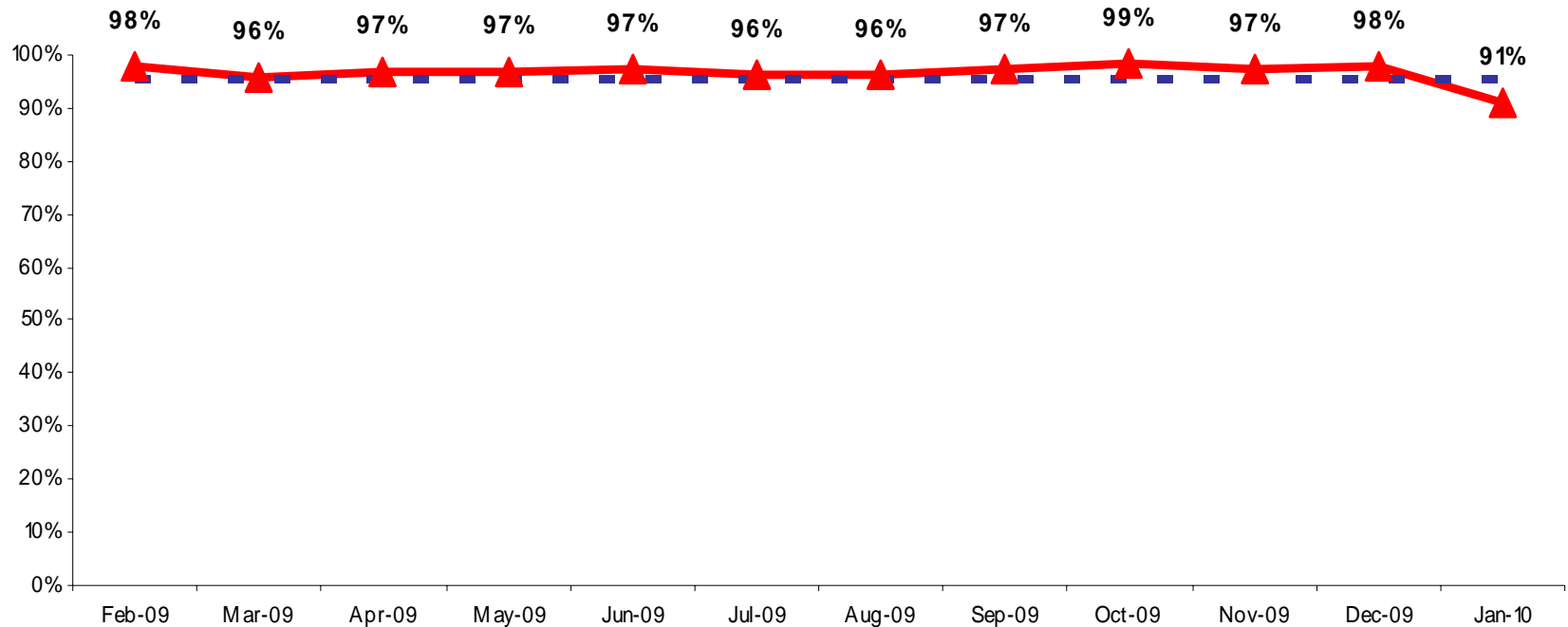
Customer Service Percentage of Calls Answered in 30 Seconds

80% Service Standard



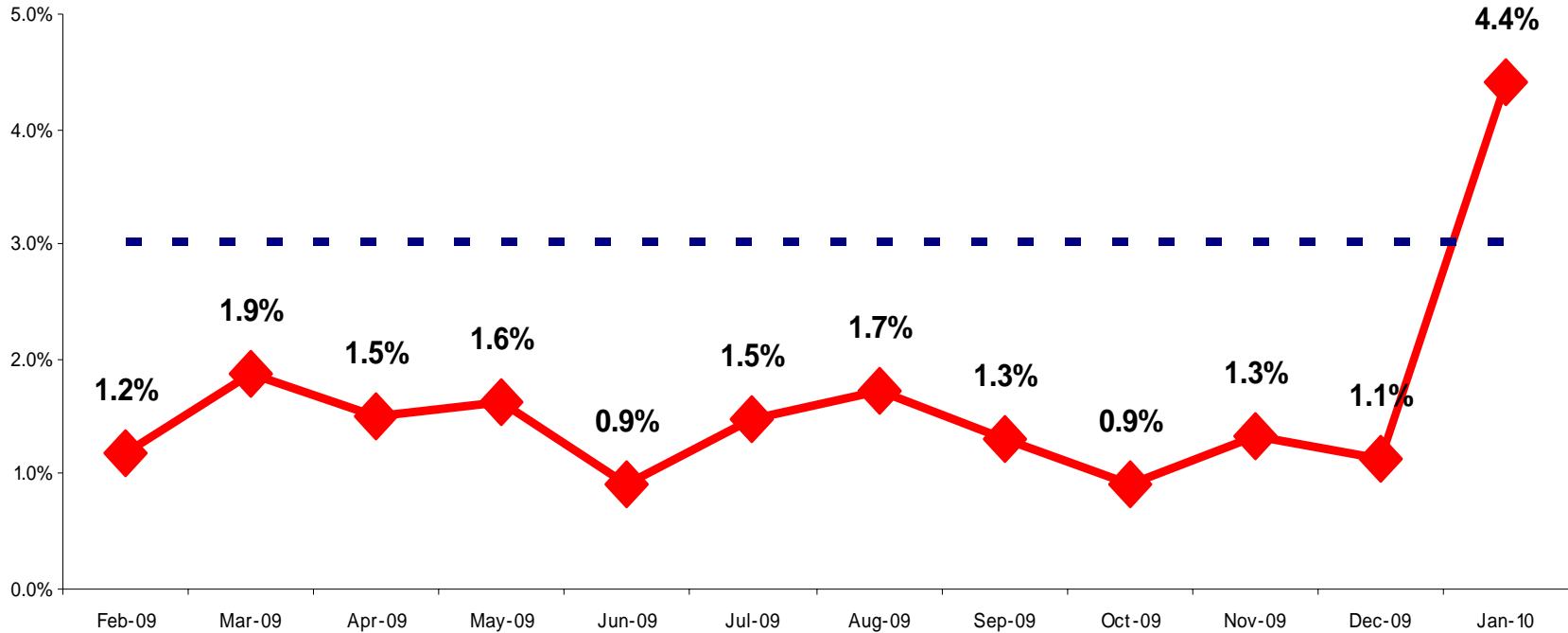
Customer Service Percentage of Calls Answered in 90 Seconds

95% Service Standard

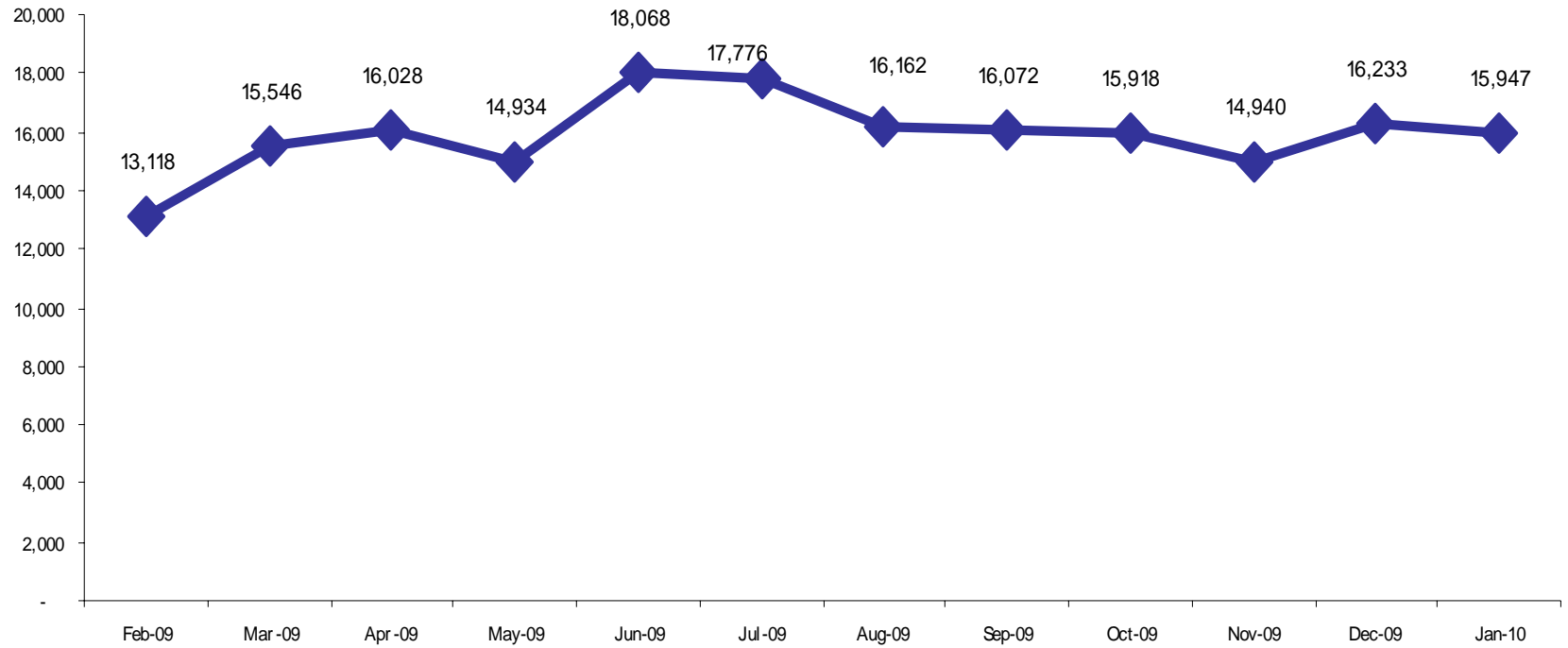


Customer Service Abandoned Call Percentage

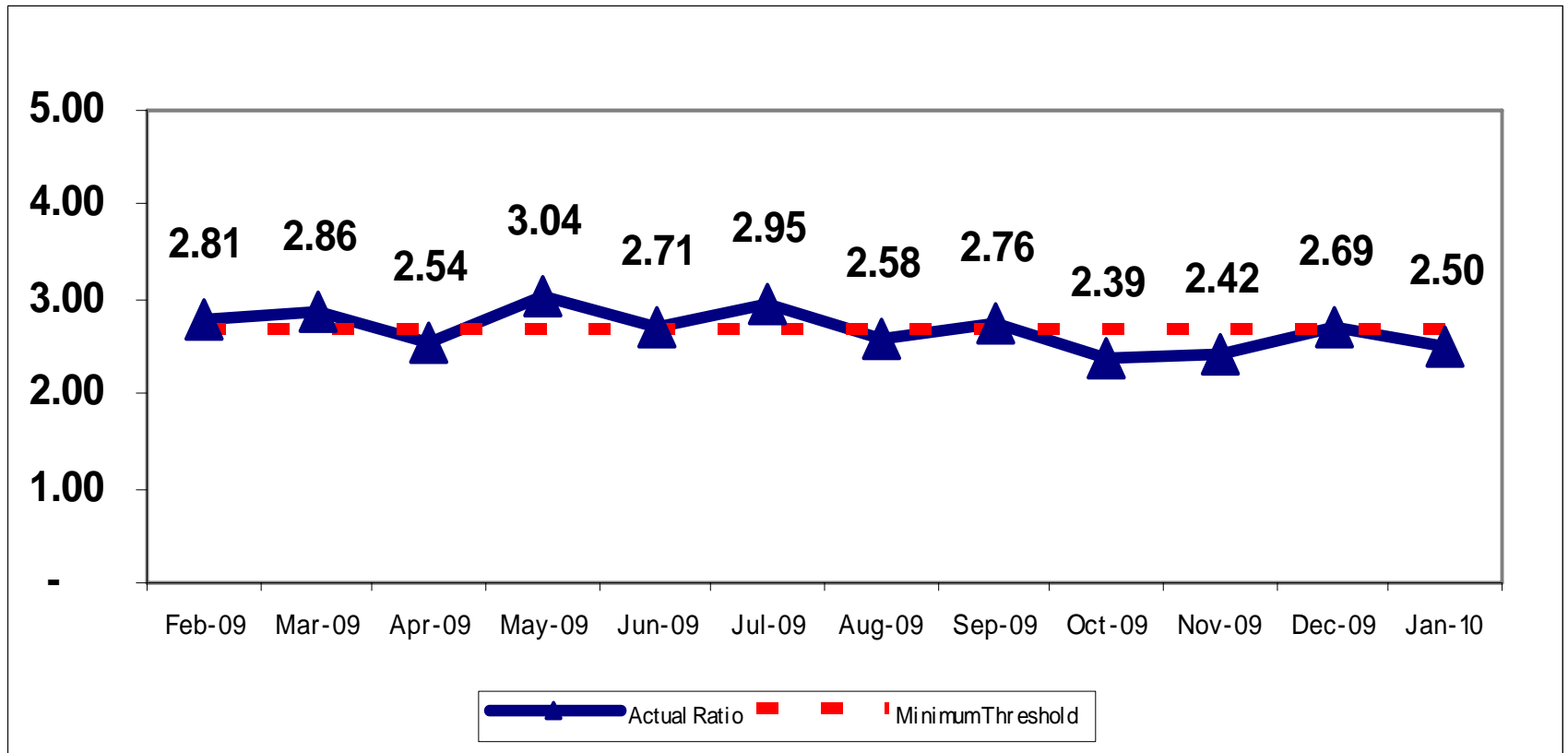
Service Standard 3%



Total Calls by Month



Transfer Station Public Yards to Ton Ratio



2010 LIQUIDATED DAMAGES



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

													Less:				2010 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	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	\$ -
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60	(60)		\$ -

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

													Less:				2010 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180	(180)		\$ -

11.03, B.1c. Consecutive Missed Pickups

													Less:				2010 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	-	\$ 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 150	\$ -
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-		\$ -

2010 LIQUIDATED DAMAGES



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

	JAN	FEB	MAR	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD
				Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total	OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	
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

	JAN	FEB	MAR	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD
				Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total	OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	
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

	JAN	FEB	MAR	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD
				Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total	OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents	
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 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	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	7	(6)	\$ 250	\$ -
Redwood City	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	7	(6)	\$ 250	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	(7)	\$ 250	\$ -
	2	-	-	2	-	-	-	-	-	-	-	-	-	-	-	2	84	(82)		\$ -

2010 LIQUIDATED DAMAGES



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

	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD			
	JAN	FEB	MAR	Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total		OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Burlingame	2	-	-	2	-	-	-	-	-	-	-	-	-	-	-	2	10	(8)	\$ 150	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Hillsborough	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	10	(9)	\$ 150	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Total	3	-	-	3	-	-	-	-	-	-	-	-	-	-	-	3	120	(117)		\$ -

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

	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD			
	JAN	FEB	MAR	Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total		OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents
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	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	0	1	\$ 250	\$ 250
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
San Mateo	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	0	1	\$ 250	\$ 250
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Total	2	-	-	2	-	-	-	-	-	-	-	-	-	-	-	2	0	2		\$ 500

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

	Q1			Q2			Q3			Q4			2010 Total	Less:			Total LD			
	JAN	FEB	MAR	Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total		OCT	NOV	DEC		Total	Annual Allowance	Net # of Incidents
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
East Palo Alto	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Foster City	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Redwood City	3	-	-	3	-	-	-	-	-	-	-	-	-	-	-	3	15	(12)	\$ 150	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Total	5	-	-	5	-	-	-	-	-	-	-	-	-	-	-	5	180	(175)		\$ -



OLD BUSINESS



STAFF REPORT

To: SBWMA Board Members
 From: Kevin McCarthy, Executive Director
 Date: February 25, 2010 Board of Director's Meeting
 Subject: Resolution Recommending SBWMA Member Agencies Approve Use of Used Commercial Bins by Recology San Mateo County

Recommendation

It is recommended that the SBWMA Board of Directors:

1. Approve Resolution No.2010-08 attached hereto recommending Member Agencies approve use of used commercial bins by Recology San Mateo County under their respective new Franchise Collection Agreements.

This recommendation does not change Recology's contractual obligations with Member Agencies under the new Franchise Collection Agreements, except as noted regarding the use of used commercial bins. Further, this recommendation is not contingent upon any Consent to Assignment of current or future Franchise Agreements.

Analysis

Staff noted at the January 21, 2010 special Board meeting and January 28, 2010 regular Board meeting that regardless of whether the Member Agencies approved the Consent to Assignment from Republic Services to Recology, the SBWMA will still be requesting that all Member Agencies approve the use of used commercial bins given the significant financial savings realized. This approval can be handled administratively by each Member Agency and does not require formal governing body action.

Per the attached (see **Attachment B**) executed Purchase Agreement, Recology will purchase from Republic used commercial bins as follows:

- Approximately 9,009 commercial bins in the field or in on-site inventory for an agreed lump sum amount of **\$2,290,167 (excludes sales tax)**.

When compared to the proposed capital cost to purchase new commercial bins of **\$5,740,895** (current cost per Recology) this yields total cost savings over 10-years as follows:

Used bin purchase price	\$2,290,167
Sales tax	\$211,840
Used bin refurbishment cost	\$1,351,350
Avoided delivery costs for new bins	(\$215,000)
	\$3,638,357
\$5,740,895 - \$3,638,357 =	\$2,102,538 (total bin savings)
Interest cost savings	\$639,415
Profit savings	<u>\$220,708</u>
Net savings over 10 years equals:	\$2,962,661

These savings were originally estimated to be \$3.1 million. This savings assumed sales tax was already reflected in the purchase price of the used commercial bins. Subsequent to the January 28th Board meeting Republic

informed Recology that the purchase price agreed upon needed to be modified so that Recology was paying for the sales tax associated with the transaction; Republic insisted they couldn't support the sale unless Recology paid for the sales tax of \$211,840.

Staff is continuing to work with Republic and Recology on ways to capture some of the other financial and operational benefits previously outlined under a Consent to Assignment scenario including:

- **Early rollout of new residential collection services.**
- Smoother transition to **enhanced commercial recycling outreach efforts.**

Background

On November 19, 2009 the Board approved a recommendation that all Member Agencies Consent to Assignment of their respective Franchise Collection Agreements with Allied Waste to Republic Services pursuant to their merger in December 2008. Member Agencies are now separately considering this earlier assignment request. To date, two of the Member Agencies (Foster City and Hillsborough) have approved the assignment consent documents.

On January 21, 2010 at a special Board meeting SBWMA staff presented an overview of the potential assignment from Republic to Recology.

On January 28, 2010 the SBWMA Board unanimously approved a recommendation that Member Agencies approve the Consent to Assignment from Republic to Recology subject to a set of conditions. Notably, one of the conditions was that finalizing the assignment will be subject to negotiation of a mutually acceptable definitive agreement between Republic and Recology. The parties were not able to reach mutual agreement.

Fiscal Impact

Approval of this recommendation by the SBWMA Member Agencies will result in cost savings across the entire SBWMA service area estimated at **\$2,962,661 or approximately \$296,266/year** over the 10-year term of the new franchise agreements. These savings will be reflected in the cost forms in each Member Agency franchise agreement.

Attachment:

Resolution No. 2010-08

Executed Purchase Agreement



RESOLUTION NO. 2010-08

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS RECOMMENDING SBWMA MEMBER AGENCIES APPROVE ACQUISITION AND USE OF USED COMMERCIAL BINS BY RECOLOGY SAN MATEO COUNTY

WHEREAS, the Member Agencies of the SBWMA have approved Recology San Mateo County (A California Corporation), here after Recology, as the contractor for their respective Franchise Collection Agreements with service presently scheduled to commence January 1, 2011; and

WHEREAS, the current Franchisee for Collection, Allied Waste Services of San Mateo County (a Delaware LLC), hereafter Allied, has commercial collection bins in the service areas of the Member Agencies; and

WHEREAS, the Member Agencies can receive a substantial cost savings by agreeing to allow Recology to acquire from Allied and use the respective used commercial bins.

NOW, THEREFORE, BE IT RESOLVED, that the SBWMA Board of Directors recommends that the SBWMA Member Agencies administratively approve, under their respective Collection Franchise Agreements for Recology to both acquire and use the used commercial bins of Allied

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 25th day of February, 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. 2010-08 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on February 25, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Cathy Hidalgo, Board Secretary

PURCHASE AGREEMENT

This Purchase Agreement (this "Agreement") is entered into as of February ____, 2010 by and between RECOLOGY SAN MATEO COUNTY, a California Corporation ("Recology"), and BFI WASTE SYSTEMS OF NORTH AMERICA, LLC, dba ALLIED WASTE SERVICES OF SAN MATEO COUNTY, a Delaware Limited Liability Company ("Allied"). As used herein, Recology and Allied are referred to collectively as "Parties" and individually as a "Party."

This Purchase Agreement is made with respect to the following Recitals:

Recitals

WHEREAS, the South Bayside Waste Management Authority, a California joint powers authority, ("SBWMA") has twelve member agencies. Those member agencies are: the cities of Belmont, Burlingame, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos and San Mateo, the towns of Atherton and Hillsborough, the County of San Mateo and the West Bay Sanitary District. These member agencies are referred to collectively herein as the "Member Agencies" and individually as a "Member Agency."

WHEREAS, Allied is the exclusive franchised solid waste and recyclable materials collection company for the Member Agencies pursuant to agreements (the "Collection Agreement(s)") which will all expire on December 31, 2010.

WHEREAS, following a Request for Proposal process administered by the SBWMA to select a new collection company to provide services to the Member Agencies following expiration of the Allied Collection Agreements, the Member Agencies have elected to enter into exclusive agreements with Recology for the collection of solid waste and recyclable materials within their respective jurisdictional boundaries commencing January 1, 2011.

WHEREAS, in connection with the transition from Allied to Recology in the Member Agency jurisdictions, Allied wishes to sell to Recology, and Recology wishes to purchase from Allied, certain assets of Allied effective as of December 31, 2010.

NOW THEREFORE, in consideration of the foregoing Recitals and for the mutual covenants and conditions set forth herein, the Parties agree as follows:

1. Purchase of Certain Assets from Allied.

a. At the Closing (as defined below), Allied shall convey to Recology and Recology shall purchase from Allied, all of Allied's right, title and interest in and to the following assets (collectively, the "Assets"), which Assets are currently used by Allied in performing services under the Collection Agreements:

(1) Commercial Bins. Approximately 9,009 commercial bins in use in the Member Agency jurisdictions or on site inventory at Allied's collection yard at the San Carlos facility (the

“Commercial Bins”), for an agreed lump amount of \$2,290,167, plus applicable sales or use taxes. Allied shall not, and shall not have any obligation to, remove or relocate any of its commercial bins, as this agreed price for Allied’s commercial bins reflects that Recology shall assume responsibility for all such bins in their present locations. Schedule 1 contains Allied’s breakdown of the estimated commercial bin quantity and sizes in use in the Member Agency jurisdictions and at Allied’s San Carlos yard. As of the date hereof and as of the Closing, Allied represents and warrants, and Recology acknowledges, that the commercial bin inventory represents Allied’s best estimate of its current bin inventory which is not the result of an actual count or physical inventory. To avoid the time and expense of a physical inventory count, the Parties have agreed that the payment of \$2,290,167 for Allied’s commercial bins shall not be adjusted upwards or downwards if the actual number of commercial bins differs from Allied’s estimate. Recology shall conduct its own independent investigation and due diligence before the Closing to satisfy itself regarding the accuracy of Allied’s estimate and the purchase price for the Commercial Bins.

(2) Office Furniture. All office furniture and office fixtures (desks, chairs, file cabinets, conference tables, cubicles, bookshelves and counters) currently at the San Carlos facility (the “Office Furniture”) for the amount of \$50,000, plus applicable sales or use taxes . Allied shall allow personnel from Recology access to the facility upon reasonable notice to inspect and itemize this furniture. This excludes computer equipment, other electronics, records, and BFI/Allied/Republic software (i.e., servers, desktops, laptops, monitors, etc.).

(3) Shop Tools. All shop tools (i. e., floor jacks, jack stands, welders, ladders, drill presses, etc.) currently in use by Allied in the San Carlos facility maintenance shop (the “Shop Tools”) for the amount of \$95,000, plus applicable sales or use taxes. Schedule 2 is a correct and complete list of such tools and equipment.

(4) Parts Inventory. Parts remaining in Allied’s parts inventory (i.e., truck parts, tires, fuel, etc.) at the San Carlos maintenance facility (the “Parts Inventory”) as selected by Recology prior to the Closing. A parts inventory list and pricing will be provided by Allied to Recology by December 24, 2010. The sales price for the parts inventory selected by Recology for purchase shall include the prices listed by Allied for all items selected, plus applicable sales or use taxes.

b. General Terms and Conditions for Sale of Assets. Allied represents and warrants, as of the date hereof and as of the Closing, that it is the sole legal and beneficial owner of, and has good and marketable title to, all the Assets, and that all such assets purchased by Recology shall be conveyed to Recology free of all liens, encumbrances, restrictions on transfer and rights of others. Allied shall afford Recology full opportunity to inspect the condition, utility, operability and quality of all such assets from time to time prior to the Closing, upon reasonable notice and at mutually convenient times, and Recology shall accept all such assets without any warranty or representation from Allied as to their condition, utility, operability, lack of defects and quality. Allied further disclaims all warranties express and implied with respect to all such assets, and in particular disclaims any implied warranty of merchantability and fitness for a particular purpose. Allied shall convey all such assets to Recology, and Recology shall accept all such assets, “AS IS, WHERE IS,” except that Allied shall ensure that the Office Furniture, Shop Tools and Parts Inventory purchased by Recology shall be located and available to

Recology at the San Carlos maintenance facility at the Closing. Except with respect to breaches of the express representations and warranties of Allied set forth in this Purchase Agreement, Recology shall make no claims against Allied regarding such assets, including but not limited to any claims regarding the condition, utility, operability, defect or quality of any such assets, and hereby releases Allied from all such claims, whether known or unknown at the time of signing this Agreement or the Closing. Recology shall pay all applicable state and local sales and use taxes resulting from the purchase of the Assets from Allied pursuant to this Agreement, including any sales or use taxes assessed on the transactions contemplated in this Purchase Agreement after the Closing.

2. Closing. The closing of the purchase and sale of the Assets hereunder (the "Closing") shall take place remotely via electronic exchange of documents and signatures, at 10:00 a.m. PST on Friday, December 31, 2010, or at such other time as the Parties mutually agree.

a. At or prior to the Closing, Allied shall deliver to Recology (i) a Bill of Sale in substantially the form attached hereto as Exhibit A, duly executed by Allied, and (ii) such other documents or instruments as Recology shall reasonably request to consummate or evidence the transactions contemplated hereby.

b. At or prior to the Closing, Recology shall deliver to Allied (i) the purchase price of the Assets to be purchased by Recology, plus all applicable sales or use taxes, payable in U.S. dollars by wire transfer of immediately available funds to a bank account designated by Allied, (ii) a Bill of Sale in substantially the form attached hereto as Exhibit A, duly executed by Recology, and (iii) such other documents or instruments as Allied shall reasonably request to consummate or evidence the transactions contemplated hereby.

c. The obligation of each Party to consummate the transactions contemplated hereby is subject to the satisfaction of the following conditions, each of which may be waived by such Party: (i) such Party shall have received the deliverables required to be delivered to it by the other Party pursuant to subsection 2.a or 2.b above, (ii) the representations and warranties of the other Party set forth herein shall be true and correct as of the date hereof and as of the Closing; and (iii) the other Party shall have duly performed each of the covenants and agreements required to be performed by such Party hereunder on or before the Closing.

3. Dispute Resolution.

Any disputes between the Parties regarding this Agreement shall be resolved by mediation before a neutral agreed upon by the Parties or, failing such agreement, appointed by the San Francisco office of the Judicial Arbitration and Mediation Service (JAMS), and if such mediation is unsuccessful, through binding arbitration conducted before a single arbitrator agreed upon by the Parties or, failing such agreement, appointed by JAMS. Such mediation shall take place in San Francisco or another location mutually agreed by the Parties.

4. General Terms.

(1) Further Assurances. Each Party hereby covenants and agrees that it shall execute and deliver such other documents as may be required to implement any of the provisions of this Agreement.

(2) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

(3) Attorneys Fees and Costs. If any motion, suit, action or proceeding, at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, or is brought in violation of any of the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and expert witness fees and costs. All Parties hereto expressly waive any right to a jury trial as to any such motion, suit, action or proceeding.

(4) Integration and Merger. This Agreement contains the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements and understandings with respect thereto.

(5) Amendment. No change, modification or amendment of this Agreement shall be valid or binding on the Parties unless such change or modification shall be in writing signed by an authorized representative of the Party or Parties against whom the same is sought to be enforced.

(6) Notices. Any notice to be sent hereunder shall be sent by email, facsimile or registered United States mail, return receipt requested, addressed to the respective Parties at:

If to Recology:

Mr. Mario Puccinelli, General Manager
Recology San Mateo County
225 Shoreway Rd.
San Carlos, CA 94070
Facsimile: (650) 583-8781
Email: MPuccinelli@recology.com

If to Allied:

Kevin Finn, Area President
Richmond Sanitary Service
3260 Blume Drive
Richmond, CA 94806
Facsimile: (510) 223-1591
Email: KFin@republicservices.com

(7) Authorization. Each Party represents and warrants to the other, as of the date hereof and as of the Closing, that it has all requisite corporate or limited liability company power and authority, that all necessary corporate or limited liability company action has been taken, and that no

consent, authorization or approval of any party (including any governmental authority) is required, for such Party to execute, deliver and perform this Agreement.

(8) No Conflict. Each Party represents and warrants to the other, as of the date hereof and as of the Closing, that its execution, delivery and performance of this Agreement do not and will not result in a violation or breach of, or constitute a default under (with or without notice or lapse of time or both), or give rise to any lien, charge or other encumbrance on any of the Assets pursuant to, any agreement, instrument, permit or other obligation to which such Party is a party or by which it or any of the Assets is bound.

(9) Counterparts. This Agreement may be executed in counterparts and as so executed shall constitute an agreement which shall be binding upon all Parties, regardless of whether the signatures of all Parties' designated representatives appear on the same page.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the Parties has caused this Purchase Agreement to be executed on its behalf as of the date first above written.

RECOLOGY SAN MATEO COUNTY

By: _____
Name: _____
Its: _____

BFI WASTE SYSTEMS OF NORTH AMERICA, LLC, dba
ALLIED WASTE SERVICES OF SAN MATEO COUNTY

By: _____
Name: _____
Its: _____

Attachments:

- Exhibit A Bill of Sale
- Schedule 1 Estimated Bin Inventory
- Schedule 2 Shop Tools and Equipment

Exhibit A

BILL OF SALE

This Bill of Sale is entered into as of December ____, 2010 by and between RECOLOGY SAN MATEO COUNTY, a California Corporation ("Recology"), and BFI WASTE SYSTEMS OF NORTH AMERICA, LLC, dba ALLIED WASTE SERVICES OF SAN MATEO COUNTY, a Delaware Limited Liability Company ("Allied"), with reference to that certain Purchase Agreement dated as of February ____, 2010 by and between Recology and Allied. Capitalized terms used but not defined herein have the meanings given to them in the Purchase Agreement.

For good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Allied hereby sells, assigns, transfers, conveys, and delivers all of Allied's right, title and interest in and to the Assets, wherever located, together with all rights belonging or appertaining to the same in any way, to Recology, its successors and assigns, absolutely and forever, free of all liens, encumbrances, restrictions on transfer and rights of others (such transaction, the "Transfer"). Recology hereby accepts the sale, assignment, transfer, conveyance and delivery of Allied's right, title and interest in and to the Assets.

2. Each Party represents and warrants that (i) the representations and warranties of such Party set forth in the Purchase Agreement are true and correct as of the Closing, and (ii) such Party has duly performed each of the covenants and agreements required to be performed by such Party under the Purchase Agreement on or before the Closing.

3. This Bill of Sale is not intended to and does not affect the representations, warranties and covenants made by the Parties in the Purchase Agreement. None of the provisions of this Bill of Sale is intended to provide any rights or remedies to any person other than the Parties and their respective successors and assigns.

4. This Bill of Sale shall be governed and construed in accordance with the laws of the State of California. This Bill of Sale may be executed in counterparts and as so executed shall constitute an agreement which shall be binding upon all Parties, regardless of whether the signatures of all Parties' designated representatives appear on the same page.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the Parties has caused this Bill of Sale to be executed on its behalf as of the date first above written.

RECOLOGY SAN MATEO COUNTY


By: _____
Name: _____
Its: _____

BFI WASTE SYSTEMS OF NORTH AMERICA, LLC, dba
ALLIED WASTE SERVICES OF SAN MATEO COUNTY

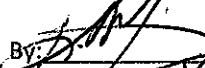
By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, each of the Parties has caused this Purchase Agreement to be executed on its behalf as of the date first above written.

RECOLOGY SAN MATEO COUNTY

By: 
Name: MICHAEL J. SANGIACOMO
Its: PRESIDENT & CEO

BFI WASTE SYSTEMS OF NORTH AMERICA, LLC, dba
ALLIED WASTE SERVICES OF SAN MATEO COUNTY

By: 
Name: Area President
Its: Area President

Attachments:

- Exhibit A Bill of Sale
- Schedule 1 Estimated Bin Inventory
- Schedule 2 Shop Tools and Equipment



NEW BUSINESS



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Marshall Moran, Finance Manager
Date: February 25, 2010 Board of Director's Meeting
Subject: Resolution Approving Mid-Year Budget Adjustments

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2010-07 attached hereto authorizing the following actions:

1. Transfers of \$3,796,281 from reserves to help offset a projected operating deficit of \$3,696,000 and provide a small contingency.
2. Adjustment in staffing levels to reflect the 0.8 FTE Administration Assistant position becoming a full-time position effective April 15, 2010.

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 recommending Board action to formally recognize the transfer of funds from the reserves that have already been implicitly approved in the bond proforma to address the operating deficit.

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 primarily to unbudgeted balancing account (compensation shortfall) payments to Allied for 2006 and 2008 totaling \$1,296,281 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 in FY2009 are \$996,281 for 2006 and \$300,000 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 \$300,000 payment was revealed in the 2009 HF&H Rate Report and therefore not included previously in reserve balance forecasts.

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.

The \$3,796,281 transfer from reserves includes amounts previously presented to the Board: \$2,800,000 in working capital transfer from bond proceeds and the 2006 underpayment of \$996,281 as an adjustment to the reserve balance in the bond proforma. Because the bond proforma is on a calendar year and the operating budget is on a fiscal year, trying to relate the two is very difficult and the amounts will not match exactly.

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 is requesting an adjustment in staffing levels to reflect the 0.8 FTE Administration Assistant position becoming a full-time position effective April 15, 2010.

Fiscal Impact

The mid-year projections reflect an operating deficit of \$3.696 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 higher reserve balances than budgeted. At the March Board meeting staff will present further details on our bond proforma projections, including calendar year reserve balances and a reserve transfer for calendar year 2009.

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

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

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.

FY 2010 REVENUES				
<u>Revenues</u>	<u>FY 2010 Adopted Budget*</u>	<u>FY 2010 Year-to-date Totals</u>	<u>FY 2010 Year End Projections</u>	<u>Variance</u>
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
Total Revenues:	\$36,719,300		\$37,072,799	\$353,499

* 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.

FY 2010 EXPENDITURES

<u>Expenditures</u>	<u>FY 2010 Adopted Budget*</u>	<u>FY 2010 Year-to-date Totals</u>	<u>FY 2010 Year End Projections</u>	<u>Variance</u>
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
Total SBWMA Expenses	\$3,354,609	\$1,299,136	\$3,166,048	\$188,561
Shoreway Operations**	\$35,740,500		\$37,602,518	(\$1,862,099)
Total Expenses:	\$39,095,109		\$40,768,604	(\$1,673,495)

*Exclusive of capital project expenses
 ** See breakout of expenses below

FY 2010 EXPENDITURE DETAIL FOR SHOREWAY OPERATIONS

<u>Expenditures</u>	<u>FY 2010 Adopted Budget*</u>	<u>FY 2010 Year-to-date Totals</u>	<u>FY 2010 Year End Projections</u>	<u>Variance</u>
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)
Total Shoreway Operations:	\$35,740,500		\$37,602,518	(1,862,018)

Attachment:

Budget Worksheets for Revenues and Expenditures
 Resolution 2010-07

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
REVENUE SUMMARY**

FY 2009 MID-YEAR PROJECTION

REVENUES BY MAJOR CATEGORY AND SOURCE

REVENUE SUMMARY	APPROVED FY 2009-2010	YE PROJECTION FY 2009-2010
ADMINISTRATIVE REVENUES		
409100 409100 INVESTMENT INCOME	120,500	93,830
409101 409101 INVESTMENT (GASB 31) MARKET VALUE ADJ		
409200 409200 INTEREST INCOME		
TOTAL ADMINISTRATIVE	120,500	93,830
 OPERATIONS		
480007 480007 TIP FEE	27,937,300	28,045,308
480023 480023 COMMODITY SALES	8,661,500	8,735,841
480008 480008 MISCELLANEOUS REVENUE		
440110		
TOTAL OPERATIONS	36,598,800	36,781,150
 TOTAL OPERATING REVENUES	36,719,300	36,874,980
 NON OPERATING REVENUE		197,800
520509 MISCELLANEOUS - EQPT AUCTION		197,800
 TOTAL REVENUES	36,719,300	37,072,780

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

FY 2010 PROJECTION

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY AND SOURCE				
		APPROVED	MID YEAR SPENT	YEAR END PROJECTION
EXPENDITURE SUMMARY		FY 2009-2010	DEC 2009	FY 2009-2010
ADMINISTRATIVE EXPENSES				
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
TOTAL ADMINISTRATIVE		\$ 1,531,109	\$ 719,356	\$ 1,500,548

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

FY 2010 PROJECTION

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY AND SOURCE			
	APPROVED	MID YEAR SPENT	YEAR END PROJECTION
EXPENDITURE SUMMARY	FY 2009-2010	DEC 2009	FY 2009-2010
CONTRACT COMPLIANCE AND SUPPORT			
520307 RATE REVIEW	180,000	133,824	175,000
	180,000	133,824	175,000
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		-
	695,000	218,300	720,000
TOTAL CONTRACT COMPLIANCE & SUPPORT	\$ 875,000	\$ 352,124	\$ 895,000

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

FY 2010 PROJECTION

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY AND SOURCE				
		APPROVED	MID YEAR SPENT	YEAR END PROJECTION
EXPENDITURE SUMMARY		FY 2009-2010	DEC 2009	FY 2009-2010
RECYCLING - AB939 COMPLIANCE				
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
		67,500	19,927	62,500
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
		95,000	16,460	80,000
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
		352,000	45,671	230,000
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
		434,000	145,598	398,000
TOTAL RECYCLING - AB939 COMPLIANCE		\$ 948,500	\$ 227,656	\$ 770,500
		\$ 3,354,609	\$ 1,299,136	\$ 3,166,048

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

FY 2010 PROJECTION

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY AND SOURCE				
		APPROVED	MID YEAR SPENT	YEAR END PROJECTION
EXPENDITURE SUMMARY		FY 2009-2010	DEC 2009	FY 2009-2010
SHOREWAY OPERATIONS				
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
TOTAL SHOREWAY OPERATIONS		\$ 35,740,500	\$ 18,525,789	\$ 37,602,518
TOTAL OPERATING EXPENSES		\$ 39,095,109	\$ 19,824,926	\$ 40,768,566



RESOLUTION NO. 2010-07

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING MID YEAR BUDGET ADJUSTMENTS FISCAL YEAR 2009/2010

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

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the South Bayside Waste Management Authority that Board approves the adjustments to the fiscal year 2009/2010 operating budget.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 25^h day of February, 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. 2010-07 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on February 25, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Cathy Hidalgo, Board Secretary



STAFF UPDATES



STAFF REPORT

To: SBWMA Board Members
From: Cliff Feldman, Recycling Programs Manager
Date: February 25, 2010 Board of Directors Meeting
Subject: Update on Republic Contract Compliance

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 – February 2010
- Attachment 2 – Republic Services Collection Services Franchise Agreement and Shoreway Facility Operations Agreement Contract Compliance - Quarterly Reports – February 2010
- Attachment 3 – Republic Services Collection Services Franchise Agreement Contract Compliance - Public Education and Outreach – February 2010



Attachment 1

Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – February 2010

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Notes</u>
MONTHLY BOARD PACKET INFORMATION					
January					
<ul style="list-style-type: none"> Executive Summary 	February 12, 2010 5:00pm	February 11, 2009 11:43 am	Yes	Yes	
<ul style="list-style-type: none"> Liquidated Damages Reporting 	February 12, 2010 5:00pm				
<ul style="list-style-type: none"> Metrics Graphs 	February 12, 2010 5:00pm				
<ul style="list-style-type: none"> Commercial Recycling Monthly Progress Report 	February 12, 2010 5:00pm				
<ul style="list-style-type: none"> Commercial Recycling Coordinators Call Logs 	February 12, 2010 5:00pm				
February	March 15, 2010 5:00 pm				
March	April 12, 2010 5:00 pm				
April	May 17, 2010 5:00 pm				
May	June 14, 2010 5:00 pm				
June	July 12, 2010 5:00 pm				



Attachment 1

Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – February 2010

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Notes</u>
July	August 16, 2010 5:00 pm				
August	September 13, 2010 5:00 pm				
September	October 18, 2010 5:00 pm				
October	November 8, 2010 5:00 pm				
November	December 13, 2010 5:00 pm				
December	January 14, 2011 5:00 pm				
MONTHLY BATTERY AND CELL PHONE COLLECTION PROGRAM UPDATE					
January	February 8, 2010 5:00pm	February 8, 2010 9:01 am	Yes	Yes	
February	March 8, 2010 5:00 pm				
March	April 12, 2010 5:00 pm				
April	May 10, 2010 5:00 pm				
May	June 7, 2010 5:00 pm				



Attachment 1

Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – February 2010

<u>Report</u>	<u>Date/Time Due</u>	<u>Date/Time Submitted</u>	<u>Submitted on Time</u>	<u>Compliant</u>	<u>Notes</u>
June	July 12, 2010 5:00 pm				
July	August 9, 2010 5:00 pm				
August	September 13, 2010 5:00 pm				
September	October 11, 2010 5:00 pm				
October	November 8, 2010 5:00 pm				
November	December 13, 2010 5:00 pm				
December	January 10, 2011 5:00 pm				
QUARTERLY COMMERCIAL TOP GENERATORS LIST					
Q1-2010	March 15, 2010 5:00 pm				
Q2-2010	June 15, 2010 5:00 pm				
Q3-2010	September 15, 2010 5:00 pm				
Q4-2010	December 15, 2010 5:00 pm				



Attachment 2

Republic Services Collection Services Franchise Agreement and Shoreway Facility Operations Agreement Contract Compliance - Quarterly Reports – February 2010

<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>
QUARTERLY MIS REPORT					
Q4-2009	February 14, 2010 5:00pm	February 15, 2010 9:52 am	Yes**	*	* Pending Review
Q1-2010	May 15, 2010 5:00pm				
Q2-2010	August 14, 2010 5:00pm				
Q3-2010	November 14, 2010 5:00pm				
QUARTERLY SRDC LIQUIDATED DAMAGES REPORT					
Q4-2009	February 14, 2010 5:00pm	February 15, 2010 8:36 am	Yes**	Yes	
Q1-2010	May 15, 2010 5:00pm				
Q2-2010	August 15, 2010 5:00pm				
Q3-2010	November 15, 2010 5:00pm				

**Both Q4 reports were technically submitted after the due date and time, however Staff is reporting them "On Time" due to the due date falling on Sunday and the Presidents' Day holiday.



Attachment 3							
Republic Services Collection Services Franchise Agreement Contract Compliance - Public Education and Outreach - February 2010							
<u>Residential Outreach</u>	<u>Frequency and Date Required</u>	2009			2010		
		<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	August	X				
Recycling Day Postcard Calendars	Annually each December	December & January**	X				
Twice Annual On-Call Bulky Item Collection Service notice - "Spring and Fall Cleanups"	Twice Annually						
	• Spring Events	January* & April	X				
	• Fall Events	September/October	X				
<u>Commercial Outreach</u>							
Commercial Recycling Guidelines	Annually ¹	Not Issued***	X		February***	X	
Commercial Recycling Bill Inserts	Four Per Year ²						
	• Q1	March	X				
	• Q2	Discontinued ³					
	• Q3	Discontinued ³					
	• Q4	Discontinued ³					

*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.

***The February mailing was a hold over from 2009 (approved by SBWMA staff) due Commercial Recycling Coordinator staffing changes being finalized.



Attachment 3 (continued)

**Republic Services Collection Services Franchise Agreement
Contract Compliance - Public Education and Outreach – February 2010**

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

¹ The Franchise Agreements do not specify a date.

² No specific dates are specified in the Franchise Agreements. The Franchise Agreements state "at least four (4) bill inserts a year."

³ Discontinued per the 2008 Performance Hearing recommendations.



STAFF REPORT

To: SBWMA Board Members
From: Cliff Feldman, Recycling Programs Manager
Monica Devincenzi, Recycling Outreach & Sustainability Manager
Date: February 25, 2010 Board of Directors Meeting
Subject: Recycling and Outreach Programs Update

Future Collection Services Public Education and Outreach

Public education coordination meetings with Recology San Mateo County are ongoing and will continue throughout the transition to the future services. Staff is also continuing its work with Jeffrey/Scott Agency (JSA), the firm selected to develop the RethinkWaste's public outreach strategy and materials, on finalizing 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 RethinkWaste 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 Phase I initial stakeholder engagement process in September and the Phase II stakeholder engagement 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 5,151 pounds was collected in January 2010.

RethinkWaste Website

The RethinkWaste website will also undergo some significant changes in the coming months to reflect RethinkWaste'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 332 visits per week since the last Board meeting, of which over 59% 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/RFOs," "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

Staff is currently working on the development of the Spring 2010 rethinker newsletter, which will focus on home composting, the new door-to-door household hazardous waste collection program and profile of the 2nd Annual Green Lifestyle winner. The issue will be sent out the first week of April.

Spring Compost Giveaway

Spring Compost Events are scheduled for March 13th and April 10th. Please submit your participation form as soon as possible. Please contact Jeannene Minnix Kingston for further information. jminnix@rethinkwaste.org.

Each Member Agency is entitled to 1 cubic yard of loose finished compost per ton of commercial organic material delivered to Newby Island or 1 cubic foot of bagged compost per 2 tons of commercial organic material delivered. Additional bagged compost can be obtained for \$1.58 per bag. Please see the table below:

Member Agency	Tons of Commercial Organic Material Delivered in 2009	Based on 2009 Materials, Average Amt of Compost Available in 2010	OR Average Compost BAGGED Allowance for 2010
Atherton	242	242	121
Belmont	458	458	229
Burlingame	1,280	1,280	640
East Palo Alto	117	117	59
Fair Oaks	500	500	250
Foster City	1,355	1,355	678
Hillsborough	325	325	163
Menlo Park	2,294	2,294	1,147
Redwood City	2,638	2,638	1,319
San Carlos	580	580	290
San Mateo	2,995	2,995	1,498
West Bay Sanitary District	44	44	22
TOTAL JPA	12,828	12,828	6,414

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 RethinkWaste 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, RethinkWaste will annually publish a list of approved C&D processing facilities that are certified to accept material.

Member Agencies were requested to respond to RethinkWaste 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 RethinkWaste service area. The program is implemented with assistance from RecycleWorks staff who has delivered 129 carts on behalf of RethinkWaste. The table on the following page provides a list of schools that have received carts to date.

List of Schools Provided Recycling Containers

School	City	Total Number of Carts Delivered
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

To: SBWMA Board Members
From: Hilary Gans, Facility Operations Manager
Date: February 25, 2010 Board of Director's Meeting
Subject: Facility Operations Update

Shoreway Masterplan Update

MRF foundation earth work was completed in the middle of January and work on the foundation pile driving has been ongoing throughout the month of February. Based on the current rate of production, pile driving for the MRF is expected to finish by the first week in March.

In January, the SBWMA approved a change order for the lime stabilization of the soil to provide assurance that the project would not incur substantial weather delays. With the heavy rains that occurred in late January, this proved to be a very good investment that has allowed pile driving to continue without substantial rain delays. In fact, the smooth lime treated surface has improved the speed at which piles can be driven which has had a positive impact on the construction schedule (for example, 33 work days were budgeted by the contractor for pile driving, yet the improved pile production has shortened this stage of work by roughly one week).

As a result of numerous comments from the City of San Carlos Building Department comments, BHS equipment design changes, and operator requested changes to the MRF building JRMA has had to make many changes to the original bid-set drawings. Since these changes were made to the drawings after the construction bidding and award of the construction work to S.J. Amoroso, there will be several change orders that will be required an that will increase the cost of the project. Staff is currently waiting for SJ Amoroso to provide cost quotes and estimates for necessary change orders. During March, Staff will be working to capture all cost change orders and revise the budget so that a revised MRF construction cost estimate can be presented at the March and April Board meetings.

SHOREWAY ENVIRONMENTAL CENTER Construction Cost Change Summary Report

Updated: 02/17/2010

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.
Total Cost Change				\$ 352,000	
Phase II-Construction Contingency				1,620,900	
Remaining				\$ 1,268,900	

** Italicized costs are estimates*



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Date: February 25, 2010 Board of Director's Meeting
Subject: Summary of Agency Milestones

Recommendation

This is an informational report and no Board Action is required.

Background

Staff has prepared the attached summary of key agency milestones for the past three years. The start of 2010 signifies a three anniversary since work was initiated on the agency's three key initiatives:

- Collection Services RFP development, RFP evaluation, selection of a contractor, and final franchise agreements
- Shoreway facility operations RFP development, RFP evaluation, selection of a contractor, and final agreement
- Shoreway masterplan development and approval, financing plan approval, sale of bonds, and initiation of construction activities

When you review the attached document I hope you feel the same way as my staff that a remarkable amount of high quality work has been completed resulting in achievement of all key agency milestones. The Board, Member Agencies, staff, our consultants, contractors and ultimately the ratepayers should all be exceptionally proud of what has been accomplished in such a relatively short period of time.

Now we are now entering the final phases of our key initiatives in partnership with our contractors to plan for and execute the rollout of new collection services, start new facility operations, and complete the masterplan construction activities.

Feel welcome to share your thoughts and ideas on how we can collectively celebrate our successes to date.

Attachment:

Key Agency Milestones (January 2007 – January 2010)



KEY AGENCY MILESTONES (January 2007 - January 2010)

1. Contractor Selection Process

Collection Services

- Draft, Review, Approve and Issue Collection Services RFP COMPLETE
- Evaluate RFP Responses and Recommend Contractor COMPLETE
- Select Collection Services Contractor COMPLETE
- Draft and Negotiate Final Uniform Franchise Agreement COMPLETE
- Final Franchise Agreements Approved by Member Agencies *IN PROGRESS*
- Commence Services Transition Planning Activities *IN PROGRESS*

Shoreway Operations

- Draft, Review, Approve and Issue Shoreway Facility Operations RFP COMPLETE
- Evaluate RFP Responses and Recommend Contractor(s) COMPLETE
- Select Shoreway Facility Operations Contractor COMPLETE
- Draft, Negotiate, Approve and Execute Final Operations Agreement COMPLETE
- Draft, Negotiate, Approve and Execute MRF Processing Equipment Design, Build and Install Contract with Selected Vendor COMPLETE
- Evaluate Transfer Station Processing System Feasibility *IN PROGRESS*

Offsite Materials Processing

- Draft, Approve and Issue Organics Processing RFP COMPLETE
- Evaluate Organics RFP Responses and Recommend Contractor *IN PROGRESS*
- C&D Material Processing Contract Extension COMPLETE

2. Shoreway Facility Master Plan

Master Planning

- Draft, and Approve Conceptual Master Plan COMPLETE
- Design and Approve Final Master Plan COMPLETE
- Secure Revised Conditional Use Permit COMPLETE
- Renew San Carlos Franchise Agreement COMPLETE
- Analysis of Onsite Solar Installation *IN PROGRESS*

Plan of Finance and Bond Issuance

- Develop and Approve Plan of Finance for Master Plan Improvements COMPLETE
- Issue New Debt COMPLETE
- Invest Bond Proceeds COMPLETE
- Monitor Bond Financing Proforma Metrics ONGOING
- Implement Tipping Fee Adjustments ONGOING

Construction Management Services

- Draft, Review, Approve, and Issue Construction Management RFP COMPLETE
- Evaluate RFP Responses and Recommend Contractor COMPLETE
- Execute Final Construction Management Services Agreement COMPLETE

Construction

- Issue Construction Bid and Award Construction Contract for Master Plan Phase 1 Scale house and Traffic Improvements COMPLETE
- Finish Phase 1 Scale house and Traffic Improvements Construction COMPLETE
- Issue Construction Bid and Award Construction Contract for Master Plan Phases 2 and 3 (MRF and Transfer Station Improvements) COMPLETE
- Secure Building Permits in Phased Approach *IN PROGRESS*
- Start and Finish Phase 2 Construction, New MRF Building and Public Recycling Center *IN PROGRESS*

- Start and Finish Phase 2 Construction, Transfer Station Expansion *PENDING*
- Review and Sign-Off on Final MRF Processing System Equipment Design *COMPLETE*
- Finish Phase 3 Installation of MRF Processing Equipment *IN PROGRESS*

Facility Interim Operations Plan

- Draft, Approve and Issue Offsite MRF Processing RFP *COMPLETE*
- Evaluate RFP Responses and Recommend Contractor(s) *COMPLETE*
- Select Offsite Processing Contractor *COMPLETE*
- Negotiate and Execute Contract *COMPLETE*
- Relocate Buyback Center and Recyclable Transfer *COMPLETE*
- Secure Short Term Lease with Hatcher Press *COMPLETE*

3. Contractor Implementation Plans

Collection Services

Public Education Campaign for the Rollout

- Draft, Approve and Issue Public Education Rollout RFQ *COMPLETE*
- Evaluate RFQ Responses and Recommend Contractors for Public Education Design Competition *COMPLETE*
- Complete Public Education Design Competition and Select Final Contractor *COMPLETE*
- Negotiate and Execute Agreement *COMPLETE*
- Develop and Approve SBWMA Rebranding *COMPLETE*

Recology Implementation Plan

- Review and Monitor Implementation Plan in Franchise Agreements *IN PROGRESS*

Shoreway Operations

SBR Implementation Plan

- Review and Monitor Implementation Plan in Operations Agreements *IN PROGRESS*

4. AB 939 Program Planning and Public Outreach

Curbside Battery Program

- Design, Approve and Rollout New Curbside Battery and Cell Phone Recycling Program COMPLETE
- Review and Update Website COMPLETE
- Review all C&D Ordinances and Make Recommendations to Improve COMPLETE
- Develop Public Education Campaign and Oversee Rollout of New Weekly Residential Organics Collection Program in San Carlos COMPLETE
- Negotiate, Approve and Execute C&D Contract Extension COMPLETE

Door to Door HHW Program

- Draft, Approve and Issue RFP for Door to Door HHW, Universal Waste and Sharps Collection Program COMPLETE
- Evaluate RFP Responses and Recommend Contractor COMPLETE
- Select Contractor, Negotiate Contract, and Execute Contract COMPLETE
- Develop Public Education Campaign and Oversee Rollout of Program *IN PROGRESS*

San Carlos Weekly Compostables/Food Scraps Program

- Assisted City with soliciting and evaluating the proposal. COMPLETE
- Assisted with planning and roll-out of new service. COMPLETE
- Developed and implemented the award winning public education campaign COMPLETE
- Conducting follow-up survey Monica *IN PROGRESS*
- Compostable materials diversion increased 38%!

Mandatory Commercial Recycling Program

- Design and Implement a Project to Develop Mandatory Commercial Recycling Ordinances COMPLETE
- Conduct a Stakeholder Engagement Process for Two Agencies COMPLETE
- Document the Stakeholder Engagement Process *IN PROGRESS*
- Draft Mandatory Commercial Recycling Ordinances for Two Agencies *IN PROGRESS*
- Assist with Implementation of Mandatory Recycling Policies *IN PROGRESS*

5. Organizational Development

- Develop, Approve and Issue RFP for PEO Services (HR and Payroll) COMPLETE
- Select Contractor, Negotiate Contract and Execute Contract with PEO COMPLETE
- Become Employer of Record and Secure Contracts with Benefits Broker and Retirement Service Providers COMPLETE
- Develop and Approve Employee Policies and Benefits Plan COMPLETE
- Develop and Approve Employee Compensation Policy COMPLETE



MARCH - JUNE 2010 BOARD AGENDA ITEMS (SUBJECT TO CHANGE)

March 25, 2010

- Resolution Approving Shoreway License Agreement with Recology San Mateo County
- Resolution Approving Agreement for Plant and Organics Materials Processing Services
- Quarterly Update on Bond Proforma Key Financial Metrics
- Update on Public Education Campaign for Rollout of New Collection Services

April 22, 2010

- Resolution Accepting the Calendar Year 2009 Annual Financial Statements

May 27, 2010

- Draft FY1011 Budget
- Quarterly Update on Bond Proforma Key Metrics
- Approval of Quarterly Investment Report as of 3/31/10

June 24, 2010

- Approval of FY1011 Operating and Capital Budget
- Approval of Tipping Fee Adjustments